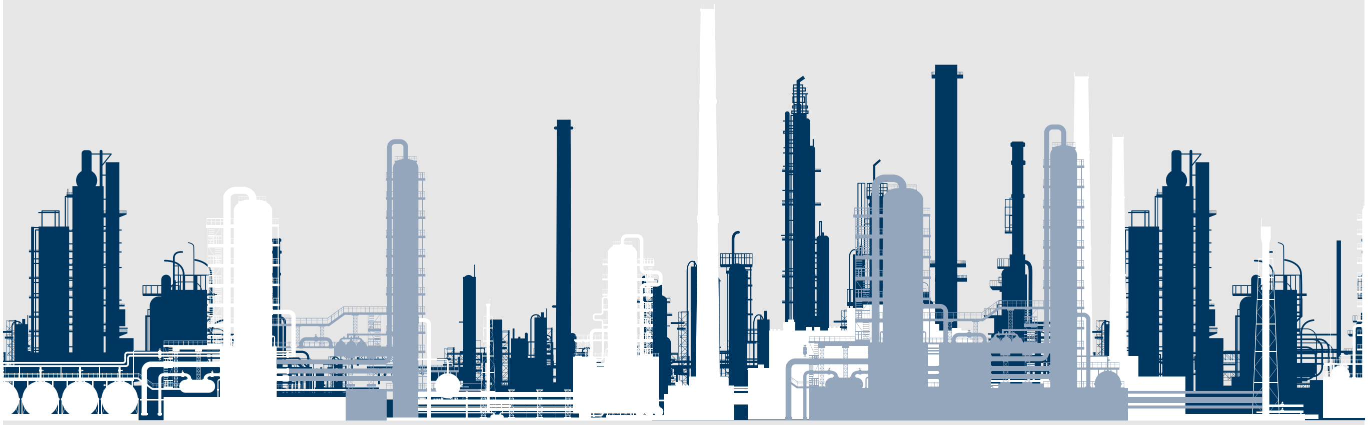
MAINTAINING MOMENTUM

Annual Financial Statements
30 June 2015



Contents

The Annual Financial Statements of Sasol Limited have been audited in compliance with section 30 of the South African Companies Act and Mr Bongani Nqwababa CA(Z), Chief Financial Officer is responsible for this set of Annual Financial Statements and has supervised the preparation thereof in conjunction with the Senior Vice President, Financial Control Services: Mr Paul Victor CA(SA).

How to read our Annual Financial Statements

Our Annual Integrated Report provides extensive cross-references to our other reporting publications, shown below:

AFS **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.

IR **Annual Integrated Report**
Our primary annual report to stakeholders. Contains succinct material information and conforms to local and international statutory reporting frameworks.

20-F **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.

SD **Sustainable Development Online Report**
Our annual online report covering environment, social and governance matters. Prepared in accordance with the GRI G4 framework.

MAINTAINING MOMENTUM

"Sasol's strong results for the 2015 financial year are testament to the resilience of our company, the diversity in our asset portfolio, and our ability to decisively respond to the volatile and uncertain global economic environment.

Through the commitment of our people and tailored business planning, we are making steady progress in mitigating the challenges of a low oil price environment, and continue to deliver sustainable value to our shareholders and ultimately all our stakeholders.

Our Business Performance Enhancement Programme is delivering sustainable cost savings ahead of expectations while our Response Plan allows us to conserve cash in a volatile environment. Cash flow generation remains robust which, together with our solid ungeared balance sheet, enables us to execute our growth projects in Southern Africa and the United States. Our US$8,9 billion world-scale ethane cracker and downstream derivatives complex in Lake Charles Louisiana remains on track to reach beneficial operation in 2018."

Bongani Nqwababa
Chief Financial Officer

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Chief Financial Officer

Our strong results for the 2015 financial year are testament to the resilience of our company, diversity in our asset portfolio, and our ability to decisively respond to the volatile and uncertain global economic environment.

MAINTAINING MOMENTUM THROUGH A LOW AND VOLATILE OIL PRICE ENVIRONMENT

1. Overview of financial year 2015

Financial year 2015 was a pivotal and challenging year for Sasol, marked by sluggish global economic growth with increased oil price and exchange rate volatility. Despite the challenging macroeconomic environment, the group delivered strong results with profit from operations increasing by 2% to R46,5 billion. This was underpinned by a strong operational performance across most of our global businesses, with increased sales volumes, resilient margins despite low oil prices and our continued focus on cost containment and cash conservation.

Our Business Performance Enhancement Programme (BPEP) introduced in 2012 helped us prepare for the dramatic fall in crude oil prices from US$110 per barrel in July 2014 to a low of US$45 per barrel in January 2015. Since then, oil prices steadied around US$50 to US$65 per barrel and fell below US$50 per barrel after 30 June 2015. We do expect lower and more volatile oil prices to continue in the short- to medium-term and appropriate measures will be taken, as demonstrated through our Response Plan, to respond to an even lower sustained low price. Our focus will remain on cash conservation and executing the Lake Charles Chemical Project (LCCP) in the United States (US), without compromising on the safety, reliability and the sustainability of our operations.

To mitigate the challenges of a lower-for-longer oil price environment, we implemented our Response Plan in January 2015 aimed at conserving cash of between R30 billion to R50 billion over a 30 month period. Simultaneously, we have reshaped our capital portfolio, changed our dividend policy and further reduced our cost base to ensure that we have the flexibility to respond decisively to a challenging global environment.

We have implemented our new simplified operating model effective 1 July 2014. Although only one year in operation, we have already seen improved operational performance ahead of our own expectations, with improved safety results across most of our businesses and more effective decision making. Our Secunda Synfuels Operations (SSO) increased production volumes by a further 2%, the highest throughput levels since 2004, whilst our Natref Operations production volumes increased by 6% on the back of improved operational stability. We have seen similar volume improvements in our chemicals business with both Performance and Base Chemicals recording a 2% increase in volumes on a normalised basis. These results, as well as the diversity of our asset base in weathering the current storm, is testament to the progress we have made in building a solid platform for improved operational performance.

Following decisive management actions introduced to ensure sustainable cost reductions, our normalised cash fixed costs remained flat in nominal terms compared to the prior year. The BPEP and Response Plan reduced our cash fixed costs, net of the implementation cost of the BPEP, by 5%, which was offset by the increase in South African producers' price index (SA PPI). This was achieved despite a challenging South African cost environment in respect of labour, maintenance and electricity costs. Through our Response Plan, we managed to conserve cash of R8,9 billion for the financial year 2015. This will enable us to effectively manage our balance sheet as we gear up the company for future growth.

In the year, as these changes have taken effect, we have had to reassess and refocus our medium- to long-term strategic aspirations for the group. These changes are within the context of delivering on our definition of victory to sustainably return value to our shareholders. We made our final investment decision on our US$8,9 billion world scale ethane cracker in the United States (US) as well as submitted our field development plan to the regulatory authorities in Mozambique for the Production Sharing Agreement licence area. Both these projects are key to deliver future sustainable value to our shareholders.

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.

Strategic objective	Key performance indicator	Financial risk
Sustainably deliver value to our shareholders	**Business Performance Enhancement Programme** Target – deliver sustainable cost savings of R4,3 billion by financial year 2017.	Our cost base Electricity costs above inflation Carbon tax risk
	Earnings growth Target – US dollar earnings growth of 10% per annum on a three-year moving average basis.	Current economic climate Crude oil prices Exchange rates Gas prices Chemical prices Our cost base Tax risks Regulatory changes Impairments
	Gearing Target – Achieve a gearing ratio of between 20% – 40%.	Delivering on capital projects Credit market risk and its impact on our debt profile Further decline in long-term oil and chemicals prices

a. Current economic climate and its impact on Sasol

Global growth increased over the course of 2015 at a similar pace to 2014 of around 3,4% but this overall growth masked marked growth divergences among major economies. The moderate and uneven recovery experienced since the global financial crisis in 2008 is expected to continue over the near- to medium-term.

The recovery in the US was stronger than expected, while economic performance in other developed economies remained weak, specifically in Europe and China. We expect growth to improve slightly in the Eurozone in the near-term, however, the outlook remains challenging due to weak business and consumer confidence, and persistent geopolitical risks. Globally, investor sentiment has been further impacted by the recent sharp correction in Chinese equity markets, the lead-up to the conclusion of a nuclear deal between Iran and world powers, and continuing commodity price volatility.

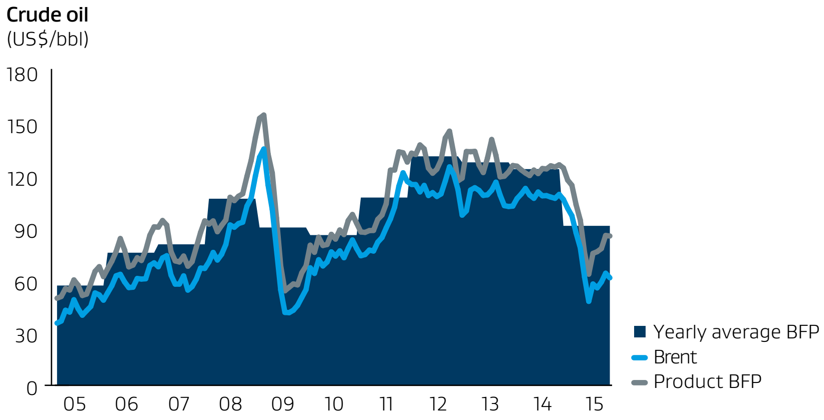
The current economic climate and macroeconomic environment impacts our ability to deliver sustainable value to shareholders. In order to address the challenges that the global economic climate is presenting, we continue to focus firmly on those factors that remain within our control.

Coupled with the general macroeconomic environment, Sasol is also impacted by crude oil prices, exchange rate volatility, natural gas and chemical prices. These impacts are discussed below.

b. Crude oil prices

We are exposed to the volatility associated with the selling price of fuel marketed by our Energy business. 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 refining margins.

Crude oil prices declined by about 33% since July 2014 due to a combination of unexpected demand weakness in some major economies and the increase in supply into the oil market from non-traditional sources. This resulted in the crude oil price averaging US$73,46 per barrel (/bbl) for the 2015 financial year, reaching a high of US$106,64/bbl, a low of US$48,18/bbl, and closed at US$61,69/bbl on 30 June 2015. This compares to an average of US$109,40/bbl for 2014.



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. In 2015, the hedge was highly effective and resulted in a gain of R473 million being recognised in the income statement. 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.

We expect crude oil prices to remain volatile at lower levels in the short- to medium-term. This is primarily due to an over-supply of oil in the market, potential Iranian and Iraqi production increases, high oil inventory levels, Chinese demand concerns and resilient US production. Demand growth is currently strong at 1,6 MMbpd for 2015, led by robust Atlantic basin demand, but is offset by slower growth in countries like China and Russia. Demand is expected to continue to grow through 2016. Oil supply growth has started to weaken in the US and non- Organization of the Petroleum Exporting Countries (OPEC) countries. We expect increased supply from Iraq and post-sanction Iran. Successful negotiations with Iran could result in an additional 0,1 to 0,2 MMbpd of oil to markets within the next two to three months and up to 0,7 MMbpd after a year. These low oil prices are, however, placing increasing financial pressure on OPEC countries. We continue to remain more cautious on the short-term outlook, and the risk of a downside spike in oil price remains. Supply and demand are likely to balance towards the end of calendar year 2017, with oil prices settling between US$80/bbl to US$100/bbl (in real terms) in the 2020s.

For forecasting purposes, we estimate that for every US$1/bbl increase in the annual average crude oil price, profit from operations will increase by approximately R811 million (US$64 million) in 2016. 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 are 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. Our chemical products are mostly commodity products whose prices are based largely on global commodity and benchmark prices quoted in US dollars.

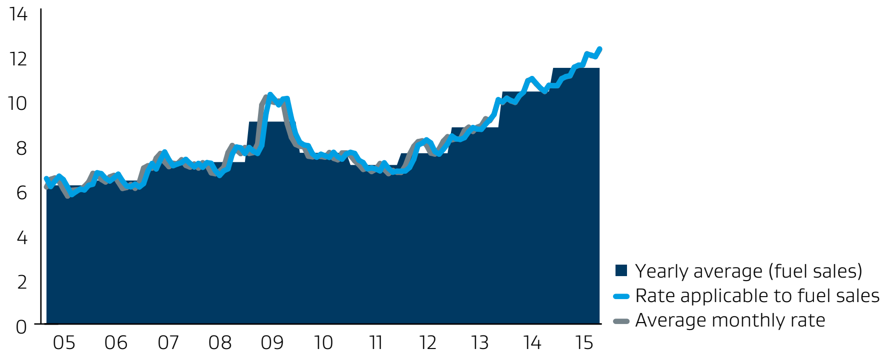
As a result, the average exchange rate for the year has a significant impact on our turnover and profit from operations. In order to protect our South African operations from the effects of exchange rate volatility, taking into account the weakening rand over the long-term, we hedge both our capital 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 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 annually. 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 current year, the average rand/US dollar exchange rate weakened by 10% compared to the prior year. The currency continued to remain volatile during the year and ended weaker at R12,17/US dollar at 30 June 2015 (2014 – R10,64/US dollar).

We believe that the rand is currently undervalued by more than 10% and the effects of wage negotiations in South Africa, 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 have 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 are not successful and result in industrial action.

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



For forecasting purposes, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact our operating profit by approximately R650 million (US$51 million) in 2016. 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. Gas prices

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 generation sectors because of 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.

Our investment in the Canadian shale gas assets, situated in the Montney Basin, supports our strategy to access low cost feedstock and 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 once we see an increase in gas prices.

Current gas prices in North America remain depressed. The spot natural gas price for the US benchmark (Henry Hub) deteriorated to US$2,80/million metric British thermal units (mmbtu) at 30 June 2015, compared to US$4,39/mmbtu at 30 June 2014.

e. Chemical prices

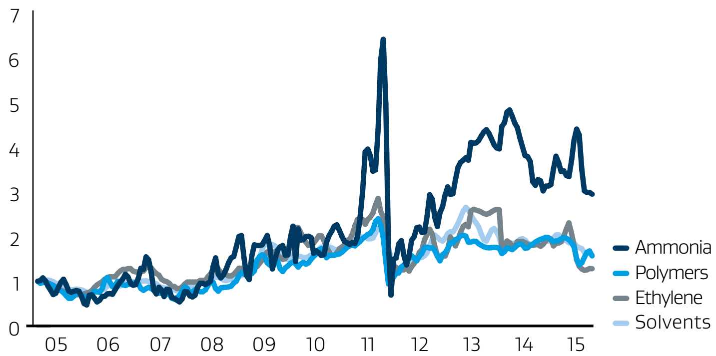
Our chemical products follow a typical demand cycle. Higher demand results in higher prices until new production capacity is introduced, at which point prices decrease. Over the longer-term, most commodity chemical prices tend to track crude oil based feedstock prices.

The strategy for our commodity chemicals business is therefore to have a diverse portfolio of robust assets and, wherever possible, to invest in the value chain from raw materials to final products. This strategy is aimed at ensuring resilience under a number of different oil price scenarios and industry cycles.

However, our European and US operations are not fully integrated across the value chain 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 percentge of July 1997)



The fall in oil prices in the year meant lower cost feedstocks for most of the chemical value chain and lower corresponding sales prices. However, continuing strong demand for chemicals supported margins.

In South Africa, over the short-term, chemicals prices have shown resilience when compared to the decline in average crude oil prices. Global and local demand/supply dynamics, as well as the competitive forces at play in markets within which we sell our Base Chemicals products, had a positive impact on the overall sales price levels achieved.

However, in Europe, for most of the Performance Chemicals business, the fall in the oil price had a less significant impact on gross margins due to the speciality nature of our products driven by stronger global demand for these products.

The availability of ample low-cost ethane feedstock, coupled with the extensive and sophisticated pipeline system on the US Gulf coast, were key to Sasol's final investment decision in the year for the US$8,9 billion LCCP. The project, which builds on our existing platform in Louisiana, is in line with the group's strategic objective to drive selective growth based on feedstock, market and/or technology advantage. Once commissioned in calendar year 2018, this world-scale ethane cracker and derivatives complex will triple Sasol's chemical production capacity in the US, enabling the group to further strengthen its position in a growing global chemicals market, while maintaining its momentum, despite the depressed oil price environment.

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 and supplemented with purchases from the open market. Once the new ethane cracker is operational, the ethylene from the existing Lake Charles operations will be supplemented by ethylene from the new ethane cracker.

f. Our cost base

In order to ensure that Sasol is structured in the most efficient and effective manner, we implemented the BPEP with one of the objectives aimed at reducing our cost base sustainably.

The BPEP's actual cost savings at 30 June 2015 amounted to R2,5 billion, which was R1 billion higher than the forecasted benefits of R1,5 billion previously communicated. The actual savings represent an annual run rate of R2,8 billion.

We still expect sustainable cost savings of R4,0 billion by the end of the 2016 financial year (off a 2013 cost base) with an exit run rate of at least R4,3 billion. Cost trends are still forecast to track SA PPI from the 2017 financial year. Refer to section 3 for additional information.

Cost reduction has been included as a specific target within our short-term incentive scheme with the objective of reducing costs to inflation, or 2% below inflation as a stretch target.

The risk of inflationary increases in the countries in which we operate could place further pressure on our cost base. Generally, we have seen that the rate of inflation in most major countries has been relatively low in recent years. In South Africa, the PPI index declined from its highs of 11,5% in 2008 to 5,0% in 2015. The weakening rand/US dollar exchange rate, labour cost increases and high electricity costs are key drivers impacting on inflation. However, through our collaborative relationships with organised labour unions, we have managed to conclude on our wage negotiation process for 2016, with no strikes, resulting in a stable and focused workforce. Refer section 7 for more details.

We have over recent years increased our own electricity generating capacity to about 70% of our own requirements. We have negotiated competitive Power Purchase Agreements with Eskom and are well positioned to manage the risk of future electricity price increases by being more independant with regards to our own electricity requirements.

g. Tax risk

The group focuses on minimising its tax risk in order to deliver sustainable value to our shareholders, and in turn, to all of our stakeholders.

The group tax strategy outlines the framework by which the group's tax obligations are met from an operational and risk management perspective. We adopt an overarching risk philosophy in relation to tax matters which aims to mitigate any adverse or unexpected financial consequences and protect our reputation.

The group has various processes and policies in place to ensure tax compliance and manage tax risk appropriately. The Sasol Limited Board remains closely involved in tax matters and supports the group tax strategy that outlines our approach to tax.

In our dealings with tax authorities, we are committed to fostering transparent and constructive relationships to ensure accurate, transparent and timely compliance with tax laws.

Sasol remains one of the largest corporate taxpayers in South Africa, contributing significantly to the country's economy. In 2015, Sasol paid R34,7 billion in direct and indirect taxes to the South African government through a wide range of taxes. We also collect other taxes, which include withholding taxes, on behalf of revenue authorities and assist tax authorities with their tax administration and collection processes. We support the development of tax policy and are involved in industry forum meetings with revenue authorities to ensure that tax policy objectives are achieved.

We are actively focussing on the following key tax areas to ensure no undue risk for our business:

Key focus area	Our Approach
Complying with the tax laws	Over the year, there has been a marked acceleration in the number of enforcement cases and queries on tax returns and application of the tax law in South Africa. We remain focused on ensuring tax compliance and transparency.
Changes in tax legislation and tax rates	We deal with large volumes of global tax policy and tax administration changes as countries develop laws and processes to secure increased levels of tax revenues. A key focus is to keep abreast with the changes and respond pro-actively, whilst always considering the impact on the group.
Transfer pricing	Transfer pricing is a complex mechanism that is attracting substantial attention. Revenue authorities in most jurisdictions are increasing their vigilance in this area by introducing new legislation and employing officials to police the implementation of this legislation. We are continuously evaluating our strategy, tax policy and approach in managing transfer pricing risk on our business to appropriate levels.
Withholding tax	Tax authorities globally are focusing on withholding taxes especially on interest, services and dividends. Difficulties are especially evident in Africa, arising from interpretational difficulties. We continuously evaluate all transactions which are subject to withholding tax to ensure that we comply with the relevant tax legislation.

h. 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.

The steep decline in oil prices and relatively low gas prices in North America triggered a number of impairment tests to determine whether the carrying value of our assets is recoverable. As a result, net impairments of R817 million have been recognised for the year ended 30 June 2015.

The most significant impairments include:

- Canadian shale gas assets – R1,3 billion (CAD133 million). Our shale gas assets in Canada continue to remain under pressure due to poor economic market conditions in North America which has largely resulted in a 19% lower gas price compared to the prior year. This impairment is in addition to the impairment of R5,3 billion recognised in the prior year. 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 CAD210 – CAD315 million. Some of these factors are within the control of management and are monitored closely to minimise the impact of potential impairments. The gas price however is a market price driven by supply and demand in North America. We continue to monitor this asset for further impairments or signs of recovery indicating a reversal of impairment.
- Impairment of Etame asset in Gabon – R1,3 billion (US$115 million). Due to the low oil price environment and continued souring of wells in the area, we impaired the Etame asset by R1,3 billion.
- Reversal of impairment on Fischer-Tropsch Wax Expansion Project (FTWEP) – R2,0 billion - Phase one of the FTWEP in Sasolburg reached beneficial operation in May 2015 and Phase two is expected to reach beneficial operation in January 2017. An impairment reversal of R2 021 million was recognised during the year mainly due to the extension of useful life of these assets from 2029 to 2034 and the long-term weaker Rand/US dollar exchange rate.

i. Delivering on capital projects

Delivering shareholder value sustainably will highly depend on the successful execution of our growth and sustenance projects. 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.

Our integrated operations are highly dependent upon the development and use of advanced technologies, and therefore, decisions affecting our business are made 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 best 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.

We also need to ensure the stability and reliability of our foundation businesses as they are key in delivering sufficient future cash flows to fund our growth projects, service our financial obligations and return dividends to our shareholders. We continuously strive to improve our operational 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. Emphasis is placed on the selection of effective projects, whose execution will deliver maximum return and asset value for our shareholders on the back of the most effective risk management strategy and process.

In selecting new growth projects, reference is made to our hurdle rate, being 1,3 times Sasol's WACC rate. In determining our WACC rate, the methodology applied is consistent with global best practice and includes adjustments to take country specific risk into account.

Refer to section 9 of this report for details on our capital allocation.

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

Global financial markets remain volatile, with the liquidity in Greece being one of the key contributors to the continued volatility. The markets have anticipated an interest rate increase in the US for the greater part of the 2015 calendar year, but the exact timing, pace and size thereof remains uncertain.

Despite the volatility, markets have remained open, with liquidity available to quality borrowers. Market volatility can have a more pronounced impact on the availability of liquidity to sub-investment grade borrowers than for investment grade borrowers.

In anticipation of the planned capital investments in our project pipeline, our funding requirements are monitored on a continuous basis as part of our enterprise risk management activities to ensure that appropriate levels of liquidity are maintained to minimise any adverse impact on our investment rating.

We have secured a US$4 040 million committed term loan facility, secured against the assets of Sasol Chemicals (USA) LLC, from a syndicate of 18 international banks and other financial institutions. Drawings under the loan will be used to fund the capital expenditure of the LCCP. This term loan provides long-term funding to balance the abundant short-term liquidity available to the group.

We also have access to the US$1 billion corporate bond issued in November 2012, 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 BPEP aimed at bringing greater focus and increased simplicity to how Sasol is structured and managed.

The process of implementing redesigned organisational structures and resulting employee placements was largely concluded by 30 June 2015. Nearly 2 500 voluntary separations and early retirement applications were approved by the company at 30 June 2015. The overall headcount reduced from 33 400 to 30 919 employees, a net reduction of 7,4%. This movement included the conversion of temporary to permanent employment of approximately 300 employees, and an increase in employee numbers relating to growth projects of nearly 300 employees. This restructuring process is expected to be completed early during the 2016 financial year.

The BPEP's actual cost savings at 30 June 2015 amounted to R2,5 billion, which is R1 billion higher than the forecasted benefits of R1,5 billion previously communicated. The actual savings represent an annual run rate of R2,8 billion.

We still expect sustainable cost savings of R4,0 billion by the end of the 2016 financial year (off a 2013 cost base) with an exit run rate of at least R4,3 billion. Cost trends are still forecast to track SA PPI from the 2017 financial year.

Implementation costs for the programme amounted to R1,9 billion for the full financial year, R200 million lower than planned. These costs included separation packages as well as the Enterprise Resource Planning implementation costs relating to our SAP project which was successfully implemented on 1 July 2015 for our South African Chemicals Business, supply chain, payroll, global human resources and safety, health and environment business processes.

4. Our Response Plan to lower oil prices

In response to a lower-for-longer oil price environment, we announced our Response Plan on 28 January 2015. We have set a 30-month cash conservation target range of between R30 billion to R50 billion, using 31 December 2014 as the baseline.

The Response Plan comprises of the following key areas:

- capital portfolio phasing and reductions – target of R13 billion to R22 billion;
- capital structuring – target of R8 billion to R12 billion;
- further cash cost reductions – target of R4 billion to R7 billion; and
- working capital and margin improvements – target of R5 billion to R9 billion.

To date, these areas have delivered a cash conservation benefit amounting to R8,9 billion, which is at the higher end of our guidance range of R6 billion to R10 billion for the 2015 financial year. Some of the decisive measures and key decisions taken to conserve cash include the delay of our gas-to-liquids (GTL) plant in the US, the change to our dividend policy, as well as the further optimisation of our organisational structures.

As part of our Response Plan to a lower-for-longer oil price environment, we are currently working to deliver further sustainable cash cost savings of R1 billion annually by the 2018 financial year. These savings will be achieved through already implemented organisational structure refinements, and the freezing of at least 1 000 non-critical vacancies and focused supply chain cost reductions.

5. Financial performance

Earnings attributable to shareholders for the year ended 30 June 2015 increased by 0,5% to R29,7 billion from R29,6 billion in the prior year. Headline earnings per share decreased by 17% to R49,76 and earnings per share increased by 0,3% to R48,71 compared to the prior year.

Profit from operations of R46,5 billion increased by 2% compared to the prior year. This achievement was due to an overall strong operational performance from most of our global businesses with increased sales volumes, resilient margins despite the significant decline in oil prices and cost trends managed to below inflation. The group's profitability was adversely impacted by a 33% decline in average Brent crude oil prices (average dated Brent was US$73,46/barrel for the year ended 30 June 2015 compared with US$109,40/barrel in the prior year). This decrease was partly off-set by a 10% weaker average rand/US dollar exchange rate (R11,45/US$ for the year ended 30 June 2015 compared with R10,39/US$ in the prior year).

In addition, Sasol's profitability for the 2015 financial year was also positively impacted by the following notable once-off and significant items:

- a cash-settled share-based payment credit to the income statement of R1,4 billion compared to an expense of R5,4 billion in the prior year, largely due to a 29% lower share price (closing share price of R450,00 compared to R632,36 in the prior year), partially negated by the increase in the number of share options exercised during the year;
- the extension of the useful life of our operating assets in South Africa amounting to a decrease in depreciation of R1,4 billion and environmental rehabilitation provisions of R1,8 billion; and
- net remeasurement items expense of R0,8 billion in the current year compared to a R7,6 billion expense in the prior year. These items relate mainly to the full reversal of the R2,0 billion impairment of the FT Wax Expansion Project, the partial impairment of our Canadian shale gas assets of R1,3 billion and the partial impairment of our Etame assets in Gabon of R1,3 billion.

Excluding the impact of these remeasurement items, net once-off charges and movements in our share-based payment expense, normalised earnings attributable to shareholders decreased by 30% from the prior year.

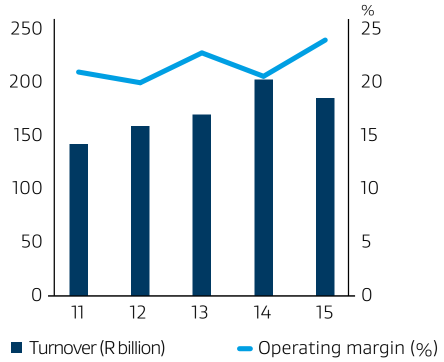
The reduction in the effective corporate tax rate from 32,6% to 31,7% was impacted by the R1,3 billion partial impairment of our Canadian shale gas assets.

Cash flow generated from operating activities decreased by 5,6% to R61,8 billion compared with R65,5 billion in the prior year. Our net cash position improved by 39% from R38,0 billion in June 2014 to R53,0 billion as at 30 June 2015 driven largely by the stronger than expected business performance.

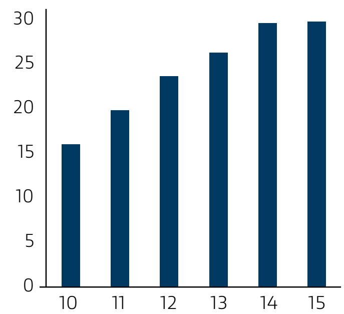
We measure our financial performance in terms of various financial ratios.

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

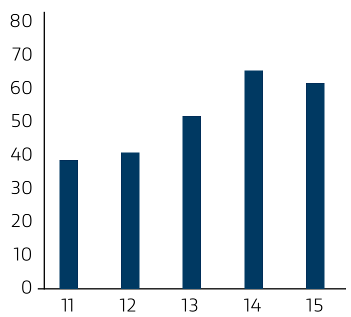
Turnover and operating margin
(R billion)



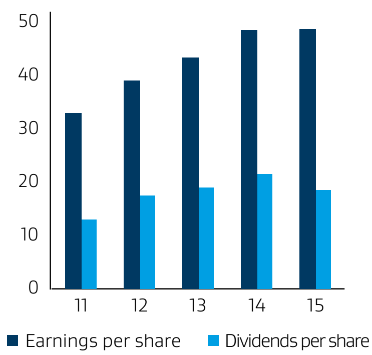
Profit attributable to shareholders
(R billion)



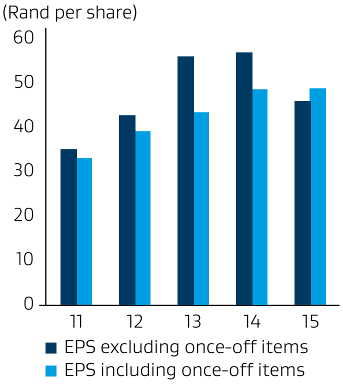
Cash generated by operating activities
(R billion)



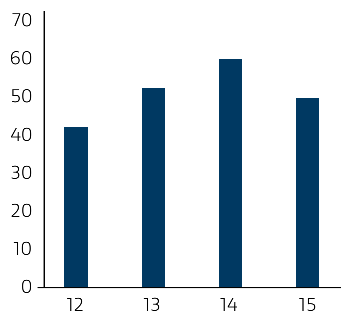
Earnings per share and dividend per share
(Rand per share)



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



Headline earnings per share
(Rand per share)



Key drivers impacting profit from operations

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

		2015 Rm	% change	2014 Rm	% change	2013 Rm
Turnover		**185 266**	**(9)**	202 683	19	169 891
Variable gross margin		**101 428**	**(7)**	108 983	22	89 400
Non-cash costs		**(548)**		14 354		4 061
Operating profit after remeasurement items		**44 492**	**7**	41 674	7	38 779
Operating profit margin	%	**24**		21		23
Operating profit margin before remeasurement items	%	**25**		24		25
Profit from operations		**46 549**	**2**	45 818	12	40 845
Earnings attributable to shareholders		**29 716**	**-**	29 580	13	26 274
Earnings per share	Rand	**48,71**	**-**	48,57	12	43,38
Headline earnings per share	Rand	**49,76**	**(17)**	60,16	14	52,62

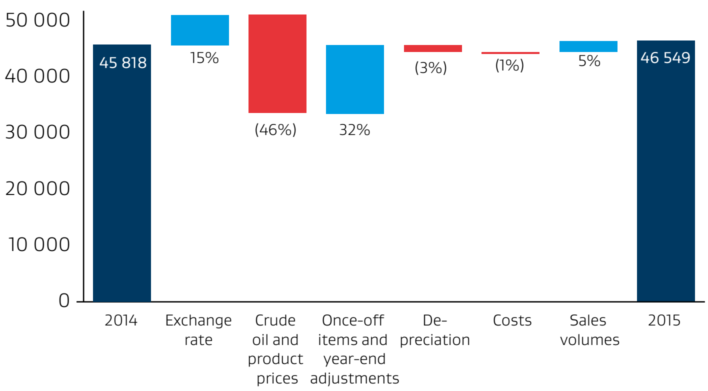
Profit from operations increased by 2% (R731 million) in 2015 compared to a 12% increase (R4 973 million) in 2014. The movement in the reported operating profit is due to the following primary drivers:

	2015 Rm	2015 %*	2014 Rm	2014 %*
Foreign currency effects	**6 486**	**15**	11 216	28
Crude oil and product prices	**(21 008)**	**(46)**	1 175	3
Once off items and year-end adjustments	**14 710**	**32**	(6 531)	(16)
Depreciation	**(1 426)**	**(3)**	(2 395)	(6)
Costs	**(381)**	**(1)**	(1 472)	(4)
Sales volumes	**2 350**	**5**	2 980	7
Increase	**731**	**2**	4 973	12

* *Reported as a percentage of profit from operations of the prior year.*

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

Profit from operations – price volume variance analysis
(R million)



6. Focusing on operational performance

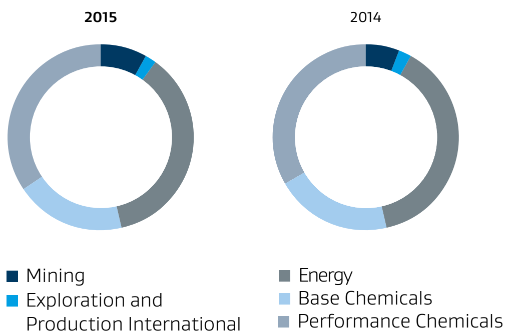
Notwithstanding a tough macroeconomic environment, we maintained a strong operational performance across our global integrated value chain over the year. Our Energy Business in Southern Africa increased its liquid fuels sales volumes by 5% to 61,5 million barrels compared to the prior year.

Our Chemicals Business delivered an exceptional performance, having consistently reported increased sales volumes over the past two years. Normalising for the impact of the sale of our Solvents Germany and Sasol Polymer Middle East (SPME) businesses and through focused marketing and sales initiatives, sales volumes for Performance Chemicals and Base Chemicals both increased by 2% from the prior year.

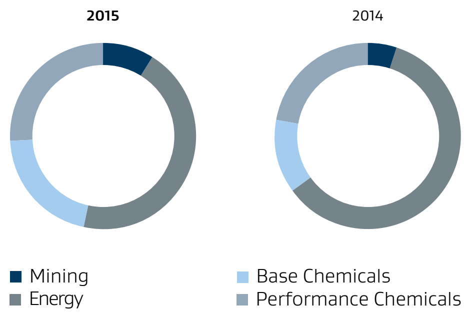
Internationally, our ORYX GTL facility sustained a solid performance in line with market guidance provided, with an average utilisation rate of 90% for the year, despite an earlier than planned shutdown during December 2014 to January 2015.

The composition of turnover and profit from operations by segment is set out below:

Contribution to group turnover (%)



Contribution to group profit from operations (%)



Segment report
for the year ended 30 June

Turnover R million 2013	Turnover R million 2014	Turnover R million 2015	Segment analysis	Profit/(loss) from operations R million 2015	Profit/(loss) from operations R million 2014	Profit/(loss) from operations R million 2013
15 958	19 342	**20 859**	**Operating Business Units**	**1 173**	(3 527)	328
12 324	14 134	**15 687**	Mining	**4 343**	2 453	2 214
3 634	5 208	**5 172**	Exploration and Production International	**(3 170)**	(5 980)	(1 886)
171 004	204 666	**187 312**	**Strategic Business Units**	**45 448**	50 013	38 074
71 952	86 052	**75 800**	Energy	**22 526**	31 423	26 973
43 637	45 040	**39 728**	Base Chemicals	**10 208**	6 742	4 146
55 415	73 574	**71 784**	Performance Chemicals	**12 714**	11 848	6 955
13	53	**221**	**Group Functions**	**(72)**	(668)	2 443
186 975	224 061	**208 392**		**46 549**	45 818	40 845
(17 084)	(21 378)	**(23 126)**	Intercompany turnover			
169 891	202 683	**185 266**				

Operating Business Units

Mining's profit from operations of R4 343 million was 77% higher than the prior year. This was mainly as a result of a 2% increase in productivity, optimal utilisation of production opportunities, benefits of the BPEP of R569 million and higher export coal volumes, which was partially negated by lower export coal prices. Normalised mining unit cost of production decreased by 2% compared to the prior year. Production volumes remained solid while achieving an 18% improvement in the safety recordable case rate (RCR).

Exploration and Production International (E&PI) recorded a loss from operations of R3 170 million compared to a loss from operations of R5 980 million in the prior year.

Excluding the partial impairment of our Canadian shale gas operations of R1 296 million, the partial impairment of R1 331 million of our Etame assets in Gabon, and a loss of R569 million on exiting the Nigerian upstream licences, E&PI businesses generated a profit of R26 million.

The Mozambican operations recorded a profit of R1 847 million mainly due to favourable gas prices and a 13% increase in gas volumes, coupled with increased cost containment initiatives. In Gabon, our operations recorded a loss of R1 124 million compared to a profit of R827 million in the prior year due to lower oil prices. Oil production in Gabon was slightly lower and averaged 16 284 barrels of oil per day (on a gross basis).

Our Canadian shale gas asset in Montney generated a loss from operations of R2 449 million compared to a loss of R7 003 million in the prior year, which included the partial impairment of the asset of R5 308 million (CAD540 million). Due to a further decline in gas prices in North America, we recognised an additional partial impairment of R1 296 million (CAD133 million) on our Canadian shale gas operations during this year. Excluding the effect of the impairment, the loss decreased to R1 153 million compared to R1 695 million in the prior year, mainly due to lower depreciation and operational costs. Our Canadian gas volumes were slightly higher than the prior year.

Despite the impact of lower gas prices and weaker oil prices affecting the profitability of the business, E&PI was able to contribute more than R3 billion to Sasol's cash conservation initiatives during the current year, through reduced capital cash flow and exploration spend and cash fixed cost savings.

Strategic Business Units

Energy recorded a 28% lower profit from operations of R22 526 million compared to the prior year with a solid operational performance. Production volumes at Secunda Synfuels Operations and Natref Operations increased by 2% and 6%, respectively, in comparison with the prior year.

In South Africa, our Energy Strategic Business Unit (SBU) profitability was enhanced by a 5% increase in liquid fuels sales volumes compared to the prior year and higher refining margins on the back of strong product differentials. Despite the 33% decrease in oil prices, our gross margins in this business decreased by only 19% for the year. Through our BPEP, we managed to contain our normalised cash cost increase per unit for the full year to below SA PPI. Gas sales were 1% higher compared to the prior year and our Central Termica de Ressano Garcia (CTRG) joint operation delivered 206 452 megawatt-hours of electricity.

The Energy SBU's share of profit from equity accounted joint ventures of R1 941 million decreased from R3 710 million in the prior year. This was mainly due to lower oil prices and an earlier than planned shutdown at our ORYX GTL facility. The plant achieved a utilisation rate of 90% while maintaining a world class safety RCR of 0. In Nigeria, the Escravos gas-to-liquids (EGTL) plant achieved beneficial operation (BO), with its first train achieving BO in June 2014, followed by the second train during November 2014. The EGTL plant continues to ramp up towards design capacity.

Base Chemicals delivered a strong performance, increasing profit from operations by 51% to R10 208 million compared to the prior year. Sales volumes, normalised for the sale of our Solvents Germany and SPME operations in the prior year, increased by 2%. Normalised cash fixed costs were contained to below inflation. The negative impact on margins, as a result of a 13% decline in dollar-based sales prices, was partly negated by the weaker rand/US dollar exchange rate. Chemical sales prices displayed some resilience when compared to the crude oil prices over the same period. Profit from operations further benefitted from the reversal of the administrative penalty of R534 million which was imposed by the Competition Tribunal in June 2014, and the lower depreciation charge amounting to R684 million which arose from the extension in the useful life of our operating assets in South Africa.

Performance Chemicals continued to deliver a solid performance, increasing profit from operations by 7% to R12 714 million compared to R11 848 million for the prior year. The financial performance was positively impacted by the R2 021 million impairment reversal of the FTWEP in Sasolburg and the weaker rand/US dollar exchange rate.

Normalising for the impairment reversal and the R2 449 million payment received from the European Commission in the prior year, profit from operations increased by 14% compared to the previous financial year. The positive operational performance is largely as a result of a 2% increase in sales volumes mainly due to improved production output, higher demand, and resilient gross margins, supported by a weaker rand/US dollar exchange rate.

In Euro terms, cash fixed costs were maintained within inflation.

Our business in the US realised favourable margins, despite a 33% decrease in oil prices, which negatively impacted the results of our ethylene value chain. Our European operations reported a 3% improvement in production volumes.

7. Our value drivers

Cash fixed costs

Being primarily a 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 5,0% for 2015 (2014 – 7,3%) and the average South African consumers' price index (SA CPI) was 5,1% (2014 – 6,0%).

Following decisive management actions introduced in the prior year to ensure cost discipline and focused cost reductions, our normalised cash fixed costs remained flat, despite a very challenging South African cost environment.

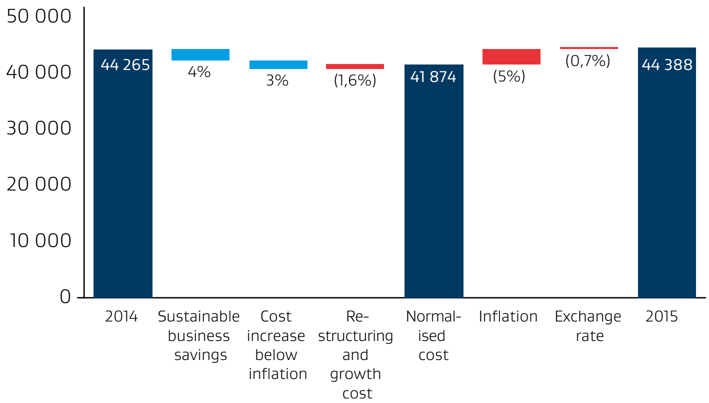
The factors affecting an increase in our cash fixed costs over the last year are as follows:

	2015 Rm	2014 Rm	%*
Cash fixed costs	**44 388**	44 265	0,3
Less exchange rates	**(301)**		
Total cash fixed costs excluding currency effects	**44 087**	44 265	(0,4)

* *Reported as a percentage of cash fixed costs of the prior year.*

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 above inflation;
- Costs incurred on growth initiatives and new projects; and
- Currency effects.

To mitigate these risks, our BPEP 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 cost base, of at least R4,0 billion by the end of the 2016 financial year, with an exit run rate of at least R4,3 billion. Cost trends are still forecast to track SA PPI from the 2017 financial year. As part of our Response Plan to a lower-for-longer oil price environment, we are currently working to deliver further sustainable cash cost savings of R1 billion annually, by the 2018 financial year. 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. A sharp increase in electricity costs may have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

South African industrial electricity tariffs increased by 12,69% on 1 April 2015 and may increase further in the 2016 financial year.

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 about 70% of our own electricity requirements. This was facilitated through the construction of the Sasolburg and Secunda gas fired power plants.

We have been able to mitigate this risk to some extent, in the short-term, 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 Italian operations and started up our 175 megawatt gas-fired power generation plant in Mozambique, in partnership with the country's state-owned power utility, Electricidade de Moçambique at Ressano Garcia (EDM), in which we own 49%. We are continuing to investigate further gas-to-power opportunities.

Managing our employee costs

One of our most significant costs relates to our employees. Our total employee costs, including share-based payment expenses, were R22,1 billion for the year compared to R28,6 billion in the previous year.

The decrease in labour costs is primarily due to a cash-settled share-based payment credit of R1,4 billion compared to an expense of R5,4 billion in the prior year, largely due to a 29% lower share price (closing price R450,00 compared to R632,36 in the prior year), partially negated by the increase in the number of share options exercised during the year.

Excluding the effect of the share-based payment, our employee costs increased by only R0,3 billion, approximately 1%. Our BPEP has assisted to manage our employee costs with nearly 2 500 voluntary separations and early retirement applications being approved by the Company at 30 June 2015. The overall headcount reduced from 33 400 to 30 919 employees.

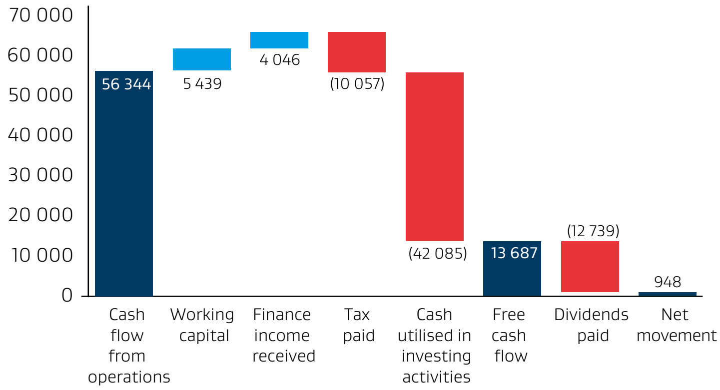
More than 60% of our employees globally are members of trade unions or works councils covered by collective agreements entered into with these parties. In South Africa, we have concluded wage negotiations for across the board increases in the different sectors, effective 1 July 2015, as follows:

- Mining sector: Four of the recognised trade unions agreed to an increase of 6,5% with an additional service increment of 0,5%, effective 1 January 2016;
- Chemicals sector: An increase of 6,5 and a further 0,5% effective 1 January 2016; and
- Petroleum sector: The second year of the two year agreement was an increase of April CPI plus 1,5%, being 6%.

8. Our cash flow generation and utilisation

	2015 Rm	2014 Rm	% change	2013 Rm	% change
Cash generated by operating activities	**61 783**	65 449	(7)	51 906	26
Additions to non-current assets	**45 106**	38 779	17	30 414	27
Increase in debt	**13 286**	905		8 049	
Free cash flow	**13 687**	19 909	(32)	16 769	18

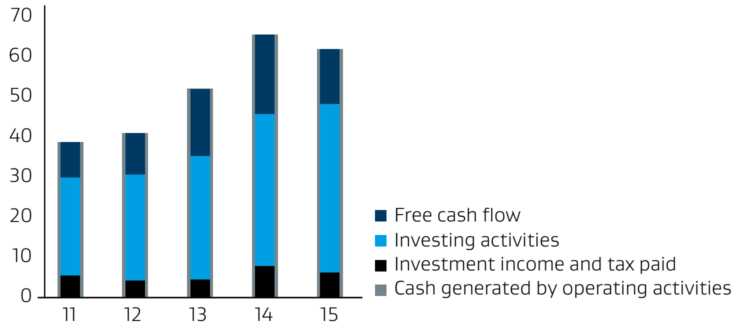
Free cash flow waterfall analysis
(R million)



We generated free cash flow of R13,7 billion in the year (2014 – R19,9 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.

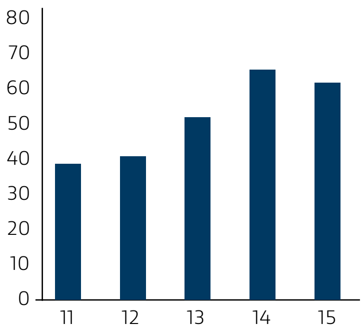
Free cash flow
(R billion)



a. Cash generated by operating activities

We have generated R61,8 billion cash from operating activities in 2015, and over the last three years, we have generated an average of R59,7 billion cash a year from operating activities.

Cash generated by operating activities
(R billion)



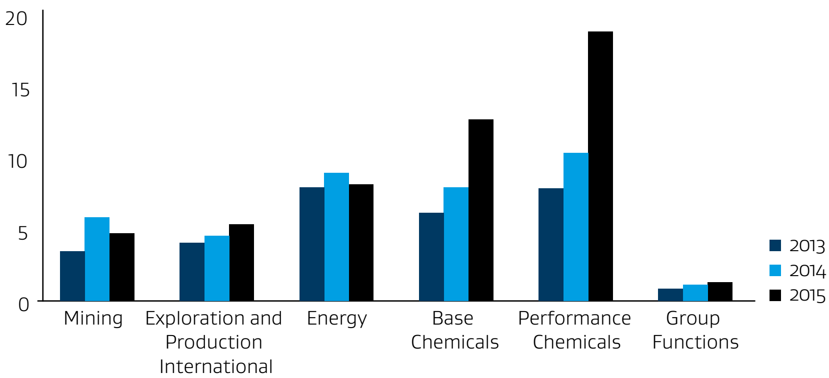
The current year has again seen all our businesses generate positive cash flow from operations with the most significant contributor being Energy. The Energy business contributed R23 billion to cash generated by operating activities, which was underpinned by the increased volumes.

Our working capital decreased by R5,4 billion during the 2015 financial year compared with the previous year. Trade receivables decreased by R1,6 billion in line with the decrease in turnover whilst inventory decreased by R3,8 billion mainly due to lower prices and lower stock volumes as a result of better working capital management. Our working capital ratio for 2015 was 11,7% compared with 14,3% of the previous year. Our target working capital ratio of 16% remains in place for 2016. The cash conservation programme, which we entered into in 2015 to better position the company in tough credit markets, continues to result in strong cash resources being available to the company. Our focus remains on strengthening our working capital management and credit exposure, and cash fixed cost containment continues.

b. Capital investments

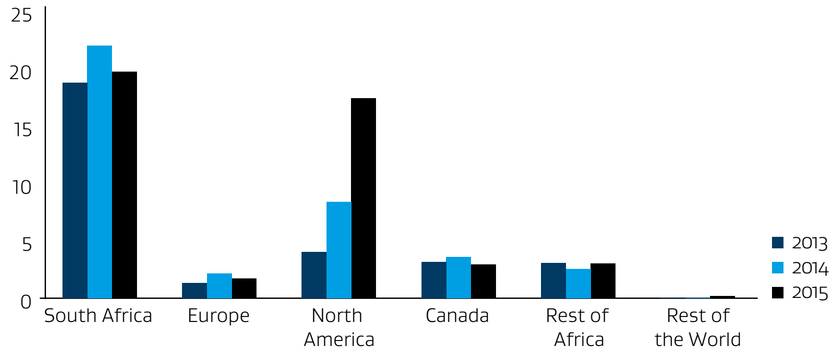
Our central treasury funds all capital investments of the group, which are executed by wholly-owned subsidiaries. The central treasury in turn is funded by means of a group cash pooling system. The net funding requirement is raised from the local and international debt markets and takes into account 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 R114,3 billion in capital investments, with R45,1 billion being invested in financial year 2015. This amount relates primarily to the ethane cracker and downstream derivatives project in the US, Secunda Synfuels Operations 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 and the United States, with some investments in Canada, Mozambique, Germany and Qatar.

Capital investments by geographic region
(R billion)

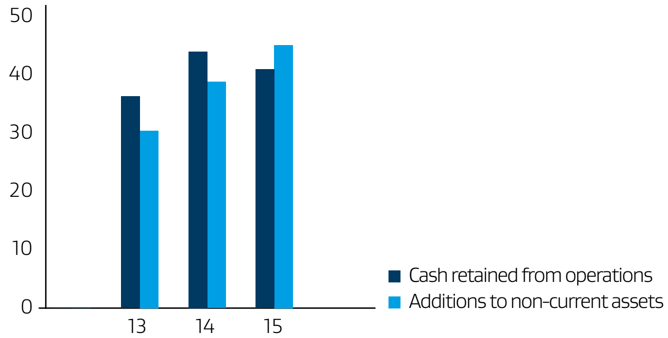


Our capital investment in South Africa was R20 billion in 2015, which is approximately 44% of the total capital investment for the year.

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

c. Cash utilisation

Cash utilisation
(R billion)



In 2015, the cash outflow of our capital investment programme exceeded the cash retained from operating activities by R4,2 billion.

9. Executing 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.

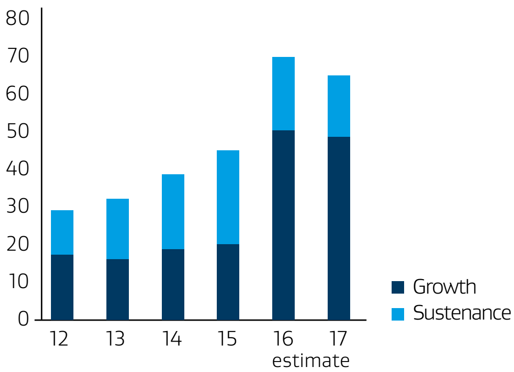
a. Allocating capital optimally

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 includes strategic alignment, competitive advantage, business robustness, financial returns, project risk and execution capability, project maturity and markets.

In line with our 30-month Response Plan targets to conserve cash of between R13 billion to R22 billion through capital portfolio phasing and reductions, we reduced our forecasted capital expenditure for the year from R50 billion to R45 billion. Actual capital expenditure (cash flow) during the year amounted to R45,1 billion. Due to the impact of the weakening of the rand/dollar exchange rate, our capital expenditure forecast increased to R70 billion for 2016 and R65 billion for 2017.

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

c. Financing our capital projects

We actively consider all alternatives to fund our capital investments. Internal funding options, such as the phasing or reduction of capital expenditure, enhancing project economics, as well as cost optimisation, are generally preferred to more expensive debt and equity funding. However, these internal alternatives include an element of risk and associated costs.

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 is therefore 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 Southern Africa and North America. Capital investments in these regions will constitute a significant portion of our total capital expenditure over the next 10 years. Our gearing remains low, and we have sufficient headroom in our balance sheet to fund our growth opportunities, grow dividends and provide a buffer against volatilities. Given that a large portion of our funding for our capital intensive growth plan will come from the offshore debt markets, we are acutely aware that we need to manage our gearing within our long-term targeted range. We expect that our gearing is likely to reach our targeted gearing range of 20% – 40% in the near-term.

Following the successful issue 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 funding 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 to provide a foundation for our long-term shareholder value proposition.

10. 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:

	2015 Rm	2014 Rm	2013 Rm
Long-term debt	**42 066**	25 921	22 648
Short-term debt	**534**	135	257
Bank overdraft	**319**	379	748
Total debt	**42 919**	26 435	23 653
Less cash (excluding cash restricted for use)	**48 329**	37 155	25 247
Net (cash)/debt	**(5 410)**	(10 720)	(1 594)
Increase/(decrease) in funding	**13 286**	905	8 049

The ratio of long-term debt to short-term debt of 98:2 in 2015 remained unchanged when compared to 2014. The average tenure of our debt portfolio is 8 years. The movement in long-term debt comprises mainly of proceeds of new debt raised of R17 229 million, offset by payments of debt totalling R3 943 million for the year. The new debt relates mainly to the funding of the LCCP in the US.

a. Debt profile

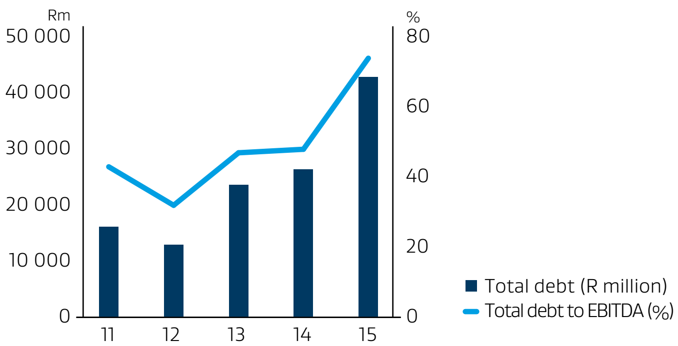
Our long-term capital expansion projects are financed by a combination of floating and fixed rate long-term debt, as well as internally generated funds. This debt is normally financed in the same currency as the underlying project and the repayment terms are designed to match the cash flows expected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

Our debt profile at 30 June analysed by currency was:

	2015		2014		2013	
	Rm	**%**	Rm	%	Rm	%
Rand	**18 866**	**44**	14 575	55	12 067	51
US dollar	**23 332**	**54**	10 890	41	10 326	44
Euro	**721**	**2**	780	3	593	2
Other	**–**	**–**	190	1	667	3
Total debt	**42 919**	**100**	26 435	100	23 653	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.

Total debt to EBITDA



b. Credit ratings

Our credit rating is influenced by some of our more significant risks which include 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.

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. Standard and Poor's (S&P) current outlook on Sasol is stable. The foreign currency credit rating by S&P is BBB/Stable/A-2.

c. Strategy for mitigation of interest rate risk

Our debt is comprised of different instruments, which by their nature either bear interest at a floating or a fixed rate. We monitor the ratio of floating and fixed interest in our loan portfolio and may manage this ratio, by electing to incur either bank loans, bearing a floating interest rate, or bonds, which bear a fixed interest rate.

We may also use interest rate swaps, where appropriate, to convert some of our debt into either floating or fixed rate debt to manage the composition of our portfolio.

In July 2015, we entered into an interest rate swap to convert 50% of the US$4 040 million term loan facility incurred by Sasol Chemicals (USA) LLC to part fund the capital expenditure of the LCCP from a variable rate to a fixed rate. In some cases, we may also use an interest rate collar, similar to the crude oil hedge instrument which we have used in the past, enabling 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:

	2015		2014	
	Rm	**%**	Rm	%
Fixed interest rates	**16 719**	**39**	15 025	57
Variable interest rates	**25 468**	**59**	10 805	41
Non-interest bearing	**732**	**2**	605	2
Total debt	**42 919**	**100**	26 435	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.

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 the 2009 financial year. On 7 February 2011, 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).

b. Total shareholder return

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

The Sasol ordinary share price has been volatile over the past six years. A shareholder who purchased a Sasol share on 30 June 2010 at R274,60 would have received R100,00 in cumulative dividends. Based on a closing share price of R450,00 on 30 June 2015, the share price has appreciated by R175,40 in capital over the same period. The share performance over this period is directly related to improved operational efficiency, cost containment initiatives and the partial recovery of the global economy following the 2008 economic crisis and continuous macroeconomic uncertainties. The volatility of the Brent crude oil price, coupled with the rand/US dollar exchange rate, has further contributed to the lower share performance, especially during the current financial year.

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 five year period ending 30 June 2015 was 101%, expressed in rand terms and 26% in US dollar terms, which is in the mid-range of peers.

c. Dividends

Sasol has revised its dividend policy from a progressive dividend policy to a dividend cover range based on headline earning per share, which takes into consideration various factors, including overall market and economic conditions, Sasol's financial position, capital investment plans as well as earnings growth. The dividend policy provides flexibility for the Group to manage its balance sheet. This will also allow the group to execute its growth programme while continuing to return value to shareholders through dividend payouts.

Our policy is to pay a dividend to shareholders on a bi-annual basis (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.

The dividend cover was 2,7 times at 30 June 2015 (30 June 2014: 2,8 times). The Sasol Limited Board of Directors has declared a final gross dividend of R11,50 per share (15% lower than the prior year). The dividend demonstrates our commitment to return value to shareholders through dividends payouts.

12. Outlook for 2016

Despite the headlines of economic uncertainty and geopolitical tensions, the underlying fundamentals of our business remain attractive over the long-term.

Against a background of a global economy that is likely to remain volatile as the after-effects of the global financial crisis continue to linger, we remain focused on factors within our control: volume growth, margin improvement and cost containment.

Global economic growth is expected to continue at a moderate and uneven pace over the near-term. We expect oil prices to remain low until the end of the 2017 calendar year. The rand exchange rate is expected to be under pressure mainly as a result of potential interest rate increases in the US as well as concerns with regards to the South African economy and rate of growth.

We remain on track to deliver on our expectations for improved operational performance and resilient margins in the lower for longer oil price environment. On the back of our BPEP, we aim to progress cost optimisation initiatives and to contain normalised cash fixed costs within South African PPI inflation. We will continue to progress our attractive growth projects, underpinned by our focus on improving operational efficiencies and working capital.

We expect an overall strong production performance for the 2016 financial year, with:

- Liquid fuels product volumes for the Energy SBU in Southern Africa to be above 60 million barrels;
- The average utilisation rate of ORYX GTL in Qatar to be above 87% of nameplate capacity, taking a statutory shutdown into account;
- Chemicals sales volumes to be slightly higher than the prior year, with margins in Base Chemicals under pressure and in Performance Chemicals, varied margins expected for our different product streams;
- Average Brent crude oil prices to remain between US$50 and US$60 during the next financial year;
- Cash fixed costs to be below SA PPI, taking into account the R4,0 billion cash cost savings, as a result of the BPEP, with an exit run rate of at least R4,3 billion by the end of financial year 2016;
- Capital expenditure of R70 billion for 2016 and R65 billion in 2017, as we progress with the execution of our growth plan and strategy*;
- Our balance sheet gearing up to a level of between 15% and 30%; and
- The Response Plan cash flow contribution to range between R10 billion and R16 billion

*These estimates may be impacted by further exchange rate volatility or the rate of progress of our LCCP in the US.

Our balance sheet remains strong and is again testament to our commitment to deliver value. We will continue to diligently manage each of our value drivers, to create value for our shareholders on a sustainable basis.

13. Thanks and acknowledgement

I am encouraged by the quick and decisive actions taken by the management team in responding to the low oil price environment, and by our people for driving the cost containment and cash conservation programmes to make Sasol a more agile and fit-for-purpose organisation.

On behalf of my executive colleagues, I wish to express my sincere gratitude to the financial team, led by Paul Victor until 28 February 2015, for their hard work and achievements during a year of great change and uncertainty, both internally and externally, and for their ongoing commitment to the company.

Through the determination and integrity displayed by our financial personnel as well as an understanding of the economic and financial pressures, together we have been able to deliver quality financial information for our stakeholders, which reflects our objectives and values for long-term success. Lastly, I thank the Group Executive Committee and our Board of Directors for their valuable contribution and support in a year during which we had to make important financial strategic decisions.

Bongani Nqwababa
Chief Financial Officer

4 September 2015

Eleven year financial performance

	% Change 2015 vs. 2014	2015 Rm	2014 Rm	2013 Rm	2012 Rm
Statement of financial position					
Property, plant and equipment		**135 822**	111 449	100 989	85 214
Assets under construction		**61 977**	51 320	39 865	33 112
Other intangible assets		**1 703**	1 882	1 418	943
Other non-current assets		**17 419**	18 242	17 831	17 144
Current assets		**106 678**	97 371	86 062	61 170
Total assets	15,5	**323 599**	280 264	246 165	197 583
Total equity	12,4	**196 483**	174 769	152 893	127 942
Interest-bearing debt		**42 253**	25 879	23 139	12 497
Interest-free liabilities		**84 863**	79 616	70 133	57 144
Total equity and liabilities	15,5	**323 599**	280 264	246 165	197 583
Income statement					
Turnover	(8,6)	**185 266**	202 683	169 891	159 114
Operating profit	6,8	**44 492**	41 674	38 779	31 749
Share of profits of equity accounted joint ventures, net of tax		**2 098**	3 810	1 562	4 545
Share of (losses)/ profits of associates, net of tax		**(41)**	334	504	416
Net finance costs		**(956)**	(705)	(1 139)	(1 007)
Profit before tax	1,1	**45 593**	45 113	39 706	35 703
Taxation		**(14 431)**	(14 696)	(12 595)	(11 501)
Profit	2,4	**31 162**	30 417	27 111	24 202
Attributable to					
Owners of Sasol Limited	0,5	**29 716**	29 580	26 274	23 580
Non-controlling interests in subsidiaries		**1 446**	837	837	622
		31 162	30 417	27 111	24 202
Statement of cash flows					
Cash flow from operations	(16,6)	**56 344**	67 592	55 184	44 703
Decrease /(increase) in working capital		**5 439**	(2 143)	(3 278)	(3 842)
Cash generated by operating activities	(5,6)	**61 783**	65 449	51 906	40 861
Finance income received		**4 046**	5 920	6 063	6 574
Finance costs paid		**(2 097)**	(499)	(523)	(482)
Tax paid		**(10 057)**	(13 647)	(10 367)	(10 612)
Cash available from operating activities	(6,2)	**53 675**	57 223	47 079	36 341
Dividends paid		**(12 739)**	(13 248)	(10 787)	(9 600)
Cash retained from operating activities	(6,9)	**40 936**	43 975	36 292	26 741
Additions to non-current assets		**(45 106)**	(38 779)	(30 414)	(28 539)
Acquisition of interests in associates		**–**	(519)	–	–
Acquisition of interests in joint operations and joint ventures		**–**	–	(730)	(24)
Other movements		**3 021**	1 485	311	2 040
(Increase)/decrease in funding requirements		**(1 149)**	6 162	5 459	218

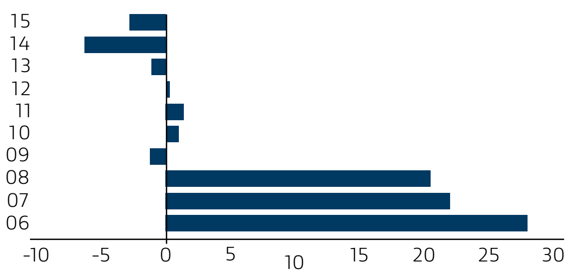
sasol

2011 Rm	2010 Rm	2009 Rm	2008 Rm	2007 Rm	2006 Rm	2005 Rm	Compound annual growth rate % 5 years	10 years
79 245	72 523	70 370	66 273	50 611	39 929	39 618	13,4	13,1
29 752	21 018	14 496	11 693	24 611	23 176	18 088		
1 265	1 193	1 068	964	629	775	1 053		
7 402	7 416	6 920	6 359	4 839	3 235	3 324		
59 781	53 723	53 011	54 833	38 375	36 043	26 095		
177 445	155 873	145 865	140 122	119 065	103 158	88 178	**15,7**	**13,9**
109 860	96 425	86 217	78 995	63 269	52 984	44 006	**15,3**	**16,1**
15 522	15 032	17 814	19 455	18 925	17 884	18 745		
52 063	44 416	41 834	41 672	36 871	32 290	25 427		
177 445	155 873	145 865	140 122	119 065	103 158	88 178	**15,7**	**13,9**
142 436	122 256	137 836	129 943	98 127	82 395	69 239	**8,7**	**10,3**
29 950	23 937	24 666	33 816	25 621	17 212	14 386	**13,2**	**12,0**
–	–	–	–	–	–	–		
292	217	270	254	405	134	184		
(826)	(782)	(741)	(413)	(323)	(230)	(438)		
29 416	23 372	24 195	33 657	25 703	17 116	14 132	**14,3**	**12,4**
(9 196)	(6 985)	(10 480)	(10 129)	(8 153)	(6 534)	(4 573)		
20 220	16 387	13 715	23 528	17 550	10 582	9 559	**13,7**	**12,5**
19 794	15 941	13 648	22 417	17 030	10 406	9 449	**13,3**	**12,1**
426	446	67	1 111	520	176	110		
20 220	16 387	13 715	23 528	17 550	10 582	9 559		
41 018	30 762	37 194	42 558	28 618	28 284	21 081	**12,9**	**10,3**
(2 379)	(3 424)	10 993	(7 818)	(186)	(3 749)	(2 179)		
38 639	27 338	48 187	34 740	28 432	24 535	18 902	**17,7**	**12,6**
1 380	1 372	2 264	957	1 059	444	169		
(898)	(1 781)	(2 168)	(2 405)	(1 816)	(1 745)	(1 523)		
(6 691)	(6 040)	(10 252)	(9 572)	(7 251)	(5 389)	(3 753)		
32 430	20 889	38 031	23 720	20 424	17 845	13 795	**20,8**	**14,6**
(6 614)	(5 360)	(7 193)	(5 766)	(4 613)	(3 660)	(2 856)		
25 816	15 529	30 838	17 954	15 811	14 185	10 939	**21,4**	**14,1**
(20 665)	(16 108)	(15 672)	(10 855)	(12 045)	(13 296)	(12 616)		
–	–	–	–	–	–	–		
(3 823)	–	–	–	–	–	–		
23	(596)	3 154	11	1 500	1 013	299		
1 351	(1 175)	18 320	7 110	5 266	1 902	(1 378)		

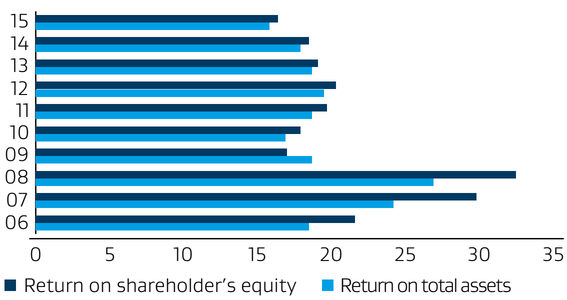
Key performance indicators

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

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

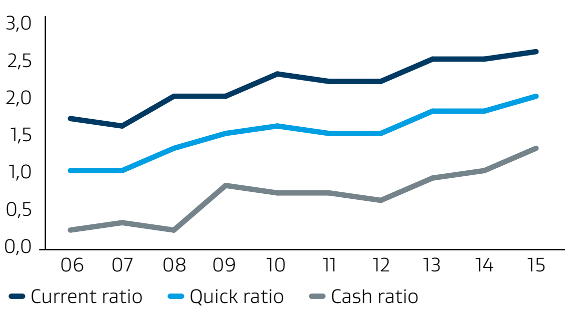


Profitability
(%)

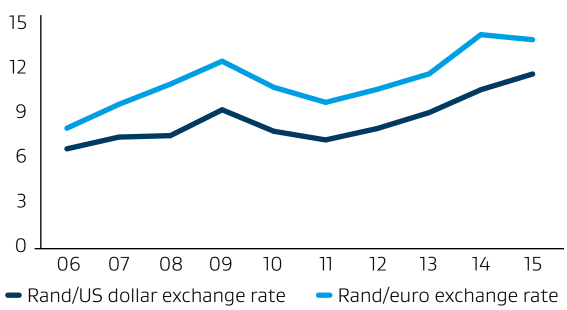


	Target range	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
– :1		**2,6**	2,5	2,5	2,2	2,2	2,3	2,0	2,0	1,6	1,7
– :1		**2,0**	1,8	1,8	1,5	1,5	1,6	1,5	1,3	1,0	1,0
– :1		**1,3**	1,0	0,9	0,6	0,7	0,7	0,8	0,2	0,3	0,2
– %		**66,3**	61,7	62,4	55,6	63,1	63,3	71,1	79,9	90,6	95,4
– %		**22,4**	15,5	15,8	10,4	15,1	16,8	22,0	26,3	31,7	34,7
– %	**20 – 40**	**(2,8)**	(6,3)	(1,1)	0,3	1,4	1,0	(1,2)	20,5	22,0	28,0
– times		**1,4**	2,5	2,2	3,1	2,4	1,7	2,6	1,7	1,5	1,3
– times		**22,8**	94,3	79,4	77,8	34,8	14,3	12,3	14,5	14,8	10,1
– %		**16,4**	18,5	19,1	20,3	19,7	17,9	17,0	32,5	29,8	21,6
– %		**15,8**	17,9	18,7	19,5	18,7	16,9	18,7	26,9	24,2	18,5
– %		**19,5**	21,6	22,4	23,3	22,1	19,1	20,7	31,2	30,8	23,6
– %		**25,8**	28,7	29,6	30,4	30,3	27,8	32,4	48,9	46,2	36,5
– %		**54,7**	53,7	52,5	48,1	50,9	51,6	47,5	51,9	51,2	53,5
– %		**24,0**	20,6	22,8	20,0	21,0	19,6	17,9	26,0	26,1	20,9

Liquidity ratios



Average exchange rates



Efficiency	Measures the effectiveness and intensity of the group's management of its resources
Net asset turnover ratio	Turnover / Average total assets – average total liabilities
Net operating asset turnover ratio	Turnover / Average total operating assets – average total liabilities
Depreciation to cost of property, plant and equipment	Depreciation / Cost of property, plant and equipment
Net working capital to turnover	(Inventories + trade receivables + other receivables and prepaid expenses) – (trade payables and accrued expenses + other payables) / Turnover
Shareholders' returns	Measures key financial variables on a per share basis
Attributable earnings per share	Attributable earnings / Weighted average number of shares in issue after the share repurchase programme
Headline earnings per share	Headline earnings (refer note 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	Headline 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 (decrease)/increase 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

* From 2011 the ratios reflect employee cost before labour cost capitalised to assets under construction.

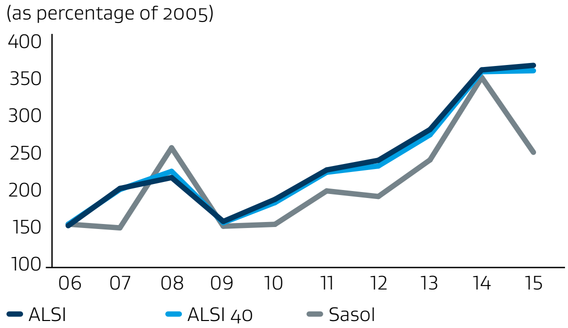
	Target range	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
– times		**1,0**	1,2	1,2	1,3	1,4	1,3	1,7	1,8	1,7	1,7
– times		**1,4**	1,7	1,6	1,7	1,8	1,7	2,0	2,5	2,9	3,0
– %		**5,4**	6,3	5,9	5,6	5,0	4,9	4,7	4,1	3,8	4,5
– %	**16,0**	**11,7**	14,3	15,7	14,7	14,4	15,3	11,2	21,4	18,5	20,2
– SA rand		**48,71**	48,57	43,38	39,09	32,97	26,68	22,90	37,30	27,35	16,78
– US dollar		**4,25**	4,67	4,90	5,02	4,71	3,51	2,53	5,11	3,80	2,62
– SA rand		**49,76**	60,16	52,62	42,28	33,85	26,57	25,42	38,09	25,37	22,98
– US dollar		**4,35**	5,79	5,95	5,43	4,83	3,50	2,81	5,22	3,52	3,59
– SA rand		**18,50**	21,50	19,00	17,50	13,00	10,50	8,50	13,00	9,00	7,10
– US dollar		**1,41**	2,06	1,92	2,14	1,92	1,37	1,10	1,65	1,27	1,01
– times	**2,2 - 2,8**	**2,7**	2,8	2,8	2,5	2,6	2,5	3,0	2,9	2,8	3,2
– SA rand		**315,36**	281,68	247,12	208,21	178,89	157,63	141,14	128,44	100,55	84,45
– %		**(8,6)**	19,3	6,8	11,7	16,5	(11,3)	6,1	32,4	19,1	19,0
– %		**13,2**	15,2	14,2	12,4	13,3	14,4	12,7	11,1	11,9	11,6
– %		**7,3**	6,7	6,5	5,6	5,2	5,5	4,5	4,0	4,1	5,2
– %		**31,7**	32,6	31,7	32,2	31,3	29,9	43,3	30,1	31,7	38,2
		30 919	33 400	33 746	33 415	33 708	33 054	33 164	33 928	31 860	31 460
– R million		**24 370**	30 747	24 033	19 662	18 907	17 546	17 532	14 443	11 695	9 551
– R thousand		**788**	921	712	588	561	531	529	426	367	304
– US$/bbl		**73,46**	109,40	108,66	112,42	96,48	74,37	68,14	95,51	63,95	62,45
– :1		**12,17**	10,64	9,88	8,17	6,77	7,67	7,73	7,83	7,04	7,17
– :1		**11,45**	10,39	8,85	7,78	7,01	7,59	9,04	7,30	7,20	6,41
– :1		**13,55**	14,57	12,85	10,34	9,82	9,39	10,84	12,34	9,53	9,17
– :1		**13,76**	14,10	11,46	10,42	9,54	10,55	12,31	10,77	9,40	7,80

Shareholders	
Number of shareholders – beneficial (at year end)	
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	Closing market price per share x shares in issue (before share repurchase)
Sasol ordinary shares	
Sasol BEE ordinary shares*****	
JSE Limited statistics	Measures the performance of the group's shares listed on the JSE
Shares traded***	
Traded to issued	
Value of share transactions	
Market price per share – Sasol ordinary shares	
year end	
high	
low	
Market price per share – Sasol BEE ordinary shares *****	
year end	
high	
low	
Key market performance ratios	Measures the performance of the group's shares
Earnings yield	Attributable earnings per share / Closing market price per share
Dividend yield	Dividends per share / Closing market price per share
Price to net asset value	Closing market price per share / Net asset value per share
NYSE statistics****	Measures the performance of the group's shares listed on the NYSE
Shares traded	
Value of share transactions	
Market price per share	
year end	
high	
low	

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

Shares traded – JSE
(million)

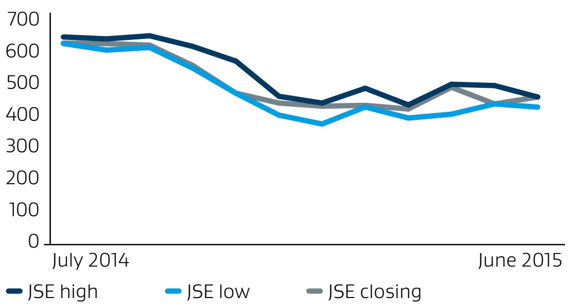
Share performance against JSE all share indices
(as percentage of 2005)



	Target range	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		99 364	91 399	85 780	75 180	70 021	67 885	56 873	52 580	42 591	40 336
– million		**679,5**	678,9	677,2	673,2	671,0	667,7	665,9	676,7	627,7	683,0
– million		**651,1**	650,6	648,8	644,8	642,6	639,3	637,5	667,7	627,7	683,0
– million		**2,8**	2,8	2,8	2,8	2,8					
– million		**8,8**	8,8	8,8	8,8	8,8	8,8	8,8	37,1	14,9	60,1
– million		**63,1**	63,1	63,1	63,1	63,1	63,1	63,1	44,2		
– million		**607,6**	607,0	605,3	601,3	599,1	595,8	594,0	595,4	612,8	622,9
– million		**610,1**	609,0	605,7	603,2	600,4	597,6	596,1	601,0	622,6	620,0
– R million		**292 995**	411 413	279 983	220 788	228 749	175 548	172 111	307 579	166 968	187 825
– R million		**994**	1 330	871	686	742					
– million		**468,8**	334,0	458,4	477,4	471,9	535,5	568,5	555,0	612,6	617,5
– %		**69,0**	49,2	67,7	70,9	70,3	80,2	85,4	82,0	97,6	90,4
– R million		**222 806**	174 514	176 314	172 385	161 455	154 687	171 651	198 348	151 088	141 206
– Rand		**450,00**	632,36	431,54	342,40	355,98	274,60	269,98	461,00	266,00	275,00
– Rand		**642,72**	645,10	452,96	409,99	403,55	318,00	454,00	514,00	278,49	279,00
– Rand		**365,10**	420,00	336,00	303,45	270,03	255,56	221,00	259,49	215,00	183,00
– Rand		**355,00**	475,00	311,00	245,01	265,00					
– Rand		**478,00**	485,00	340,00	295,02	310,00					
– Rand		**310,05**	315,00	245,02	167,21	260,00					
– %		**10,83**	7,68	10,05	11,42	9,26	9,72	8,48	8,09	10,28	6,10
– %		**4,11**	3,40	4,40	5,11	3,65	3,82	3,15	2,82	3,38	2,58
– :1		**1,43**	2,24	1,75	1,64	1,99	1,74	1,91	3,59	2,65	3,26
– million		**107,4**	44,2	50,5	60,7	69,9	90,0	209,0	174,6	147,9	107,2
– US$ million		**4 258**	2 271	2 184	2 810	3 373	3 417	7 101	8 665	5 034	3 856
– US$		**37,06**	59,12	43,31	42,45	52,89	35,27	34,82	38,40	37,54	38,64
– US$		**60,80**	60,21	47,92	54,22	60,39	43,68	57,95	66,09	37,54	46,10
– US$		**31,66**	41,65	39,94	40,01	34,89	31,15	19,23	35,66	32,20	27,30

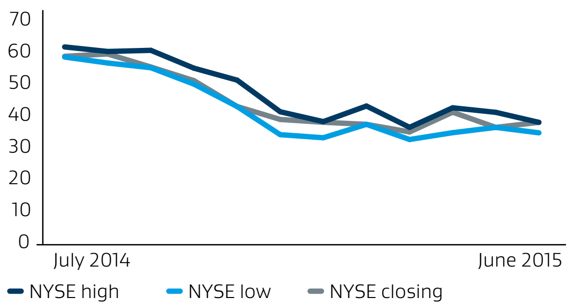
Average share price – JSE

(JSE – SA rand)



Average share price – NYSE

(NYSE – US$)



Report of the Audit Committee

The Audit Committee (the Committee) presents this report in respect of the 2015 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 as amended (the South African Companies Act), the King Code of Governance Principles for South Africa 2009 (King III Code), the Johannesburg Stock Exchange (JSE) Listings Requirements and other applicable regulatory requirements.

Composition and meetings

In compliance with applicable United States (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.

During the financial year ended 30 June 2015, the members were: Messrs C Beggs (Chairman), Ms NNA Matyumza (with effect from 26 September 2014), Ms IN Mkhize, Mr B Nqwababa (until 26 September 2014), Mr MJN Njeke and Mr S Westwell.

All Committee members are financially literate and most have extensive audit committee experience. 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, President and Chief Executive Officer, the Chief Financial Officer, the Chief Assurance Officer, the Senior Vice President responsible for Risk, Safety and the Environment and the external auditors attend Audit Committee meetings by invitation.

The Committee is required to meet at least three times a year and met five times during the year. Attendance was as follows:

Member	4 Sep 2014	29 Sep 2014	18 Nov 2014 *	5 March 2015	**3 June 2015**
C Beggs	v	v	v	v	**v**
IN Mkhize	v	v	v	v	**v**
NNA Matyumza	n/a	v	v	v	**v**
MJN Njeke	v	v	–	†	**v**
B Nqwababa	v	n/a	n/a	n/a	**n/a**
S Westwell	v	v	†	v	**v**

* ad hoc meeting
n/a not a member at the time
v attendance
– absence with apology
† absence due to personal family reasons

Statutory duties and functions

The Committee is constituted as a statutory committee of Sasol Limited in line with the South African Companies Act and accountable in this regard to both the Board and Sasol's shareholders. It is a committee of the Board in respect of all other duties the Board and US legislation assigns to it and has been delegated extensive powers to perform its functions in accordance with the South African Companies Act and US corporate governance requirements.

The Committee also acts as the Audit Committee for all South African companies within the Sasol group.

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:

1. quality and integrity of the company's integrated reporting, incorporating the financial statements and sustainability reporting, and public announcements in respect of the financial results;
2. qualification and independence of the external auditors and the scope and effectiveness of the external audit function;
3. effectiveness of the group's internal controls and internal audit function; and
4. compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements.

A copy of the Committee's terms of reference is available on the Sasol website. (www.sasol.com)

The Committee fulfilled all its statutory duties as required by section 94(7) of the South African Companies Act.

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

In respect of the integrated reporting, interim and annual financial statements:

- guided the integrated reporting process, having regard to all factors and risks that may impact on the integrity of the integrated report. The Committee also considered and reviewed the findings and recommendations of the Combined Assurance and Disclosure Committee and the Risk and SHE Committee insofar as they are relevant to the functions of the Audit Committee;
- 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 South African Companies Act, International Financial Reporting Standards (IFRS) and Interpretations of IFRS 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 South African 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, at least bi-annually; and
- considered the effectiveness of the group's disclosure controls and procedures.

The Committee relies on management, the external auditor and the group's independent ethics reporting telephone line to report 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 is satisfied with the process and confirms 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 company and the group for the financial year ended 30 June 2015;
- ensured that the appointment of the external auditors complied with the South African 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;
- pre-approved all audit and permissible non-audit services that the external auditor provides;
- 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.

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

- considered the reports of the internal and external auditors on the group's systems of internal control, including financial controls, enterprise 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 legal and regulatory compliance requirements (to the extent that they may have an impact on the financial statements):

- reviewed with management, taking into account, to the extent deemed necessary, the views of 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 independent ethics reporting telephone line, including complaints, concerns or allegations 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 information management performance, which includes IT, against an approved governance framework, including the review of conclusions and recommendations of the Risk and SHE Committee as well as assurance provided that IT controls in place are effective, IT risks are addressed and the return on major IT investments, aligned to Sasol's strategy, is monitored.

In respect of sustainability matters contained in the annual report:

- monitored the process of sustainability reporting;
- considered the conclusions and recommendations of the Combined Assurance and Disclosure Committee and the Risk and SHE Committee;
- considering that the responsibility to ensure that internal governance processes are in place for sustainable development reporting rests on the company, approved the appointment of PwC to provide limited assurance for selected sustainability development indicators; and
- considered the findings, made appropriate enquiries and, through this process, received the necessary assurances that material disclosures are reliable and do not conflict with the financial information.

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 2015 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 Chief Financial Officer, Mr B Nqwababa; 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.

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.

During the year under review, Sasol applied all the principles of the King III Code. A statement on Sasol's application of the principles of the King III Code is available on www.sasol.com.

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 Annual Integrated Report and the Annual Financial Statements and following appropriate review, the Committee recommended the Annual Integrated Report and the Annual Financial Statements of Sasol Limited for the year ended 30 June 2015 for approval to the Board.

On behalf of the Audit Committee

Colin Beggs
Chairman

3 September 2015

Approval of the financial statements

The directors are required by the Companies Act 71 of 2008, as amended (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. 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 and the annual financial statements of the company. 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 2016 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 have or have access to adequate resources to continue as a going concern for the foreseeable future.

The consolidated annual financial statements, set out on pages 42 to 235, and the company's annual financial statements, set out on pages 236 to 257, which have been prepared on the going concern basis, were approved by the Board of directors on 4 September 2015 and were signed on their behalf by:

Mandla S.V. Gantsho
Chairman

David E. Constable
President and Chief Executive Officer

Bongani Nqwababa
Chief Financial Officer

4 September 2015

Certificate of the Company Secretary

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, that for the year ended 30 June 2015, Sasol Limited has lodged with the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act 71 of 2008, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Vuyo Kahla

4 September 2015

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 44 to 257, which comprise the statements of financial position as at 30 June 2015, 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 2015, 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 2015, 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

4 September 2015

Shareholders' information

Shareholders' diary

Financial year end	30 June 2015
Annual general meeting	4 December 2015

Dividends

Interim dividend

– rand per share	7,00
– paid	13 April 2015

Final dividend

– rand per share	11,50
– date declared	7 September 2015
– last date to trade cum dividend	2 October 2015
– payable	12 October 2015

Share ownership

at 30 June 2015

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public	99 341	99,98	604 380 278	92,83
Non-public	23	0,02	46 714 438	7,17
– Directors and their associates	1		1 500	
– Directors of subsidiary companies	16		187 732	
– 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		864 644	
– Sasol Pension Fund	1		2 157 108	
	99 364	100	651 094 716	100

Public and non-public shareholding of Sasol BEE ordinary shares*	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public	57 153	100	2 835 483	99,89
Non-public	2	–	3 082	0,11
– Directors and their associates	2		3 082	
	57 155	100	2 838 565	100

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

Major categories of shareholders	Number of shares	% of ordinary shares	% of total issued securities
Category			
Pension and provident funds	**178 377 954**	**27,4**	**26,3**
Unit trusts	**159 424 722**	**24,5**	**23,5**
Other managed funds	**61 135 129**	**9,4**	**9,0**
American depositary shares*	**44 626 471**	**6,9**	**6,6**
Sovereign wealth funds	**35 466 683**	**5,4**	**5,2**
Employees	**34 753 578**	**5,3**	**5,1**
Insurance companies	**21 546 605**	**3,3**	**3,2**
Black public (Sasol Inzalo BEE transaction)	**18 923 764**	**2,9**	**2,8**

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

Major shareholders

Pursuant to Section 56(7) of the South African Companies Act, 2008, the following beneficial shareholdings equal to or exceeding 5% as at 30 June 2015 were disclosed or established from enquiries:

	Number of shares	% of ordinary shares	% of total issued securities
Government Employees Pension Fund	**92 425 614**	**14,2**	**13,6**
Industrial Development Corporation of South Africa Limited	**53 266 887**	**8,2**	**7,8**

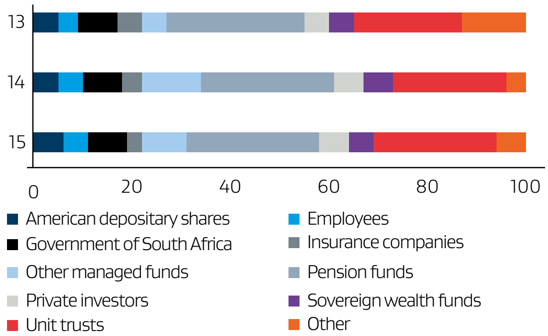
No individual shareholder's beneficial shareholding in the Sasol BEE ordinary shares is equal to or exceeds 5%. All the issued Sasol preferred ordinary shares are held by entities created for the purposes of the Sasol Inzalo BEE transaction.

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 2015, the following fund managers were responsible for managing investments of 2% or more of the share capital of Sasol Limited.

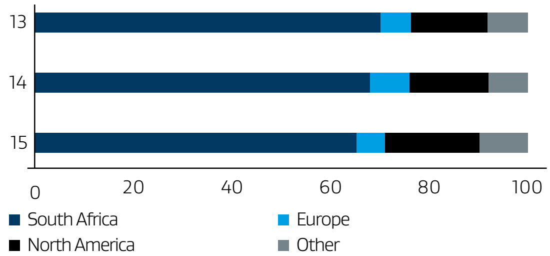
Fund Manager	Number of shares	% of ordinary shares	% of total issued securities
PIC Equities**	**82 310 018**	**12,6**	**12,1**
Allan Gray Investment Counsel	**60 789 619**	**9,3**	**8,9**
Black Rock Incorporated	**20 849 413**	**3,2**	**3,1**
Sanlam Investment Management	**18 370 087**	**2,8**	**2,7**
The Vanguard Group Incorporated	**17 805 971**	**2,7**	**2,6**
Old Mutual Asset Managers	**17 502 073**	**2,7**	**2,6**
Allianz Global Investors	**16 074 334**	**2,5**	**2,4**
Coronation Fund Managers	**14 332 439**	**2,2**	**2,1**

** Included in this portfolio are 79,0 million shares managed on behalf of the Government Employees Pension Fund

Beneficial shareholding
(%)



Geographic region
(%)



Directors' report

(Company registration number 1979/003231/06)

The directors have pleasure in presenting their report for the year ended 30 June 2015.

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[1].

Sasol is an international integrated chemicals and energy company that leverages the talent and expertise of about 31 000 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 its 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 Eurasian region and Canada.

In South Africa, Sasol refines imported crude oil and sells liquid fuels through a retail network of 580 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 our Energy business, 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 213 to 217.

Financial results

Earnings attributable to shareholders for the year ended 30 June 2015 increased by 0,5% to R29 716 million from R29 580 million in the prior year. Earnings per share, after taking into account the share buyback programme, increased from R48,57 per share to R48,71 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 2015.

Acquisitions and disposals

There were no significant acquisitions or disposals during the year.

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 544 550 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.

1 Listed only in connection with the registration of American Depository Shares pursuant to the requirements of the United States Securities and Exchange Commission.

At the annual general meeting of 21 November 2014, 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.

Shares held in reserve

The 495 212 738 authorised but unissued ordinary shares of the company are held in reserve.

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

American depositary shares

At 30 June 2015, the company had in issue through The Bank of New York Mellon as depositary bank, and listed on the NYSE, 44 626 471 (2014 – 29 702 347) 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 page 40 to 41.

Dividends

An interim dividend of R7,00 per ordinary share (2014 – R8,00 per ordinary share) was paid on 13 April 2015. A final dividend in respect of the year ended 30 June 2015 of R11,50 per ordinary share (2014 – R13,50 per ordinary share) was declared on 7 September 2015.

The total dividend for the year amounted to R18,50 per ordinary share (2014 – R21,50 per share).

The estimated total cash flow of the final dividend of R11,50 per share, payable on 12 October 2015 is R7 135 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 44 to 69 of this report.

Auditors

PricewaterhouseCoopers Inc (PwC) was the external auditor of Sasol Limited and its subsidiaries for the financial year ended 30 June 2015.

At the annual general meeting of 4 December 2015, shareholders will be requested to reappoint PricewaterhouseCoopers Inc. as auditor of Sasol Limited and to note that Mr P Hough will be the individual responsible for performing the functions of the auditor, following the Audit Committee's decision to nominate the firm PricewaterhouseCoopers Inc. as its independent auditor for the financial year commencing 1 July 2015.

Subsequent events

The following non-adjusting events occurred subsequent to 30 June 2015:

On 22 July 2015, Sasol entered into an interest rate swap to convert 50% of a US$4 billion term loan facility from a variable interest rate to a fixed interest rate, in terms of the loan agreement. The loan will be utilised to fund the capital expenditure of the Lake Charles Chemicals Project in the United States.

Company Secretary

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

Remuneration report 2015

Dear shareholder

The Remuneration Committee ("the committee")'s key objectives are to ensure that remuneration is competitive, globally applicable and sustainable. It has to stimulate a performance-driven culture over the short-term and long-term and align with shareholders' interests. The policy should furthermore not be overly complex and should be transparent and easy to maintain.

The Committee again 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 of which some will take effect from FY16. The committee, acting on behalf of the Sasol Limited Board, is of the view that the Sasol remuneration policy encapsulates a balanced package of reward practices which compares favourably with competitors, supports our employee value proposition and enables management to attract and retain the best talent to achieve our business goals and aspirations.

In this report, we present you with our remuneration policy as it applied to FY15, and report on remuneration outcomes for this year. In the table below we highlight some important policy changes as they were applied during FY15 together with the enhancements for FY16.

Remuneration Component	FY15	FY16
Comparator group used for executive remuneration benchmarking purposes	Combination of South African and global companies: 1. Anglo American 2. AngloGold Ashanti 3. BHP Billiton 4. BP 5. Chevron 6. ConocoPhillips 7. ExxonMobil 8. Gold Fields 9. SAB Miller 10. Sappi 11. Shell 12. Total	Combination of South African and global companies more suited in terms of market capitalisation and business models: 1. Anglo American 2. AngloGold Ashanti 3. BASF 4. BG Group* 5. BHP Billiton 6. BP 7. Dow Chemical 8. ENI 9. Gold Fields 10. Hess 11. Imperial Oil 12. Lyondellbasell Industries 13. Marathon Petroleum 14. Mondi 15. MTN Group 16. Occidental Petroleum 17. Phillips 66 18. SAB Miller *To be replaced
Base Pay	Introduction of broad pay bands for greatly reduced number of job levels	The introduction of a new comparator group in terms of sector and the company's market capitalisation.

Remuneration Component	FY15	FY16
Short-Term Incentive (STI) Plan	■ Targets linked to individual performance more broadly implemented throughout the Group. ■ Changed from EBITDA to Headline Earnings. ■ Reduced weighting linked to earnings targets; yet retained these to ensure that there are still financial targets that will fund the incentive pay out.	■ Revised Group Performance Targets to align with business plan and Business Performance Enhancement Programme targets. ■ Further reduced weighting on growth in Headline Earnings.
Long-Term Incentive (LTI) Plan	■ 100% of units granted to GEC members carry Corporate Performance Targets (CPTs). ■ Greater stretch in the targets. ■ Introduction of dividend equivalents with respect to vested units.	■ TSR comparators to include the MSCI Chemicals Index and exclude JSE RESI10. ■ Further stretch built into the Corporate Performance Targets. ■ Introduction of a 2 year holding period after the vesting period for executives. ■ Termination of accelerated vesting principles for executives leaving Sasol for reasons of retrenchment or retirement.
Share Ownership guideline	■ Introduced for Executive Directors	

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

Henk Dijkgraaf (Chairman)
Mandla Gantsho
Imogen Mkhize
Peter Robertson
Jürgen Schrempp

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 FY15, including planned FY16 changes
3. Remuneration outcomes for FY15

The annexure following the remuneration report provides more detail on termination arrangements for prescribed officers.

Section 1: Remuneration governance

1.1 Overview

The committee's role is to ensure remuneration arrangements support the strategic objectives of the group 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 are reviewed annually by the board and are available on the company's website at www.sasol.com. Reports of the committee meetings are presented to the board. Annually, a self-assessment of the effectiveness of the committee is undertaken.

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

- Mr HG Dijkgraaf (Chairman)
- Dr MSV Gantsho
- Ms IN Mkhize
- 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 60.

1.2 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 provides advice and services as requested by management and the company regularly participates in several external remuneration surveys globally, to inform benchmarking exercises.

1.3 Key definitions

For clarity, the following terms are used in this report in respect of the FY15 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 CEO and are viewed as prescribed officers within the meaning of the Companies Act, no 71 of 2008, as amended (the Act). Members of the GEC are also referred to as Executive Vice Presidents (EVPs) and include the executive directors as well as the President and Chief Executive Officer (10);
- *Group Leadership* is defined as the level below the GEC (Senior Vice Presidents or SVPs) (35);
- *Leadership* is defined as the level below Group Leadership (Vice Presidents or VPs) (151); and
- *Senior management* is defined as the level below Leadership

1.4 Executive service contracts

The President and CEO is employed on a five year contract that commenced 1 June 2011 and will terminate on 30 June 2016, when he will retire from the group but continue to serve in an advisory capacity for a further 12 months. His service agreement is governed by Sasol's policy for expatriate remuneration. Following an amendment to the company's memorandum of incorporation, the term of the President and CEO is no longer specified.

Prescribed officers have permanent employment contracts with notice periods of up to 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 are required to retire from the group and as directors from the board at the age of 60, unless requested by the board to extend their term.

1.5 Risk management

The following risk-mitigating controls form part of the remuneration policy:

Mix of remuneration elements

The committee determines each component of remuneration, both separately and in totality, and ensures that the 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 and performance cycle.

Mix of performance measures

A range of financial and non-financial measures is used in the incentive plans, assessed at Group, Business and Individual level, to ensure that performance related rewards are conditional upon achievement of a mix of measures. They aim to align with the interests of shareholders and reward for the achievement of targets that are set in conjunction with short-term and long-term business plans.

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 discretion to approve the payments under all incentive plans. The Sasol Share Option Scheme terminates in December 2015; no further awards under the Sasol Share Appreciation Rights have been made since September 2012.

Sasol Clawback Policy

Clawbacks 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

2.1 Overarching principles of the remuneration policy

The committee annually reviews the remuneration policy to ensure that:

- it remains effective in supporting the achievement of the group's business objectives;
- it is competitive and in line with best practices globally;
- it results in fair and equitable rewards for employees in relation to their contribution to the business, and
- it carries the support of our stakeholders.

The committee has discretion to alter rewards offered in terms of the policy but will only do so in exceptional cases and will disclose such changes or deviations from policy. Ongoing engagement with stakeholders providing feedback on our policy is taken into consideration by the committee when the policy is reviewed.

Sasol's remuneration policy strives to reward corporate and individual performance through an appropriate balance of fixed pay, short-term 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.

2.2 Key components of Sasol's executive remuneration policy

The key components and drivers of Sasol's executive remuneration structure are set out in the table below:

Remuneration component	Strategic intent and drivers	Policy Application
Base salary	■ Attraction and retention of key employees.	■ In setting pay levels and increases, market practices, salary increases for the rest of the work force, projected inflation and the cost of annual base salary increase, are considered.
	■ Internal and external equity.	■ Base salary reflects individuals' competence and is normally reviewed annually with individual performance differentiated salary adjustments effective from 1 October each year.
	■ Rewarding individual performance.	■ 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.
Short-Term Incentive (STI) plan	Alignment with group and business unit or functional performance in terms of: ■ Financial targets ■ Broad-based Black Economic Empowerment (B-BBEE) (for South African employees only) ■ Safety and Sustainability performance ■ Reward performance against targets set at group, entity and individual levels including targets for major capital projects, sustainable targets 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 excluding, certain employees who are aligned with Mining production or sales commission arrangements.

Long-Term Incentive plan (LTI)

- Alignment with both group performance and retention objectives in terms of:
  - Attraction and retention of senior employees;
  - Alignment with shareholders' interests by linking the vesting of awards to the achievement of Corporate Performance Targets (CPTs) where LTI units can be forfeited or enhanced if targets are not met or exceeded, in terms of:
    - Efficiency
    - Compound Growth in Earnings
    - 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 incentive for longer-term performance and aligned with shareholder value creation.
- Awards are directly linked to the role and individual performance, and vesting depends on performance against group targets and service.
- Awards are made upon appointment, promotion or in terms of the annual supplementary process.
- Of the total award the following portion was linked to CPTs in FY15:
  - GEC: 100%
  - Other participants: 60%

2.3 Total remuneration

2.3.1 Benchmarking

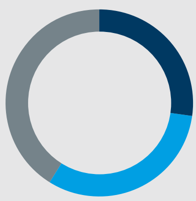
Executive remuneration is benchmarked against data provided in national executive remuneration surveys, as well as against information disclosed in the remuneration reports of organisations included in our benchmarking peer group. One of the committee's key tasks is to preserve the relevance, integrity and consistency of this benchmarking exercise. For positions below the GEC, survey reports from PwC Remchannel and Mercer Global Remuneration Solutions are used for benchmarking of South African remuneration levels; survey data from the Hay Group, ECA, Mercer and Towers Watson are used in different locations in the international environment.

For the period FY10-FY15, the same peer group was used for purposes of benchmarking executive remuneration practices. As indicated in the introduction, the peer group used for executive remuneration benchmarking purposes will be changed from FY16 and include companies with more similar market capitalisation and business models.

The ratios within the remuneration mix are structured for different structural layers within the organisation and geographic locations. The relative proportion of the remuneration components of the GEC within the approved remuneration mix is set out in the following charts:

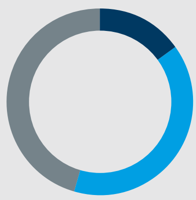
Executive pay mix on target and maximum:

President and CEO target pay mix
(%)



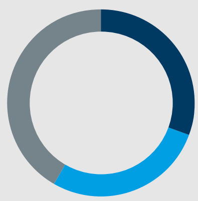
- TGP 27,4%
- STI Target 31,5%
- LTI Target 41,1%

President and CEO pay mix at maximum
(%)



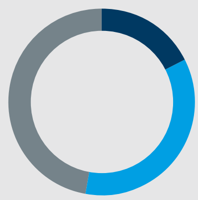
- TGP 15,2%
- STI Max 39,3%
- LTI Max 45,5%

Executive Directors target pay mix
(%)



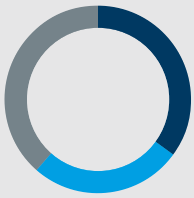
- TGP 30,8%
- STI Target 27,7%
- LTI Target 41,5%

Executive Directors pay mix at maximum
(%)

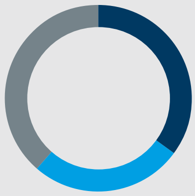


- TGP 17,5%
- STI Max 35,4%
- LTI Max 47,1%

GEC pay mix at target
(%)



GEC pay mix at maximum
(%)



*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 charts indicate a balanced portfolio of rewards allocated in terms of 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. The pay mix remains unchanged for FY16.

2.3.2 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, death 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 TGP are determined with reference to the scope and nature of an employee's role, market benchmarks, individual performance, 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 6,3% was approved by the committee, effective 1 October 2014, for all employees outside the respective collective bargaining councils in South Africa. South African employees included in collective agreements received increases varying between 7,25% and 8,5%, for the period 1 July 2014 – 30 June 2015. This is the 6th consecutive year that increases awarded to management are lower than what was agreed through collective bargaining forums for unionised employees. In FY15, increases awarded were in line with anticipated movements in remuneration in the international jurisdictions and in accordance with individual performance. Similar basic benefits such as retirement and health care are offered to all permanent employees globally.

For FY16, due to the Business Performance Enhancement Programme, a partial salary freeze has been introduced; employees in executive, management, supervisory and specialist roles will not receive annual TGP or base salary increases in October 2015, typically when annual increases are awarded. Increase settlements have been agreed to for unionised employees in all sectors that we operate in.

2.3.3 Short-term incentives

The short-term incentive (STI) plan is designed to recognise the achievement of a combination of group and business unit entity or group functional performance objectives in addition to individual performance. The configuration and weightings attached to the different parts of the STI formula differs to the extent that employees can influence the achievement of performance objectives either directly or indirectly.

STI – members of the GEC

The following formula is used to calculate the STI amounts payable to the GEC:

STEP 1		STEP 2		STEP 3
STI target incentive (%)	X	**Group Performance Factor (0% – 150%)**	X	**Individual/Portfolio Performance Factor (0% – 150%)**
STI target incentives are derived from benchmarking against positions of similar impact and complexity in an identified peer group	▶	Performance measured against a set of group financial and non-financial targets	▶	Assessment of individual performance against project milestones, portfolio targets and individual targets

STI target awards remained unchanged namely:

Role	Target incentive
President and Chief Executive Officer	115%
Executive Directors	90%
Group Executives	75%

The STI group measures were reviewed to reduce the weighting linked to the Earnings target and in favour of cost reduction targets. The Earnings target changed from growth in EBITDA to growth in Headline Earnings.

The group targets applicable to the GEC, their weights and the resultant outcome of the group performance factor multiplier for FY15 are indicated in the following table.

Measure	Weighting	Threshold (0%)	Target (100%)	Stretch Target (150%)	Achievement	Weighted Achievement
Year-on-year growth in Headline Earnings	35%	FY14 Headline Earnings	FY14 Headline Earnings + CPI	FY14 Headline Earnings + CPI + 8%	Below FY14 Headline Earnings	0%
Year-on-year growth in volumes	20%	FY14 Volume	FY14 + 1%	FY14 + 2%	FY14 + 1,88%	28,8%
Year-on-year growth in Cash Fixed Costs	15%	FY14 CFC + PPI + 2%	FY14 CFC + PPI	FY14 CFC + PPI – 2%	FY14 CFC + PPI – 5,4%	22,5%
Measurable savings	10%	Project Phoenix measurable income statement savings of R1,1bn	Project Phoenix measurable income statement savings of R1,3bn	Project Phoenix measurable income statement savings of R1,4bn	R2,5bn savings	15%
Employment Equity	10%	30% of all opportunities used to employee from targeted groups	60% of all opportunities used to employ from targeted groups	75% of all opportunities used to employ from targeted groups	On average 49% of senior opportunities utilised to employ African and Coloured people	6,4%
Safety	10%	a) RCR excl illnesses: 0,38 b) Weighted average of leading indicators for all BUs to be 70%	RCR excl illnesses: 0,34 Weighted average of leading indicators for all BUs to be 90%	RCR excl illnesses: 0,32 Weighted average of leading indicators for all BUs to be 100%	RCR excl illnesses: 0,32 less penalty for fatality Leading indicators: 84,07%	9,5%
Overall weighted average					(FY14: 134,66%)	**82,20%**

The President and CEO's performance is determined by the board, on recommendation of the committee and the chairman of the board. His performance is assessed against a pre-determined set of objectives that include inter alia strategic leadership, business results and stakeholder relations.

The portfolios of GEC members cover a number of business units or group functions, and large-scale projects, therefore a weighted combination of the relevant scores is included in the Individual Performance score for each GEC member. The measures that were assessed for the individual performance factors for members of the GEC included a combination of portfolio specific targets. Annual objectives for the President and CEO, are set by the Board and the final performance assessment done by the Chairman of the Board, is also confirmed by the Board.

The table below provides details of the factors and the final determination of annual STI award for FY15. The final Individual Performance Factors (IPFs) are disclosed in a range.

	TGP/ Base salary as at 30 June 2015 A	Target % B	Group Factor % C	Individual Performance Factor Range % D	FY15 STI value E = AxBxCxD
DE Constable[1]	US$935 618	115%	82,2%	115% – 120%	US$1 034 794
VN Fakude	R8 049 146	90%	82,2%	105% – 110%	R6 431 139
B Nqwababa[2]	R6 700 000	90%	82,2%	100% – 105%	R1 652 055
P Victor[2]	R4 000 000	90%	82,2%	110% – 115%	R2 268 883
SR Cornell	US$669 500	75%	82,2%	110% – 115%	US$474 659
FR Grobler	R4 631 949	75%	82,2%	105% – 110%	R3 141 156
VD Kahla	R5 469 952	75%	82,2%	105% – 110%	R3 642 003
BE Klingenberg	R6 316 568	75%	82,2%	110% – 115%	R4 361 464
E Oberholster[3]	R4 697 441	75%	82,2%	95% – 100%	R2 063 380
M Radebe	R4 868 500	75%	82,2%	100% – 105%	R3 001 430
CF Rademan	R5 938 600	75%	82,2%	110% – 115%	R4 210 354
SJ Schoeman	R4 579 500	75%	82,2%	105% – 110%	R3 049 123

1 Net USD salary used to calculate net USD short-term incentive.
2 Mr B Nqwababa was appointed as Chief Financial Officer with effect from 1 March 2015 replacing Mr P Victor as Acting CFO; both are eligible for a pro rata STI.
3 Mr E Oberholster retired from the group effective 31 March 2015 and is eligible for a pro rata STI.

The committee made no changes to formulaic incentive calculations.

STI – four levels below GEC

The following formula is used to calculate these STI amounts:

[STI amount = STI target %] X [BU entity/ Group functional performance score (0% – 100%)] X [Group Performance Factor (50% – 150%) or (80% – 120%)] X [Individual Performance Factor (0% – 150%)]

The group performance targets for the four levels below the GEC are growth in volume, cash fixed costs and headline earnings respectively. Safety, employment equity, project deliverables and specific business entity or group functional targets make up the BU entity/Group Functional STI scorecard. Each business unit and group functional STI score is verified by internal audit. For FY15, BU/Group Functional scores varied between 65% and 98%.

The IPF (0% – 150%) and the group performance factor (50% – 150% or 80% –120%; depending on role) are applied down to four levels below the GEC. Application of the IPF is conducted using a normal distribution to ensure that its implementation does not increase the total incentive pool made available for payment.

The group performance factors for the layers below were 125,20% (FY14:144,71%) and 110,08% respectively.

Long-term incentive plans

Governance over the long-term incentive (LTI) plans is provided by the committee. The committee approves grants in 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.

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), subject to the vesting conditions. 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 onwards will receive the benefit of dividend equivalents on vested units only.

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 accelerated vesting principles stated above will no longer apply to executives who receive awards from 1 July 2015 onwards, as normal vesting periods and conditions will remain intact even after service termination under 'good leaver' status. A service penalty will apply.

The following table sets out the policy target values of annual LTI awards made to prescribed officers in FY15 as a multiple of actual base salary/TGP. Actual awards may vary in terms of performance or other relevant factors.

Role	Multiple
President and Chief Executive Officer	150%
Executive Directors	135%
Group Executives	110%

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

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

The next table summarises the weightings and corporate performance targets under which the LTI awards were granted during FY15. Vesting is considered in terms of the weighted performance measured against four targets. If targets are not met, the performance based LTI awards are forfeited. If targets are exceeded the number of LTI awards that vest may be increased up to the maximum of the award. There is no opportunity for retesting of targets.

2015 Measures[1]	Weight (of the portion linked to the CPTs)	Threshold (below which 0% of the awards vest)	Target (at which 100% of the awards vest)	Stretch (over-performance) (at which 200% of the awards vest)
Increase in Tons produced per head	25%	0% improvement on FY14 base target	1% improvement on FY14 base target	2% improvement on FY14 base target
Growth in Attributable Earnings	25%	80% of average compound CPI for the three financial years	>100% to 120% of average compound CPI for the three financial years	>120% of average compound CPI for the three financial years
TSR[2] – JSE Resources 10 Index (exl Sasol)	15%	7th in peer group	5th in the peer group	3rd in peer group
TSR[2] – MSCI World Energy Index	35%	Below the 30th percentile of the index	Median of the index	80th percentile of the index

1 Vesting on a ranked relative basis between threshold and target and between target and maximum.
2 TSR = Total Shareholders' Return.

The following changes will be made to the TSR measure for FY16:

2016 Measures	Weight (of the portion linked to the CPTs)	Threshold (below which 0% of the awards vest)	Target (at which 100% of the awards vest)	Stretch (at which 200% of the awards vest)
TSR – MSCI World Energy Index	25%	40th percentile	60th percentile	75th percentile
TSR – MSCI World Chemicals Index	25%	40th percentile	60th percentile	75th percentile

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 (FY)**	**Vesting Range**	**Attributable Earnings Growth**	**Production Volume Growth**	**Production volume/ headcount Growth**	**Share Price vs ALSI 40**	**TSR vs JSE RESI 10**	**TSR vs MSCI energy index**	**Vesting results**
2011	2014	50% to 150%	25%	25%	–	50%	–	–	125%
2012	2015	50% to 150%	25%	25%	–	50%	–	–	100%
2013	2016	40% to 160%	25%	–	25%	–	25%	25%	156%
2014	2017	30% to 170%[1] 40% to 160%[2]	25%	–	25%	–	25%	25%	Unvested
2015	**2018**	**0% to 200%[1] 40% to 160%[2]**	**25%**	**–**	**25%**	**–**	**15%**	**35%**	**Unvested**

1 GEC.
2 All other participants.

No changes to formulaic results were made by the committee.

Share appreciation rights (SARs) (no awards made in FY15)

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 (or dividend equivalents). 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 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 (FY)**	**Vesting Range**	**Attributable Earnings Growth**	**Production Volume Growth**	**Production volume/ headcount growth**	**Share Price vs ALSI 40**	**TSR vs JSE RESI 10**	**TSR vs MSCI energy index**	**Vesting results**
2010	2012, 2014 & 2016	75% to 125%	25%	25%	–	50%	–	–	2012 = 106,25% 2014 = 112,50% 2016 = 100%
2011	2013, 2015 & 2017	75% to 125%	25%	25%	–	50%	–	–	2013 =112,50% 2015 = 100% 2017 = unvested
2012	2014, 2016 & 2018	75% to 125%	25%	25%	–	50%	–	–	2014 = 112,50% 2016 = 100% 2018 = unvested
2013	2016 2017 & 2018	40% to 160%	25%	–	25%	–	25%	25%	2016 = 156% 2017 = unvested 2018 = unvested
2014	**2017 2018 & 2019**	**40% to 160%**	**25%**	**–**	**25%**	**–**	**25%**	**25%**	**Unvested**

No awards were made in the period under review.

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 will be closed in December 2015. See page 181 of the annual financial statements for the options which remain exercisable under the Sasol Share Incentive Scheme.

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 187 of the annual financial statements for the outstanding rights under the Sasol Share Inzalo Management Scheme.

Share ownership guideline

The share ownership guideline which became effective on 1 July 2014 requires executive directors to hold Sasol shares or ADRs with a value of 200% of annual base salary for the President and Chief Executive Officer and 100% of annual pensionable remuneration for executive directors. The requirement must be fully achieved within five years from 1 July 2014, or from the date of appointment, if after this date.

Retention and sign-on payments

The sign-on payment and retention policy may be used in the external recruitment of candidates in highly specialised or scarce skill positions mostly in senior management levels, or to retain critical skills. These payments are linked to retention agreements of at least two years .

Section 3: Remuneration in 2015

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	21 November 2014	N/A[2]
VN Fakude	1 October 2005	1 October 2005	22 November 2013	4 December 2015
B Nqwababa	1 March 2015	1 March 2015	21 November 2014	2017 AGM[3]

1 Projected date of retirement by rotation based on 13 directors in office on 30 June 2015.
2 Mr DE Constable's employment with the company will terminate on 30 June 2016.
3 Date of the meeting has not yet been determined.

President and Chief Executive Officer 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 R10,51 and R12,58 which distorts the actual remuneration received. Therefore to facilitate comprehensive remuneration disclosure, the table below provides the actual year-on-year increase in net base salary and STI since 2012.

DE Constable	2012 US$	2013 US$	2014 US$	2015 US$	% change (FY14/15)
Net Base salary	827 782	865 032	899 633	**935 618**	4%
Net STI	839 803	1 320 231	1 717 770	**1 034 794**	(40%)

Remuneration and benefits paid and short-term incentives (disclosed in Rands) approved in respect of 2015 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 2015[3] R'000	Total 2014[4] R'000
DE Constable[5]	17 722	234	5 477	23 578	**47 011**	51 962
B Nqwababa[6]	1 960	249	582	1 652	**4 443**	–
VN Fakude	6 067	1 732	652	6 431	**14 882**	17 959
P Victor[7]	1 999	300	279	2 269	**4 847**	8 231
KC Ramon[8]	–	–	–	–	**–**	9 635
Total	**27 748**	**2 515**	**6 990**	**33 930**	**71 183**	87 787

1 Other benefits are detailed in the next table.
2 Incentive approved on the group results for the 2015 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 2015. The difference between the amount approved as at 4 September 2015 and the total amount accrued as at 30 June 2015 represents an over provision of R14,2 million. The under provision for 2014 of R12,1 million was reversed in 2015.
3 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes, which are disclosed separately.
4 Includes incentives approved on the group results for the 2014 financial year and paid in 2015.
5 Salary and short-term incentive paid in US dollars, reflected at the exchange rate of the month of payment for the salaries, and on 4 September 2015 for the incentive being the date of approval of the consolidated annual financial statements.
6 Mr B Nqwababa was appointed as Chief Financial Officer with effect from 1 March 2015 and is entitled to a pro rata incentive.
7 Mr P Victor was acting Chief Financial Officer until 28 February 2015 and pro rata amounts in respect of this period, are disclosed.
8 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.

Benefits and payments made in 2015 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 2015 R'000	Total other benefits 2014 R'000
DE Constable[1]	–	381	6	1 028	4 062	**5 477**	5 847
B Nqwababa[2]	–	24	2	112	444	**582**	–
VN Fakude	60	42	6	544	–	**652**	356
P Victor[3]	67	–	4	–	208	**279**	1 088
KC Ramon	–	–	–	–	–	**–**	8 326
Total	**127**	**447**	**18**	**1 684**	**4 714**	**6 990**	15 617

1 Cost of grossing up additional benefits offered under the expatriation policy for tax purposes: Security (R685 499), Medical Aid (R254 034); Housing including gross up (R2 251 914), Home Leave Allowance including gross up (R710 273), Car insurance (R4 160), Risk and personal accident (R156 012). Medical benefits include international cover for dependents.
2 A sign-on agreement totalling R9 000 000 and payable over three years was concluded with Mr B Nqwababa as part of his employment contract compensating partially for incentives and benefits forfeited when he resigned from his previous employer. This amount reflects the first payment, apportioned for his period of service within the 2015 financial year. In terms of the agreement, the balance is payable in equal instalments over FY16 and FY17.
3 Retention payment of R1 500 000 made to Mr P Victor in October 2014 linked to his role as acting Chief Financial Officer for the period October 2014 to February 2015. This amount reflects that portion related to his period of service within the financial year.

Prescribed officers

Remuneration and benefits paid and short-term incentives (disclosed in Rands) approved in respect of 2015 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 2015[3] R'000	Total 2014[4] R'000
SR Cornell[5]	7 753	208	4 621	6 489	**19 071**	7 588
AM de Ruyter[6]	–	–	–	–	**–**	2 676
FR Grobler	3 012	1 316	279	3 141	**7 748**	8 393
VD Kahla	4 690	618	441	3 642	**9 391**	10 904
BE Klingenberg	4 514	1 421	406	4 362	**10 703**	11 822
E Oberholster[7]	2 355	1 051	63	2 063	**5 532**	6 515
M Radebe	3 771	682	365	3 002	**7 820**	8 742
CF Rademan	3 674	1 772	423	4 210	**10 079**	11 802
SJ Schoeman	3 821	417	280	3 049	**7 567**	1 407
GJ Strauss[8]	–	–	–	–	**–**	2 805
Total	**33 590**	**7 485**	**6 878**	**29 958**	**77 911**	72 654

1 Other benefits are listed in the table below.
2 Incentives approved on the group results for the 2015 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 2015. The difference between the amount approved as at 4 September 2015 and the total amount accrued as at 30 June 2015 represents an over provision of R6 million.
3 Total remuneration in the financial year excludes gains derived from the long-term incentive plans which are disclosed separately.
4 Includes incentives on the group results for the 2014 financial year.
5 Mr SR Cornell under his US employment contract is paid in USD and the amount reflected amount, for purposes of disclosure only, had 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 E Oberholster retired from the group with effect from 31 March 2015, and is entitled to a pro rata STI.
8 Mr GJ Strauss retired from the group with effect from 30 September 2013.

Benefits and payments made in 2015 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 2015 R'000	Total other benefits 2014 R'000
SR Cornell[1]	–	209	–	–	4 412	**4 621**	1 712
AM de Ruyter	–	–	–	–	–	**–**	146
FR Grobler	166	68	6	39	–	**279**	1 695
VD Kahla	–	72	6	363	–	**441**	522
BE Klingenberg	213	72	6	115	–	**406**	304
E Oberholster	–	51	5	7	–	**63**	61
M Radebe	264	72	6	23	–	**365**	360
CF Rademan	320	63	6	34	–	**423**	410
SJ Schoeman	200	72	6	2	–	**280**	46
GJ Strauss	–	–	–	–	–	**–**	65
Total	**1 163**	**679**	**41**	**583**	**4 412**	**6 878**	5 321

1 Mr SR Cornell received a payment of US$100 000 linked to a deferred sign on agreement which is part of his employment contract. Payments are done in tranches upon achievement of significant milestones on the US Mega projects.
Mr SR Cornell received a sign on payment of US$750 000 linked to a retention period of 36 months, from February 2014, partially compensating him for incentives and benefits forfeited when he resigned from his previous employer. This amount reflects the portion related to his period in service for the financial year (US$750 000*12/36).

3.2 Non-executive directors

Non-executive directors are appointed to the Sasol Limited board based on their ability to contribute competence, insight and experience appropriate to assisting the group to set and achieve its objectives. Consequently, fees are set at levels to attract and retain the calibre of director necessary to contribute to a highly effective board. 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. The peer group used for benchmarking of fees is the same as for executive remuneration benchmarking. The board recommends the fees payable to the chairman and non-executive directors for approval by the shareholders. Following the recent review, it was clear that the board fees for the resident directors are significantly behind the new peer group. As a result it is intended that these fees be increased over a number of years to bring them more in line with the benchmarks.

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 4 December 2015, and implemented with retroactive effect from 1 July 2015, 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:

	2015		2014	
	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 900 000**		R4 800 000
Resident fees:				
Non-executive Directors	**R530 000**		R490 000	
Audit Committee Members	**R199 000**	**R398 000**	R194 000	R388 000
Remuneration Committee Members	**R136 000**	**R272 000**	R130 000	R260 000
Risk and Safety, Health and Environment Committee	**R117 000**	**R234 000**	R112 500	R225 000
Nomination and Governance Committee	**R117 000**	**R234 000**	R112 500	R225 000
Share Incentive Plan Trustees (resident and non-resident)	**R67 000**	**R134 000**	R67 000	R134 000
Lead Independent Director fee (additional fee)	**R170 000**		R168 000	
Attendance of formally scheduled ad hoc board and committee meetings (per meeting)	**R21 000**		R19 700	
Non-resident fees:				
Non-executive Directors	**US$147 000**		US$143 000	
Audit Committee Members	**US$27 000**	**US$54 000**	US$26 500	US$53 000
Remuneration Committee Members	**US$20 500**	**US$41 000**	US$20 000	US$40 000
Risk and Safety, Health and Environment Committee	**US$18 500**	**US$37 000**	US$18 000	US$36 000
Nomination and Governance Committee	**US$18 500**	**US$37 000**	US$18 000	US$36 000
Lead Independent Director fee (additional fee)	**US$51 000**		US$50 050	

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	21 November 2014	25 November 2016
HG Dijkgraaf	16 October 2006	21 November 2014	25 November 2016
NNA Matyumza	8 September 2014	21 November 2014	25 November 2016
IN Mkhize	1 January 2005	22 November 2013	4 December 2015
ZM Mkhize	29 November 2011	21 November 2014	25 November 2016
MJN Njeke	4 February 2009	22 November 2013	25 November 2016
PJ Robertson	1 July 2012	21 November 2014	2017 Annual General Meeting[1]
S Westwell	1 June 2012	30 November 2012	4 December 2015

1 Date of meeting not yet determined

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 trust fees R'000	Ad hoc or special board meeting R'000	**Total 2015 R'000**	Total 2014 R'000
MSV Gantsho[1] (Chairman)	4 900	–	–	–	–	**4 900**	3 132
JE Schrempp (Lead Independent Director)[2]	1 736	603	461	67	42	**2 909**	2 489
C Beggs	530	–	515	–	84	**1 129**	1011
HG Dijkgraaf[2]	1 736	–	922	67	63	**2 788**	2 383
NNA Matyumza[3]	398	–	149	–	63	**610**	–
IN Mkhize	530	–	569	134	84	**1 317**	1 193
ZM Mkhize	530	–	117	–	42	**689**	603
MJN Njeke	530		199	–	63	**792**	704
B Nqwababa[4]	123	–	48	–	–	**171**	419
TH Nyasulu[5]	–	–	–	–	–	**–**	2 000
PJ Robertson[2]	1 736	–	410	67	63	**2 276**	1 796
S Westwell[2]	1 736	–	537	–	84	**2 357**	1 985
Total	**14 485**	**603**	**3 927**	**335**	**588**	**19 938**	17 715

1 Appointed as Chairman effective 22 November 2013. Pro rata fees disclosed for the 2014 financial year.
2 Board and committee fees paid in US dollars.
3 Appointed as non-executive director effective 8 September 2014.
4 Resigned as non-executive director effective 26 September 2014.
5 Resigned as Chairman and non-executive director effective 22 November 2013.

LTIs previously granted, exercised, implemented, settled and/or vested

The interests of the directors in the form of LTIs are shown in the tables below. During the year to 30 June 2015, the highest and lowest closing market prices for the company's shares were R365,10 on 14 January 2015 and R642,72 on 9 September 2014 and the closing market price on 30 June 2015 was R450,00. Refer to note 47 of the consolidated annual financial statements for the year ended 30 June 2015 for further details of the incentive plans.

LTI 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 settled (number)	**Balance at end of year (number)**
DE Constable	79 438	41 000	0,00	11-Sep-14	–	6 270	(31 352)	**95 356**
VN Fakude	65 656	18 000	0,00	11-Sep-14	–	3 492	(17 462)	**69 686**
B Nqwababa[1]	–	30 000	0,00	12-Mar-15	–	–	–	**30 000**
P Victor[2]	11 495	11 000	0,00	11-Sep-14	(20 892)	400	(2 003)	**–**
Total	**156 589**	**100 000**			**(20 892)**	**10 162**	**(50 817)**	**195 042**

1 Mr B Nqwababa was appointed as Director and Chief Financial Officer with effect from 1 March 2015.
2 Mr P Victor resigned as acting Chief Financial Officer with effect from 28 February 2015.

LTIs 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**	
					2015 R'000	**2014** R'000
DE Constable	15-Sep-14	31 352	0,00	618,23	**19 383**	36 635
VN Fakude	15-Sep-14	17 462	0,00	618,23	**10 796**	12 946
P Victor[1]	15-Sep-14	2 003	0,00	618,23	**1 238**	694
Total		**50 817**			**31 417**	**50 275**

1 Mr P Victor resigned as acting Chief Financial Officer with effect from 28 February 2015.

LTIs 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	12 662	41 694	41 000	**95 356**
VN Fakude	21 240	30 446	18 000	**69 686**
B Nqwababa[1]	–	–	30 000	**30 000**
Total	**33 902**	**72 140**	**89 000**	**195 042**

1 Mr B Nqwababa was appointed as Director and Chief Financial Officer with effect from 1 March 2015.

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)	**Balance at end of year (number)**
DE Constable	365 662	–	–	–	–	10 125	**375 787**
VN Fakude	155 587	–	–	–	–	3 962	**159 549**
P Victor[1]	14 200	–	–	–	(14 437)	237	**–**
Total	**535 449**	**–**			**(14 437)**	**14 324**	**535 336**

1 Mr P Victor resigned as acting Chief Financial Officer with effect from 28 February 2015.

Share appreciation rights, with performance targets exercised

No share appreciation rights with corporate performance targets were exercised during the year.

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)	**Total (number)**
DE Constable	219 487	37 600	118 700	**375 787**
VN Fakude	36 649	41 900	81 000	**159 549**
Total	**256 136**	**79 500**	**199 700**	**535 336**

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	**Balance at end of year (number)**
VN Fakude	7 400	–	–	–	–	**7 400**
P Victor[1]	7 000	–	–	–	(7 000)	**–**
Total	**14 400**	**–**			**(7 000)**	**7 400**

1 Mr P Victor resigned as acting Chief Financial Officer with effect from 28 February 2015.

Share appreciation rights, without performance targets exercised

No share appreciation rights without corporate performance targets were exercised during the year.

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

Directors	Already vested (number)	**Total (number)**
VN Fakude	7 400	**7 400**
Total	**7 400**	**7 400**

Sasol Share Incentive scheme

Directors do not have any outstanding share options previously awarded under the Sasol Share incentive Scheme and did not exercise any options 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**
Total	**25 000**	**–**			**–**	**25 000**

Prescribed officers

LTI holdings

Prescribed officers	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand/USD)	Grant date	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	5 100	0,00	11-Sep-14	–	–	–	**42 100**
FR Grobler	29 672	7 500	0,00	11-Sep-14	673	(3 368)	–	**34 477**
VD Kahla	24 539	9 000	0,00	11-Sep-14	885	(4 425)	–	**29 999**
BE Klingenberg	36 345	9 000	0,00	11-Sep-14	1 594	(7 970)	–	**38 969**
E Oberholster[2]	30 044	7 500	0,00	11-Sep-14	(12 662)	(17 382)	(7 500)	**–**
M Radebe	25 424	9 000	0,00	11-Sep-14	1 106	(5 531)	–	**29 999**
CF Rademan	34 659	11 000	0,00	11-Sep-14	1 912	(9 563)	–	**38 008**
SJ Schoeman	28 100	7 500	0,00	11-Sep-14	280	(1 403)	–	**34 477**
Total	**245 783**	**65 600**			**(6 212)**	**(49 642)**	**(7 500)**	**248 029**

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 E Oberholster retired from the group with effect from 31 March 2015 and termination arrangements were implemented.

LTIs 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 2015 R'000	Gain on settlement of long-term incentive rights 2014 R'000
FR Grobler	15-Sep-14	3 368	0,00	618,23	**2 082**	–
VD Kahla	15-Sep-14	4 425	0,00	618,23	**2 736**	8 299
BE Klingenberg	15-Sep-14	7 970	0,00	618,23	**4 927**	2 804
E Oberholster[1]		17 382			**8 082**	1 640
	15-Sep-14	4 042	0,00	618,23	**2 499**	
	31-Mar-15	13 340	0,00	418,51	**5 583**	
M Radebe	15-Sep-14	5 531	0,00	618,23	**3 419**	8 650
CF Rademan	15-Sep-14	9 563	0,00	618,23	**5 912**	2 804
SJ Schoeman	15-Sep-14	1 403	0,00	618,23	**867**	2 830
Total		**49 642**			**28 025**	27 027

1 Mr E Oberholster resigned from the group with effect from 31 March 2015.

LTIs 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	5 100	**42 100**
FR Grobler	6 841	20 136	7 500	**34 477**
VD Kahla	8 510	12 489	9 000	**29 999**
BE Klingenberg	12 200	17 769	9 000	**38 969**
M Radebe	8 510	12 489	9 000	**29 999**
CF Rademan	12 200	14 808	11 000	**38 008**
SJ Schoeman	6 841	20 136	7 500	**34 477**
Total	**55 102**	**134 827**	**58 100**	**248 029**

Share appreciation rights, with performance targets

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 (numbers)	Effect of corporate performance targets (number)	**Balance at end of year (number)**
FR Grobler	50 618	–	–	–	–	237	**50 855**
VD Kahla	66 100	–	–	–	–	2 400	**68 500**
B Klingenberg	86 181	–	–	–	–	962	**87 143**
E Oberholster[1]	40 987	–	–	–	(42 037)	1 050	**–**
M Radebe	115 362	–	–	–	–	2 875	**118 237**
CF Rademan	65 400	–	–	–	–	962	**66 362**
SJ Schoeman	41 193	–	–	–	–	987	**42 180**
Total	**465 841**	**–**			**(42 037)**	**9 473**	**433 277**

1 Mr E Oberholster resigned from the group with effect from 31 March 2015.

Share appreciation rights, with performance targets exercised during the year

No share appreciation rights with corporate performance targets were exercised during the year.

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	21 055	14 700	6 500	8 600	**50 855**
VD Kahla	21 600	11 000	25 000	10 900	**68 500**
B Klingenberg	33 243	20 400	15 800	17 700	**87 143**
M Radebe	62 537	14 600	28 800	12 300	**118 237**
CF Rademan	8 662	22 300	15 800	19 600	**66 362**
SJ Schoeman	17 280	6 300	12 500	6 100	**42 180**
Total	**164 377**	**89 300**	**104 400**	**75 200**	**433 277**

Share appreciation rights, without performance targets

Prescribed officers	Balance at beginning of year (number)	Granted (number)	Effect of change in composition of Prescribed officers (numbers)	**Balance at end of year (number)**
FR Grobler	12 700	–	–	**12 700**
B Klingenberg	80 400	–	–	**80 400**
E Oberholster[1]	8 200	–	(8 200)	**–**
M Radebe	11 400	–	–	**11 400**
CF Rademan	25 500	–	–	**25 500**
SJ Schoeman	19 100	–	–	**19 100**
Total	**157 300**	**–**	**(8 200)**	**149 100**

1 Mr E Oberholster resigned from the group with effect from 31 March 2015.

Share appreciation rights, without performance targets, exercised

No share appreciation rights with corporate performance targets were exercised during the year.

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)	**Total (number)**
FR Grobler	12 700	–	**12 700**
B Klingenberg	58 000	22 400	**80 400**
M Radebe	11 400	–	**11 400**
CF Rademan	3 000	22 500	**25 500**
SJ Schoeman	9 300	9 800	**19 100**
Total	**94 400**	**54 700**	**149 100**

Sasol Share Incentive scheme

Prescribed officer	Balance at beginning of year (number)	Share options implemented (number)	**Balance at end of year (number)**
FR Grobler	4 000	–	**4 000**
Total	**4 000**	**–**	**4 000**

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

Share options implemented

No share options were implemented during the year.

Sasol Inzalo Management scheme rights

Prescribed officer	Balance at beginning of year (number)	Rights granted (number)	Value of underlying share (Rand)	Grant date	Effect of change in composition of group executive committee (number)	**Balance at end of year (number)**
M Radebe	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 2015 of the directors of the company and the prescribed officers 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.

	2015			2014		
Beneficial shareholdings	**Direct beneficial**	**Indirect beneficial[1]**	**Total beneficial shareholding**	Direct beneficial	Indirect beneficial[1]	Total beneficial shareholding
Executive directors						
VN Fakude	**4 269**	**–**	**4 269**	1 500	–	1 500
KC Ramon[2]	**–**	**–**	**–**	30	41 556	41 586
Non-executive directors						
IN Mkhize	**313**	**18 626**	**18 939**	313	18 626	18 939
TH Nyasulu[3]	**–**	**–**	**–**	–	1 450	1 450
Total	**4 582**	**18 626**	**23 208**	**1 843**	**61 632**	**63 475**

1 Shares in Sasol Inzalo Public Limited (RF).
2 Resigned with effect from 9 September 2013.
3 Resigned with effect from 22 November 2014.

Prescribed officers	2015 Direct beneficial	2015 Indirect beneficial[1]	2015 Total beneficial shareholding	2014 Direct beneficial	2014 Indirect beneficial[2]	2014 Total beneficial shareholding
AM de Ruyter[3]	–	–	–	5 900	–	5 900
FR Grobler	13 500	–	13 500	13 500	–	13 500
CF Rademan	2 500	–	2 500	–	–	–
GJ Strauss[4]	–	–	–	4 300	–	4 300
M Radebe	–	3 357	3 357	–	3 819	3 819
E Oberholster[5]	–	–	–	–	300	300
Total	**16 000**	**3 357**	**19 357**	**23 700**	**4 119**	**27 819**

1 Shares in Sasol Inzalo Public Limited (RF).
2 Includes units held in the Sasol Share Savings Trust and shares in Sasol Inzalo Public Limited (RF).
3 Resigned with effect from 30 November 2013.
4 Retired with effect from 30 September 2013.
5 Retired with effect from 31 March 2015.

Sasol Inzalo Public Limited (Sasol Inzalo) indirectly held 2 838 565 of the total issued capital of Sasol on 30 June 2015 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 annual financial statements for the year ended 30 June 2015 for details of the Sasol Inzalo share transaction.

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 annual financial statements.

Post script: Summary of termination arrangements applicable to prescribed officer agreements

REMUNERATION POLICY COMPONENT	VOLUNTARY TERMINATION (i.e. resignation)	INVOLUNTARY TERMINATION (i.e. retrenchment, redundancy, retirement or other reasons included under the definition of 'good leaver')
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.

REMUNERATION POLICY COMPONENT	VOLUNTARY TERMINATION (i.e. resignation)	INVOLUNTARY TERMINATION (i.e. retrenchment, redundancy, retirement or other reasons included under the definition of 'good leaver')
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.
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 as well as an application of a service penalty for the period not worked during the vesting period.

- 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.
- The Committee has the discretion to vary cessation conditions.
- From FY16 there will no longer be accelerated vesting on LTIs issued to executives and the normal vesting period will remain in place for good leavers.

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 2015. 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: **Operating business units** Mining Exploration and Production International **Strategic business units** Energy Base Chemicals Performance Chemicals **Classified as 'other ' in the segment report:** Group Functions
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.
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 land and 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. Exploration activities are generally not classified as a business until the asset is producing.
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.
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.

General accounting terms	
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.
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.
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 4 September 2015 and will be presented for approval at the Annual General Meeting of shareholders on 4 December 2015.

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 were adopted by the group:

Standard	Nature of the change	Date published	Effective date	Impact on financial position or performance
Accounting for Acquisitions of Interests in Joint Operations (Amendment to IFRS 11)	Amendment	May 2014	1 January 2016	No impact
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	Amendment	August 2014	1 January 2016	No impact The principles contained in the amendment are currently being applied in the Sasol group.
Equity method in Separate Financial Statements (Amendments to IAS 27)	Amendment	August 2014	1 January 2016	No impact for the Sasol group financial position or performance. The equity method will be applied in the Separate Financial Statements for associates and equity-accounted joint ventures. We do not expect a material impact on the financial performance or financial position.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Amendment	September 2014	1 January 2016	No impact The principles contained in the amendment are currently being applied in the Sasol group.
Annual Improvements 2014	Amendments to various standards	September 2014	1 January 2016	No material impact for the group

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 significant impact on total assets, total liabilities, guarantees, equity, earnings and earnings per share.
IFRS 15, Revenue from contracts with customers	28 May 2014	1 January 2018	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 2018. 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 of 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. Where assets are sold or contributed by the group to its associate or joint venture, the gains or losses on the sale of those assets are recognised only to the extent of the outside investor's interests. Where the assets constitute a business, the full gain or loss is recognised by the group.

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. 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. Land acquired, as well as 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 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. An acquisition of an interest in a joint operation is accounted for using the acquisition method only when the activity of the joint operation constitutes a business.

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.

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.

Cash-generating units are identified along the integrated value chain of the group, based on an evaluation of whether there is an active market for the output produced by the assets or group of assets, the market's ability to absorb products produced and access to the market.

In Southern Africa, the coal value chain originates with feedstock mined in Secunda and continues along the integrated processes of the operating business units in Secunda and Sasolburg, ultimately resulting in fuels and chemicals-based product lines. Similarly, the gas value chain starts with the feedstock obtained in Mozambique and continues along the refinement processes in Secunda and Sasolburg, ultimately resulting in fuels and chemicals-based product lines. The assets which support the different product lines are considered to be separate cash generating units.

In the US, the ethylene value chain results in various chemicals-based product lines, sold into active markets. The assets which support the different chemicals-based product lines are considered to be separate cash generating units.

In Europe, the identification of separate cash generating units is based on the various product streams that have the ability to be sold into active markets by the European business units.

By-products are sometimes produced incidentally from the main refinement processes and can be sold into active markets. When this is the case, the assets that are directly attributable to the production of the by-products, are classified as separate cash generating units. The cost of conversion of the by-product is compared against the by-products revenue when assessing the asset for impairment.

Some assets are an integral part of the value chain but are not capable of generating independent cash flows because there is no active market for the product streams produced from these assets, or the market does not have the ability to absorb the product streams produced from these assets or it is not practically possible to access the market due to infrastructure constraints that would be costly to construct. Product streams produced by these assets form an input into another process and accordingly do not have an active market. These assets are classified as corporate assets when their output supports the production of multiple product streams that are ultimately sold into an active market. The group's corporate assets are allocated to the relevant cash generating unit based on a cost or volume contribution metric. Costs incurred by the corporate asset are allocated to the appropriate cash generating unit at cost. 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.

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.

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 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.

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.

By-products are incidental to the manufacturing processes and are usually produced as a consequence of the main product stream. The feedstock for these by-products is generally environmentally damaging or harmful as a result of the main process. The net realisable value of by-products transferred along the integrated value chain for further processing is set off against the cost of the main product. Where by-products are sold to the external market, the proceeds thereof are recognised as turnover.

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 to and rehabilitation provision.

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

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 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.

Capital project related payables are excluded from working capital, as the nature and risks of these payables are not considered to be aligned to operational trade payables.

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 has transferred substantially all the risks and rewards of ownership and 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 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 six 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 profit from operations. 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.

Operating business units

Mining

Mining is responsible for securing the coal feedstock for the Southern African value chain, mainly for gasification, but also to generate electricity and steam. The coal is sold for gasification to Secunda Synfuels and for utility purposes to Sasolburg Operation and to third parties in the export market.

Mining sells coal under both long- 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 Mining is determined in accordance with the contractual agreements entered into with customers. These are 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.

Exploration and Production International

Exploration and Production International (E&PI) develops and manages the Group's upstream interests in oil and gas exploration and production in Mozambique, South Africa, Australia, Canada and Gabon.

E&PI sells Mozambican gas under long-term contracts to both Sasol and external customers, condensate on short-term contracts, and Canadian gas into the market at spot prices. Oil is sold to customers under annual contracts. Prices are determinable from the agreements, and on the open market.

Strategic Business Units

Energy

Energy is responsible for the sales and marketing of liquid fuels, pipeline gas and electricity.

In South Africa, Energy markets approximately nine billion litres of liquid fuels annually, blended from fuel components produced by the Secunda Synfuels operations, crude oil refined at Natref, as well as some products purchased from other refiners. Energy markets approximately 55 bscf of natural and methane-rich gas a year. Sasol has concluded power purchase agreements in South Africa with Eskom for up to 440 megawatts, and sells electricity to the national grid in Mozambique.

Energy sells liquid fuel products under both short- and long-term agreements for both retail sales and commercial sales, including sales to other oil companies. The prices for retail sales are regulated and fixed by South African law. For commercial sales and sales to other oil companies, the prices are fixed and determinable according to the specific contract, with periodic price adjustments.

Turnover for the supply of fuel is based on measurement through a flow-meter into customers' tanks. Turnover is recognised under the following arrangements:

Delivery terms	Title and risks and rewards of ownership
Commercial sales transactions and sales to other oil companies	The risks and rewards of ownership, as well as the title of the product, transfer to the customer when product is delivered to the customer site. This is the point where collectability is reasonably assured.
Dealer-owned supply agreements and franchise agreements	The risks and rewards of ownership of the product transfer to the customer upon delivery of the product to the customer. Title under these contracts is retained to enable recovery of the goods in the event of a customer default on payment. However, 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.

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.

Gas is sold 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.

The Energy business also develops, implements, and manages the Group's international business ventures based on Sasol's proprietary gas-to-liquids (GTL) technology. Sasol holds 49% in ORYX GTL in Qatar, and a 10% share in Escravos GTL in Nigeria.

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.

Base Chemicals

Base Chemicals markets commodity chemicals based on the Group's upstream Fischer-Tropsch, ethylene, propylene and ammonia value chains. The key product lines are polymers, solvents and ammonia-based fertilisers. These are produced in various Sasol production facilities around the world.

Performance Chemicals

Performance Chemicals markets commodity and differentiated performance chemicals. The key product lines are organics, inorganics and wax value chains. These are produced in various Sasol production facilities around the world.

The Base Chemicals and Performance Chemicals businesses 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.

The date of delivery is determined in accordance with the contractual agreements entered into with customers which are 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

Other includes the Group Functions which comprises our technology research and development activities, as well as our central treasury and financing 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 inappropriate 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 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.

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

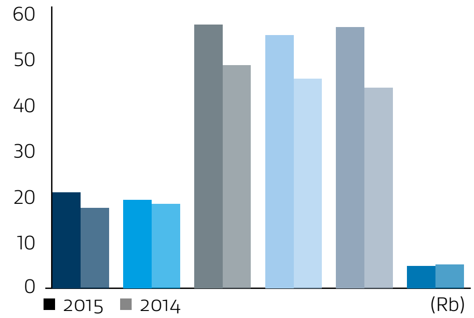
	Note	2015 Rm	2014 Rm
Assets			
Property, plant and equipment	2	**135 822**	111 449
Assets under construction	3	**61 977**	51 320
Goodwill	4	**590**	644
Other intangible assets	5	**1 703**	1 882
Other long-term investments	6	**826**	876
Investments in equity accounted joint ventures	7	**10 028**	8 280
Investments in associates	8	**1 842**	1 877
Post-retirement benefit assets	9	**590**	487
Long-term receivables and prepaid expenses	10	**1 791**	2 922
Long-term financial assets	11	**–**	13
Deferred tax assets	23	**1 752**	3 143
Non-current assets		**216 921**	182 893
Assets in disposal groups held for sale	12	**89**	1 419
Inventories	13	**23 141**	26 758
Tax receivable	28	**1 563**	550
Trade receivables	14	**23 863**	25 223
Other receivables and prepaid expenses	15	**4 547**	4 601
Short-term financial assets	16	**124**	420
Cash restricted for use	17	**5 022**	1 245
Cash	17	**48 329**	37 155
Current assets		**106 678**	97 371
Total assets		**323 599**	280 264
Equity and liabilities			
Shareholders' equity		**191 610**	170 977
Non-controlling interests		**4 873**	3 792
Total equity		**196 483**	174 769
Long-term debt	18	**39 269**	23 419
Long-term financial liabilities	19	**8**	17
Long-term provisions	20	**13 431**	15 232
Post-retirement benefit obligations	21	**10 071**	9 294
Long-term deferred income	22	**425**	293
Deferred tax liabilities	23	**22 570**	18 246
Non-current liabilities		**85 774**	66 501
Liabilities in disposal groups held for sale	12	**15**	57
Short-term debt	24	**3 331**	2 637
Short-term financial liabilities	25	**198**	446
Short-term provisions	26	**6 322**	6 644
Short-term deferred income	27	**397**	101
Tax payable	28	**905**	1 097
Trade payables and accrued expenses	29	**24 226**	22 327
Other payables	30	**5 629**	5 306
Bank overdraft	17	**319**	379
Current liabilities		**41 342**	38 994
Total equity and liabilities		**323 599**	280 264

The notes on pages 108 to 235 are an integral part of these Consolidated Financial Statements.

Business segment information

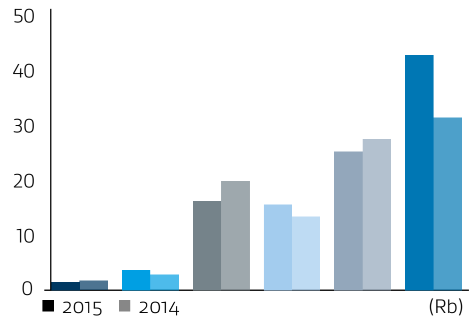
Non-current assets*#

	2015 Rm	2014++ Rm
Business segmentation		
Mining	**20 893**	17 494
Exploration and Production International	**19 226**	18 448
Energy	**57 459**	48 670
Base Chemicals	**55 205**	45 658
Performance Chemicals	**56 980**	43 779
Group Functions	**4 816**	5 214
Total operations	**214 579**	179 263



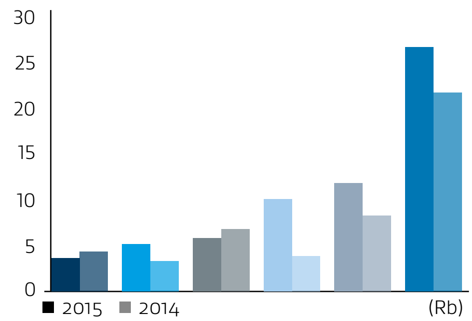
Current assets*

	2015 Rm	2014++ Rm
Business segmentation		
Mining	**1 501**	1 726
Exploration and Production International	**3 692**	2 869
Energy	**16 270**	19 893
Base Chemicals	**15 586**	13 393
Performance Chemicals	**25 261**	27 497
Group Functions	**42 805**	31 443
Total operations	**105 115**	96 821



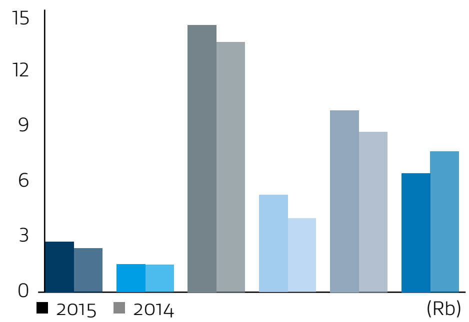
Non-current liabilities*

	2015 Rm	2014++ Rm
Business segmentation		
Mining	**3 641**	4 360
Exploration and Production International	**5 136**	3 287
Energy	**5 818**	6 775
Base Chemicals	**10 087**	3 848
Performance Chemicals	**11 827**	8 287
Group Functions	**26 695**	21 698
Total operations	**63 204**	48 255



Current liabilities*

	2015 Rm	2014++ Rm
Business segmentation		
Mining	**2 751**	2 402
Exploration and Production International	**1 513**	1 486
Energy	**14 526**	13 610
Base Chemicals	**5 290**	4 008
Performance Chemicals	**9 890**	8 722
Group Functions	**6 467**	7 669
Total operations	**40 437**	37 897



* Excludes tax and deferred tax.
# Excludes post-retirement benefit assets.
++ Restated to reflect the adoption of the new operating model. Refer to note 1.2.

Income statement
for the year ended 30 June

	Note	2015 Rm	2014 Rm	2013 Rm
Turnover	31	**185 266**	202 683	169 891
Materials, energy and consumables used	32	**(80 169)**	(89 224)	(76 617)
Selling and distribution costs		**(6 041)**	(5 762)	(5 102)
Maintenance expenditure		**(7 628)**	(8 290)	(7 243)
Employee related expenditure	33	**(22 096)**	(28 569)	(22 477)
Exploration expenditure and feasibility costs		**(554)**	(604)	(1 369)
Depreciation and amortisation		**(13 567)**	(13 516)	(11 121)
Other expenses, net		**(9 912)**	(7 415)	(4 234)
Translation (losses)/gains	34	**(1 115)**	798	2 892
Other operating expenses	35	**(10 164)**	(12 522)	(8 889)
Other operating income	36	**1 367**	4 309	1 763
Operating profit before remeasurement items		**45 299**	49 303	41 728
Remeasurement items	38	**(807)**	(7 629)	(2 949)
Operating profit after remeasurement items		**44 492**	41 674	38 779
Share of profits of equity accounted joint ventures, net of tax	39	**2 098**	3 810	1 562
Share of profits		**2 097**	3 823	5 021
Remeasurement items		**1**	(13)	(3 459)
Share of (losses)/profits of associates, net of tax	40	**(41)**	334	504
Profit from operations		**46 549**	45 818	40 845
Net finance costs		**(956)**	(705)	(1 139)
Finance income	41	**1 274**	1 220	669
Finance costs	42	**(2 230)**	(1 925)	(1 808)
Profit before tax		**45 593**	45 113	39 706
Taxation	43	**(14 431)**	(14 696)	(12 595)
Profit for year		**31 162**	30 417	27 111
Attributable to				
Owners of Sasol Limited		**29 716**	29 580	26 274
Non-controlling interests in subsidiaries		**1 446**	837	837
		31 162	30 417	27 111

	Note	Rand	Rand	Rand
Per share information				
Basic earnings per share	44	**48,71**	48,57	43,38
Diluted earnings per share	44	**48,70**	48,27	43,30

Statement of comprehensive income
for the year ended 30 June

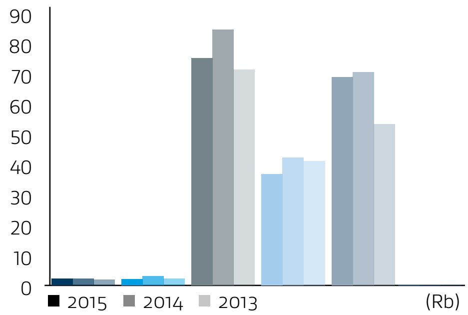
	Note	2015 Rm	2014 Rm	2013 Rm
Profit for year		**31 162**	30 417	27 111
Other comprehensive income, net of tax				
Items that can be subsequently reclassified to the income statement		**3 604**	4 460	8 153
Effect of translation of foreign operations	45	**3 590**	4 477	8 114
Effect of cash flow hedges	45	**–**	(66)	78
Fair value of investments available-for-sale	45	**16**	34	(17)
Tax on items that can be subsequently reclassified to the income statement	45	**(2)**	15	(22)
Items that cannot be subsequently reclassified to the income statement		**(593)**	(22)	(338)
Remeasurements on post-retirement benefit obligations	45	**(847)**	(80)	(497)
Tax on items that cannot be subsequently reclassified to the income statement	45	**254**	58	159
Total comprehensive income for the year		**34 173**	34 855	34 926
Attributable to				
Owners of Sasol Limited		**32 727**	34 002	34 073
Non-controlling interests in subsidiaries		**1 446**	853	853
		34 173	34 855	34 926

The notes on pages 108 to 235 are an integral part of these Consolidated Financial Statements.

Business segment information

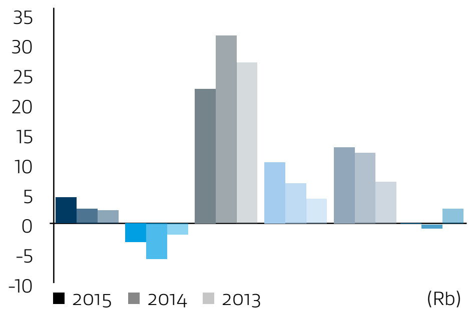
External turnover*

	2015 Rm	2014++ Rm	2013++ Rm
Business segmentation			
Mining	**2 215**	2 154	1 833
Exploration and Production International	**2 043**	2 990	2 177
Energy	**75 264**	84 632	71 342
Base Chemicals	**36 838**	42 262	41 174
Performance Chemicals	**68 874**	70 592	53 352
Group Functions	**32**	53	13
Total operations	**185 266**	202 683	169 891



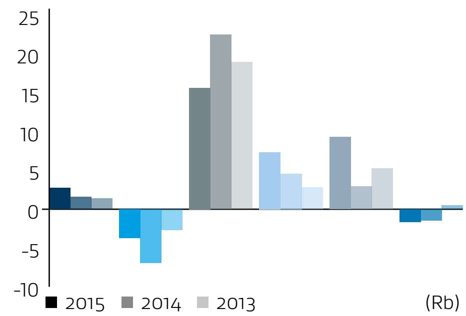
Profit/(loss) from operations

	2015 Rm	2014++ Rm	2013++ Rm
Business segmentation			
Mining	**4 343**	2 453	2 214
Exploration and Production International	**(3 170)**	(5 980)	(1 886)
Energy	**22 526**	31 423	26 973
Base Chemicals	**10 208**	6 742	4 146
Performance Chemicals	**12 714**	11 848	6 955
Group Functions	**(72)**	(668)	2 443
Total operations	**46 549**	45 818	40 845



Attributable to owners of Sasol Limited

	2015 Rm	2014++ Rm	2013++ Rm
Business segmentation			
Mining	**2 762**	1 593	1 399
Exploration and Production International	**(3 698)**	(6 892)	(2 650)
Energy	**15 645**	22 516	18 975
Base Chemicals	**7 341**	4 578	2 806
Performance Chemicals	**9 321**	9 202	5 266
Group Functions	**(1 655)**	(1 417)	478
Total operations	**29 716**	29 580	26 274



* Excludes intersegmental turnover.
++ Restated to reflect the adoption of the new operating model. Refer to note 1.2.

Supplementary information – statement of financial position

(US dollar convenience translation)
at 30 June

	2015 US$m	2014 US$m
Assets		
Property, plant and equipment	**11 160**	10 475
Assets under construction	**5 093**	4 823
Goodwill	**49**	61
Other intangible assets	**140**	177
Other long-term investments	**68**	83
Investments in equity accounted joint ventures	**824**	778
Investments in associates	**151**	176
Post-retirement benefit assets	**48**	46
Long-term receivables and prepaid expenses	**147**	275
Long-term financial assets	**–**	1
Deferred tax assets	**144**	295
Non-current assets	**17 824**	17 190
Assets in disposal groups held for sale	**7**	133
Inventories	**1 902**	2 515
Tax receivable	**128**	52
Trade receivables	**1 961**	2 371
Other receivables and prepaid expenses	**374**	432
Short-term financial assets	**10**	39
Cash restricted for use	**413**	117
Cash	**3 971**	3 492
Current assets	**8 766**	9 151
Total assets	**26 590**	26 341
Equity and liabilities		
Shareholders' equity	**15 745**	16 069
Non-controlling interests	**400**	356
Total equity	**16 145**	16 425
Long-term debt	**3 227**	2 201
Long-term financial liabilities	**1**	2
Long-term provisions	**1 104**	1 432
Post-retirement benefit obligations	**827**	873
Long-term deferred income	**35**	28
Deferred tax liabilities	**1 854**	1 715
Non-current liabilities	**7 048**	6 251
Liabilities in disposal groups held for sale	**1**	5
Short-term debt	**274**	248
Short-term financial liabilities	**16**	42
Short-term provisions	**519**	625
Short-term deferred income	**33**	9
Tax payable	**74**	103
Trade payables and accrued expenses	**1 991**	2 098
Other payables	**463**	499
Bank overdraft	**26**	36
Current liabilities	**3 397**	3 665
Total equity and liabilities	**26 590**	26 341
Exchange rate		
Converted at closing rate of rand per 1US$	**12,17**	10,64

Supplementary information – income statement

(US dollar convenience translation)
for the year ended 30 June

	2015 US$m	2014 US$m	2013 US$m
Turnover	**16 181**	19 508	19 197
Materials, energy and consumables used	**(7 002)**	(8 587)	(8 657)
Selling and distribution costs	**(528)**	(555)	(576)
Maintenance expenditure	**(666)**	(798)	(818)
Employee related expenditure	**(1 930)**	(2 750)	(2 540)
Exploration expenditure and feasibility costs	**(48)**	(58)	(155)
Depreciation and amortisation	**(1 185)**	(1 301)	(1 257)
Other expenses, net	**(866)**	(714)	(479)
Translation (losses)/gains	**(97)**	77	327
Other operating expenses	**(888)**	(1 205)	(1 005)
Other operating income	**119**	414	199
Operating profit before remeasurement items	**3 956**	4 745	4 715
Remeasurement items	**(70)**	(734)	(333)
Operating profit after remeasurement items	**3 886**	4 011	4 382
Share of profits of equity accounted joint ventures, net of tax	**183**	367	176
Share of profits	**183**	368	567
Remeasurement items	**–**	(1)	(391)
Share of (losses)/profits of associates, net of tax	**(4)**	32	57
Profit from operations	**4 065**	4 410	4 615
Net finance costs	**(83)**	(68)	(129)
Finance income	**112**	117	76
Finance costs	**(195)**	(185)	(205)
Profit before tax	**3 982**	4 342	4 486
Taxation	**(1 260)**	(1 414)	(1 423)
Profit for year	**2 722**	2 928	3 063
Attributable to			
Owners of Sasol Limited	**2 595**	2 847	2 969
Non-controlling interests in subsidiaries	**127**	81	94
	2 722	2 928	3 063

	US$	US$	US$
Per share information			
Basic earnings per share	**4,25**	4,67	4,90
Diluted earnings per share	**4,25**	4,65	4,89
Exchange rate			
Converted at average rate of rand per 1US$	**11,45**	10,39	8,85

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 2012	**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	**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**
Shares issued on implementation of share options	**144**	**–**	**–**	**–**
Share-based payment expense	**–**	**501**	**–**	**–**
Settlement of post-retirement benefit obligations	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**3 585**	**14**
Profit	**–**	**–**	**–**	**–**
Other comprehensive income for year	**–**	**–**	**3 585**	**14**
Dividends paid	**–**	**–**	**–**	**–**
Balance at 30 June 2015	**29 228**	**9 651**	**18 289**	**42**

The notes on pages 108 to 235 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**
(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**
–	**–**	**–**	**–**	**–**	**144**	**–**	**144**
–	**–**	**–**	**–**	**–**	**501**	**–**	**501**
–	**–**	**25**	**–**	**(25)**	**–**	**–**	**–**
–	**–**	**(588)**	**–**	**29 716**	**32 727**	**1 446**	**34 173**
–	**–**	**–**	**–**	**29 716**	**29 716**	**1 446**	**31 162**
–	**–**	**(588)**	**–**	**–**	**3 011**	**–**	**3 011**
–	**–**	**–**	**–**	**(12 739)**	**(12 739)**	**(365)**	**(13 104)**
(7)	**(22 054)**	**(1 976)**	**(2 641)**	**161 078**	**191 610**	**4 873**	**196 483**

Statement of cash flows
for the year ended 30 June

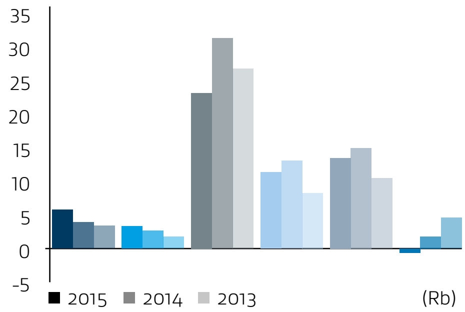
	Note	2015 Rm	2014 Rm	2013 Rm
Cash receipts from customers		**186 839**	203 549	169 059
Cash paid to suppliers and employees		**(125 056)**	(138 100)	(117 153)
Cash generated by operating activities	50	**61 783**	65 449	51 906
Finance income received	53	**4 046**	5 920	6 063
Finance costs paid	42	**(2 097)**	(499)	(523)
Tax paid	28	**(10 057)**	(13 647)	(10 367)
Cash available from operating activities		**53 675**	57 223	47 079
Dividends paid	54	**(12 739)**	(13 248)	(10 787)
Cash retained from operating activities		**40 936**	43 975	36 292
Additions to non-current assets		**(45 106)**	(38 779)	(30 414)
Additions to property, plant and equipment	2	**(1 273)**	(4 327)	(3 044)
Additions to assets under construction	3	**(43 754)**	(34 371)	(27 293)
Additions to other intangible assets	5	**(79)**	(81)	(77)
Increase in capital project related payables	52	**2 461**	–	–
Non-current assets sold	55	**472**	185	525
Acquisition of interests in joint ventures	56	**–**	–	(730)
Cash acquired on acquisition of joint ventures	56	**–**	–	9
Additional investment in joint ventures		**(173)**	(632)	(415)
Acquisition of interests in associates	56	**–**	(519)	–
Cash acquired on acquisition of associates	56	**–**	527	–
(Additional investments)/reimbursement of capital in associate		**(415)**	616	461
Disposal of businesses	57	**738**	1 353	167
Net cash disposed of on disposal of businesses	57	**(105)**	–	17
Purchase of investments		**(224)**	(281)	(317)
Proceeds from sale of investments		**264**	237	278
Decrease/(increase) in long-term receivables		**3**	(520)	(414)
Cash used in investing activities		**(42 085)**	(37 813)	(30 833)
Share capital issued on implementation of share options		**144**	373	727
Contributions from non-controlling shareholders in subsidiaries		**–**	3	37
Dividends paid to non-controlling shareholders in subsidiaries		**(365)**	(372)	(297)
Proceeds from long-term debt	18	**14 543**	3 263	9 597
Repayments of long-term debt	18	**(1 663)**	(2 207)	(1 763)
Proceeds from short-term debt	24	**2 686**	2 346	2 049
Repayments of short-term debt	24	**(2 280)**	(2 497)	(1 834)
Cash generated by financing activities		**13 065**	909	8 516
Translation effects on cash and cash equivalents of foreign operations	48	**3 095**	455	583
Increase in cash and cash equivalents		**15 011**	7 526	14 558
Cash and cash equivalents at beginning of year		**38 021**	30 555	15 997
Reclassification to held for sale		**–**	(60)	–
Cash and cash equivalents at end of year	17	**53 032**	38 021	30 555

The notes on pages 108 to 235 are an integral part of these Consolidated Financial Statements.

Business segment information

Cash flow from operations (refer note 51)

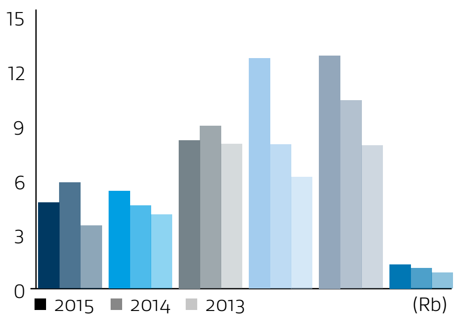
	2015 Rm	2014++ Rm	2013++ Rm
Business segmentation			
Mining	**5 784**	3 921	3 386
Exploration and Production International	**3 301**	2 659	1 742
Energy	**23 108**	31 267	26 745
Base Chemicals	**11 312**	13 021	8 263
Performance Chemicals	**13 458**	14 933	10 444
Group Functions	**(619)**	1 791	4 604
Total operations	**56 344**	67 592	55 184



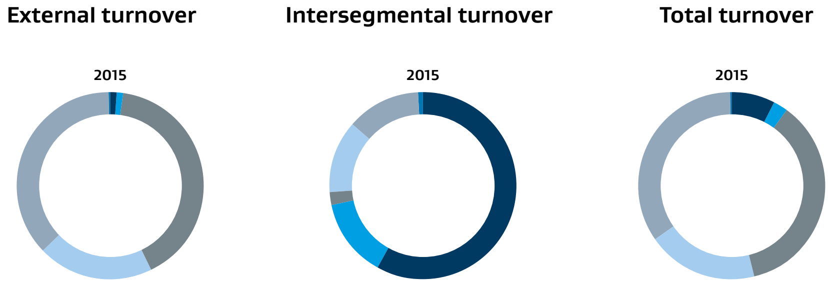
Additions to non-current assets

	2015 Rm	2014++ Rm	2013++ Rm
Business segmentation			
Mining	**4 737**	5 837	3 482
Exploration and Production International	**5 372**	4 564	4 064
Energy	**8 165**	8 946	7 959
Base Chemicals	**12 680**	7 940	6 156
Performance Chemicals	**12 828**	10 358	7 885
Group Functions	**1 324**	1 134	868
Total operations	**45 106**	38 779	30 414

++ Restated to reflect the adoption of the new operating model. Refer to note 1.2.



Business segment information

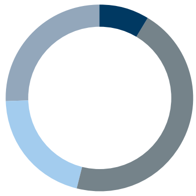


	External turnover 2015 Rm	External turnover 2014++ Rm	External turnover 2013++ Rm	Intersegmental turnover 2015 Rm	Intersegmental turnover 2014++ Rm	Intersegmental turnover 2013++ Rm	Total turnover 2015 Rm	Total turnover 2014++ Rm	Total turnover 2013++ Rm
Business segmentation									
Mining	**2 215**	2 154	1 833	**13 472**	11 980	10 491	**15 687**	14 134	12 324
Exploration and Production International	**2 043**	2 990	2 177	**3 129**	2 218	1 457	**5 172**	5 208	3 634
Energy	**75 264**	84 632	71 342	**536**	1 420	610	**75 800**	86 052	71 952
Base Chemicals	**36 838**	42 262	41 174	**2 890**	2 778	2 463	**39 728**	45 040	43 637
Performance Chemicals	**68 874**	70 592	53 352	**2 910**	2 982	2 063	**71 784**	73 574	55 415
Group Functions	**32**	53	13	**189**	–	–	**221**	53	13
Total	**185 266**	202 683	169 891	**23 126**	21 378	17 084	**208 392**	224 061	186 975

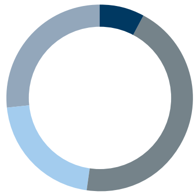
++ Restated to reflect the adoption of the new operating model. Refer to note 1.2.

	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)			Profit/(loss) from operations			Attributable to owners of Sasol Limited		
	2015 Rm	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm
	31	7	7	**–**	–	–	**4 343**	2 453	2 214	**2 762**	1 593	1 399
	3 126	5 472	428	**–**	–	–	**(3 170)**	(5 980)	(1 886)	**(3 698)**	(6 892)	(2 650)
	(104)	47	122	**–**	13	–	**22 526**	31 423	26 973	**15 645**	22 516	18 975
	93	1 765	433	**(1)**	–	3 550	**10 208**	6 742	4 146	**7 341**	4 578	2 806
	(1 804)	254	1 847	**–**	–	(12)	**12 714**	11 848	6 955	**9 321**	9 202	5 266
	(535)	84	112	**–**	–	–	**(72)**	(668)	2 443	**(1 655)**	(1 417)	478
	807	7 629	2 949	**(1)**	13	3 538	**46 549**	45 818	40 845	**29 716**	29 580	26 274

2015

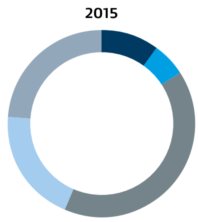


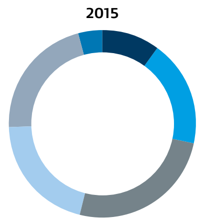
2015



Business segment information

	Cash flow information					
	Cash flow from operations (refer note 51)			Depreciation and amortisation		
	2015 Rm	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm
Business segmentation						
Mining	**5 784**	3 921	3 386	**1 377**	1 211	999
Exploration and Production International	**3 301**	2 659	1 742	**2 476**	2 677	2 523
Energy	**23 108**	31 267	26 745	**3 465**	3 201	2 628
Base Chemicals	**11 312**	13 021	8 263	**2 806**	3 307	2 802
Performance Chemicals	**13 458**	14 933	10 444	**2 892**	2 588	1 730
Group Functions	**(619)**	1 791	4 604	**551**	532	439
Total	**56 344**	67 592	55 184	**13 567**	13 516	11 121

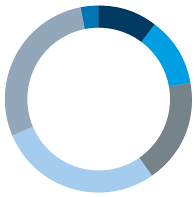




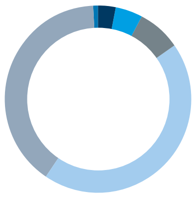
++ Restated to reflect the adoption of the new operating model. Refer to note 1.2.

	Capital commitments – subsidiaries and joint operations			Capital commitments – equity accounted joint ventures and associates				
Additions to non-current assets			**Property, plant and equipment**			**Property, plant and equipment**		
2015 Rm	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm	**2015 Rm**	2014++ Rm	2013++ Rm
4 737	5 837	3 482	**3 837**	7 532	9 751	**–**	–	–
5 372	4 564	4 064	**5 264**	6 639	5 353	**–**	–	–
8 165	8 946	7 959	**8 949**	18 841	20 623	**633**	747	550
12 680	7 940	6 156	**51 123**	10 271	12 279	**15**	17	67
12 828	10 358	7 885	**46 212**	15 272	17 322	**–**	–	–
1 324	1 134	868	**851**	503	733	**–**	–	–
45 106	38 779	30 414	**116 236**	59 058	66 061	**648**	764	617

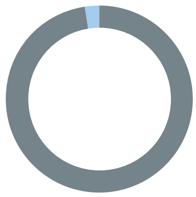
2015



2015

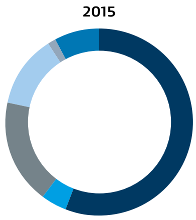


2015

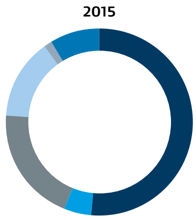


Geographic information

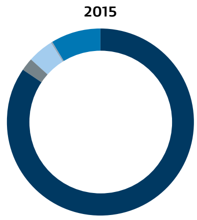
Total turnover



External turnover (by location of customer)



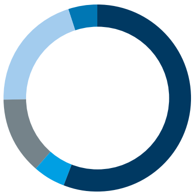
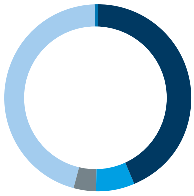
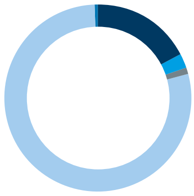
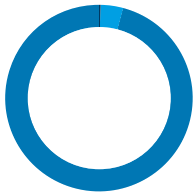
Profit/(loss) from operations



	Total turnover			External turnover (by location of customer)			Profit/(loss) from operations		
	2015 Rm	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm
South Africa	**116 692**	124 368	103 810	**95 218**	104 671	88 484	**39 338**	37 980	34 509
Rest of Africa	**9 170**	8 458	6 978	**9 170**	8 458	6 939	**(10)**	1 719	605
Mozambique	**829**	606	466	**829**	606	466	**693**	1 189	451
Nigeria	**2 027**	1 426	944	**2 027**	1 426	944	**(825)**	365	(360)
Rest of Africa	**6 314**	6 426	5 568	**6 314**	6 426	5 529	**122**	165	514
Europe	**37 639**	43 414	36 136	**36 845**	42 565	35 290	**1 050**	3 446	700
Germany	**8 449**	11 021	9 094	**7 655**	10 176	8 253	**785**	1 952	507
Rest of Europe	**29 190**	32 393	27 042	**29 190**	32 389	27 037	**265**	1 494	193
North America	**26 192**	26 367	20 955	**25 520**	25 803	20 278	**2 070**	(2 674)	1 298
United States of America	**23 428**	22 940	18 098	**22 756**	22 376	17 421	**4 184**	4 137	2 870
Canada	**1 285**	1 741	1 382	**1 285**	1 741	1 382	**(2 360)**	(6 936)	(1 800)
Rest of North America	**1 479**	1 686	1 475	**1 479**	1 686	1 475	**246**	125	228
South America	**2 640**	3 191	2 894	**2 640**	3 191	2 894	**212**	114	226
Asia, Australasia and Middle East	**16 059**	18 263	16 202	**15 873**	17 995	16 006	**3 889**	5 233	3 507
Southeast Asia and Australasia	**4 345**	4 407	3 982	**4 335**	4 309	3 897	**1 075**	735	1 083
Middle East and India	**3 903**	5 949	5 312	**3 903**	5 949	5 312	**2 113**	4 045	1 778
Far East	**7 811**	7 907	6 908	**7 635**	7 737	6 797	**701**	453	646
	208 392	224 061	186 975	**185 266**	202 683	169 891	**46 549**	45 818	40 845

* Excludes tax and deferred tax.

Excludes post-retirement benefit assets.

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 and associates)	
2015		2015		2015		2015	
							
2015 Rm	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm
178 615	159 741	**19 755**	22 020	**20 239**	29 305	**3**	3
18 125	14 986	**3 043**	2 565	**2 830**	4 747	**25**	14
14 161	11 334	**2 181**	1 880	**2 440**	3 427	**25**	14
1 137	1 471	**2**	53	**–**	107	**–**	–
2 827	2 181	**860**	632	**390**	1 213	**–**	–
42 256	47 058	**1 727**	2 181	**1 238**	1 825	**–**	–
13 133	16 091	**947**	1 469	**773**	995	**–**	–
29 123	30 967	**780**	712	**465**	830	**–**	–
64 726	39 222	**20 363**	11 981	**91 399**	22 742	**–**	–
51 144	26 130	**17 437**	8 397	**88 888**	19 885	**–**	–
13 347	12 927	**2 926**	3 584	**2 511**	2 857	**–**	–
235	165	**–**	–	**–**	–	**–**	–
389	587	**–**	–	**–**	–	**–**	–
15 583	14 490	**218**	32	**530**	439	**620**	747
2 742	2 662	**178**	2	**526**	439	**12**	–
9 476	8 619	**1**	1	**–**	–	**608**	733
3 365	3 209	**39**	29	**4**	–	**–**	14
319 694	276 084	**45 106**	38 779	**116 236**	59 058	**648**	764

Contents

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements

Changes to accounting information

1 Change in estimate and reportable segment information

1.1 Change in estimate – reassessment of useful lives

On 1 July 2014, we implemented our Project 2050 programme to extend the useful lives of our Secunda operations to 2050. The Sasolburg and Natref operations were extended to 2034. The extension of useful lives has been accounted for as a change in estimate and has been applied prospectively. The change in useful lives of the affected assets have impacted the following lines in the financial statements:

	Decrease in depreciation charge*			Decrease in the rehabilitation provision**		
	Profit before tax Rm	Tax Rm	Profit after tax Rm	Profit before tax Rm	Tax Rm	Profit after tax Rm
Mining	82	(23)	59	–	–	–
Exploration and Production International	–	–	–	–	–	–
Energy	486	(136)	350	1 178	(330)	848
Base Chemicals	684	(192)	492	502	(141)	361
Performance Chemicals	115	(32)	83	145	(41)	104
Group Functions	2	(1)	1	–	–	–
Total operations	**1 369**	**(384)**	**985**	**1 825**	**(512)**	**1 313**

* The expected impact of the reassessment of useful lives on depreciation in future periods is limited to the recognition of the assets over their extended useful lives and is accordingly R1 369 million per year, assuming all other variables remain unchanged.

** The expected future impact on the rehabilitation provision will be recognised through the unwinding of the provision over a longer period. Accordingly, before consideration of future expansion and assuming no changes in discount rates or other assumptions, the future impact is an increase in notional interest of R1 825 million.

1.2 Change in reportable segment information

Our new operating model, and a simplified and consolidated legal structure, came into effect on 1 July 2014 .

Our new group structure supports a value chain-based operating model, which organises our business according to capability, and standardises the group functions required to support and enable these activities. It aligns the components of Sasol – Operating Business Units, Regional Operating Hubs, Strategic Business Units, and Group Functions – according to a single value chain, focused on the production of liquid fuels, high-value chemicals and low-carbon electricity.

The new operating model structure reflects how the results are reported to the Chief Operating Decision Maker (CODM). The CODM for Sasol is the President and Chief Executive Officer. Refer to the accounting policies for segment information.

Non-current assets

	Note	2015 Rm	2014 Rm
Property, plant and equipment	2	**135 822**	111 449
Assets under construction	3	**61 977**	51 320
Goodwill	4	**590**	644
Other intangible assets	5	**1 703**	1 882
Other long-term investments	6	**826**	876
Investments in equity accounted joint ventures	7	**10 028**	8 280
Investments in associates	8	**1 842**	1 877
Post-retirement benefit assets	9	**590**	487
Long-term receivables and prepaid expenses	10	**1 791**	2 922
Long-term financial assets	11	**–**	13
Deferred tax assets	23	**1 752**	3 143
		216 921	182 893

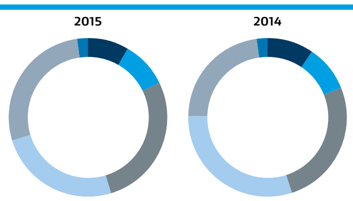
for the year ended 30 June	Note	2015 Rm	2014 Rm
2 Property, plant and equipment			
Cost			
Balance at beginning of year		**209 936**	184 701
Acquisition of businesses	56	**–**	159
Additions		**3 053**	4 977
to sustain existing operations		**2 784**	4 111
to expand operations		**269**	866
Transfer from assets under construction	3	**35 307**	20 801
Net transfer to inventories		**(92)**	(3)
Reclassification to assets under construction	3	**(697)**	–
Reduction in rehabilitation provisions capitalised		**(197)**	(65)
Reclassification from/(to) held for sale		**4**	(592)
Translation of foreign operations	48	**130**	5 460
Disposal of businesses	57	**(15)**	(2 250)
Disposals and scrapping		**(3 962)**	(3 252)
Balance at end of year		**243 467**	209 936
Comprising			
Land		**1 931**	2 671
Buildings and improvements		**9 610**	9 147
Retail convenience centres		**1 642**	1 540
Plant, equipment and vehicles		**184 357**	157 655
Mineral assets		**45 927**	38 923
		243 467	209 936

for the year ended 30 June	Note	2015 Rm	2014 Rm
Accumulated depreciation and impairment			
Balance at beginning of year		**98 487**	83 712
Current year charge	51	**13 182**	13 199
Impairment of property, plant and equipment	38	**294**	3 289
Reversal of impairment of property, plant and equipment	38	**(294)**	–
Net transfer (to)/from inventories		**(6)**	9
Reclassification from/(to) held for sale		**2**	(266)
Translation of foreign operations	48	**(341)**	3 752
Disposal of businesses	57	**(15)**	(2 250)
Disposals and scrapping		**(3 664)**	(2 958)
Balance at end of year		**107 645**	98 487
Comprising			
Land		**173**	274
Buildings and improvements		**4 640**	4 518
Retail convenience centres		**682**	600
Plant, equipment and vehicles		**78 964**	73 541
Mineral assets		**23 186**	19 554
		107 645	98 487
Carrying value			
Land		**1 758**	2 397
Buildings and improvements		**4 970**	4 629
Retail convenience centres		**960**	940
Plant, equipment and vehicles		**105 393**	84 114
Mineral assets		**22 741**	19 369
Balance at end of year		**135 822**	111 449

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						
Cost						
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 rehabilitation provisions capitalised	–	–	–	(7)	(58)	**(65)**
Transfer from assets under construction	–	513	26	16 491	3 771	**20 801**
Net transfer to inventories	–	–	–	(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**
Additions	10	162	124	1 650	1 107	**3 053**
to sustain existing operations	–	158	–	1 519	1 107	**2 784**
to expand operations	10	4	124	131	–	**269**
Reclassification of property, plant and equipment	–	(232)	2	230	–	**–**
Reclassification to assets under construction	(693)	–	–	–	(4)	**(697)**
Reduction in rehabilitation provisions capitalised	–	–	–	(134)	(63)	**(197)**
Transfer from assets under construction	12	792	11	28 107	6 385	**35 307**
Net transfer to inventories	–	–	–	(94)	2	**(92)**
Reclassification from held for sale	–	–	–	4	–	**4**
Translation of foreign operations	(69)	(67)	–	223	43	**130**
Disposal of businesses	–	–	–	(15)	–	**(15)**
Disposals and scrapping	–	(192)	(35)	(3 269)	(466)	**(3 962)**
Balance at 30 June 2015	**1 931**	**9 610**	**1 642**	**184 357**	**45 927**	**243 467**

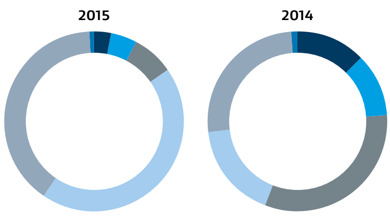
for the year ended 30 June	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	**Total Rm**
Accumulated depreciation and impairment						
Balance at 30 June 2013	278	4 156	530	65 577	13 171	**83 712**
Current year charge	–	328	63	9 011	3 797	**13 199**
Net impairment of property, plant and equipment	67	63	7	323	2 829	**3 289**
Net transfer from inventories	–	–	–	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**
Current year charge	–	332	101	9 007	3 742	**13 182**
Net impairment of property, plant and equipment	–	2	1	(241)	238	**–**
Reclassification of property, plant and equipment	–	(18)	–	16	2	**–**
Net transfer (to)/from inventories	–	–	–	(8)	2	**(6)**
Reclassification from held for sale	–	–	–	2	–	**2**
Translation of foreign operations	(101)	(87)	–	(261)	108	**(341)**
Disposal of businesses	–	–	–	(15)	–	**(15)**
Disposals and scrapping	–	(107)	(20)	(3 077)	(460)	**(3 664)**
Balance at 30 June 2015	**173**	**4 640**	**682**	**78 964**	**23 186**	**107 645**
Carrying value at 30 June 2015	**1 758**	**4 970**	**960**	**105 393**	**22 741**	**135 822**
Carrying value at 30 June 2014	2 397	4 629	940	84 114	19 369	**111 449**

Business segmentation*	**2015 Rm**	2014 Rm
Mining	**11 694**	10 578
Exploration and Production International	**12 731**	10 496
Energy	**37 077**	29 378
Base Chemicals	**34 109**	33 466
Performance Chemicals	**37 461**	25 124
Group Functions	**2 750**	2 407
Total operations	**135 822**	111 449



* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	2015 Rm	2014 Rm
2 Property, plant and equipment continued		
Additions to property, plant and equipment (cash flow)		
Current year additions	**3 053**	4 977
Adjustments for non-cash items		
movement in environmental provisions capitalised	**(1 090)**	(589)
plant, equipment and vehicles acquired by finance lease	**(572)**	(96)
leasehold improvement incentives capitalised	**(118)**	–
other non-cash movements	**–**	35
Per the statement of cash flows	**1 273**	4 327
Additional disclosures		
Leased assets		
Carrying value of capitalised leased assets (included in plant, equipment and vehicles)	**1 418**	1 084
cost	**2 095**	1 725
accumulated depreciation	**(677)**	(641)
Depreciation rates for property, plant and equipment are noted on page 78.		
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	**109 448**	66 491
Authorised but not yet contracted for	**66 266**	44 951
Less expenditure to the end of year	**(59 478)**	(52 384)
	116 236	59 058
to sustain existing operations	**18 474**	30 886
to expand operations	**97 762**	28 172
Estimated expenditure		
Within one year	**67 130**	38 942
One to five years	**49 106**	20 088
More than five years	**–**	28
	116 236	59 058
Business segmentation*		
Mining	**3 837**	7 532
Exploration and Production International	**5 264**	6 639
Energy	**8 949**	18 841
Base Chemicals	**51 123**	10 271
Performance Chemicals	**46 212**	15 272
Group Functions	**851**	503
Total operations	**116 236**	59 058



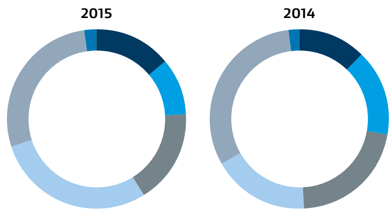
* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

Capital commitments in excess of R500 million at 30 June comprise of: Project	Project location	Business segment	2015 Rm	2014 Rm
Lake Charles Chemical project	United States	Base Chemicals and Performance Chemicals	**84 989**	7 383
Shutdown and major statutory maintenance	Secunda	Energy, Base Chemicals and Performance Chemicals	**3 749**	3 513
Canadian shale gas exploration and development	Canada	Exploration and Production International	**2 511**	2 857
High density polyethylene plant	United States	Base Chemicals	**2 314**	2 861
Fischer-Tropsch wax expansion project	Sasolburg	Performance Chemicals	**2 059**	3 863
Shondoni colliery to maintain Middelbult colliery operation	Secunda	Mining	**1 398**	2 824
Coal tar filtration east project	Secunda	Energy, Base Chemicals and Performance Chemicals	**1 231**	1 816
Mozambique exploration and development	Mozambique	Exploration and Production International	**1 837**	721
Gas-to-liquids project in North America	United States	Energy and Performance Chemicals	**930**	8 295
C3 Stabilisation and Expansion projects	Secunda	Base Chemicals	**622**	863
Volatile organic compounds abatement program	Secunda	Energy, Base Chemicals and Performance Chemicals	**596**	1 219
Loop Lines project	Mozambique	Energy	**470**	960
Gabon exploration and development	Gabon	Exploration and Production International	**390**	1 180
Impumelelo colliery to maintain Brandspruit colliery operation	Secunda	Mining	**344**	1 611
Replacement of tar tanks and separators	Secunda	Energy, Base Chemicals and Performance Chemicals	**329**	917
Tweedraai project	Secunda	Mining	**257**	642

for the year ended 30 June	Note	2015 Rm	2014 Rm
3 Assets under construction			
Cost			
Balance at beginning of year		**51 320**	39 865
Additions		**43 773**	34 341
to sustain existing operations		**19 029**	16 327
to expand operations		**24 744**	18 014
Finance costs capitalised	42	**1 118**	530
Impairment of assets under construction	38	**(2 555)**	(2 625)
Reversal of impairment of assets under construction	38	**1 727**	–
Write-off of unsuccessful exploration wells	38	**–**	(43)
Reduction in rehabilitation provisions capitalised		**(80)**	(61)
Reclassification from property, plant and equipment	2	**697**	–
Reclassification (to)/from inventories		**(56)**	108
Projects capitalised		**(35 573)**	(21 260)
property, plant and equipment	2	**(35 307)**	(20 801)
other intangible assets	5	**(266)**	(459)
Reclassification to held for sale		**–**	(245)
Translation of foreign operations	48	**2 447**	1 138
Disposal of businesses	57	**(450)**	–
Disposals and scrapping		**(391)**	(428)
Balance at end of year		**61 977**	51 320
Comprising			
Property, plant and equipment under construction		**57 001**	45 255
Other intangible assets under development		**1 721**	559
Exploration and evaluation assets		**3 255**	5 506
		61 977	51 320

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**
Cost				
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 rehabilitation provisions capitalised	–	–	(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**
Additions	42 267	731	775	**43 773**
to sustain existing operations	18 300	729	–	**19 029**
to expand operations	23 967	2	775	**24 744**
Reclassification of assets under construction	(623)	623	–	**–**
Finance costs capitalised	1 118	–	–	**1 118**
Net impairment of assets under construction	462	–	(1 290)	**(828)**
Reduction in rehabilitation provisions capitalised	–	–	(80)	**(80)**
Reclassification from property, plant and equipment	694	3	–	**697**
Reclassification to inventories	(56)	–	–	**(56)**
Projects capitalised	(34 167)	(266)	(1 140)	**(35 573)**
Translation of foreign operations	2 439	74	(66)	**2 447**
Disposal of businesses	–	–	(450)	**(450)**
Disposals and scrapping	(388)	(3)	–	**(391)**
Balance at 30 June 2015	**57 001**	**1 721**	**3 255**	**61 977**
Balance at 30 June 2014	45 255	559	5 506	**51 320**

for the year ended 30 June		**2015 Rm**	2014 Rm
3	**Assets under construction** continued		
	Business segmentation*		
	Mining	**8 673**	6 380
	Exploration and Production International	**6 426**	7 888
	Energy	**10 431**	11 029
	Base Chemicals	**17 984**	8 945
	Performance Chemicals	**17 123**	16 088
	Group Functions	**1 340**	990
	Total operations	**61 977**	51 320



* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

Additions to assets under construction (cash flow)	**2015 Rm**	2014 Rm
Current year additions	**43 773**	34 341
Adjustments for non-cash items	**(19)**	30
cash flow hedge accounting	**(5)**	40
movement in environmental provisions capitalised	**(14)**	(10)
Per the statement of cash flows	**43 754**	34 371

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.

			2015 Rm	2014 Rm
Projects to sustain operations	**Project location**	**Business segment**		
Shutdown and major statutory maintenance	Secunda	Energy, Base Chemicals and Performance Chemicals	**3 219**	3 392
Shondoni colliery to maintain Middelbult colliery operation	Secunda	Mining	**1 226**	1 396
Impumelelo colliery to maintain Brandspruit colliery operation	Secunda	Mining	**1 070**	1 265
Gabon exploration and development	Gabon	Exploration and Production International	**856**	578
Volatile organic compounds abatement program	Secunda	Energy, Base Chemicals and Performance Chemicals	**627**	297
Replacement of tar tanks and separators	Secunda	Energy, Base Chemicals and Performance Chemicals	**589**	680
Coal tar filtration east project	Secunda	Energy, Base Chemicals and Performance Chemicals	**585**	515
Refurbishment of equipment	Secunda and Sasolburg	Mining	**556**	98
Tweedraai project	Secunda and Sasolburg	Mining	**381**	560
Expenditure related to environmental obligations	Various	Various	**563**	488
Expenditure incurred relating to safety regulations	Various	Various	**537**	879
Other projects to sustain existing operations (less than R500 million)	Various	Various	**8 732**	6 207
			18 941	16 355
Projects to expand operations	**Project location**	**Business segment**		
Lake Charles Chemical project	United States	Base Chemicals and Performance Chemicals	**13 977**	5 081
Canadian shale gas exploration and development	Canada	Exploration and Production International	**2 924**	3 155
Fischer-Tropsch wax expansion project	Sasolburg	Performance Chemicals	**1 804**	2 170
Gas-to-liquids project in North America	United States	Energy and Performance Chemicals	**1 464**	1 461
High density polyethylene plant	United States	Base Chemicals	**620**	283
Mozambique exploration and development	Mozambique	Exploration and Production International	**571**	181
Loop Lines project	Mozambique	Energy	**490**	613
Other projects to expand operations (less than R500 million)	Various	Various	**2 963**	5 072
			24 813	18 016

for the year ended 30 June	Note	2015 Rm	2014 Rm
4 Goodwill			
Cost			
Balance at beginning of year		**2 355**	2 089
Acquisition of businesses	56	**–**	16
Translation of foreign operations	48	**338**	250
Balance at end of year		**2 693**	2 355
Accumulated impairment			
Balance at beginning of year		**1 711**	1 515
Impairment of goodwill	38	**–**	19
Translation of foreign operations	48	**392**	177
Balance at end of year		**2 103**	1 711
Carrying value at end of year		**590**	644
Business segmentation*			
Energy		**8**	13
Base Chemicals		**88**	84
Performance Chemicals		**494**	547
Total operations		**590**	644

Goodwill is largely attributable to the organics, inorganics and wax businesses within the Performance Chemicals business segment.

* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	Note	2015 Rm	2014 Rm
5 Other intangible assets			
Cost			
Balance at beginning of year		**4 506**	3 793
Acquisition of businesses	56	**–**	219
Additions		**155**	212
to sustain existing operations		**155**	211
to expand operations		**–**	1
Assets under construction capitalised	3	**266**	459
Reclassification to held for sale		**(50)**	–
Translation of foreign operations	48	**(31)**	259
Disposal of businesses	57	**–**	(202)
Disposals and scrapping		**(352)**	(234)
Balance at end of year		**4 494**	4 506
Comprising			
Software		**2 158**	1 989
Patents and trademarks		**904**	953
Emission rights		**191**	258
Other intangible assets		**1 241**	1 306
		4 494	4 506
Accumulated amortisation and impairment			
Balance at beginning of year		**2 624**	2 375
Current year charge	51	**385**	317
Net impairment of other intangible assets	38	**(12)**	60
Reclassification to held for sale		**(50)**	–
Translation of foreign operations	48	**(43)**	148
Disposal of businesses	57	**–**	(153)
Disposals and scrapping		**(113)**	(123)
Balance at end of year		**2 791**	2 624
Comprising			
Software		**1 411**	1 216
Patents and trademarks		**775**	811
Emission rights		**8**	90
Other		**597**	507
		2 791	2 624
Carrying value			
Software		**747**	773
Patents and trademarks		**129**	142
Emission rights		**183**	168
Other		**644**	799
		1 703	1 882

for the year ended 30 June	Software Rm	Patents and trademarks Rm	Emission rights Rm	Other intangible assets Rm	**Total Rm**
5 Other intangible assets continued					
Cost					
Balance at 30 June 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**
Additions	28	1	76	50	**155**
to sustain existing operations	28	1	76	50	**155**
Assets under construction capitalised	241	5	–	20	**266**
Reclassification to held for sale	–	–	(50)	–	**(50)**
Translation of foreign operations	(10)	(50)	(13)	42	**(31)**
Disposals and scrapping	(90)	(5)	(80)	(177)	**(352)**
Balance at 30 June 2015	**2 158**	**904**	**191**	**1 241**	**4 494**
Accumulated amortisation and impairment					
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**
Current year charge	283	17	–	85	**385**
Net impairment of other intangible assets	–	–	(12)	–	**(12)**
Reclassification to held for sale	–	–	(50)	–	**(50)**
Translation of foreign operations	(2)	(49)	(3)	11	**(43)**
Disposals and scrapping	(86)	(4)	(17)	(6)	**(113)**
Balance at 30 June 2015	**1 411**	**775**	**8**	**597**	**2 791**
Carrying value at 30 June 2015	**747**	**129**	**183**	**644**	**1 703**
Carrying value at 30 June 2014	773	142	168	799	**1 882**

for the year ended 30 June	2015 Rm	2014 Rm
Additions to other intangible assets (cash flow)		
Current year additions	**155**	212
Adjustments for non-cash items		
emission rights received	**(76)**	(131)
Per the statement of cash flows	**79**	81

Additional disclosures

Amortisation of intangible assets

Amortisation rates on intangible assets are noted on page 80. 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.

	2015 Rm	2014 Rm
Business segmentation of emission rights*		
Base Chemicals	**–**	3
Performance Chemicals	**183**	165
Total operations	**183**	168

* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	Note	2015 Rm	2014 Rm
6 Other long-term investments			
Investments available-for-sale	6.1	**745**	628
unlisted equity investments		**206**	221
listed investments		**539**	407
Investment held-for-trading	6.2	**–**	43
Investments held-to-maturity	6.3	**81**	205
Other long-term investments per statement of financial position		**826**	876
Fair value of other long-term investments			
Investments available-for-sale	6.1	**745**	628
Investment held-for-trading	6.2	**–**	43
Investments held-to-maturity	6.3	**81**	205

6.1 Investments available-for-sale

Fair value of investments available-for-sale

The fair value of the unlisted equity investments approximates its original cost. 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 2015. Investments amounting to R425 million (2014 – R311 million) are restricted for use as they are held in a separate trust to be used exclusively for rehabilitation purposes at 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 approximates its original cost. 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 comprise of long-term fixed deposits, is determined using a discounted cash flow method using market related rates at 30 June 2015. The market related rate used to discount estimated cash flows was 6,88% (2014 – between 6,20% and 7,11%). 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 Mining.

for the year ended 30 June	Note	2015 Rm	2014 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		**10 028**	8 280
The amounts recognised in the income statement are as follows:			
Share of profits of equity accounted joint ventures, net of tax	39	**2 098**	3 810
Share of profits		**2 097**	3 823
Remeasurement items		**1**	(13)
The amounts recognised in the statement of cash flows are as follows:			
Finance income			
Dividends received from equity accounted joint ventures	53	**2 319**	4 380

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 %	2015 Rm	2014 Rm
ORYX GTL Limited	Qatar	GTL plant	49	**7 201**	6 539
Sasol Huntsman GmbH & co KG	Germany	Manufacturing of chemical products	50	**827**	772
Petronas Chemicals LDPE Sdn Bhd	Malaysia	Manufacturing and marketing of low-density polyethylene pellets	40	**632**	671
Uzbekistan GTL LLC[1]	Uzbekistan	GTL plant	40,3	**815**	–
Sasol Dyno Nobel (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	50	**245**	228
Petromoc e Sasol SARL	Mozambique	Marketing of fuels	49	**96**	64
Sasol Chevron Holdings Limited[2]	Bermuda	Marketing of Escravos GTL products	50	**212**	–
Other			various	**–**	6
Carrying value of investments				**10 028**	8 280

1 The group had classified its investment in Uzbekistan GTL as held for sale at 30 June 2014 (refer note 12). Following negotiations and a strategic evaluation of the asset, the group decided to retain the investment whilst it pursues alternative ways to enable the project and accordingly, the investment is no longer classified as held for sale at 30 June 2015. In terms of amendments to the shareholders' agreement and Sasol's response plan to the volatile macro economic environment, Sasol will not contribute further capital to the investment until a longer term plan is agreed. Accordingly, the group's interest in the Uzbekistan GTL company has been diluted to 40,3% as a result of further capital contributions made by the local partner.

2 In 2014, the investment in Sasol Chevron Holdings Limited was reduced to Rnil as a result of Sasol's cumulative share of losses exceeding the carrying value.

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	
for the year ended 30 June	**2015 Rm**	2014 Rm
Summarised statement of financial position		
Non-current assets	**12 150**	10 400
property, plant and equipment	**10 407**	9 616
assets under construction	**1 508**	658
other non-current assets	**235**	126
Current assets	**4 492**	4 350
cash and cash equivalents	**705**	592
other current assets	**3 787**	3 758
Total assets	**16 642**	14 750
Non-current liabilities	**960**	755
long-term debt	**222**	193
long-term provisions	**87**	70
other non-current liabilities	**651**	492
Current liabilities	**985**	650
Total liabilities	**1 945**	1 405
Net assets	**14 697**	13 345
Summarised income statement		
Turnover	**10 205**	13 743
Depreciation and amortisation	**(1 166)**	(1 149)
Other operating expenses	**(5 172)**	(4 320)
Operating profit	**3 867**	8 274
Finance income	**10**	15
Finance expense	**(2)**	(5)
Net profit before tax	**3 875**	8 284
Taxation	**(83)**	(64)
Profit and total comprehensive income for the year	**3 792**	8 220
The group's share of profits of equity accounted joint venture	**1 858**	4 028
Reconciliation of summarised financial information		
Net assets at the beginning of the year	**13 345**	13 037
Profit for the year	**3 792**	8 220
Foreign exchange differences	**2 163**	971
Dividends paid	**(4 603)**	(8 883)
Net assets at the end of the year	**14 697**	13 345
Carrying value of investment in equity accounted joint venture	**7 201**	6 539

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

for the year ended 30 June	2015 Rm	2014 Rm
Summarised financial information for the group's share of equity accounted joint ventures which are not material*		
Operating profit/(loss)	**296**	(179)
Profit/(loss) before tax	**306**	(188)
Taxation	**(66)**	(30)
Profit/(loss) and total comprehensive income for the year	**240**	(218)

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

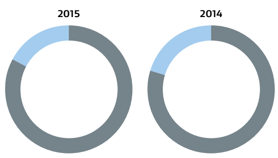
Capital commitments relating to equity accounted joint ventures	2015 Rm	2014 Rm
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:		
Authorised and contracted for	**716**	1 152
Authorised but not yet contracted for	**691**	438
Less expenditure to the end of year	**(759)**	(826)
	648	764

Contingent liabilities

There were no contingent liabilities at 30 June 2015 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.



Business segmentation*	2015 Rm	2014 Rm
Mining	**–**	5
Energy	**8 324**	6 604
Base Chemicals	**1 704**	1 671
Total carrying value of investments in equity accounted joint ventures	**10 028**	8 280

* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

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	2015 Rm	2014 Rm
8 Investments in associates			
The amounts recognised in the statement of financial position are as follows:			
Investments in associates		**1 842**	1 877
The amounts recognised in the income statement are as follows:			
Share of (losses)/profits of associates, net of tax	40	**(41)**	334
Share of (losses)/profits		**(41)**	334
Remeasurement items		**–**	–
The amounts recognised in the statement of cash flows are as follows:			
Finance income			
Dividends received from associates	53	**493**	337

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

Name	Country of incorporation	Nature of business	Interest %	2015 Rm	2014 Rm
Petronas Chemicals Olefins Sdn Bhd*	Malaysia	Ethane and propane gas cracker	12	**939**	946
Escravos GTL (EGTL)**	Nigeria	GTL plant	10	**763**	763
Oxis Energy	United Kingdom	Battery technology development	31	**130**	155
Other			various	**10**	13
Carrying value of investments				**1 842**	1 877

* 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 plant.

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

	2015 Rm	2014 Rm
Investment in associate	**763**	763
Loan to associate classified as long-term receivables	**64**	173
	827	936
Summarised financial information for associates*		
Operating profit	**110**	443
Profit before tax	**128**	442
Taxation	**(169)**	(108)
Profit and total comprehensive income for the year	**(41)**	334

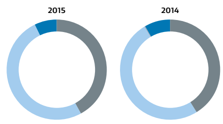
* The financial information provided represents the group's share of the results of the associates. None of the associates are individually material to the group.

Contingent liabilities

There were no contingent liabilities at 30 June 2015 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.



Business segmentation*	2015 Rm	2014 Rm
Energy	**773**	774
Base Chemicals	**939**	946
Performance Chemicals	**–**	2
Group Functions	**130**	155
Total carrying value of investments in associates	**1 842**	1 877

* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

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	2015 Rm	2014 Rm
9	**Post-retirement benefit assets**			
	Post-retirement benefit assets	21.2	**590**	487
	For further details of post-retirement benefit assets, refer note 21.2.			

for the year ended 30 June	Note	2015 Rm	2014 Rm
10 Long-term receivables and prepaid expenses			
Total long-term receivables		**2 957**	2 963
Short-term portion	15	**(1 405)**	(226)
		1 552	2 737
Long-term prepaid expenses		**239**	185
		1 791	2 922
Comprising			
Long-term joint operations receivables (interest bearing)		**628**	1 270
Long-term interest-bearing loans		**650**	1 179
Long-term interest-free loans		**274**	288
		1 552	2 737
Maturity profile			
Within one year		**1 405**	226
One to five years		**237**	1 565
More than five years		**1 315**	1 172
		2 957	2 963

Fair value of long-term loans and receivables

The fair value of long-term receivables is determined using a discounted cash flow method, based on 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 2015.

	2015 Rm	2014 Rm
Fair value of long-term receivables	**2 957**	2 963

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.

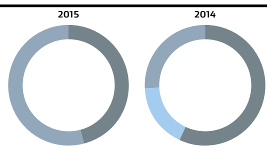
	2015 Rm	2014 Rm
11 Long-term financial assets		
Forward exchange contracts	**–**	13
Arising on long-term derivative financial instruments	**–**	13
held-for-trading	**–**	13

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.

Current assets

	Note	2015 Rm	2014 Rm
Assets in disposal groups held for sale	12	**89**	1 419
Inventories	13	**23 141**	26 758
Tax receivable	28	**1 563**	550
Trade receivables	14	**23 863**	25 223
Other receivables and prepaid expenses	15	**4 547**	4 601
Short-term financial assets	16	**124**	420
Cash restricted for use	17	**5 022**	1 245
Cash	17	**48 329**	37 155
		106 678	97 371

for the year ended 30 June	Note	2015 Rm	2014 Rm
12 Disposal groups held for sale			
Assets in disposal groups held for sale			
Energy – Investment in Naledi Petroleum Holdings (Pty) Ltd	12.1	**49**	158
Energy – Investment in Uzbekistan GTL joint venture	12.2	**–**	666
Sasolburg Operations – Air separation unit	12.3	**–**	471
Other		**40**	124
		89	1 419
Liabilities in disposal groups held for sale			
Energy – Investment in Naledi Petroleum Holdings (Pty) Ltd	12.1	**(15)**	(46)
Other		**–**	(11)
		(15)	(57)
Business segmentation*			
Energy		**34**	777
Base Chemicals		**–**	236
Performance Chemicals		**40**	349
Total operations		**74**	1 362



* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

12 Disposal groups held for sale continued

12.1 Energy – 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. On 1 November 2014, the sale of Exel Lesotho (Pty) Ltd was concluded (refer to note 57). The sale of Exel Swaziland (Pty) Ltd is expected to be concluded within the next 12 months.

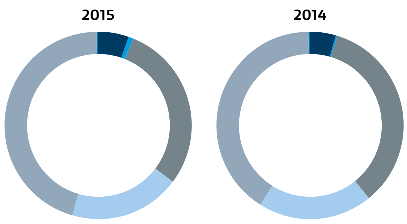
12.2 Energy – Investment in Uzbekistan GTL joint venture

The group had classified its investment in Uzbekistan GTL as held for sale at 30 June 2014. Following negotiations and a strategic evaluation of the asset, the group has decided to retain the investment, and as a result, the investment is no longer classified as held for sale at 30 June 2015.

12.3 Sasolburg operations – 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.

for the year ended 30 June	**2015 Rm**	2014 Rm
13 Inventories		
Carrying value		
Crude oil and other raw materials	**4 199**	5 514
Process material	**1 569**	1 472
Maintenance materials	**4 493**	4 031
Work in process	**2 315**	3 046
Manufactured products	**10 273**	12 204
Consignment inventory	**292**	491
	23 141	26 758
Business segmentation*		
Mining	**1 268**	1 257
Exploration and Production International	**169**	74
Energy	**6 781**	9 178
Base Chemicals	**4 436**	5 262
Performance Chemicals	**10 438**	10 958
Group Functions	**49**	29
Total operations	**23 141**	26 758



* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

The impact of lower crude oil and chemical product prices has resulted in a net realisable value write-down of R249 million in 2015 (2014 – R459 million).

No inventories are encumbered.

for the year ended 30 June	2015 Rm	2014 Rm
14 Trade receivables		
Trade receivables	**21 672**	22 929
Related party receivables	**469**	208
equity accounted joint ventures	**469**	208
Impairment of trade receivables	**(478)**	(500)
Receivables	**21 663**	22 637
Duties recoverable from customers	**372**	372
Value added tax	**1 828**	2 214
	23 863	25 223

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

	Carrying value 2015 Rm	Impairment 2015 Rm	Carrying value 2014 Rm	Impairment 2014 Rm
Age analysis of trade receivables				
Not past due date	**20 062**	**1**	21 051	8
Past due 0 – 30 days	**915**	**12**	1 204	4
Past due 31 – 150 days	**189**	**26**	165	42
Past due 151 days – one year	**39**	**24**	29	12
More than one year*	**467**	**415**	480	434
	21 672	**478**	22 929	500

* 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	2015 Rm	2014 Rm
Impairment of trade receivables			
Balance at beginning of year		**(500)**	(530)
Acquisition of business		**–**	(5)
Disposal of businesses		**–**	1
Raised during year	37	**(88)**	(61)
Utilised during year		**55**	88
Released during year	37	**48**	25
Translation of foreign operations		**7**	(18)
Balance at end of year		**(478)**	(500)

Impairment of trade receivables

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.

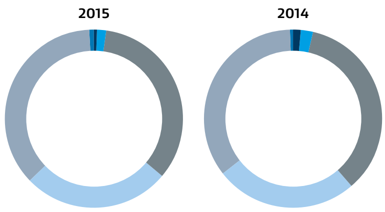
Fair value of trade receivables

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.

14 Trade receivables continued



for the year ended 30 June	2015 Rm	2014 Rm
Business segmentation*		
Mining	**166**	406
Exploration and Production International	**391**	509
Energy	**8 081**	8 872
Base Chemicals	**6 358**	6 472
Performance Chemicals	**8 687**	8 846
Group Functions	**180**	118
Total operations	**23 863**	25 223

* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

15 Other receivables and prepaid expenses

	Note	2015 Rm	2014 Rm
Cell captive insurance related receivables		**477**	392
Insurance related receivables		**6**	15
Receivables related to exploration activities		**185**	55
Employee related receivables		**50**	121
Receivable from the European Union for the Performance Chemicals (Wax) fine reduction	58	**–**	2 449
Receivables from joint operations		**76**	–
Other receivables		**887**	928
		1 681	3 960
Short-term portion of long-term receivables	10	**1 405**	226
Other receivables		**3 086**	4 186
Prepaid expenses		**1 461**	415
		4 547	4 601

Fair value of other receivables

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

for the year ended 30 June	2015 Rm	2014 Rm
16 Short-term financial assets		
Forward exchange contracts	**97**	420
Commodity derivatives	**27**	–
Arising on short-term derivative financial instruments	**124**	420
used for cash flow hedging	**3**	4
held-for-trading	**121**	416

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.

	Note	2015 Rm	2014 Rm
17 Cash and cash equivalents			
Cash restricted for use		**5 022**	1 245
Cash		**48 329**	37 155
Bank overdraft		**(319)**	(379)
Per the statement of cash flows		**53 032**	38 021
Cash restricted for use			
In trust	17.1	**324**	346
In respect of joint operations	17.2	**4 431**	774
Held as collateral	17.3	**2**	72
Other	17.4	**265**	53
		5 022	1 245

Included in cash restricted for use:

17.1 Cash held in trust of R324 million (2014 – R346 million) is restricted for use and is being held in escrow, and includes funds for the rehabilitation of various sites.

17.2 Cash in respect of joint operations can only be utilised for the business activities of the joint operations. This includes Sasol's interests in the high density polyethylene plant in North America (R2,0 billion) and in the Canadian shale gas asset in Montney (R1,7 billion).

17.3 Cash deposits of R2 million (2014 – R72 million) serving as collateral for bank guarantees.

17.4 Other cash restricted for use include deposits for future abandonment site obligations and decommissioning of pipelines.

Fair value of cash and cash equivalents

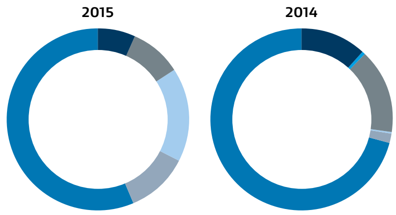
The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Non-current liabilities

	Note	2015 Rm	2014 Rm
Long-term debt	18	**39 269**	23 419
Long-term financial liabilities	19	**8**	17
Long-term provisions	20	**13 431**	15 232
Post-retirement benefit obligations	21	**10 071**	9 294
Long-term deferred income	22	**425**	293
Deferred tax liabilities	23	**22 570**	18 246
		85 774	66 501

for the year ended 30 June	Note	2015 Rm	2014 Rm
18 Long-term debt			
Total long-term debt		**42 066**	25 921
Short-term portion	24	**(2 797)**	(2 502)
		39 269	23 419
Analysis of long-term debt			
At amortised cost			
Secured debt		**8 477**	815
Preference shares		**12 113**	8 106
Finance leases		**1 532**	940
Unsecured debt		**20 331**	16 204
Unamortised loan costs		**(387)**	(144)
		42 066	25 921
Reconciliation			
Balance at beginning of year		**25 921**	22 648
Acquisition of businesses	56	**–**	20
Loans raised		**15 115**	3 263
proceeds from new loans		**14 543**	3 263
finance leases acquired		**572**	–
Loans repaid		**(1 663)**	(2 207)
Interest accrued	42	**408**	1 276
Amortisation of loan costs		**113**	59
Translation effect of foreign currency loans		**416**	829
Translation of foreign operations	48	**1 756**	33
Balance at end of year		**42 066**	25 921
Interest-bearing status			
Interest-bearing debt		**41 400**	25 365
Non-interest-bearing debt		**666**	556
		42 066	25 921
Maturity profile			
Within one year		**2 797**	2 502
One to five years		**15 946**	11 448
More than five years		**23 323**	11 971
		42 066	25 921

for the year ended 30 June	2015 Rm	2014 Rm
Business segmentation*		
Mining	**2 884**	3 025
Exploration and Production International	**–**	150
Energy	**3 888**	3 937
Base Chemicals	**6 971**	24
Performance Chemicals	**4 637**	488
Group Functions	**23 686**	18 297
Total operations	**42 066**	25 921



* 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

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.

	2015 Rm	2014 Rm
Total long-term debt (before unamortised loan costs)[1]	**42 866**	26 531

1 The difference in the fair value of long-term debt in 2015 compared to the carrying value is mainly due to the prevailing market price of the debt instruments in the US and Inzalo preference shares debt at 30 June 2015.

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 (2015 – R383 billion; 2014 – R342 billion).

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2015	2015 Rm	2014 Rm
Secured debt						
Repayable in bi-annual instalments ending May 2022	Secured by assets under construction with a carrying value of R24 099 million and other assets with a carrying value of R15 580 million (2014 – Rnil)	US Operations	US Dollar	**Libor +2,25%**	**8 241**	–
Other secured debt		Various	Various	**Various**	**236**	143
Settled during the year	Secured by plant and equipment with a carrying value of Rnil (2014 - R7 952 million)				**–**	672
					8 477	815

18 Long-term debt continued

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2015	2015 Rm	2014 Rm
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	Group Functions (Inzalo)	Rand	**Fixed 11,1% to 12,3%**	**1 801**	1 964
B preference shares repayable between June 2008 and October 2018 [2]	Secured by Sasol preferred ordinary shares held by the company	Group Functions (Inzalo)	Rand	**Fixed 13,3% to 14,7%**	**1 163**	1 162
C preference shares repayable October 2018 [3, 4]	Secured by guarantee from Sasol Limited	Group Functions (Inzalo)	Rand	**Variable 68% of prime**	**8 608**	4 492
A preference shares repayable between March 2013 and October 2018 [5]	Secured by preference shares held by Sasol Mining Holdings (Pty) Ltd	Mining (Ixia)	Rand	**Fixed 10,0%**	**541**	488
					12 113	8 106
Finance leases						
Repayable in monthly instalments over 10 to 30 years ending December 2033	Secured by plant and equipment with a carrying value of R769 million (2014 – R730 million)	Energy	Rand	**Fixed 6,2% to 16,6% and variable 7,0% to 8,3%**	**714**	647
Repayable in monthly instalments ending June 2034	Secured by plant and equipment with a carrying value of R543 million (2014 – Rnil)	Base Chemicals and Performance Chemicals	Rand	**Fixed 12,95%**	**566**	–
Other finance leases	Underlying assets	Various	Various	**Various**	**252**	293
					1 532	940
Total secured debt					**22 122**	9 861

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, R160 million (2014 – R177 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 Additional C preference shares were issued in 2015 as part of the refinancing of the Sasol Inzalo transaction. The proceeds from the issue of preference shares was used by Sasol Inzalo to redeem the D preference shares held by Sasol Limited company, which was eliminated on consolidation. The refinancing of the C preference shares resulted in a reduction of the interest rate for the Inzalo group from 80% of prime to 68% of prime.

5 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 Limited. These preference shares may not be disposed of or encumbered in any way.

Terms of repayment	Business	Currency	Interest rate at 30 June 2015	2015 Rm	2014 Rm
Unsecured debt					
Repayable in semi-annual instalments ending June 2018	Energy	Rand	**Variable 7,96%**	**280**	356
Loan from iGas (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. Repayable in August 2015	Energy (Rompco)	Rand	**–**	**300**	278
Loan from CMG (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. Repayable in August 2015	Energy (Rompco)	Rand	**–**	**300**	278
Repayable at the end of maturity in August 2015	Energy (Rompco)	Rand	**Variable 8,05%**	**753**	552
Repayable in semi-annual instalments ending January 2025	Energy	Rand	**Variable 7,62%**	**416**	252
No fixed repayment terms	Energy	Rand	**Fixed 8,0%**	**373**	276
Repayable in yearly instalments ending June 2019	Energy	Rand	**Variable 8,82%**	**234**	293
Repayable in yearly instalments ending June 2022	Energy	Rand	**Variable 8,63%**	**226**	258
Repayable in quarterly instalments ending April 2021	Base Chemicals	US Dollar	**Libor +3,75%**	**2 557**	–
Repayable in November 2022[6]	Group Functions – Sasol Financing	US Dollar	**Fixed 4,5%**	**12 241**	10 700
Repayable in semi-annual instalments ending December 2018	Mining	Rand	**Variable 7,34%**	**2 350**	2 537
Other unsecured debt	Various	Various	**Various**	**301**	326
Settled during the year				**–**	98
Total unsecured debt				**20 331**	16 204
Total long-term debt				**42 453**	26 065
Unamortised loan costs (amortised over period of debt using effective interest method)				**(387)**	(144)
				42 066	25 921
Short-term portion of long-term debt				**(2 797)**	(2 502)
				39 269	23 419

6 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.

18 Long-term debt continued

2015 Banking facilities and debt arrangements	Expiry date	Currency	Rand equivalent Rm	Utilisation Rm
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various	Rand	**450**	–
Commercial paper	None	Rand	**8 000**	–
Committed facility				
Commercial banking facilities	Various	Rand	**3 000**	–
Sasol Financing International Limited				
Committed facilities				
Commercial banking facilities	Various	US Dollar	**730**	–
Revolving credit facility	None	US Dollar	**18 255**	–
Debt arrangements				
US Dollar Bond	November 2022	US Dollar	**12 241**	**12 241**
Other Sasol businesses				
Specific project asset finance				
Sasol Financing (funding of Lake Charles Chemical project in United States)	May 2022	US Dollar	**48 619**	**8 241**
Energy – Republic of Mozambique Pipeline Investments Company (Rompco)	August 2015	Rand	**1 353**	**1 353**
Base Chemicals – High density polyethylene plant	April 2021	US Dollar	**2 557**	**2 557**
Mining – Mine replacement programme	December 2018	Rand	**2 350**	**2 350**
Energy – Clean Fuels II (Natref)	Various	Rand	**921**	**921**
Debt arrangements				
Sasol Inzalo (preference shares)	October 2018	Rand	**11 572**	**11 572**
Mining (preference shares)	October 2018	Rand	**541**	**541**
Finance leases				
Sasol Oil (Pty) Ltd	Various	Rand	**714**	**714**
Other debt arrangements		Various	**2 429**	**2 429**
			113 732	**42 919**

Comprising	
Long-term debt	**42 066**
Short-term debt	**534**
Bank overdraft	**319**
	42 919

Financial covenants

Certain of the above facilities and debt arrangements are subject to financial covenants based on key financial ratios. No events of default occurred during the year.

for the year ended 30 June	Note	2015 Rm	2014 Rm
19 Long-term financial liabilities			
Derivative instruments			
Forward exchange contracts		**2**	6
Interest rate derivatives		**–**	3
		2	9
used for cash flow hedging		**2**	–
held-for-trading		**–**	9
Non-derivative instruments			
Financial guarantees recognised		**12**	16
Less amortisation of financial guarantees		**(4)**	(4)
		8	12
Less short-term portion of financial guarantees	25	**(2)**	(4)
		6	8
Arising on long-term financial instruments		**8**	17

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 11,73% – 12,49% (2014: 11,05% – 13,62%).

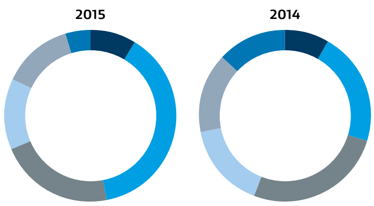
	2015 Rm	2014 Rm
Fair value of financial liabilities	**10**	21

for the year ended 30 June	Note	2015 Rm	2014 Rm
20 Long-term provisions			
Balance at beginning of year		**18 133**	13 271
Acquisition of businesses	56	**–**	61
Disposal of businesses	57	**–**	(166)
Capitalised in property, plant and equipment and assets under construction		**1 104**	599
Reduction in rehabilitation provisions capitalised		**(277)**	(126)
Per the income statement	51	**(2 239)**	5 608
additional provisions and changes to existing provisions		**(448)**	6 069
reversal of unutilised amounts		**(1 700)**	(15)
effect of change in discount rate		**(91)**	(446)
Notional interest	42	**725**	616
Utilised during year (cash flow)	51	**(1 545)**	(2 120)
Reclassification to held for sale		**–**	(17)
Foreign exchange differences recognised in income statement		**426**	186
Translation of foreign operations	48	**97**	221
Balance at end of year		**16 424**	18 133
Short-term portion	26	**(2 993)**	(2 901)
Long-term provisions		**13 431**	15 232
Comprising			
Environmental		**11 022**	11 013
Share-based payments		**3 529**	6 108
Other		**1 873**	1 012
long service awards		**104**	117
long-term supply obligation		**121**	125
foreign early retirement provisions		**38**	82
other		**1 610**	688
		16 424	18 133

for the year ended 30 June	Environ-mental 2015 Rm	Share-based payments* 2015 Rm	Other 2015 Rm	Total 2015 Rm
Balance at beginning of year	11 013	6 108	1 012	18 133
Capitalised in property, plant and equipment and assets under construction	1 104	–	–	1 104
Reduction in capitalised rehabilitation provision	(277)	–	–	(277)
Per the income statement	(1 722)	(1 382)	865	(2 239)
additional provisions and changes to existing provisions	62	(1 382)	872	(448)
reversal of unutilised amounts	(1 693)	–	(7)	(1 700)
effect of change in discount rate	(91)	–	–	(91)
Notional interest	713	–	12	725
Utilised during year (cash flow)	(252)	(1 197)	(96)	(1 545)
Foreign exchange differences recognised in income statement	395	–	31	426
Translation of foreign operations	48	–	49	97
Balance at end of year	11 022	3 529	1 873	16 424

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

	2015 Rm	2014 Rm
Business segmentation**		
Mining	1 193	1 293
Exploration and Production International	5 118	3 272
Energy	2 917	3 943
Base Chemicals	1 813	2 461
Performance Chemicals	1 792	2 302
Group Functions	598	1 961
Total operations	13 431	15 232



** 2014 has been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	2015 Rm	2014 Rm
20 Long-term provisions continued		
Expected timing of future cash flows		
Within one year	**2 993**	2 901
One to five years	**3 922**	4 191
More than five years	**9 509**	11 041
	16 424	18 133
Estimated undiscounted obligation*	**108 338**	57 923

* The increase in the estimated undiscounted obligation is mainly due to the extension of the useful life of our Southern Africa assets to 2050. Refer note 1.

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.

	2015 %	2014 %
South Africa	**6,7 to 8,7**	6,4 to 8,7
Europe	**0,1 to 1,8**	0,3 to 2,4
United States of America	**0,5 to 3,0**	0,3 to 3,6
Canada	**0,9 to 2,9**	1,3 to 3,4
A 1% point change in the discount rate would have the following effect on the long-term provisions recognised		
Increase in the discount rate	**(1 758)**	(970)
amount capitalised to property, plant and equipment	**(857)**	(586)
amount recognised in income statement (income)	**(901)**	(384)
Decrease in the discount rate	**2 351**	1 023
amount capitalised to property, plant and equipment	**1 064**	753
amount recognised in income statement (expense)	**1 287**	270

for the year ended 30 June		Note	2015 Rm	2014 Rm
21	**Post-retirement benefit obligations**			
	Post-retirement healthcare benefits	21.1	**4 303**	3 630
	Pension benefits	21.2	**6 066**	5 931
	Total post-retirement benefit obligations		**10 369**	9 561
	Less short-term portion			
	post-retirement healthcare benefits	26	**(153)**	(128)
	pension benefits	26	**(145)**	(139)
			10 071	9 294

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. 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 2015**	**30 June 2015**
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	2015 %	2014 %	2015 %	2014 %
Healthcare cost inflation				
Initial	**7,5**	7,5	**7,0***	7,0*
Ultimate	**7,5**	7,5	**5,5***	5,5*
Discount rate	**8,9**	9,6	**3,7**	3,5
Pension increase assumption	**4,3**	4,3	**n/a**	n/a
Weighted average duration of the obligation	**17 years**	17 years	**9 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

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

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	United States of America 2015 Rm	United States of America 2014 Rm	Total 2015 Rm	Total 2014 Rm
Projected benefit obligation	**4 054**	3 410	**249**	220	**4 303**	3 630
Less short-term portion	**(132)**	(110)	**(21)**	(18)	**(153)**	(128)
Non-current post-retirement healthcare obligation	**3 922**	3 300	**228**	202	**4 150**	3 502

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

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	United States of America 2015 Rm	United States of America 2014 Rm	Total 2015 Rm	Total 2014 Rm
Total post-retirement healthcare obligation at beginning of year	**3 410**	3 706	**220**	193	**3 630**	3 899
Reclassification to held for sale	**–**	(3)	**–**	–	**–**	(3)
Current service cost	**60**	118	**7**	5	**67**	123
Interest cost	**247**	374	**8**	7	**255**	381
Remeasurement losses/(gains)	**415**	(580)	**(8)**	15	**407**	(565)
actuarial (gains)/losses – change in demographic assumptions	**–**	131	**(3)**	–	**(3)**	131
actuarial losses/(gains) – change in financial assumptions	**421**	(701)	**(4)**	7	**417**	(694)
actuarial (gains)/losses – change in actuarial experience	**(6)**	(10)	**(1)**	8	**(7)**	(2)
Benefits paid	**(88)**	(120)	**(19)**	(17)	**(107)**	(137)
Curtailments and settlements[1]	**10**	(85)	**–**	–	**10**	(85)
Plan amendments	**–**	–	**10**	2	**10**	2
Translation of foreign operations	**–**	–	**31**	15	**31**	15
Total post-retirement healthcare obligation at end of year	**4 054**	3 410	**249**	220	**4 303**	3 630

[1] Amount represents employees who were offered voluntary retrenchment packages in terms of the Business Performance Enhancement Programme and Response Plan initiatives.

Net post-retirement healthcare costs recognised in the income statement

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	United States of America 2015 Rm	United States of America 2014 Rm	Total 2015 Rm	Total 2014 Rm
Current service cost	**60**	118	**7**	5	**67**	123
Net interest cost	**247**	374	**8**	7	**255**	381
Curtailments and settlements	**10**	(85)	**–**	–	**10**	(85)
Plan amendments	**–**	–	**10**	2	**10**	2
Net periodic benefit cost	**317**	407	**25**	14	**342**	421

Remeasurement of the net post-retirement healthcare obligation

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	United States of America 2015 Rm	United States of America 2014 Rm	Total 2015 Rm	Total 2014 Rm
Actuarial (gains)/losses arising from changes in demographic assumptions	**–**	131	**(3)**	–	**(3)**	131
Actuarial losses/(gains) arising from changes in financial assumptions	**421**	(701)	**(4)**	7	**417**	(694)
Actuarial (gains)/losses arising from change in actuarial experience	**(6)**	(10)	**(1)**	8	**(7)**	(2)
Net remeasurement recognised in other comprehensive income	**415**	(580)	**(8)**	15	**407**	(565)

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 2015 Rm	South Africa 2014 Rm	United States of America 2015 Rm	United States of America 2014 Rm
1% point change in actuarial assumptions:				
Increase in the healthcare cost inflation	**651**	569	**–***	–*
Decrease in the healthcare cost inflation	**(586)**	(460)	**–***	–*
Increase in the discount rate	**(574)**	(440)	**(19)**	(17)
Decrease in the discount rate	**646**	552	**23**	19
Increase in the pension increase assumption	**151**	174	**–***	–*
Decrease in the pension increase assumption	**(258)**	(196)	**–***	–*

*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.

21 Post-retirement benefit obligations continued

Pension increase risk

The South African healthcare plan is 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.

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 R200 million 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. 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.

The fund will however continue to distinguish between the different types of members based on the benefits associated with each, using 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). The notional pensioners account is included in the overall fund obligation for the group as it can only be used for the benefit of the pensioners. 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.

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 2 157 108 Sasol ordinary shares valued at R971 million at year end (2014 – 2 007 108 Sasol ordinary shares valued at R1 269 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 R590 million (2014 – R487 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 contribution 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 2015 amounted to R2 018 million, comprising R1 096 million of contributions made by the employer and R922 million in respect of employees (2014 – R1 562 million, comprising R1 027 million of contributions made by the employer and R535 million in respect of employees).

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 R114 million (2014 – 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 R590 million (2014 – R487 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 R6 019 million as at 30 June 2015 (2014 – R5 292 million).

21 Post-retirement benefit obligations 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	**2015 %**	2014 %	**2015 %**	2014 %
Equities	**54**	56	**43**	45
resources	**8**	12	**7**	8
industrials	**2**	3	**5**	6
consumer discretionary	**12**	11	**5**	2
consumer staples	**12**	13	**4**	7
healthcare	**4**	2	**7**	2
information technologies	**2**	1	**7**	12
telecommunications	**3**	4	**1**	1
financials (ex real estate)	**11**	10	**7**	7
Fixed interest	**10**	10	**46**	44
Direct property	**13**	14	**6**	6
Listed property	**8**	4	**–**	–
Cash and cash equivalents	**2**	3	**–**	–
Third party managed assets	**12**	12	**–**	–
Other	**1**	1	**5**	5
Total	**100**	100	**100**	100

The pension fund assets are measured at fair value at valuation date. The fair value of the equity has 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.

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

	South Africa[1]		United States of America	
Asset classes	**Minimum %**	**Maximum %**	**Minimum %**	**Maximum %**
Equities				
local	**45**	**60**	**25**	**65**
foreign	**5**	**20**	**–**	**25**
Fixed interest	**6**	**20**	**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 R97 million, R43 759 million, R975 million and R143 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 2015**	**30 June 2015**	**30 June 2015**
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	**2015 %**	2014 %	**2015 %**	2014 %	**2015 %**	2014 %
Discount rate	**8,6**	9,1	**3,3**	3,6	**2,3**	2,9
Average salary increases	**7,0**	7,0	**4,2**	4,2	**2,3**	2,9
Pension increase assumption	**4,3**	4,3	**n/a***	n/a*	**2,1**	2,3
Weighted average duration of the obligation	**15 years**	15 years	**15 years**	13 years	**20 years**	18 years

* There are no automatic pension increases for the United States pension plan.

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

21 Post-retirement benefit obligations continued

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

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	Foreign 2015 Rm	Foreign 2014 Rm	Total 2015 Rm	Total 2014 Rm
Projected benefit obligation (funded obligation)	**42 473**	37 310	**2 446**	2 241	**44 919**	39 551
Defined benefit portion	**15 204**	11 515	**2 446**	2 241	**17 650**	13 756
Defined benefit option for defined contribution members	**27 269**	25 795	**–**	–	**27 269**	25 795
Plan assets	**(43 629)**	(38 859)	**(2 076)**	(1 904)	**(45 705)**	(40 763)
Defined benefit portion	**(17 747)**	(13 693)	**(2 076)**	(1 904)	**(19 823)**	(15 597)
Defined benefit option for defined contribution members	**(25 882)**	(25 166)	**–**	–	**(25 882)**	(25 166)
Projected benefit obligation (unfunded obligation)	**–**	–	**5 696**	5 594	**5 696**	5 594
Asset not recognised due to asset limitation	**566**	1 062	**–**	–	**566**	1 062
Net liability/(asset) recognised	**(590)**	(487)	**6 066**	5 931	**5 476**	5 444

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. Accordingly the obligation recognised for the defined contribution members exceeds their related asset.

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	Foreign 2015 Rm	Foreign 2014 Rm	Total 2015 Rm	Total 2014 Rm
Comprising						
Pension asset (refer note 9)	**(590)**	(487)	**–**	–	**(590)**	(487)
Pension benefit obligation	**–**	–	**6 066**	5 931	**6 066**	5 931
Long-term portion	**–**	–	**5 921**	5 792	**5 921**	5 792
Short-term portion	**–**	–	**145**	139	**145**	139
Net liability/(asset) recognised	**(590)**	(487)	**6 066**	5 931	**5 476**	5 444

Reconciliation of projected benefit obligation (funded obligation)

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	Foreign 2015 Rm	Foreign 2014 Rm	Total 2015 Rm	Total 2014 Rm
Projected benefit obligation at beginning of year	**37 310**	32 583	**2 241**	1 943	**39 551**	34 526
Current service cost	**1 110**	995	**131**	98	**1 241**	1 093
Past service cost	**–**	–	**(4)**	–	**(4)**	–
Interest cost	**3 233**	2 735	**68**	59	**3 301**	2 794
Remeasurement items	**3 866**	2 200	**131**	148	**3 997**	2 348
actuarial losses – change in demographic assumptions	**–**	–	**30**	1	**30**	1
actuarial losses/(gains) – change in financial assumptions	**3 866**	2 200	**(1)**	46	**3 865**	2 246
actuarial losses – change in actuarial experience	**–**	–	**102**	101	**102**	101
Member contributions	**922**	535	**–**	1	**922**	536
Benefits paid	**(3 844)**	(1 738)	**(426)**	(123)	**(4 270)**	(1 861)
Plan amendment	**–**	–	**–**	(38)	**–**	(38)
Translation of foreign operations	**–**	–	**312**	153	**312**	153
Curtailments and settlements	**(124)**	–	**(7)**	–	**(131)**	–
Projected benefit obligation at end of year	**42 473**	37 310	**2 446**	2 241	**44 919**	39 551

Reconciliation of projected benefit obligation (unfunded obligation)

for the year ended 30 June	Foreign 2015 Rm	Foreign 2014 Rm	Total 2015 Rm	Total 2014 Rm
Projected benefit obligation at beginning of year	**5 594**	4 690	**5 594**	4 690
Current service cost	**140**	137	**140**	137
Past service cost	**(1)**	–	**(1)**	–
Interest cost	**155**	186	**155**	186
Remeasurement losses	**332**	772	**332**	772
actuarial losses – change in financial assumptions	**391**	739	**391**	739
actuarial (gains)/losses – change in actuarial experience	**(59)**	33	**(59)**	33
Benefits paid	**(128)**	(122)	**(128)**	(122)
Plan amendment	**–**	(6)	**–**	(6)
Translation of foreign operations	**(396)**	648	**(396)**	648
Disposal of business	**–**	(711)	**–**	(711)
Projected benefit obligation at end of year	**5 696**	5 594	**5 696**	5 594
Reimbursement right recognised at fair value[1]	**227**	189	**227**	189

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 R227 million (2014 – R189 million) and have been recognised in long-term receivables.

21 Post-retirement benefit obligations continued

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
for the year ended 30 June	2015 Rm	2014 Rm	2015 Rm	2014 Rm	2015 Rm	2014 Rm
Fair value of plan assets at beginning of year	**38 859**	32 990	**1 904**	1 543	**40 763**	34 533
Interest income	**3 373**	2 730	**60**	48	**3 433**	2 778
Plan participant contributions	**922**	535	**–**	1	**922**	536
Employer contributions	**1 096**	1 027	**242**	126	**1 338**	1 153
Benefit payments	**(3 844)**	(1 738)	**(426)**	(123)	**(4 270)**	(1 861)
Remeasurement items	**3 223**	3 315	**30**	184	**3 253**	3 499
return on plan assets (excluding interest income)	**3 223**	3 315	**30**	184	**3 253**	3 499
Translation of foreign operations	**–**	–	**266**	125	**266**	125
Fair value of plan assets at end of year	**43 629**	38 859	**2 076**	1 904	**45 705**	40 763
Actual return on plan assets	**6 596**	6 045	**90**	232	**6 686**	6 277

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

	South Africa		Foreign		Total	
for the year ended 30 June	2015 Rm	2014 Rm	2015 Rm	2014 Rm	2015 Rm	2014 Rm
Current service cost	**1 110**	995	**271**	235	**1 381**	1 230
Past service cost	**–**	–	**(5)**	–	**(5)**	–
Net interest cost/(income)	**(140)**	5	**163**	197	**23**	202
Interest on asset limitation	**96**	–	**–**	–	**96**	–
Curtailments and settlements	**(124)**	–	**(7)**	–	**(131)**	–
Plan amendments	**–**	–	**–**	(44)	**–**	(44)
Net pension cost	**942**	1 000	**422**	388	**1 364**	1 388

The current service cost, past 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)

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	Foreign 2015 Rm	Foreign 2014 Rm	Total 2015 Rm	Total 2014 Rm
Return on plan assets (excluding amounts in net interest cost)	**(3 223)**	(3 315)	**(30)**	(184)	**(3 253)**	(3 499)
Actuarial losses arising from changes in demographic assumptions	**–**	–	**30**	1	**30**	1
Actuarial losses arising from changes in financial assumptions	**3 866**	2 200	**390**	785	**4 256**	2 985
Actuarial losses arising from changes in actuarial experience	**–**	–	**43**	134	**43**	134
Changes in asset limitation	**(590)**	1 062	**–**	–	**(590)**	1 062
Net remeasurement recognised on net defined liability/(asset)	**53**	(53)	**433**	736	**486**	683
Remeasurement relating to reimbursive right	**–**	–	**(46)**	(38)	**(46)**	(38)
Net remeasurement recognised in other comprehensive income	**53**	(53)	**387**	698	**440**	645

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions for the 2016 financial year.

	South Africa Rm	Foreign Rm
Pension contributions	**1 233**	**195**

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.

for the year ended 30 June	South Africa 2015 Rm	South Africa 2014 Rm	Foreign 2015 Rm	Foreign 2014 Rm
1% point change in actuarial assumptions:				
Increase in average salaries	**26**	26	**545**	272
Decrease in average salaries	**(24)**	(23)	**(162)**	(371)
Increase in the discount rate	**(1 591)**	(1 549)	**(1 073)**	(1 260)
Decrease in the discount rate	**1 917**	1 858	**1 882**	1 479
Increase in the pension increase assumption	**1 935**	1 793	**937***	626*
Decrease in the pension increase assumption	**(1 641)**	(1 539)	**(424)***	(628)*

* 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.

21 Post-retirement benefit obligations continued

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.

for the year ended 30 June	Note	**2015 Rm**	2014 Rm
22 Long-term deferred income			
Total deferred income		**495**	364
Short-term portion	27	**(70)**	(71)
		425	293

Amounts received in respect of emission rights to be recognised in the income statement as the rights are generated.

for the year ended 30 June	Note	2015 Rm	2014 Rm
23 Deferred tax			
Reconciliation			
Balance at beginning of year		**15 103**	13 254
Acquisition of businesses	56	**–**	46
Current year charge		**5 349**	1 694
per the income statement	43	**5 601**	1 767
per the statement of comprehensive income	45	**(252)**	(73)
Reclassification from held for sale		**–**	10
Foreign exchange differences recognised in income statement		**225**	105
Translation of foreign operations	48	**141**	(6)
Balance at end of year		**20 818**	15 103
Comprising			
Deferred tax assets		**(1 752)**	(3 143)
Deferred tax liabilities		**22 570**	18 246
		20 818	15 103

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities.

Attributable to the following tax jurisdictions			
South Africa		**18 756**	13 249
United States of America		**1 149**	866
Germany		**(312)**	(84)
Mozambique		**1 842**	1 554
Other		**(617)**	(482)
		20 818	15 103
Deferred tax is attributable to the following temporary differences			
Assets			
Property, plant and equipment		**627**	378
Short- and long-term provisions		**(1 288)**	(2 349)
Calculated tax losses		**(873)**	(1 088)
Other		**(218)**	(84)
		(1 752)	(3 143)
Liabilities			
Property, plant and equipment		**28 034**	23 698
Current assets		**(407)**	(1 037)
Short- and long-term provisions		**(4 753)**	(4 296)
Calculated tax losses		**(321)**	(327)
Other		**17**	208
		22 570	18 246

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.

23 Deferred tax continued

Calculated tax losses	2015 Rm	2014 Rm
(before applying the applicable tax rate)		
Available for offset against future taxable income	**25 758**	21 072
Utilised against the deferred tax balance	**(4 057)**	(4 917)
Not recognised as a deferred tax asset	**21 701**	16 155

Deferred tax assets not recognised on tax losses mainly relate to Sasol's exploration and development entities where future taxable income is uncertain.

Calculated tax losses carried forward that have not been recognised

	2015 Rm	2014 Rm
Expiry between one and two years	**–**	378
Expiry between two and five years	**95**	41
Expiry thereafter	**19 660**	14 668
Indefinite life	**1 946**	1 068
	21 701	16 155

Unremitted earnings of foreign 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 foreign 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.

	2015 Rm	2014 Rm
Unremitted earnings at end of year that would be subject to dividend withholding tax	**29 078**	28 370
Europe	**9 599**	14 071
Rest of Africa	**2 839**	2 766
United States of America	**10 860**	4 686
Qatar	**3 884**	3 749
Other	**1 896**	3 098
Tax effect if remitted	**1 221**	1 745
Europe	**607**	1 066
Rest of Africa	**4**	4
United States of America	**543**	352
Other	**67**	323

Dividend withholding tax

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.

	2015 Rm	2014 Rm
Undistributed earnings at end of year that would be subject to dividend withholding tax withheld by the company on behalf of shareholders	**159 857**	142 381
Maximum withholding tax payable by shareholders if distributed to individuals	**23 979**	21 357

Current liabilities

	Note	2015 Rm	2014 Rm
Liabilities in disposal groups held for sale	12	**15**	57
Short-term debt	24	**3 331**	2 637
Short-term financial liabilities	25	**198**	446
Short-term provisions	26	**6 322**	6 644
Short-term deferred income	27	**397**	101
Tax payable	28	**905**	1 097
Trade payables and accrued expenses	29	**24 226**	22 327
Other payables	30	**5 629**	5 306
Bank overdraft	17	**319**	379
		41 342	38 994

for the year ended 30 June	Note	2015 Rm	2014 Rm
24 Short-term debt			
Revolving credit facility		**339**	102
Bank loans		**134**	33
Other		**61**	–
Short-term debt		**534**	135
Short-term portion of long-term debt	18	**2 797**	2 502
		3 331	2 637
Reconciliation			
Balance at beginning of year		**135**	257
Loans raised		**2 686**	2 346
Loans repaid		**(2 280)**	(2 497)
Translation of foreign operations	48	**(7)**	29
Balance at end of year		**534**	135

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 2,73% (2014 – 2,72%).

Security

All short-term debt is unsecured.

Fair value of short-term debt

The carrying value of short-term external debt approximates fair value due to 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	2015 Rm	2014 Rm
25 Short-term financial liabilities			
Derivative instruments			
Forward exchange contracts		**196**	355
Commodity derivatives		**–**	87
		196	442
used for cash flow hedging		**3**	2
held for trading		**193**	440
Non-derivative instruments			
Short-term portion of financial guarantees	19	**2**	4
Arising on short-term financial instruments		**198**	446

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.

	Note	2015 Rm	2014 Rm
26 Short-term provisions			
Employee provisions		**54**	122
Provision in respect of EGTL[1]		**2 017**	1 763
Restructuring provisions		**193**	269
Administrative penalty on Base Chemicals[2]		**–**	534
Other provisions		**767**	788
		3 031	3 476
Short-term portion of			
long-term provisions	20	**2 993**	2 901
post-retirement benefit obligations	21	**298**	267
		6 322	6 644
Reconciliation			
Balance at beginning of year		**3 476**	3 030
Disposal of businesses	57	**6**	(11)
Net income statement movement	51	**(716)**	269
Foreign exchange differences recognised in income statement		**256**	139
Translation of foreign operations	48	**9**	49
Balance at end of year		**3 031**	3 476

1 A provision in respect of the fiscal arrangements relating to the Escravos GTL project amounting to US$166 million (R2 017 million) has been recognised at 30 June 2015 (2014 – R1 763 million).

2 On 5 June 2014, the South African Competition Tribunal imposed an administrative penalty on Base Chemicals for excessive pricing on polyethylene. The Competition Appeal Court heard the matter in December 2014 and in its ruling, released on 17 June 2015, concluded that the decision of the Tribunal is set aside and that Sasol's appeal is upheld (refer note 58.4).

for the year ended 30 June	Note	2015 Rm	2014 Rm

27 Short-term deferred income

	Note	2015 Rm	2014 Rm
Short-term portion of long-term deferred income	22	**70**	71
Short-term deferred income		**327**	30
		397	101

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.

28 Tax paid

	Note	2015 Rm	2014 Rm
Net amounts unpaid at beginning of year		**547**	1 222
Acquisition of businesses	56	**–**	10
Net interest and penalties on tax		**3**	3
Income tax per income statement	43	**8 830**	12 929
Reclassification to/(from) held for sale		**2**	(4)
Foreign exchange differences recognised in income statement		**37**	18
Translation of foreign operations	48	**(20)**	16
		9 399	14 194
Net tax receivable/(payable) per statement of financial position		**658**	(547)
tax payable		**(905)**	(1 097)
tax receivable		**1 563**	550
Per the statement of cash flows		**10 057**	13 647
Comprising			
Normal tax			
South Africa		**7 249**	10 721
Foreign		**2 728**	2 843
Dividend withholding tax		**80**	83
		10 057	13 647

for the year ended 30 June	2015 Rm	2014 Rm
29 Trade payables and accrued expenses		
Trade payables	**12 888**	14 248
Capital project related payables*	**5 344**	2 883
Accrued expenses	**1 901**	1 752
Related party payables	**145**	67
third parties	**74**	15
joint ventures	**71**	52
	20 278	18 950
Duties payable to revenue authorities	**3 636**	2 679
Value added tax	**312**	698
	24 226	22 327
Age analysis of trade payables		
Not past due date	**11 590**	11 585
Past due 0 – 30 days	**937**	2 280
Past due 31 – 150 days	**270**	290
Past due 151 days – one year	**55**	61
More than one year	**36**	32
	12 888	14 248

* The increase in capital project related payables relate mainly to the Lake Charles Chemical project.

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.

	2015 Rm	2014 Rm
30 Other payables		
Employee related payables	**4 380**	4 402
Insurance related payables	**238**	182
Fuel related payables	**301**	–
Other payables	**710**	722
	5 629	5 306

Fair value of other payables

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

Results of operations

	Note	2015 Rm	2014 Rm	2013 Rm
Turnover	31	**185 266**	202 683	169 891
Materials, energy and consumables used	32	**(80 169)**	(89 224)	(76 617)
Employee related expenditure	33	**(22 096)**	(28 569)	(22 477)
Translation (losses)/gains	34	**(1 115)**	798	2 892
Other operating expenses	35	**(10 164)**	(12 522)	(8 889)
Other operating income	36	**1 367**	4 309	1 763
Financial instruments income/(expenses)	37	**432**	(290)	64
Remeasurement items affecting profit from operations	38	**(807)**	(7 629)	(2 949)
Share of profits of equity accounted joint ventures, net of tax	39	**2 098**	3 810	1 562
Share of (losses)/profits of associates, net of tax	40	**(41)**	334	504
Finance income	41	**1 274**	1 220	669
Finance costs	42	**(2 230)**	(1 925)	(1 808)
Taxation	43	**(14 431)**	(14 696)	(12 595)
		Rand	Rand	Rand
Earnings per share	44	**48,71**	48,57	43,38
Dividend per share	44	**18,50**	21,50	19,00
		Rm	Rm	Rm
Other comprehensive income	45	**3 011**	4 438	7 815

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
31 Turnover			
Sale of products	**183 935**	200 960	168 300
Services rendered	**998**	1 082	947
Other trading income	**333**	641	644
	185 266	202 683	169 891
Comprising			
Within South Africa	**94 954**	104 365	88 239
Exported from South Africa	**27 701**	28 254	22 993
Outside South Africa	**62 611**	70 064	58 659
	185 266	202 683	169 891

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.

31 Turnover continued

Business segmentation*	2015 Rm	2014 Rm	2013 Rm
Mining	**2 215**	2 154	1 833
Exploration and Production International	**2 043**	2 990	2 177
Energy	**75 264**	84 632	71 342
Base Chemicals	**36 838**	42 262	41 174
Performance Chemicals	**68 874**	70 592	53 352
Group Functions	**32**	53	13
Total operations	**185 266**	202 683	169 891

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
32 Materials, energy and consumables used			
Cost of raw materials	**72 962**	80 591	68 890
Cost of electricity and other consumables used in production process	**7 207**	8 633	7 727
	80 169	89 224	76 617

Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale.

33 Employee related expenditure

The total number of permanent and non-permanent employees, including the group's share of employees within joint operation entities and excluding contractors, equity accounted joint ventures and associates' employees, is analysed below:

Analysis of employee costs	2015 Rm	2014 Rm	2013 Rm
Labour	**25 531**	25 095	21 995
salaries, wages and other employee related expenditure	**23 824**	23 286	20 544
post employment benefits	**1 707**	1 809	1 451
Share-based payment expenses**	**(1 161)**	5 652	2 038
Total employee related expenditure	**24 370**	30 747	24 033
Costs capitalised to projects	**(2 274)**	(2 178)	(1 556)
	22 096	28 569	22 477

** Excludes the Sasol Inzalo refinancing share-based payment expense of R280 million.

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.

The total number of permanent and non-permanent employees, including the group's share of employees within joint operation entities and excluding contractors, equity accounted joint ventures and associates' employees, is analysed below:

for the year ended 30 June	2015 Number	2014 Number	2013 Number
Permanent employees	**30 257**	32 533	32 944
Non-permanent employees	**662**	867	802
	30 919	33 400	33 746

The number of employees by principal location of employment is analysed as follows:

Business segmentation*	2015 Number	2014 Number	2013 Number
Mining	**7 908**	8 435	8 140
Exploration and Production International	**494**	527	487
Energy	**4 799**	5 219	5 254
Base Chemicals	**5 983**	6 220	6 727
Performance Chemicals	**6 326**	6 112	5 918
Group Functions	**5 409**	6 887	7 220
Total operations	**30 919**	33 400	33 746

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
34 Translation (losses)/gains			
Arising from			
Forward exchange contracts	**(156)**	662	1 946
Trade receivables	**487**	408	899
Trade payables	**(227)**	(181)	(140)
Foreign currency loans	**(865)**	(1 742)	(1 966)
Other	**(354)**	1 651	2 153
	(1 115)	798	2 892
Business segmentation*			
Mining	**14**	(3)	5
Exploration and Production International	**(380)**	(130)	(266)
Energy	**(62)**	(179)	(152)
Base Chemicals	**202**	255	964
Performance Chemicals	**135**	27	159
Group Functions	**(1 024)**	828	2 182
Total operations	**(1 115)**	798	2 892

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

Differences arising on the translation of monetary assets and liabilities from one currency into the functional currency.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
35 Other operating expenses				
Rentals		**1 114**	1 141	931
Insurance		**542**	649	470
Computer costs		**1 614**	1 568	1 486
Hired labour		**804**	771	797
Audit remuneration		**87**	86	77
PricewaterhouseCoopers Inc[1]		**86**	48	–
KPMG Inc		**–**	37	76
Other		**1**	1	1
Restructuring costs related to our business performance enhancement programme[2]		**1 525**	714	98
Retrenchment packages provided for		**165**	269	–
Retrenchment packages settled during the year		**1 002**	60	–
Consultancy costs		**328**	320	98
System implementation costs		**30**	65	–
Professional fees		**1 227**	1 415	1 586
Sasol Polymers Competition Commission administrative penalty	58	**(534)**	534	–
Other		**3 785**	5 644	3 444
		10 164	12 522	8 889

1 In accordance with our auditor rotation policy, we rotated external auditors effective financial year 2014.

2 In addition to these costs, accelerated share-based payment expenses of R157 million (2014 – R417 million; 2013 – Rnil) and an additional R224 million (2014 – R148 million; 2013 – Rnil) of internal resources was allocated to the project, bringing the total spend for the year to R1 906 million (2014 – R1 279 million; 2013 – R98 million).

	2015 Rm	2014 Rm	2013 Rm
36 Other operating income			
Emission rights received	**51**	40	129
Gain on hedging activities	**253**	240	262
Bad debts recovered	**2**	5	15
Insurance proceeds	**49**	75	173
Rental income	**157**	158	105
Performance Chemicals (Wax): European Union cartel fine reduction[1]	**–**	2 449	–
Other	**855**	1 342	1 079
	1 367	4 309	1 763

1 On 11 July 2014, the European General Court reduced the Performance Chemicals (Wax) fine imposed in 2009 (refer note 58.4).

Income derived from trade activities other than product sales, services rendered and commission received.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
37 Financial instruments income/(expenses)				
Net gain/(loss) on derivative instruments held-for-trading		**472**	(254)	101
revaluation of crude oil derivatives		**473**	(253)	102
revaluation of cross currency swaps		**(1)**	(1)	(1)
Impairment of trade receivables				
raised during year	14	**(88)**	(61)	(70)
released during year	14	**48**	25	33
		432	(290)	64

Financial instruments income/(expenses) recognised in the income statement.

	Note	2015 Rm	2014 Rm	2013 Rm
38 Remeasurement items affecting profit from operations				
Effect of remeasurement items for subsidiaries and joint operations				
Impairment of		**2 853**	6 271	2 491
property, plant and equipment	2	**294**	3 289	206
assets under construction	3	**2 555**	2 625	2 096
other intangible assets	5	**3**	60	118
investment in equity accounted joint venture		**–**	275	–
goodwill	4	**–**	19	48
other assets		**1**	3	23
Reversal of impairment of		**(2 036)**	(1)	(33)
property, plant and equipment	2	**(294)**	–	(8)
assets under construction	3	**(1 727)**	–	–
other intangible assets	5	**(15)**	–	(25)
other assets		**–**	(1)	–
Loss/(profit) on disposal of		**317**	792	(84)
property, plant and equipment		**(257)**	(12)	(5)
other intangible assets		**164**	26	6
other assets		**–**	31	–
investments in businesses	57	**410**	747	(85)
Fair value gain on acquisition of business		**–**	(110)	(233)
Scrapping of property, plant and equipment		**174**	260	235
Scrapping of assets under construction		**375**	374	104
Write-off of unsuccessful exploration wells	3	**–**	43	469
Realisation of foreign currency translation reserve	48	**(876)**	–	–
	51	**807**	7 629	2 949
Tax effect and non-controlling interest		**(165)**	(582)	(752)
Total remeasurement items for subsidiaries and joint operations, net of tax		**642**	7 047	2 197
Effect of remeasurement items for equity accounted joint ventures and associates				
Gross remeasurement items		**(1)**	13	3 538
Tax effects		**–**	–	(140)
Total remeasurement items for the group, net of tax		**641**	7 060	5 595

38 Remeasurement items affecting profit from operations continued

	Gross 2015 Rm	Tax 2015 Rm	Non-controlling interest 2015 Rm	Net 2015 Rm
Earnings effect of remeasurement items				
Remeasurement items for subsidiaries and joint operations				
Impairment of	2 853	(607)	–	2 246
property, plant and equipment	294	(111)	–	183
assets under construction	2 555	(496)	–	2 059
other intangible assets	3	–	–	3
other assets	1	–	–	1
Reversal of impairment of	(2 036)	566		(1 470)
property, plant and equipment	(294)	82	–	(212)
assets under construction	(1 727)	484	–	(1 243)
other assets	(15)	–	–	(15)
(Profit)/loss on disposal of	317	10	21	348
property, plant and equipment	(257)	57	–	(200)
other intangible assets	164	(41)	–	123
investments in businesses	410	(6)	21	425
Scrapping of property, plant and equipment	174	(45)	–	129
Scrapping of assets under construction	375	(110)	–	265
Realisation of foreign currency translation reserve	(876)	–	–	(876)
	807	(186)	21	642
Remeasurement items for equity accounted joint ventures and associates				
Profit on sale of intangible assets	(1)	–	–	(1)
	(1)	–	–	(1)
Total remeasurement items for the group	806	(186)	21	641

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.

On 1 July 2014, we implemented our new operating model which organises our businesses along a single value chain. Simultaneously, we confirmed the composition of our cash generating units. Refer to our accounting policies for further details.

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.

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

		2015	2014	2013
Long-term average crude oil price (Brent) (nominal)	US$/bbl	**94,57**	109,40	113,80
Long-term average gas price (Henry Hub), excluding margins (real)	US$/mmbtu	**4,40**	5,49	5,60
Long-term average rand/US$ exchange rate		**13,26**	10,39	10,17

		South Africa %	**United States of America %**	**Europe %**	**Canada %**
Growth rate – long-term Producer Price Index (PPI)	**2015**	**5,70**	**1,40**	**1,40**	**1,40**
Weighted average cost of capital (WACC)	**2015**	**12,95**	**8,00**	**8,00 – 9,35**	**8,00**
Discount rate – risk adjusted	**2015**	**12,95**	**8,00**	**8,00 – 9,35**	**9,80**
Growth rate – long-term Producer Price Index (PPI)	2014	6,00	1,60	0,90	1,60
Weighted average cost of capital (WACC)	2014	12,95	8,00	8,00 – 11,20	8,00
Discount rate – risk adjusted	2014	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 2015, 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 CAD210 million – CAD315 million. Some of these factors are within the control of management and are monitored closely to minimise the impact of potential impairments. The gas price however is 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.

38 Remeasurement items affecting profit from operations continued

Performance Chemicals – Fischer-Tropsch wax expansion project

With regards to the reversal of impairment recognised in respect of the Performance Chemicals wax business in 2015, the Fischer-Tropsch wax expansion project (FTWEP) is particularly sensitive to changes in the US dollar exchange rate. A 10 cents change in the US dollar exchange rate would change the recoverable amount by approximately R164 million.

Significant impairments of assets in 2015

Cash generating unit	Business segmentation	Property, plant and equipment 2015 Rm	Assets under construction 2015 Rm	Other intangible assets 2015 Rm	Other assets 2015 Rm	Total 2015 Rm
Shale gas assets in Canada	Exploration and Production International	–	1 296	–	–	1 296
Etame asset in Gabon	Exploration and Production International	238	1 093	–	–	1 331
Southern Africa wax assets	Performance Chemicals	(294)	(1 727)	–	–	(2 021)
Other	Various	56	166	(12)	1	211
		–	828	(12)	1	817

Significant impairments of assets in 2015

Impairment of shale gas assets in Canada

In June 2015, we impaired our shale gas assets in Canada by R1,3 billion (CAD 133 million) mainly due to the poor economic market conditions in Canada which resulted in a 19% decline in gas prices compared to the prior year. A value-in-use calculation was performed using management's best estimate of the discounted cash flows. This impairment is in addition to the impairment of R5,3 billion recognised in 2014.

Variability in macroeconomic factors and project risk were adjusted for in the discount rate, and accordingly a risk adjusted discount rate of 9,8% was used. This is higher than the risk-free discount rate of 8% utilised in prior periods, due to risk factors which were adjusted for in the discounted cash flows rather than in the discount rate. We believe that given the volatility in gas prices and the stage of development of the asset, it is more prudent to adjust the discount rate rather than the cash flows. The risk-adjusted discount rate is a commonly used valuation method for similar assets in Canada.

The asset is particularly sensitive to changes in the gas price and any further deterioration of the gas price could result in further impairments (refer sensitivities above). We do however continue to see the strategic longer term value in the investment and remain committed to developing the asset in conjunction with our partner Progress Energy.

Impairment of Etame asset in Gabon

In December 2014, an impairment of R1,3 billion (US$115 million) was recognised, mainly due to the low oil price environment. A value in use calculation was performed using management's best estimate of the discounted cash flows with appropriate risk adjustments for macroeconomic factors and project risk. The discount rate used of 10,20% is an appropriate discount rate for Gabonese based cash flows. This rate remained unchanged from the previous period.

Reversal of impairments in Performance Chemicals Southern Africa wax assets

In 2013, Sasol impaired the FTWEP project by R2,0 billion mainly due to the volatile macroeconomic environment and increased costs relating to construction delays and poor labour productivity. In 2015, Phase 1 of the FTWEP project reached beneficial operation and Phase 2 is expected to reach beneficial operation in January 2017. Accordingly , an impairment test was performed using a value-in-use calculation and the results thereof indicated a full reversal of impairment of R2,0 billion. This recovery was largely based on the extension of the useful life of the assets from 2029 to 2034 and the weaker long term rand/US dollar exchange rate. Various sensitivities were performed to test the robustness of the calculation and the results thereof indicated that the reversal of impairment would be sustainable. The discount rate used to calculate the value-in-use was 12,95%.

Significant impairments of assets in 2014

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 macroeconomic 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.

Significant impairments of assets in 2013

Performance Chemicals – 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 Performance Chemicals 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, Performance Chemicals Wax South Africa was impaired by R2,0 billion 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%.

Base Chemicals – 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 R3,6 billion was recognised in 2013.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
39 Share of profits of equity accounted joint ventures, net of tax				
Profit before tax		**2 205**	3 871	1 520
Taxation		**(107)**	(61)	42
	7	**2 098**	3 810	1 562
Remeasurement items, net of tax		**1**	(13)	(3 459)
Dividends received from equity accounted joint ventures	7	**2 319**	4 380	5 031
Business segmentation*				
Mining		**(5)**	–	(1)
Energy		**1 941**	3 710	2 695
Base Chemicals		**162**	100	(1 186)
Performance Chemicals		**–**	–	54
Total operations		**2 098**	3 810	1 562

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
40 Share of (losses)/profits of associates, net of tax				
Profit before tax		**128**	441	658
Taxation		**(169)**	(107)	(154)
	8	**(41)**	334	504
Remeasurement items, net of tax		**–**	–	61
Dividends received from associates	8	**493**	337	384
Business segmentation*				
Energy		**(518)**	8	3
Base Chemicals		**500**	350	517
Performance Chemicals		**–**	1	–
Group Functions		**(23)**	(25)	(16)
Total operations		**(41)**	334	504

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
41 Finance income				
Dividends received from investments available-for-sale outside South Africa	53	**46**	38	24
Interest received	53	**1 189**	1 170	642
South Africa		**930**	793	423
outside South Africa		**259**	377	219
Notional interest received		**39**	12	3
		1 274	1 220	669
Interest received on				
investments available-for-sale		**13**	16	4
investments held-to-maturity		**7**	12	22
loans and receivables		**216**	359	209
cash and cash equivalents		**953**	783	407
		1 189	1 170	642

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
42 Finance costs				
Bank overdraft		**18**	29	17
Debt		**1 333**	810	623
Preference share dividends		**1 034**	793	771
Finance leases		**93**	64	50
Other		**32**	84	78
		2 510	1 780	1 539
Amortisation of loan costs		**113**	59	13
Notional interest	20	**725**	616	556
Total finance costs		**3 348**	2 455	2 108
Amounts capitalised to assets under construction	3	**(1 118)**	(530)	(300)
Income statement charge		**2 230**	1 925	1 808
Total finance costs comprise				
South Africa		**2 158**	1 741	1 812
Outside South Africa		**1 190**	714	296
		3 348	2 455	2 108
Total finance costs before amortisation of loan costs and notional interest		**2 510**	1 780	1 539
Less interest accrued on long-term debt	18	**(408)**	(1 276)	(989)
Less interest paid on tax payable		**(5)**	(5)	(27)
Per the statement of cash flows		**2 097**	499	523

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
43 Taxation				
South African normal tax		**5 673**	10 717	9 289
current year		**6 036**	10 756	9 349
prior years		**(363)**	(39)	(60)
Dividend withholding tax		**80**	82	69
Foreign tax		**3 077**	2 130	1 979
current year		**3 101**	2 184	1 968
prior years		**(24)**	(54)	11
Income tax	28	**8 830**	12 929	11 337
Deferred tax – South Africa	23	**5 425**	1 256	1 278
current year		**5 521**	1 248	1 237
prior years		**(96)**	8	41
Deferred tax – foreign	23	**176**	511	(20)
current year		**152**	532	(19)
prior years		**28**	(10)	1
recognition of deferred tax assets*		**–**	(14)	(14)
tax rate change		**(4)**	3	12
		14 431	14 696	12 595

* Included in the charge per the income statement is the recognition of an amount of Rnil (2014 – R14 million; 2013 – R14 million) relating to a deferred tax asset not previously recognised due to the uncertainty previously surrounding the utilisation thereof in future years.

43 Taxation continued

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
Business segmentation*			
Mining	**1 155**	640	617
Exploration and Production International	**438**	809	711
Energy	**5 253**	7 889	6 892
Base Chemicals	**2 932**	2 195	1 352
Performance Chemicals	**3 488**	2 847	1 690
Group Functions	**1 165**	316	1 333
Total operations	**14 431**	14 696	12 595

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

Reconciliation of effective tax rate	2015 %	2014 %	2013 %
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:			
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to			
disallowed preference share dividend	**0,5**	0,5	0,5
disallowed expenditure	**1,6**	3,2	2,8
disallowed share-based payment expenses	**0,1**	0,2	0,2
disallowed expenditure on Base Chemicals Competition Commission administrative penalty	**–**	0,3	–
different tax rates	**2,0**	1,9	1,2
tax losses not recognised	**3,4**	4,0	2,1
other adjustments	**0,2**	0,4	1,0
	35,8	38,5	35,8
Decrease in rate of tax due to			
exempt income**	**(0,9)**	(2,2)	(0,8)
share of profits of equity accounted joint ventures and associates	**(1,3)**	(2,8)	(1,0)
utilisation of tax losses	**–**	–	(1,2)
exempt income on reversal of Base Chemicals Competition Commission administrative penalty	**(0,3)**	–	–
prior year adjustments	**(1,0)**	(0,2)	–
other adjustments	**(0,6)**	(0,7)	(1,1)
Effective tax rate	**31,7**	32,6	31,7

** The increase in exempt income during 2014 relates to the reduction of the fine imposed on Performance Chemicals (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.

for the year ended 30 June	Number of shares 2015 million	2014 million	2013 million
44 Earnings and dividend per share continued			
Weighted average number of shares	**610,1**	609,0	605,7
Potential dilutive effect of outstanding share options	**0,1**	0,4	1,1
Potential dilutive effect of Sasol Inzalo transaction*	**–**	11,4	–
Diluted weighted average number of shares for DEPS	**610,2**	620,8	606,8
Potential dilutive effect of Sasol Inzalo transaction*	**–**	–	7,7
Diluted weighted average number of shares for diluted Headline EPS	**610,2**	620,8	614,5

* The Sasol Inzalo transaction is anti-dilutive for EPS and Headline EPS in 2015. In 2013, the Sasol Inzalo transaction was anti-dilutive for EPS.

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 2015, 2014 and 2013.

	Note	2015 Rm	2014 Rm	2013 Rm
Diluted earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**29 716**	29 580	26 274
Finance costs on potentially dilutive shares relating to the Sasol Inzalo share transaction*		**–**	386	–
Diluted earnings		**29 716**	29 966	26 274

* The Sasol Inzalo transaction is anti-dilutive for EPS in 2015 and 2013.

	Note	2015 Rm	2014 Rm	2013 Rm
Headline earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**29 716**	29 580	26 274
Adjusted for				
Effect of remeasurement items for subsidiaries and joint operations	38	**642**	7 047	2 197
gross remeasurement items	38	**807**	7 629	2 949
tax effects and non-controlling interests	38	**(165)**	(582)	(752)
Effect of remeasurement items for equity accounted joint ventures and associates		**(1)**	13	3 398
gross remeasurement items	38	**(1)**	13	3 538
tax effects	38	**–**	–	(140)
Headline earnings		**30 357**	36 640	31 869
Finance costs on potentially dilutive shares relating to the Sasol Inzalo share transaction**		**–**	386	405
Diluted headline earnings		**30 357**	37 026	32 274

** The Sasol Inzalo transaction is anti-dilutive for Headline EPS in 2015.

44 Earnings and dividend per share continued

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
Earnings attributable to owners of Sasol Limited			
Basic earnings per share	**48,71**	48,57	43,38
Diluted earnings per share	**48,70**	48,27	43,30
Headline earnings			
Headline earnings per share	**49,76**	60,16	52,62
Diluted headline earnings per share	**49,75**	59,64	52,53
Dividends per share			
Ordinary shares of no par value			
interim	**7,00**	8,00	5,70
final*	**11,50**	13,50	13,30
	18,50	21,50	19,00

* Declared subsequent to 30 June 2015 and has been presented for information purposes only. No accrual regarding the final dividend has been recognised.

45 Other comprehensive income

	Note	2015 Rm	2014 Rm	2013 Rm
Components of other comprehensive income				
Effect of translation of foreign operations		**3 590**	4 477	8 114
translation of foreign operations		**4 483**	4 151	8 107
realisation of foreign currency translation reserve		**(893)**	326	7
Effect of cash flow hedges		**–**	(66)	78
(losses)/gains on effective portion of cash flow hedges		**(5)**	(26)	46
gains/(losses) on cash flow hedges transferred to hedged items		**5**	(40)	32
Fair value of investments available-for-sale		**16**	34	(17)
Remeasurements on post-retirement benefit obligations		**(847)**	(80)	(497)
Tax on other comprehensive income	23	**252**	73	137
Other comprehensive income for year, net of tax		**3 011**	4 438	7 815

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.

for the year ended 30 June

45 Other comprehensive income continued

Tax and non-controlling interest on other comprehensive income

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
2015				
Translation of foreign operations	**4 483**	**–**	**(5)**	**4 478**
Realisation of foreign currency translation reserve	**(893)**	**–**	**–**	**(893)**
Loss on effective portion of cash flow hedges	**(5)**	**–**	**1**	**(4)**
Gain on cash flow hedges transferred to hedged items	**5**	**(2)**	**1**	**4**
Gain on fair value of investments	**16**	**–**	**(2)**	**14**
Remeasurements on post-retirement benefit obligations	**(847)**	**254**	**5**	**(588)**
Other comprehensive income	**2 759**	**252**	**–**	**3 011**
2014				
Translation of foreign operations	4 151	–	(8)	4 143
Realisation of foreign currency translation reserve	326	–	–	326
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				
Translation of foreign operations	8 107	–	(16)	8 091
Realisation of foreign currency translation reserve	7	–	–	7
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

Equity structure

	Note
Share capital	**46**
Share-based payment reserve	**47**
Foreign currency translation reserve	**48**
Share repurchase programme	**49**

46 Share capital

Our issued share capital comprises of the following:

	2015 Rm	2014 Rm
Issued share capital (as per statement of changes in equity)	**29 228**	29 084

	Number of shares	
	2015	2014
Authorised		
Sasol ordinary shares of no par value	**1 127 690 590**	1 127 690 590
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646
Sasol BEE ordinary shares of no par value	**18 923 764**	18 923 764
	1 175 000 000	1 175 000 000
Issued		
Shares issued at beginning of year	**678 935 812**	677 186 362
Issued in terms of the Sasol Share Incentive Scheme	**544 550**	1 749 450
Shares issued at end of year	**679 480 362**	678 935 812
Comprising		
Sasol ordinary shares of no par value	**651 094 716**	650 550 166
Sasol preferred ordinary shares of no par value	**25 547 081**	25 547 081
Sasol BEE ordinary shares of no par value	**2 838 565**	2 838 565
	679 480 362	678 935 812
Held in reserve		
Allocated to the Sasol Share Incentive Scheme	**306 900**	858 950
Unissued shares	**495 212 738**	495 205 238
Sasol ordinary shares of no par value	**476 288 974**	476 281 474
Sasol preferred ordinary shares of no par value	**2 838 565**	2 838 565
Sasol BEE ordinary shares of no par value	**16 085 199**	16 085 199
	495 519 638	496 064 188

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	2015 Rm	2014 Rm	2013 Rm
47 Share-based payments				
During the year the following share-based payment expenses were recognised in the income statement relating to share-based payment arrangements that existed:				
Equity settled – recognised directly in equity	51	**501**	267	374
Sasol Share Incentive Scheme	47.1	**–**	–	2
Sasol Inzalo share transaction[1]	47.2	**501**	267	372
Cash settled – recognised in long–term provisions				
Sasol Share Appreciation Rights Scheme		**(1 634)**	3 268	941
Share Appreciation Rights with no corporate performance targets	47.3.1	**(436)**	1 073	234
Share Appreciation Rights with corporate performance targets	47.3.2	**(1 198)**	2 195	707
Sasol Long-term Incentive Scheme	47.4	**252**	2 117	723
		(881)	5 652	2 038

1 Included in the equity settled share-based payment charge is a once-off charge of R280 million relating to the partial refinancing of the Sasol Inzalo transaction, The refinancing was accounted for as a modification to the equity settled share-based payment arrangement.

Sasol's share price decreased by 29% over the financial year to a closing price on 30 June 2015 of R450,00. This resulted in a substantial year-on-year reduction in long-term employee cash settled share-based payment expense of R6,8 billion.

47 **Share capital** continued

Share options and share rights available for allocation

The maximum number of rights to be issued under the Sasol Share Appreciation Rights Scheme and the Sasol Long-term Incentive Scheme shall not at any time exceed 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	**2015**	2014	2013
Share options			
Share options allocated	**306 900**	858 950	2 619 500
Share Appreciation rights granted	**15 736 064**	17 228 765	22 041 865
Long-term Incentive rights granted	**5 688 899**	5 471 757	4 362 022
Share Rights available for allocation	**47 268 137**	45 440 528	39 976 613
	68 693 100	68 141 050	66 380 500
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 implementation of the Sasol Share Incentive Scheme, which is aimed at recognising the contributions of senior staff 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.

Following the introduction of the Sasol Share Appreciation Rights Scheme in March 2007, no further options were issued in terms of the Sasol Share Incentive Scheme. The last tranche of options vested in December 2012.

It is group policy that employees should not deal in Sasol Limited securities for the periods from 1 January for half year end and 1 July for year end until two days after publication of the results and at any other time during which they have access to price sensitive information.

Movements in the number of options outstanding	Number of share options	Weighted average option price
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**
Options converted to shares	**(544 550)**	**(233,84)**
Options lapsed	**(7 500)**	**(218,81)**
Balance at 30 June 2015	**306 900**	**239,20**

for the year ended 30 June	2015 Rand	2014 Rand	2013 Rand
Average market price of options exercised during year	**465,93**	538,44	409,32
Average fair value of share options vested during year	**–**	–	76,62

	2015 Rm	2014 Rm	2013 Rm
Total intrinsic value of share options exercised during year	**126**	569	900
Share-based payment expense recognised*	**–**	–	2

* The last tranche of share options vested in December 2012. Accordingly no further share-based payment will be recognised.

There was no income tax recognised as a consequence of Sasol Share Incentive Scheme.

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 2015				
R210,01 – R240,00	**204 500**	**232,38**	**45**	**–**
R240,01 – R270,00	**95 200**	**251,15**	**19**	**–**
R270,01 – R300,00	**7 200**	**274,99**	**1**	**–**
	306 900	**239,20**	**65**	**–**

47 Share capital continued

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	**2015 Rm**	2014 Rm	2013 Rm
Black Public Funded Invitation[1]		**280**	–	–
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[2]	i	**221**	267	372
		501	267	372

1 Includes a share-based payment expense of R280 million relating to the partial refinancing of the Sasol Inzalo transaction (2014 – Rnil; 2013 – 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 0,95 years amounted to R234 million at 30 June 2015 (2014 – R454 million; 2013 – R721 million).

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% was 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. The difference between the issue price and the nominal value was funded by Sasol Limited company, and is reflected as a long-term financial asset on the standalone balance sheet. An impairment of R5 468 million was recognised at a standalone level in 2015. Refer to note 4 of the Sasol Limited company financial statements.

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 difference between the issue price and the nominal value was funded by Sasol Limited company, and is reflected as a long-term financial asset on the standalone balance sheet. An impairment of R1 646 million was recognised at a standalone level in 2015. Refer to note 4 of the Sasol Limited company financial statements.

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 group executive committee approved the increase in the dividend 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.

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 2015, 1,1 million (2014 – 1,1 million; 2013 – 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.

47 Share-based payments continued

47.2 The Sasol Inzalo share transaction continued

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 2015, 56 452 (2014 – 56 452; 2013 – 56 090) Sasol preferred ordinary shares and 17 405 (2014 – 17 405; 2013 – 17 475) 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.

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 2015, the Black Public held 2,8 million (2014 – 2,8 million; 2013 – 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.

at 30 June 2015	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
Shares and share rights granted	**60 940 615**	**24 240 849**	**9 461 882**	**8 387 977**	**18 849 907**
Already vested	**53 668 360**	**16 968 594**	**9 461 882**	**8 387 977**	**18 849 907**
Within three years	**7 272 255**	**7 272 255**	**–**	**–**	**–**
Shares and share rights available for allocation	**2 138 599**	**990 837**	**–**	**1 073 905**	**73 857**
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**

at 30 June 2014	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
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	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
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

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 2015**	Employee and Management Trusts 2014	Employee and Management Trusts 2013
Valuation model		**Monte-Carlo model**	Monte-Carlo model	Monte-Carlo model
Exercise price	Rand	*	*	*
Risk-free interest rate	(%)	*	*	*
Expected volatility	(%)	*	*	*
Expected dividend yield	(%)	*	*	*
Vesting period		**2 to 3 years** **	3 to 4 years **	4 to 5 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 in previous years will vest over the remaining period until tenure of the transaction in 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 2012	25 231 686	366,00	(3 366)	6,0
	Share rights forfeited	(343 295)	–	(148)	–
	Balance at 30 June 2013	24 888 391	366,00	(3 514)	5,0
	Share rights forfeited	(368 719)	–	(98)	–
	Balance at 30 June 2014	**24 519 672**	**366,00**	**(3 612)**	**4,0**
	Share rights forfeited	**(278 823)**	**–**	**(23)**	**–**
	Balance at 30 June 2015	**24 240 849**	**366,00**	**(3 635)**	**3,0**
ii	**Sasol Inzalo Foundation**				
	Balance at 30 June 2015	**9 461 882**	**366,00**	**(865)**	**3,0**
iii	**Selected Participants**				
	Balance at 30 June 2015	**8 387 882**	**366,00**	**(767)**	**3,0**
iv	**Black Public Invitations**				
	Balance at 30 June 2015	**18 849 907**	**366,00**	**(1 723)**	**3,0**

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 share rights granted in previous years and is calculated based on the assumptions applicable to the year in which the share rights were granted.

Cash settled share incentive schemes

47.3 The Sasol Share Appreciation Rights Scheme

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.

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

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 two 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	**2015**	2014	2013
Vesting periods of rights granted			
Already vested	**3 393 090**	2 724 820	3 662 500
Within one year	**760 100**	1 228 900	1 663 800
One to two years	**57 100**	831 800	1 307 300
Two to three years	**–**	59 100	879 400
Three to four years	**–**	–	65 100
	4 210 290	4 844 620	7 578 100

Movements in the number of rights granted	Number of share appreciation rights	Weighted average share price Rand
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**
Rights exercised	**(598 930)**	**(321,59)**
Rights forfeited	**(35 400)**	**(289,42)**
Balance at 30 June 2015	**4 210 290**	**314,09**

for the year ended 30 June	**2015 Rand**	2014 Rand	2013 Rand
Average market price of share appreciation rights exercised during year	**536,55**	535,29	409,43
Average fair value of share appreciation rights vested during year	**321,59**	320,16	129,95

for the year ended 30 June	**2015 Rm**	2014 Rm	2013 Rm
Total intrinsic value of share appreciation rights exercised during year	**129**	576	198
Total intrinsic value of share appreciation rights vested	**449**	851	412
Share-based payment expense recognised*	**(436)**	1 073	234

* The unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 0,42 years, amounted to R3 million at 30 June 2015 (2014 – R81 million; 2013 – R86 million).

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June:

		2015	2014	2013
Risk-free interest rate	(%)	**5,69 - 9,38**	6,82 – 8,17	6,50 – 7,83
Expected volatility	(%)	**31,55**	20,00	23,72
Expected dividend yield	(%)	**3,82**	3,70	4,31
Expected forfeiture rate	(%)	**14,00**	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 2015				
R210,01 – R240,00	**48 900**	**222,50**	**11**	**0,68**
R240,01 – R270,00	**499 670**	**257,51**	**96**	**2,24**
R270,01 – R300,00	**2 258 500**	**295,06**	**350**	**2,94**
R300,01 – R330,00	**22 800**	**327,20**	**3**	**1,28**
R330,01 – R360,00	**1 130 220**	**351,29**	**112**	**2,15**
R390,01 – R420,00	**74 500**	**407,50**	**3**	**1,70**
R420,01 – R450,00	**75 000**	**444,00**	**–**	**1,82**
R450,01 – R480,00	**78 700**	**475,10**	**–**	**1,93**
R480,01 – R510,00	**22 000**	**496,75**	**–**	**1,90**
	4 210 290	**314,09**	**575**	
Details of unimplemented rights vested at 30 June 2015				
R210,01 – R240,00	**48 900**	**222,50**	**11**	
R240,01 – R270,00	**499 670**	**257,51**	**96**	
R270,01 – R300,00	**1 441 300**	**294,34**	**224**	
R300,01 – R330,00	**22 800**	**327,20**	**3**	
R330,01 – R360,00	**1 130 220**	**351,29**	**112**	
R390,01 – R420,00	**74 500**	**407,50**	**3**	
R420,01 – R450,00	**75 000**	**444,00**	**–**	
R450,01 – R480,00	**78 700**	**475,10**	**–**	
R480,01 – R510,00	**22 000**	**496,75**	**–**	
	3 393 090	**318,37**	**449**	

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 share appreciation rights with new corporate performance targets. The corporate performance targets determine how many shares will vest. The vesting period of rights issued from 2009 to 2011 are the same as the share appreciation rights with no corporate performance targets. Rights granted subsequent to 2011 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 two 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	**2015**	2014	2013
Vesting periods of rights granted			
Already vested	**3 325 452**	1 928 585	1 462 530
Within one year	**2 834 402**	1 574 900	1 861 165
One to two years	**2 635 260**	3 069 100	1 731 900
Two to three years	**2 697 660**	2 844 360	3 275 731
Three to four years	**33 000**	2 930 300	3 044 459
Four to five years	**–**	36 900	3 087 980
	11 525 774	12 384 145	14 463 765

Movements in the number of rights granted	**Number of share appreciation rights**	**Weighted average share price Rand**
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)
Rights lapsed	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**
Rights exercised	**(703 574)**	**(318,17)**
Rights forfeited	**(217 772)**	**(365,38)**
Effect of performance targets	**62 975**	**193,23**
Balance at 30 June 2015	**11 525 774**	**347,70**

for the year ended 30 June	2015 Rand	2014 Rand	2013 Rand
Average price at which share appreciation rights were granted during year*	**–**	480,18	381,54
Average market price of share appreciation rights exercised during year	**536,10**	533,34	407,18
Average fair value of share appreciation rights vested during year	**318,17**	287,33	130,44
Average fair value of share appreciation rights issued during year	**–**	311,29	166,53

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
Total intrinsic value of share appreciation rights exercised during year	**153**	364	73
Total intrinsic value of share appreciation rights vested	**411**	584	222
Share-based payment expense recognised**	**(1 198)**	2 195	707

* There were no further grants made during the year.

** 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 1,31 years, amounted to R265 million at 30 June 2015 (2014 – R1 415 million; 2013 – R1 044 million).

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June:

		2015	2014	2013
Risk-free interest rate	(%)	**5,69 - 9,38**	6,82 – 8,17	6,50 – 7,83
Expected volatility	(%)	**32,90**	19,97	23,72
Expected dividend yield	(%)	**3,82**	3,70	4,31
Expected forfeiture rate	(%)	**9,00**	5,00	5,00
Vesting period – share appreciation rights issued between 2009 – 2011		**2, 4, 6 years**	2, 4, 6 years	2, 4, 6 years
Vesting period – share appreciation rights issued between 2012 – 2014		**3, 4, 5 years**	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.

47 Share-based payments continued

47.3 The Sasol Share Appreciation Rights Scheme continued

47.3.2 Share Appreciation Rights with corporate performance targets continued

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 2015				
R270,01 – R300,00	**2 435 637**	**298,46**	**369**	**4,15**
R300,01 – R330,00	**334 128**	**322,60**	**43**	**4,40**
R330,01 – R360,00	**3 793 563**	**336,90**	**429**	**5,16**
R360,01 – R390,00	**4 519 936**	**376,09**	**334**	**6,02**
R390,01 – R420,00	**146 441**	**414,29**	**5**	**6,70**
R420,01 – R450,00	**194 751**	**439,10**	**2**	**6,93**
R480,01 – R510,00	**101 318**	**480,18**	**–**	**7,20**
	11 525 774	**347,70**	**1 182**	
Details of unimplemented rights vested at 30 June 2015				
R270,01 – R300,00	**1 426 875**	**298,46**	**216**	
R300,01 – R330,00	**204 428**	**322,60**	**26**	
R330,01 – R360,00	**1 191 863**	**336,90**	**132**	
R360,01 – R390,00	**484 576**	**376,09**	**37**	
R390,01 – R420,00	**2 241**	**414,29**	**–**	
R420,01 – R450,00	**11 751**	**439,10**	**–**	
R480,01 – R510,00	**3 718**	**480,18**	**–**	
	3 325 452	**325,81**	**411**	

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 linked to certain corporate performance targets, 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 settled 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 settled 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	**2015**	2014	2013
Vesting periods of rights granted			
Within one year	**1 625 023**	1 043 054	1 109 194
One to two years	**2 109 606**	1 927 209	1 146 062
Two to three years	**1 954 270**	2 501 494	2 106 766
	5 688 899	5 471 757	4 362 022

Movements in the number of rights granted	Number of rights
Balance at 30 June 2012	2 421 126
Rights granted	2 162 606
Rights exercised	(130 506)
Rights forfeited	(70 620)
Rights lapsed	(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**
Rights granted	**2 055 652**
Rights exercised	**(1 621 720)**
Rights forfeited	**(135 159)**
Effect of corporate performance targets*	**(81 631)**
Balance at 30 June 2015	**5 688 899**

* Includes the effect of employees who have taken the voluntary retrenchment package during the year and did not qualify for the full corporate performance targets.

for the year ended 30 June	2015 Rand	2014 Rand	2013 Rand
Average price at which LTIs were granted during year*	**–**	–	–
Average fair value of LTIs issued during year	**430,64**	681,24	522,87
Average intrinsic value of LTIs exercised during the year	**559,89**	511,99	398,99

for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm
Share-based payment expense recognised**	**252**	2 117	723

* 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 1,33 years, amounted to R988 million at 30 June 2015 (2014 – R1 595 million; 2013 – R1 015 million).

The share-based payment expense is calculated using the Monte-Carlo simulation model based on the following assumptions at 30 June:

LTIs are automatically settled on the date of vesting, accordingly the intrinsic value can not be measured.

		2015	2014	2013
Risk-free interest rate	(%)	**5,69 – 9,38**	6,82 – 8,17	6,50 – 7,83
Expected volatility	(%)	**31,55**	19,94	23,72
Expected dividend yield	(%)	**3,82**	3,93	4,43
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	2015 Rm	2014 Rm	2013 Rm
Translation of foreign operations				
Property, plant and equipment		**471**	1 708	2 749
cost	2	**130**	5 460	8 740
accumulated depreciation and impairment	2	**341**	(3 752)	(5 991)
Assets under construction	3	**2 447**	1 138	1 800
Goodwill		**(54)**	73	98
cost	4	**338**	250	360
accumulated impairment	4	**(392)**	(177)	(262)
Other intangible assets		**12**	111	99
cost	5	**(31)**	259	303
accumulated amortisation and impairment	5	**43**	(148)	(204)
Other long-term investments		**(20)**	36	50
Investments in equity accounted joint ventures		**1 002**	632	1 883
Investments in associates		**84**	139	456
Long-term receivables and prepaid expenses		**(34)**	126	229
Long-term financial assets				
Assets in disposal groups held for sale		**(12)**	2	250
Inventories	52	**247**	1 153	1 757
Trade receivables	52	**182**	1 080	1 749
Other receivables and prepaid expenses	52	**(41)**	162	109
Short-term financial assets		**1**	1	3
Cash and cash equivalents		**3 095**	455	583
Non-controlling interest		**(9)**	(6)	(15)
Long-term debt	18	**(1 756)**	(33)	(41)
Long-term provisions	20	**(97)**	(221)	(379)
Post-retirement benefit obligations		**319**	(693)	(965)
Long-term deferred income		**7**	(31)	(51)
Deferred tax	23	**(141)**	6	(23)
Short-term debt	24	**7**	(29)	(29)
Short-term financial liabilities		**(2)**	(2)	(3)
Short-term provisions	26	**(9)**	(49)	(103)
Tax payable	28	**20**	(16)	(58)
Trade payables and accrued expenses	52	**(57)**	(733)	(1 475)
Other payables	52	**(1 148)**	(953)	(902)
		4 514	4 056	7 771
Arising from net investment in foreign operations	51	**(36)**	180	334
Movement for year		**4 478**	4 236	8 105
Acquisition of businesses		**–**	(93)	(14)
Disposal of businesses	57	**(17)**	326	7
Realisation of foreign currency translation reserve on net investment in foreign operations	38	**(876)**	–	–
Balance at beginning of year		**14 704**	10 235	2 137
Balance at end of year		**18 289**	14 704	10 235

	Number of shares		
	2015	2014	2013
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%**	1,43%	1,44%

for the year ended 30 June	**2015 Rand**	2014 Rand	2013 Rand
Average cumulative purchase price	**299,77**	299,77	299,77
Average purchase price during year	**–**	–	–

As at 30 June 2015, a total of 8 809 886 Sasol ordinary shares (30 June 2014 – 8 809 886; 30 June 2013 – 8 809 886), representing 1,43% (30 June 2014 – 1,43%; 30 June 2013 – 1,44%) 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 21 November 2014, 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.

Liquidity and capital resources

	Note	2015 Rm	2014 Rm	2013 Rm
Cash generated by operating activities	50	**61 783**	65 449	51 906
Cash flow from operations	51	**56 344**	67 592	55 184
Decrease/(increase) in working capital	52	**5 439**	(2 143)	(3 278)
Finance income received	53	**4 046**	5 920	6 063
Dividends paid	54	**(12 739)**	(13 248)	(10 787)
Non-current assets sold	55	**472**	185	525
Acquisitions	56	**–**	(519)	(730)
Disposals	57	**738**	1 353	167

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
50 Cash generated by operating activities				
Cash flow from operations	51	**56 344**	67 592	55 184
Decrease/(increase) in working capital	52	**5 439**	(2 143)	(3 278)
		61 783	65 449	51 906
51 Cash flow from operations				
Operating profit after remeasurement items		**44 492**	41 674	38 779
Adjusted for				
amortisation of intangible assets	5	**385**	317	209
equity-settled share-based payment expense	47	**501**	267	374
deferred income		**306**	(561)	367
depreciation of property, plant and equipment	2	**13 182**	13 199	10 912
effect of remeasurement items	38	**807**	7 629	2 949
movement in impairment of trade receivables		**(15)**	(52)	5
movement in long-term prepaid expenses		**(39)**	(84)	(13)
movement in long-term provisions				
income statement charge	20	**(2 239)**	5 608	294
utilisation	20	**(1 545)**	(2 120)	(624)
movement in short-term provisions	26	**(716)**	269	69
movement in post-retirement benefit		**129**	397	404
translation effect of foreign currency loans		**1 048**	431	904
translation of net investment in foreign operations	48	**(36)**	180	334
write-down of inventories to net realisable value	13	**249**	459	227
other non cash movements		**(165)**	(21)	(6)
		56 344	67 592	55 184
Business segmentation*				
Mining		**5 784**	3 921	3 386
Exploration and Production International		**3 301**	2 659	1 742
Energy		**23 108**	31 267	26 745
Base Chemicals		**11 312**	13 021	8 263
Performance Chemicals		**13 458**	14 933	10 444
Group Functions		**(619)**	1 791	4 604
Total operations		**56 344**	67 592	55 184

* 2014 and 2013 have been restated to reflect the adoption of the new operating model. Refer to note 1.2.

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
52 Decrease/(increase) in working capital				
Decrease/(increase) in inventories				
Per the statement of financial position		**3 617**	(4 139)	(3 699)
Write-down of inventories to net realisable value		**(249)**	(459)	(227)
Acquisition of businesses	56	**–**	287	516
Transfer from/(to) other assets		**142**	(90)	37
Reclassification to held for sale		**–**	(39)	–
Disposal of businesses	57	**–**	(520)	(72)
Translation of foreign operations	48	**247**	1 153	1 757
Translation of foreign entities		**7**	46	208
		3 764	(3 761)	(1 480)
Decrease/(increase) in trade receivables				
Per the statement of financial position		**1 360**	346	(2 970)
Acquisition of businesses	56	**–**	184	267
Movement in impairment		**15**	52	(5)
Transfer to other assets		**–**	(18)	–
Reclassification to held for sale		**–**	(57)	–
Disposal of businesses	57	**–**	(773)	(59)
Translation of foreign operations	48	**182**	1 080	1 749
Translation of foreign entities		**16**	52	186
		1 573	866	(832)
Decrease/(increase) in other receivables and prepaid expenses				
Per the statement of financial position		**54**	(2 010)	131
Movement in short-term portion of long-term receivables		**1 179**	(60)	212
Acquisition of businesses	56	**–**	9	24
Reclassification to held for sale		**–**	(11)	(2 814)
Disposal of businesses	57	**–**	–	(2)
Consideration still receivable from disposal	57	**–**	–	69
Translation of foreign operations	48	**(41)**	162	109
Translation of foreign entities		**5**	3	28
		1 197	(1 907)	(2 243)
(Decrease)/increase in trade payables and accrued expenses				
Per the statement of financial position		**1 899**	1 365	3 739
Movement in capital project related payables*		**(2 461)**	–	–
Acquisition of businesses	56	**–**	(328)	(74)
Reclassification to held for sale		**–**	30	–
Disposal of businesses	57	**–**	500	67
Translation of foreign operations	48	**(57)**	(733)	(1 475)
Translation of foreign entities		**(14)**	(33)	(71)
		(633)	801	2 186

* The movement in capital project related payables was not significant in 2014 and 2013.

52 Decrease/(increase) in working capital continued

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
(Decrease)/increase in other payables				
Per the statement of financial position		**323**	594	588
Acquisition of businesses	56	**–**	(90)	(116)
Reclassification to held for sale		**–**	(2)	(2)
Disposal of businesses	57	**(19)**	43	5
Consideration still payable on disposal of business	57	**–**	(66)	–
Translation of foreign operations	48	**(1 148)**	(953)	(902)
Translation of foreign entities		**304**	750	580
		(540)	276	153
Movement in financial assets and liabilities				
Long-term financial assets		**13**	238	(57)
Short-term financial assets		**296**	1 077	(1 077)
Long-term financial liabilities		**21**	9	(12)
Short-term financial liabilities		**(252)**	258	84
		78	1 582	(1 062)
Decrease/(increase) in working capital		**5 439**	(2 143)	(3 278)

53 Finance income received

	Note	2015 Rm	2014 Rm	2013 Rm
Interest received	41	**1 189**	1 170	642
Interest received on tax		**(1)**	(5)	(18)
Dividends received from investments	41	**46**	38	24
Dividends received from equity accounted joint ventures	39	**2 319**	4 380	5 031
Dividends received from associates	40	**493**	337	384
		4 046	5 920	6 063

54 Dividends paid

	2015 Rm	2014 Rm	2013 Rm
Final dividend – prior year	**8 376**	8 357	7 267
Interim dividend – current year	**4 363**	4 891	3 520
	12 739	13 248	10 787
Forecast cash flow on final dividend – current year	**7 135**	8 365	8 216

The forecast cash flow on the final dividend is calculated based on the net number of Sasol ordinary shares in issue at 30 June 2015 of 651,1 million. The actual dividend payment will be determined on the record date of 9 October 2015.

55 Non-current assets sold

	2015 Rm	2014 Rm	2013 Rm
Property, plant and equipment	**381**	46	421
Assets under construction	**16**	54	28
Other intangible assets	**75**	85	76
	472	185	525

for the year ended 30 June	Note	2015 Rm	2014 Rm	2013 Rm
56 Acquisitions				
Property, plant and equipment	2	–	159	793
Assets under construction	3	–	–	82
Other intangible assets	5	–	219	272
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
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
Comprising				
Base Chemicals – Wesco China Limited associate		–	519	–
Performance Chemicals – Merisol joint venture		–	–	730
Total consideration		–	519	730

Acquisitions in 2014

Base Chemicals – Wesco China Limited associate

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 to 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

Performance Chemicals – Merisol joint venture

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	2015 Rm	2014 Rm	2013 Rm
57 Disposals				
Property, plant and equipment				
cost	2	**15**	2 250	193
accumulated depreciation and impairment	2	**(15)**	(2 250)	(123)
Assets under construction	3	**450**	–	3
Goodwill, net of impairment	4	**–**	–	27
Other intangible assets				
cost	5	**–**	202	–
accumulated amortisation and impairment	5	**–**	(153)	–
Other long-term investments		**–**	19	–
Investments in equity accounted joint ventures		**(21)**	–	–
Long-term receivables and prepaid expenses		**–**	48	–
Assets held for sale		**796**	2 254	–
Inventories	52	**–**	520	72
Trade receivables	52	**–**	773	59
Other receivables and prepaid expenses	52	**–**	–	2
Cash and cash equivalents		**105**	–	(17)
Long-term provisions	20	**–**	(166)	–
Post-retirement benefit obligations	21	**–**	(711)	(6)
Long-term deferred income		**11**	(44)	–
Deferred tax liabilities	23	**–**	–	11
Liabilities held for sale		**(201)**	–	–
Short-term provisions	26	**6**	(11)	(7)
Trade payables and accrued expenses	52	**–**	(500)	(67)
Other payables	52	**19**	(43)	(5)
Tax payable	28	**–**	–	2
		1 165	2 188	144
Total consideration		**738**	1 767	236
Consideration received		**738**	1 353	167
Consideration still payable	52	**–**	(66)	–
Consideration received in advance		**–**	480	–
Consideration still receivable	52	**–**	–	69
		(427)	(421)	92
Realisation of accumulated translation effects	48	**17**	(326)	(7)
Net (loss)/profit on disposal	38	**(410)**	(747)	85
Total consideration comprising				
Sasolburg Operations - Air Separation Unit		**482**	–	–
Energy - Exel Lesotho		**164**	–	–
Base Chemicals – Investment in ASPC joint venture		**–**	2 325	–
Energy – Investment in Spring Lights Gas joint venture		**–**	474	–
Base Chemicals – Solvents Germany		**–**	(1 032)	–
Energy – Tosas		**–**	–	116
Performance Chemicals – Sasol Gulf		**–**	–	51
Exploration and Production International – Exploration assets		**–**	–	69
Other		**92**	–	–
Total consideration		**738**	1 767	236

Disposals in 2015

Sasolburg Operations - Air Separation Unit

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 R482 million. As a result of this transaction, Sasol has entered into a long-term supply agreement with Air Products South Africa for the site's gaseous products requirements.

Exploration and Production International – Exploration licences

In September 2014, we notified our partners in the Nigerian licences OML-140 and OML-145 of our withdrawal from both licences as part of an ongoing restructuring of our asset base. Accordingly, we recognised a loss on disposal of R569 million relating to these licences.

Energy – Exel Lesotho

On 1 November 2014, the sale of our marketing business, Exel Lesotho (Pty) Ltd, was concluded for a purchase consideration of R164 million, realising a profit on disposal of R84 million.

Other businesses

In 2015, the group disposed of other smaller investments, realising a profit of R75 million.

Disposals in 2014

Base Chemicals – Investment in ASPC joint venture

On 16 August 2013, Base Chemicals 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.

Energy – Investment in Spring Lights Gas joint venture

On 2 July 2013, Energy disposed of its 49% share in Spring Lights Gas for a purchase consideration of R474 million, realising a profit on disposal of R453 million.

Base Chemicals – Sasol Solvents Germany

On 31 May 2014, Base Chemicals 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

Energy – Tosas

On 1 April 2013, Energy disposed of its shareholding in Tosas Holdings (Pty) Ltd. for a total consideration of R116 million.

Performance Chemicals – Sasol Gulf

On 31 March 2013, Performance Chemicals disposed of its subsidiary for a total consideration of R51 million.

Exploration and Production International – Exploration licences

In 2013, Exploration and Production International disposed of its participation interests in the exploration assets in Papua New Guinea for a total consideration of R69 million.

Other disclosures

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for the year ended 30 June	Note	Maximum exposure 2015 Rm	Liability included on statement of financial position 2015 Rm	Maximum exposure 2014 Rm	Liability included on statement of financial position 2014 Rm
58 Guarantees, indemnities and contingent liabilities					
Guarantees and indemnities					
Guarantees in respect of subsidiaries and joint operations					
In respect of Lake Charles Chemical Project	i	**66 874**	**8 241**	–	–
In respect of US Bond	ii	**12 241**	**12 241**	10 561	10 561
In respect of Sasol Inzalo share transaction	iii	**8 614**	**8 614**	4 499	4 499
In respect of shale gas ventures	iv	**6 438**	**–**	9 849	–
In respect of mining environmental obligations and other expansion activities	v	**2 848**	**2 836**	3 043	2 537
In respect of INEOS joint operation	vi	**2 556**	**2 556**	–	–
In respect of Natref debt	vii	**1 465**	**1 465**	1 159	1 159
In respect of crude oil purchases	viii	**1 460**	**1 460**	1 277	1 277
In respect of development of retail convenience centres	ix	**700**	**700**	700	700
Other guarantees and claims	x	**454**	**–**	500	–
In respect of natural oil and gas	xi	**225**	**7**	929	652
In favour of BEE partners	xii	**157**	**1**	218	3
In respect of letters of credit	xiii	**–**	**–**	745	–
Guarantees in respect of joint ventures and associates					
In respect of EGTL	xiv	**3 042**	**–**	2 660	–
In respect of GTL ventures	xv	**2 914**	**–**	2 557	–
Other performance guarantees	xvi	**526**	**–**	350	–
		110 514	**38 121**	39 047	21 388
Indemnities in respect of subsidiaries and joint operations					
In respect of environmental obligations	xvii	**896**	**858**	510	510
Other indemnities and claims	xviii	**813**	**272**	449	72
In respect of letter of credit	xix	**12**	**–**	148	–
Indemnities in respect of joint ventures and associates					
In respect of EGTL	xx	**2 017**	**2 017**	1 763	1 763
Other performance indemnities	xxi	**674**	**–**	635	–
		4 412	**3 147**	3 505	2 345

i Completion guarantees and sureties issued in respect of the Lake Charles Chemical Project. This includes a loan facility of $3 995 million, of which $677 million is recognised in the statement of financial position, and a specific revolving credit facility of $1 500 million, from which no funds have yet been drawn.

ii 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 Limited. The outstanding debt on the statement of financial position was R12 241 million on 30 June 2015. Sasol Limited has fully and unconditionally guaranteed the bond.

iii As part of the Sasol Inzalo share transaction, the C Preference shares issued by the Sasol Inzalo Groups Funding (Pty) Ltd and Sasol Inzalo Public Funding (Pty) Ltd to the financing institutions are secured against a guarantee of R8 614 million. In October 2014, Sasol Inzalo Groups Funding (Pty) Ltd and Sasol Inzalo Public Funding (Pty) Ltd refinanced the debt structure of the Inzalo transaction by issuing additional C preference shares to the existing C preference share holders and redeeming the D preference shares (issued to Sasol Limited). The issue of additional C preference shares resulted in a corresponding increase in the value of the guarantee issued by Sasol Limited.

iv Guarantees of R6 438 million have been issued to Progress Energy Inc, in respect of the development of the qualifying costs related to the Farrel Creek shale gas assets in Canada.

v Guarantees and sureties issued in respect of mining environmental obligations and other expansion activities of R2 848 million.

vi Completion guarantees and sureties issued in respect of the INEOS joint operation of R2 556 million.

vii Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 465 million for the Natref crude oil refinery. The outstanding debt on the statement of financial position was R1 465 million at 30 June 2015.

viii 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.

ix 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 2015.

x Included in other guarantees are guarantees for customs and excise of R454 million in respect of feedstock purchases.

xi Guarantees have been issued to various financial institutions in respect of the obligations of Companhia Moçambicana de Gasoduto SARL (CMG).

xii 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 2015 amounted to R157 million. A liability for this guarantee at 30 June 2015, amounting to R1 million, has been recognised.

xiii Various guarantees issued in respect of letters of credit issued by subsidiaries.

xiv 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 (R3 042 million).

58 Guarantees, indemnities and contingent liabilities continued

58.1 Guarantees and indemnities continued

xv 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 (R2 184 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 (R730 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.

xvi 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.

xvii Indemnities issued in respect of environmental obligations of R896 million.

xviii Various indemnities issued in respect of feedstock purchases and utility supply.

xix Various indemnities issued in respect of letters of credit issued by subsidiaries.

xx 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 (R2 017 million). An amount of R2 017 million has been recognised as a provision in this regard.

xxi Various performance indemnities issued by subsidiaries on behalf of joint ventures and associates. 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.

Legal costs

Legal costs expected to be incurred in connection with loss contingencies are expensed as incurred.

58.4 Litigation

Legal proceedings and other contingencies

Sasol Nitro

As previously reported, Sasol Nitro, formerly a division of Sasol Chemical Industries (Proprietary) Limited (SCI), concluded a settlement agreement with the Competition Commission of South Africa (the Commission) in May 2009. This settlement agreement was in full and final settlement of contraventions relating to price fixing, market division and collusive tendering.

In May 2012, 58 individual farmers, through facilitation of the Transvaal Agricultural Union, filed civil claims totalling approximately R52 million against SCI. The applicants alleged that they had been overcharged by SCI for products purchased, and that this overcharge arose from conduct which was admitted to by SCI in the settlement agreement concluded with the Commission in May 2009.

In January 2015, SCI reached a settlement with all 58 farmers which constitutes a full and final settlement of this matter. The settlement was not material to the group.

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 related to, *inter alia*, allegations of 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 referred the complaint themselves to the South African Competition Tribunal (the Tribunal). Omnia alleged that:

- SCI charged Omnia an excessive price for ammonia during the period from May 2006 to December 2008;
- SCI had prevented Omnia from expanding within the markets for the supply of certain fertilisers during this period; and
- SCI had engaged in prohibited price discrimination in respect of ammonia.

SCI did not agree with the allegations made, which were substantially similar to allegations in a civil claim for damages instituted by Omnia in 2009. SCI initiated its defence in both matters.

On 6 October 2014, both the competition matter and the arbitration were commercially settled between SCI and Omnia and Omnia has withdrawn its complaint against SCI. The settlement constitutes a full and final settlement between SCI and Omnia. The settlement was not material to the group.

Sasol Wax

As previously reported, on 1 October 2008, the European Commission found that members of the European wax industry, including Sasol Wax GmbH, had formed a cartel and violated antitrust laws. A fine of EUR 318,2 million was imposed by the European Commission on Sasol Wax GmbH and was subsequently paid. 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 11 July 2014, the European General Court reduced the fine by EUR 168,22 million to EUR 149,98 million. The European Commission did not appeal the decision. Sasol accounted for this as a post balance sheet adjusting event in the 2014 income statement. The refund was received in August 2014.

As a result of the fine imposed on Sasol Wax GmbH, on 23 September 2011, Sasol Wax GmbH and Sasol Wax International AG were served with a law suit in the Netherlands by a company to which potential claims for compensation of damages have been assigned to by eight customers.

On 19 June 2015, Sasol and the plaintiffs concluded a full and final settlement. The settlement was not material to the group. The plaintiffs have formally withdrawn the law suit against Sasol.

58 Guarantees, indemnities and contingent liabilities continued

58.4 Litigation continued

Sasol Polymers

The Commission alleges that SCI charged excessive prices for propylene and polypropylene in the South African market from 2004 to 2007. Sasol disputes the Commission's allegations. In 2010, the matter was referred by the Commission to the Tribunal. The matter was heard before the Tribunal during 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 propylene and polypropylene, for the period in question. In respect of purified propylene, the Tribunal imposed an administrative penalty of R205,2 million. In respect of polypropylene, the Tribunal imposed an administrative 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 Tribunal with the South African Competition Appeal Court (CAC). On 11 July 2014, the Commission delivered a Notice of Cross-Appeal requesting the Competition Appeal Court to increase the administrative penalties imposed on SCI to R1 094 million for propylene, and R1 754 million for polypropylene.

On 17 June 2015, the CAC handed down its judgment which upheld SCI's appeal. The CAC set aside the decision of the Competition Tribunal and replaced it with the order that the complaint referral was dismissed. Following the ruling, SCI reversed the provision of R534 million for potential penalties.

On 23 July 2015, the Commission filed an application with the Constitutional Court in which it is seeking leave to appeal the decision of the CAC to the Constitutional Court. Sasol submitted its responding affidavit on 6 August 2015 and are awaiting a decision by the Constitutional Court. The outcome of this matter cannot be estimated at this point in time and accordingly, no provision was recognised at 30 June 2015.

Abuse of dominance investigation – Sasol Chemical Industries (Sasol Polymers), Sasol Synfuels, Sasol Oil and Sasol Limited

In November 2011, Safripol (Pty) Ltd (Safripol) initiated a complaint with the Commission against SCI. In the complaint, Safripol alleged that SCI had contravened various sections of the Competition Act with regard to pricing and supply of propylene and ethylene. Safripol subsequently withdrew the complaint.

The Commission however elected to continue with its investigation into the matter. Sasol was informed of the investigation in a letter from the Commission dated 30 July 2011. The Commission alleges that Sasol engaged in the following conduct:

- Excessive pricing of propylene and ethylene required by Safripol;
- Constructive refusal to supply scarce goods (namely propylene and ethylene);
- Margin squeezing in respect of the supply of propylene and polypropylene; and
- Price discrimination in relation to the sale of propylene and ethylene.

The Commission stated in the abovementioned letter that as the alleged conduct relates to pricing of inputs, and may be linked with the pricing and supply of feedstock propylene and ethylene, their investigation extends to Sasol Limited, Sasol Oil, Sasol Synfuels and SCI. The period under investigation is from 2008 to date.

On 22 December 2014, the Commission issued summons against employees of SCI, Synfuels, Sasol Oil and Sasol Limited whereby the Commission sought copies of documents and information from the employees. The responses in respect of all four summonses were submitted to the Commission on 31 March 2015.

The outcome of this matter cannot be estimated at this point in time and accordingly, no provision was recognised at 30 June 2015.

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, Sasol Oil, BP SA and the South African Petroleum Industry Association (''SAPIA'') to the 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. Sasol is assessing the legal options available to it. The outcome of this matter cannot be estimated at this point in time and accordingly, no provision was recognised at 30 June 2015.

Sasol Mining – claimed compensation for lung diseases

On 2 April 2015, 22 plaintiffs (1 current and 21 former employees) instituted action against Sasol Mining (Pty) Limited at the High Court in Gauteng, South Africa, for allegedly having contracted lung diseases while working at its collieries. The plaintiffs allege that they were exposed to harmful quantities of coal dust while working underground for Sasol Mining and that the company failed to comply with various sections of the Mine Health and Safety Act, 1996, failed to comply with various regulations issued in terms thereof; and failed to take effective measures to reduce the exposure of mine workers to coal dust. All of which the plaintiffs allege increased the risk for workers to contract coal dust related lung diseases.

This lawsuit is not a class action but rather 22 individual cases, each of which will be judged on its own merits. The plaintiffs seek compensation for damages relating to past and future medical costs and loss of income amounting to R82,5 million in total. Sasol Mining is defending the claim. It is not possible at this stage to make an estimate of the likelihood that the plaintiffs will succeed with their claim and if successful, what the quantum of damages would be that the court will award. Therefore, no provision was made at 30 June 2015.

Other

From time to time, Sasol companies are involved in other litigation, tax and similar proceedings in the normal course of business. A detailed assessment is performed on each matter, and a provision is recognised where appropriate. 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.

58.5 Competition matters

Sasol continuously evaluates its compliance programmes and controls in general, and its competition law compliance programme and controls. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. These ongoing compliance activities have already revealed, and may still reveal, competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

The Commission is conducting investigations into the South African liquid petroleum gas, fertilisers and polymer industries. Sasol continues to interact and co-operate with the Commission in respect of the subject matter of current leniency applications brought by Sasol, conditional leniency agreements concluded with the Commission, as well as in the areas that are subject to the Commission's investigations.

58.6 Environmental orders

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 2015 was R11 022 million compared to R11 013 million at 30 June 2014. Included in this balance is an amount accrued of approximately R3 204 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 on-going 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.

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.

	2015 Rm	2014 Rm
Buildings and infrastructure		
Within one year	**345**	372
One to five years	**781**	870
More than five years	**1 948**	1 316
	3 074	2 558
Equipment		
Within one year	**791**	754
One to five years	**1 270**	838
More than five years	**351**	308
	2 412	1 900
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 Secunda Synfuels Operations		
Within one year	**115**	127
One to five years	**785**	833
More than five years	**2 219**	2 652
	3 119	3 612
The water reticulation commitments of Secunda Synfuels Operations 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	**8 605**	8 070

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 exclude purchase options.

	2015 Rm	2014 Rm
Within one year	**262**	175
One to two years	**914**	531
More than five years	**1 740**	745
Less amounts representing finance charges	**(1 385)**	(511)
Total minimum future lease payments	**1 531**	940

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	**2015 Rm**	2014 Rm	2013 Rm
Sales and services rendered from subsidiaries to related parties			
joint ventures	**1 107**	538	1 373
associates	**–**	679	1 564
	1 107	1 217	2 937
Purchases by subsidiaries from related parties			
joint ventures	**530**	377	410
associates	**89**	85	80
	619	462	490

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 2015[2] R'000**	Total 2014[2] R'000	Total 2013 R'000
DE Constable[3]	17 722	234	5 477	23 578	**47 011**	51 962	53 668
VN Fakude	6 067	1 732	652	6 431	**14 882**	17 959	14 604
B Nqwababa[4]	1 960	249	582	1 652	**4 443**	–	–
KC Ramon[5]	–	–	–	–	**–**	9 635	13 584
P Victor[6]	1 999	300	279	2 269	**4 847**	8 231	–
Total	**27 748**	**2 515**	**6 990**	**33 930**	**71 183**	87 787	81 856

1 Incentives approved on the group results for the 2015 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 2015.

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 4 September 2014 for the incentive being the date of approval of the consolidated annual financial statements.

4 Mr B Nqwababa was appointed as Chief Financial Officer effective 1 March 2015. A sign-on agreement totalling R9 000 000, payable over three years and linked to a retention period of 36 months, was concluded with Mr B Nqwababa as part of his employment contract compensating for some of the incentives and benefits forfeited when he resigned from his previous employer. A payment of R4 000 000 was made with his first salary and the amount disclosed reflects the portion related to the financial year; the balance is to be paid in equal instalments over financial year 2016 and financial year 2017.

5 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.

6 Mr P Victor was acting Chief Financial Officer until 28 February 2015 and pro-rata amounts are disclosed. Retention agreement of R3 000 000 offered to Mr P Victor with R1 500 000 paid in October 2014 linked to a retention period of 36 months. This amount reflects the portion related to his period as acting Chief Financial Officer, October 2014 - February 2015.

60 Related party transactions continued

Long-term incentives for the executive directors' and former executive director were as follows:

Executive directors	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 2015 R'000**	Total 2014 R'000	Total 2013 R'000
DE Constable[1]	19 383	–	–	**19 383**	36 635	–
VN Fakude	10 796	–	–	**10 796**	36 245	9 726
KC Ramon	–	–	–	**–**	16 551	15 001
P Victor	1 238	–	–	**1 238**	2 650	–
Total	**31 417**	**–**	**–**	**31 417**	92 081	24 727

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.

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 2015[2] R'000**	Total 2014[2] R'000	Total 2013 R'000
SR Cornell[3]	7 753	208	4 621	6 489	**19 071**	7 588	–
AM de Ruyter[4]	–	–	–	–	**–**	2 676	11 818
FR Grobler[5]	3 012	1 316	279	3 141	**7 748**	8 393	–
VD Kahla	4 690	618	441	3 642	**9 391**	10 904	9 450
BE Klingenberg	4 514	1 421	406	4 362	**10 703**	11 822	10 009
E Oberholster[6]	2 355	1 051	63	2 063	**5 532**	6 515	–
M Radebe	3 771	682	365	3 002	**7 820**	8 742	6 981
CF Rademan	3 674	1 772	423	4 210	**10 079**	11 802	9 312
SJ Schoeman	3 821	417	280	3 049	**7 567**	1 407	–
GJ Strauss[7]	–	–	–	–	**–**	2 805	12 042
Total	**33 590**	**7 485**	**6 878**	**29 958**	**77 911**	72 654	59 612
Number of members					**10**	10	6

1 Incentives approved on the group results for the 2015 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 2015.
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 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 US dollar 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 retired from the group with effect from 31 March 2015. Details reflect the period of service on the GEC.
7 Mr GJ Strauss retired from the group with effect from 30 September 2013.

Long-term incentives for the GEC were as follows:

GEC	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 2015 R'000**	Total 2014 R'000	Total 2013 R'000
AM de Ruyter[1]	–	–	–	**–**	37 153	6 138
FR Grobler	2 082	–	–	**2 082**	2 117	–
VD Kahla[2]	2 736	–	–	**2 736**	11 950	–
BE Klingenberg	4 927	–	–	**4 927**	7 597	601
E Oberholster	8 082	–	–	**8 082**	2 454	–
M Radebe[2]	3 419	–	–	**3 419**	10 416	2 045
CF Rademan	5 912	–	–	**5 912**	12 792	5 292
SJ Schoeman[1]	867	–	–	**867**	2 830	–
GJ Strauss	–	–	–	**–**	42 720	26 120
Total	**28 025**	**–**	**–**	**28 025**	130 029	40 196

1 Awarded on appointment to the 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 2015 R'000**	Total 2014 R'000	Total 2013 R'000
MSV Gantsho (Chairman)	4 900	–	–	–	–	**4 900**	3 132	825
JE Schrempp (Lead Independent Director)[1]	1 736	603	461	67	42	**2 909**	2 489	2 146
C Beggs	530	–	515	–	84	**1 129**	1 011	1 027
HG Dijkgraaf[1]	1 736	–	922	67	63	**2 788**	2 383	2 317
NNA Matyumza[2]	398	–	149	–	63	**610**	–	–
IN Mkhize	530	–	569	134	84	**1 317**	1 193	839
ZM Mkhize	530	–	117	–	42	**689**	603	605
MJN Njeke	530	–	199	–	63	**792**	704	717
B Nqwababa[3]	123	–	48	–	–	**171**	419	–
TH Nyasulu[4]	–	–	–	–	–	**–**	2 000	4 520
PJ Robertson[1]	1 736	–	410	67	63	**2 276**	1 796	1 460
S Westwell[1]	1 736	–	537	–	84	**2 357**	1 985	1 725
Total	**14 485**	**603**	**3 927**	**335**	**588**	**19 938**	17 715	16 181

1 Board and committee fees paid in US dollars.
2 Appointed as Non-executive director effective 8 September 2014.
3 Resigned as Non-executive director effective 26 September 2014.
4 Resigned as Chairman and Non-executive director effective 22 November 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.

	2015			2014		
	Number of shares		**Total**	Number of shares		Total
Beneficial shareholding	**Direct**	**Indirect[1]**	**beneficial shareholding**	Direct	Indirect[1]	beneficial shareholding
Executive directors						
VN Fakude	**4 269**	**–**	**4 269**	1 500	–	1 500
KC Ramon[2]	**–**	**–**	**–**	30	41 556	41 586
Non-executive directors						
IN Mkhize	**313**	**18 626**	**18 939**	313	18 626	18 939
TH Nyasulu[3]	**–**	**–**	**–**	–	1 450	1 450
Total	**4 582**	**18 626**	**23 208**	1 843	61 632	63 475

1 Includes units held in the Sasol Share Savings Trust and shares held through Sasol Inzalo Public Limited.
2 Resigned as director with effect from 9 September 2013.
3 Resigned as director with effect from 22 November 2013.

	2015			2014		
	Number of shares		**Total**	Number of shares		Total
Beneficial shareholding	**Direct**	**Indirect[1]**	**beneficial shareholding**	Direct	Indirect[1]	beneficial shareholding
GEC						
AM de Ruyter[2]	**–**	**–**	**–**	5 900	–	5 900
M Radebe	**–**	**3 357**	**3 357**	–	3 819	3 819
CF Rademan	**2 500**	**–**	**2 500**	–	–	–
GJ Strauss[3]	**–**	**–**	**–**	4 300	–	4 300
FR Grobler[4]	**13 500**	**–**	**13 500**	13 500	–	13 500
E Oberholster[5]	**–**	**–**	**–**	–	300	300
Total	**16 000**	**3 357**	**19 357**	23 700	4 119	27 819

1 Includes units held in the Sasol Share Savings Trust and shares held through Sasol Inzalo Public Limited.
2 Mr AM de Ruyter resigned from the group with effect from 30 November 2013.
3 Mr GJ Strauss retired from the group with effect from 30 September 2013.
4 Mr FR Grobler was appointed as a member of the GEC with effect from 1 December 2013.
5 Mr E Oberholster retired from the group with effect from 31 March 2015. Details reflect the period of service on the GEC.

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 22 July 2015, Sasol entered into an interest rate swap to convert 50% of a US$4 billion term loan facility from a variable interest rate to a fixed interest rate, in terms of the loan agreement. The loan will be utilised to fund the capital expenditure of the Lake Charles Chemical Project in the United States.

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 2015	% of equity owned 2014
Sasol Canada	Canada	Development of shale gas reserves and production and marketing of shale gas	**50**	50
Natref	South Africa	Refining of crude oil	**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	2015 Total Rm	2014 Total Rm
Statement of financial position					
External non-current assets	11 074	2 667	2 883	**16 624**	14 996
property, plant and equipment	8 709	2 096	1 722	**12 527**	8 997
assets under construction	2 365	569	1 107	**4 041**	5 950
other non-current assets	–	2	54	**56**	49
External current assets	2 223	322	2 519	**5 064**	2 215
Intercompany current assets	–	1	75	**76**	63
Total assets	13 297	2 990	5 477	**21 764**	17 274
Shareholders' equity	12 359	222	890	**13 471**	12 343
Long-term debt (interest bearing)	–	1 360	2 702	**4 062**	1 510
Intercompany long-term debt	–	–	224	**224**	935
Long-term provisions	483	75	–	**558**	451
Other non-current liabilities	–	503	–	**503**	484
Interest bearing current liabilities	–	303	90	**393**	205
Non-interest-bearing current liabilities	443	494	419	**1 356**	1 263
Intercompany current liabilities	12	33	1 152	**1 197**	83
Total equity and liabilities	13 297	2 990	5 477	**21 764**	17 274
Income statement					
Turnover	695	581	815	**2 091**	2 021
Operating (loss)/profit	(2 469)	353	49	**(2 067)**	(6 610)
Other expenses	(9)	(173)	(36)	**(218)**	(146)
Net (loss)/profit before tax	(2 478)	180	13	**(2 285)**	(6 756)
Taxation	–	(52)	2	**(50)**	(68)
Attributable (loss)/profit	(2 478)	128	15	**(2 335)**	(6 824)

62 Interest in joint operations continued

	Sasol Canada Rm	Natref Rm	Other* Rm	**2015 Total Rm**	2014 Total Rm
Statement of cash flows					
Cash flow from operations	501	612	127	**1 240**	999
Movement in working capital	(180)	(46)	156	**(70)**	(343)
Taxation paid	–	(33)	(4)	**(37)**	(18)
Other expenses	(3)	(192)	(194)	**(389)**	(198)
Cash available from operations	318	341	85	**744**	440
Dividends paid	–	(127)	–	**(127)**	(130)
Cash retained from operations	318	214	85	**617**	310
Cash flow from investing activities	(2 926)	(409)	(912)	**(4 247)**	(4 909)
Cash flow from financing activities	3 227	195	1 758	**5 180**	3 273
Decrease/(increase) in cash requirements	619	–	931	**1 550**	(1 326)

* Includes Sasol Yihai, Central Térmica de Ressano Garcia (CTRG) and our high density polyethylene plant in North America.

At 30 June 2015, the group's share of the total capital commitments of joint operations amounted to R5 401 million (2014 – R3 471 million).

The Sasol Canada business results are associated with our shale gas assets in Canada, in line with the group's strategy to grow Sasol's upstream asset base. Capital commitments relating to the joint operation amounted to R2 511 million (2014 – R2 857 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 2015.

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.

Name	Country of incorporation	Nature of activities	% of equity owned 2015	% of equity owned 2014	Investment at cost[1] 2015	Investment at cost[1] 2014
Operating subsidiaries						
Direct						
Sasol Mining Holdings (Pty) Ltd	Republic of South Africa	Holding company of the group's mining interests.	**100**	100	**8 499**	8 499
Sasol Technology (Pty) Ltd	Republic of South Africa	Engineering services, research and development and technology transfer.	**100**	100	**1 542**	709
Sasol Financing (Pty) Ltd	Republic of South Africa	Management of cash resources, investment and procurement of loans for South African operations.	**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	**51 185**	37 735
Sasol South Africa (Pty) Ltd	Republic of South Africa	Focused on integrated petrochemicals and energy and all such other things as may be considered to be incidental or conducive to the attainment and support of the main business of the company.	**100**	100	**18 029**	15 574
Sasol Gas Holdings (Pty) Ltd	Republic of South Africa	Holding company of the group's gas interests.	**100**	100	*****	*
Sasol Oil (Pty) Ltd	Republic of South Africa	Marketing of fuels and lubricants.	**75**	75	**609**	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	**1 545**	1 795

* Nominal amount.

1 The cost of these investments represents the holding company's investment in the subsidiaries, which eliminate on consolidation.

63 Interest in significant operating subsidiaries continued

Name	Country of incorporation	Nature of activities	% of equity owned 2015	2014
Operating subsidiaries				
Indirect				
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd*	Republic of South Africa	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa.	**50**	50
Sasol UK Limited	United Kingdom	Marketing and distribution of chemical products.	**100**	100
Sasol Chemicals Pacific Limited	Hong Kong	Marketing and distribution of chemical products.	**100**	100
Sasol Chemical Holdings International (Pty) Ltd	Republic of South Africa	Investment in the Sasol Chemie group.	**100**	100
Sasol Financing International Limited	Republic of South Africa	Management of cash resources, investment and procurement of loans for operations outside South Africa.	**100**	100
Sasol Gas (Pty) Ltd	Republic of South Africa	Marketing, distribution and transportation of pipeline gas and the maintenance and operation of pipelines used for the transportation of various types of gas.	**100**	100
Sasol Germany GmbH	Germany	Production, marketing and distribution of waxes and wax related products.	**100**	100
Sasol Italy SpA	Italy	Trading and transportation of oil products, petrochemicals and chemical products and their derivatives.	**100**	100
Sasol Mining (Pty) Ltd	Republic of South Africa	Coal mining activities.	**90**	90
Sasol Holdings (USA) (Pty) Ltd	Republic of South Africa	To manage and hold the group's interest in the United States.	**100**	100
Sasol Oil International Limited	Isle of Man	Buying and selling of crude oil.	**100**	100
Sasol Africa (Pty) Ltd	Republic of South Africa	Exploration, appraisal, development, production, marketing and distribution of natural oil and gas and associated products.	**100**	100
Sasol Holdings (Asia Pacific) (Pty) Ltd	Republic of South Africa	Holding company of foreign investments.	**100**	100
Sasol Middle East and India (Pty) Ltd	Republic of South Africa	Develop and implement international GTL and CTL ventures.	**100**	100
Sasol Wax International Aktiengesellschaft	Germany	Holding company of the Sasol Wax operations.	**100**	100

* Through contractual arrangements Sasol exercises control over the relevant activities of Rompco.

Name	Country of incorporation	Nature of activities	% of equity owned 2015	2014
Sasol Canada Holdings Limited	Canada	Exploration, development, production, marketing and distribution of natural oil and gas and associated products in Canada.	**100**	100

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 number 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 Limited), 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 2015 is (2,8%) (2014 - (6,3%); 2013 - (1,1%)). 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.

64 Financial risk management and financial instruments continued

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.

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 2015, 2014 and 2013. Approximately 51% (2014 - 52%; 2013 - 49%) of the group's total turnover is generated from sales within South Africa, while about 20% (2014 - 21%; 2013 - 22%) relates to European sales and 12% relates to sales within the US. Approximately 51% (2014 - 51%; 2013 - 49%) of the amount owing in respect of trade receivables is from counterparties in South Africa, while European receivables amount to about 23% (2014 - 24%; 2013 - 26%) and US receivables amount to 9%.

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.

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. Refer to Note 18.

The group has provided guarantees for the financial obligations of subsidiaries, joint ventures and third parties. The outstanding guarantees at 30 June 2015 are provided in note 58.1.

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
2015					
Financial assets					
Non-derivative instruments					
Long-term receivables	10	**2 957**	**1 405**	**237**	**1 315**
Trade receivables	14	**21 663**	**21 663**	**–**	**–**
Other receivables	15	**1 631**	**1 631**	**–**	**–**
Cash restricted for use	17	**5 022**	**5 022**	**–**	**–**
Cash	17	**48 329**	**48 329**	**–**	**–**
Investments available-for-sale[1]	6	**745**	**–**	**–**	**745**
Investments held-to-maturity[1]	6	**81**	**–**	**81**	**–**
		80 428	**78 050**	**318**	**2 060**
Derivative instruments					
Forward exchange contracts		**4 722**	**4 643**	**79**	**–**
Commodity derivatives		**27**	**27**	**–**	**–**
		85 177	**82 720**	**397**	**2 060**
Financial liabilities					
Non-derivative instruments					
Long-term debt		**(45 846)**	**(2 797)**	**(17 721)**	**(25 328)**
Short-term debt	24	**(534)**	**(534)**	**–**	**–**
Trade payables and accrued expenses	29	**(20 278)**	**(20 278)**	**–**	**–**
Other payables	30	**(1 249)**	**(1 249)**	**–**	**–**
Bank overdraft	17	**(319)**	**(319)**	**–**	**–**
Financial guarantees[2]		**(373)**	**(373)**	**–**	**–**
		(68 599)	**(25 550)**	**(17 721)**	**(25 328)**
Derivative instruments					
Forward exchange contracts		**(4 823)**	**(4 742)**	**(81)**	**–**
		(73 422)	**(30 292)**	**(17 802)**	**(25 328)**

* 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 have 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

	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					
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[1]	6	628	–	–	628
Investments held for trading[1]	6	43	–	–	43
Investments held-to-maturity[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 have 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.

Cash flow hedges

In certain cases, the group classifies its forward foreign currency contracts hedging highly probable forecast transactions as cash flow hedges. Where this designation is documented, changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement (or hedged item on the statement of financial position) in accordance with the group's accounting policy.

The expected future timing of the recycling of derivatives used for hedging on the income statement at 30 June were as follows:

	Carrying value Rm	Within one year Rm	One to five years Rm	More than five years Rm
2015				
Derivative instruments – cash flow hedges				
Financial assets	**2**	**1**	**–**	**1**
Financial liabilities	**5**	**1**	**2**	**2**
2014				
Derivative instruments – cash flow hedges				
Financial assets	4	4	–	–
Financial liabilities	2	2	–	–

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 and cross-currency swaps.

Changes in foreign exchange rates also affect the group's earnings in connection with the translation of the income statements of foreign subsidiaries with a functional currency of 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. We do not hedge foreign currency receipts.

64 Financial risk management and financial instruments continued

The following significant exchange rates were applied during the year:

	Average rate		Closing rate	
	2015	2014	**2015**	2014
Rand/Euro	**13,76**	14,10	**13,56**	14,57
Rand/US dollar	**11,45**	10,39	**12,17**	10,64
Rand/Pound sterling	**18,04**	16,91	**19,12**	18,20

The table below shows the currency exposure where entities within the group have monetary assets or liabilities that are denominated in a currency that is not the functional currency of the respective entities. The amounts have been presented in rand by converting the foreign currency amount at the closing rate at the reporting date.

	2015					
	Total Rm	**Euro Rm**	**US dollar Rm**	**Pound sterling Rm**	**Rand Rm**	**Other Rm**
Long-term receivables	393	195	99	–	–	99
Trade receivables	3 243	609	2 566	45	–	23
Other receivables	208	1	146	–	–	61
Cash restricted for use	447	–	52	–	–	395
Cash	7 011	3 826	2 288	177	250	470
Exposure on external asset balances	11 302	4 631	5 151	222	250	1 048
Forward exchange contracts	(248)	(34)	(188)	–	–	(26)
Net exposure on assets	11 054	4 597	4 963	222	250	1 022
Long-term debt	(193)	(179)	(14)	–	–	–
Short-term debt	(62)	–	(62)	–	–	–
Trade payables and accrued expenses	(2 323)	(132)	(2 049)	(34)	(2)	(106)
Other payables	(670)	(54)	(495)	(17)	–	(104)
Bank overdraft	(136)	–	(136)	–	–	–
Exposure on external liability balances	(3 384)	(365)	(2 756)	(51)	(2)	(210)
Forward exchange contracts*	6 312	48	6 264	–	–	–
Net exposure on liabilities	2 928	(317)	3 508	(51)	(2)	(210)
Exposure on external balances	13 982	4 280	8 471	171	248	812
Net exposure on balances between group companies	2 584	(2 316)	6 023	(765)	(677)	319
Total net exposure	16 566	1 964	14 494	(594)	(429)	1 131

*The US Dollar bond was transferred to Sasol Financing International Limited, which has a functional currency of US Dollar. As a result, there is no longer any income statement exposure on this instrument. The related FEC is still in place, and as a result, there is a degree of over coverage on foreign exchange exposure.

	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)
Short-term debt	–	–	–	–	–	–
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**

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.

64 Financial risk management and financial instruments continued

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 2014.

	2015		2014	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
Euro	**196**	**196**	945	945
US dollar	**1 449**	**1 449**	1 383	1 383
Pound sterling	**(59)**	**(59)**	(23)	(23)
Rand	**(43)**	**(43)**	(23)	(23)
Other currencies	**113**	**113**	–	–

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.

A 10% strengthening of the rand on the group's exposure to foreign currency risk on external balances and FECs for which we have commitments at 30 June would have increased / (decreased) either equity or profit of the group, respectively, 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 2014.

	2015		2014	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
Euro	**428**	**–**	350	7
US dollar	**847**	**607**	1 227	(134)
Pound sterling	**17**	**–**	(35)	37
Rand	**25**	**–**	27	–
Other currencies	**81**	**3**	51	906

A 10% 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.

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 2015 million	Contract amount – Rand equivalent 2015 Rm	Average rate of exchange 2015 (calculated)	Fair value (losses)/ gains 2015 Rm	Contract foreign currency amount 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses)/ gains 2014 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)
US dollar	**–**	**5**	**12,54**	**–**	1	9	10,73	–
Pound sterling	**–**	**–**	**–**	**–**	–	1	18,16	–
		5		**–**		410		(6)
Imports – goods								
Euro	**–**	**–**	**–**	**–**	1	9	14,72	–
US dollar	**–**	**–**	**–**	**–**	1	10	10,92	–
		–		**–**		19		–
Exports								
US dollar	**–**	**–**	**–**	**–**	2	23	10,57	–
		–		**–**		23		–
Other payables (liabilities)								
Euro	**4**	**48**	**13,55**	**(7)**	2	25	14,57	–
US dollar	**–**	**–**	**–**	**–**	–	1	10,75	–
		48		**(7)**		26		–
Other receivables (assets)								
Euro	**3**	**34**	**13,55**	**–**	–	5	14,57	–
		34		**–**		5		–

64 Financial risk management and financial instruments continued

	Contract foreign currency amount 2015 million	Contract amount - Rand equivalent 2015 Rm	Average rate of exchange 2015 (calculated)	Fair value (losses) / gains 2015 Rm	Contract foreign currency amount 2014 million	Contract amount - Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses) / gains 2014 Rm
Derivative instruments – held-for-trading								
Imports – capital								
Euro	–	–	–	–	2	21	12,97	2
US dollar	–	–	–	–	–	4	10,69	–
		–		–		25		2
Imports – goods								
Euro	–	–	–	–	1	14	13,89	–
US dollar	62	757	12,19	–	115	1 230	10,73	(10)
		757		–		1 244		(10)
Exports								
Euro	3	35	13,55	–	–	–	–	–
US dollar	5	61	12,04	–	7	77	10,62	(1)
Other currencies – US dollar equivalent	2	26	12,11	–	–	2	9,92	–
		122		–		79		(1)
Other payables (liabilities)								
Euro	–	–	–	–	1	6	8,47	2
US dollar	452	5 622	12,44	16	463	5 324	11,51	(301)
Pound sterling	–	–	–	–	–	6	15,87	1
		5 622		16		5 336		(298)
Other receivables (assets)								
Euro	–	–	–	–	–	–	–	–
US dollar	10	127	12,24	1	12	133	10,67	–
Pound sterling	–	–	–	–	–	1	–	1
Other currencies – US dollar equivalent	–	14	–	14	–	37	–	36
		141		15		171		37

	Contract foreign currency amount 2015 million	Contract amount – Rand equivalent 2015 Rm	Average rate of exchange 2015 (calculated)	Fair value (losses)/ gains 2015 Rm	Contract foreign currency amount 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses)/ gains 2014 Rm
Forward exchange contracts								
Transactions including commitments which have not been contracted for								
Derivative instruments – cash flow hedges								
Imports								
Euro	**11**	**149**	**14,17**	**–**	16	239	14,94	1
US dollar	**8**	**101**	**13,05**	**(3)**	11	111	10,09	2
Pound sterling	**–**	**–**	**–**	**–**	–	1	–	–
Other currencies - US dollar equivalent	**–**	**–**	**–**	**–**	–	–	–	–
		250		**(3)**		351		3
Derivative instruments – held-for-trading								
Imports								
Euro	**–**	**–**	**–**	**–**	7	100	14,29	–
US dollar	**47**	**579**	**12,39**	**(10)**	88	942	10,70	(6)
		579		**(10)**		1 042		(6)
Exports								
US dollar	**–**	**–**	**–**	**–**	–	1	–	–
		–		**–**		1		–
Other payables (liabilities)								
Euro	**–**	**6**	**14,51**	**–**	5	74	14,80	–
US dollar	**–**	**2**	**12,44**	**–**	195	2 095	10,74	(10)
Pound sterling	**–**	**–**	**–**	**–**	20	367	18,35	11
Other currencies	**273**	**2 870**	**10,49**	**(112)**	852	8 442	9,91	350
		2 878		**(112)**		10 978		351

64 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	One to two years Rm
2015			
Forward exchange contracts			
Transactions including commitments which have been contracted for			
Imports – capital			
US dollar	**5**	5	–
	5	5	–
Imports – goods			
US dollar	**757**	757	–
	757	757	–
Exports			
Euro	**35**	35	–
USD	**61**	61	–
Other currencies – US Dollar equivalent	**26**	26	
	122	122	–
Other payables (liabilities)			
Euro	**48**	48	–
US dollar	**5 622**	5 622	–
	5 670	5 670	–
Other receivables (assets)			
Euro	**34**	34	–
US dollar	**127**	127	–
Other currencies – US dollar equivalent	**14**	14	–
	175	175	–
Transactions including commitments which have not been contracted for			
Imports			
Euro	**149**	105	44
US dollar	**680**	644	36
	829	749	80
Other payables (liabilities)			
Euro	**6**	6	–
US dollar	**2**	1	1
Other currencies	**2 870**	2 870	–
	2 878	2 877	1

	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	–
Other currencies – US dollar equivalent	–	–	–
	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

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. The group has significant exposure to interest rate risk due to the volatility in South African, European and US interest rates.

Our debt is comprised of different instruments, which by their nature either bear interest at a floating or a fixed rate. We monitor the ratio of floating and fixed interest in our loan portfolio and may manage this ratio, by electing to incur either bank loans, bearing a floating interest rate, or bonds, which bear a fixed interest rate. We may also use interest rate swaps, where appropriate, to convert some of our debt into either floating or fixed rate debt to manage the composition of our portfolio. In July 2015, we entered into an interest rate swap to convert 50% of the US$3 995 million term loan facility from a variable rate to a fixed rate. The loan was incurred by Sasol Chemicals (USA) LLC to part fund the capital expenditure of the Lake Charles Chemical project to a fixed rate. In some cases, we may also use 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.

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	
	2015 Rm	2014 Rm
Variable rate instruments		
Financial assets	**49 839**	38 466
Financial liabilities	**(25 468)**	(10 805)
	24 371	27 661
Fixed rate instruments		
Financial assets	**3 384**	1 350
Financial liabilities	**(16 719)**	(15 025)
	(13 335)	(13 675)
Interest profile (variable: fixed rate as a percentage of total financial assets)	**94:6**	97:3
Interest profile (variable: fixed rate as a percentage of total financial liabilities)	**60:40**	42:58

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) earnings 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 2014.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2015	**5**	**33**	**122**	**84**
30 June 2014	(29)	(26)	(148)	(109)

	Income statement – 1% decrease			
	South Africa Rm	Europe* Rm	USA* Rm	Other* Rm
30 June 2015	**(5)**	**–**	**–**	**–**
30 June 2014	29	–	–	–

A 1% 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%.

The following interest rate derivative contracts were in place at 30 June:

	Contract amount – Rand equivalent 2015 Rm	Average fixed rate 2015 %	Expiry 2015	Fair value losses 2015 Rm	Contract amount – Rand equivalent 2014 Rm	Average fixed rate 2014 %	Expiry 2014	Fair value losses 2014 Rm
Interest rate derivatives								
Derivative instruments – held-for-trading								
Pay fixed rate receive floating rate								
Euro*	–	–	–	–	98	2	25/05/2016	(3)
	–			–	98			(3)

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
2014				
Derivative instruments – cash flow hedges				
Pay fixed rate receive floating rate				
Euro	98	25	24	49
	98	25	24	49

Commodity price risk

A substantial proportion of our turnover is derived from sales of petroleum and petrochemical products.

Market prices for crude oil fluctuate because they are subject to international supply, demand and political factors. Our exposure to the crude oil price centres primarily around the crude oil related raw materials used in our Natref refinery and certain of our offshore operations, as well as on the selling price of the fuel marketed by our Energy business which is governed by the Basic Fuel Price (BFP) formula. Key factors in the BFP are the Mediterranean and Singapore or Mediterranean and Arab Gulf product prices for petrol and diesel, respectively.

For forecasting purposes, a US$1/barrel increase in the average annual crude oil price will impact profit from operations by approximately R811 million (US$64 million) in 2015. This is based on an average rand/US dollar exchange rate assumption of R12,65.

This calculation is done at a point in time and is based on a 12 month average oil price at a constant 12 month average exchange rate. It may be used a general rule but the sensitivity is not linear over large absolute changes in the oil price and hence applying it to these scenarios may lead to an incorrect reflection of the change in profit from operations.

64 Financial risk management and financial instruments continued

Sensitivity analysis

While demand is expected to grow through 2016, we anticipate that a further rise in the Organisation of the Petroleum Exporting Countries' (OPEC) production (particularly from Saudi Arabia and post-sanctions Iran) will outweigh the expected fall in non-OPEC output. There appears to be a clear determination by OPEC to keep output levels elevated, and hence prices low, in the hope that cheaper oil will pressure high-cost US shale producers to reduce output. This is likely to result in a continued, though declining, surplus into 2017. Other issues that could impact oil prices in the short- to medium-term include geopolitical risk in the Middle East, general speculator activity, and a slower than expected increase in global demand growth. As a result, we anticipate a 'lower-for-longer' oil price environment, through until the end of calendar year 2017.

A 10 percent increase in the commodity prices at 30 June would have changed 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 is based on the underlying number of barrels of the derivatives outstanding at the end of the year. This analysis assumes that all other variables remain constant and should not be considered predictive of future performances. This calculation has also been performed on the same basis for 2014.

	2015 Rm	2014 Rm
Crude oil	**(164)**	(205)

A 10% 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.

The group makes use of derivative instruments 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.

The group has previously entered into hedging contracts which provided downside protection against decreases in the Brent crude oil price. Conversely, Sasol will have incurred opportunity losses on the hedged portion of production should the monthly average oil price have exceeded a certain price per barrel. Together with the group's other risk mitigation initiatives, such as cost containment, cash conservation and capital prioritisation, the group's hedging strategy is considered in conjunction with these initiatives. The situation is monitored regularly to assess the appropriateness of oil price hedging as part of Sasol's risk management activities. For the 2013, 2014 and 2015 financial years, Sasol did not enter into any strategic oil price hedging to protect revenues. 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	
	2015 US$	2014 US$
High	**106,64**	117,13
Average	**73,46**	109,40
Low	**48,18**	103,19

The following commodity derivative contracts were in place at 30 June:

	Contract amount 2015 Rm	Fair Value gain 2015 Rm	Within one year 2015 Rm	Contract amount 2014 Rm	Fair value loss 2014 Rm	Within one year 2014 Rm
Commodity derivatives						
Futures						
Crude oil	**1 667**	**27**	**27**	1 958	(87)	(87)

65 Financial Instruments

The following table summarises the group's classification of financial instruments.

	Note	Carrying value				
		At fair value through profit and loss Rm	**Available-for-sale Rm**	**Amortised cost Rm**	**Held-to-maturity Rm**	**Fair value Total Rm**
2015						
Financial assets						
Investments in listed securities	6	**–**	**539**	**–**	**–**	**539**
Investments in unlisted securities	6	**–**	**206**	**–**	**–**	**206**
Other long term investments	6	**–**	**–**	**–**	**81**	**81**
Long-term receivables	10	**–**	**–**	**2 957**	**–**	**2 957**
Derivative assets	11/16	**124**	**–**	**–**	**–**	**124**
Trade receivables	14	**–**	**–**	**21 663**	**–**	**21 663***
Other receivables	15	**–**	**–**	**1 631**	**–**	**1631***
Cash and cash equivalents	17	**–**	**–**	**53 032**	**–**	**53 032***
Financial liabilities						
Listed long-term debt (US Dollar Bond)	18	**–**	**–**	**12 097**	**–**	**12 292**
Unlisted long-term debt	18	**–**	**–**	**29 969**	**–**	**30 574**
Short term debt	24	**–**	**–**	**534**	**–**	**534***
Derivative liabilities	19/25	**206**	**–**	**–**	**–**	**206**
Trade payables and accrued expenses	29	**–**	**–**	**20 278**	**–**	**20 278***
Other payables	30	**–**	**–**	**1 249**	**–**	**1 249***

	Note	Carrying value				
		At fair value through profit and loss Rm	Available-for-sale Rm	Amortised cost Rm	Held-to-maturity Rm	Fair value Total Rm
2014						
Financial assets						
Investments in listed securities	6	–	407	–	–	407
Investments in unlisted securities	6	43	221		–	264
Other long term investments	6	–	–	–	205	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						
Listed long-term debt (US Dollar Bond)	18	–	–	10 634	–	10 700
Unlisted long-term debt	18	–	–	15 287	–	15 831
Short-term debt	24	–	–	135	–	135*
Derivative liabilities	19/25	463	–	–	–	463
Trade payables and accrued expenses	29	–	–	18 950	–	18 950*
Other payables	30	–	–	904	–	904*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.

65 Financial Instruments continued

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.

Fair value

Various valuation techniques and assumptions are 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 2015	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial assets				
Investments in listed securities	**539**	Quoted market price for the same instrument	Quoted market price for the same instrument	Level 1
Investments in unlisted securities	**206**	Discounted cash flow	Forecasted earnings, capital expenditure and debt cash flows of the underlying business, based on the forecasted assumptions of inflation, exchange rates, commodity prices etc. Appropriate WACC for the region.	Level 3
Other long-term investments	**81**	Discounted cash flow	Market related interest rates.	Level 3
Long term receivables	**2 957**	Discounted cash flow	Market related interest rates.	Level 3
Derivative assets	**124**	Forward rate interpolator model, appropriate currency specific discount curve	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices	Level 2
Trade receivables	**21 663***	Discounted cash flow	Market related interest rates.	Level 3*
Other receivables	**1631***	Discounted cash flow	Market related interest rates.	Level 3*
Cash and cash equivalents	**53 032***	**	**	Level 1**
Financial liabilities				
Listed long-term debt	**12 292**	Quoted market price for the same instrument	Quoted market price for the same instrument#	Level 1
Unlisted long-term debt	**30 574#**	Discounted cash flow	Market related interest rates	Level 3
Short-term debt	**534***	Discounted cash flow	Market related interest rates	Level 3*
Derivative liabilities	**206**	Forward rate interpolator model, appropriate currency specific discount curve	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices.	Level 2
Trade payables and accrued expenses	**20 278***	Discounted cash flow	Market related interest rates	Level 3*
Other payables	**1 249***	Discounted cash flow	Market related interest rates	Level 3*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.

** The carrying value of cash is considered to reflect its fair value.

\# A change of one percent of the market related interest rates would have increased/(decreased) the fair value by R420 million.

Contents

SASOL LIMITED COMPANY

Statement of financial position

at 30 June

	Note	2015 Rm	2014 Rm
Assets			
Investment in security	1	**6**	6
Investments in subsidiaries	2	**108 429**	76 108
Long-term receivables	3	**17**	17
Long-term financial assets	4	**18 006**	22 767
Deferred tax asset	5	**18**	44
Non-current assets		**126 476**	98 942
Other receivables	6	**13 484**	16 729
Cash	7	**40**	57
Current assets		**13 524**	16 786
Total assets		**140 000**	115 728
Equity and liabilities			
Shareholders' equity		**139 618**	115 184
Long-term financial liabilities	8	**131**	146
Long-term provisions	9	**45**	120
Non-current liabilities		**176**	266
Short-term financial liabilities	10	**24**	24
Short-term provisions	11	**85**	144
Trade and other payables	12	**97**	110
Current liabilities		**206**	278
Total equity and liabilities		**140 000**	115 728

Income statement

for the year ended 30 June

	Note	2015 Rm	2014 Rm	2013 Rm
Employee-related expenditure	13	**(70)**	(353)	(193)
Other expenses (net)		**(351)**	(123)	(110)
Translation gains/(losses)	14	**36**	(1)	(1)
Other operating expenses	15	**(393)**	(128)	(117)
Other operating income		**6**	6	8
Operating loss before remeasurement items		**(421)**	(476)	(303)
Remeasurement items	16	**(7 424)**	(512)	–
Loss from operations		**(7 845)**	(988)	(303)
Net finance income		**45 851**	27 101	19 838
Finance income	17	**45 862**	27 110	20 019
Finance costs	18	**(11)**	(9)	(181)
Profit before tax		**38 006**	26 113	19 535
Taxation	19	**(30)**	44	–
Profit for year		**37 976**	26 157	19 535

Statement of comprehensive income
for the year ended 30 June

	Note	2015 Rm	2014 Rm	2013 Rm
Profit for year		**37 976**	26 157	19 535
Other comprehensive income, net of tax				
Items that can be subsequently reclassified to the income statement				
Investments available-for-sale	20	**–**	–	1
Total comprehensive income for the year		**37 976**	26 157	19 536

Statement of changes in equity
for the year ended 30 June

	Note	2015 Rm	2014 Rm	2013 Rm
Share capital				
Balance at beginning of year		**29 084**	28 711	27 984
Shares issued on implementation of share options		**144**	373	727
Balance at end of year		**29 228**	29 084	28 711
Share-based payment reserve				
Balance at beginning of year		**8 701**	8 434	8 060
Share-based payment expense	22	**501**	267	374
Balance at end of year		**9 202**	8 701	8 434
Retained earnings				
Balance at beginning of year		**77 394**	65 755	58 199
Total comprehensive income for year		**37 976**	26 157	19 535
Dividends paid	27	**(14 187)**	(14 518)	(11 979)
Balance at end of year		**101 183**	77 394	65 755
Investment fair value reserve				
Balance at beginning of year		**5**	5	4
Total comprehensive income for year		**–**	–	1
Balance at end of year		**5**	5	5
Total shareholders' equity		**139 618**	115 184	102 905

Statement of cash flows
for the year ended 30 June

	Note	2015 Rm	2014 Rm	2013 Rm
Cash utilised in operations	23	**(885)**	(7 082)	2 397
Finance income received	26	**24 183**	24 410	17 573
Tax paid		**(3)**	–	–
Cash available from operating activities		**23 295**	17 328	19 970
Dividends paid	27	**(14 187)**	(14 518)	(11 988)
Cash retained by operating activities		**9 108**	2 810	7 982
Additional investments in subsidiaries	28	**(13 942)**	(6 090)	(6 694)
Loans to subsidiaries		**–**	–	(2 687)
Repayment of loans by subsidiaries		**514**	2 687	404
Repayment of long-term financial assets		**317**	330	270
Repayment of long-term receivable		**3 842**	3	–
Cash used in investing activities		**(9 269)**	(3 070)	(8 707)
Share capital issued on implementation of share options		**144**	373	727
Repayment of long term debt		**–**	(100)	–
Cash generated by financing activities		**144**	273	727
(Decrease)/increase in cash and cash equivalents		**(17)**	13	2
Cash and cash equivalents at beginning of year		**57**	44	42
Cash and cash equivalents at end of year	7	**40**	57	44

Notes to the financial statements

for the year ended 30 June

		2015 Rm	2014 Rm
1	**Investment in security**		
	Investment available-for-sale at fair value		
	Unlisted equity investment	**6**	6
	Fair value		
	Balance at beginning of year	**6**	6
	Revaluation to fair value	**–**	–
	Balance at end of year	**6**	6

The investment in security comprises 1 077 261 ordinary shares in Business Partners Limited. This shareholding represents 0,6% of that company's issued share capital.

Fair value of investment available-for-sale

The fair value of the unlisted investment is based on the recent market transactions as at 30 June 2015. This investment has been classified as a level 2 fair value measurement. Management has no intention of disposing of this investment in the foreseeable future.

		2015 Rm	2014 Rm
2	**Investments in subsidiaries**		
	Reflected as non-current assets		
	Shares at cost	**98 260**	65 645
	Shareholder loans to subsidiaries	**615**	730
	Shareholder loans to be replaced with equity	**5 454**	5 853
	Share-based payment expenses	**4 826**	4 606
	Impairment of investment in subsidiary	**(726)**	(726)
		108 429	76 108
	Reflected as current assets		
	Other receivables (refer note 6)	**13 465**	12 885
	Reflected as current liabilities		
	Trade and other payables (refer note 12)	**(32)**	(17)
	Net investments at cost	**121 862**	88 976

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.

For further details of interests in subsidiaries, refer note 63 of the consolidated annual financial statements.

Impairment

In 2014, we impaired our investment in Sasol New Energy Holdings (Pty) Ltd by R512 million mainly due to the operating assets being sold and the proceeds being declared as a dividend rather than a repayment of capital.

		2015 Rm	2014 Rm
3	**Long-term receivables**		
	Total long-term receivables	**17**	3 859
	Short-term portion	**–**	(3 842)
		17	17
	Comprising		
	Long-term interest-bearing loans		
	Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**–**	1 710
	Sasol Inzalo Public Funding (Pty) Ltd (RF)	**–**	2 132
	Long-term interest-free loan		
	Sasol Inzalo Groups Facilitation Trust	**17**	17
		17	3 859

Long-term receivables in 2014 relate to the Sasol Inzalo Groups Funding (Pty) Ltd (RF) and Sasol Inzalo Public Funding (Pty) Ltd (RF) D preference shares, held by Sasol Limited, which formed part of the funding of the Selected Participants and the Black Public invitations.

These D preference shares were repaid in full on 17 October 2014.

The long-term receivable relating to the Sasol Inzalo Groups Facilitation Trust represents a loan to fund the acquisition of unallocated shares issued by Sasol Inzalo Groups RF Limited.

	2015	2014
Interest-bearing status		
2015 – nil. 2014 – variable interest bearing at 80,3% of the prime overdraft rate	**–**	7,23%
Maturity profile		
Within one year	**–**	3 859
Two to five years	**17**	–
	17	3 859
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. This has been classified as a level 3 fair value measurement.	**17**	3 859

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.

		2015 Rm	2014 Rm
4	**Long-term financial assets**		
	Sasol Inzalo share transaction		
	Sasol Inzalo Employee Trusts (a)	**13 096**	16 811
	– Loan	**18 564**	16 811
	– Impairment	**(5 468)**	–
	Sasol Inzalo Foundation Trust (b)	**4 910**	5 956
	– Loan	**6 556**	5 956
	– Impairment	**(1 646)**	–
		18 006	22 767

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.

	2015 Rm	2014 Rm
Interest-bearing status		
Sasol Inzalo Employee Trusts	**11,5%***	11,5%*
Sasol Inzalo Foundation Trust	**11,5%***	11,5%*

* The interest rate is per the predetermined formula as stipulated in the notional vendor funding agreements.

	2015 Rm	2014 Rm
Maturity profile		
Two to five years	**18 006**	22 767
Fair value of long-term financial assets		
The fair value of the long-term financial assets was determined using an internal valuation at 30 June. The valuation incorporated observable inputs such as the Sasol Limited share price and other unobservable inputs such as the projected earnings, which are indicative of fair value.	**18 006**	22 767

Impairment

Based on the impairment indicators at each reporting period, impairment tests in respect of long-term financial assets are performed. The recoverable amount of the financial asset is compared to the carrying amount, as described in note 16, to calculate the impairment.

The recoverability of these receivables is directly linked to the performance of the Sasol Limited listed share price. At 30 June 2015, the share price was R450 representing a 29% decrease from the prior year. This steep decline resulted in an impairment in the current year.

	2015 Rm	2014 Rm
5 Deferred tax		
Reconciliation		
Balance at beginning of year	**44**	–
Current year charge per the income statement	**(26)**	44
Balance at end of year	**18**	44
Comprising		
Deferred tax assets	**18**	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	**18**	44
Deferred tax assets have 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	**65**	158
Utilised to reduce the deferred tax balance	**(65)**	(158)
Not yet recognised as a deferred tax asset	**–**	–
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.		
6 Other receivables		
Related party receivables (refer note 30)		
deposit with Sasol Financing (Pty) Ltd	**13 211**	12 376
intercompany receivables	**254**	509
	13 465	12 885
Short-term portion of long-term receivables	**–**	3 842
Other receivables	**19**	2
	13 484	16 729
Fair value of other receivables		
The carrying amount approximates fair value because of the short period to maturity of these instruments.		
7 Cash		
Cash – Per the statement of cash flows	**40**	57

Fair value of cash

The carrying amount of cash approximates fair value due to the short-term maturity of this instrument.

		2015 Rm	2014 Rm
8	**Long-term financial liabilities**		
	Non-derivative instruments		
	Financial guarantees recognised	**246**	235
	Less amortisation of financial guarantees	**(91)**	(65)
		155	170
	Short-term portion of financial guarantees (refer note 10)	**(24)**	(24)
	Arising on long-term financial instruments	**131**	146

The long-term financial liabilities consist of guarantees issued on related party debt:

- In favour of Standard Bank of South Africa Limited amounting to R155 million relating to Sasol Oil (Pty) Ltd. The carrying value of this guarantee at 30 June 2015 is R0,4 million.
- In respect of C preference shares issued to various financiers amounting to R8 614 million as part of the Sasol Inzalo share transaction. Full disclosure is provided in the Sasol Limited consolidated annual financial statements. The carrying value of this guarantee at 30 June 2015 is R10,5 million.
- In favour of Nedbank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd, amounting to R459 million for capital expansion. The carrying value of this guarantee at 30 June 2015 is R3,6 million.
- In favour of Absa Bank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd, amounting to R631 million for capital expansion. The carrying value of this guarantee at 30 June 2015 is R2,6 million.
- In favour of Bond holders securing the debt of Sasol Financing International Plc, amounting to US$1 006 million for general corporate purposes, capital expenditures and the development of our project pipeline. The carrying value of this guarantee at 30 June 2015 is R131,3 million.
- In favour of Firstrand Bank Limited securing the debt of Sasol Mining (Pty) Ltd amounting to R2 350 million for its mining replacement programme. The carrying value of this guarantee at 30 June 2015 is R5 million.
- In favour of HSBC Bank securing the Lake Charles Chemical Project facility of Sasol Chemicals USA amounting to US$3 995 million. The carrying value of this guarantee at 30 June 2015 is R2,4 million.

	2015 Rm	2014 Rm
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 11,73% – 12,4% (2014: 11,05% – 13,62%). This is classified as a level 2 fair value measurement.	**156**	169

	2015 Rm	2014 Rm
9 Long-term provisions		
Balance at beginning of year	**264**	107
Per the income statement (refer note 22)	**(101)**	261
Utilised during year	**(33)**	(104)
Balance at end of year	**130**	264
Short-term portion (refer note 11)	**(85)**	(144)
Long-term provisions	**45**	120
Comprising		
Share appreciation rights	**130**	264
Expected timing of future cash-flows		
Within one year	**85**	144
Two to five years	**45**	108
More than five years	**–**	12
	130	264
Estimated undiscounted obligation		
Representing the estimated actual cash flows in the period in which the obligation is settled.	**130**	264
10 Short-term financial liabilities		
Non-derivative instruments		
Short-term portion of financial guarantees (refer note 8)	**24**	24
11 Short-term provisions		
Short-term portion of long-term provisions (refer note 9)	**85**	144
12 Trade and other payables		
Related party payables		
Intercompany payables	**32**	17
Trade payables	**32**	28
Employee related payables	**33**	65
	97	110
Age analysis of trade payables		
Not past due date	**32**	28

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

	2015 Number	2014 Number	2013 Number
13 Employee related expenditure			
The total number of permanent and non-permanent employees, excluding contractors, and including our share of employees within joint venture entities is analysed below:			
Permanent employees	**8**	6	9

	2015 Rm	2014 Rm	2013 Rm
Analysis of employee costs			
Labour	**171**	91	95
Salaries, wages and other employee related expenditure	**171**	88	95
Other employee-related expenditure	**–**	3	–
Share-based payment expenses (refer note 22)	**(101)**	262	98
Total employee related expenditure	**70**	353	193

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.

	2015 Rm	2014 Rm	2013 Rm
14 Translation gains/(losses)			
Arising from:			
Forward exchange contracts	**–**	(1)	(1)
Dividend received	**36**	–	–
	36	(1)	(1)

Differences arising on the translation of monetary assets and liabilities from one currency into the functional currency of the company at a different exchange rate.

	2015 Rm	2014 Rm	2013 Rm
15 Other operating expenses			
Management fee paid to Sasol South Africa (Pty) Ltd	**78**	92	82
Share-based payment – Inzalo refinancing	**280**	–	–
Professional fees	**10**	6	6
Other	**25**	30	29
	393	128	117

		2015 Rm	2014 Rm	2013 Rm
16	**Remeasurement items affecting operating loss**			
	Effect of remeasurement items			
	Impairment of investment in subsidiary	**(310)**	(512)	–
	Impairment of long-term financial assets (refer note 4)	**(7 114)**	–	–
	Total remeasurement items	**(7 424)**	(512)	–

Significant impairment in 2015

Impairment of long-term financial assets

The recoverability of the long-term financial assets is directly linked to the performance of the Sasol Limited listed share price. At 30 June 2015, the share price was R450, representing a 29% decrease from the prior year, which resulted in an impairment in the current year.

Impairment of investment in subsidiary

During the year, the net assets of Sasol Synfuels Holdings (Pty) Ltd were sold to Sasol South Africa (Pty) Ltd at net book value as part of the overall Sasol group restructuring. As a result, an impairment of R310 million was recognised on this investment, before a final liquidation dividend was declared by Sasol Synfuels Holdings (Pty) Ltd.

Impairment in 2014

Impairment of investment in subsidiary

In 2014, we impaired our investment in Sasol New Energy Holdings (Pty) Ltd by R512 million mainly due to the operating assets being sold and the proceeds being declared as a dividend rather than a repayment of capital.

		2015 Rm	2014 Rm	2013 Rm
17	**Finance income**			
	Dividends received – related party			
	South Africa – subsidiaries (refer note 30)	**43 035**	24 401	17 572
	Interest received			
	South Africa – subsidiaries (refer note 30)	**2 754**	2 677	2 431
	– third parties	**1**	2	1
	Guarantee fees received – indirect subsidiaries	**46**	8	–
	Notional interest received	**26**	22	15
		45 862	27 110	20 109
	Interest received on			
	long-term financial assets	**2 670**	2 422	2 198
	long-term receivables	**84**	256	233
	cash and cash equivalents	**1**	1	1
	financial guarantees	**46**	8	–
		2 801	2 687	2 432
18	**Finance costs**			
	Notional interest	**(11)**	(9)	(181)

	2015 Rm	2014 Rm	2013 Rm
19 Taxation			
Dividend withholding tax	*****	*	–
South African normal tax			
prior years	**(3)**	–	–
Deferred tax – South Africa	**(27)**	44	–
current year	**(24)**	44	–
prior years	**(3)**		–
	(30)	44	–

* Nominal amount

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.

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

	%	%	%
South African normal tax rate:	**28,0**	28,0	28,0
Increase in rate of tax due to			
disallowed expenditure	**5,8**	1,1	0,7
	33,8	29,1	28,7
Decrease in rate of tax due to:			
exempt income	**(33,7)**	(29,1)	(28,7)
recognition of deferred tax assets**	**–**	(0,2)	–
Effective tax rate	**0,1**	(0,2)	–

** Included in the charge per the income statement in 2014 is the recognition of an amount of R44 million relating to a deferred tax asset not previously recognised due to the uncertainty previously surrounding the utilisation of assessed losses in future years.

	2015 Rm	2014 Rm	2013 Rm
20 Other comprehensive income (net of tax)			
Components of other comprehensive income			
Gain on fair value of investment	–	–	1
Other comprehensive income (net of tax)	**–**	–	1

21 Share capital

	Number of shares 2015	Number of shares 2014	Number of shares 2013
Authorised	**1 175 000 000**	1 175 000 000	1 175 000 000
Issued	**679 480 362**	678 935 812	677 186 362

For further details of share capital, refer note 46 in the consolidated Annual Financial Statements.

	2015 Rm	2014 Rm	2013 Rm
22 Share-based payment			
22.1 Share-based payment expense			
During the year the following share-based payment expenses were recognised in the income statement for the share-based payment arrangements that existed:			
Equity settled			
Sasol Inzalo share transaction – in respect of employees	**–**	1	1
Cash settled – recognised in long-term provision	**(101)**	261	97
Sasol Share Appreciation Rights Scheme	**(78)**	132	52
Sasol Long-term Incentive Scheme	**(23)**	129	45
Total share-based payment expense	**(101)**	262	98
22.2 Share-based payment reserve			
In respect of Sasol Inzalo refinancing – recognised in other expenses	**280**	–	–
In respect of employees – recognised in share-based payment expenses	**–**	1	1
Equity settled – recognised in respect of subsidiaries	**221**	266	373
Sasol Share Incentive Scheme	**–**	–	2
Sasol Inzalo share transaction	**221**	266	371
Total movement in share-based payment reserve	**501**	267	374

Included in the equity settled share-based payment charge is a one-off charge of R280 million relating to the partial refinancing of the Sasol Inzalo transaction as this resulted in a modification to the equity settled share-based payment arrangement.

Full disclosure is provided in the consolidated annual financial statements (note 47).

	2015 Rm	2014 Rm	2013 Rm
23 Cash utilised in operating activities			
Cash flow from operations (refer note 24)	**(275)**	(320)	(208)
Increase in working capital (refer note 25)	**(610)**	(6 762)	2 605
	(885)	(7 082)	2 397

		2015 Rm	2014 Rm	2013 Rm
24	**Cash flow from operations**			
	Loss from operations	**(7 845)**	(988)	(303)
	Adjusted for:			
	– equity settled share-based payment expenses	**280**	1	1
	– effect of remeasurement items	**7 424**	512	–
	– movement in long-term provision	**(134)**	157	94
	– income statement charge	**(101)**	261	97
	– utilisation	**(33)**	(104)	(3)
	– movement in post-retirement benefit obligation	**–**	(2)	–
		(275)	(320)	(208)
25	**(Increase)/decrease in working capital**			
	(Increase)/decrease in other receivables per statement of financial position	**(597)**	(6 768)	2 624
	(Decrease)/increase in trade and other payables per statement of financial position	**(13)**	6	(19)
		(610)	(6 762)	2 605
26	**Finance income received**			
	Interest received	**131**	9	1
	Dividends received	**24 052**	24 401	17 572
	Dividends received (refer note 17)	**43 035**	24 401	17 572
	Dividends *in specie* (refer note 28)	**(18 983)**	–	–
		24 183	24 410	17 573
27	**Dividends paid**			
	Final dividend – prior year			
	– external shareholders	**(8 236)**	(8 097)	(7 140)
	– related party – subsidiary company	**(119)**	(117)	(104)
	– related parties – Inzalo	**(862)**	(771)	(719)
	Interim dividend – current year			
	– external shareholders	**(4 272)**	(4 876)	(3 459)
	– related party – subsidiary company	**(62)**	(70)	(50)
	– related parties – Inzalo	**(636)**	(587)	(507)
		(14 187)	(14 518)	(11 979)
	Dividend payable	**–**	–	(9)
	Per statement of cash flows	**(14 187)**	(14 518)	(11 988)
28	**Additional investments in subsidiaries**			
	Increase in cost of investment (refer note 2)	**(32 615)**	(6 090)	(6 694)
	Adjusted for			
	dividend received in specie (refer note 26)	**18 983**	–	–
	effect of impairment of investment in subsidiary(refer note 16)	**(310)**	–	–
		(13 942)	(6 090)	(6 694)
29	**Guarantees and contingent liabilities**			
	Guarantees and claims – related parties	**105 634**	60 442	51 451

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 note 58 of the consolidated annual financial statements.

	2015 Rm	2014 Rm	2013 Rm
30 Related party transactions			
During the year the company, in the ordinary course of business, entered into various transactions with its indirect subsidiaries and 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 fee to subsidiary			
Sasol South Africa (Pty) Ltd* (refer note 15)	**78**	92	82

* In 2014 the management fee was paid to Sasol Group Services (Pty) Ltd which is now a division of Sasol South Africa (Pty) Ltd

	2015 Rm	2014 Rm	2013 Rm
Finance income dividends from subsidiaries			
Sasol Synfuels (Pty) Ltd	**–**	19 878	15 659
Sasol South Africa (Pty) Ltd	**20 808**	–	–
Sasol Gas Holdings (Pty) Ltd	**258**	2 561	1 205
Sasol Gas (Pty) Ltd	**747**	–	–
Sasol Oil (Pty) Ltd	**223**	261	188
Sasol Investment Company (Pty) Ltd	**18 810**	188	154
Sasol Synfuels International (Pty) Ltd	**2 189**	–	–
Sasol Mining Holdings (Pty) Ltd	**–**	50	193
Sasol Technology (Pty) Ltd	**–**	351	172
Sasol New Energy Holdings (Pty) Ltd	**–**	1 000	–
Sasol Black Empowerment Trust	**–**	112	–
	43 035	24 401	17 571
Finance income interest from subsidiaries			
Sasol Inzalo Employee Trust	**1 825**	1 654	1 499
Sasol Inzalo Management Trust	**148**	134	121
Sasol Inzalo Foundation Trust	**697**	634	577
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**37**	113	104
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**47**	142	130
	2 754	2 677	2 431
Amounts reflected as non-current assets			
Investments in subsidiaries at cost	**98 260**	65 645	59 555
Long-term loans			
to direct subsidiaries			
Sasol Financing (Pty) Ltd	**5 454**	5 454	5 454
Sasol South Africa (Pty) Ltd	**–**	–	2 687
to indirect subsidiaries			
Sasol Mining (Pty) Ltd	**615**	615	615
other	**–**	514	514
	104 329	72 228	68 825
Long-term financial assets relating to indirect subsidiaries*			
Sasol Inzalo Employee Trust	**17 172**	15 550	14 108
Sasol Inzalo Management Trust	**1 392**	1 261	1 144
Sasol Inzalo Foundation Trust	**6 556**	5 956	5 423
	25 120	22 767	20 675

* Amounts exclude impairment

30 Related party transactions (continued)

	2015 Rm	2014 Rm	2013 Rm
Long-term receivables relating to indirect subsidiaries			
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**–**	–	1 596
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**–**	–	1 990
Sasol Inzalo Groups Facilitation Trust	**17**	17	20
	17	17	3 606
Amounts reflected as current assets			
Other receivables direct subsidiaries			
Sasol Financing (Pty) Ltd	**13 212**	12 377	5 777
Sasol Investment Company (Pty) Ltd	**201**	143	215
Sasol South Africa (Pty) Ltd	**–**	324	72
Indirect subsidiaries	**52**	41	53
Short-term receivables relating to indirect subsidiaries			
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**–**	1 710	–
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**–**	2 132	–
	13 465	16 727	6 117

An analysis of other related party transactions is provided in:
Note 8 – Long-term financial liabilities
Note 12 – Trade and other payables
Note 17 – Finance income
Note 16 – Remeasurement items affecting operating loss
Note 27 – Dividends paid
Note 29 – Guarantees and contingent liabilities

31 Financial risk management and financial instruments

Introduction

The company is exposed in varying degrees to a variety of financial instrument related risks. Refer note 64, in the Sasol Limited consolidated financial statements for detail regarding the Board's management of risk.

Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its obligations as they become due. The company manages liquidity risk by effectively managing its working capital 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. The company meets its financing requirements through a mixture of cash generated from its operations and, short-term borrowings. Adequate banking facilities are maintained.

The company has provided guarantees for the financial obligations of subsidiaries, joint ventures and third parties. The outstanding guarantees at 30 June 2015 are provided in note 29.

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
2015					
Financial assets					
Non-derivative instruments					
Investments available-for-sale	1	**6**	**–**	**–**	**6**
Long-term receivables	3	**17**	**–**	**17**	**–**
Long-term financial assets	4	**25 120**	**–**	**25 120**	**–**
Other receivables	6	**13 484**	**13 484**	**–**	**–**
Cash	7	**40**	**40**	**–**	**–**
		38 668	**13 525**	**25 137**	**6**
Financial liabilities					
Non-derivative instruments					
Trade and other payables	12	**(97)**	**(97)**	**–**	**–**
Financial guarantees[1]	29	**(105 634)**	**(105 634)**	**–**	**–**
		(105 731)	**(105 731)**	**–**	**–**

	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					
Investments available-for-sale	1	6	–	–	6
Long-term receivables	3	3 859	3 859	–	–
Long-term financial assets	4	22 767	–	22 767	–
Other receivables	6	12 887	12 887	–	–
Cash	7	57	57	–	–
		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	12	(110)	(110)	–	–
Financial guarantees[1]		(60 442)	(60 442)	–	–
Derivative instruments					
Forward exchange contracts		(4)	(4)	–	–
		(60 556)	(60 556)	–	–

* The amount disclosed is the contractual cash flows excluding finance expenses. Where a derivative is linked to an index, the amount payable or receivable has been based on the estimated forward exchange rates at the settlement date. Foreign exchange contracts and cross currency swaps are settled on a gross basis, while all other derivatives are net settled. For gross settled derivatives, the cash outflow has been included in financial liabilities, while the cash inflow is included in financial assets.

1 Issued financial guarantees contracts are all repayable on demand, however, the likelihood of default is considered remote. Refer note 29.

31 Financial risk management and financial instruments (continued)

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.

Foreign currency risk

The company's transactions are predominantly entered into in the functional currency. However, the company utilises various foreign currencies on sales, purchases and borrowings and consequently, is exposed to exchange rate fluctuations that have an impact on cash flows and financing activities.

The company is exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. Foreign currency risks are managed through the company's financing policies and the selective use of forward exchange contracts and cross-currency swaps.

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. We do not hedge foreign currency receipts.

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2015	2014	**2015**	2014
Rand/Euro	**13,76**	14,10	**13,56**	14,57
Rand/US dollar	**11,45**	10,39	**12,17**	10,64
Rand/Pound sterling	**18,04**	16,91	**19,12**	18,20

The exposure of the company's financial assets and liabilities to currency risk is as follows:

	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm
2015						
Net exposure on balances between group companies	**(24)**	**–**	**(24)**	**–**	**–**	**–**
Total net exposure	**(24)**	**–**	**(24)**	**–**	**–**	**–**
2014						
Trade and other payables	(21)	–	(20)	(1)	–	–
Net exposure on liabilities	(21)	–	(20)	(1)	–	–
Net exposure on balances between group companies	(2)	–	(2)	–	–	–
Total net exposure	(23)	–	(22)	(1)	–	–

Sensitivity analysis

A 10 percent strengthening of the rand on 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 2014.

	2015		2014	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
US dollar	**2**	**(2)**	2	(2)

A 10 percent weakening in the rand against the above currencies at 30 June would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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 2015 million	**Contract amount – Rand equivalent 2015 Rm**	**Average rate of exchange 2015 (calculated)**	**Estimated fair value (losses)/ gains 2015 Rm**	Contract foreign currency amount 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Estimated fair value (losses)/ gains 2014 Rm
Forward exchange contracts								
Other payables (liabilities)								
US dollar	**–**	**–**	**–**	**–**	*	4	11,49	*
		–		**–**		4		–

* nominal amount

31 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	One to two years Rm	Two to three years Rm
2014				
Forward exchange contracts				
Transactions including commitments which have not been contracted for				
Other payables (liabilities)				
US dollar	4	4	–	–
	4	4	–	–

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 Sasol Limited 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 company's interest-bearing financial instruments was:

	Carrying value 2015 Rm	2014 Rm
Variable rate instruments		
Financial assets	**13 525**	16 803
	13 525	16 803
Fixed rate instruments		
Financial assets	**25 120**	22 767
	25 120	22 767
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**35:65**	42:58

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 1% in the prevailing interest rate in that region at the reporting date would have increased/(decreased) earnings 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 2014.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2015	**135**	**–**	**–**	**–**
30 June 2014	168	–	–	–

	Income statement – 1% decrease			
	South Africa Rm	Europe Rm	USA* Rm	Other Rm
30 June 2015	**(135)**	**–**	**–**	**–**
30 June 2014	(168)	–	–	–

A 1% 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%.

32 Statement of compliance

The separate 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 separate financial statements were approved for issue by the board of directors on 3 September 2015 and will be presented for approval at the Annual General Meeting of shareholders on 4 December 2015.

33 Basis of preparation of financial results

The separate financial statements are prepared using the historic cost convention except that, as set out in the notes above, 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 separate financial statements are prepared on the going-concern basis.

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

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Depositary bank

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Direct purchase plan

The Bank of New York Mellon maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's depositary receipts. As a participant in Global BuyDIRECTSM, 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 BuyDIRECTSM should be addressed to:

The Bank of New York Mellon
Shareowner Services, PO Box 358516 Pittsburgh
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Forward-looking statements: 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".