



sasol



VALUE THROUGH FOCUS AND DISCIPLINE

SASOL LIMITED

Additional Analyst Information
for the year ended 30 June 2018



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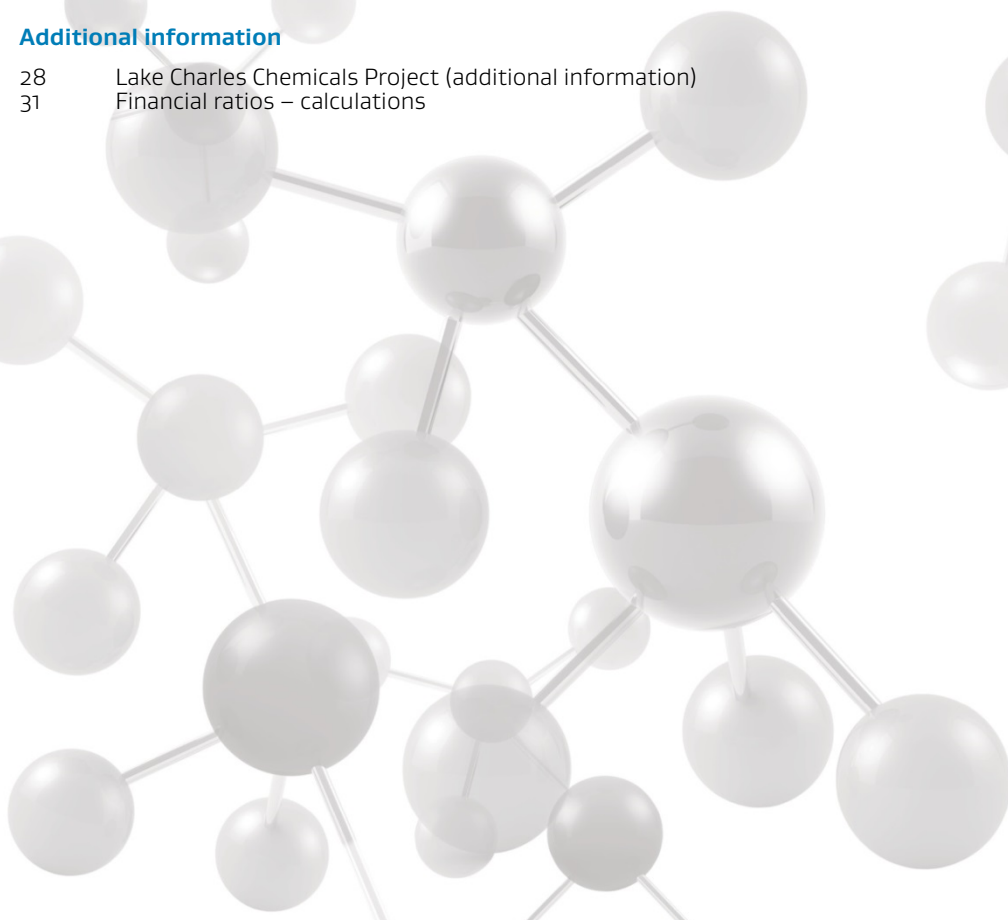
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Financial results, ratios and statistics

for the year ended 30 June

		% change			
		2018 vs 2017	2018	2017	2016
Sasol Group					
Financial results					
Turnover	Rm	5	181 461	172 407	172 942
EBITDA (refer to calculation on page 31)	Rm	10	52 413	47 627	53 992
Free cash flow ¹ (refer to calculation on page 31)	Rm	(42)	6 605	11 310	16 938
Earnings before interest and tax (EBIT)	Rm	(44)	17 747	31 705	24 239
Attributable earnings	Rm	(57)	8 729	20 374	13 225
Enterprise value	Rm	38	415 296	300 771	294 304
Total assets	Rm	10	439 235	398 939	390 714
Net debt ²	Rm	(70)	96 341	56 510	30 166
Capital expenditure (cash flow)	Rm	12	53 384	60 343	70 409
Profitability					
Gross profit margin	%	(1)	54,9	55,6	55,7
EBIT margin	%	(9)	9,8	18,4	14,0
EBIT margin before remeasurements and Khanyisa SBP	%	(3)	16,8	19,3	21,5
Return on shareholders' equity	%	(6)	4,0	9,7	6,6
Return on invested capital (excluding AUC)	%	(9)	7,8	16,6	12,1
Effective tax rate ³	%	7	35,4	28,3	36,6
Adjusted effective tax rate ⁴	%	1	27,3	26,5	28,2
Shareholders' returns					
Core headline earnings per share ⁵	Rand	(6)	36,03	38,47	36,77
Headline earnings per share	Rand	(22)	27,44	35,15	41,40
Attributable earnings per share	Rand	(57)	14,26	33,36	21,66
Dividend per share ^{6, 7}	Rand	2	12,90	12,60	14,80
Dividend cover ⁷	times		2,8	2,8	2,8
Dividend pay out ratio ⁷	%	-	35,8	35,8	35,7
Dividend yield	%	(1)	2,6	3,4	3,7
Net asset value per share	Rand	3	359,60	348,27	340,51
Price to net asset value	:1		1,40	1,05	1,17
Debt leverage					
Net debt to shareholders' equity (gearing)	%	17	43,2	26,7	14,6
Net debt to EBITDA	times		1,84	1,19	0,56
Total borrowings to shareholders' equity	%	10	50,0	39,7	38,7
Total liabilities to shareholders' equity	%	9	94,5	85,8	86,1
Finance costs cover	times		4,1	9,2	8,0
Liquidity					
Current ratio	:1		1,4	1,7	2,6
Quick ratio	:1		0,9	1,2	2,0
Cash ratio	:1		0,3	0,6	1,3
Net trading working capital to turnover	%		18,8	17,2	16,6
Average debtor days ⁸	days		52	48	48
Average inventory days ⁸	days		132	121	114
Average creditor days ⁸	days		95	88	85
Productivity					
Employee costs to turnover (excluding amounts capitalised to assets under construction) ⁹	%	1	15,1	14,2	13,8
Cash fixed cost to turnover	%	1	27,8	27,0	25,7
Depreciation and amortisation to external turnover	%	(0)	9,1	9,4	9,5

1 Consist of cash retained from operating activities minus sustenance capital.

2 Net debt increased in 2018 mainly as a result of capital expenditure associated with our US growth projects and the valuation of foreign debt at a year-end closing rate of R13,73/US\$1.

3 The increase in the effective tax rate at 30 June 2018 is mainly due to the partial impairment of the shale gas assets in Canada, the partial impairment of the Production Sharing Agreement assets in Mozambique and the implementation of the Khanyisa B-BBEE transaction.

4 Effective tax rate adjusted for equity accounted earnings, remeasurement and once-off items.

5 Core headline earnings are calculated by adjusting headline earnings with once-off items, period close adjustments, depreciation and amortisation of significant capital projects, exceeding R4 billion which have reached beneficial operation and are still ramping up and share-based payments on implementation of B-BBEE transactions.

6 Dividends comprise the interim and final dividends paid in that calendar year.

7 With effect from 23 February 2018, the Board approved a change in dividend policy from HEPS to Core HEPS.

8 Refer to analysis contained in the group business performance metrics page (page 18).

9 The increase in 2018 results mainly to the employee share-based payment expenses of R1,5 billion due to the marked improvement of the Sasol share price at the end of the financial year.

Sasol Group		2018	2017	2016
Stock exchange performance				
Market capitalisation				
Sasol ordinary shares	Rm	313 332	238 738	258 717
Sasol BEE ordinary shares ¹	Rm	1 918	866	892
Premium over shareholders' funds	Rm	90 347	27 027	51 720
Price to book	:1	1,41	1,13	1,25
Share performance				
Total shares in issue ²	million	645,6	679,8	679,8
Sasol ordinary shares in issue	million	623,1	651,4	651,4
Sasol BEE ordinary shares in issue ¹	million	6,4	2,8	2,8
Sasol preferred ordinary shares in issue ³	million	16,1	25,6	25,6
Shares repurchased ⁴	million	–	8,8	8,8
Sasol Foundation ⁵	million	9,5	–	–
Sasol Inzalo share transaction ⁶	million	16,1	63,1	63,1
Weighted average shares in issue ⁷	million	612,2	610,7	610,7
Total shares in issue	million	645,6	679,8	679,8
Treasury shares (Inzalo share transaction)	million	(25,6)	(69,1)	(69,1)
Weighting of shares issued with Sasol Khanyisa transaction	million	(7,2)	–	–
Weighting of long-term incentive scheme shares vested during the year	million	(0,6)	–	–
Weighted average number of shares for DEPS ⁸	million	615,9	612,4	610,7
Weighted average shares in issue	million	612,2	610,7	610,7
Potential dilutive effect of long-term incentive scheme		3,7	1,7	–
JSE Limited statistics				
Shares traded ⁹	million	376,8	513,1	497,4
Traded to issued	%	58,4	75,5	73,2
Value of share transactions	Rm	157 930	197 535	210 696
Market price per share - Sasol ordinary shares				
year end	Rand	502,86	366,50	397,17
high	Rand	502,86	430,98	492,50
low	Rand	366,98	357,00	358,79
Market price per share - Sasol BEE ordinary shares				
year end	Rand	299,99	305,01	318,50
high	Rand	434,00	356,00	401,00
low	Rand	299,99	255,00	275,00
NYSE statistics¹⁰				
Shares traded	million	57,4	87,6	104,4
Value of share transactions	US\$ m	1 873	2 478	3 088
Market price per share				
year end	US\$	36,54	27,95	27,12
high	US\$	38,21	32,20	36,57
low	US\$	27,26	25,12	21,88
Economic indicators				
Average crude oil price (Brent) ¹¹	US\$/bbl	63,62	49,77	43,37
Average gas price (Henry Hub)	US\$/mmbtu	2,95	3,00	2,25
Average ethane price (US - Mont Belvieu)	US\$/gal	26,25	22,62	18,16
Rand/US dollar exchange rate ¹¹	- closing	US\$1 = R	13,73	13,06
Rand/US dollar exchange rate ¹¹	- average	US\$1 = R	12,85	13,61
Rand/Euro exchange rate ¹¹	- closing	€1 = R	16,04	14,92
Rand/Euro exchange rate ¹¹	- average	€1 = R	15,34	14,83

1 Sasol BEE ordinary shares have been listed on JSE Limited's BEE segment of the main board since 7 February 2011. The increase in Sasol BEE ordinary shares results from the implementation of the Sasol Khanyisa B-BBEE transaction.

2 Before share repurchase programme and including shares issued as part of Sasol Inzalo share transaction.

3 Sasol repurchased 9 461 882 million preferred ordinary shares from Sasol Inzalo Groups Funding (RF) (Pty) Ltd on 27 June 2018.

4 8 809 886 Sasol Limited ordinary shares were repurchased on 26 February 2018 from its wholly owned subsidiary, Sasol Investment Company (Pty) Ltd as per shareholders' approval obtained at the Annual General Meeting held on 17 November 2017.

5 From 2018, the Sasol Foundation (previously Sasol Inzalo Foundation) will hold 9 461 882 unencumbered shares in Sasol Limited. The Sasol Foundation continues to be consolidated by the group, and these shares therefore remain accounted for as treasury shares.

6 The Sasol Inzalo Public share transaction, consisting of 16 085 199 preferred ordinary shares, will terminate in September 2018. The Sasol Board approved the repurchase of all the preferred ordinary shares from Sasol Inzalo Public Funding (Pty) Ltd at the 30 day Volume Weighted Average Price (VWAP) in September 2018.

7 Including Sasol BEE ordinary shares after the share repurchase programme and excluding other shares issued as part of the Sasol Inzalo share transaction.

8 Potential dilution relates to the group's long-term incentive scheme.

9 Includes share repurchase programme.

10 As quoted on NYSE (American Depositary Shares) since 9 April 2003.

11 Exchange rates are determined as the mid-closing interbank rate of South African banks daily as published by Thomson Reuters. The average rate for the period is determined as an arithmetic average of the mid-closing interbank rates for each of the South African business days for the financial period under review. Brent crude oil prices are determined from the quoted market prices of Brent North Sea crude oil as published by Platts-Global Alert. The average price is calculated as an arithmetic average of the daily published prices.

Key sensitivities

for the year ended 30 June 2018

Exchange rates

The majority of our turnover is denominated in US dollars or significantly influenced by the rand/US dollar exchange rate. This turnover is derived either from exports from South Africa, businesses outside of South Africa or South African sales, which comprise mainly petroleum and chemical products that are based on global commodity and benchmark prices quoted in US dollars.

Therefore, the average exchange rate for the year has a significant impact on our turnover and earnings before interest and tax. For forecasting purposes, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact earnings before interest and tax by approximately R880 million (US\$68 million) in 2019. This excludes the effect of our hedging programme and is based on an average oil price assumption of US\$72/barrel.

In response to the volatile macro-economic environment, Sasol has implemented a number of initiatives to mitigate specific financial risks. In particular, we have entered into hedges against the rand strengthening against major currencies to increase the stability and predictability of our cash flows. In respect of 2019, we have hedged 70% of our net US dollar exposure which equates to approximately US\$4 billion.

Should the rand fall below the hedge floor, the zero-cost collar instruments will reduce the impact of a stronger rand on earnings and will enable the group to offset the balance sheet exposure, specifically our net debt to equity (gearing) ratio.

For forecasting purposes, we estimate that a 10c strengthening in the average rand/US dollar exchange rate below the average contractual floor will increase earnings before interest and tax by approximately R400 million (US\$31 million) in 2019 for open hedges at 30 June 2018. Similarly, should the rand increase above the average contractual cap, it will reduce earnings before interest and tax by approximately R400 million (US\$31 million) in 2019 for open hedges at 30 June 2018.

This calculation is done at a point in time and is based on a 12-month average exchange rate. It may be used as a general rule but the sensitivity is not linear over large absolute changes in the exchange rate and hence applying it to these scenarios may lead to an incorrect reflection of the change in earnings before interest and tax.

Crude oil and fuel product prices

Market prices for crude oil fluctuate subject to international supply, demand and political factors. Our exposure to the crude oil price relates mainly to crude oil related raw materials used in our Natref refinery and certain of our offshore operations, as well as on the selling price of fuel marketed by our Energy Business which is governed by the Basic Fuel Price (BFP) formula. The market prices for crude oil also impacts commodity chemical prices.

For forecasting purposes, a US\$1/barrel change in the average annual crude oil price will impact earnings before interest and tax by approximately R860 million (US\$66 million) in 2019. This excludes the effect of our hedging programme and is based on an average rand/US dollar exchange rate assumption of R13,00.

Key factors in the BFP are the Mediterranean and Singapore or Mediterranean and Arab Gulf product prices for petrol and diesel (fuel price differentials), respectively. For forecasting purposes, a US\$1/barrel change in the average annual fuel price differential of the Sasol group will impact earnings before interest and tax by approximately R576 million (US\$44 million) in 2019. This is based on an average rand/US dollar exchange rate assumption of R13,00.

Given the current low oil price environment, Sasol has entered into hedges against the downside risk in the crude oil price covering approximately 80% of the group's liquid fuel sales for 2019. For forecasting purposes, we estimate that a US\$1/barrel change in the average crude oil price below the average contractual oil price floor will impact earnings before interest and tax by approximately R624 million (US\$48 million) in 2019 for open hedges at 30 June 2018.

This calculation is done at a point in time and is based on a 12-month average oil price. It may be used as 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 earnings before interest and tax.

Gearing

For financial year 2019 forecasting purposes, we estimate that the sensitivity of the group's gearing to earnings and capital expenditure is:

- for every R1 billion change in earnings attributable to owners of Sasol Limited, the group's gearing is impacted by 0,2%; and
- for every R1 billion change in capital expenditure or net debt, the group's gearing is impacted by 0,4% assuming all other assumptions remain constant.

Capital expenditure sensitivity to rand/US dollar exchange rate

A significant proportion of our capital expenditure is US dollar-linked and is significantly impacted by the rand/US dollar exchange rate. For forecasting purposes, we estimate that a 10c change in the average rand/US dollar exchange rate will impact capital expenditure by R150 million.

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.

In November 2017, S&P Global Ratings (S&P) lowered its long-term foreign currency sovereign credit rating on the Republic of South Africa to 'BB' from 'BB+' and affirmed the 'B' short-term foreign currency sovereign credit rating. The outlook is stable.

In January 2018, S&P affirmed Sasol's ratings at a BBB-/A-3 with a stable outlook. This is two notches above the sovereign credit rating and is at investment grade.

Similarly, during March 2018, Moody's Investors Service (Moody's) affirmed South Africa's Baa3 ratings but changed the outlook from negative to stable. At the same time Sasol's global scale long-term issuer ratings were affirmed at Baa3, with a stable outlook. Sasol's national scale long-term rating was affirmed at Aaa.za. Moody's has delinked Sasol from the South African sovereign rating by one notch.

Income statement

for the year ended 30 June

2016	2017	2018		2018	2017	2016
US\$m*	US\$m*	US\$m*		Rm	Rm	Rm
11 911	12 668	14 121	Turnover	181 461	172 407	172 942
(4 912)	(5 249)	(5 961)	Materials, energy and consumables used	(76 606)	(71 436)	(71 320)
(476)	(471)	(549)	Selling and distribution costs	(7 060)	(6 405)	(6 914)
(582)	(636)	(713)	Maintenance expenditure	(9 163)	(8 654)	(8 453)
(1 647)	(1 794)	(2 138)	Employee-related expenditure	(27 468)	(24 417)	(23 911)
(20)	(36)	(27)	Exploration expenditure and feasibility costs	(352)	(491)	(282)
(1 127)	(1 190)	(1 278)	Depreciation and amortisation	(16 425)	(16 204)	(16 367)
(625)	(922)	(1 192)	Other expenses and income	(15 316)	(12 550)	(9 073)
10	(88)	(1)	Translation (losses)/gains	(11)	(1 201)	150
(635)	(834)	(1 191)	Other operating expenses and income	(15 305)	(11 349)	(9 223)
35	79	112	Equity accounted profits, net of tax	1 443	1 071	509
2 557	2 449	2 375	Operating profit before remeasurement items and Sasol Khanyisa share-based payment	30 514	33 321	37 131
(888)	(119)	(771)	Remeasurement items	(9 901)	(1 616)	(12 892)
-	-	(223)	Sasol Khanyisa share-based payment	(2 866)	-	-
1 669	2 330	1 381	Earnings before interest and tax (EBIT)	17 747	31 705	24 239
125	115	133	Finance income	1 716	1 568	1 819
(161)	(240)	(292)	Finance costs	(3 759)	(3 265)	(2 340)
1 633	2 205	1 222	Earnings before tax	15 704	30 008	23 718
(598)	(624)	(432)	Taxation	(5 558)	(8 495)	(8 691)
1 035	1 581	790	Earnings for the year	10 146	21 513	15 027
			Attributable to			
911	1 497	679	Owners of Sasol Limited	8 729	20 374	13 225
124	84	111	Non-controlling interests in subsidiaries	1 417	1 139	1 802
1 035	1 581	790		10 146	21 513	15 027
US\$	US\$	US\$		Rand	Rand	Rand
			Per share information			
1,49	2,45	1,11	Basic earnings per share	14,26	33,36	21,66
1,49	2,44	1,10	Diluted earnings per share	14,18	33,27	21,66

* Supplementary non-IFRS information. US dollar convenience translation, converted at average exchange rate of R12,85/US\$1 (30 June 2017 – R13,61/US\$1; 30 June 2016 – R14,52/US\$1).

Statement of financial position

at 30 June

2017 US\$m*	2018 US\$m*		2018 Rm	2017 Rm
		Assets		
12 157	12 196	Property, plant and equipment	167 457	158 773
10 010	12 044	Assets under construction	165 361	130 734
181	196	Goodwill and other intangible assets	2 687	2 361
904	801	Equity accounted investments	10 991	11 813
48	109	Post-retirement benefit assets	1 498	622
236	298	Deferred tax assets	4 096	3 082
276	429	Other long-term assets	5 888	3 600
23 812	26 073	Non-current assets	357 978	310 985
17	8	Assets in disposal groups held for sale	113	216
-	6	Short-term assets	85	-
1 943	2 139	Inventories	29 364	25 374
2 310	2 406	Trade and other receivables	33 031	30 179
210	112	Short-term financial assets	1 536	2 739
138	144	Cash restricted for use	1 980	1 803
2 117	1 103	Cash and cash equivalents	15 148	27 643
6 735	5 918	Current assets	81 257	87 954
30 547	31 991	Total assets	439 235	398 939
		Equity and liabilities		
16 211	16 240	Shareholders' equity	222 985	211 711
423	410	Non-controlling interests	5 623	5 523
16 634	16 650	Total equity	228 608	217 234
5 690	7 042	Long-term debt	96 691	74 312
1 275	1 104	Long-term provisions	15 160	16 648
847	867	Post-retirement benefit obligations	11 900	11 069
70	64	Long-term deferred income	879	910
56	10	Long-term financial liabilities	133	733
1 980	1 887	Deferred tax liabilities	25 908	25 860
9 918	10 974	Non-current liabilities	150 671	129 532
-	3	Liabilities in disposal groups held for sale	36	-
744	1 071	Short-term debt	14 709	9 718
57	140	Short-term financial liabilities	1 926	740
3 185	3 147	Other current liabilities	43 196	41 592
9	6	Bank overdraft	89	123
3 995	4 367	Current liabilities	59 956	52 173
30 547	31 991	Total equity and liabilities	439 235	398 939

* Supplementary non-IFRS information. US dollar convenience translation, converted at a closing exchange rate of R13,73/US\$1 (30 June 2017 – R13,06/US\$1).

Statement of changes in equity

for the year ended 30 June

	2018 Rm	2017 Rm	2016 Rm
Balance at beginning of year	217 234	212 418	196 483
Movement in share-based payment reserve	3 942	1 108	177
Share-based payment expense	823	463	123
Deferred tax	166	–	–
Implementation of Sasol Khanyisa transaction	2 953	–	–
Shares issued on implementation of long-term incentive scheme	–	–	54
Long-term incentive scheme converted to equity-settled	–	645	–
Total comprehensive income for the year	16 160	13 325	27 734
Transactions with non-controlling shareholders	(51)	–	–
Dividends paid to shareholders	(7 952)	(8 628)	(10 680)
Dividends paid to non-controlling shareholders in subsidiaries	(725)	(989)	(1 296)
Balance at end of year	228 608	217 234	212 418
Comprising			
Share capital	15 775	29 282	29 282
Share repurchase programme	–	(2 641)	(2 641)
Retained earnings	184 352	176 714	164 917
Share-based payment reserve	(4 021)	(12 525)	(13 582)
Foreign currency translation reserve	28 500	23 285	33 316
Remeasurements on post-retirement benefit obligations	(1 844)	(1 790)	(2 533)
Investment fair value reserve	43	33	26
Cash flow hedge accounting reserve	180	(647)	(1 788)
Shareholders' equity	222 985	211 711	206 997
Non-controlling interests in subsidiaries	5 623	5 523	5 421
Total equity	228 608	217 234	212 418

Statement of cash flows

for the year ended 30 June

	2018 Rm	2017 Rm	2016 Rm
Cash receipts from customers	178 672	172 061	175 994
Cash paid to suppliers and employees	(135 795)	(127 992)	(121 321)
Cash generated by operating activities	42 877	44 069	54 673
Dividends received from equity accounted investments	1 702	1 539	887
Finance income received	1 565	1 464	1 633
Finance costs paid	(4 797)	(3 612)	(3 249)
Tax paid	(7 041)	(6 352)	(9 329)
Cash available from operating activities	34 306	37 108	44 615
Dividends paid	(7 952)	(8 628)	(10 680)
Cash retained from operating activities	26 354	28 480	33 935
Total additions to non-current assets	(55 891)	(56 812)	(70 497)
Additions to non-current assets	(53 384)	(60 343)	(73 748)
(Decrease)/increase in capital project related payables	(2 507)	3 531	3 251
Additional cash contributions to equity accounted investments	(164)	(444)	(548)
Proceeds on disposals and scrapings	2 280	788	569
Purchase of investments	(124)	(96)	(223)
Other net cash flow from investing activities	(80)	(113)	(335)
Cash used in investing activities	(53 979)	(56 677)	(71 034)
Share capital issued on implementation of share options	–	–	54
Dividends paid to non-controlling shareholders in subsidiaries	(725)	(989)	(1 296)
Proceeds from long-term debt	24 961	9 277	34 008
Repayment of long-term debt	(9 199)	(2 364)	(3 120)
Proceeds from short-term debt	1 957	4 033	2 901
Repayment of short-term debt	(2 607)	(1 410)	(3 369)
Cash generated by financing activities	14 387	8 547	29 178
Translation effects on cash and cash equivalents	954	(3 207)	7 069
Decrease in cash and cash equivalents	(12 284)	(22 857)	(852)
Cash and cash equivalents at the beginning of year	29 323	52 180	53 032
Cash and cash equivalents at the end of the year	17 039	29 323	52 180

Eleven year financial performance

	% change 2018 vs 2017	2018 Rm	2017 Rm	2016 Rm	2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm	2010 Rm	2009 Rm	2008 Rm	Compound annual growth rate %		
													5 years	10 years	
Statement of financial position															
Property, plant and equipment	5	167 457	158 773	155 054	135 822	111 449	100 989	85 214	79 245	72 523	70 370	66 273		10,6	9,7
Assets under construction ¹	26	165 361	130 734	104 011	61 977	51 320	39 865	33 112	29 752	21 018	14 496	11 693			
Goodwill and other intangible assets	14	2 687	2 361	2 680	2 293	2 526	1 992	1 730	2 012	1 931	1 873	1 838			
Other non-current assets ²	18	22 473	19 117	20 836	16 829	17 598	17 257	16 357	6 655	6 678	6 115	5 485			
Current assets ³	(8)	81 257	87 954	108 133	106 678	97 371	86 062	61 170	59 781	53 723	53 011	54 833			
Total assets	10	439 235	398 939	390 714	323 599	280 264	246 165	197 583	177 445	155 873	145 865	140 122		12,1	12,1
Total equity	5	228 608	217 234	212 418	196 483	174 769	152 893	127 942	109 860	96 425	86 217	78 995		8,4	11,2
Interest-bearing debt ³	33	110 052	82 849	79 175	42 187	25 830	23 139	12 497	15 522	15 032	17 814	19 455			
Interest-free liabilities	2	100 575	98 856	99 121	84 929	79 665	70 133	57 144	52 063	44 416	41 834	41 672			
Total equity and liabilities	10	439 235	398 939	390 714	323 599	280 264	246 165	197 583	177 445	155 873	145 865	140 122		12,3	12,1
Income statement															
Turnover	5	181 461	172 407	172 942	185 266	202 683	169 891	159 114	142 436	122 256	137 836	129 943		1,3	3,4
Earnings before interest and tax (EBIT)	(44)	17 747	31 705	24 239	46 549	45 818	40 845	36 710	30 242	24 154	24 936	34 070		(15,4)	(6,3)
Net finance costs	20	(2 043)	(1 697)	(521)	(956)	(705)	(1 139)	(1 007)	(826)	(782)	(741)	(413)			
Earnings before tax	(48)	15 704	30 008	23 718	45 593	45 113	39 706	35 703	29 416	23 372	24 195	33 657		(16,9)	(7,3)
Taxation	(35)	(5 558)	(8 495)	(8 691)	(14 431)	(14 696)	(12 595)	(11 501)	(9 196)	(6 985)	(10 480)	(10 129)			
Earnings for the year	(53)	10 146	21 513	15 027	31 162	30 417	27 111	24 202	20 220	16 387	13 715	23 528		(8,1)	(8,1)
Attributable to															
Owners of Sasol Limited	(57)	8 729	20 374	13 225	29 716	29 580	26 274	23 580	19 794	15 941	13 648	22 417		(19,8)	(9,0)
Non-controlling interests in subsidiaries	24	1 417	1 139	1 802	1 446	837	837	622	426	446	67	1 111			
	(53)	10 146	21 513	15 027	31 162	30 417	27 111	24 202	20 220	16 387	13 715	23 528			
Statement of cash flows															
Cash flow from operations	1	46 638	46 236	52 973	56 422	69 174	55 184	44 703	41 018	30 762	37 194	42 558		(3,3)	0,9
(Increase)/decrease in working capital ⁴	74	(3 761)	(2 167)	1 700	5 361	(3 725)	(3 278)	(3 842)	(2 379)	(3 424)	10 993	(7 818)			
Cash generated by operating activities	(3)	42 877	44 069	54 673	61 783	65 449	51 906	40 861	38 639	27 338	48 187	34 740		(3,7)	2,1
Finance income received	9	3 267	3 003	2 520	4 046	5 920	6 063	6 574	1 380	1 372	2 264	957			
Finance costs paid	33	(4 797)	(3 612)	(3 249)	(2 097)	(499)	(523)	(482)	(898)	(1 781)	(2 168)	(2 405)			
Tax paid	11	(7 041)	(6 352)	(9 329)	(10 057)	(13 647)	(10 367)	(10 612)	(6 691)	(6 040)	(10 252)	(9 572)			
Cash available from operating activities	(8)	34 306	37 108	44 615	53 675	57 223	47 079	36 341	32 430	20 889	38 031	23 720		(6,1)	3,8
Dividends paid	(8)	(7 952)	(8 628)	(10 680)	(12 739)	(13 248)	(10 787)	(9 600)	(6 614)	(5 360)	(7 193)	(5 766)			
Cash retained from operating activities	(7)	26 354	28 480	33 935	40 936	43 975	36 292	26 741	25 816	15 529	30 838	17 954		(6,2)	3,9
Total additions to non-current assets	(12)	(53 384)	(60 343)	(70 409)	(42 645)	(38 779)	(30 414)	(28 539)	(20 665)	(16 108)	(15 672)	(10 855)			
Other movements	(116)	(595)	3 666	(625)	560	966	(419)	2 016	(3 800)	(596)	3 154	11			
(Increase)/decrease in funding requirements	(2)	(27 625)	(28 197)	(37 099)	(1 149)	6 162	5 459	218	1 351	(1 175)	18 320	7 110			

¹ The increase in assets under construction relates mainly to the Lake Charles Chemicals Project (LCCP) in the US which is planned to reach beneficial operation in financial year 2019.

² Other non-current assets increased in 2018 mainly as a result of the funding of the employee pension fund in the US, the refinancing of the Central Térmica de Ressano García (CTRG) joint venture debt and higher deferred tax assets.

³ The decrease in current assets (relating to cash and cash equivalents) and increase in interest bearing debt relates mainly to the funding of capital projects, including LCCP.

⁴ Refer to analysis contained in the group business performance metrics page (page 18).

Segmental analysis

for the year ended 30 June 2018

	Mining Rm	Exploration and Production International Rm	Performance Chemicals Rm	Base Chemicals Rm	Energy Rm	Group Functions Rm	Total operations Rm
Turnover							
External	3 446	1 610	67 738	39 517	69 110	40	181 461
Intersegment	16 351	2 588	2 028	574	663	12	22 216
Total turnover	19 797	4 198	69 766	40 091	69 773	52	203 677
EBITDA	7 060	2 086	12 390	9 212	20 045	1 620	52 413
Depreciation of PPE	(1 673)	(1 444)	(3 718)	(3 897)	(4 790)	(524)	(16 046)
Amortisation of intangible assets	(4)	(21)	(80)	(26)	(27)	(221)	(379)
Share-based payments (SBP)	(105)	(63)	(293)	(202)	(176)	(3 592)	(4 431)
Unrealised hedging losses	–	–	–	–	–	(3 909)	(3 909)
Remeasurement items	(34)	(4 241)	(116)	(4 499)	(971)	(40)	(9 901)
Earnings before interest and tax (EBIT)	5 244	(3 683)	8 183	588	14 081	(6 666)	17 747
Remeasurement items	34	4 241	116	4 499	971	40	9 901
Translation losses/(gains) of closing exchange rate	18	(289)	(71)	31	45	277	11
Mark-to-market valuation of hedges	–	–	–	–	34	3 206	3 240
Sasol Khanyisa SBP	25	1	7	23	16	2 881	2 953
LCCP ramp-up depreciation	–	–	22	23	–	–	45
Normalised EBIT	5 321	270	8 257	5 164	15 147	(262)	33 897
Statement of financial position							
Property, plant and equipment	22 584	7 646	43 801	42 347	47 743	3 336	167 457
Assets under construction	2 095	6 457	75 144	75 099	5 993	573	165 361
Goodwill and other intangible assets	47	35	1 318	363	106	818	2 687
Other non-current assets ¹	471	79	1 924	1 775	10 684	1 946	16 879
Current assets ^{1,2}	2 547	2 339	26 863	15 186	20 657	10 363	77 955
Total external assets¹	27 744	16 556	149 050	134 770	85 183	17 036	430 339
Non-current liabilities ¹	1 629	5 684	37 682	37 605	11 616	30 547	124 763
Current liabilities ¹	2 801	2 371	13 377	9 090	11 462	18 537	57 638
Total external liabilities¹	4 430	8 055	51 059	46 695	23 078	49 084	182 401
Cash flow information							
Cash flow from operations	6 877	2 665	13 079	8 241	17 158	(1 382)	46 638
Additions to non-current assets ³	3 729	2 525	20 130	19 553	6 650	797	53 384
Capital commitments							
Subsidiaries and joint operations	2 640	18 811	14 125	16 781	10 320	599	63 276
Equity accounted investments	–	–	–	4	889	–	893
Total capital commitments	2 640	18 811	14 125	16 785	11 209	599	64 169
Number of employees⁴	7 471	430	6 601	6 723	5 069	4 976	31 270

1 Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

2 Included in current assets for Group Functions is R5,2 billion which relates to our central treasury function of which R2,9 billion relates to cash holdings and R1,5 billion to our derivative and hedging activities.

3 Includes project related capital payables.

4 Includes permanent and non-permanent employees.

Segmental analysis

for the year ended 30 June 2017

	Mining Rm	Exploration and Production International Rm	Performance Chemicals Rm	Base Chemicals Rm	Energy Rm	Group Functions Rm	Total operations Rm
Turnover							
External	2 946	1 750	65 147	37 794	64 254	516	172 407
Intersegment	16 016	2 334	2 080	620	518	–	21 568
Total turnover	18 962	4 084	67 227	38 414	64 772	516	193 975
EBITDA	5 658	2 641	12 805	9 685	17 590	(752)	47 627
Depreciation of PPE	(1 903)	(2 029)	(3 244)	(3 659)	(4 466)	(509)	(15 810)
Amortisation of intangible assets	(2)	(24)	(84)	(28)	(30)	(226)	(394)
Share-based payments	(22)	(9)	(51)	(37)	(32)	(75)	(226)
Unrealised hedging gains	–	–	–	–	–	2 124	2 124
Remeasurement items	(6)	6	(663)	901	(1 844)	(10)	(1 616)
Earnings before interest and tax (EBIT)	3 725	585	8 763	6 862	11 218	552	31 705
Remeasurement items	6	(6)	663	(901)	1 844	10	1 616
Translation losses/(gains) of closing exchange rate	19	(337)	356	336	300	527	1 201
Mark-to-market valuation of hedges	–	–	16	–	221	(595)	(358)
Strike action at Mining and related costs	1 363	–	–	–	–	–	1 363
Once-off Uzbekistan licence fee	–	–	–	–	–	(493)	(493)
Normalised EBIT	5 113	242	9 798	6 297	13 583	1	35 034
Statement of financial position							
Property, plant and equipment	21 715	11 765	40 534	39 048	42 238	3 473	158 773
Assets under construction	1 141	6 256	53 878	60 036	9 064	359	130 734
Goodwill and other intangible assets	46	53	1 047	156	99	960	2 361
Other non-current assets ¹	587	68	1 544	3 460	9 439	315	15 413
Current assets ^{1,2}	1 986	2 579	25 026	12 940	17 094	25 791	85 416
Total external assets¹	25 475	20 721	122 029	115 640	77 934	30 898	392 697
Non-current liabilities ¹	2 574	6 625	27 205	26 488	9 344	31 436	103 672
Current liabilities ¹	2 440	1 271	13 646	9 821	11 030	12 062	50 270
Total external liabilities¹	5 014	7 896	40 851	36 309	20 374	43 498	153 942
Cash flow information							
Cash flow from operations	5 401	1 726	13 186	10 562	17 996	(2 635)	46 236
Additions to non-current assets ³	2 839	2 600	23 791	23 446	6 781	886	60 343
Capital commitments							
Subsidiaries and joint operations	3 099	19 431	27 396	29 722	10 327	761	90 736
Equity accounted investments	–	–	–	18	566	–	584
Total capital commitments	3 099	19 431	27 396	29 740	10 893	761	91 320
Number of employees⁴	7 483	416	6 443	6 430	5 008	5 120	30 900

¹ Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

² Included in current assets for Group Functions is R21,5 billion which relates to our central treasury function of which R17,2 billion relates to cash holdings and R2,6 billion to our derivative and hedging activities.

³ Includes project related capital payables.

⁴ Includes permanent and non-permanent employees.

The financial results have been restated for the transfer of the US ethylene business from Performance Chemicals to Base Chemicals.

Segmental analysis

for the year ended 30 June 2016

	Mining Rm	Exploration and Production International Rm	Performance Chemicals Rm	Base Chemicals Rm	Energy Rm	Group Functions Rm	Total operations Rm
Turnover							
External	2 360	1 706	68 526	36 424	63 818	108	172 942
Intersegment	14 615	2 505	2 380	1 371	523	–	21 394
Total turnover	16 975	4 211	70 906	37 795	64 341	108	194 336
EBITDA	6 443	1 294	13 830	10 598	19 343	2 484	53 992
Depreciation of PPE	(1 671)	(3 012)	(3 447)	(3 272)	(4 152)	(408)	(15 962)
Amortisation of intangible assets	(2)	(30)	(94)	(24)	(42)	(213)	(405)
Share-based payments	–	(3)	(78)	27	187	(627)	(494)
Remeasurement items	(31)	(9 963)	(55)	(1 723)	(1 267)	147	(12 892)
Earnings before interest and tax (EBIT)	4 739	(11 714)	10 156	5 606	14 069	1 383	24 239
Remeasurement items	31	9 963	55	1 723	1 267	(147)	12 892
Translation (losses)/gains of closing exchange rate	(13)	694	(498)	(374)	52	(11)	(150)
Mark-to-market valuation of hedges	–	–	15	2	(188)	(749)	(920)
Reversal of EGTL provision	–	–	–	–	(2 296)	–	(2 296)
Normalised EBIT	4 757	(1 057)	9 728	6 957	12 904	476	33 765
Statement of financial position							
Property, plant and equipment	20 654	14 780	40 389	36 457	39 891	2 883	155 054
Assets under construction	1 446	5 165	41 044	44 414	11 197	745	104 011
Goodwill and other intangible assets	33	39	1 230	205	130	1 043	2 680
Other non-current assets ¹	552	93	1 621	3 778	10 666	123	16 833
Current assets ^{1,2}	1 818	2 923	25 525	14 337	16 615	44 428	105 646
Total external assets¹	24 503	23 000	109 809	99 191	78 499	49 222	384 224
Non-current liabilities ¹	3 358	8 948	31 484	29 691	9 726	29 796	113 003
Current liabilities ¹	2 430	1 961	12 442	8 163	9 571	6 157	40 724
Total external liabilities¹	5 788	10 909	43 926	37 854	19 297	35 953	153 727
Cash flow information							
Cash flow from operations	6 465	2 946	14 719	10 475	17 178	1 190	52 973
Additions to non-current assets ³	3 459	8 938	25 376	28 687	6 348	940	73 748
Capital commitments							
Subsidiaries and joint operations	3 563	23 648	48 422	51 449	9 588	616	137 286
Equity accounted investments	–	–	–	17	591	–	608
Total capital commitments	3 563	23 648	48 422	51 466	10 179	616	137 894
Number of employees⁴	7 263	413	6 342	6 145	4 820	5 117	30 100

¹ Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

² Included in current assets for Group Functions is R39,3 billion which relates to our central treasury function (R36,9 billion relates to cash holdings).

³ 2016 capital cash flow includes project related capital payables and the settlement of Canadian funding commitment.

⁴ Includes permanent and non-permanent employees.

The financial results have been restated for the transfer of the US ethylene business from Performance Chemicals to Base Chemicals.

Investing activities

			2018	2017	2019	2020
			Rm	Rm	Rm	Rm
Assets under construction						
Capital expenditure						
Projects to expand operations comprise of:	Project location	Business segment	Actual	Actual	Forecast	Forecast
Lake Charles Chemicals Project*	United States	Base and Performance Chemicals	30 100	36 775	14 145	–
Mozambique exploration and development	Mozambique	Exploration and Production International	1 002	1 840	1 190	1 022
High-density polyethylene plant	United States	Base Chemicals	265	1 448	–	–
China Ethoxylation plant	China	Performance Chemicals	398	204	525	–
Fischer-Tropsch wax expansion project	Sasolburg	Performance Chemicals	109	606	8	–
Canadian shale gas asset	Canada	Exploration and Production International	101	381	160	–
Loop Line 2 project	Mozambique	Energy	16	638	–	–
Other projects to expand operations	Various	Various	1 519	1 114	2 472	8 978
			33 510	43 006	18 500	10 000

* Actual capital expenditure (accrual basis) - 30 June 2018 - US\$2,3 billion; 30 June 2017 - US\$2,7 billion; 30 June 2016 - US\$2,9 billion. Forecast (accrual basis) - 2019 US\$1,1 billion.

			2018	2017	2019	2020
			Rm	Rm	Rm	Rm
Assets under construction						
Capital expenditure						
Projects to sustain operations comprise of:						
Secunda Synfuels Operations						
			Actual	Actual	Forecast	Forecast
Shutdown and major statutory maintenance ¹			3 775	3 569	4 582	4 211
Renewals			1 481	1 002	1 651	1 532
Oxygen train 17 (Outside Battery Limits portion)			417	979	21	–
Sixth fine ash dam (environmental)			1 353	637	1 311	635
Volatile organic compounds abatement programme (environmental)			137	655	–	–
Coal tar filtration east project (safety)			294	419	330	–
Other environmental related expenditure			133	185	546	1 343
Other safety related expenditure			362	377	408	372
Other sustain ²			656	630	929	1 041
			3 720	2 831	3 884	3 314
Mining (Secunda and Sasolburg)						
Shondoni Colliery to maintain Middlebult Colliery operations			318	368	79	–
Impumelelo Colliery to maintain Brandspruit Colliery operations			258	274	195	162
Acquisition of mineral rights			650	–	–	–
Refurbishment of equipment			867	783	833	942
Mine geographical expansion			449	372	756	946
Other safety related expenditure			196	314	416	64
Other sustain ³			982	720	1 605	1 200
			6 797	5 602	5 838	7 552
Other (in various locations)						
Expenditure related to environmental obligations ⁴			476	174	1 192	1 384
Expenditure incurred relating to safety regulations			409	401	611	593
Other sustain ⁵			5 912	5 027	4 035	5 575
			19 125	16 886	19 500	20 000

1 A full shutdown is planned for Secunda Synfuels Operations in FY19.

2 Includes direct purchases of critical spares, expenditure on electricity infrastructure improvement projects as well catalyst expenditure.

3 FY19 includes expenditure on the Syferfontein shaft.

4 Increase in FY19 and FY20 relates to air quality compliance and abatement projects at the Sasolburg operations.

5 The increase in FY18 relates to Pande infill wells drilling (R0,3 billion) and planned shutdowns at Natref (R0,6 billion). FY19 includes development costs to maintain Gabon production and Ethylene & Linear Alkyl Benzene units' turnaround projects in the US. FY20 includes Clean Fuels II expenditure.

Key projects approved (FID) which were not completed at 30 June 2018

Project	Project related information and notes	Sasol's effective share (%)	Business segment		June 2018 (FY18)				
					Amount approved by Sasol board	Amount contracted to date	Estimated end of job cost	Estimated beneficial operation (BO) (calendar year)	
South Africa - Projects to sustain our business									
Coal tar filtration east project	Ensures adherence to environmental, health and emissions limits. The project will increase the tar processing capacity in order to avoid tar dumping.	Note 1	100	Secunda Synfuels Operations	Rm	3 710	3 617	3 710	2019
Sixth fine ash dam - phase one	Construction of an additional environmental and sustainable fine ash slurry disposal site.	Note 2	100	Secunda Synfuels Operations	Rm	6 000	3 575	6 000	2019
Oxygen train 17	Restoration of the existing air separation units require an additional oxygen train to maintain oxygen production levels.	Note 3	100	Secunda Synfuels Operations	Rm	2 018	1 697	2 018	2018
Clean Fuels 2 project*	To meet the fuel specifications as per legislation published by the Department of Energy.	Note 4	100 and 63,64	Secunda Synfuels & Natref Operations	Rm	1 150	924	1 150	2024
International - Projects to grow our business									
Lake Charles Chemicals Project (United States)	Ethane cracker and derivatives complex that will produce ethylene and ethylene derivatives (Linear Low Density Polyethylene (LLDPE), Low Density Polyethylene (LDPE), Ethylene Glycol, Ziegler alcohols and alcohol related derivatives) and infrastructure to enable the project.	Note 5	100	US Operations (Base and Performance Chemicals)	US\$m	11 130	10 571	11 130	2018
Mozambique Production Sharing Agreement (PSA)	Development of further hydrocarbon resources to support our Southern Africa growth strategy.	Note 6	100	Exploration and Production International	US\$m	1 433	301	1 433	2020
China Ethoxylation plant	To expand the existing ethoxylation capacity in China to 105 ktpa.	Note 7	100	Performance Chemicals	US\$m	100,2	59,4	87,0	2019
Canadian shale gas asset*	12 month work programme budget to December 2018 approved by the Sasol Board for the Montney shale asset in Western Canada.	Note 8	100	Exploration and Production International	CADm	9,8	9,8	9,8	Various
Exploration costs*	Approved exploration cost for E&PI. This amount relates to more than one geographic area.	Note 9	Various	Exploration and Production International	US\$m	107,6	2,0	107,6	Various

- 1 The expected BO date was impacted by construction delays due to challenges experienced with contractors. This could also result in an increase in the overall project cost.
- 2 The project is expected to reach BO in December 2019. Cost and schedule remains within our estimates.
- 3 The project cost and BO date relates to the portion of the cost where Sasol is responsible for construction (outside battery limit). Partial BO was achieved in December 2017 on necessary utilities to support the east and west factory. Full BO for the outside battery limit is expected in October 2018 after the last tie-in into the oxygen headers are made during the total west factory shutdown. In addition, Sasol has entered into a lease agreement for the Air Separation Unit to be built and owned by Air Liquide. The capitalised finance lease asset amounted to R3,4 billion at year end.
- 4 The scope of the project is currently being reassessed and further announcements will be made once approved by the Board. Project implementation is still expected by CY2024.
- 5 We are progressing with LCCP in Lake Charles and indications are that the cost of the project will remain within the previous market guidance of US \$11,13 billion. At 30 June 2018, engineering, equipment fabrication and procurement were substantially complete and construction progress reached 68% completion. Overall the project is 88% complete. The project remains on track to start up the first units in the second half of calendar year 2018. The steam utility system was commissioned, earlier than planned. The expected start-up date of the remainder of the manufacturing units remains CY2019.
- 6 In Mozambique, The PSA Phase 1, Tranche 1 activities have been completed. In total, 9 wells were drilled comprising of 7 oil wells and 2 gas wells. The Inhassoro oil reservoirs have proved more complex than expected and, with the reduced expectation of recoverable volumes as well as remaining uncertainty coupled with a lower-for-longer forecast on oil price, we are looking to minimise upfront capital investment and maximise the use of existing processing facilities in the adjacent Petroleum Production Agreement (PPA) facilities. Phase 1 gas results confirm gas resources cover for Central Térmica de Temane (CTT), formerly Mozambique Gas to Power Project (MGtP).
- 7 The project was approved in February 2017 and is expected to reach BO in February 2019. Construction is currently 70% complete. We expect our end of job cost to be lower than our board approval due to efficiencies. Schedule remains within our estimates.
- 8 In order to manage the Canadian Montney shale gas assets through the low gas price environment, the partnership agreed to slow down the pace of the appraisal and development and significantly reduce activities with a reduction in drilling. The final payment of CAD75 million to settle Sasol's funding commitments on the shale gas asset was paid in July 2018. During November 2017, the Sasol Limited Board approved the commencement of the disposal process for these assets.
- 9 Approved exploration cost for E&PI (mainly exploration drilling). Includes Mozambique licenses awarded for offshore Block A5-A and onshore Block PT5-C. The Australia AC/P52 licence was relinquished and asset scrapped.
- * Only reflects Sasol's portion.

Framework for inclusion of projects in this report:

- (a) Only projects that have been approved by the Sasol Limited Board (wholly or largely in part) are included.
- (b) All projects with an estimated end of job cost exceeding R1 billion approved are included (or the equivalent thereof when in foreign currency).

Business performance metrics

for the year ended 30 June

		% change 2018 vs 2017	Full year 2018	Full year 2017	Full year 2016
Sasol Group					
Cash cost					
Cash fixed cost	Rm	(8)	50 403	46 510	44 455
Variable cost	Rm	(7)	81 426	76 371	76 355
Total cash cost	Rm	(7)	131 829	122 881	120 810
Capital cash flow¹	Rm	12	53 384	60 343	70 409
Capital expenditure¹	Rm	2	59 935	61 109	73 289
Variance analysis on earnings before interest and tax					
	%		(44,0)		
Impact of exchange rates	%		(6,8)		
Impact of crude oil and product prices	%		33,9		
Once-off items and year-end adjustments ²	%		(47,9)		
Cost and other ³	%		(15,8)		
Lower sales volumes	%		(7,4)		
Variance analysis on cash fixed costs					
	%		(8,4)		
Growth and once-off costs	%		(3,5)		
Growth cost (mainly US growth)	%		(1,1)		
Business establishment cost ⁴	%		(0,8)		
Once-off items ⁵	%		(1,6)		
Cost, volume and macro impact			(4,9)		
Production interruptions ⁶	%		(0,4)		
Inflation	%		(4,7)		
Impact of exchange rates	%		0,2		
Reconciliation of employee numbers					
Employees at 30 June 2017	number		30 900		
Business growth (mainly US growth)	number		214		
In-sourcing of services	number		110		
Hired labour conversion to permanent employees	number		194		
Vacancies not filled	number		(148)		
Employees at 30 June 2018	number		31 270		
Reconciliation of average debtor days					
Average debtor days at 30 June 2017	days		48		
Impact of closing exchange rate	days		4		
Average debtor days at 30 June 2018	days		52		
Reconciliation of average inventory days					
Average inventory days at 30 June 2017	days		121		
Impact of closing exchange rate	days		6		
Hard wax and HDPE stock build	days		2		
Other (mainly higher product prices)	days		3		
Average inventory days at 30 June 2018	days		132		
Reconciliation of average creditor days					
Average creditor days at 30 June 2017	days		88		
Impact of closing exchange rate	days		4		
Other (mainly higher product prices)	days		3		
Average creditor days at 30 June 2018	days		95		

1 R30,1 billion (US\$2,3 billion) of the 2018 capital expenditure relates to the LCCP, including the associated capital project related payables.

2 Includes impairment of the South African Chlor Vinyls cash generating unit (R5,2 billion), partial impairment of the Mozambique PSA assets (R1,1 billion), partial impairment of our Canada shale gas assets (R2,8 billion), scrapping of the US GTL assets (R1,1 billion), implementation of the Sasol Khanyisa B-BBEE transaction (R2,9 billion) and the mark-to-market valuation losses on hedges (R4,8 billion), partly offset by prior year mining strike (R1,4 billion).

3 Includes cost inflation (R2,2 billion), growth costs, the ending of the Eskom power purchase agreement (R0,6 billion) and higher share-based payments (R1,3 billion) due to the marked improvement of the Sasol share price.

4 Includes cost associated with our digital transformation (R0,3 billion) and the Mining Business Improvement Program (R0,1 billion).

5 Includes the absence of the Eskom PPA (R0,6 billion), cost associated with our Khanyisa B-BBEE transaction (R0,2 billion) and the reversal of Canadian ponds provision in the prior year (R0,1 billion), partly offset by cost relating to the mining strike in the prior year (R0,4 billion).

6 Includes higher maintenance costs (R0,2 billion).

Abbreviations

Rm - Rand millions

		% change	Full year	Full year	Full year
		2018 vs 2017	2018	2017	2016
Mining					
Internal sales	mm tons	(3)	40,2	41,5	42,1
External sales - international and other domestic	mm tons	7	3,2	3,0	3,2
Saleable production	mm tons	3	37,2	36,0	40,3
External purchases	mm tons	16	6,7	8,0	5,0
Cash cost					
Cash fixed cost ¹	Rm	(4)	6 326	6 056	5 215
Variable cost	Rm	9	6 604	7 243	4 871
Total cash cost	Rm	3	12 930	13 299	10 086
Cost per unit					
Total cost per sales ton (excluding unrealised profit in inventory)	R/ton	2	338	344	273
Mining unit cost per production ton ²	R/ton	(5)	284	270	227
Effective tax rate	%		28	28	29
ROIC (including AUC)	%		19	15	20
Variance analysis on total costs per sales ton			1,8		
Growth and once-off costs	%		6,2		
Impact of additional coal purchases ³	%		(2,2)		
Prior year strike action	%		8,4		
Cost, volume and macro impact	%		(4,4)		
Inflation	%		(4,5)		
Other net savings	%		0,1		

1 Cash fixed cost normalised for our Business Improvement Programme (BIP) and prior year's strike action increased by 5% above inflation largely due to higher labour cost to support business operations.

2 Own mining production cost to produce one ton of coal. Excludes external coal purchases, cost of the beneficiation plant, the marketing and distribution costs of the export business and group allocated cost. The unit cost has been normalised for the impact of the strike action (cost and tons), the impact of fatalities and other safety incidents and the business improvement programme consultant costs.

Following the safety incidents that occurred in the second and third quarter of the financial year, we have increased our safety focus at our operations and have seen a significant improvement in our safety statistics for the last quarter of the year. Similarly, production run rates have resumed their improving trend. Our production run rate over the past quarter has improved by more than 20% compared to the previous quarter and is representative of a run rate to achieve 40 million tons per year and match pre strike production rates.

3 Coal stockpiles were fully restored through own production and additional external purchases of 0,95 mm tons during the 2018 financial year.

Detailed production summary and key business performance metrics for 2018 are available on our website, www.sasol.com.

Abbreviations

mm tons	-	million tons
Rm	-	Rand millions
R/ton	-	Rand per ton

		% change 2018 vs 2017	Full year 2018	Full year 2017	Full year 2016
Exploration and Production International					
Internal sales					
Natural gas	bscf	1	101,1	100,4	98,0
External sales					
Natural gas	bscf	(11)	34,0	38,1	37,1
Crude oil and condensate	m bbl	(14)	1 461,1	1 706,6	1 996,7
Depreciation and amortisation					
	Rm	(29)	1 465	2 053	3 042
Canada	Rm		895	1 263	1 315
Mozambique	Rm		466	558	628
Other	Rm		104	232	1 099
Cash fixed cost					
	Rm	(18)	1 810	1 539	2 174
Remeasurement items					
	Rm	(>100)	(4 241)	6	(9 963)
Impairment of non-current assets ¹	Rm		(3 893)	8	(10 299)
Loss in exiting exploration licences	Rm		12	(1)	(14)
Other remeasurement items	Rm		(360)	(1)	350
Exploration cost²					
	Rm	61	92	237	95
Production					
Natural gas			135,1	138,5	135,1
Crude oil and condensate			1 468,7	1 689,6	2 020,7
Proved developed reserves					
Crude oil and condensate					
Canada	mm bbl		0,3	0,6	0,3
Mozambique	mm bbl		2,4	2,0	2,2
Other	mm bbl		1,8	1,7	0,8
Natural gas					
Canada	bscf		63,2	122,4	107,9
Mozambique	bscf		821,1	710,7	738,1
Effective tax rate³					
	%		(12)	31	8
ROIC (excluding AUC)					
	%		(129)	8	(206)
ROIC (including AUC)					
	%		(43)	4	(98)
Capital commitments					
	Rm	3	18 811	19 431	23 648
Canada	Rm		70	237	689
Mozambique ⁴	Rm		18 645	18 883	22 099
Gabon and other	Rm		96	311	860
Capital cash flow					
	Rm	3	2 525	2 600	5 599
Canada	Rm		106	363	3 287
Mozambique	Rm		2 194	2 079	1 715
Other	Rm		225	158	597
Variance analysis on cash fixed cost					
			(17,6)		
Growth and once-off costs					
	%		(10,7)		
Growth costs related to new ventures	%		(1,2)		
Reversal of Canada ponds provision in prior year	%		(9,5)		
Cost and macro impact					
	%		(6,9)		
Inflation	%		(3,1)		
Impact of exchange rates ⁵	%		3,9		
Maintenance and repairs in Mozambique ⁶	%		(7,7)		

1 Partial impairment of our shale gas assets in Canada (R2,8 billion) due to further decline in gas prices and Mozambique PSA (R1,1 billion) largely driven by weaker macro environment and lower than expected oil volumes.

2 Lower exploration spend in FY18 is due to cost conservation measures.

3 The decrease in the effective tax rate results from the partial impairment of our shale gas assets in Canada for which no deferred tax is raised due to the uncertainty of future taxable income to offset the asset against and the partial impairment of PSA in Mozambique that have no tax consequences.

4 Forecast capital expenditure of R1,8 billion for FY19, R2,7 billion for FY20 and R 14,1 billion thereafter. We are currently reviewing the capital spend on the oil field development plan following the results of the drilling campaign and an update to the PSA approved capital expenditure will be communicated at the 2019 interim results. We expect lower capital expenditure as a result of the oil development but the gas development still remains according to our plans.

5 Due to the strengthening of the average rand/US\$ exchange rate.

6 Scheduled maintenance and repairs relating to the gas processing facility, gathering lines and supporting infrastructure.

Detailed production summary and key business performance metrics for 2018 are available on our website, www.sasol.com.

Abbreviations

bscf	-	billion standard cubic feet
m bbl	-	thousand barrels
mm bbl	-	million barrels
Rm	-	Rand millions

		% change 2018 vs 2017	Full year 2018	Full year 2017	Full year 2016
Performance Chemicals*					
External sales	Rm	4	67 738	65 147	68 526
Sales volumes¹	ktpa	1	3 257	3 233	3 118
External purchases					
Natural gas**	bscf	8	11,6	10,7	9,9
Internal purchases					
Coal (Mining)	mm tons	(4)	4,6	4,8	4,6
Natural gas (E&PI) (Sasol's 70% share)	bscf	9	27,1	24,9	23,2
Total feedstock cost***	R/ton	(12)	7 341	6 542	6 807
Cash cost					
Cash fixed cost	Rm	(6)	14 810	14 026	14 528
Variable cost	Rm	(7)	42 959	40 019	44 122
Total cash cost	Rm	(7)	57 769	54 045	58 650
Earnings before interest and tax (EBIT)²	Rm	(7)	8 183	8 763	10 156
EBIT margin	%		12	13	14
Effective tax rate³	%		12	24	30
ROIC (excluding AUC)	%		13	17	18
ROIC (including AUC)	%		5	8	11
Variance analysis on cash fixed cost	%		(5,6)		
Growth and once-off costs	%		(3,0)		
Growth costs (LCCP and market expansion in Eurasia)	%		(2,9)		
Ending of Eskom power purchase agreement (PPA)	%		(0,1)		
Cost and macro impact	%		(2,6)		
Inflation	%		(3,4)		
Impact of exchange rates	%		(0,1)		
Increase in cost allocations from SSO - volume related	%		(0,3)		
Other net savings	%		1,2		

1 Sales volumes increased by 1% as product demand remained strong across most applications. Total sales volumes increased by 1% despite the production interruptions at SSO and the impact of Hurricane Harvey in the US. Excluding the impact of the Eskom supply interruptions, sales volumes increased by 2% compared to the prior year.

2 Includes remeasurement items (R0,1 billion) and the impact of the stronger average exchange rates on gross margin (R1,4 billion), partly offset by gains on closing rate valuations (R0,1 billion).

3 The decrease in effective tax rate is mainly due to the tax reform in the US and energy efficiency tax incentives in South Africa of R0,7 billion.

* Includes Performance Chemicals' share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

*** Include feedstock of natural gas and coal.

The financial results have been restated for the transfer of the US ethylene business from Performance Chemicals to Base Chemicals.

Detailed production summary and key business performance metrics for 2018 are available on our website, www.sasol.com.

Abbreviations

mm tons	-	million tons
bscf	-	billion standard cubic feet
ktpa	-	thousand tons per annum
Rm	-	Rand millions
R/ton	-	Rand per ton

		% change	Full year	Full year	Full year
		2018 vs 2017	2018	2017	2016
Base Chemicals*					
Sales volumes	ktpa	(1)	3 363	3 413	3 367
Normalised sales volumes (asset disposals & business changes)	ktpa	(2)	3 363	3 436	3 441
Base Chemicals sales basket price¹	\$/ton	12	890	793	742
External purchases					
Natural gas**	bscf	(2)	8,7	8,9	8,4
Internal purchases					
Coal (Mining)	mm tons	1	13,0	12,9	12,6
Natural gas (E&PI) (Sasol's 70% share)	bscf	(2)	20,3	20,8	19,7
Cash cost					
Cash fixed cost	Rm	(10)	13 795	12 513	10 948
Variable cost	Rm	(10)	17 811	16 130	15 142
Total cash cost	Rm	(10)	31 606	28 643	26 090
Earnings before interest and tax (EBIT)²	Rm	(91)	588	6 862	5 606
EBIT margin	%		1	18	15
Normalised earnings before interest and tax margin	%		13	16	18
Effective tax rate³	%		67	19	14
ROIC (excluding AUC)⁴	%		2	15	10
ROIC (including AUC)⁴	%		1	6	5
Variance analysis on cash fixed cost	%		(10,2)		
Growth and once-off costs	%		(4,7)		
Growth costs (LCCP and US HDPE plant)	%		(2,1)		
Mainly ending of Eskom power purchase agreement (PPA)	%		(2,6)		
Cost and macro impact	%		(5,5)		
Inflation	%		(4,7)		
Impact of exchange rates	%		0,4		
Increase in cost allocations from SSO - volume related	%		(1,5)		
Other net savings	%		0,3		

1 Our US dollar basket sales price of US\$890/ton has increased due to higher crude oil prices and favourable conditions prevailing in certain of our solvents markets. We have also benefitted from sales of high value HDPE from our new facility in the US.

2 Includes remeasurement items (R4,5 billion) and the impact of the stronger average exchange rates (R1,8 billion).

3 The increase in effective tax rate is mainly due to the tax reform in the US.

4 The decrease is mainly due to the impairment of R3,7 billion (net of tax) on our South African Chlor Vinyls cash generating unit as a result of the continued and sustained strengthening of the exchange rate outlook. ROIC (excluding AUC) excluding the impairment is 12%.

* Includes Base Chemicals' share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

The financial results have been restated for the transfer of the US ethylene business from Performance Chemicals to Base Chemicals.

Detailed production summary and key business performance metrics for 2018 are available on our website, www.sasol.com.

Abbreviations

mm tons	-	million tons
bscf	-	billion standard cubic feet
ktpa	-	thousand tons per annum
Rm	-	Rand millions
\$/ton	-	US Dollar per ton

		% change 2018 vs 2017	Full year 2018	Full year 2017	Full year 2016
Energy*					
Internal purchases					
Coal (Mining)	mm tons	(5)	22,6	23,8	24,9
Natural gas (E&PI) (Sasol's 70% share)	bscf	(2)	53,7	54,7	55,1
External purchases					
White product ¹	mm bbl	27	8,5	6,7	6,3
Natural gas**	bscf	(2)	23,0	23,4	23,6
Southern Africa sales					
Liquid fuels ²	mm bbl	(2)	58,7	60,0	61,3
Natural and methane rich gas ³	bscf	(3)	55,3	56,8	58,1
Cash cost					
Cash fixed cost	Rm	(4)	13 434	12 875	12 807
Variable cost	Rm	(7)	37 058	34 755	34 018
Total cash cost	Rm	(6)	50 492	47 630	46 825
Synfuels refined product (white product)⁴	mm bbl	(3)	31,5	32,5	33,2
Natref production⁵	mm bbl	(9)	18,0	19,7	20,7
ORYX GTL production⁶	mm bbl	1	5,53	5,49	4,72
Escravos GTL (EGTL) production⁷	mm bbl	>100	0,65	0,16	0,47
Electricity production					
Total SA Operations average annual requirement	MW		1 612	1 603	1 596
Own capacity	%		68	71	71
Own production	%		48	52	51
Retail convenience centres (RCCs)⁸	number	1	399	397	388
Earnings before interest and tax	Rm	26	14 081	11 218	14 069
Earnings before interest and tax margin	%		20	17	22
Normalised earnings before interest and tax margin	%		22	21	20
Effective tax rate	%		24	25	22
ROIC (excluding AUC)	%		24	26	34
ROIC (including AUC)	%		21	20	28
Variance analysis on cash fixed cost	%		(4,7)		
Growth and once-off costs	%		(2,8)		
Ending of Eskom power purchase agreement	%		(2,8)		
Cost and macro impact			(1,9)		
Inflation	%		(4,3)		
Decrease in cost allocations from SSO - volume related	%		1,7		
Other net savings (improved own electricity generation)	%		0,7		

1 External purchases increased in FY18 due to lower production from SSO and Natref.

2 Liquid fuels sales volumes decreased by 2% due to lower production volumes from SSO and lower production from Natref. Our sales performance for the second half of FY18 improved by 5% compared to the first half. Our total liquid fuel sales volumes of 59 million barrels exceeded our updated market guidance of 58 million barrels.

3 Gas sales volumes decreased by 3% mainly due to lower market demand. For methane rich gas the available gas was re-routed and utilised in our integrated value chain.

4 The operational challenges at SSO reduced the production of refined products by 3%. Excluding the impact of the Eskom supply interruptions, production of refined products are 2% lower than prior year.

5 Natref delivered a strong performance during the second half of FY18 with an improved production run rate of 624m³/h (FY18 — 536m³/h; FY17 — 592m³/h) despite a planned shutdown in quarter four. The increased volumes in the second half of FY18 partially offsets the lower production volumes recorded in the first half of the year. We expect the positive production run rate to continue in FY19.

6 ORYX GTL production achieved an average utilisation rate of 95% exceeding our market guidance of 92%.

7 At EGTL, optimisation efforts to reduce costs and improve plant efficiency are progressing well, with a marked improvement on average utilisation rates resulting in 75% higher production in quarter four compared to quarter three.

8 We opened 12 new Retail Convenience Centres (RCCs) and divested from 10 non-operating RCCs.

* Includes Energy's share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

Detailed production summary and key business performance metrics for 2018 are available on our website, www.sasol.com.

Abbreviations

bscf	-	billion standard cubic feet
mm bbl	-	million barrels
mm tons	-	million tons
MW	-	Megawatt
Rm	-	Rand millions

Production mass balancing

		% change 2018 vs 2017	Full year 2018	Full year 2017	Full year 2016
Production - Secunda Synfuels Operations¹	ktpa	(3)	7 587	7 834	7 779
Refined product	ktpa		3 696	3 809	3 903
Heating fuels	ktpa		618	684	710
Alcohols/ketones	ktpa		618	647	623
Other chemicals	ktpa		1 921	1 967	1 819
Gasification	ktpa		589	591	577
Other	ktpa		145	136	147
Synfuels refined product²	mm bbl	(3)	31,5	32,5	33,2

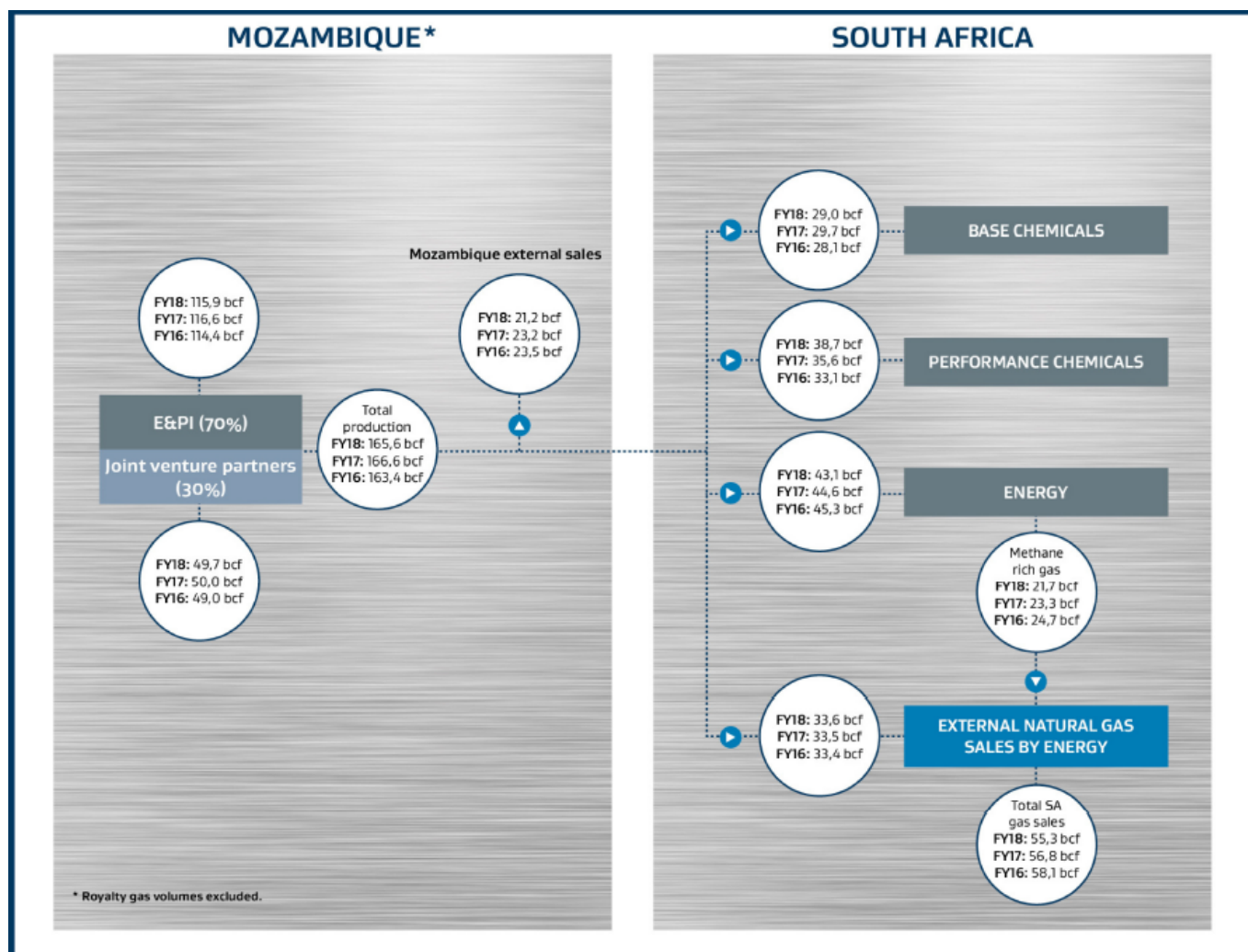
¹ Secunda Synfuels Operations (SSO) total production volumes decreased by 3% to 7,6 mm tons, mainly as a result of unplanned Eskom supply interruptions (1%) and internal outages (2%) during the year. Notwithstanding, we continued to improve operational processes and plant efficiencies to realise better production yields. Our production run-rates achieved during May and June 2018, supports a full year production of approximately 7,8 million tons.

² The operational challenges at SSO reduced the production of refined products by 3%. Excluding the impact of the Eskom supply interruptions, production of refined products are 2% lower than prior year.

Abbreviations

ktpa - thousand tons per annum
mm bbl - million barrels

Natural gas mass balance



Sasol South Africa Group

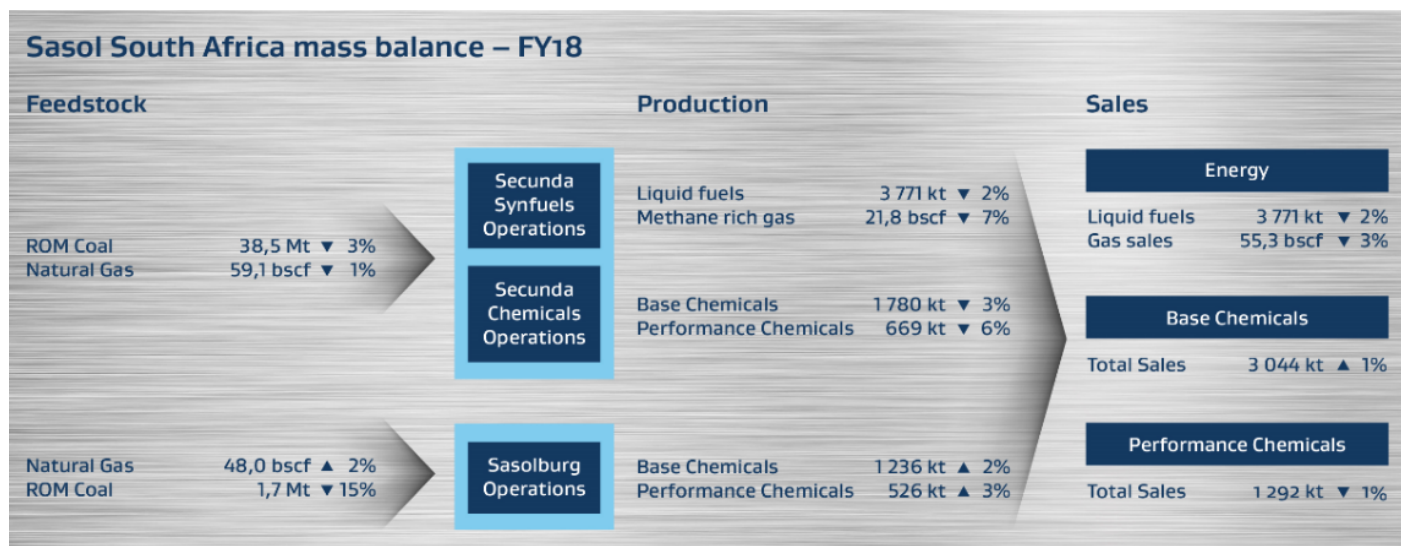
for the year ended 30 June 2018

		Chemicals	Energy	Other	Total Operations
Financial results					
Turnover	Rm	50 156	37 915	52	88 123
Earnings before interest, tax and remeasurement items	Rm	7 144	11 578	(1 794)	16 928
Remeasurement items	Rm	9 695	195	63	9 953
Earnings before interest and tax	Rm	(2 551)	11 383	(1 857)	6 975
Depreciation of property, plant and equipment	Rm	4 558	4 074	514	9 146
Amortisation of intangibles	Rm	1 130	835	232	2 197
EBITDA	Rm	3 137	16 292	(1 111)	18 318
Cash cost					
Cash fixed cost	Rm	17 274	10 907	10 653	
Variable cost	Rm	20 970	10 851	249	
Total Cost	Rm	38 244	21 758	10 902	
Statement of financial position					
Property, plant and equipment	Rm	34 775	39 532	3 326	77 633
Assets under construction	Rm	7 305	5 291	821	13 417
Goodwill and other intangible assets	Rm	18 519	17 953	830	37 302
Other non-current assets	Rm	492	147	107	746
Current assets	Rm	18 070	13 024	4 861	35 955
Total assets	Rm	79 161	75 947	9 945	165 053
Non-current liabilities	Rm	25 726	26 428	49 298	101 452
Current liabilities	Rm	4 640	8 453	7 133	20 226
Total liabilities	Rm	30 366	34 881	56 431	121 678
Capital expenditure (cash flow)	Rm	6 707	5 455	1 041	13 203
expenditure to sustain operations	Rm	6 505	5 383	1 041	12 929
expenditure to expand operations	Rm	202	72	–	274
Capital commitments	Rm	10 621	9 131	600	20 352
Number of employees	Number	8 633	3 743	5 141	17 517
Profitability					
Gross profit margin	%	59,2	71,4		
Earnings before interest and tax margin	%	14,2	30,5		
Return on invested capital (including AUC)	%				4,1
Effective tax rate	%				28,5
Sales volume performance					
Fuel components	ktpa		3 771		3 771
Natural and methane rich gas	bscf		55,3		55,3
Chemicals	ktpa	4 336			4 336

Sasol South Africa Group

for the year ended 30 June 2017

		Chemicals	Energy	Other	Total Operations
Financial results					
Turnover	Rm	45 441	35 142	516	81 099
Earnings before interest, tax and remeasurement items	Rm	7 053	6 169	(219)	13 003
Remeasurement items	Rm	25 159	66	11	25 236
Earnings before interest and tax	Rm	(18 106)	6 103	(230)	(12 233)
Depreciation of property, plant and equipment	Rm	4 624	3 812	474	8 910
Amortisation of intangibles	Rm	33	26	235	294
EBITDA	Rm	(13 449)	9 941	479	(3 029)
Cash cost					
Cash fixed cost	Rm	14 104	10 078	9 903	
Variable cost	Rm	19 145	12 195	–	
Total Cost	Rm	33 249	22 273	9 903	
Statement of financial position					
Property, plant and equipment	Rm	37 596	34 375	3 430	75 401
Assets under construction	Rm	7 833	6 256	362	14 451
Goodwill and other intangible assets	Rm	22 546	18 777	984	42 307
Other non-current assets	Rm	492	154	119	765
Current assets	Rm	18 582	10 991	4 262	33 835
Total assets	Rm	87 049	70 553	9 157	166 759
Non-current liabilities	Rm	27 985	29 132	49 030	106 147
Current liabilities	Rm	3 719	8 131	3 286	15 136
Total liabilities	Rm	31 704	37 263	52 316	121 283
Capital expenditure (cash flow)	Rm	6 931	5 751	885	13 567
expenditure to sustain operations	Rm	6 081	5 040	885	12 006
expenditure to expand operations	Rm	850	711	–	1 561
Capital commitments	Rm	8 628	9 037	762	18 427
Number of employees	Number	8 467	3 366	5 220	17 053
Profitability					
Gross profit margin	%	57,9%	65,3%		
Earnings before interest and tax margin	%	15,5	17,6		
Return on invested capital (including AUC)	%				(8,6)
Effective tax rate	%				25,2
Sales volume performance					
Fuel components	ktpa		3 878		3 878
Natural and methane rich gas	bscf		56,8		56,8
Chemicals	ktpa	4 324			4 324



Khanyisa B-BBEE transaction

		Khanyisa net value
		R'million
Enterprise value ¹		197 080
Net debt of SSA ²		(88 521)
Discounts (minority and liquidity discounts)	32,5% overall discount	(35 282)
Fair value of SSA Group		73 277
Proceeds - Khanyisa participants		16 502
Fair value of SSA Group after share issue to participants		89 779
Attributable to Khanyisa participants	18,38%	16 502
Vendor funding ³		16 502
Net value ⁴		–
		Rand
Khanyisa ESOP - approximate net value per employee (1 240 vested rights)		–
Khanyisa Public - approximate net value per Khanyisa share		–

Oil price and exchange rate assumptions underpinning the valuation of SSA are largely aligned to a market view of macro economic assumptions, referencing a panel of externally forecasted assumptions.

1 Enterprise Value as calculated for the purposes of the Circular issued in September 2017. An updated valuation was performed at 30 June 2018, and the valuation per the Circular falls within the range of this updated valuation.

2 Net debt within the SSA group is expected to remain within a R60bn - R80bn range throughout the term of the transaction.

3 This includes R8,25 billion notional vendor funding in relation to the Khanyisa ESOP, and R8,25 billion preference share subscription in relation to Khanyisa FundCo.

4 Net value is expected to accrue over the term of the transaction.

Lake Charles Chemicals Project (additional information)

The Lake Charles Chemicals Project (LCCP) consists of a world-scale 1,5 million ton per year ethane cracker, and six downstream chemical units which is currently under construction near Lake Charles, Louisiana in the United States (US).

We are progressing with the construction of LCCP and indications are that the cost of the project will remain within the previous market guidance of US\$11,13 billion. As at the end of June 2018, engineering, equipment fabrication and procurement were substantially complete and construction progress reached 68% completion. Overall the project is 88% complete with capital expenditure amounting to US\$9,85 billion. The project remains on track to start up the first units during the second half of calendar year 2018. We achieved first steam production in July, a critical component to the operation of LCCP and a key enabler for further commissioning. The progressive startup of utilities is ongoing and gaining momentum, as we approach startup of the first units. The remainder of the derivative units are expected to start up in CY2019 as guided.

We continue to monitor the economics of the project against the backdrop of a challenging macro-economic environment. We rely extensively on the views of independent market consultants in formulating the Sasol long-term assumption views. Market consultants currently differ significantly from period to period, which again is indicative of the uncertainty in the market. We have updated the LCCP economics with the latest view of long-term market assumptions obtained from independent market consultants. Due to the uncertainty and volatility in the market, there are different views from independent market consultants on where ethane will be sourced from in the long term. In a scenario where ethane is obtained from areas closer to the Gulf, the IRR approximates 8 – 8,5%. Where ethane is sourced further away from the Gulf, there are increases in the ethane price. In this scenario, the IRR approximates 5,2 – 5,7%. In both of these scenarios, an oil price of between US\$60 – 85/bbl has been assumed. It should be noted, that these ranges are also influenced by the impact of our ethylene derivatives, market conditions, volumes and product pricing. Despite the wide range of views on the ethane price, the average EBITDA per annum differential for the scenarios at steady state is ~US\$200m and this is indicative of the strong cash flow generation ability of the project. At spot prices, using the last quarter of 2018 as a reference, the IRR is between 8,5% to 9,0%.

Key projects metrics	February 2018	update August 2018
Total project output capacity	1,76 mtpa	1,76 mtpa
Ethane consumption	100,000 bpd	100,000 bpd
Ethylene production	1,54 mtpa	1,54 mtpa
First unit beneficial operation	2nd half CY2018	2nd half CY2018
Total project beneficial operation	2nd half CY2019	2nd half CY2019
Capital expenditure to date	US\$8,75bn	US\$9,85bn
Total project capex	US\$11,13bn	US\$11,13bn
% completion	~81%	~88%
EBITDA from all derivative products (full run rate - year 4)	US\$1360m - US\$1460m	US\$1250m - US\$1350m

LCCP capital cost and cash flow

The LCCP expected capital cash flow requirements are as follows:

Cumulative capital expenditure as at 30 June 2018	US\$9,85bn*
Cumulative cash flow as at 30 June 2018	US\$9,2bn
Projected capital expenditure (cash flow)	
- Financial Year 2019	US\$1,7bn
- Financial Year 2020	US\$0,2bn

* Includes accruals of approximately US\$0,6bn.

Ethane outlook

The US ethane price is currently experiencing volatility as the crackers and ethane export terminals start to come on line. In quarter 2, 2018 the Mont Belvieu purity ethane price averaged US\$28c/gal. As more crackers and export terminals come on line in the long term, ethane prices are expected to increase. There are many uncertainties associated with projecting these increases in the price of US ethane. These uncertainties include:

- Supply side issues:
 - As ethane is a by-product of oil and gas production, the oil price and the natural gas price and the resulting activity in the shale basins will influence ethane supply and hence its price;
 - The infrastructure requirements and build-out of this infrastructure also influence volatility and price;
 - Geology assumptions on type curves and productivity growth in the shale areas also influence views on the availability and location of ethane;
 - Assumptions on which locations (or shale basins) where ethane will be sourced from in the US influences transportation and fractionation cost assumptions from the relevant shale basins to the cracker locations;
- Demand: the number and pace of build-out of the crackers and the volume of ethane exports

External consultants therefore have differing views on future US ethane prices.

Value Chains

		Scenario based on Ethane sourced further away from the gulf ¹	Scenario based on Ethane sourced close to the gulf ²	Scenario based on Apr-Jun 2018 average ³
Merchant Ethylene				
Year 1				
Volumes	ktpa	260	260	260
EBITDA	US\$m	(5) - 5	60 - 70	10 - 20
Year 3 - Full run rate				
Volumes	ktpa	330	330	330
EBITDA	US\$m	50 - 60	175 - 185	45 - 55

Polyethylene				
Year 1				
Volumes	ktpa	295	295	295
EBITDA	US\$m	115 - 125	140 - 150	170 - 180
Year 3 - Full run rate				
Volumes	ktpa	900	900	900
EBITDA	US\$m	500 - 510	675 - 685	795 - 805

Ethylene Oxide (EO) value chain				
Year 1				
Volumes	ktpa	160	160	160
EBITDA	US\$m	60 - 70	60 - 70	70 - 80
Year 4 - Full run rate				
Volumes	ktpa	400	400	400
EBITDA	US\$m	155 - 165	160 - 170	210 - 220

Ziegler alcohol, Alumina and Guerbet alcohols (ZAG)				
Year 1				
Volumes	ktpa	80	80	80
EBITDA	US\$m	100 - 110	105 - 115	105 - 115
Year 6 - Full run rate				
Volumes	ktpa	160	160	160
EBITDA	US\$m	300 - 310	305 - 315	315 - 325

Project EBITDA				
FY19	US\$m	175 - 195	265 - 285	250 - 270
FY20	US\$m	700 - 720	930 - 950	960 - 980
FY23 - Full run rate	US\$m	1 160 - 1 180	1 300 - 1 320	1 450 - 1 470

*All EBITDA are quoted in nominal terms

- 1 Based on Ethane @ US\$60 - 70 c/gal and oil @ US\$75 - 85 /bbl in real terms
- 2 Based on Ethane @ US\$30 - 40 c/gal and oil @ US\$60 - 70 /bbl in real terms
- 3 Based on Ethane @ US\$28 c/gal and oil @ US\$72 /bbl in real terms

Additional project-related information

With a cost savings mindset culturally entrenched within the group, the forecasted change in costs to operate the plant (excluding feedstock) over the life of the project is being optimised as we continually look at opportunities to drive costs lower.

Total costs of operation in nominal terms:

	August 2017	Update August 2018
FY19 - FY21 (Years 1-3)	400 - 500	400 - 480
FY22 - FY25 (Years 4 - 7)	500 - 580	500 - 550
FY26 - FY38 (Years 8 - 20)	580 - 800	550 - 820

Our previous depreciation guidance remains unchanged. The estimated benefit of the recent tax reform was disclosed with our interim results and we expect it to be between US\$400-500m on the net present value of the project.

Total interest capitalised over the life of the project:

	2017 US\$m	2018 US\$m	2019 US\$m	2020 US\$m
	Actual (cumulative)	Actual	Forecast	Forecast
Interest capitalised on group borrowings	93,2	65,1	98,8	17,1
Interest capitalised on specific borrowings	255,5	199,2	107,9	8,8
Total	348,7	264,3	206,7	25,9

Estimated impact on depreciation of US\$15m – US\$20m per annum, currently not included in US\$11,13bn total project cost.

Project returns and sensitivities

It is estimated that a 5c/gal change in the ethane price will have an approximate impact of approximately US\$75m on an annual EBITDA at steady state. If the ethane price remains 5c/gal lower over the life of the project, the impact on the IRR will be approximately 0,5%.

Abbreviations

mtpa	-	metric tonnes per annum
bpd	-	barrel per day
ktpa	-	thousand tons per annum
US\$m	-	US dollar million
US\$	-	US dollar
c/gal	-	cents per gallon

Financial ratios – calculations

for the year ended 30 June

		Full year 2018 Rm	Full year 2017 Rm	Full year 2016 Rm
Market capitalisation – Sasol ordinary shares				
Number of shares at end of year	millions	623,1	651,4	651,4
Closing share price at end of year (JSE)	Rand	502,86	366,50	397,17
Market capitalisation (Rand)				
	Rm	313 332	238 738	258 717
Closing share price at end of year (NYSE)	US dollar	36,54	27,95	27,12
Market capitalisation (US\$)				
	US\$m	22 768	18 207	17 666
Premium over shareholders' funds				
Market capitalisation	Rm	313 332	238 738	258 717
Shareholders' equity	Rm	222 985	211 711	206 997
Premium	Rm	90 347	27 027	51 720
Price to book				
Market capitalisation	Rm	313 332	238 738	258 717
Shareholders' equity	Rm	222 985	211 711	206 997
Price to book	times	1,41	1,13	1,25
Enterprise value (EV)				
Market capitalisation	Rm	313 332	238 738	258 717
Plus:				
non-controlling interest		5 623	5 523	5 421
Liabilities				
long-term debt	Rm	96 691	74 312	78 015
short-term portion of long-term debt ¹	Rm	12 763	7 093	1 862
short-term debt	Rm	1 946	2 625	138
bank overdraft	Rm	89	123	136
Less: Cash	Rm	(15 148)	(27 643)	(49 985)
Enterprise value (Rand)	Rm	415 296	300 771	294 304
Market capitalisation (NYSE prices) – Total Sasol shares				
	US\$m	22 768	18 207	17 666
US dollar conversion of above adjustments*	US\$m	7 426	4 750	2 419
Enterprise value (US\$)	US\$m	30 194	22 957	20 085
Earnings before interest, tax, depreciation and amortisation (EBITDA)				
Earnings before interest and tax (EBIT)	Rm	17 747	31 705	24 239
Depreciation of property, plant and equipment	Rm	16 046	15 810	15 962
Amortisation of intangible assets	Rm	379	394	405
Share-based payments	Rm	4 431	226	494
Remeasurement items	Rm	9 901	1 616	12 892
Unrealised hedging losses/(gains)	Rm	3 909	(2 124)	–
EBITDA	Rm	52 413	47 627	53 992
Free cash flow				
Cash retained from operating activities	Rm	26 354	28 480	33 935
Minus:				
sustenance capital	Rm	(19 749)	(17 170)	(16 997)
Free cash flow	Rm	6 605	11 310	16 938

* Conversion at 30 June 2018 closing rate of US dollar/rand R13,73 (FY17 – R13,06; FY16 – R14,71).

¹ The increase in short-term debt relates to the unwinding of the Inzalo transaction with the debt becoming due in September 2018.

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, executing our growth projects (including LCCP) oil and gas reserves and cost reductions, including in connection with our Business Performance Enhancement Programme, Response Plan, Continuous Improvement programme and our business performance outlook. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast", "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 on Form 20-F filed on 28 August 2017 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: All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".

Comprehensive additional information is available on our website: www.sasol.com

