SASOL LTD
Form 6-K
March 10, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934
Report on Form 6-K for March 10, 2014
Commission File Number 1-31615
Sasol Limited
1 Sturdee Avenue
Rosebank 2196
South Africa
(Name and address of registrant's principal executive office)
Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F __X__ Form 40-F _____
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____
Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____
Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.
Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes _____ No __X__
If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_______________.
Enclosures: Reviewed interim financial results for the six months ended 31 December 2013

Sasol Limited
(Incorporated in the Republic of South Africa)
(Registration number 1979/003231/06)
Sasol Ordinary Share codes: JSE : SOL NYSE : SSL
Sasol Ordinary ISIN codes: ZAE000006896 US8038663006
Sasol BEE Ordinary Share code: JSE : SOLBE1
Sasol BEE Ordinary ISIN code: ZAE000151817
("Sasol" or "the Company")
Reviewed interim financial results
for the six months ended 31 December 2013
HIGHLIGHTS
Committed to excellence in all we do, Sasol is an international integrated energy and chemical company that leverages the talent and expertise of our more than 34 000 people working in 37 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity.

- Strong group operational performance
- R723 million spent on socio-economic and skills development in South Africa
- Sasol Synfuels' normalised production volumes up by 3%
- Normalised cash fixed costs below SA PPI of 6,4%
- Operating profit up 33%, excluding once-off items
- Headline earnings per share up by 26% to R30,19 off a record base
- Cash generated from operations up 50%
- Record interim dividend of R8,00 per share, up by 40%

Segment report for the period ended
Operating profit/(loss) after
Turnover
remeasurement items
R
million
R
million
full year
half year
half year
half year
half year full year
30 Jun 13
31 Dec 12
31 Dec 13 Business unit analysis
31 Dec 13
31 Dec 12 30 Jun 13
145 954
70 574
82 926
South African energy cluster
21 189
16 536
36 616
12 324
6 180

6 978 Mining
1 351
1 302
2 214
8 081
3 998
4 784 Gas
2 626
1 967
3 919
58 275
27 959
31 800 Synfuels
16 223
12 458
28 624
67 274
32 437
39 364 Oil
989
809
1 859
-
-
-
Other
-
-
-
4 515
2 238
2 766 International energy cluster
(6 572)
(1 159)
(2 877)
881
429
358
Synfuels International
(435)
(452)
(991)
3 634
1 809
2 408 Petroleum International
(6 137)
(707)
(1 886)
98 943
45 740
57 778 Chemical cluster

3 644
1 823
3 022
17 759
8 339
10 362 Polymers
(351)
(1 124)
(1 506)
20 728
9 601
8 850 Solvents
358
29
825
41 278
18 417
26 401 Olefins & Surfactants
2 749
1 568
3 580
19 178
9 383
12 165 Other chemical businesses
888
1 350
123
368
62
610
Other businesses
1 120
1 080
2 018
249 780
118 614
144 080
19 381
18 280
38 779
(79 889)
(38 764)
(45 812) Intersegmental turnover
169 891
79 850
98 268
OVERVIEW
Full steam ahead
"Looking at the first half of the 2014 financial year, safe, reliable and efficient operations remain at the core of everything we do at Sasol. Coupled with ongoing operations improvements, advancements on our capital projects, and an enhanced group-wide safety focus, we continue to deliver sustainable value for all of our

stakeholders.

With July the 1st fast-approaching, we are moving full steam ahead to go live with our new operating model, which will drive streamlined management structures, cost-effective processes and meaningful savings."

David E Constable, Chief Executive Officer

Interim results overview

Earnings attributable to shareholders for the six months ended 31 December 2013 increased by 5% to R12,7 billion from R12,2 billion in the prior year*. Headline earnings per share increased by 26% to R30,19, and over the same period, earnings per share increased by 4% to R20,88. Excluding the impact of net once-off remeasurement items, amounting to R5,7 billion, earnings attributable to shareholders increased by 25% compared with the prior year on a similar basis.

Sasol recorded an operating profit, after remeasurement items, of R19,4 billion for the period, excluding our share of profits of equity accounted joint ventures and associates of R2,2 billion, which includes our ORYX GTL plant. This achievement was on the back of a strong operational performance from our global businesses, coupled with a 19% weaker average rand/US dollar exchange rate (R10,08/US$ for the six months ended 31 December 2013 compared with R8,48/US$ for the six months ended 31 December 2012), as well as a relatively

flat average Brent crude oil price (average dated Brent was US$109,83/barrel at 31 December 2013 compared with US$109,81/barrel at 31 December 2012) and improved chemical prices.
Earnings attributable to shareholders in the current period were negatively impacted by net once-off charges totalling R5,7 billion (31 December 2012 - R3,6 billion). These items relate primarily to the R5,3 billion (CAD540 million) impairment of our Canadian shale gas assets, the final loss of R198 million on the disposal of our Arya Sasol Polymer Company (ASPC) investment, the impairment of the Sasol Solvents Germany disposal group held for sale of R466 million and the fair value gain of R110 million related to the acquisition of the remaining 60% shareholding in Wesco China. These once-off items also include a gain of R453 million relating to the profit on disposal of our 49% share in Spring Lights Gas.
* All comparisons refer to the prior year comparative period, as restated for the adoption of the new consolidation suite of accounting standards unless otherwise stated (refer to the basis of preparation and accounting policies section of this announcement for details thereon).
"Across our global operations, we are maintaining our strong cash flow generation ability. We continue to deliver value to our shareholders through the strong performance of our businesses, the advancement of our growth projects and the execution of our progressive dividend policy. Our balance sheet remains resilient and provides a sufficient buffer for volatility."
Paul Victor, Acting Chief Financial Officer
First half 2014 highlights
Sasol Synfuels delivered better than expected production volumes for the period of 3,7 million tons (mt) (31 December 2012 - 3,7 mt), despite the east factory total and phase shutdown, which took place in September 2013. This was the largest ever shutdown at Sasol Synfuels, consisting of 155 822 activities undertaken with an additional 36 000 people on site. Normalised Sasol Synfuels volumes increased by 3% on a comparable basis.
Production performance at our ORYX gas-to-liquids (GTL) plant, which achieved a year-to-date average utilisation rate of 94%, exceeded our expectations.
In our European chemical businesses, we continue to optimise our production volumes and margins, in light of the slower than expected tenuous recovery of the European market. However, our Sasol Olefins and Surfactants business has delivered improved business margins, specifically in the US, while our Sasol Polymers business has performed better than expected.
Cash fixed costs, excluding the impact of a weaker exchange rate and once-off and growth costs, decreased marginally by 0,2% in real terms, despite a challenging South African cost environment, driven by high labour, maintenance and electricity costs. Notwithstanding, our current cost inflation is in line with the South African producers' price index inflation trends of 6,4% for the first half of the 2014 financial year.
The total costs for the first half of the 2014 financial year increased by 20% compared to the prior year. Normalised for exchange rate movements of 12%, higher costs associated with increased volumes of 3% and a 3% increase in depreciation, our total costs increased by 2% related to inflation. To ensure that we sustainably reduce our cost base, we have taken important strides in our management-led business performance enhancement project.
Cash flow generated from operations increased by 50% to R28,1 billion compared with R18,7 billion in the prior year. However, this was offset by increased working capital, both as a result of price and volume effects. Capital investments for the period amounted to R20,0 billion, in line with our expectations.
Taking into account the ongoing strength of our financial position, current capital investment plans, as well as our progressive dividend policy, the Sasol board of directors has declared an interim dividend of R8,00 per share, which is an increase of 40%, compared with the prior year. This approach supports our commitment to consistently return value to our shareholders.
Driving business effectiveness
Since launching our business performance enhancement programme in 2013, we have finalised the design of our new group-wide operating model including its related top management structures, which will become effective on 1 July 2014.
Our new group executive committee structure is aligned with our future value chain-based operating model, comprising four distinct groupings:

- Operating Business Units, which comprise our mining and upstream oil and gas activities;
- Regional Operating Hubs, which include our operations in Southern Africa, North America and Eurasia;
- Strategic Business Units, which focus on our commercial and enhanced customer interfaces within the energy and chemicals arenas; and
- Group Functions, which will deliver fit-for-purpose business support services and solutions.

By the end of the 2014 financial year, we expect to have reorganised most of our senior management structures and refined our financial reporting processes, in line with the new operating model. Focus on safety, operational stability and compliance will remain key during this period.

Together with the implementation of our new management structures and related corporate governance framework, we are introducing key systems and process changes, to ensure a simplified, cost-effective, efficient, competitive organisation.

At our 2013 year-end results announcement we confirmed that through this programme, we expect to generate sustainable annual savings of more than R3 billion. Based on our current analyses, we are confident that we will exceed this savings target, 30% to 40% of the savings expected to be realised by the end of the 2015 financial year. The full benefit of our management interventions will be evident from the 2016 financial year. Cash fixed cost trends are expected to follow inflation.

The majority of the savings identified related to optimising external spend, improving operational productivity and restructuring the organisation. The new operating model will also result in simplified and fit-for-purpose functional support. Our 2014 financial year savings is trending to be more than R200 million.

The cost of implementation approximates R1,2 billion for the 2014 financial year, which includes project costs, costs associated with the reconfiguration of our enterprise resource planning (ERP) systems and restructuring expenses. The costs associated with this programme are expected to be incurred over the next three years, with the majority being incurred in the 2014 and 2015 financial years.

Delivering on growth projects and driving operations excellence

We are encouraged with the headway we are making in delivering on our project pipeline:

- Looking at our growth projects:
- We continue to progress with the front-end engineering and design (FEED) phase of our US growth programme, which includes an integrated, world-scale ethane cracker and downstream derivatives complex and a GTL facility in Westlake, Louisiana. It is anticipated that we will reach the final investment decision (FID) for the ethane cracker and downstream derivatives project during the 2014 calendar year, with the FID for the GTL facility to follow 18 to 24 months thereafter.
- With our joint venture partner, Ineos, we are advancing with the FEED phase on a high density polyethylene plant in the US. We also expect to reach an FID on this project during the 2014 calendar year.
- We are in an extended FEED phase on our Uzbekistan GTL project. The majority of the technical FEED activities have been completed. FID for this project is, amongst others, dependent on securing appropriate project funding, as well as confirming a suitable partner to take up 19% of our current stake in the venture. We anticipate that we will reach financial close during the second half of the 2014 calendar year.
- In Nigeria, the Escravos GTL project is progressing steadily with commissioning and start-up activities. Beneficial operation in respect of the first train is expected to be achieved during the first half of the 2014 calendar year.
- Focusing on our foundation businesses:
- We have successfully commissioned the ethylene purification unit (EPU5) in Sasolburg. The project was completed on time and within its approved budget. The EPU5 project increases ethylene volumes for our polyethylene plants by approximately 47 kilotons annually. Furthermore, the construction of the R1,3 billion C3 stabilisation project in Secunda remains on track and is expected to be in operation in the middle of the 2014 calendar year.
- In February 2014, we successfully completed commissioning of the tetramerisation project in Lake Charles, Louisiana. This first-of-a-kind technology to selectively convert ethylene to higher value co-monomers, 1-octene and 1-hexene, is currently in start-up and first product was successfully produced. We expect that the plant will be fully operational by the middle of the 2014 calendar year.
- The Sasol Synfuels growth programme remains on track and is nearing completion. Beneficial operation of the entire programme is still expected to be reached at the end of the 2014 calendar year. The complex brownfields volatile organic compound (VOC) abatement project, along with the replacement of tar tanks and separators and the coal tar filtration (CTF) east project are experiencing schedule and cost pressures. The capital cost and schedule of these projects have been reassessed. The VOC abatement and CTF projects' beneficial operation dates have been extended to the middle of the 2016 calendar year and the first half of the 2017 calendar year, respectively. The total approved cost of these three projects is estimated at R7,5 billion.
- Sasol Mining's R14,0 billion mine replacement programme continues to progress steadily. It is anticipated that the Impumelelo and Shondoni collieries will reach beneficial operation during the first half and second half of the 2015 calendar year, respectively. The slight delay in reaching beneficial operation is as a result of shaft sinking constraints experienced at Impumelelo and water challenges experienced at Shondoni, which have now been resolved. Both projects are still anticipated to be completed within budget, without any impact on the supply of coal to the Sasol Synfuels business.
- Construction on the FT wax expansion in Sasolburg continues. The commissioning of phase 1 is now expected

to take place during the fourth quarter of the 2014 calendar year, seven months later than previously communicated. The delay in phase 1 is mainly due to the underperformance of key contractors. Commissioning of phase 2 of the project remains on track. The revised total project cost for both phases is estimated at R13,6 billion. No further impairment of this project is currently considered necessary.

- Construction of the R1,98 billion loop line from Mozambique to Secunda, which will enable additional gas monetisation in Mozambique, is progressing well. Beneficial operation is expected during the second half of the 2014 calendar year and the project is expected to be completed within budget.
- We continued to advance the development of the US$246 million 140 megawatts gas-fired power plant at Ressano Garcia, Mozambique, in partnership with the country's state-owned power utility Electricidade de Mozambique. Beneficial operation remains on track for the middle of the 2014 calendar year and will be within budget.
- Turning to our upstream activities:

- The Production Sharing Agreement (PSA) development project in Mozambique advanced from pre-feasibility to feasibility. The full field development plan for the PSA is on track to be submitted to the Mozambican authorities by the 25 February 2015 deadline.
- Offshore Gabon, we are maturing and developing additional proven oil reserves to maintain and potentially boost production in the non-operated Etame Marin Permit (EMP) for an amount of US$168,2 million. Progress on the development of the Etame expansion project and the South East Etame and North Tchibala projects are on track for beneficial operation in the 2015 calendar year.

Operational performance

South African energy cluster

Sasol Mining - increased mining costs

Operating profit of R1 351 million was 4% higher than the prior year. Operating profit was negatively impacted by increased mining costs, coupled with flat production volumes, as well as additional external coal purchases to sustain demand. Lower sales volumes to Sasol Synfuels and the export market further contributed negatively. However, in contrast, Sasol Mining benefited from higher sales prices to Sasol Synfuels, as well as the weaker rand/US dollar exchange rate.

Sasol Gas - higher sales prices and volumes

Operating profit, excluding remeasurement items, increased by 11% to R2 173 million compared to the prior year. This was mainly as a result of higher sales prices and a 4 million gigajoules (or 5%) increase in sales volumes. Operating profit includes a gain of R453 million recognised on the disposal of our investment in Spring Lights Gas.

Sasol Synfuels - higher prices, stable volumes due to planned shutdown

Sasol Synfuels' operating profit increased by 30% to R16 223 million compared to the prior year, primarily due to a weaker average rand/US dollar exchange rate resulting in favourable product prices and improved margins. Production volumes of 3,7 million tons were stable compared to the prior year, despite the east factory total and phase shutdown, which took place in September 2013, compared to only a phase shutdown in the prior period. Normalised Sasol Synfuels volumes increased by 3% on a comparable basis. Cash unit costs increased by 6,9% compared to the prior year, which is now in line with the South African producers' price index. This is
as a result of production stability and ongoing management efforts to contain costs.

Sasol Oil - higher margins coupled with higher volumes

Operating profit increased by 22% to R989 million compared to the prior year primarily due to improved crude refining and higher sales and marketing margins. However, foreign exchange losses on commodity derivatives, due to the weaker rand/US dollar exchange rate, impacted negatively on operating profit. Cash fixed cost increases were contained to below inflation. Our Natref refinery's operating profit is included in Sasol Oil's results on a line-by-line consolidation basis, due to the adoption of the new accounting standards, as referred to in the basis of preparation and accounting policies section of this announcement. Prior to the adoption of the new accounting standards, Natref was consolidated as a subsidiary. Prior year comparative amounts have been restated accordingly. Production volumes increased by 12% compared to the prior year, due to higher volumes at Natref, primarily as a result of postponing the facility's planned shutdown to the second half of the 2014 financial year.

International energy cluster

Sasol Synfuels International (SSI) - higher ORYX GTL volumes

SSI's operating loss of R435 million decreased by 4% compared to the prior year. This was mainly due to lower US GTL study costs, as this project has moved to the FEED phase.

As a result of the adoption of new accounting standards, as discussed in the basis of preparation and accounting policies section of this announcement, ORYX GTL has been accounted for as an equity accounted joint venture and is no longer proportionately consolidated. Income from equity accounted joint ventures, including ORYX GTL, increased by 13% to R1 898 million from R1 679 million in the prior year. The increase is mainly due to the contribution of higher volumes at the ORYX GTL plant in Qatar, supported by the weaker rand/US dollar exchange rate. The ORYX GTL facility, which has maintained a zero recordable case rate (RCR), achieved a year-to-date average utilisation rate of 94% of nameplate capacity.

Sasol Petroleum International (SPI) - Mozambique volume growth, however, low North American gas prices impact Canadian asset performance

SPI recorded an operating loss of R6 137 million compared to an operating loss of R707 million in the prior year. SPI's African volume-producing businesses reflected an operating profit of R1 187 million, on the back of improved production from our Mozambique and Gabon assets. Total gas sales from Mozambique increased by 12% compared to the prior year. The Pande and Temane gas fields in Mozambique performed well and, in addition, we are planning for significant growth in the Production Sharing Agreement (PSA) area in Mozambique. Although Gabon's oil production is slowly declining, we are maturing additional volumes to sustain the life of the asset.

Our Canadian shale gas asset in Montney generated an operating loss of R6,5 billion, including an impairment of R5,3 billion (CAD540 million) and depreciation of R1,3 billion (CAD131 million) for the period. Our Montney investments remain under pressure due to low North American gas market prices and high depreciation, both of which contributed to the operating loss for the period. In conjunction with our future joint venture partner, Progress Energy, we currently have two drilling rigs in operation. Cash flow from our upstream Canadian operating activities remains positive.

Chemical cluster

Sasol Polymers - improved margins and volumes in South African business

Sasol Polymers recorded an operating loss of R351 million compared to an operating loss of R1 124 million in the prior year. The South African polymers business recorded an operating loss of R363 million (2012 - R1 187 million). Sales and production volumes were 1% and 7%, respectively, higher than the prior year mainly due to improved plant efficiencies as well as plant stability benefits being achieved through the commissioning of EPU5 in October 2013. Margins have also improved on the back of increased US dollar-based prices and a weaker rand/US dollar exchange rate. Our international operations contributed an operating profit of R194 million, excluding income from associates and equity accounted joint ventures of R164 million and the loss of R198 million realised on the disposal of our investment in ASPC. This final disposal loss related mainly to the recycling of the foreign currency translation reserve in the income statement. As a result of the adoption of new accounting standards, as discussed in the basis of preparation and accounting policies section of this announcement, ASPC's comparative results have been accounted for as an equity accounted joint venture and is no longer proportionately consolidated.

Sasol Solvents - higher sales volumes coupled with improved margins

Operating profit increased from R29 million to R358 million compared to the prior year. This is mainly due to higher product prices, improved solvent sales volumes and a weaker rand/US dollar exchange rate, partly negated by an impairment of R466 million related to our German operations, which have been classified as a disposal group held for sale at 31 December 2013. The co-monomers product portfolio has been transferred into Sasol Olefins & Surfactants from Sasol Solvents, effective 1 July 2013, and their results are excluded in the operating profit from this effective date. Our operations in Germany remain under pressure as a result of higher feedstock costs without a commensurate increase in sales prices.

Sasol Olefins & Surfactants (Sasol O&S) - improved volumes and margins in the US compensate for weaker margins in Europe

Operating profit increased by 75% to R2 749 million compared to the prior year, largely underpinned by higher production and sales volumes in the US and the weaker rand/euro exchange rate. While our US operations continued to benefit from improved margins due to low US ethane prices, some of our European-based businesses remain under pressure as a result of lower volumes and pressure on margins, due to continued high petrochemical feedstock prices.

Other chemical businesses - improved hard wax volumes, challenging market conditions for Sasol Nitro

Our other chemical businesses' operating profit of R888 million decreased by 34% compared to the prior year. The operating profit of our Sasol Wax business increased by 24% compared to the prior year, on the back of a 14% increase in sales volumes in South Africa as well as weaker rand/US dollar and rand/euro exchange rates. Despite the slower global economic conditions, particularly in Europe, sales volumes for the global wax business have improved over the last 18 months.

Sasol Infrachem's operating profit of R640 million was negatively affected by softer global ammonia prices, coupled with lower production volumes. The Sasol Nitro business incurred an operating loss of R57 million for the period. While sales volumes increased slightly, this was offset by lower selling prices and contracting margins, due to the low ammonia/urea price differential.

Doing business responsibly

We continued to deliver on our broader sustainability and community contributions during the period:

- Our safety incident recordable case rate (RCR) for employees and service providers, including injuries and illnesses, of 0,34 at 31 December 2013 has improved compared with the RCR rate of 0,36 at 30 June 2013. Our RCR for employees and service providers, excluding illnesses, is 0,30 at 31 December 2013 (30 June 2013 - 0,31). This performance was overshadowed by three fatalities during the period. Given an enhanced process safety focus, we have seen a reduction in process- related safety incidents.
- In February 2014, Sasol Mining's Secunda mining rights were extended to 2040 by the Department of Mineral Resources. This extension further consolidates eight mining rights and two prospecting rights acquired or applied for previously. These rights provide a basis for the achievement of our South African 2050

strategy.

- Our Ikusasa programme is progressing well. Four areas are focussed on, namely education, health and wellbeing, infrastructure, and safety and security in the Secunda and Sasolburg regions. As part of our R200 million commitment for 2014 to the communities in which we operate, we invested R23 million and R46 million in Secunda and Sasolburg, respectively, during the period.
- At Sasol, we believe that education is the foundation of a prosperous future. Providing quality education and well-equipped schools in rural South Africa is vital to improve job creation opportunities and socio-economic development. In light of these objectives, Sasol Nitro, in Rustenburg, will be providing three schools with four classrooms each to alleviate the overcrowding.
- In partnership with South Africa's Department of Energy, Sasol launched an Integrated Energy Centre (IeC) at Makwana Village, in the Free State Province in January 2014. To date, Sasol has contributed to the establishment of seven such centres in government-identified poverty nodes. The main objective of these centres is to bring affordable and sustainable energy services closer to poorer rural communities, by delivering energy essentials such as petrol, diesel, lubricants and liquefied petroleum gas. These centres serve as an economic hub for new employment opportunities and serves as an important platform to drive small business development.

- In October 2013, Sasol, together with the South African Department of Trade and Industry (dti), inaugurated the ChemCity Business Incubator (CBI) in Sasolburg. The CBI will support and promote the development of small, medium and micro-sized enterprises. The R60 million facility forms part of the dti's national campaign to roll out 200 businesses. Sasol, by contributing R41 million, will develop and manage the facilities as part of its contribution to promote socio-economic development.
- Sasol and General Electric's Power and Water division have, together, developed new water technology that will clean waste water, while also providing biogas as a by-product for power generation. Sasol will use this new technology, known as Anaerobic Membrane Bioreactor Technology to further enhance our GTL value proposition.
- In November 2013, Sasol launched its Sasol turbodiesel TM ULS 10ppm to the South African market. This is the lowest sulphur content diesel offering available on the African continent. This development is a step forward in moving South Africa closer to cleaner fuel specifications in line with international standards. Sasol turbodiesel TM ULS 10ppm already complies with international sulphur and cetane requirements.
- We contributed towards the completion of the South African Department of Environmental Affairs' study on the greenhouse gas mitigation potential for South Africa. This study forms the basis for the determination of sector-specific emission budgets towards the end of the 2014 calendar year. We further provided detailed inputs to the South African National Treasury's proposals on carbon tax design options and considerations.
- Our efforts in the water stewardship arena received two awards. The South African Department of Water Affairs presented Sasol with the water conservation and water demand management award in October 2013, for our Emfuleni Municipality project. In addition, Sasol Water Sense won the Mail and Guardian's "Greening the Future" award in the water management category.

Competition law compliance

We continue to evaluate and enhance our compliance programmes and controls in general, and our competition law compliance programme and controls, in particular. As a consequence of these programmes and controls, including monitoring and review activities, we have also adopted appropriate remedial and/or mitigating steps, and made disclosures on material findings, as and when appropriate.

The South African Competition Commission (the Commission) is conducting investigations into several industries in which Sasol operates, including the piped gas, petroleum, fertilisers and polymer industries. We continue to cooperate with the Commission in these investigations. To the extent appropriate, further announcements will be made in future.

Cash generation supports strong balance sheet

The deleveraged balance sheet reflected an ungeared position of 0,8% at 31 December 2013 compared to the ungeared position of 1,1% at 30 June 2013. The low gearing is supported by continued healthy cash flow generation from across the group. This low level of gearing is expected to be maintained in the short term, but is likely to return to our targeted range of 20% to 40% in the medium term, taking into account our growth programme as well as our progressive dividend policy.

Profit outlook(+) - strong management focus on improved operational performance and cost reduction

Macro-economic conditions remain volatile. In the near term, we anticipate stable crude oil prices, slightly improved natural gas prices, slow recovery of chemical product prices and softer refining margins. The rand/US dollar exchange rate remains one of the biggest external factors impacting our profitability and we expect a slight strengthening from its current levels. In addition to driving safety performance, compliance and operational stability, we continue to focus on factors within our control: volume growth, margin improvement and cost reduction. The current volatility and uncertainty of global markets and geopolitical activities constrains us from being more precise in this outlook statement.

We expect an overall solid production performance for the 2014 financial year with our production guidance as follows:

- Sasol Synfuels' volumes are expected to be between 7,3 and 7,5 million tons;
- The average utilisation rate at ORYX GTL in Qatar is expected to remain above 90% of nameplate capacity; and
- Our shale gas venture in Canada will show marginally decreased production compared to the prior year, due

to reduced drilling activities and less new wells coming on stream. Any significant ramp-up will be triggered by natural gas price increases, which have shown some recovery in the short term, but remain low. Nonetheless, we are confident of the long-term opportunities created by these investments, as they continue to form an integral part of our North America strategy and provide a natural hedge for our downstream plans in the US.

We remain on track to maintain our improved operational performance. As costs are incurred to ensure plant stability and the weaker rand continues to exert pressure on our South African businesses, we expect that our normalised cash fixed costs will increase slightly above the South African PPI inflation. Cost reduction is a specific target within our short-term incentive scheme and, accordingly, the management team continues to focus on controllable cost elements. We anticipate that the implementation costs associated with our business performance enhancement programme, will be approximately R1,2 billion for the 2014 financial year. The majority of this programme's costs will be spent in the 2014 and 2015 financial years.

(+) The financial information contained in this profit outlook is the responsibility of the directors and in accordance with standard practice, it is noted that this information has not been reviewed and reported on by the company's auditors.

Acquisitions and disposals of businesses

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

On 16 August 2013, we disposed of our 50% interest in ASPC for a 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 have been received in full. As a result of the transaction, Sasol has no ongoing investments in Iran.

In September 2013, Sasol acquired the remaining 60% shareholding in Wesco China, for a purchase consideration of R519 million (US$52 million), resulting in a fair value gain of R110 million on the acquisition.

In December 2013, Sasol signed an agreement to dispose of most of its Sasol Solvents Germany GmbH assets. The conclusion of the sale is dependent on certain conditions being met, including approval by the European anti-trust authorities. It is expected that, once final transaction approval has been obtained, a loss on the disposal will be recognised during the second half of the 2014 financial year. As at 31 December 2013, the affected assets and liabilities of Sasol Solvents Germany were classified as a disposal group held for sale.

Change in directors

Mrs TH Nyasulu retired as chairman and non-executive director of Sasol with effect from 22 November 2013. On 22 November 2013, Dr MSV Gantsho was appointed as the independent chairman of Sasol. Mr B Nqwababa was appointed as an independent non-executive director of Sasol and a member of the audit committee with effect from 5 December 2013.

Declaration of cash dividend number 69

An interim gross cash dividend of South African 800,00 cents per ordinary share (31 December 2012 - 570,00 cents per ordinary share) has been declared for the six months ended 31 December 2013. The interim cash dividend is payable on the ordinary shares and the Sasol BEE ordinary shares. The dividend has been declared out of retained earnings (income reserves). The South African dividend withholding tax rate is 15% and no credits in terms of secondary tax on companies have been utilised. At the declaration date, there were 649 886 916 ordinary shares (including 8 809 886 treasury shares), 25 547 081 preferred ordinary shares and 2 838 565 Sasol BEE ordinary shares in issue. The net dividend amount payable to shareholders, who are not exempt from the dividend withholding tax, is 680,00 cents per share, while the dividend amount payable to shareholders who are exempt from dividend withholding tax is 800,00 cents per share.

The salient dates for holders of ordinary shares and BEE ordinary shares are:

Declaration date

Monday, 10 March 2014

Last day for trading to qualify for and participate in the interim dividend (cum dividend)

Friday, 4 April 2014

Trading ex dividend commences

Monday, 7 April 2014

Record date

Friday, 11 April 2014

Dividend payment date

Monday, 14 April 2014

The salient dates for holders of our American Depository Receipts are(1):

Ex dividend on New York Stock Exchange (NYSE)

Wednesday, 9 April 2014

Record date

Friday, 11 April 2014

Approximate date of currency conversion

Tuesday, 15 April 2014

Approximate dividend payment date

Thursday, 24 April 2014

1 All dates are approximate as the NYSE sets the record date after receipt of the dividend declaration.

On Monday, 14 April 2014, dividends due to certificated shareholders on the South African registry will either be electronically transferred to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders. Shareholders who hold dematerialised shares will have their accounts held by their Central Securities Depository Participant (CSDP) or broker credited on Monday, 14 April 2014.

Share certificates may not be dematerialised or re-materialised between Monday, 7 April 2014 and Friday, 11 April 2014, both days inclusive.

On behalf of the board

Mandla SV Gantsho
David E Constable
Paul Victor
Chairman
Chief Executive Officer
Acting Chief Financial Officer
Sasol Limited
10 March 2014

The interim financial statements are presented on a condensed consolidated basis
Statement of financial position
at
half year
half year(1)
full year(1)
31 Dec 13
31 Dec 12
30 Jun 13
Rm
Rm Rm
ASSETS
Property, plant and equipment
104 324
90 512
100 989
Assets under construction
46 737
37 691
39 865
Goodwill
631 591 574
Other intangible assets
1 551
1 198
1 418
Investments in equity accounted joint ventures
8 804
8 502
8 636
Investments in associates
2 093
2 501
2 688
Post-retirement benefit assets
452
383
407
Deferred tax assets
2 435
1 377
2 318
Other long-term assets
3 407
2 487
3 208
Non-current assets
170 434
145 242
160 103
Assets in disposal groups held for sale

1 463
268
2 274
Inventories
26 241
22 353
22 619
Trade and other receivables
27 352
25 210
28 340
Short-term financial assets
1 789
627
1 526
Cash restricted for use
3 718
3 385
6 056
Cash
25 886
22 524
25 247
Current assets
86 449
74 367
86 062
Total assets
256 883
219 609
246 165
EQUITY AND LIABILITIES
Shareholders' equity
158 212
132 390
149 583
Non-controlling interests
3 512
2 956
3 310
Total equity
161 724
135 346
152 893
Long-term debt
21 893
19 776
21 340
Long-term financial liabilities
19
70

20
Long-term provisions
12 614
10 756
12 228
Post-retirement benefit obligations
8 783
7 761
8 813
Long-term deferred income
302
279
305
Deferred tax liabilities
17 895
14 331
15 572
Non-current liabilities
61 506
52 973
58 278
Short-term debt
1 922
7 785
1 565
Short-term financial liabilities
80
115
189
Other current liabilities
29 419
22 538
32 492
Bank overdraft
737
835
748
Liabilities in disposal groups held for sale
1 495
17
-
Current liabilities
33 653
31 290
34 994
Total equity and liabilities
256 883
219 609
246 165
1 Restated to reflect the adoption of the consolidation suite of accounting standards. Refer to the basis of preparation for additional information.

Income statement
for the period ended

	half year	half year(1)	full year(1)
	31 Dec 13	31 Dec 12	30 Jun 13
	Rm	Rm	Rm
Turnover	98 268	79 850	169 891
Materials, energy and consumables used	(44 100)	(36 533)	(76 617)
Selling and distribution costs	(2 758)	(2 348)	(5 102)
Maintenance expenditure	(4 048)	(3 698)	(7 243)
Employee related expenditure	(11 602)	(9 412)	(22 477)
Exploration expenditure and feasibility costs	(300)	(781)	(1 369)
Depreciation and amortisation	(6 683)	(5 014)	(11 121)
Other expenses, net	(3 666)	(3 126)	(4 234)
Translation gains	1 055	683	2 892
Other operating expenses	(5 244)	(4 279)	(8 889)

Other operating income
523
470
1 763
Operating profit before remeasurement items
25 111
18 938
41 728
Remeasurement items
(5 730)
(658)
(2 949)
Operating profit after remeasurement items
19 381
18 280
38 779
Share of profits of equity accounted joint ventures, net of tax
1 997
592
1 562
Share of profits of associates, net of tax
156
204
504
Profit from operations, joint ventures and associates
21 534
19 076
40 845
Net finance costs
(449) (561)
(1139)
Finance income
512 312 669
Finance costs
(961) (873)
(1 808)
Profit before tax
21 085
18 515
39 706
Taxation
(7 900)
(5 939)
(12 595)
Profit for period
13 185
12 576
27 111
Attributable to
Owners of Sasol Limited
12 710

12 157
26 274
Non-controlling interests in subsidiaries
475
419
837
13 185
12 576
27 111
Earnings per share
Rand Rand Rand
Basic earnings per share
20,88
20,10
43,38
Diluted earnings per share
20,85
20,02
43,30
1 Restated to reflect the adoption of the consolidation suite of accounting standards. Refer to the basis of preparation for additional information.

Statement of comprehensive income
for the period ended

	half year	half year(1)	full year(1)
	31 Dec 13	31 Dec 12	30 Jun 13
	Rm	Rm	Rm
Profit for period	13 185	12 576	27 111
Other comprehensive income, net of tax			
Items that can be subsequently reclassified to the income statement	3 572	2 127	8 160
Effect of translation of foreign operations	3 574	2 111	8 121
Effect of cash flow hedges	(16)	17	78
Investments available-for-sale	13	5	(17)
Tax on items that can be subsequently reclassified to the income statement	1	(6)	(22)
Items that cannot be subsequently reclassified to the income statement	157	(225)	(338)
Remeasurements on post-retirement benefit obligations	224	(324)	(497)
Tax on items that cannot be subsequently reclassified to the income statement	(67)	99	159
Total comprehensive income for the period	16 914	14 478	34 933
Attributable to			
Owners of Sasol Limited			

16 431
14 059
34 079
Non-controlling interests in subsidiaries
483
419
854
16 914
14 478
34 933
1 Restated to reflect the adoption of the consolidation suite of accounting standards. Refer to the basis of preparation for additional information.
Statement of changes in equity
for the period ended
half year half year(1)
full year(1)
31 Dec 13
31 Dec 12
30 Jun 13
Rm Rm Rm
Opening balance
152 893
127 942
127 942
Shares issued during period
220
227
727
Share-based payment expense
136
193
374
Disposal of business
291
- 7
Acquisition of business
(93)
(20)
(14)
Transactions with non-controlling shareholders in subsidiaries
(14)
13
8
Total comprehensive income for the period
16 914
14 478
34 933
Dividends paid to shareholders
(8 357)
(7 267)
(10 787)

Dividends paid to non-controlling shareholders in subsidiaries
(266)
(220)
(297)
Closing balance
161 724
135 346
152 893
Comprising
Share capital
28 931
28 211
28 711
Share repurchase programme
(2 641)
(2 641)
(2 641)
Sasol Inzalo share transaction
(22 054)
(22 054)
(22 054)
Retained earnings
132 349
117 399
127 996
Share-based payment reserve
9 020
8 702
8 883
Foreign currency translation reserve
14 001
4 232
10 235
Remeasurements on post-retirement benefit obligations
(1 431)
(1 479)
(1 585)
Investment fair value reserve
9
19
(3)
Cash flow hedge accounting reserve
28
1
41
Shareholders' equity
158 212
132 390
149 583
Non-controlling interests in subsidiaries
3 512

2 956
3 310
Total equity
161 724
135 346
152 893
1 Restated to reflect the adoption of the consolidation suite of accounting standards. Refer to the basis of preparation for additional information.

Statement of cash flows
for the period ended

	half year 31 Dec 13 Rm	half year(1) 31 Dec 12 Rm
Cash receipts from customers	99 409	80 960
Cash paid to suppliers and employees	(71 301)	(62 241)
Cash generated from operations	28 108	18 719
Cash flow from operations	33 235	24 385
Increase in working capital	(5 127)	(5 666)
Finance income received	3 043	2 328
Finance costs paid	(255)	(264)
Tax paid	(6 604)	(4 705)
Dividends paid to shareholders	(8 357)	(7 267)
Cash generated by operating activities	15 935	8 811
Additions to non-current assets	(19 896)	(13 817)
Acquisition of interests in joint ventures	-	(721)
Disposal of businesses	2 319	-
Additional investment in equity accounted joint ventures	(55)	(361)
Acquisition of interests in associates	(519)	(199)

Repayment of capital from associate
274
399
Other net cash flows from investing activities
390
464
Cash used in investing activities
(17 487)
(14 235)
Share capital issued
220 227
Contributions from non-controlling shareholders
-
27
Dividends paid to non-controlling shareholders
(266)
(220)
Proceeds from long-term debt
239 8 567
Repayments of long-term debt
(962) (776)
Proceeds from short-term debt
993 7 100
Repayments of short-term debt
(763) (587)
Cash (used in)/ generated by financing activities
(539)
14 338
Translation effects on cash and cash equivalents of foreign operations
454
192
(Decrease)/increase in cash and cash equivalents
(1 637)
9 106
Cash and cash equivalents at beginning of period
30 555
15 997
Net reclassification to held for sale
(51)
(29)
Cash and cash equivalents at end of period
28 867
25 074
1 Restated to reflect the adoption of the consolidation suite of accounting standards. Refer to the basis of preparation for additional information.
Salient features
for the period ended
half year half year(1)
full year(1)
31 Dec 13
31 Dec 12

30 Jun 13
Selected ratios
Return on equity
%
17,5*
19,2*
19,1
Return on total assets
%
18,5*
18,9*
18,7
Operating profit margin
%
19,7
22,9
22,8
Finance costs cover
times
86,5
73,4
79,5
Dividend cover
times
2,6
3,5
2,3
*Annualised
Share statistics
Total shares in issue
million
678,2
674,6
677,2
Sasol ordinary shares in issue
million
649,9
646,2
648,8
Treasury shares (share repurchase programme)