

SASOL
reaching new frontiers



Sasol Inzalo

Annual General Meeting

***Understanding Sasol Inzalo and
its financial statements***

Sasol Inzalo Public Limited (RF)



➤ *What you will hear today*

- Overview of the Sasol Inzalo transaction
- Which company you own shares in within the Sasol Inzalo group
- How to read financial statements and what they mean to you
- Important information on trading your shares
- Factors influencing a dividend declaration
- What happens in 2018
- Contact details

before we begin

- This presentation provides a summary and overview of your investment and how to read the company's financial statements.
- This presentation:
 - does not provide a complete picture. For a complete picture you have to look at the Sasol Inzalo prospectus and your Funded Contract;
 - does not provide investment or legal advice and you should not regard this presentation as giving you investment or legal advice. **If you want advice on your investment in Sasol Limited or Sasol Inzalo then you should speak to your own advisor;** and
 - Sasol Limited and Sasol Inzalo are not your advisors.

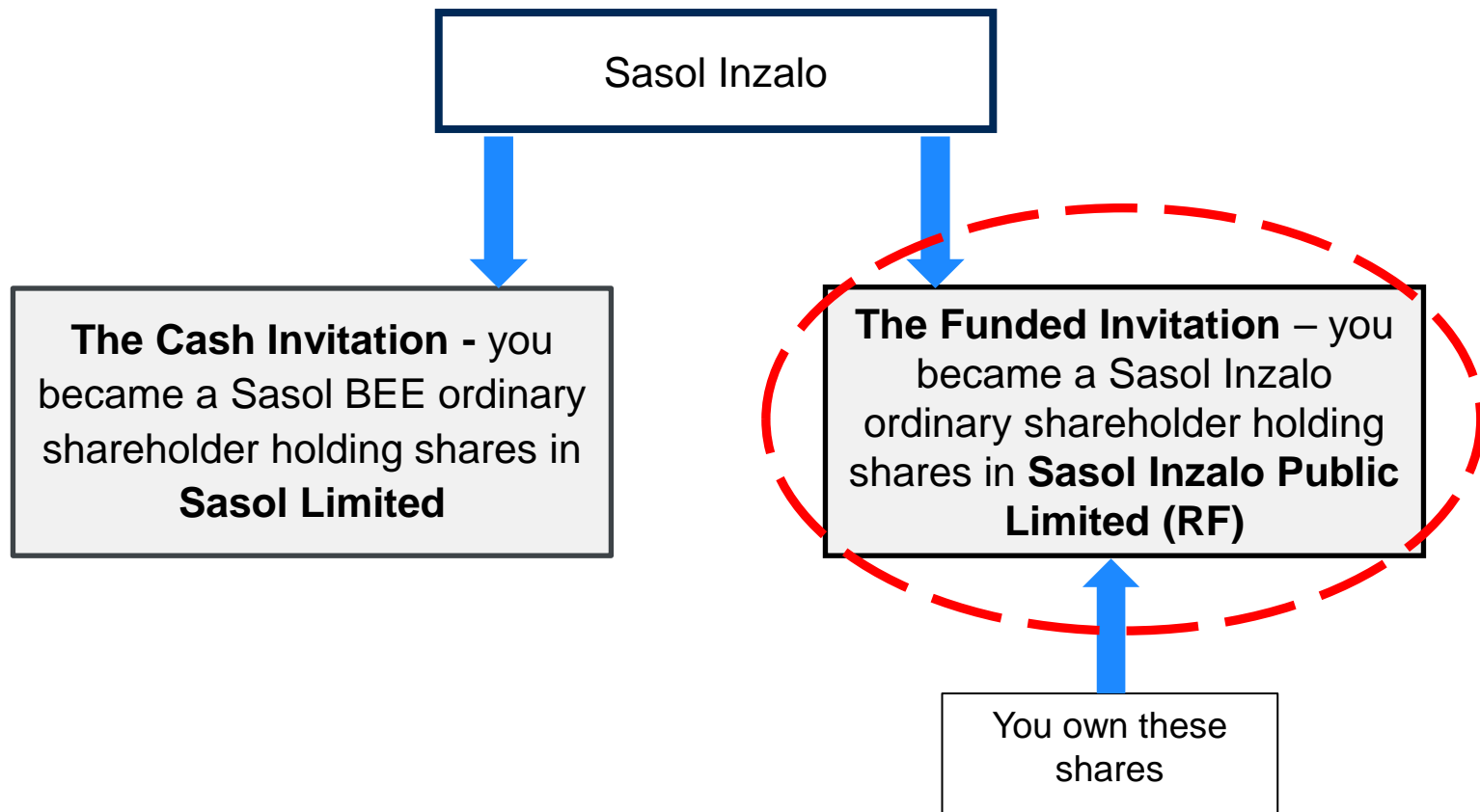
overview of the Sasol Inzalo transaction



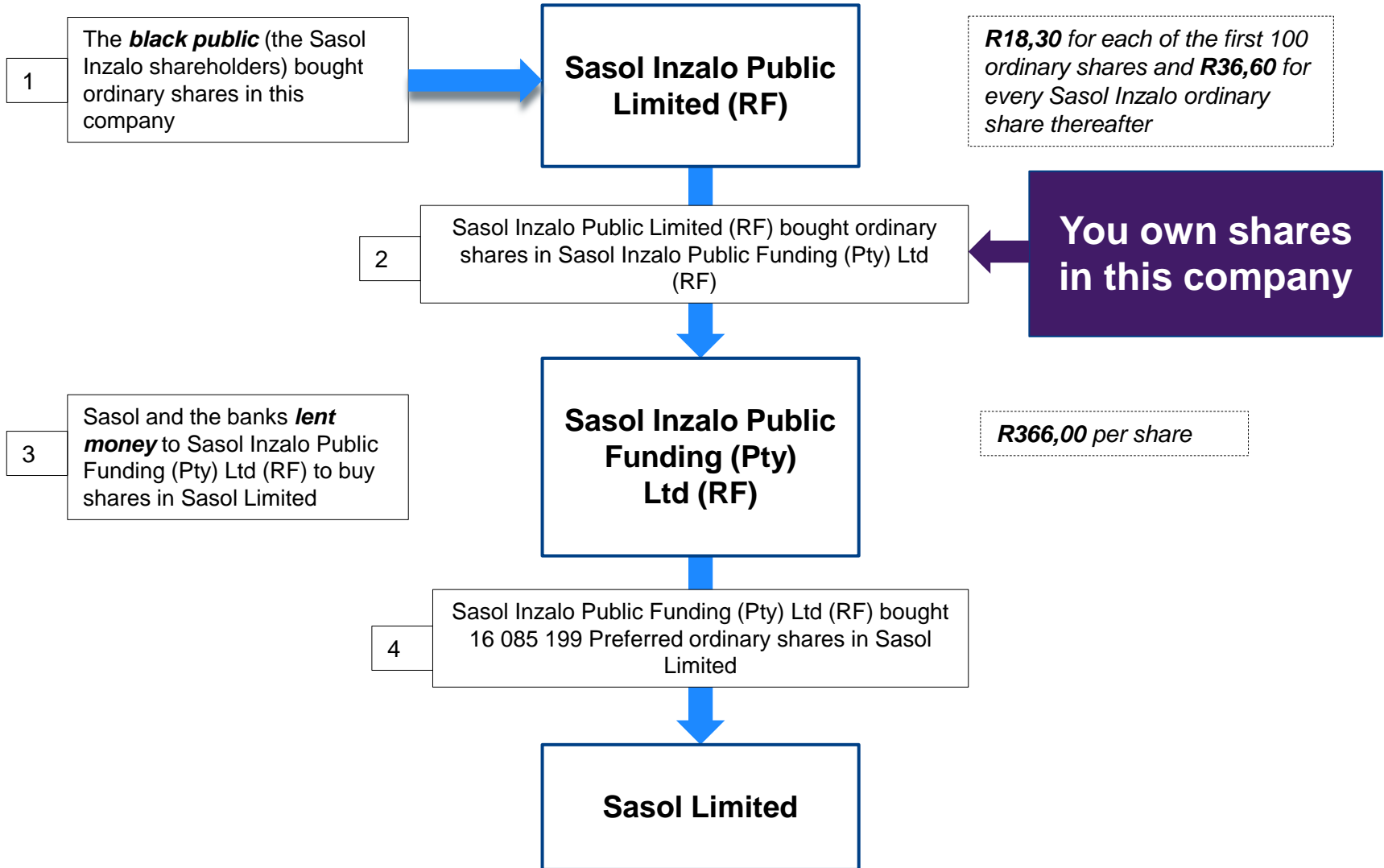
- Sasol Inzalo was created in 2008 by Sasol Limited, which is one of the largest companies listed on the JSE in South Africa. Sasol, through Sasol Inzalo, is able to:
 - advance its transformation journey;
 - broaden its shareholder base further; and
 - further contribute to creating value in South Africa.

overview of the Sasol Inzalo transaction continued

To facilitate inclusive ownership in Sasol, potential shareholders were offered the choice of a Cash Invitation or a Funded Invitation:

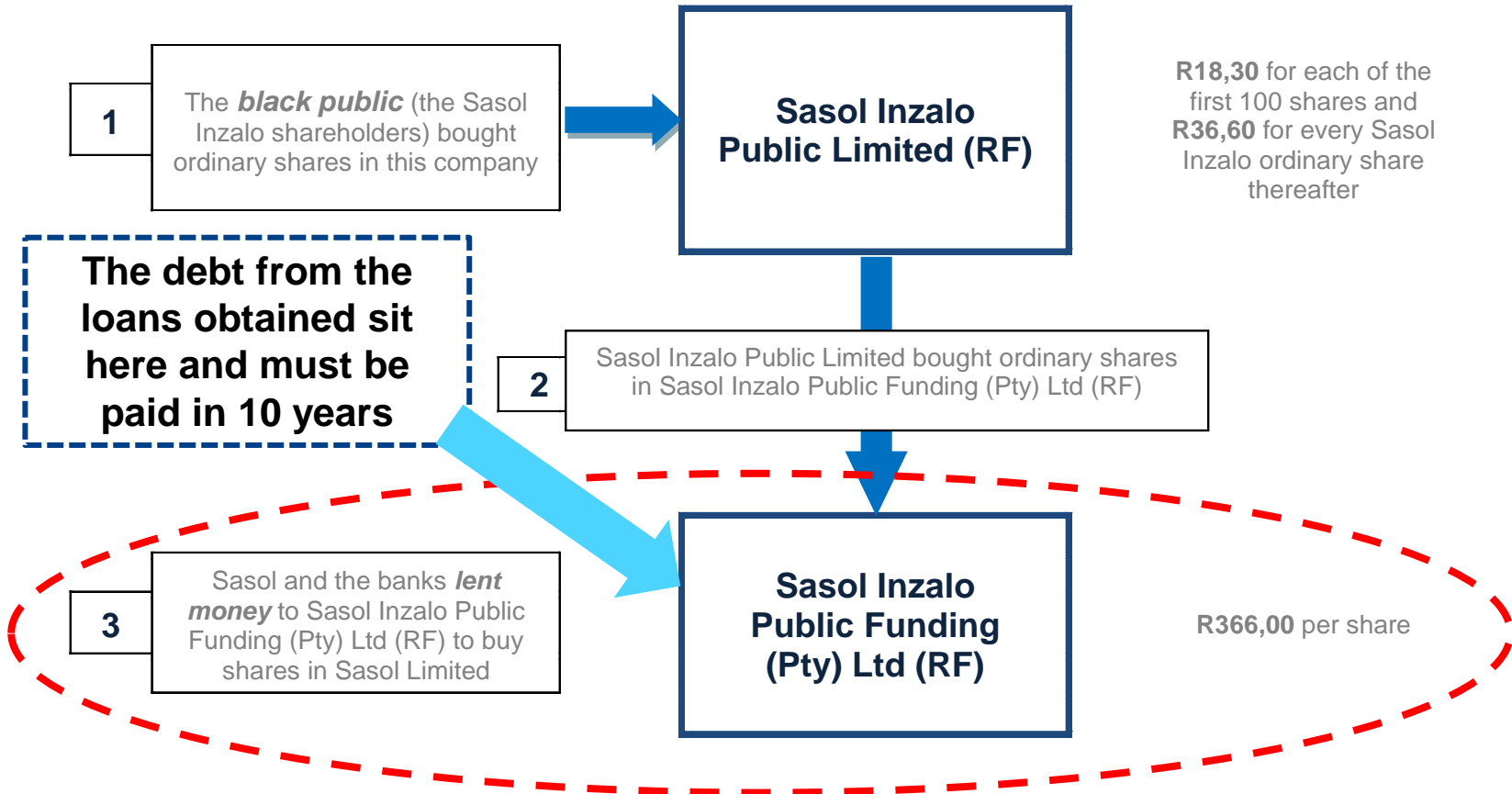


the structure of the transaction



the company in which the debt lies

- The loans obtained for the portion of the Sasol Inzalo transaction in which you are a shareholder lie in:



the debt explained (illustrative example)

Your Sasol Inzalo ordinary shares

Sasol funding and dividends

Total Value

25 shares @ R366,00 per share

R9 150,00

You Paid

25 shares @ R18,30 per share

R457,50

You Owe

25 shares @ R347,70 per share

R8 692,50

Sasol borrowed money from the banks to fund this loan. This loan is reduced with dividends received every year

Sasol dividend for 2013
25 shares @ R22,99 per share
was used to reduce your loan

Your loan is reduced by

R574,75

After 10 years if the value of your shares is greater than the loan you will receive the difference in ordinary shares

If the value of your shares is less than your loan amount, Sasol will pay the banks

financial reports and financial years



- What is a financial report?
 - it is a report that provides information on the company's financial position and how it has performed at the end of its financial year. The Sasol Inzalo financial reports are prepared based on International Financial Reporting Standards.
- What is a financial year?
 - it is an accounting period after which a profit or loss is calculated; and
 - a company can decide which 12 months suit it best, but must consistently use the same 12 months each year.

Sasol and Sasol Inzalo have financial years that start on 1 July and end on 30 June of the following year

issuing financial reports

- Sasol Inzalo Public Limited (RF) must issue two financial reports a year:
 - an interim report – to report on the first 6 months of the financial year (available on 31 March each year); and
 - an annual report – to report on the results for the full financial year (available approximately one month before the annual general meeting).
- Sasol Inzalo Public Limited (RF) makes its financial reports available to shareholders through:
 - posting hard copies to those shareholders who have not provided Computershare with an email address; and
 - email to those shareholders who have provided Computershare with an email address.
- All financial reports are also available on Sasol's website at www.sasol.com.

understanding the financial statements

The key elements in a set of financial statements are:

Statement of financial position

This report sets out the company's equity, assets and liabilities

Assets:

Things a company owns

Liabilities:

What the company owes others

Equity = Assets – liabilities

Income statement

This report reflects a company's income earned and expenses incurred for a specific period and how the company has performed within that specific period

Profits:

When the income earned is more than the expenses incurred

Loss:

When the expenses incurred are more than the income earned

Statement of comprehensive income

This report reflects the change in the net assets of a company which are not recognised in the income statement as they have not been realised

Comprehensive income:

These items include unrealised gains/ losses on available-for-sale investments, cash flow hedges and remeasurements on post-retirement benefit liabilities

understanding the financial statements

Statement of changes in equity

This report explains the composition of equity and how it has changed over the financial year. It also reflects whether dividends were paid during the year

Equity includes share capital, retained earnings / accumulated loss and the investment fair value reserve

Statement of cash flows

This report shows the movement and availability of cash in a company during a specific period

Cash flow:

How much cash came into the company and what the cash was used for

Notes to the financial statements

These notes contain further information relating to specific items contained in each of the above mentioned statements

All financial reports show both the amounts for the current financial year as well as for the previous financial year

statement of financial position

Statements of financial position

at 30 June

	Note	Group 2013 Rm	Group 2012 Rm	Company 2013 Rm	Company 2012 Rm
Assets					
Investment in subsidiary	1			371	371
Investment in security	2	6 942	5 508	-	-
Deferred tax asset	3	-	71	-	-
Non-current assets		6 942	5 579	371	371
Other receivable	4	-	6	-	-
Cash	5	56	19	-	-
Current assets		56	25	-	-
Total assets		6 998	5 604	371	371
Equity and liabilities					
Shareholders' equity			(1 073)	371	371
Long-term debt	6	6 715	6 516	-	-
Provisions			-	-	-
Current liability			6 516	-	-
Short-term debt	7	167	161	-	-
Total equity and liabilities		6 998	5 604	371	371

statement of financial position (debt)

- Liabilities, in terms of the statement of financial position of Sasol Inzalo Public Limited (RF), consists of:
 - Long-term debt (debt repayable over a period of more than 12 months); and
 - Short-term debt (repayable within a 12 month period).
- Sasol Inzalo Public Limited (RF)'s financial statements contain a long-term debt schedule that shows in more detail how the debt is made up and how it has changed from the previous year.
- Sasol Inzalo Public Limited (RF)'s financial statements also contain additional information in the notes to the financial statements.

Income statements

for the year ended 30 June

	Note	Group 2013 Rm	Group 2012 Rm	Company 2013 Rm	Company 2012 Rm
Other expenses	8	(1)	(1)	-	-
Operating loss		(1)	(1)	-	-
Finance income	9	389	372	-	-
Finance costs	10	(562)	(644)	-	-
Loss before tax		(174)	(273)	-	-
Taxation	11	*	*	-	-
Loss for year		(174)	(273)	-	-

in millions of rand

income statement (profit or loss)

- As previously mentioned the income statement shows whether a company has made a profit or a loss during the 12 month period.
- Salient features of the income statement are:

Finance income	
2013 Rm	2012 Rm
389	372

4.6%

Finance expenses	
2013 Rm	2012 Rm
(562)	(644)

-12.7%

Finance income comprised mainly of dividends from Sasol Limited

95% of income was used to pay expenses

Loss for year	
2013 Rm	2012 Rm
(174)	(274)

-36.5%

Finance expenses comprised of audit fees, running expenses, tax and interest on loans

important information on trading your shares



- Your Sasol Inzalo ordinary shares may only be sold to other black people or black groups;
- You may not use your Sasol Inzalo ordinary shares as security to obtain a loan;
- Trading takes place on a trading platform that is managed by Computershare;
- You can trade your Sasol Inzalo ordinary shares by contacting Computershare on 0800 000 222;
- The buyer of your shares does not have to be an existing Sasol Inzalo shareholder;
- These Sasol ordinary shares are listed on the JSE and the shareholders will be free to sell the shares to anyone, if they want to; and
- When shareholders sell shares, the amount received could be more or less than what they paid for the shares (a buyer may be willing to pay more or less for the shares than the shareholder paid).

factors influencing a declaration of dividend

- If a company is performing well, it may decide to declare a dividend to shareholders depending on the future economic outlook, capital expansion plans and other uses for cash in the future (there is no guarantee that dividends will be paid);
- If a company is not performing well, it doesn't pay shareholders dividends;
- Companies consider various factors to decide on paying a dividend or not such as:
 - whether the company would be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the dividend is paid; and
 - whether the company's assets are equal to or more than the liabilities of the company.

what happens in 2018

- Sasol Preferred ordinary shares will become Sasol ordinary shares listed on the JSE at the end of the Empowerment Period (7 September 2018);
- Some of the Sasol ordinary shares will be sold and money used to pay off outstanding debt which may still be owed by Sasol Inzalo Public Funding (Pty) Ltd (RF);
- Any Sasol ordinary shares remaining once all outstanding debt has been settled, will be given to Sasol Inzalo; and
- Once Sasol Inzalo has settled expenses, the remaining Sasol ordinary shares will be shared amongst shareholders in proportion to their shareholding in Sasol Inzalo.

Sasol Inzalo is a long-term investment

contact details

- For any information pertaining to your Sasol Inzalo ordinary shares you can contact Computershare on:
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