

SASOL LTD

Form 6-K

March 07, 2011

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 7, 2011

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 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

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

Enclosures:

Sasol limited interim financial results for the six months ended 31
December 2010

SOL – Sasol - Sasol Limited interim financial results for the six months ended 31 December 2010

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”)

sasol limited interim financial results

for the six months ended 31 December 2010

focused strategy delivering solid results

Driven by innovation, Sasol is an international integrated energy and chemicals company that creates value through its proven alternative fuel technology and talented people to provide sustainable energy solutions to the world

- Headline earnings per share increased by 22% to R12,97
- Group cash fixed costs down in real terms
- Interim dividend increased by 11% to R3,10 per share
- Cash generated by operations increased by 65% to R15,1 billion
- First BEE listing and Ixia BEE transaction successfully concluded
- Strengthened focus on safety
- Local and international investments drive growth

Significant growth investments

South Africa

R billion

Wax expansion

8,4

Mine replacement

8,0

Secunda growth phase 1

7,8

Synfuels gasifiers and 17th reformer

3,4

Ethylene purification unit

1,9

Sasolburg electricity generation

1,6

International

R billion

Acquisition of Canadian gas reserves

7,5

Tetramerisation

1,5

Mozambique CPF expansion

1,4

Estimated total capital and business acquisition expenditure for 2011 – R23
billion*

Segment report
for the period ended

Turnover
R million
Business unit
analysis
Operating profit
R million
full
year
30 Jun 10

Audited
half
year
31 Dec 09

Reviewed
half
year
31 Dec 10

Reviewed
half
year
31 Dec 10

Reviewed
half
year
31 Dec 09

Reviewed
full
year
30 Jun
10

Audited
95 538
45 899
48 005

South African
energy
cluster
7 447

8 097
17 808
7 863
3 623

4 263
- Mining
140
170

815
5 371

2 582	
2 697	
- Gas	
1 282	
1 178	
2 479	
33 893	16 370
15 664	
- Synfuels	
5 389	
6 072	
13 175	
48 411	23 324
25 381	
- Oil	
665	
680	
1 364	
-	
-	
-	
- Other	
(29)	
(3)	
(25)	
3 967	
1 926	
2 824	
International	
energy	
cluster	
872	
343	
468	
2 282	
1 098	
1 846	
- Synfuels	
International	539
112	
131	
1 685	
828	
978	
- Petroleum	
International	333
231	
337	
71 577	33 734
39 637	

Chemical		
cluster		
3 453		
1 463		
5 496		
14 321	6 408	
8 234		
- Polymers		
574		
(137)		
958		
15 765	7 498	
8 120		
- Solvents		
440		
204		
1 154		
25 283	11 507	
14 636		
- Olefins &		
Surfactants	1 600	
904		
2 492		
16 208	8 321	
8 647		
- Other		
chemical		
businesses		
839		
492		
892		
5 420		
2 851		
3 801		
- Other		
businesses		
246		
565		
165		
176 502	84 410	
94 267		
12 018		
10 468		
23 937		
(54 246)	(26 338)	
(27 035)		
Intercompany		
turnover		
122 256	58 072	
67 232		

Overview

Chief executive, Pat Davies says:

“Sasol continued to deliver on its strategy by further improving the operational and cost performance of our existing assets, while progressing growth opportunities that are based on our proprietary technology. The recent significant shale gas acquisition made in Canada accelerates our upstream gas and GTL growth focus. Furthermore, our deleveraged balance sheet allows us to consider a range of other growth opportunities.”

Earnings attributable to shareholders for the six months ended 31 December 2010 increased by 21% to R7,6 billion from R6,3 billion in the prior year† while headline earnings per share and earnings per share increased by 22% to R12,97 and by 20% to R12,68, respectively, over the same period.

Operating profit of R12,0 billion increased by 15% compared with the prior year. Operating profit was positively impacted by higher average crude oil prices (average dated Brent was US\$81,68/barrel in 2010 compared with US\$71,42/barrel in 2009) and chemical product prices. However, a 7% stronger average rand/US dollar exchange rate (R7,11/US\$ in 2010 compared with R7,64/US\$ in 2009) partially offset the benefits of the higher average crude oil prices. Overall, group production volumes declined by 4% from the prior year primarily due to the Sasol Synfuels' major planned outage, however, the majority of our other businesses reflected improved volumes. Cash fixed costs were down in real terms through our continued focus on cost containment.

The operating profit in the current period was negatively impacted by once-off charges compared with the prior year. These once-off charges include competition related administrative penalties of R112 million, the Escravos gas-to-liquids (EGTL) partial impairment of R123 million and the Ixia Coal BEE transaction share-based payment expense of R565 million. The current period also includes a Sasol Inzalo BEE share-based payment expense of R432 million compared with R400 million in the prior year.

The decrease in the effective tax rate from 36,0% to 33,7% resulted due to decreases in foreign tax rates, partly offset by competition related administrative penalties and share-based payment expenses compared with the prior year, both of which are not deductible for tax purposes.

Cash flow generated by operating activities was R15,1 billion compared with R9,2 billion in the prior year. This was mainly due to increased operating profits and reduced working capital, both as a result of price and volume effects. Progress was made on the group's pipeline of growth projects, resulting in capital expenditure of R9,2 billion for the period.

†All comparisons refer to the prior year comparable period unless otherwise stated.

Chief financial officer, Christine Ramon says:

“Amidst a recovering global economy, our continued focus on operational efficiency, cost containment and business improvement plans has enabled us to sustain robust businesses with healthy margins. Our strong financial position is underpinned by strong cash generation, which allows for the advancement of selected growth opportunities, while maintaining a buffer for volatility given that the rand strength remains the biggest risk to our earnings. In line with our progressive dividend policy, we have enhanced shareholder returns by increasing the interim dividend.”

Robust performance from existing operations

South African energy cluster

Sasol Mining – higher US dollar coal prices

Operating profit of R705 million, excluding the once-off Ixia Coal transaction share-based payment expense of R565 million, was 315% higher than the prior year.

Although production and sales volumes decreased due to the planned Sasol Synfuels' outage and adverse geological conditions, higher US dollar export coal prices as well as sales prices to Sasol Synfuels contributed to an improved operating profit. This improvement, however, was partially offset by a stronger rand/US dollar exchange rate and stock effects.

Sasol Gas – improved sales volumes

Operating profit increased by 9% to R1 282 million compared with the prior year mainly as a result of improved sales volumes, despite lower gas prices due to the stronger rand/US dollar exchange rate. The increased sales volumes were supported by the start-up of a new compressor in Mozambique.

Sasol Synfuels – major planned outage impacts production volumes

Sasol Synfuels' operating profit decreased by 11% to R5 389 million compared with the prior year. Production volumes were 7,5% lower than the prior year due to the largest maintenance outage in Sasol Synfuels' history as well as subsequent instabilities experienced. Operating profits were further negatively impacted by higher feedstock and energy costs; however, these were partially offset by higher average oil prices resulting in favourable product prices. Open cycle gas turbines were successfully commissioned during July 2010, making available an additional 200 megawatts of electricity generation capacity for the Sasol Synfuels operations, thereby significantly reducing the impact of abnormal electricity price increases on the Sasol Synfuels' unit cost.

Sasol Oil – increased sales volumes supported by higher wholesale margins

Operating profit decreased by 2% to R665 million compared with the prior year. Higher sales volumes resulted from increased direct sales at service stations and from commercial customers, in part due to the 2010 Soccer World Cup. Wholesale margins were also higher. This effect was, however, negated by the stronger rand/US dollar exchange rate as well as by lower refining margins. During the period, five new retail convenience centres were opened.

International energy cluster

Sasol Synfuels International (SSI) – increased production at Oryx GTL

SSI's operating profit increased by 381% to R539 million compared with the prior year. This was mainly due to increased production at the Oryx gas-to-liquids (GTL) plant in Qatar and higher crude oil prices which were partly negated by a stronger rand/US dollar exchange rate. The Oryx GTL plant is producing well, achieving record daily production levels, at times above 100% of design capacity, during the first half of the 2011 financial year. The 10% debottlenecking project is being implemented as planned.

In addition, due to various factors impacting on our participation in the EGTL project, we have decided to partially impair our EGTL investment by R123 million during the period.

Sasol Petroleum International (SPI) – higher oil and gas prices, improved Mozambican volumes

Operating profit increased by 44% to R333 million compared with the prior year, mainly due to higher oil and gas prices and positive foreign exchange translation effects from foreign operations. Sales volumes from our Temane operations increased; however, the favourable impact was partially offset by lower sales volumes from our Etame venture. Exploration expenditure was higher during the

period. Work on the expansion of the onshore gas production facilities in Pande and Temane, Mozambique, to increase the current annual production capacity from 120 million gigajoules to 183 million gigajoules, is progressing according to schedule.

Chemical cluster

Sasol Polymers – international polymer prices recovering

Sasol Polymers reflected an operating profit of R574 million compared with an operating loss of R137 million for the prior year. Operating profit was positively impacted by a 9% increase in production volumes from our local operations and a 26% increase from our offshore operations. The recovery in international polymer prices also contributed positively to the increase in operating profit, which was partially offset by the stronger rand/US dollar exchange rate. Arya Sasol Polymer Company contributed positively with an average capacity utilisation of 71% for the period. Our offshore operations contributed R761 million to the operating profit. Included in operating profit is a once-off administrative penalty of R112 million payable to the South African Competition Commission.

Sasol Solvents – improved margins

Operating profit increased by 116% to R440 million compared with the prior year. This is mainly due to improved margins, resulting from higher prevailing product prices coupled with cost savings. The increased operating profit was, however, partially offset by a stronger rand against the US dollar. Production volumes reflected a decline compared with the prior year as a result of scheduled outages at production facilities.

Sasol Olefins & Surfactants (Sasol O&S) – robust demand and improved margins

Operating profit increased by 77% to R1 600 million compared with the prior year, mainly as a result of robust demand in most of the Sasol O&S markets as well as improved margins. The increase in operating profit from our foreign operations was partially offset by foreign currency translation effects.

Other chemical businesses – improved sales volumes in European and South African wax and explosives markets

Operating profit increased by 71% to R839 million compared with the prior year. Sales volumes in the European and South African wax and explosives markets improved on the back of increased demand. Lower fertiliser sales volumes were experienced due to the impacts associated with the required exit from the retail fertiliser business as well as inclement weather. The improvement in operating profits was diluted by the stronger rand/US dollar exchange rate. Cost control and restructuring have remained a key focus area for our other chemical businesses, in particular for Sasol Nitro.

Competition law compliance

We continue to focus on enhancing Sasol's competition law compliance processes and systems throughout the group.

There are matters that remain subject to investigation. The South African Competition Commission (the Commission) has initiated investigations in respect of some of the industries in which Sasol participates, including the South African piped gas, petroleum, fertiliser, wax and polymer industries.

Subsequent to the Commission having referred complaints of excessive pricing of polypropylene and propylene in the domestic South African market and of price fixing in respect of polypropylene to the Competition Tribunal (the Tribunal), Sasol Polymers, a division of Sasol Chemical Industries Limited (SCI), on 14 December 2010, concluded a settlement agreement with the Commission in relation to its existing propylene supply agreement (the Supply Agreement) with Safripol. At the time of concluding the Supply Agreement in 1993, neither party understood this pricing formula to give rise to competition law concerns. However, the Commission, in terms of the current Competition Act, found that the pricing formula, which required the exchange of pricing information amounts to indirect price fixing. This contravention is technical in nature and given the uncertainty surrounding the legal position in relation to the pricing formula and the technicality of the matter, it was considered prudent to settle the matter. Sasol Polymers has therefore agreed to pay a penalty of R112 million, which represents 3% of Sasol Polymers' turnover derived from its sale of polypropylene products for the 2009 financial year. The settlement agreement is in full and final settlement of the Commission's allegations that the pricing formula gave rise to indirect price fixing. Sasol Polymers and Safripol have also reached agreement on key terms that are to govern the future monomer supply relationship between the parties, which we consider to be fully compliant from a competition law perspective. The settlement agreement was confirmed by the Tribunal on 24 February 2011.

Sasol Polymers does not agree with the Commission's contention that the prices at which Sasol Polymers supplies propylene and polypropylene are excessive and consequently, the Commission's allegations in respect of excessive pricing do not form any part of the settlement agreement concluded between the parties.

On 30 October 2009, after being advised that certain provisions in a suite of agreements concluded between Sasol Gas, Coal, Energy and Power Resources Limited (CEPR) and Spring Lights Gas (Pty) Limited (Spring Lights) constituted contraventions of the Competition Act (the Act), Sasol Gas applied for leniency in terms of the Commission's corporate leniency policy and obtained conditional leniency. On 20 August 2010, Spring Lights concluded a settlement agreement with the Commission in terms of which Spring Lights acknowledged the mentioned contraventions and agreed to pay an administrative penalty of R10,8 million. The settlement agreement was referred to the Tribunal on 1 September 2010 for confirmation but the matter was postponed sine die to enable the Commission to make a ruling on an exemption application of Spring Lights.

We continue to interact and cooperate with the Commission in respect of the leniency applications as well as in the areas that are subject to Competition Commission investigations. As and when appropriate, we will make further announcements in respect of material matters.

Sustaining Sasol into the future

Developments in the sustainable development area include the following:

- In July 2010, we concluded an agreement with Gassnova SF, a Norwegian state-owned enterprise responsible for managing carbon capture and storage (CCS). This agreement allows us to participate in the European CO₂ Technology Centre Mongstad, currently under construction in Norway.

- In September 2010, we concluded the Ixia Coal transaction in line with Sasol Mining's empowerment strategy and its

commitment to comply with the objectives of the Mineral and Petroleum Resources Development Act as well as the Mining Charter. This transaction results in Ixia Coal Funding (Pty) Limited, a subsidiary of Ixia Coal (Pty) Limited, acquiring a 20% shareholding in Sasol Mining for a purchase consideration of R1,8 billion.

- The recordable case rate for employees and service providers, including injuries and illnesses, improved by 8% from 0,51 at 30 June 2010 to 0,47 at 31 December 2010. However, we have had too many tragic incidents and a new and substantial safety improvement plan is currently being implemented.

- In February 2011, we listed the Sasol BEE Ordinary shares on the JSE Limited's main board. This trading facility provides many Sasol Inzalo shareholders access to a regulated market in line with our commitment to broad-based shareholder development.

Acquisitions and projects progressing

Acquisitions in support of our GTL proposition are advancing, supported by our strong cash flow generation and balance sheet which provide a solid platform for growth:

- In December 2010, Sasol signed an agreement with Talisman Energy Inc. (Talisman), a Canadian-based company, to acquire a 50% stake in their Farrell Creek shale gas assets located in the Montney Basin, of British Columbia, for an amount of R7,1 billion. Talisman will retain the remaining 50% interest and continue as operator of the Farrell Creek assets which cover over 51 000 acres of land and which also include associated gas gathering systems and processing facilities.

- In December 2009, the Project Application Report for the China coal-to-liquids (CTL) plant was submitted to the Chinese Government for approval. Pending the outcome of this decision, all further project activities have been delayed.

- The feasibility study for the Uzbekistan GTL plant is continuing and is expected to be completed by the end of the third quarter of the 2011 financial year.

- The pre-feasibility study in respect of our Indian CTL project is in its final stages.

- Sasol Solvents will begin construction of the world's first commercial ethylene tetramerisation unit at the Sasol O&S, Lake Charles production site in the United States. The planned capacity for this facility is 100 000 tons per annum of combined 1-octene and 1-hexene which are co-monomers used in the plastics industry. Construction is expected to begin in the 2011 calendar year, with beneficial operation expected by the middle of the 2013 calendar year.

- Construction on the wax production facility in Sasolburg, South Africa, is progressing according to plan.

Balance sheet remains strong

Gearing at 31 December 2010 of 2,5% (30 June 2010: 1,0%) remained low as a result of improved cash flow generation. This low level of gearing is expected to be maintained in the short-term, but is likely to return to within our targeted range

of 20% to 40% in the medium term as our large capital intensive growth programme and gas acquisition strategy gains momentum. At the annual general meeting of 26 November 2010, shareholders renewed their authority to the Sasol directors to buy back up to 10% of Sasol's issued share capital (excluding the preferred ordinary and Sasol BEE ordinary shares) for a further 12 months. No shares were repurchased during the current period.

Profit outlook* – improved operational performance, uncertain macro economic conditions

Signs of recovery have been seen in some developed economies, albeit at a sluggish pace, and downside risks remain. Financial stability experienced a setback as market volatility increased and investor confidence decreased, especially in the European markets with the selling off of sovereign debt. However product prices and the demand for chemical products have shown significant improvement. Crude oil prices have been increasing steadily supported by geopolitics in the Middle East/North Africa and growing risks to supply, offsetting the negative impact of the rand/US dollar exchange rate. The further strengthening of the rand/US dollar exchange rate remains the single biggest external factor exerting pressure on our profitability.

We remain on track to deliver on our expectations for an improved operational performance and to contain cost increases to within inflationary levels for the full year. We anticipate that Sasol Synfuels' production volumes will be marginally lower than that of the previous year, taking into account the major planned maintenance outage which was undertaken in September 2010. We expect to maintain Oryx GTL and Arya Sasol Polymer Company's operating rates for the full year. However, in light of the continuing uncertain macro economic conditions and our assumptions in respect of improved crude oil and product prices, weaker refining margins as well as the stronger rand/US dollar exchange rate, our focus remains on factors within our control: volume growth, margin improvement and cost containment. The current volatility and uncertainty of global markets makes it difficult to be more precise in this outlook statement.

The board has decided to increase the interim dividend taking into account the ongoing strength of our financial position and current capital investment plans, as well as the increased earnings and the improved market and economic conditions. This approach is in line with our progressive dividend policy and our commitment to return value to shareholders.

* In accordance with standard practice, it is noted that this information has not been reviewed or reported on by the company's auditors.

Acquisitions and disposals of businesses

In September 2010, we concluded the Ixia Coal transaction. This transaction results in Ixia Coal Funding (Pty) Limited, a subsidiary of Ixia Coal (Pty) Limited, acquiring a 20% shareholding in Sasol Mining for a purchase consideration of R1,8 billion. The transaction resulted in a non-controlling interest for the Sasol group of an effective 10,2% being recognised.

Subsequent events

In January 2011, the Commission withdrew its investigation into the South African coal mining industry.

On 1 March 2011, the suspensive conditions pertaining to the agreement with Talisman in respect of the acquisition of a 50% stake in their Farrell Creek shale gas assets, were fulfilled and the transaction was completed.

Changes of directors and company secretary

On 26 November 2010, Mr A Jain retired as a non-executive director of Sasol Limited. On 1 January 2011, Messrs BP Connellan and TA Wixley retired as non-executive directors of Sasol Limited. The company secretary, Dr NL Joubert, has been appointed the country president, Sasol Canada, and Mr VD Kahla has been appointed as company secretary with effect from 14 March 2011.

Declaration of cash dividend number 63

An interim cash dividend of South African R3,10 per ordinary share (2009: R2,80 per share) has been declared for the six months ended 31 December 2010. The interim cash dividend is payable on all ordinary shares (including the Sasol BEE ordinary shares), excluding the Sasol preferred ordinary shares.

The salient dates for holders of ordinary shares are:

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

Friday, 1 April 2011

Trading ex dividend commences

Monday, 4 April 2011

Record date

Friday, 8 April 2011

Dividend payment date

Monday, 11 April 2011

Holders of American Depositary Receipts

1

Ex dividend on New York Stock Exchange (NYSE)

Wednesday, 6 April 2011

Record date

Friday, 8 April 2011

Approximate date for currency conversion

Tuesday, 12 April 2011

Approximate dividend payment date

Thursday, 21 April 2011

1

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

On Monday, 11 April 2011, 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 CSDP or broker credited on Monday, 11 April 2011.

Share certificates may not be dematerialised or re-materialised between Monday, 4 April 2011 and Friday, 8 April 2011, both days inclusive.

On behalf of the board

Ms Hixonia Nyasulu Chairman
Mr Pat Davies Chief executive
Ms Christine Ramon Chief financial officer
Sasol Limited

7 March 2011

The interim financial statements are presented on a condensed consolidated basis.

Statement of financial position

at

31 Dec

10

Reviewed

Rm

31 Dec

09

Reviewed

Rm

30 Jun

10

Audited

Rm

Assets

Property, plant and equipment

74 173

68 807

72 523

Assets under construction

23 038

18 832

21 018

Goodwill

701

790

738

Other intangible assets

1 101

1 026

1 193

Investments in associates

2 978

3 015

3 573

Post-retirement benefit assets

768

782

789

Deferred tax assets

1 003

959

1 099

Other long-term assets

2 042

2 148

1 828

Non-current assets

105 804

96 359		
102 761		
Assets held for sale		
121		
19		
16		
Inventories		
16 337	15 898	16 472
Trade and other receivables		
20 487		
18 962		
20 474		
Short-term financial assets		
40		
456		
50		
Cash restricted for use		
2 489		
972		
1 841		
Cash		
13 330		
15 822		
14 870		
Current assets		
52 804		
52 129		
53 723		
Total assets		
158 608		
148 488		
156 484		
Equity and liabilities		
Shareholders' equity		
95 876		
86 317		
94 730		
Non-controlling interest		
2 550		
2 374		
2 512		
Total equity		
98 426		
88 691		
97 242		
Long-term debt		
14 319		
14 119		
14 111		
Long-term financial liabilities		
59		

66		
75		
Long-term provisions		
7 588		
5 977		
7 013		
Post-retirement benefit obligations		
4 529	4 565	4 495
Long-term deferred income		
360		
277		
273		
Deferred tax liabilities		
11 189		
9 578		
10 406		
Non-current liabilities		
38 044		
34 582		
36 373		
Liabilities in disposal groups held for sale		
4		
5		
4		
Short-term debt		
1 239		
4 671		
1 542		
Short-term financial liabilities		
289		
303		
357		
Other current liabilities		
20 393		
20 020		
20 847		
Bank overdraft		
213		
216		
119		
Current liabilities		
22 138		
25 215		
22 869		
Total equity and liabilities		
158 608		
148 488		
156 484		

Statement of cash flows
for the period ended

half year 31

Dec 10

Reviewed Rm

half year 31

Dec 09

Reviewed Rm

full year 30

Jun 10 Audited

Rm

Cash receipts from customers

66 651

55 868

118 129

Cash paid to suppliers and employees

(51 558)

(46 679)

(90 791)

Cash generated by operating

activities

15 093

9 189

27 338

Finance income received

719

616

1 372

Finance expenses paid

(778)

(811)

(1 781)

Tax paid

(2 238)

(2 783)

(6 040)

Dividends paid

(4 713)

(3 654)

(5 360)

Cash retained from operating

activities

8 083

2 557

15 529

Additions to non-current assets

(9 217)

(6 573)

(16 108)

Disposal of businesses

–
 13
 –
 Additional investments in associate
 –
 –
 (1 248)
 Other net cash flows from investing
 activities
 76
 (528)
 652
 Cash utilised in investing
 activities
 (9 141)
 (7 088)
 (16 704)
 Share capital issued
 248
 110
 204
 Contributions from non-controlling
 shareholders
 27
 5
 9
 Dividends paid to non-controlling
 shareholders
 (313)
 (222)
 (318)
 Increase/(decrease) in long-term
 debt
 672
 631
 (2 567)
 Decrease in short-term debt
 (215)
 (3)
 (29)
 Cash effect of financing activities
 419
 521
 (2 701)
 Translation effects on cash and cash
 equivalents of foreign operations
 (347)
 (4)
 (124)
 Decrease in cash and cash
 equivalents

(986)

(4 014)

(4 000)

Cash and cash equivalents at
beginning of period

16 592

20 592

20 592

Cash and cash equivalents at end of
period

15 606

16 578

16 592

Income statement
for the period ended
half year 31
Dec 10
Reviewed Rm
half year 31
Dec 09
Reviewed Rm
full year 30
Jun 10 Audited
Rm
Turnover
67 232
58 072
122 256
Cost of sales and services rendered
(42 901)
(37 529)
(79 183)
Gross profit
24 331
20 543
43 073
Other operating income
292
264
854
Marketing and distribution
expenditure
(3 350)
(3 195)
(6 496)
Administrative expenditure
(5 612)
(4 311)
(9 451)
Other operating expenditure
(3 643)
(2 833)
(4 043)
Competition related fines
(112)
—
—
Effect of crude oil hedges
(25)
(73)
(87)
Share-based payment expenses

(1 196)
(524)
(943)
Effect of remeasurement items
(177)
(105)
46
Translation losses
(919)
(781)
(1 007)
Other expenditure
(1 214)
(1 350)
(2 052)
Operating profit
12 018
10 468
23 937
Finance income
565
626
1 332
Share of profits of associates (net
of tax)
137
57
217
Finance expenses
(983)
(996)
(2 114)
Profit before tax
11 737
10 155
23 372
Taxation
(3 953)
(3 654)
(6 985)
Profit for the period
7 784
6 501
16 387
Attributable to
Owners of Sasol Limited
7 601
6 297
15 941
Non-controlling interest in
subsidiaries

183
204
446
7 784
6 501
16 387
Earnings per share
Rand
Rand
Rand
Basic earnings per share
12,68
10,54
26,68
Diluted earnings per share¹
12,69
10,57
26,54

¹ Diluted earnings per share are calculated taking the Sasol Share Incentive Scheme and Sasol Inzalo share transaction into account.

Statement of comprehensive income
for the period ended
half
year 31
Dec 10
Reviewed
Rm
half
year 31
Dec 09
Reviewed
Rm
full
year 30
Jun 10
Audited
Rm
Profit for the period
7 784
6 501
16 387
Other comprehensive income
Effect of translation of foreign
operations
(2 813)
(755)
(802)
Effect of cash flow hedges
(41)
50
13
Investments available-for-sale
—
4
4
Tax on other comprehensive income
19
3
8
Other comprehensive income for
the period, net of tax
(2 835)
(698)
(777)
Total comprehensive income for
the period
4 949
5 803
15 610

Attributable to
 Owners of Sasol Limited
 4 768
 5 594
 15 171
 Non-controlling interests in
 subsidiaries
 181
 209
 439
 4 949
 5 803
 15 610
 Statement of changes in equity
 for the period ended
 half year
 31 Dec 10
 Reviewed
 Rm
 half year 31
 Dec 09
 Reviewed Rm
 full year 30
 Jun 10
 Audited
 Rm
 Opening balance
 97 242
 86 217
 86 217
 Shares issued during period
 248
 110
 204
 Share-based payment expenses
 1 017
 432
 880
 Disposal of businesses
 (4)
 –
 –
 Change in shareholding of
 subsidiaries
 –
 5
 9
 Total comprehensive income for
 the period
 4 949
 5 803

15 610

Dividends paid

(4 713)

(3 654)

(5 360)

Dividends paid to non-controlling
shareholders in subsidiaries

(313)

(222)

(318)

Closing balance

98 426

88 691

97 242

Comprising

Share capital	
27 477	
27 135	
27 229	
Share repurchase programme	
(2 641)	
(2 641)	
(2 641)	
Sasol Inzalo share transaction	
(22 054)	
(22 054)	
(22 054)	
Retained earnings	
88 298	
77 525	
85 463	
Share-based payment reserve	
7 613	
6 265	
6 713	
Foreign currency translation	
reserve	
(2 676)	
184	
137	
Investment fair value reserve	
5	
6	
5	
Cash flow hedge accounting	
reserve	
(146)	
(103)	
(122)	
Shareholders' equity	
95 876	
86 317	
94 730	
Non-controlling interest in	
subsidiaries	
2 550	
2 374	
2 512	
Total equity	
98 426	
88 691	
97 242	
Salient features	
for the period ended	
half year	
31 Dec 10	

half year

31 Dec 09

full year 30

Jun 10

Selected ratios

Return on equity

%

16,7*

14,8*

17,9

Return on total assets

%

16,6*

15,2*

16,9

Operating margin

%

17,9

18,0

19,6

Finance expense cover

times

16,3

13,7

14,3

Dividend cover

times

4,2

3,9

2,5

*Annualised

Share statistics

Total shares in issue

million

669,7 666,8

667,7

Treasury shares (share
repurchase programme)

million

8,8

8,8

8,8

Weighted average number of
shares

million

599,6

597,2

597,6

Diluted weighted average
number of shares

million

614,4

614,8

615,5

Share price (closing)

Rand

346,28

298,00

274,60

Market capitalisation

Rm
 231 904
 198 706
 183 350
 Net asset value per share
 Rand
 160,38
 145,09
 159,00
 Dividend per share
 Rand
 3,10
 2,80
 10,50
 Other financial information
 Total debt (including bank
 overdraft)
 – interest bearing
 Rm
 15 142
 18 373
 15 047
 – non-interest bearing
 Rm
 629
 633
 725
 Finance expense capitalised Rm
 28
 20
 58
 Capital commitments
 Rm
 43 662
 34 202
 46 497
 – authorised and contracted Rm
 31 840
 27 272
 31 553
 – authorised, not yet
 contracted
 Rm
 34 440
 25 341
 35 769
 – less expenditure to date
 Rm
 (22 618)
 (18 411)
 (20 825)

Guarantees and contingent

liabilities	
– total amount	
Rm	
20 284	
27 856	
22 003	
– liability included in the statement of financial position	
Rm	
10 207	
14 200	
10 288	
Significant items in operating profit	
– employee costs	
Rm	
8 676	
8 151	
17 546	
– depreciation and amortisation of non-current assets	
Rm	
3 537	
3 153	
6 712	
– share-based payment expenses	
Rm	1 196
524	
943	
Sasol share incentive schemes Rm	
199	
124	
119	
Sasol Inzalo share transaction	
Rm	432
400	
824	
Ixia Coal transaction	
Rm	
565	
–	
–	
Effective tax rate1	
%	
33,7	
36,0	

29,9	
Number of permanent employees	
number	
32 874	
33 318	
33 339	
Average number of employees ²	number
33 845	
34 118	
33 394	
Average crude oil price – dated Brent	
US\$/barrel	81,68
71,42	74,37
Average rand/US\$ exchange rate	
1US\$ =	
Rand	
7,11	7,64
7,59	
Closing rand/US\$ exchange rate	
1US\$ =	
Rand	6,62
7,41	
7,67	
1 Decrease in effective tax rate as a result of the decrease in foreign tax rates in the current period.	
2 Average employees' numbers include executive directors, employees of subsidiary companies and our share of proportionately consolidated entities and operations. Part time employees and hired labour are included on a full time equivalent basis. People employed by contractors are not included.	
Reconciliation of headline earnings	
Rm	
Rm	
Rm	
Profit for the period attributable to owners of Sasol Limited	
7 601	
6 297	
15 941	

Effect of remeasurement

items

177

105

(46)

Impairment of assets

161

47

110

Reversal of impairment
 (31)
 –
 (365)
 (Profit)/loss on disposal of
 business
 (3)
 5
 5
 Profit on disposal of
 associate
 (6)
 (7)
 (7)
 (Profit)/loss on disposal of
 assets
 (10)
 1
 (3)
 Scrapping of non-current
 assets
 66
 59
 156
 Write off of unsuccessful
 exploration wells
 –
 –
 58
 Tax effects and non-
 controlling interests
 (3)
 (29) (19)
 Headline earnings
 7 775
 6 373
 15 876
 Remeasurement items per above
 Mining
 (1)
 4
 1
 Gas
 7
 –
 –
 Synfuels
 34
 15
 58
 Oil

(7)
2
10
Synfuels International
133
—
4
Petroleum International
1
—
108
Polymers
10
16
14
Solvents
32
37
58
Olefins & Surfactants
(23)
19
(344)
Other chemical businesses
(14)
8
21
Nitro
(8)
13
26
Wax
(6)
(5)
(5)
Infrachem
—
—
(1)
Merisol
—
—
1
Other businesses
5
4
24
Remeasurement items
177
105
(46)

Headline earnings per share	Rand
12,97	
10,67	
26,57	
Diluted headline earnings per share	
Rand	
12,98	
10,69	
26,44	

The reader is referred to the definitions contained in the 2010 Sasol Limited annual financial statements.

Basis of preparation and accounting policies

The condensed consolidated interim financial results for the six months ended 31 December 2010 have been prepared in compliance with the Listings Requirements of the JSE Limited, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (in particular International Accounting Standard 34 Interim Financial Reporting), the AC500 Standards as issued by the Accounting Practices Board or its successor and the South African Companies Act, 1973, as amended.

The accounting policies applied in the presentation of the interim financial results are consistent with those applied for the year ended 30 June 2010 and are in terms of IFRS, except as follows:

Sasol Limited has early adopted the following standards, which did not have a significant impact on the financial results:

- IFRS 2 (Amendment), Group Cash-settled Share-based Payment Transactions.
- IFRS 7, Financial Instruments: Disclosures – Transfer of financial assets.
- Various Improvements to IFRSs.

Sasol has adopted Various Improvements to IFRSs - IAS 27, Consolidated and Separate Financial Statements, effective 1 July 2010, which did not have a significant impact on the financial results.

These condensed consolidated interim financial results have been prepared in accordance with the historic cost convention except that certain items, including derivatives and available-for-sale financial assets, are stated at fair value.

The condensed consolidated interim financial results are presented in rand, which is Sasol Limited's functional and presentation currency.

Related party transactions

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

Significant changes in contingent liabilities since 30 June 2010

On 12 August 2010, the Commission announced that it had referred its complaints of excessive pricing of polypropylene and propylene in the domestic South African market against SCI and of price fixing in respect of polypropylene against SCI and Safripol to the Tribunal for adjudication. On 14 December 2010, Sasol Polymers, a division of SCI, concluded a settlement agreement with the Commission in relation to its existing propylene supply agreement with Safripol and agreed to pay a penalty of R112 million. A liability has been recognised in this respect at 31 December 2010. (Refer to competition law compliance matters above).

Independent review by the auditors

The condensed consolidated statement of financial position at 31 December 2010 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended were reviewed by KPMG Inc.

The individual auditor assigned to perform the review is Mr CH Basson. Their unmodified review report is available for inspection at the registered office of the company.

Forward-looking statements: Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects,

developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 28 September 2010 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 under take any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Please note: A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word “calendar”.

Registered office: Sasol Limited, 1 Sturdee Avenue, Rosebank, Johannesburg 2196
PO Box 5486, Johannesburg 2000, South Africa

Share registrars: Computershare Investor Services (Pty) Limited,
70 Marshall Street, Johannesburg 2001, PO Box 61051, Marshalltown 2107, South Africa

Tel: +27 11 370-7700 Fax: +27 11 370-5271/2

Sponsor: Deutsche Securities (SA) (Pty) Limited

Directors (non-executive): Ms TH Nyasulu (Chairman), Mr C Beggs*, Mr HG Dijkgraaf (Dutch)*, Dr MSV Gantsho*, Mr GA Lewin (Australian)*, Ms IN Mkhize*, Mr MJN Njeke*, Prof JE Schrempp (German)^ (executive): Mr LPA Davies (Chief executive), Ms KC Ramon (Chief financial officer), Ms VN Fakude

*Independent ^Lead independent director

Company secretary: Dr NL Joubert

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Company registration number: 1979/003231/06, incorporated in the Republic of South Africa

JSE

NYSE

Sasol Ordinary shares:

Share code:

SOL

SSL

ISIN code:

ZAE000006896 US8038663006

Sasol BEE Ordinary shares:

Share code:

SOLBE1

ISIN code:

ZAE000151817

American depositary receipts (ADR) program:

Cusip number 803866300 ADR to ordinary share 1:1

Depository: The Bank of New York Mellon, 22nd floor, 101 Barclay Street, New York, NY 10286, USA

e-mail: investor.relations@sasol.com

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

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Sasol Limited, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 7, 2011

By:

/s/ N L Joubert

Name:

Nereus

Louis

Joubert

Title:

Company

Secretary