

sasol
reaching new frontiers



sasol inzalo public limited

Registration number 2007/030646/06

***Interim financial results for the six months
ended 31 December 2008***

(the interim financial results are presented on a condensed consolidated basis)

Sasol Inzalo Public Limited

Sasol Inzalo Public Limited (the company) is a public company incorporated on 24 October 2007. Sasol Inzalo Public Limited is the holding company of Sasol Inzalo Public Funding (Pty) Limited.

The interim financial results of the group comprise the financial results of Sasol Inzalo Public Limited and its subsidiary (the Group).

Statement of compliance

The condensed consolidated interim financial results for the six months ended 31 December 2008 have been prepared in compliance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (in particular International Accounting Standard 34 Interim Financial Reporting) and the South African Companies Act, 1973, as amended. The condensed consolidated interim financial results were approved for issue by the Board of Directors on 11 March 2009.

Basis of preparation and accounting policies

The accounting policies applied in the presentation of the interim financial results are consistent with those applied for the year ended 30 June 2008, except as follows:

The Group has early adopted the following standards, except if otherwise stated, which did not have a significant impact on the financial results:

- IAS 27 (Amendment), *Consolidated and Separate Financial Statements*.
- IFRS 1 and IAS 27 (Amendment), *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*.
- IFRS 3 (Revised), *Business Combinations*.
- IAS 39 (Amendment), *Eligible Hedged Items*.
- IAS 39 and IFRS 7 (Amendment), *Reclassifications of Financial Assets – Effective Date and Transition (effective 1 July 2008)*.
- IFRS 5 (Amendment), *Non-current Assets Held for Sale and Discontinued Operations*.
- IRFIC 16, *Hedges of a Net Investment in a Foreign Operation*.
- IRFIC 18, *Transfers of Assets From Customers*.
- Various improvements to IFRSs.

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.

Comparative figures

The period referred to in the financial statements is the period from the date of incorporation to the end of the respective reporting periods.

Related party transactions

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

Independent review by the auditors

The condensed consolidated interim statement of financial position at 31 December 2008 and the related condensed consolidated interim income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended have been reviewed by KPMG Inc. Their unmodified review report is available for inspection at the registered address of the company.

Registered office

Sasol Inzalo Public Limited
1 Sturdee Avenue, Rosebank, Johannesburg, 2196
PO Box 5486, Johannesburg, 2000, South Africa

Directors

SC Motau (Chairman), A Haroon, JS Sachane, T Modikoe, DNM Mkhobo, K Njobe, BL Sibiya, RT Nhlapo

Company secretary

Sasol Group Services (Pty) Limited



SC Motau
Director



BL Sibiya
Director

statement of financial position

at

	31 Dec 08 Reviewed Rm	31 Dec 07 Not reviewed Rm	30 Jun 08 Audited Rm
ASSETS			
Investment in security	4 504	–	–
Long-term financial asset	4	–	–
Deferred tax asset	194	–	–
Non-current assets	4 702	–	–
Cash and cash equivalents	1	*	*
Current asset	1	*	*
Total assets	4 703	*	*
EQUITY AND LIABILITIES			
Shareholders' deficit	(1 009)	*	*
Long-term debt	5 640	–	–
Non-current liability	5 640	–	–
Short-term debt	72	–	–
Current liability	72	–	–
Total equity and liabilities	4 703	*	*

* Nominal amount

income statement

for the period ended

	half year 31 Dec 08 Reviewed Rm	31 Dec 07 Not reviewed Rm	30 Jun 08 Audited Rm
Revaluation of derivative	4	–	–
Interest rate cap cost	(13)	–	–
Agency fee	(1)	–	–
Operating loss	(10)	–	–
Finance income	16	–	–
Finance expenses	(195)	–	–
Loss before tax	(189)	–	–
Taxation	(2)	–	–
Loss for period	(191)	–	–

statement of comprehensive income

for the period ended

	<i>halfyear</i> 31 Dec 08 <i>Reviewed</i> Rm	<i>31 Dec 07</i> <i>Not reviewed</i> <i>Rm</i>	<i>30 Jun 08</i> <i>Audited</i> <i>Rm</i>
Loss for period	(191)	–	–
Other comprehensive losses (net of tax)	(1 189)	–	–
Available-for-sale financial asset	(1 383)	–	–
Deferred tax on other comprehensive loss	194	–	–
Total comprehensive loss for period	(1 380)	–	–

statement of changes in equity

for the period ended

	<i>halfyear</i> 31 Dec 08 <i>Reviewed</i> Rm	<i>31 Dec 07</i> <i>Not reviewed</i> <i>Rm</i>	<i>30 Jun 08</i> <i>Audited</i> <i>Rm</i>
Opening balance	*	–	–
Shares issued	371	*	*
Total comprehensive loss for period	(1 380)	–	–
Closing balance	(1 009)	*	*
Comprising			
Share capital and share premium	371	*	*
Investment fair value reserve	(1 189)	–	–
Accumulated loss	(191)	–	–
Shareholders' deficit	(1 009)	*	*

* Nominal amount

statement of cash flows

for the period ended

	<i>half year</i> 31 Dec 08 <i>Reviewed</i> Rm	<i>31 Dec 07</i> <i>Not reviewed</i> <i>Rm</i>	<i>30 Jun 08</i> <i>Audited</i> <i>Rm</i>
Cash utilised in operating activities	(14)	–	–
Finance income	16	–	–
Finance expenses paid	(39)	–	–
Taxes paid	(2)	–	–
Cash utilised in operating activities	(39)	–	–
Purchase of investment	(5 887)	–	–
Cash utilised in investing activities	(5 887)	–	–
Share capital issued	371	*	*
Proceeds from long-term debt	5 556	–	–
Cash effect of financing activities	5 927	*	*
Increase in cash and cash equivalents	1	–	–
Cash and cash equivalents at end of period	1	*	*
at beginning of period	–	–	–
Increase in cash and cash equivalents	1	*	*

* Nominal amount

Major transactions for the six months ended 31 December 2008

During May 2008, the shareholders of Sasol Limited approved the Sasol Inzalo share transaction, a broad-based Black Economic Empowerment (BEE) transaction, which would result in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital, before the implementation of this transaction, to its employees and a wide spread of BEE participants. The transaction was introduced to assist Sasol Limited, as a major participant in the South African economy, in meeting its empowerment objectives.

As part of the above-mentioned transaction, the company has issued on 8 September 2008, 16 085 199 ordinary shares with a nominal value of R0,01 each to members of the black public for a consideration of R371 million. On the same date, the company purchased one ordinary share with a par value of R1,00 in Sasol Inzalo Public Funding (Pty) Limited for an amount of R371 million. As a result of the transaction, Sasol Inzalo Public Funding (Pty) Limited became a wholly owned subsidiary of the company.

Sasol Inzalo Public Funding (Pty) Limited subscribed for 16 085 199 preferred ordinary shares in Sasol Limited for a consideration of R5 887 million. This investment was funded with the equity contributions of R371 million received as well as preference shares issued to external preference share funders and Sasol Limited amounting to R5 556 million.

Dividend income

A dividend of R0,96 per share was received on the 16 million Sasol Limited preferred ordinary shares on 1 October 2008 for a total amount of R16 million.

Interest rate cap agreement

The Group entered into an interest rate cap agreement in respect of the variable dividend rate payable on the C preference shares. The interest rate is capped at 15,9% per annum and matures on 3 October 2011. The Group incurred a cost of R13 million in respect of this agreement.

Finance expenses

Interest payable on the preference shares is accounted for according to the effective interest rate method and amounted to R195 million for the period under review.

Investment in security

The Group invested in 16 085 199 Sasol Limited preferred ordinary shares at a cost price of R366,00 per share. The investment in Sasol Limited was revalued at 31 December 2008 at a closing market price of R280,02 per share to an amount of R4 504 million.

Long-term/short-term debt

A summary of the terms and conditions of the preference shares at 31 December 2008 is set out in Annexure A.

long-term/short-term debt**annexure A**

at

<i>Terms of repayment</i>	<i>Security</i>	<i>Interest rate at 31 Dec 08</i>	31 Dec 08 Reviewed Rm	<i>31 Dec 07 Not reviewed Rm</i>	<i>30 Jun 08 Audited Rm</i>
Secured debt					
A preference shares repayable in semi-annual instalments between October 2011 and October 2018	Secured by Sasol preferred ordinary shares held by the group	Fixed 10,16%	1 561	–	–
B preference shares repayable in October 2018	Secured by Sasol preferred ordinary shares held by the group	Fixed 12,14%	780	–	–
C preference shares repayable in October 2018	Secured by a guarantee from Sasol Limited	Variable 11,37%	1 961	–	–
Unsecured debt					
D preference shares repayable in October 2018	No security provided as these shares are held by Sasol Limited	Variable 10,95%	1 410	–	–
Non-participating preference share repayable in June 2018			*	–	–
			5 712	–	–
Repayable within one year included in short-term debt			(72)	–	–
Long-term debt			5 640	–	–

* Nominal amount