

# Report of the Month

ReportWatch e.com

March 2007

## Sasol

Johannesburg, South Africa



annual review and summarized financial information 2006

## Report Facts

**Company name:** Sasol Limited Group  
**Fiscal year end:** June 30, 2006  
**Report title:** *technology for sustainable energy*  
**Chairman:** Pieter Cox  
**Chief executive:** Pat Davies  
**Number of books** (Received): 3  
**Volume:** 80 + 152 + 92  
**Auditors:** KPMG  
**Designers:** Sasol Corporate Affairs, Studio Five  
**E-mail:** [investor.relations@sasol.com](mailto:investor.relations@sasol.com)

Report Rating: ★★★★★(★)

(Rating scale overleaf)

**Profile** (Excerpts, as defined in the annual report)

*Sasol is an integrated oil and gas company with substantial chemical interests. In South Africa, we support these operations by mining coal and converting it into synthetic fuels and chemicals through our world-renowned, proprietary Fischer-Tropsch (FT) technology. We have chemical manufacturing and marketing operations in South Africa, Europe, Asia and the Americas. Our larger chemical portfolio includes monomers, polymers, solvents, olefins... Formed in 1950, we commenced FT-based production in 1955. We employ more than 30 000 people... Sasol is listed in South Africa and the New York Stock Exchange.*

**Revenues:** \$ 9.961 million

**Attributable earnings:** \$ 1.618 million

**Earnings per share:** \$ 3.58

**Return on equity:** 21.6%

**Market value:** \$ 26.391 million

(Source: annual report 2006 only –figures not found through a report scan are considered NA. All figures for fiscal year 2006)

## Report Rating: ★★★★★(★) Strongest

> This is a complex company with no less than 8 operating segments. Still, the way to deal with it -to report, that is- remarkably consistent, comprehensive, comprehensible and communicative. Strong chart backing, too.

> The layout for notes to statements probably stands as clearest across the board and many seas.

> *Ten year financial performance* shows measures over 8 pages, of which three dozens of *key performance indicators* all set in fractions; from liquidity measures to margins to efficiency ratios and shareholder returns. The **Selected Page** (see below) provides a good example of the thoroughness and clearness of segment contribution analysis, throughout the whole document, including the notes to statements, which is rare among today's usually annuals, often convoluted.

### Good too

> Diagram used to display the *integrated business model*.

> Financial strategies and targets.

> Geographical analysis.

> Committees' work.

### Green

> A separate 92-page *sustainable development report* is available. It includes tools such as a GRI index with a column showing (un)achieved reporting status, a full list of acronyms, a feedback form, and 14 *key contacts*. Substantiated on some of the burning issues yet not always clearest and up to best in class.

### Buts

> Is a "summary" still a summary when it weighs half of a "core" report and contains so many crammed pages? "annual financial statements" may not be the most suitable title for that "core" book. And more than 300 pages means a lot of paper and some duplication.

> The financial review -endorsed by two CFOs- could be better sequenced and more effectively laid out.

Etc.

**To qualify for the Report of the Month, a report must deliver ★★★★★(★) minimum. The rating scale is:**

★★★★★: World-class - ★★★★★(★): First-rate - ★★★★★: Excellent - ★★★★★(★): Fine - ★★★★★: Average

★★(★): Uneven - ★★: Ordinary - ★(★): Deficient - ★: Unsatisfactory - (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment.

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*How does the company report in key areas? What are the main report pluses and minuses?*

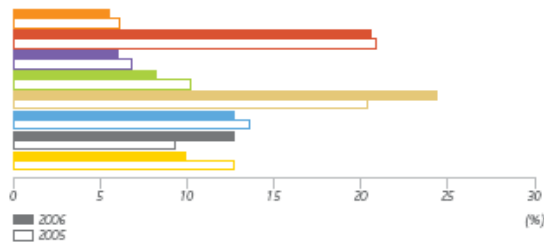
*The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

*Contact [e.com@reportwatch.net](mailto:e.com@reportwatch.net)*

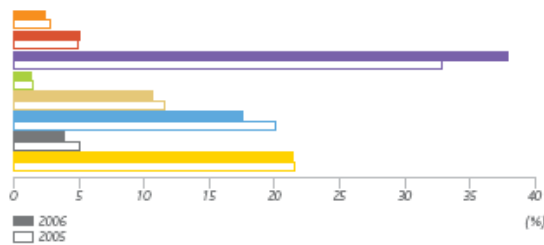
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**business segment information**

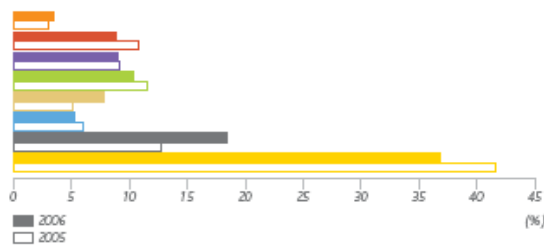
Non-current assets*		
	2006 Rm	2005 Rm
Mining	3 602	3 334
Synfuels	13 632	11 401
Oil	3 984	3 705
Gas	5 419	5 571
Polymers	16 113	11 164
Solvents	8 384	7 422
Synfuels International	8 369	5 107
Other businesses	6 557	6 956
Continuing operations	66 060	54 660
Discontinued operations – Sasol Olefins & Surfactants†	3 811	6 705
<b>Total</b>	<b>67 871</b>	<b>61 365</b>



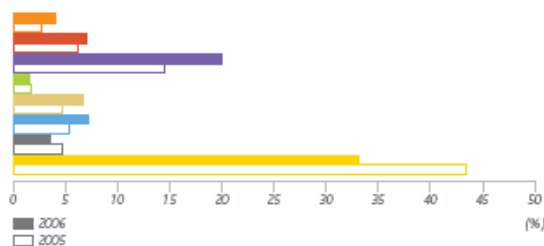
Current assets		
	2006 Rm	2005 Rm
Mining	574	528
Synfuels	1 200	939
Oil	9 145	6 318
Gas	303	271
Polymers	2 587	2 219
Solvents	4 241	3 863
Synfuels International	951	969
Other businesses	5 166	4 133
Continuing operations	24 167	19 240
Discontinued operations – Sasol Olefins & Surfactants†	8 025	6 855
<b>Total</b>	<b>32 192</b>	<b>26 095</b>



Non-current liabilities*		
	2006 Rm	2005 Rm
Mining	772	543
Synfuels	1 984	1 970
Oil	2 043	1 663
Gas	2 363	2 126
Polymers	1 775	932
Solvents	1 173	1 105
Synfuels International	4 184	2 337
Other businesses	8 349	7 590
Continuing operations	22 643	18 266
Discontinued operations – Sasol Olefins & Surfactants†	1 367	1 266
<b>Total</b>	<b>24 010</b>	<b>19 532</b>



Current liabilities		
	2006 Rm	2005 Rm
Mining	675	490
Synfuels	1 200	1 093
Oil	3 403	2 593
Gas	271	299
Polymers	1 155	847
Solvents	1 214	969
Synfuels International	611	828
Other businesses	5 633	7 744
Continuing operations	14 162	14 863
Discontinued operations – Sasol Olefins & Surfactants†	3 239	2 788
<b>Total</b>	<b>17 401</b>	<b>17 651</b>



\* Excludes tax and deferred tax

† In the balance sheet for 2006, discontinued operations are reflected as a current asset and current liability.



