

merisol

Our Merisol joint venture with Merichem of the USA has plants in South Africa and in the USA and a joint-venture production facility at Sasolburg, South Africa. It supplies cresols, xylenols, alkylphenols and other phenolics and their derivatives to customers on all continents.

Weathering the recession

Merisol remained profitable in 2010, reducing costs and stocks and defending its position in the market. This was despite the worst recession in recent times, resulting in weaker demand and lower product prices.

In the first half of the year, we suspended some manufacturing capacity in response

to reduced demand, but by year-end our plants were running at full capacity as demand rebounded. In March, our production joint venture in Japan came to an end, but we remain committed to the meta-cresol and meta-para cresol markets, supplying these products from our US facilities. Both are used in the manufacture of Vitamin E and other speciality applications.

Merisol's safety performance improved slightly in the year, with a RCR of 0,58, down from 0,64 in 2009. While our safety record in South Africa remained unchanged, a sharp improvement was logged by our US operations, with a RCR of 0,00 compared with 4,00 in 2006. This accomplishment was recognised by the American Chemistry Council in May, when it presented Merisol USA LLC with its

highest honour, the Responsible Care™ Initiative of the Year Award. This accolade recognises companies that have undertaken a specific programme or activity that demonstrates leadership in the areas of employee health and safety, security or environmental protection. We continue with our initiatives to prevent incidents at all our operations and are also working to reduce Merisol's environmental footprint, particularly in the United States.

We are pleased to report ongoing advances in our efforts to meet the requirements of Registration, Evaluation and Authorisation of Chemicals (REACH). Compliance in Europe in this respect will help to maintain Merisol's position as the preferred supplier in the industry.