



our higher gearing limit of 50% will not unduly stress the balance sheet or our ability to service debt

Reputation

Stakeholders welcome new image The new Sasol brand and positioning statement unveiled in September 2001 have been implemented worldwide. Our new identity has been positively accepted by external stakeholders, as well as by employees, and it augurs well for our more intrinsic commitment to build a stronger global reputation and sound relationships with stakeholders.

Our new Sasol brand is an external manifestation of our shared company values, which were also launched in September 2001. Among other key attributes our enhanced branding is intended to portray Sasol as a company that is dynamic, innovative, ambitious, reliable, dedicated and inspiring. Recent market research undertaken has confirmed that our corporate advertising campaigns run since the launch of our new branding have contributed significantly to Sasol's profile being elevated.

Sustainability complements our vision and values In line with our vision and company values, Sasol remains committed to the philosophy and process of sustainable development so that we can continue to pursue dynamic growth with due sensitivity and respect for the greater needs of the communities and natural environments in which we operate. Integral to this commitment, we published during the year our second fully fledged corporate sustainable development report, *Share It with Sasol*, which featured yet higher levels of disclosure and transparency.

To reinforce our commitment, we have opted this year to publish a separate executive review in our annual report on our commitment to sustainable development under the title of *Living our values* (see page 54). This review is intended to

summarise some of our achievements and objectives, as well as our shortfalls, in such fields as human capital development, social investment, economic empowerment, and safety, health and environmental management.

Conclusion

Prospects

Higher earnings unlikely, but improvements will be sustained While signs of an improvement in global economic conditions are emerging, it is apparent that caution prevails and that an improvement will be minimal should it materialise.

The rand remains Sasol's principal reporting currency, while most of the group's sales are either US dollar- or euro-denominated or linked. As a result, the persistent strength of the rand, particularly against the US dollar, is likely to have an adverse effect on financial performance in the year ahead relative to the previous reporting period.

Notwithstanding persisting high oil prices, it is also forecast that average oil prices during the new financial year will probably be lower than in the past year. While this should benefit chemical margins, it will be detrimental to the group's overall financial performance.

As a result, it may be difficult in the year ahead to match the earnings of the past year, although heightened emphasis is being placed on lowering costs, improving productivity and efficiency, and rationalising or disposing of businesses that are no longer strategically compatible or not expected to meet our stringent performance expectations on a sustainable basis.

Looking ahead, our next exciting growth phase will be spearheaded by the rollout of our trendsetting GTL ventures and supported by both the harvesting of returns from our new chemical investments and continuing major contributions from our synthetic fuels and mining businesses. Subject to no major disruptions in world petrochemical and financial markets, and on the basis of assumptions made relating notably to currencies and oil prices, we anticipate meeting our growth objectives of increasing US dollar earnings by 10% a year on a five-year moving average basis.

Acknowledgements

Appreciation for valued support

In demanding times, I believe that Sasol has responded in an inspirational and dynamic manner to our manifold tasks and challenges. I therefore thank all our valued employees worldwide for their continuing hard work, dedication and innovation. I also thank all our valued customers, suppliers, business associates and government colleagues around the globe for their ongoing support and goodwill.

We look forward to strengthening our partnerships in the year ahead.

Pieter Cox

Deputy chairman and chief executive