*sasol solvents commissioned new capacity and achieved record turnover*

*At the Sasolburg Midland site, we intend to develop a new 220 000 tpa LDPE plant incorporating licensed ExxonMobil process technology and to downscale production at the Poly 1 LDPE plant from 100 000 tpa to 20 000 tpa. We also intend to increase LLDPE production from 100 000 tpa to 150 000 tpa.*

*The Vinyls business unit is in the process of upgrading its vinyl chloride monomer and PVC plants to increase production by at least 40 000 tpa during 2005.*

*Once all these units are commissioned and operating, Sasol Polymers will have increased its total polymer output by about 80% over five financial years (2002 to 2007).*

***Further expansion of our polymer portfolio*** *In support of the group's ongoing globalisation strategy, Sasol Polymers Germany GmbH entered into a 50:50 joint venture with the National Petrochemical Company of Iran to construct and operate an integrated ethylene and polyethylene production facility in Iran.*

*The joint venture comprises a 1 million tpa ethane cracker and two 300 000 tpa polyethylene plants (one for producing LDPE and one for high-density polyethylene, HDPE) and is expected to be internationally competitive on the strength of competitively priced ethane feedstock combined with the advantages of world-scale capacities.*

*Construction of the integrated facility has commenced. The cracker is expected to come on stream towards the end of 2004 and the two polyethylene plants during 2005.*

## *Sasol Solvents*

- ***Record turnover of R6 572 million (US$728 million).***
- ***Dollar-based operating profit down 38%.***
- ***Cost-cutting initiatives deliver early results.***
- ***Butanol plant performing well, and Herne ethanol capacity expanded.***

***Sasol Solvents delivers strong performance***
*Against the backdrop of lower international demand for many chemicals, exacerbated by higher feedstock costs and stiff competition, Sasol Solvents delivered a strong performance by increasing turnover by 13% from R5 805 million (US$573 million) to R6 572 million (US$728 million) aided primarily by higher prices. The rand's appreciation against the US dollar and the euro, however, led to a decline in the rand-based operating profit.*

*The benefits of cost-cutting initiatives and record turnover resulted in Sasol Solvents increasing its operating profit before translation effects by 3% from R704 million to R728 million. The rand's appreciation, however, resulted in a 45% decrease in operating profit after translation effects from R786 million to R436 million.*

*Volumes rose marginally to 1 250 000 t. The bulk of sales was undertaken through the regional sales operations in Europe, South Africa, Asia-Pacific and the Middle East.*

*The successful commissioning of the Sasolburg butanol plant enabled our solvents business to introduce high-quality volumes of n-butanol and iso-butanol to the world market. The introduction of acrylic acid and acrylates later in the 2004 financial year will further increase global sales volumes.*

***Major businesses enjoyed volume growth*** *The Ketones business unit, whose portfolio features acetone, methyl ethyl ketone and methyl iso-butyl ketone, enjoyed higher volumes and good prices after experiencing a disappointing performance in the previous year. The Ethanol business unit maintained stable turnover and production.*

*The Alcohols business unit, whose products include propanol, butanol and mixed $C_3$ and $C_4$ alcohols, achieved higher turnover because of good volume growth and stronger prices for most alcohols. The European-based export programme also fared well and achieved higher volumes, most of which went to customers in the Far East.*

*Most business units performed to expectation and contributed satisfactorily to profit. Certain smaller operations within some business units, however, have been underperforming and initiatives have been launched to review the merits of their role in the Sasol Solvents portfolio. The new Acrylates business unit will commence commercial operation in the year ahead when the new Sasolburg acrylic acid and acrylates complex is brought on stream.*

***Shared services to lower costs***
*Closer collaboration with Sasol Olefins & Surfactants has yielded further operational synergy and by promoting the concept of shared services, these businesses will reduce their combined annual operating costs.*