

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-Q

June 22, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock

MuniHoldings California Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2016

Date of reporting period: 04/30/2016

Item 1 Schedule of Investments

Schedule of Investments April 30, 2016 (Unaudited)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
California 104.3%		
Corporate 2.7%		
California Pollution Control Financing Authority, Refunding RB, Waste Management, Inc., AMT:		
Series A-1, 3.38%, 7/01/25	\$ 5,000	\$ 5,394,400
Series B-1, 3.00%, 11/01/25	9,000	9,479,250
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	2,435	2,802,222
		17,675,872
County/City/Special District/School District 33.2%		
Centinela Valley Union High School District, GO:		
County of Los Angeles, California (BAM), 4.00%, 8/01/41 (a)	2,500	2,706,800
Election of 2010, Series A, 5.75%, 8/01/21 (b)	9,120	11,308,526
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	3,500	3,978,240
County of Los Angeles Public Works Financing Authority, Refunding RB, Series D:		
4.00%, 12/01/40	1,000	1,073,280
5.00%, 12/01/45	1,430	1,690,289
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/19 (b)	2,500	2,788,950
County of Riverside California Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/45	10,000	11,995,300
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,665	3,238,002
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/18 (b)	4,000	4,430,120
Culver City Redevelopment Finance Authority California, Refunding, Tax Allocation Bonds, Series A (AGM), 5.60%, 11/01/25	3,750	3,765,712
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (continued)		
Fremont Union High School District, GO, Refunding, 4.00%, 8/01/40	\$ 2,500	\$ 2,731,250
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/40	5,500	6,651,920
Gavilan Joint Community College District, GO, Election of 2004, Series D:		
5.50%, 8/01/31	2,170	2,563,074
5.75%, 8/01/35	8,400	10,003,056
Golden Empire Schools Financing Authority, Refunding RB, Kern High School District Projects, 0.91%, 5/01/17 (c)	5,000	4,998,200
Grossmont California Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/21 (b)	2,000	2,515,420
Imperial Irrigation District, Series A, Electric System Revenue:		
5.13%, 11/01/18 (b)	6,530	7,240,072
5.13%, 11/01/38	1,470	1,621,601
Kern Community College District, GO, Safety Repair & Improvements, Series C:		
5.25%, 11/01/32	5,715	7,116,146
5.75%, 11/01/34	12,085	15,492,366
Los Alamitos Unified School District, GO, Refunding, School Facilities Improvement, Series E, 5.25%, 8/01/39	3,700	4,480,441
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	12,680,690
Merced Union High School District, GO, CAB, Refunding (AGM) (d):		
0.00%, 8/01/40	3,800	1,261,220
0.00%, 8/01/42	4,125	1,211,265
Mount San Jacinto Community College District, GO, Series A, 5.00%, 8/01/35	3,565	4,320,174
Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35	10,000	11,372,100
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,465,650
Rio Elementary School District, GO, Series A, 5.25%, 8/01/40	5,865	7,029,202

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (continued)		
Riverside Community College District Foundation, GO, Election of 2004 (b):		
Series C (AGM), 5.00%, 8/01/17	\$ 8,750	\$ 9,232,300
Series C (NPFGC), 5.00%, 8/01/17	8,910	9,401,119
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/19 (b)	905	1,020,062
San Diego Unified School District, GO, CAB, Series C (d):		
Election of 2008, 0.00%, 7/01/42	3,605	1,356,381
Election of 2008, 0.00%, 7/01/43	1,310	473,552
Election of 2008, 0.00%, 7/01/45	1,575	526,759
0.00%, 7/01/47	1,000	307,790
San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:		
5.75%, 5/01/36	2,560	2,571,341
5.75%, 5/01/42	4,500	5,340,105
San Jose California Financing Authority, Refunding LRB, Civic Center Project, Series A, 5.00%, 6/01/39	5,800	6,761,060
San Marcos Redevelopment Agency Successor Agency, Refunding, Tax Allocation Bonds, Series A:		
5.00%, 10/01/32	1,700	2,059,550
5.00%, 10/01/33	1,125	1,357,684
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/19 (b)	5,635	6,544,602
Sweetwater Union High School District, GO, Refunding, 4.00%, 8/01/42	5,000	5,389,250
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	5,390	6,379,281
Election of 2010, Series B, 5.50%, 8/01/39	3,195	3,924,834
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (continued)		
West Contra Costa California Unified School District, GO (continued):		
Election of 2012, Series A, 5.50%, 8/01/39	\$ 2,500	\$ 3,071,075
		221,445,811
Education 2.5%		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,296,177
University of California, Refunding RB:		
Series AO, 5.00%, 5/15/40	5,430	6,483,909
Series AR, 5.00%, 5/15/41	2,360	2,864,828
Series AR, 5.00%, 5/15/46	3,600	4,348,800
		16,993,714
Health 13.4%		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series B, 6.25%, 8/01/39		
	6,305	7,303,081
California Health Facilities Financing Authority, RB:		
Children's Hospital, Series A, 5.25%, 11/01/41	8,000	9,213,840
Providence Health Services, Series B, 5.50%, 10/01/39	4,130	4,699,775
Sutter Health, Series A, 5.00%, 11/15/41	2,275	2,695,807
Sutter Health, Series A, 5.25%, 11/15/46	7,500	7,679,325
Sutter Health, Series B, 6.00%, 8/15/42	9,655	11,597,972
California Health Facilities Financing Authority, Refunding RB:		
Dignity Health, Series A, 6.00%, 7/01/34	3,700	4,249,857
Lucile Salter Packard Children's Hospital at Stanford, Series B, 5.00%, 8/15/55	4,500	5,300,100
Providence Health and Services, Series A, 5.00%, 10/01/38	10,970	12,859,144
St. Joseph Health System, Series A, 5.00%, 7/01/37	10,000	11,681,900

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
Health (continued)		
California Statewide Communities Development Authority, Refunding RB:		
CHF Irvine LLC, 5.00%, 5/15/40	\$ 750	\$ 879,248
Kaiser Permanente, Series C, 5.25%, 8/01/31	2,500	2,526,125
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	6,235	7,064,068
Washington Township Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/38	1,625	1,986,546
		89,736,788
State 7.6%		
State of California, GO:		
Various Purposes, 6.00%, 3/01/33	5,000	5,943,300
Various Purposes, 6.00%, 4/01/38	27,765	31,830,907
Refunding, Veterans Bond, 4.00%, 12/01/40	4,000	4,351,360
State of California Public Works Board, LRB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,295,441
Various Capital Projects, Series I, 5.50%, 11/01/33	2,015	2,501,079
State of California Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31	1,205	1,482,017
		50,404,104
Transportation 20.7%		
City & County of San Francisco California Airports Commission, ARB, Series E, 6.00%, 5/01/39	9,650	11,103,193
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/22	4,950	5,438,615
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,488,800
2nd Series A, 5.00%, 5/01/29	6,435	7,459,259
	Par	
Municipal Bonds		
California (continued)		
Transportation (continued)		
City of Los Angeles California Department of Airports, ARB:		
AMT, Senior Series A, 5.00%, 5/15/40	\$ 3,830	\$ 4,442,647
AMT, Series D, 5.00%, 5/15/35	2,000	2,347,640
AMT, Series D, 5.00%, 5/15/36	1,500	1,755,510
Los Angeles International Airport, Senior Series D, 5.25%, 5/15/29	2,590	3,015,744
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A:		
Senior, 5.00%, 5/15/40	5,000	5,680,950
5.25%, 5/15/39	5,845	6,551,485
City of San Jose California, ARB, AMT, Series A (AMBAC), 5.00%, 3/01/37	8,000	8,257,520
City of San Jose California, Refunding ARB, Series A-1, AMT:		
5.25%, 3/01/23	3,785	4,418,155
6.25%, 3/01/34	1,400	1,680,966
County of Orange California, ARB, Series B, 5.75%, 7/01/34	6,345	6,719,545
County of Sacramento California, ARB:		
Senior Series A (AGC), 5.50%, 7/01/41	8,200	8,977,852
Senior Series B, 5.75%, 7/01/39	2,650	2,913,755
Senior Series B, AMT (AGM), 5.75%, 7/01/28	13,275	14,629,448
Senior Series B, AMT (AGM), 5.25%, 7/01/33	18,000	19,473,300
Senior Series B, AMT (AGM), 5.25%, 7/01/39	4,995	5,379,265
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,545	5,465,408
Port of Los Angeles California Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	6,250,946

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
12 157		
11 364		
13 446		Property, plant and equipment
166 331		
156 120		
158 773		
10 010		
8 456		
10 945		Assets under construction
135 399		
116 176		
130 734		
181	177	
190		Goodwill and other intangible assets
2 355		
2 428		
2 361		
904	875	782 Equity accounted investments
9 679		
12 024		
11 813		
48	45	
49		Post-retirement benefit assets
612		
625	622	
236	240	276 Deferred tax assets
3 414		
3 301		
3 082		
276	330	312 Other long-term assets
3 857		
4 527		
3 600		
23 812		
21 487		
26 000		
Non-current assets		
321 647		
295 201		
310 985		
17	66	
154		Assets in disposal groups held for sale**
1 904		

905	216		
1 943			
1 766			
2 337	Inventories		
28 903			
24 261			
25 374			
2 310			
2 072			
2 668	Trade and other receivables		
32 996			
28 471			
30 179			
210	37		
399	Short-term financial assets***		
4 934			
514			
2 739			
138	135		
165	Cash restricted for use		
2 038			
1 852			
1 803			
2 117			
1 879			
1 169	Cash and cash equivalents		
14 455			
25 813			
27 643			
6 735			
5 955			
6 892			
Current assets			
85 230			
81 816			
87 954			
30 547			
27 442			
32 892			
Total assets			
406 877			
377 017			
398 939			
Equity and liabilities			
16 211			
14 931			
17 053	Shareholders' equity		
210 950			
205 135			
211 711			
423	397	483	Non-controlling interests

5 972			
5 451			
5 523			
16 634			
15 328			
17 536			
Total equity			
216 922			
210 586			
217 234			
5 690			
5 438			
6 360	Long-term debt		
78 675			
74 707			
74 312			
1 275			
1 238			
1 352	Long-term provisions		
16 725			
17 006			
16 648			
847	814		
919	Post-retirement benefit obligations		
11 374			
11 184			
11 069			
70	52	71	Long-term deferred income
879			
715	910		
56	45		
38	Long-term financial liabilities		
475			
621	733		
1 980			
1 855			
2 208	Deferred tax liabilities		
27 312			
25 483			
25 860			
9 918			
9 442			
10 948			
Non-current liabilities			
135 440			
129 716			
129 532			
-	-		
14	Liabilities in disposal groups held for sale		
178			
-	-		

744	165		
1 397			Short-term debt
17 278			
2 271			
9 718			
57	55	77	Short-term financial liabilities
948			
759	740		
3 185			
2 444			
2 907			Other current liabilities
35 945			
33 582			
41 592			
9	8		
13			Bank overdraft
166			
103	123		
3 995			
2 672			
4 408			
Current liabilities			
54 515			
36 715			
52 173			
30 547			
27 442			
32 892			
Total equity and liabilities			
406 877			
377 017			
398 939			

*

Supplementary non-IFRS information. US dollar convenience translation, converted at a closing exchange rate of R12,37/US\$1

(31 December 2016 – R13,74/US\$1; 30 June 2017 – R13,06/US\$1).

**

Includes our 40% investment in Petronas Chemicals LDPE Sdn Bhd and our 12% share in Petronas Chemicals Olefins Sdn Bhd.

Increase mainly relates to the fair value adjustment of the zero-cost collar foreign exchange derivative.

Sasol Limited Group

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Sasol Limited Interim Financial Results 2018

Statement of changes in equity

for the period ended

Half year

Half year

Full year

31 Dec 17

31 Dec 16

30 Jun 17

Reviewed

Reviewed Audited

Rm

Rm Rm

Balance at beginning of period

217 234

212 418

212 418

Movement in share-based payment reserve

505

743

1 108

Share-based payment expense

453

98 463

Deferred tax

52

— —

Long-term incentive scheme converted to equity-settled

—

645 645

Total comprehensive income for the period

4 392

3 669

13 325

Dividends paid to shareholders

(4 836)

(5 650)

(8 628)

Dividends paid to non-controlling shareholders in subsidiaries

(373)

(594) (989)

Balance at end of period

216 922

210 586

217 234

Comprising

Share capital

29 282

29 282

29 282
Share repurchase programme
(2 641)
(2 641)
(2 641)
Retained earnings
179 306
167 944
176 714
Share-based payment reserve
(12 551)
(12 839)
(12 525)
Foreign currency translation reserve
19 940
25 946
23 285
Remeasurements on post-retirement benefit obligations
(1 928)
(2 037)
(1 790)
Investment fair value reserve
45
24 33
Cash flow hedge accounting reserve
(503)
(544) (647)
Shareholders' equity
210 950
205 135
211 711
Non-controlling interests in subsidiaries
5 972
5 451
5 523
Total equity
216 922
210 586
217 234

Sasol Limited

Interim Financial Results 2018

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Statement of cash flows

for the period ended

Half year

Half year

Full year

31 Dec 17

31 Dec 16

30 Jun 17

Reviewed

Reviewed Audited

Rm

Rm Rm

Cash receipts from customers

86 844

84 341

172 061

Cash paid to suppliers and employees

(72 834)

(67 505)

(127 992)

Cash generated by operating activities

14 010

16 836

44 069

Dividends received from equity accounted investments

1 052

465

1 539

Finance income received

1 106

793

1 464

Finance costs paid

(1 864)

(1 587)

(3 612)

Tax paid

(4 070)

(3 010)

(6 352)

Cash available from operating activities

10 234

13 497

37 108

Dividends paid

(4 836)

(5 650)

(8 628)

Cash retained from operating activities

5 398

7 847

28 480

Total additions to non-current assets

(30 574)

(29 806)

(56 812)

Additions to non-current assets

(27 734)

(30 248)

(60 343)

(Decrease)/increase in capital project related payables

(2 840)

442

3 531

Additional cash contributions to equity accounted investments

(76)

(124) (444)

Proceeds on disposals and scrapings

8

125 788

Purchase of investments

(57)

– (96)

Other net cash flow from investing activities

(37)

161 (113)

Cash used in investing activities

(30 736)

(29 644)

(56 677)

Dividends paid to non-controlling shareholders in subsidiaries

(373)

(594) (989)

Proceeds from long-term debt

18 746

1 181

9 277

Repayment of long-term debt

(3 151)

(1 227)

(2 364)

Proceeds from short-term debt

29

860

4033

Repayment of short-term debt

(2 636)

(850)

(1 410)

Cash generated/(used) by financing activities

12 615

(630)

8 547

Translation effects on cash and cash equivalents

(256)

(2 162)

(3 207)

Decrease in cash and cash equivalents

(12 979)

(24 589)

(22 857)

Cash and cash equivalents at the beginning of period

29 323

52 180

52 180

Reclassification to held for sale

(17)

(29) —

Cash and cash equivalents at the end of the period

16 327

27 562

29 323

Sasol Limited Group

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Sasol Limited Interim Financial Results 2018

Salient features

for the period ended

Half year

Half year

Full year

31 Dec 17

31 Dec 16

30 Jun 17

Selected ratios

Operating profit margin

%

13,4

16,1 18,4

Finance costs cover

times

7,0

9,1 9,2

Net borrowings to shareholders' equity (gearing)

%

38,7

25,0 26,7

Dividend cover - Core headline earnings per share¹

times

3,6

3,2 2,8

Share statistics

Total shares in issue

million

681,4

679,8 679,8

Sasol ordinary shares in issue

million

653,0

651,4 651,4

Treasury shares (share repurchase programme)

million

8,8

8,8 8,8

Weighted average number of shares

million

611,5

610,7 610,7

Diluted weighted average number of shares

million

613,8

610,9 612,4

Share price (closing)

Rand

428,18

398,90 366,50

Market capitalisation - Sasol ordinary shares

Rm

279 602

259 843

238 738

Market capitalisation - Sasol BEE ordinary shares

Rm

1 107

826 866

Net asset value per share

Rand

346,10

337,45 348,27

Dividend per share

Rand

5,00

4,80 12,60

- interim

Rand

5,00

4,80 4,80

- final

Rand

–

– 7,80

1 With effect from 23 February 2018, the Board approved a change in dividend policy from HEPS to Core HEPS.

Sasol Limited

Interim Financial Results 2018

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Half year

Half year

Full year

31 Dec 17

31 Dec 16

30 Jun 17

Other financial information

Total debt (including bank overdraft)

Rm

96 119

77 081

84 153

- interest-bearing

Rm

94 952

75 967

82 849

- non-interest-bearing

Rm

1 167

1 114

1 304

Finance expense capitalised

Rm

1 634

1 315

2 764

Capital commitments (subsidiaries and joint operations)¹

Rm

69 813

111 829

90 736

- authorised and contracted

Rm

150 520

144 851

154 739

- authorised, not yet contracted

Rm

46 322

78 473

61 673

- less expenditure to date

Rm **(127 029)**

(111 495)

(125 676)

Capital commitments (equity accounted investments)

Rm

717

552 584

- authorised and contracted

Rm

404

291 292

- authorised, not yet contracted

Rm

652

492 573

- less expenditure to date

Rm

(339)

(231) (281)

Guarantees (excluding treasury facilities)

- maximum potential exposure

Rm

75 528

92 670

81 896

- related debt recognised on the balance sheet

Rm

70 676

68 161

64 057

Effective tax rate

%

31,6

28,4 28,3

Adjusted effective tax rate²

%

26,4

29,2 26,5

Number of employees³

number

31 000

30 300

30 900

Average crude oil price - dated Brent

US\$/barrel

56,74

47,68 49,77

Average rand/US\$ exchange rate

1US\$ = Rand

13,40

13,99 13,61

Closing rand/US\$ exchange rate

1US\$ = Rand

12,37

13,74 13,06

1

Excludes significant commitments under leases relating to the Air Separation Unit in Secunda, capitalised in January 2018. The

finance lease asset capitalised is approximately R5 billion.

2

Effective tax rate adjusted for equity accounted investments, remeasurement items and once-off items.

3

The total number of employees includes permanent and non-permanent employees and the group's share of employees within joint

operations, but excludes contractors and equity accounted investments' employees.

Sasol Limited Group

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Sasol Limited Interim Financial Results 2018

Half year

Half year

Full year

31 Dec 17

31 Dec 16

30 Jun 17

Rm

Rm Rm

Reconciliation of headline earnings

Earnings attributable to owners of Sasol Limited

6 901

8 676

20 374

Effect of remeasurement items for subsidiaries and joint operations¹

4 244

771

1 616

Impairment of property, plant and equipment

2 715

442 415

Impairment of assets under construction

50

191

1 942

Impairment of goodwill and other intangible assets

–

102 120

Impairment of other assets

15

–

–

Reversal of impairment

(69)

(29)

(1 136)

Fair value write down - assets held for sale

–

– 64

(Profit)/loss on disposal of non-current assets

(36)

4 (21)

Loss/(profit) on disposal of investment in businesses

83

(11) (51)

Scrapping of non-current assets

1 453

72 283

Write-off of unsuccessful exploration wells

36

–	–
Realisation of foreign currency translation reserve	
(3)	
–	–
Tax effects and non-controlling interests	
(339)	
(223)	(539)
Effect of remeasurement items for equity accounted investments	
(1)	
11	14

Headline earnings

10 805

9 235

21 465

Headline earnings adjustments per above

Mining

(7)

– 6

Exploration and Production International

2 835

152 (6)

Energy

1 249

25

1 844

Base Chemicals

148

74 (901)

Performance Chemicals

1

520 663

Group Functions

18

– 10

Remeasurement items

4 244

771

1 616

Headline earnings per share

Rand

17,67

15,12 35,15

Diluted headline earnings per share

Rand

17,60

15,12 35,05

1

Includes the impact of the partial impairment of our Canadian shale gas assets of R2,8 billion (CAD281 million) and the scrapping of our US GTL project amounting to R1,1 billion (US\$83 million).

The reader is referred to the definitions contained in the 2017 Sasol Limited financial statements.

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Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards, IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, 2008, as amended, and the JSE Limited Listings Requirements.

The condensed consolidated interim financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board. The condensed consolidated interim financial statements are prepared on a going-concern basis. The Board is satisfied that the liquidity and solvency of the company is sufficient to support the current operations for the next 12 months

These condensed consolidated interim financial statements have been prepared in accordance with the historic cost convention except that certain items, including derivative financial instruments, liabilities for cash-settled share-based payment schemes, financial assets at fair value through profit or loss and available-for-sale financial assets and liabilities, are stated at fair value

The condensed consolidated interim financial statements are presented in South African Rand, which is Sasol Limited's functional and presentation currency.

The condensed consolidated interim financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the condensed consolidated interim financial statements. Paul Victor CA(SA), Chief Financial Officer, is responsible for this set of condensed consolidated interim financial statements and has supervised the preparation thereof in conjunction with the Senior Vice President: Financial Control Services, Brenda Baijnath CA(SA).

Accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2017.

Related party transactions

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

Significant events and transactions since 30 June 2017

In accordance with IAS34, Interim Financial Reporting, we have included an explanation of events and transactions which are significant to obtain an understanding of the changes in our financial position and performance since 30 June 2017.

Independent review by the auditors

These condensed consolidated interim financial statements, including the segment report for the six months ended 31 December 2017 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified conclusion thereon. The individual auditor assigned to perform the review is Mr PC Hough. The auditor's report does not necessarily report on all of the information contained in this announcement of interim financial results.

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Financial instruments

Fair value

Fair value is determined using valuation techniques as outlined unless the instrument is listed in an active market. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

The table below represents significant financial instruments measured at fair value at reporting date, or for which fair value is disclosed at 31 December 2017. The US dollar bond, the interest rate swap, the crude oil put options, the zero-cost foreign exchange collars and the coal swaps were considered to be significant financial instruments for the group based on the amounts recognised in the statement of financial position. The calculation of fair value requires various inputs into the valuation methodologies used. The source of the inputs used affects the reliability and accuracy of the valuations. Financial instruments have been classified into the hierarchical levels in line with IFRS 13.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3 Inputs for the asset or liability that are unobservable.

IFRS 13

fair value

hierarchy

Carrying

value

Fair

value

Instrument

Rm

Rm

Valuation method

Significant inputs

Listed long-term

debt

Level 1

12 344

12 568 Fair value

Quoted market price for the

same or similar instruments

Derivative financial

assets and

liabilities

Level 2

3 511

3 511 Forward rate interpolator

model, discounted

expected cash flows,

numerical approximation,

as appropriate

Foreign exchange rates,

market commodity prices, US\$

swap curve, as appropriate

For all other financial instruments, fair value approximates carrying value.

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Independent auditor's review report on interim financial statements

To the Shareholders of Sasol Limited

We have reviewed the condensed consolidated interim financial statements of Sasol Limited in the accompanying interim financial results, which comprise the condensed consolidated statement of financial position as at 31 December 2017 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Sasol Limited for the six months ended 31 December 2017 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Other matter

We have not reviewed future financial performance and expectations, normalised financial information, including core headline earnings, production and sales volumes, selected ratios, share statistics, other non-financial information, information included in the Analyst Book and information not required by IAS 34 expressed by the directors in the accompanying interim financial results and accordingly do not express a conclusion thereon.

PricewaterhouseCoopers Inc.

Director: PC Hough

Registered Auditor

Waterfall

26 February 2018

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Registered office: Sasol Place, 50 Katherine Street, Sandton, Johannesburg 2090

PO Box 5486, Johannesburg 2000, South Africa

Share registrars: Computershare Investor Services (Pty) Ltd, 15 Biermann Avenue, Rosebank 2196

PO Box 61051, Marshalltown 2107, South Africa, Tel: +27 11 370 5000 Fax: +27 11 688 5248

JSE Sponsor: Deutsche Securities (SA) Proprietary Limited

Directors (Non-executive): Dr MSV Gantsho* (Chairman), Mr C Beggs*, Mr MJ Cuambe (Mozambican)*, Mr HG Dijkgraaf (Dutch)^, Dr M Flöel (German)*, Ms GMB Kennealy*, Ms NNA Matyumza*, Mr ZM Mkhize*, Mr MJN Njike*, Ms ME Nkeli*, Mr PJ Robertson (British and American)*, Mr S Westwell (British)*

Directors (Executive): Mr SR Cornell (Joint President and Chief Executive Officer) (American), Mr B Nqwababa (Joint President and Chief Executive Officer), Mr P Victor (Chief Financial Officer)

*Independent ^Lead independent director

Company Secretary: Mr VD Kahla

Company registration number: 1979/003231/06, incorporated in the Republic of South Africa

Income tax reference number: 9520/018/60/8

JSE NYSE

Ordinary shares

Share code:

SOL

SSL

ISIN: ZAE000006896

US8038663006

Sasol BEE Ordinary shares

Share code:

SOLBE1

ISIN: ZAE000151817

American depository receipts (ADR) program:

Cusip number 803866300

ADR to ordinary share 1:1

Depository:

The Bank of New York Mellon, 22nd Floor, 101 Barclay Street, New York, NY 10286, United States of America

Disclaimer - Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP) oil and gas reserves and cost reductions, including in connection with our Business Performance Enhancement Programme and Response Plan and our business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast”, “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. These factors are

discussed more fully in our most recent annual report on Form 20-F filed on 28 August 2017 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Please note: A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word “calendar”.

Additional information on our business performance is included in the analyst book available on our website:

www.sasol.com

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Sasol Limited, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: 26 February, 2018

By:

/s/ V D Kahla

Name: Vuyo Dominic Kahla

Title: Company Secretary