AECI Limited

Presentation to
Investors and Media

29 and 30 July 2003

Summary

- Resilient performance against background of declining local and weak global economies
- Matched record earnings of last year and 59% up on H1 2001
- Sound balance sheet
- Volumes, in aggregate, satisfactory
- Rand strength and volatility a factor, particularly for SANS Fibres
- SHE performance approaching world class
- Outlook for Group: expect trading conditions to improve, and continue to target increase in headline earnings for full year

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Business Environment

- Local manufacturing production deteriorated significantly H1 03
- World economy subdued - prospects remain weak, slow recovery
- Stronger rand has squeezed margins; particularly mining and export-oriented manufacturing sectors
- Pressure on selling prices
- Inflationary pressures subsided in 2003, STATSSA adjustments, interest rate cut

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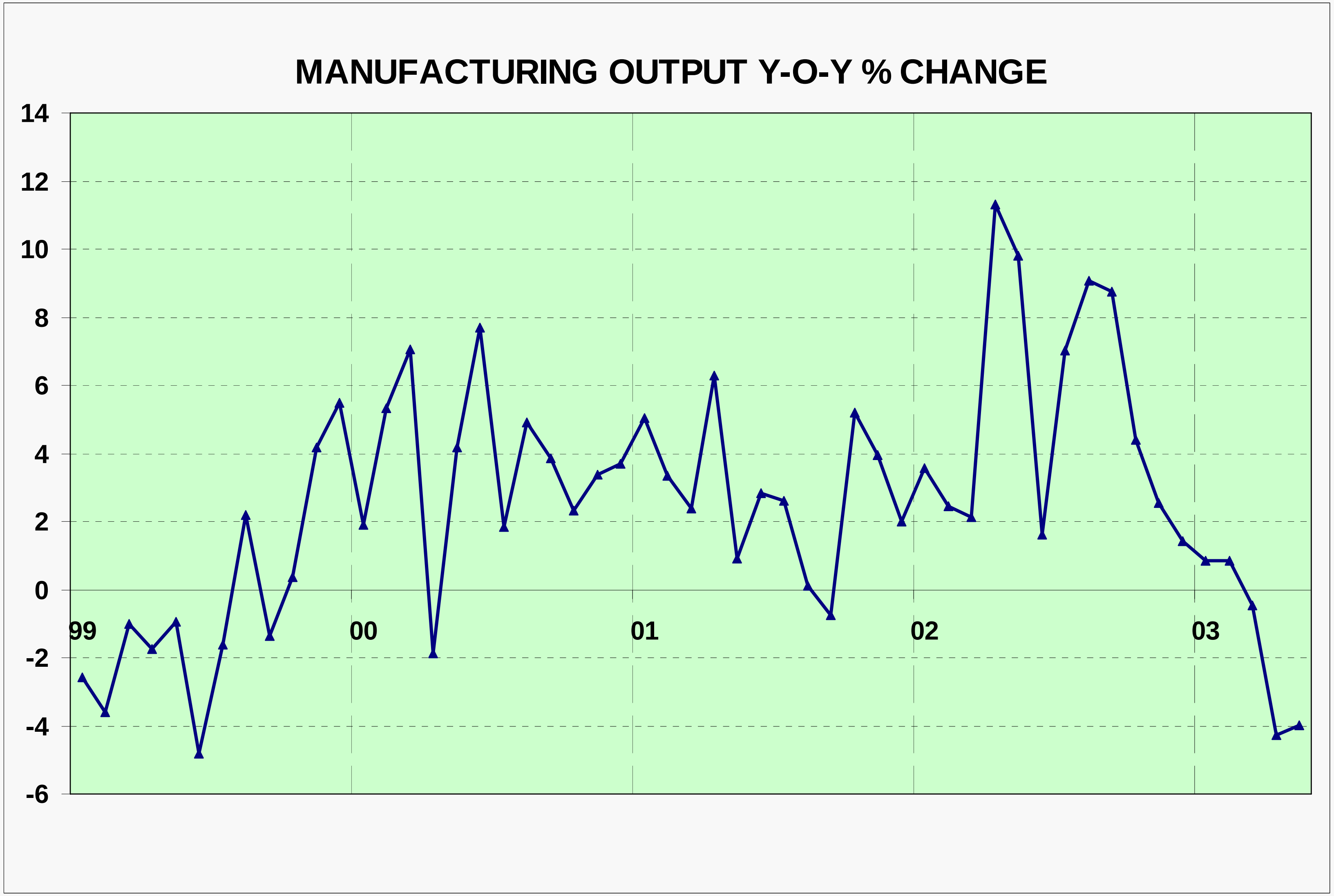


MANUFACTURING OUTPUT Y-O-Y % CHANGE
14
12
10
8
6
4
2
0
-2
-4
-6
99
00
01
02
03

Chemical Industry

- Global industry in poor shape since 1998
- Prolonged high cost of natural gas and crude oil and weak demand hurt chemical producers
- Recession and deflationary tendencies and stronger euro impact on European business
- Partial success with determination to restore margins
- Supply and demand imbalances
- Few recent investments, mergers or acquisitions

Group Strategy

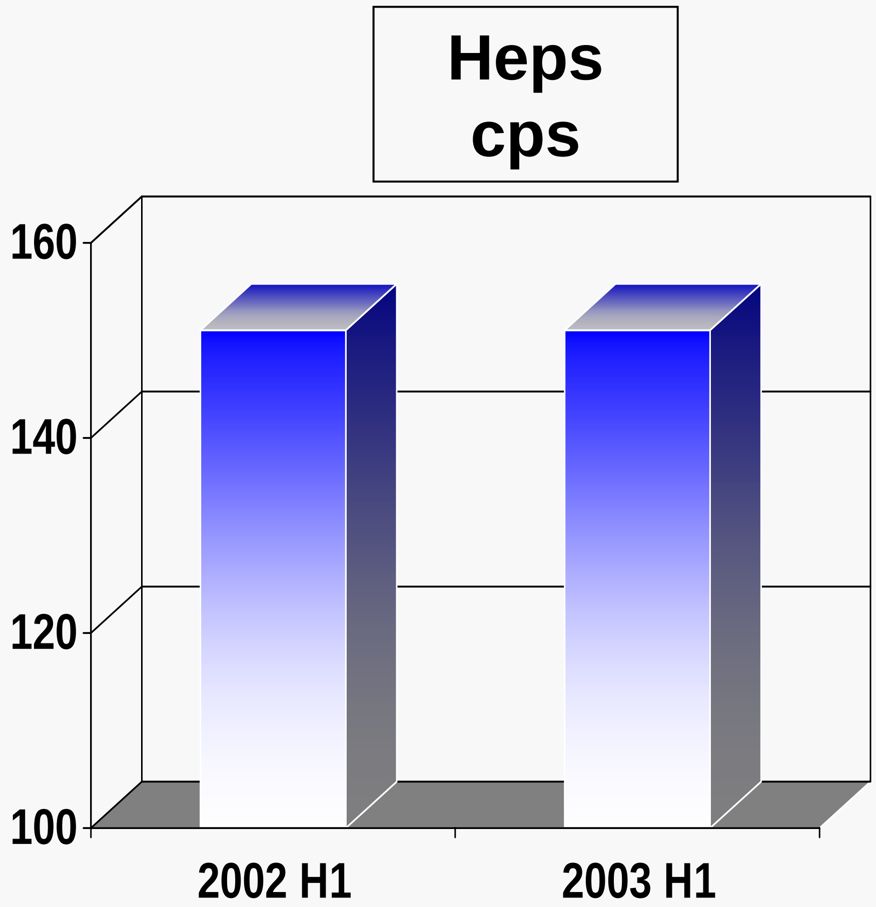
- Five businesses
- Specialty product and service solutions, for global and regional niche markets
- Actively drive performance: superior ROIC, world-class SHE, cost base, asset utilisation, productivity
- Profitable growth within businesses, global alliances, best practice transfer

Financial Objectives

- Nominal ROIC>WACC of 15%
- Positive EVA of all businesses
- Real growth in NOPAT >7%
- Debt:equity ratio 25 to 40%
- Cash interest cover >5
- Dividend cover = 3.0

Results for 2003 H1

- Heps unchanged
- Volumes up 3%
- Revenue of core businesses up 1%
- TP Margin 8.2% (8.5%)
- TP down 5%,
- No PEMB in Heps



Rand Impact on H1 2003

- Strong rand has negative impact on Group, particularly export margins (SANS Fibres) and African businesses (AEL and Dulux)

- Significant impact on mining and export customers

- Difficult to quantify: lead-lag effects, complex product mix, benefits partially off-set by increase in raw material prices

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Resilient results due to:

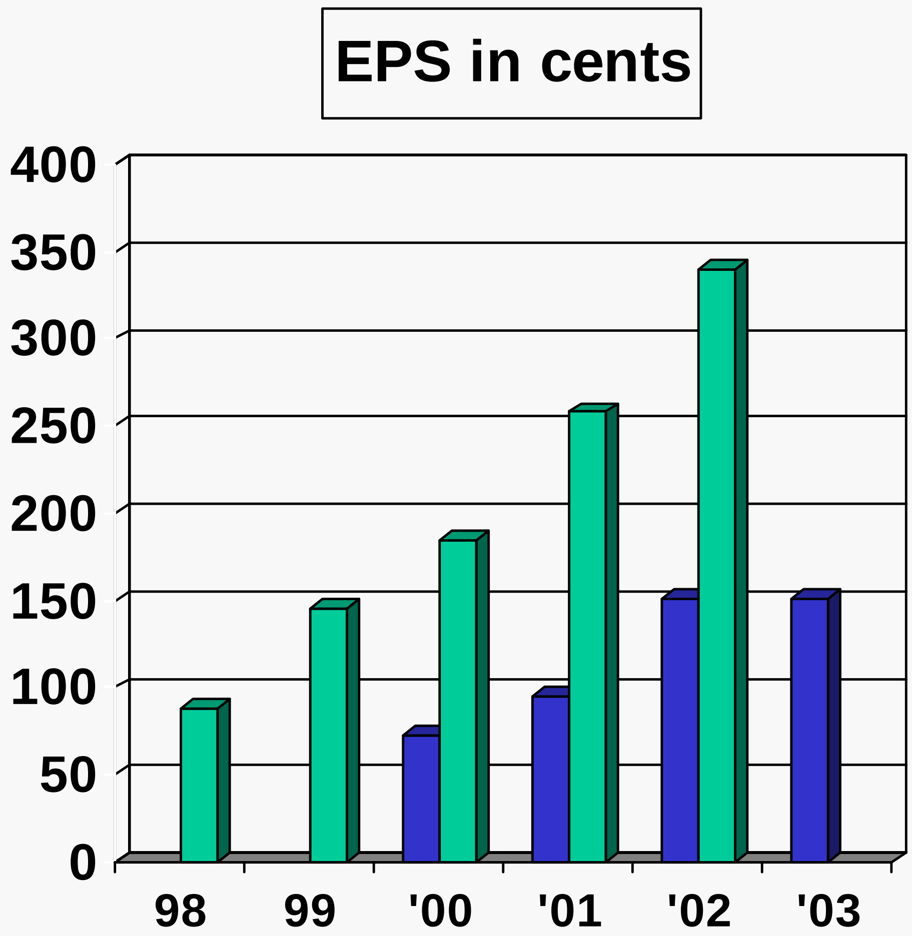
- Fruits of transformation: specialised, more robust portfolio, diversity
- Increased volumes: notwithstanding domestic slowdown; market share gains
- Export gains in polyester to Asia
- Continued improvement in USA joint venture
- Successful acquisition (Senmin) in CSL

A Track Record Forms

Adjusted for Polifin (or special dividend) in 1998 and 1999

- Long-term target >15% compound growth

- H1 earnings matched record of last year and 59% higher than 2001



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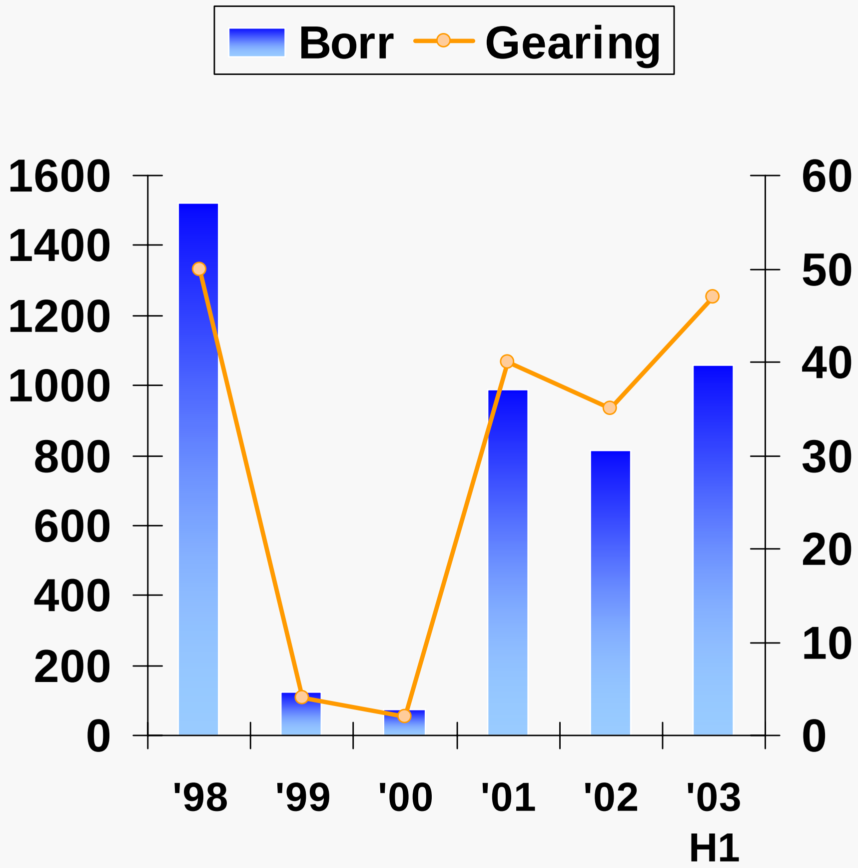
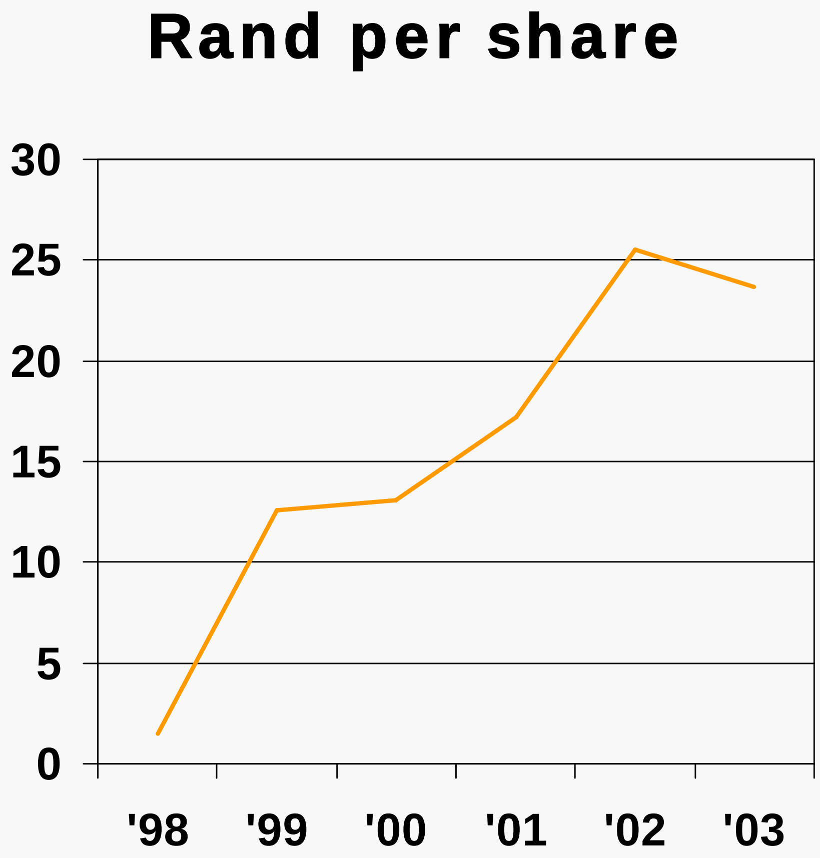
Balance Sheet

- Net borrowings R1057m
- Capital expenditure R109m
- Investment expenditure includes R160m for Senmin
- WC 17%
- Cash interest cover 5.3



Share Price



➢Relative rating to industrials marginally better than at 2002 year end

Graph adjusted for R6 special dividend (November 1999)

BEE

- Initiated detailed investigation to study
  - Impact
  - Opportunities
  - Structures
  - Degree of empowerment
  - Funding
  - Potential partners
  - Timing

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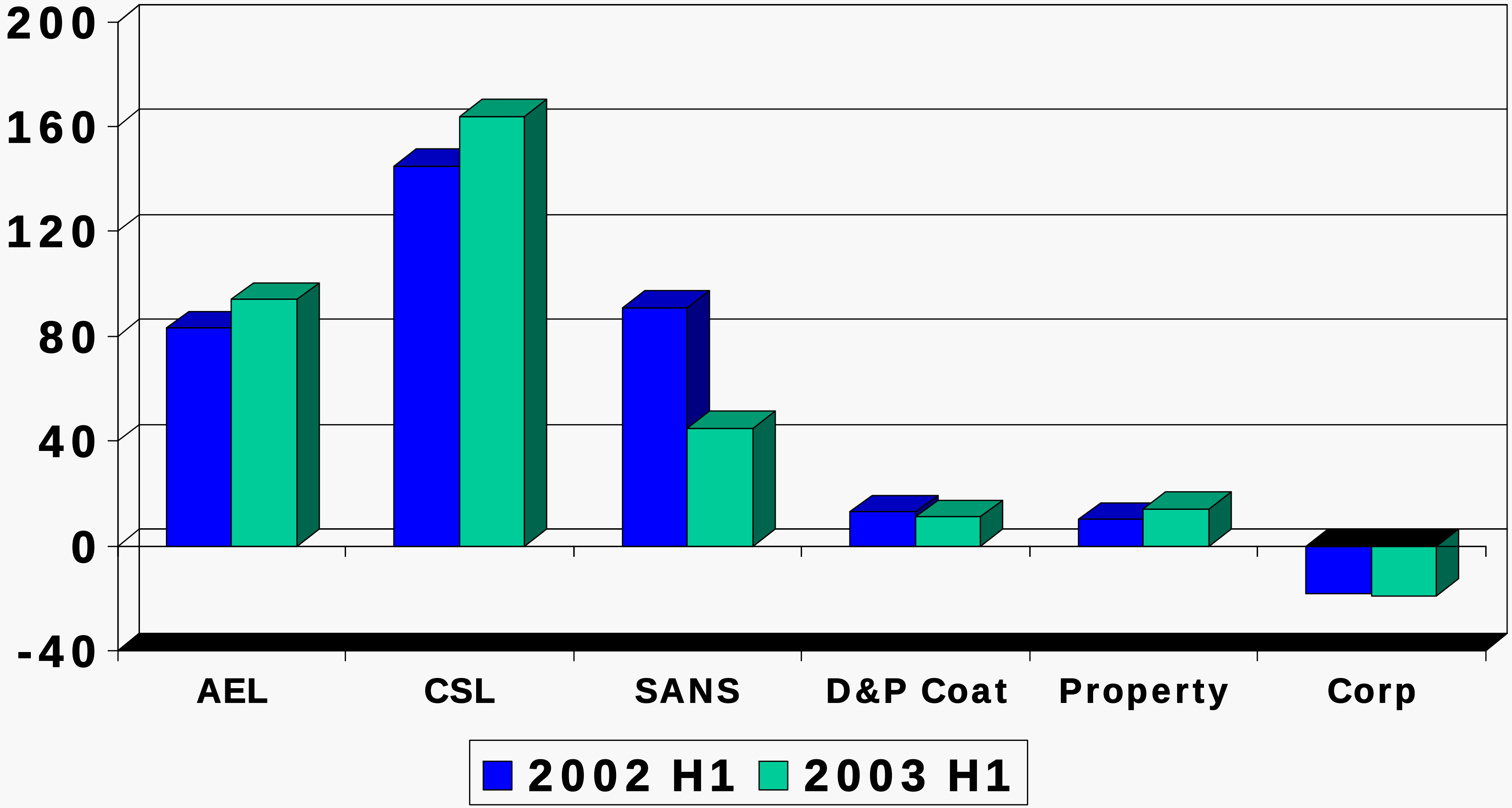
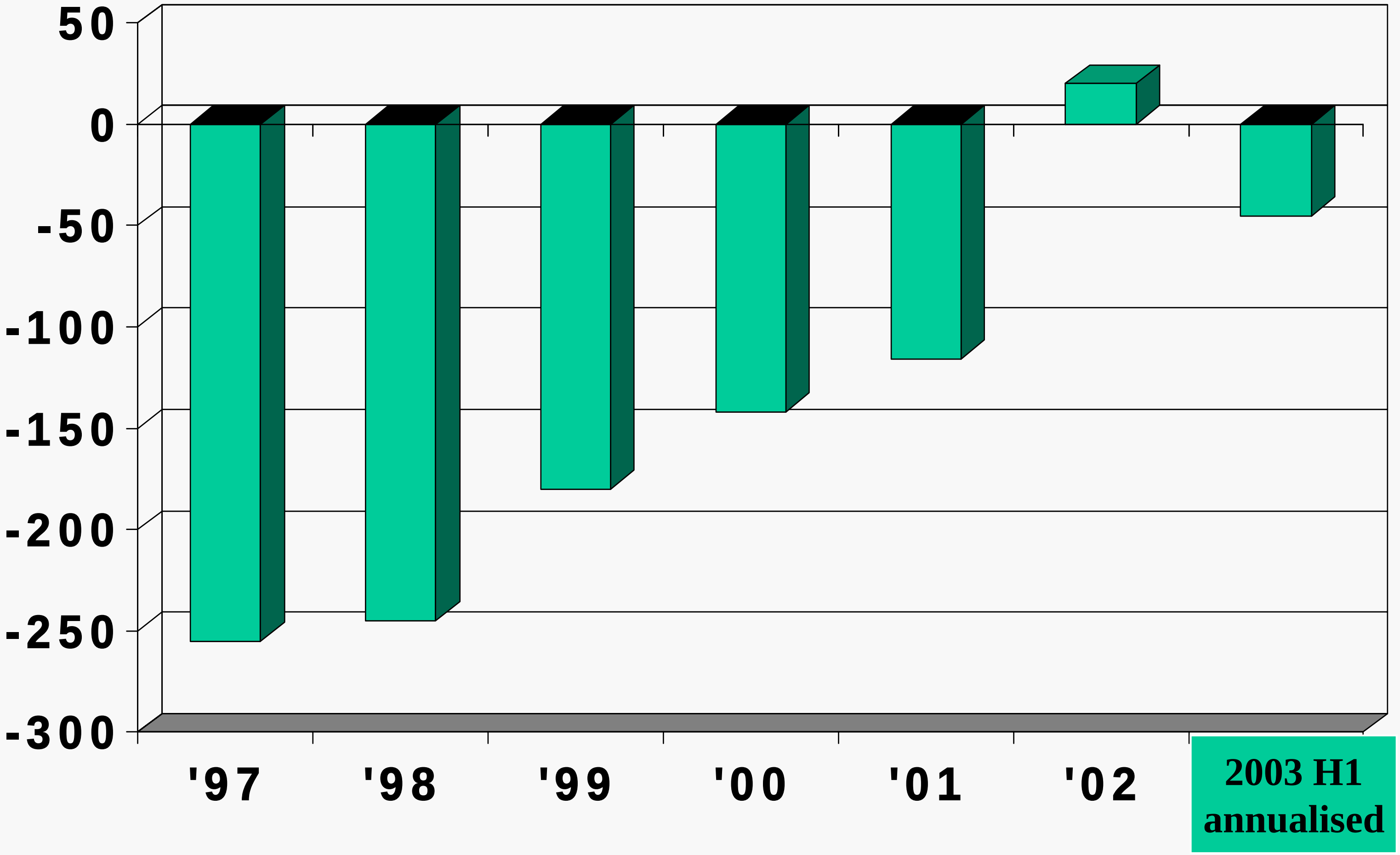
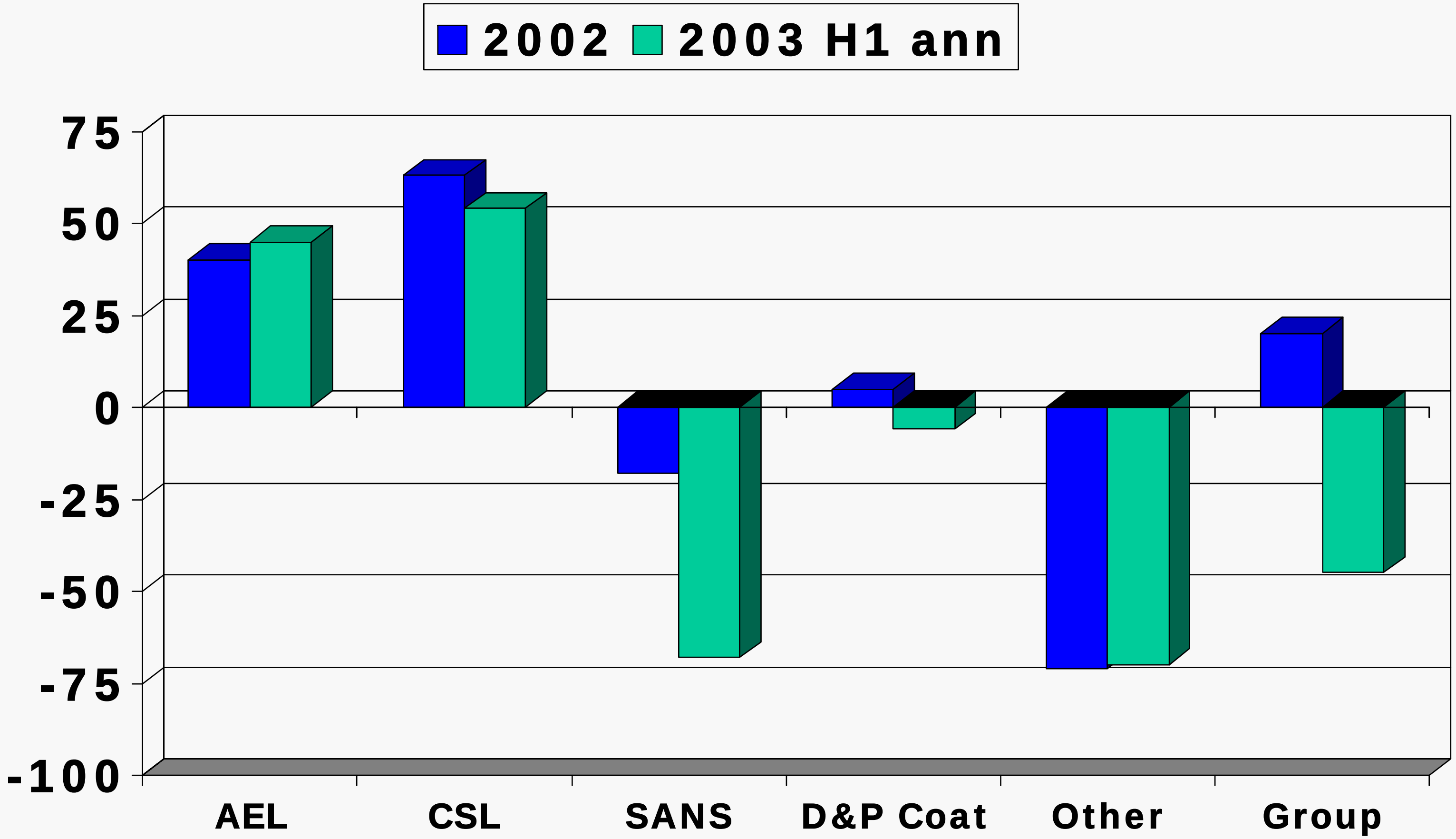
Segmental Trading Profit



Group EVA History Rm



EVA by Business Rm



African Explosives

- Revenue R987m (+8%) ; TP R94m (+13%)
- Margin 9.5% (9.1%)
- Strong demand from platinum
- Rand impact on Africa businesses; margin under pressure, but improving
- Favourable mix achieved; reduced AN exports and increased sales of initiating systems

African Explosives

- Technical development of electronic detonator (Detnet) finalised
- Exciting growth in Detnet continues (+40% revenue growth H1 03)
- Detnet actively pursuing globalisation strategy
- Outsourcing initiatives; transport, packaged explosives and some upstream activities

Specialty Chemicals

- Revenue R1537m (+5%); TP R164m (+12%) Margin 10.6% (9.9%)
- Small volume growth, downturn cushioned by diversity and organic growth; margins maintained
- Pleasing start from Senmin acquisition
- ONDEO Nalco acquisition subject only to Competition Tribunal

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Specialty Chemicals

- AECI Coatings returns not yet satisfactory; await new technology development from joint venture partner

Specialty Fibres

- Revenue R935m (-10%) TP R45m (-50%) Margin 4.8% (8.8%)
- Strong and volatile rand overriding factor (approximately two-thirds revenue is hard currency related)
- Off-set by improved yarn and PET volumes, cost control and efficiencies
- Excellent growth in polyester LDI and industrials in general; new markets in China
- Managed polyester raw spike well

Specialty Fibres

- Substantial drop in apparel volumes and price
- R7m loss (2002: -R22m) at Stoneville: improved volumes, efficiencies and utilisation; ongoing objective to achieve break-even

Decorative and Packaging Coatings

- New grouping
- Revenue unchanged at R291m;
- TP R11m (-15%) Margin 3.8% (4.5%)
- Strong Rand impact in African territories
- Volume declined, but maintained market share

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Heartland Properties

- Revenue R84m (+1%) TP R14m (+40%)
- Firm residential and industrial (Longmeadow) demand
- Exciting long term prospects at Modderfontein and Somerset West

2003 Outlook

- Global recovery slow
- Domestic prospects should improve with further interest rate reductions
- Volatile rand remains a challenge for Group, especially SANS
- Nevertheless increase in Heps targeted
- No great demands on balance sheet (R120million for ONSA)

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In Conclusion

- Diversified portfolio of specialty products and services matched record earnings of last year in deteriorating markets
- Several contributing factors:
  - Acquisition, margin management, mix, market share, exports, efficiencies, asset utilisation, JV improvement, cash management
- Target growth for full year

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