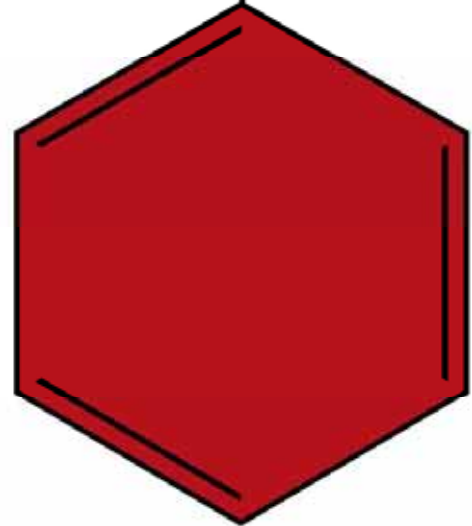


Credit Suisse Standard Securities

SA Industrial Conference
28 September 2010

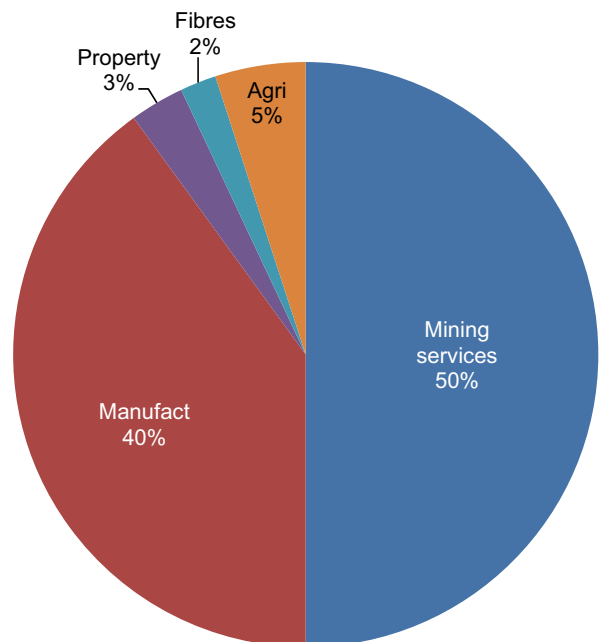




Summary: a chemicals, explosives and property company focused on specialty products and services in Africa

- Chemicals, explosives and land assets
- Specialty product and services group of companies
- Value-adding solutions through science, technology, industry knowledge
- 6 750 employees
- Domiciled in SA; JSE Limited-listed
- Active throughout Africa and other developing countries
- Revenue '09: R10,7bn (1H10: R5,4bn)
- Market cap: R8,2bn (Sept '10)
- Major capital expenditure cycle nearing completion

1H10 revenue split



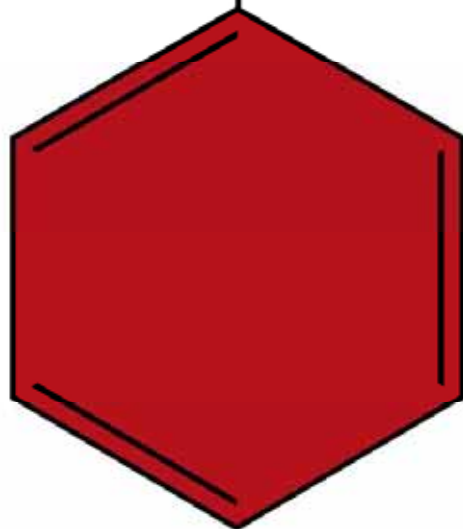


Structure of presentation

- Brief history of AECI
- AECI today
- Portfolio and strategies
 - AEL Mining Services: Africa's leading explosives supplier
 - Specialty chemicals cluster: 17 value-adding specialty chemicals and services businesses
 - Heartland: embedded value in land holding
- Outlook



Brief history





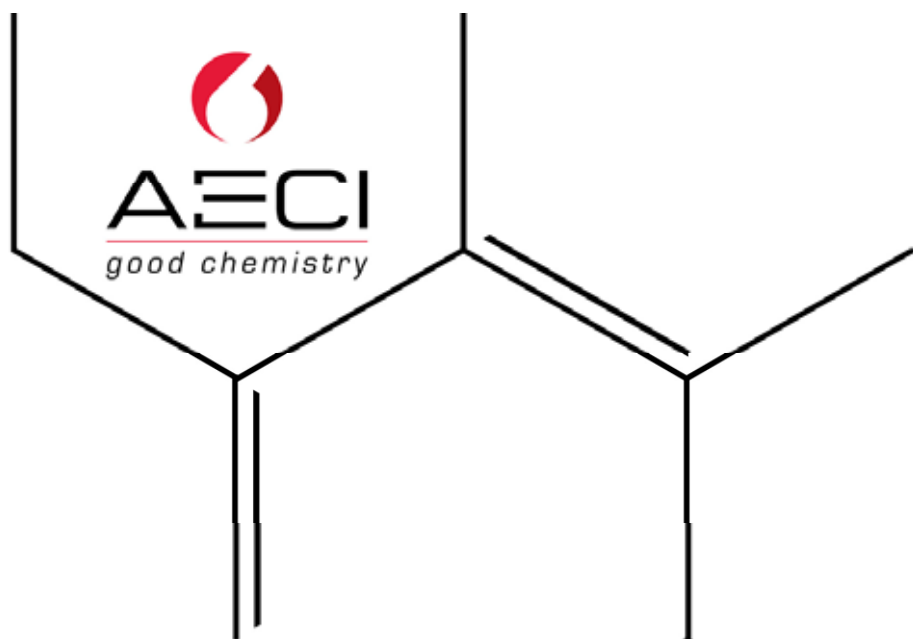
Brief history

- Roots to 1894 - a Nobel dynamite company at Modderfontein, near Johannesburg
- Listed since 1966; majority ownership/control by ICI and Anglo American for most of its existence
- Evolved into typical chemical conglomerate:
ammonia, phosphates, fertilizers, cyanide, fibres, paints, specialties, chlorine, plastics, soda ash, titanium dioxide, biochemistry and more
- Found wanting in focus after SA's readmission to global economy in 1994



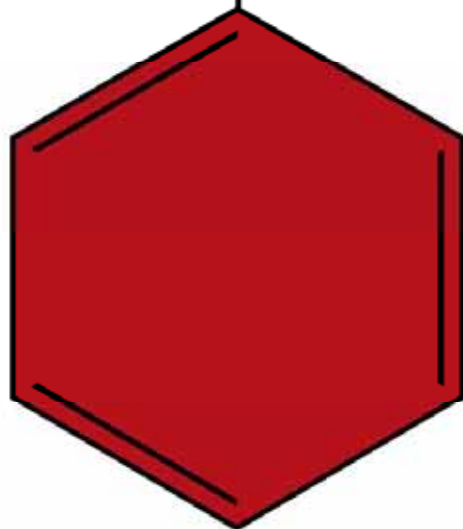
Brief history cont.

- Since 1998 it has:
 - Sold its commodity businesses
 - Closed/exited underperforming assets, and
 - Bought out Anglo American after ICI's exit
- Property business was initiated in the late '90s to sell excess land previously used for explosives operations
- Now 100% free float, focused, specialised businesses and expanding
- AECI embarked on a R2bn capital expenditure programme in '07. New plants being brought into full production
- Restructured in '10: 21 businesses report into a single Executive Committee, and ultimately to the AECI Board
- AECI and CSL head offices consolidated
- AECI brand revamped and relaunched




AECI
good chemistry

AECI today





New corporate structure





Vision

To be the chemical and mining services supplier of choice for the customers in our chosen markets

- Africa's leading specialty chemicals, explosives and mining services Group
- Flat structure, diversified portfolio
- World class technology
- International reach
- Excellent land assets

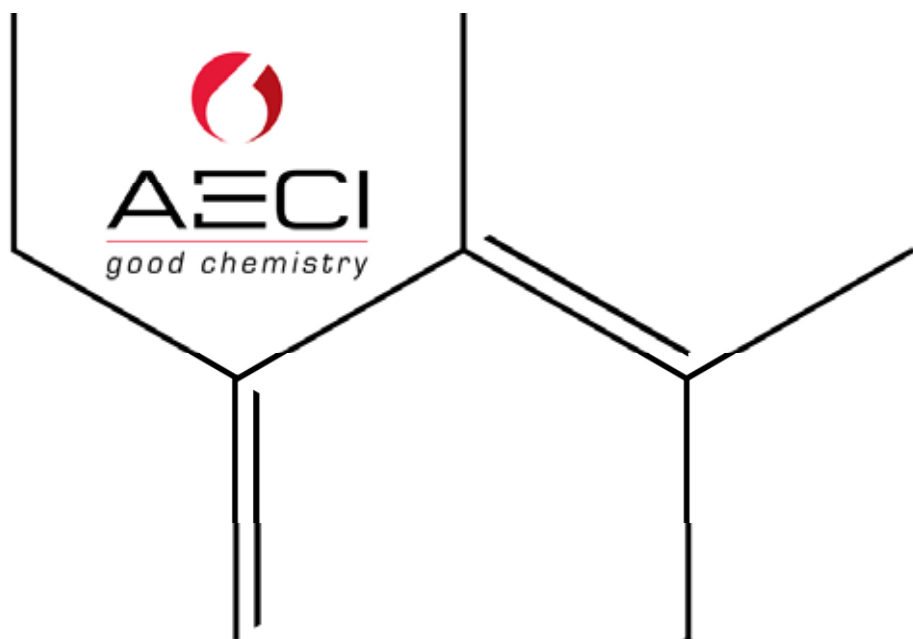


AECI today

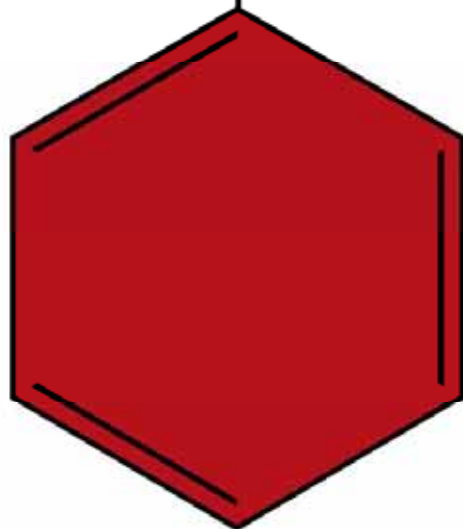
	'06	'07#	'08#	'09#	1H10
Revenue	R10,2bn*	R8,5bn	R12,9bn	R10,7bn	R5,4bn
Profit from ops	R1 102m*	R807m	R1 035m	R767m	R484m
RONA (%)	24,8	16,5	20,3	17,7	20,3
Employees	7 700	7 120	6 450	6 330	6 750
Market cap	R8,2bn	R9,5bn	R6,1bn	R7,4bn	R8,2bn (Sept. '10)

*Includes unusually large disposal of property

#Excludes discontinued operations

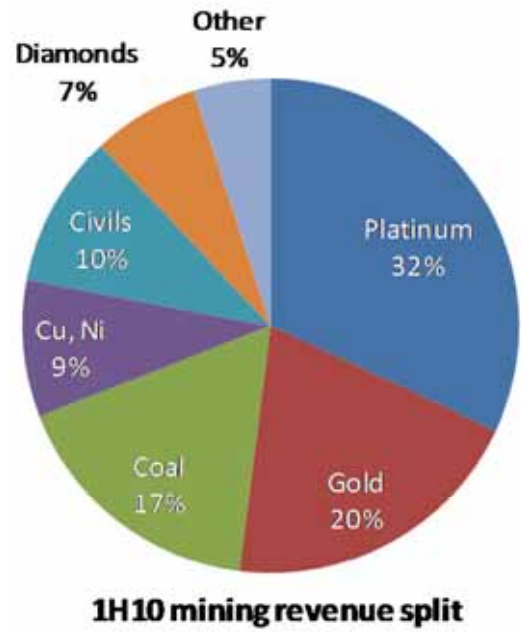
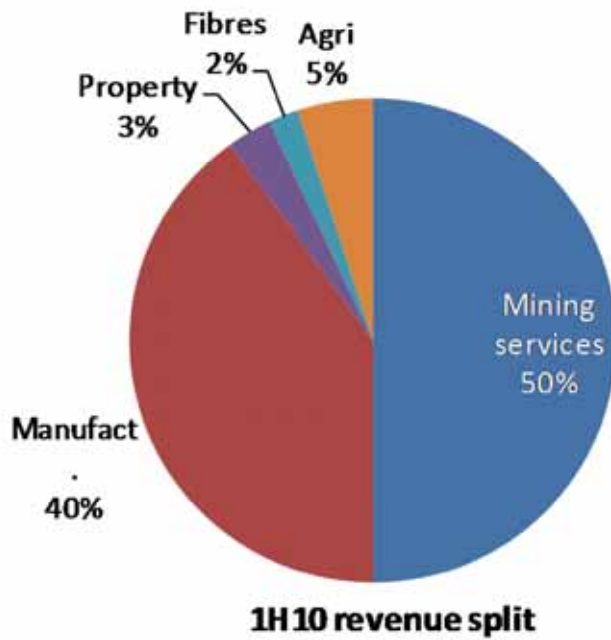


Performance



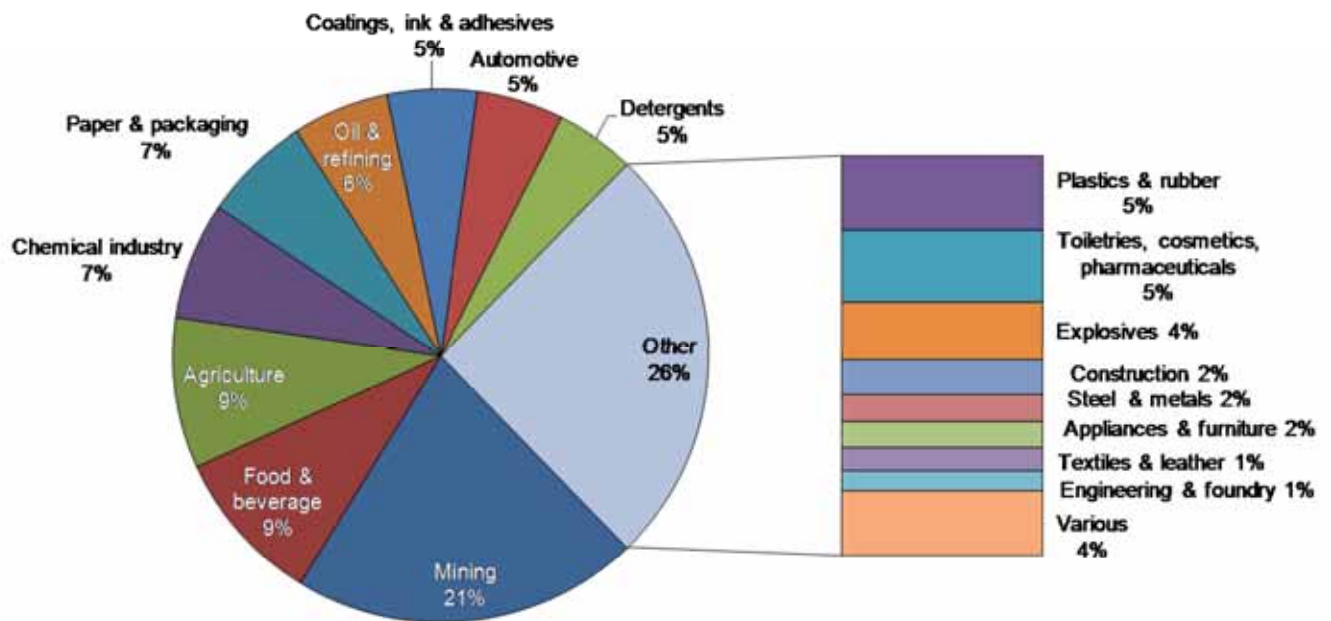


Revenue by sector (1H10)



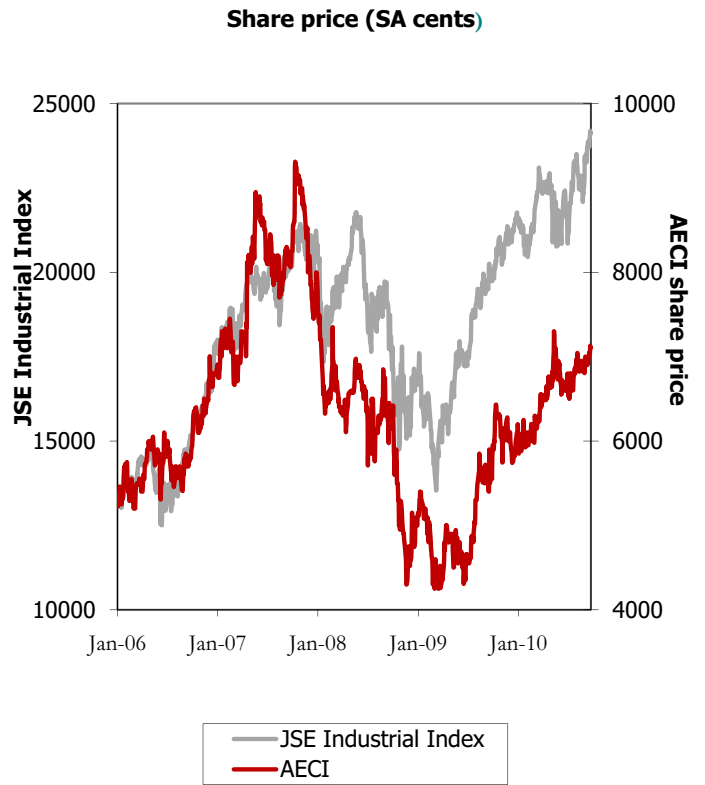
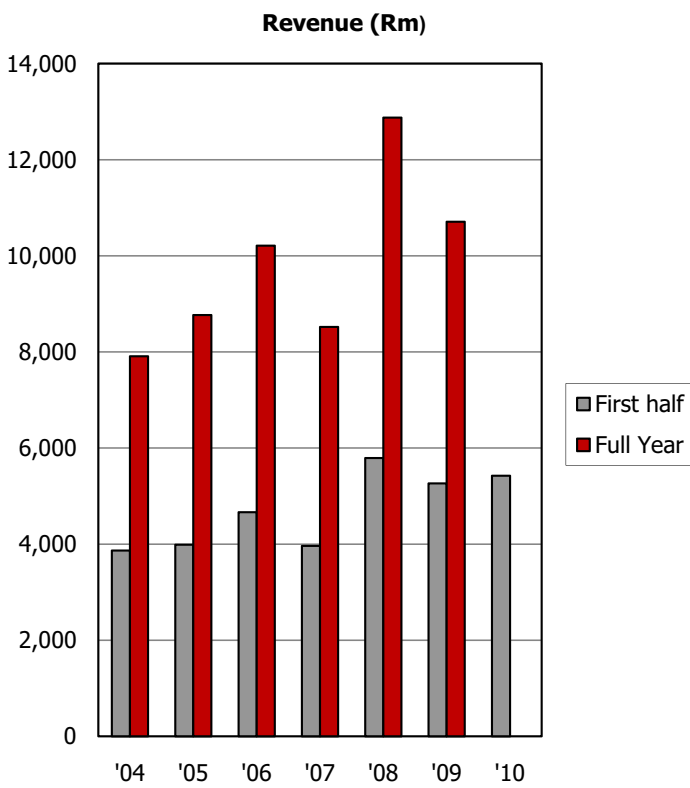


Specialty chemicals: 1H10 sales by sector





Revenue and share price performance

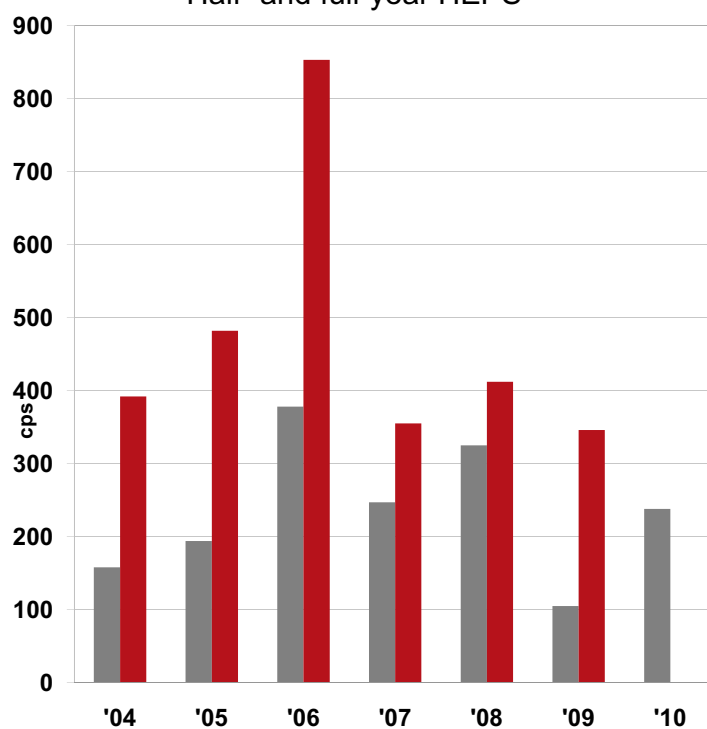




HEPS

- HEPS up 127% in 1H10
- No significant “non-trading” effects
- Operating profit from continuing operations up 48%

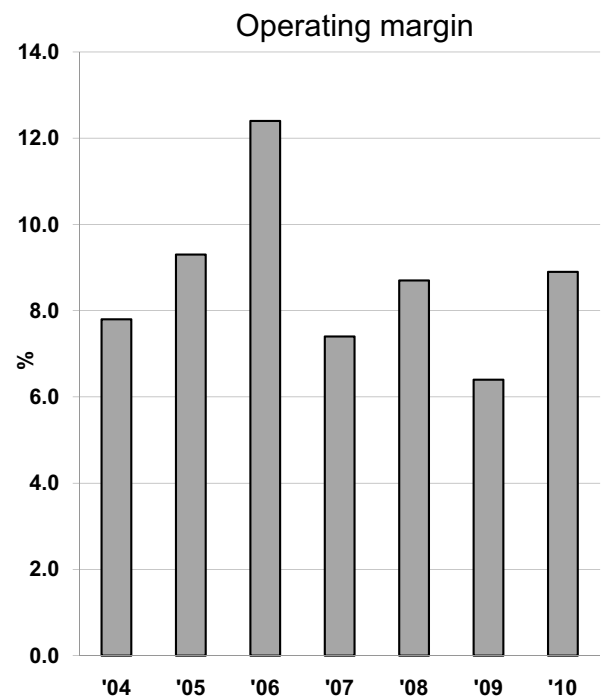
Half- and full-year HEPS





Results 1H10: operating margin and volumes

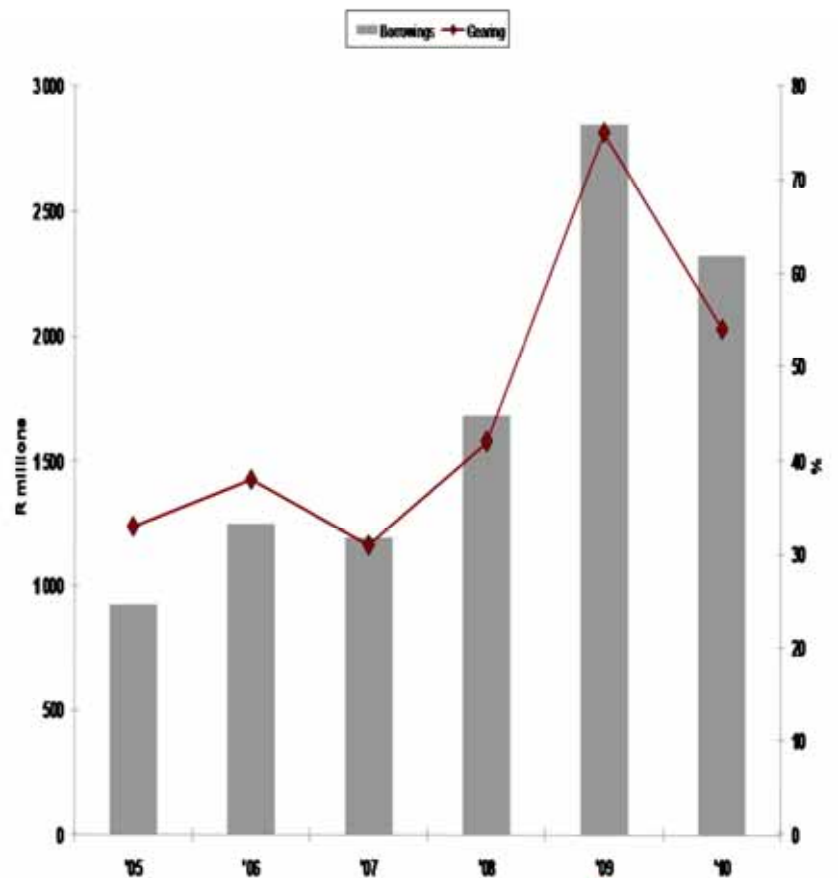
- Operating margin improved to 8,9%
 - Volumes +15%
 - Product mix improvements
- Chemicals volumes +16,8%
 - Manufactured volumes +12,7 %
 - Traded volumes +22,8%
- Explosives volumes +10,7% due to foreign expansion
- Foreign sales +17,7% in rand terms largely due to improved explosives volumes outside SA
- In general, market share maintained or improved





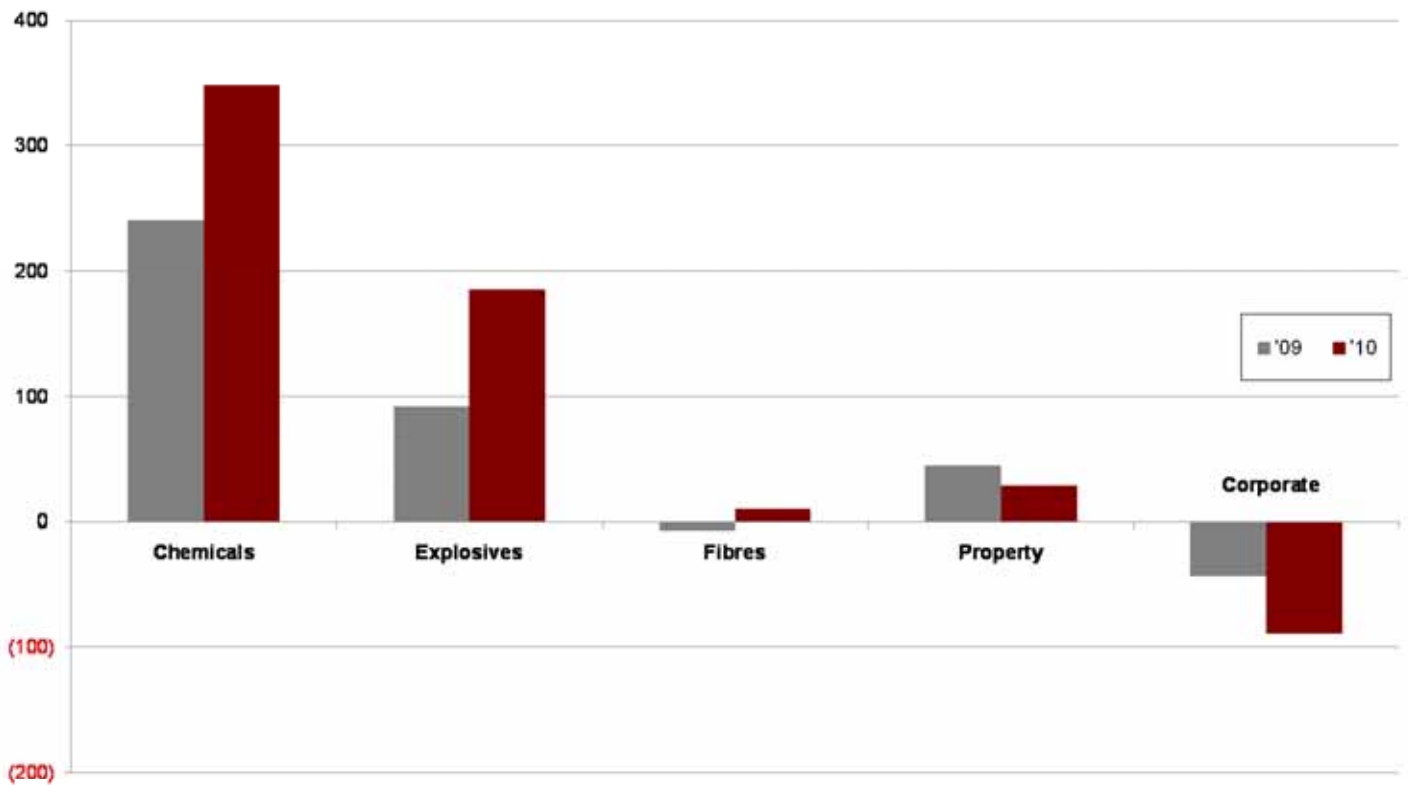
Statement of financial position: 1H10

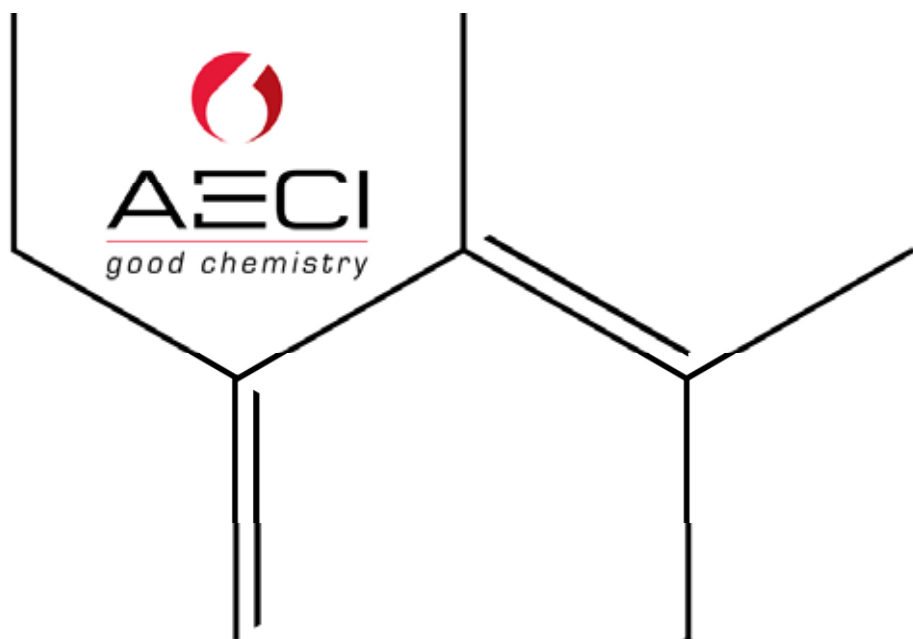
- Capex R305m – incl. R213m for expansion projects
- NWC at 18,7% slightly outside target range
 - Inventories and debtors on target
 - Creditors: early payment benefits utilised
- Borrowings at R2 321m
- Gearing 54%
- Cash interest cover 4,8x
- All loan covenants met
- Cash dividend 70cps



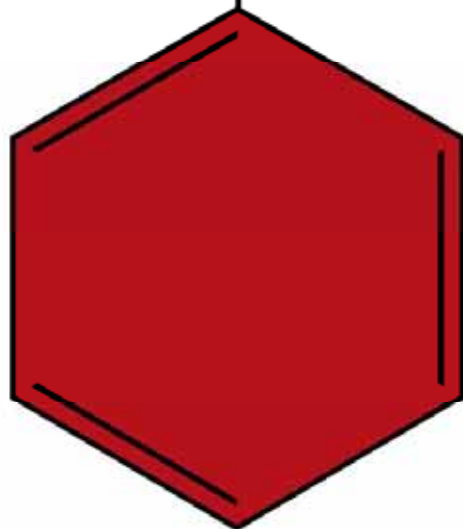


Results 1H10: profit from continuing operations (Rm)



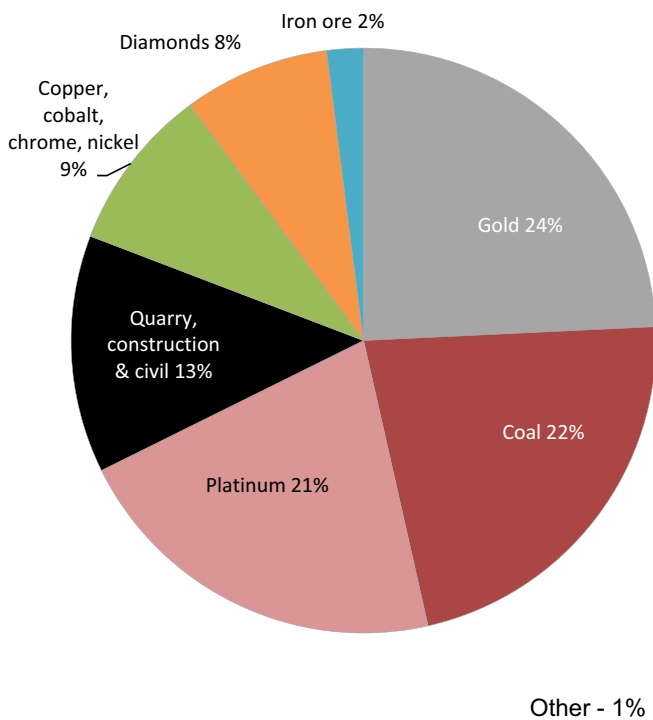


Portfolio and strategies





Mining services: sales by sector



- Africa's leading supplier of explosives, initiating systems and value-adding services
- Bulk explosives plants – Africa and Indonesia
 - presence in 23 countries
 - throughout African continent
 - expanding into selected developing markets
 - DetNet: global JV in electronic detonators with Dyno Nobel



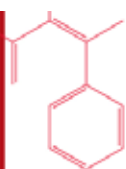
Mining services cont.

- Strategy: develop, manufacture, supply value-adding services, initiating systems and explosives to mining, quarrying and allied industries in Africa and selected developing markets
- Leading supplier in Africa - market share around 55%, hub explosives plants in 6 countries and distribution to others
- World class product and service offering with leading initiating system products
- AEL embarked on major (approx. R800m) capital programme to facilitate production of leading edge quality and cost shocktube, and international expansion
- Projects being ramped-up in '10
- Pleasing progress in international expansion



Specialty chemicals

- A portfolio of autonomous businesses (currently 18) based on chemistry and strong service element
- Strengths: value-add service models, appetite for growth, successful acquisition history, attraction to global alliances, regional knowledge, and world-class technology licences
- Currently expanding out of Southern Africa, with technology unrestricted by licences; strong focus on mining chemicals; Brazil country strategy
- Additional growth strategy by embarking on major capital investment programme to support mining chemicals thrust
- Major capital projects (R1 200m)
 - Mining chemicals: carbon disulphide, xanthates upgrade and PAM facility
 - Plants started coming on line in '09, now in ramp-up phase
 - Expanding in oleo chemistry in Brazil and investigating further acquisitions

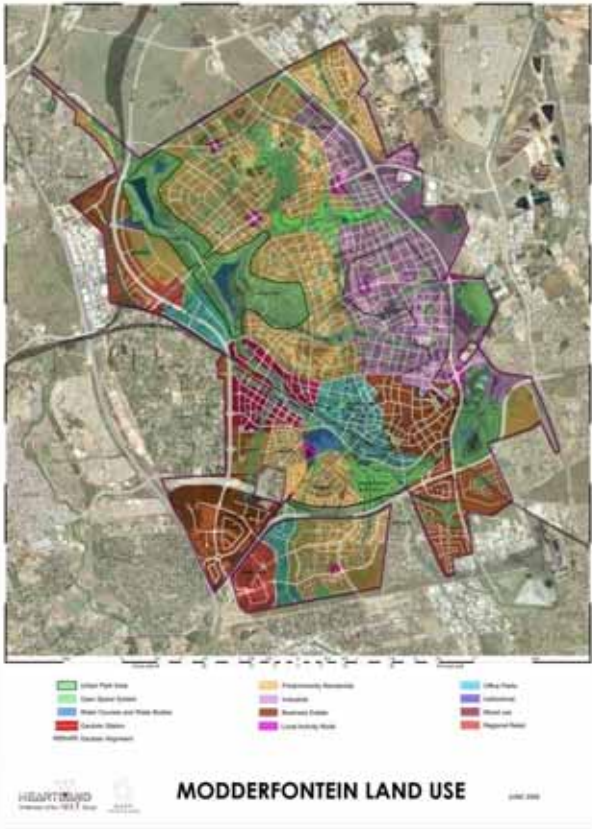


Property

- Strategy: manage the realisation of land and related assets that have become surplus to the Group's operational requirements in a responsible and controlled way
- Develop long-term plans for land in prime locations at Modderfontein (Johannesburg) and at Somerset West (Cape Town)
- 1 500ha of the original 3 770ha of excess land available sold by December '08
- Independent valuation of land at Modder and SW surplus to requirements
- Old Mutual Investment Group Property Investments performed valuation
- 15 year cash flow of sales and costs
- 25% real discount rate applied
- Value of R2,5bn (at July '08)
- Current carrying value in books is R430m
- Does not take into account remediation spend or other AECI properties



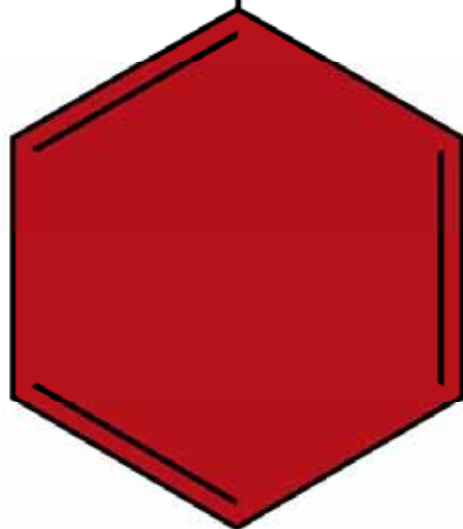
Property: development sites





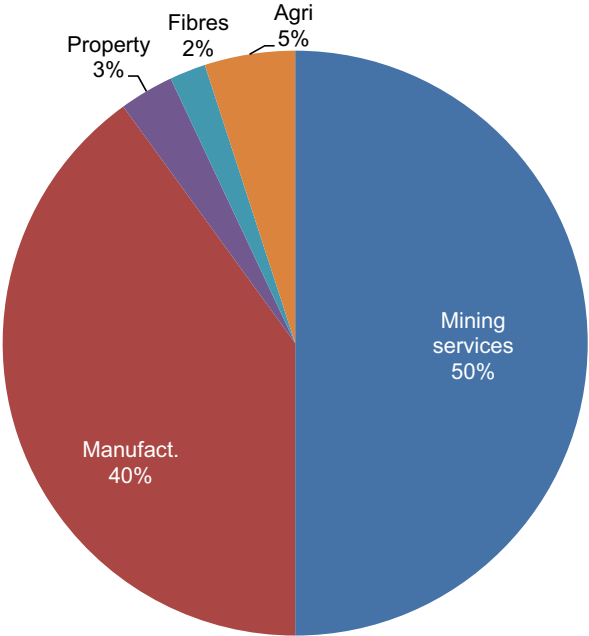

AECI
good chemistry

Outlook

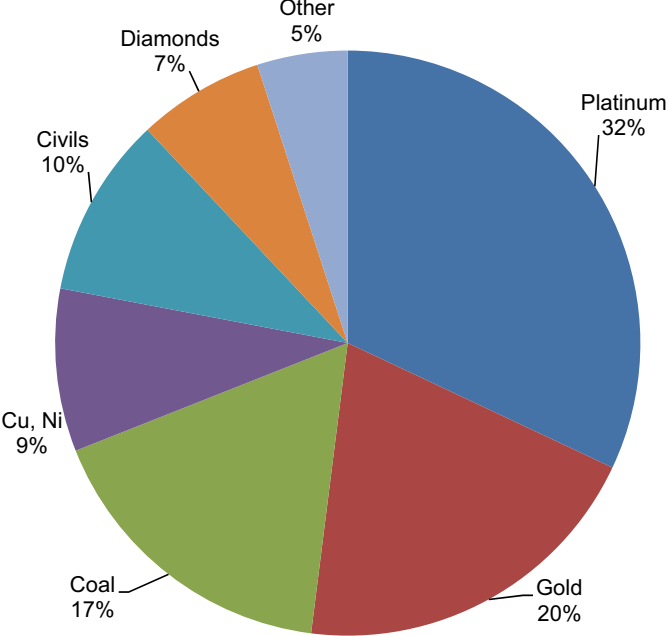




Markets 1H10: revenue split



1H10 revenue split



1H10 mining revenue split



Positioning, growth drivers and outlook

- Phase of consolidation and transformation complete
- Now in growth phase
- Seeking selective international growth opportunities for mining services and specialty chemicals
- Business model of margin management offsets input (raw material, currency) volatility in the long term
- Mining and manufacturing volumes appear to have stabilised
- R/US\$ rate remains a challenge for further growth
- Property unlikely to recover significantly in next 12 months
- Businesses well positioned to take advantage of market growth
- Ramp-up of new plants will have positive impact on margins and revenue



Thank you