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Group interim financial results: 2007

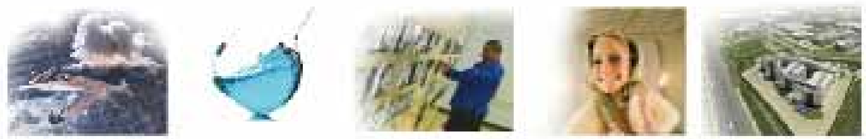
Presentation to investors, analysts and media

24 and 25 July 2007

SPECIALTY PRODUCT AND SERVICE SOLUTIONS

Summary

- Comparison with prior year distorted by
  - sale of Milnerton property in H1'06
  - power outages and other disruptions at SANS in Q1'06
  - investment returns on employer accounts
  - higher interest and tax charges
- Revenue and profit from operations, excluding property, +23% and +28% respectively
- Further progress with major capital projects in Chemserve and AEL
- Sold Dulux to ICI plc for R745 million in cash



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Business environment

- Producer price inflation now in double digit territory as oil prices remain high
- Satisfactory demand from local manufacturing, mining and consumer sectors
- Rand more stable in narrow range; but weaker than year ago
- Trend towards global purchasing and benchmarking
- Skills shortages result in increased cost of hiring and retaining people
- Situation in Zimbabwe deteriorating; Group’s exposure limited to trading, mainly to mining industry

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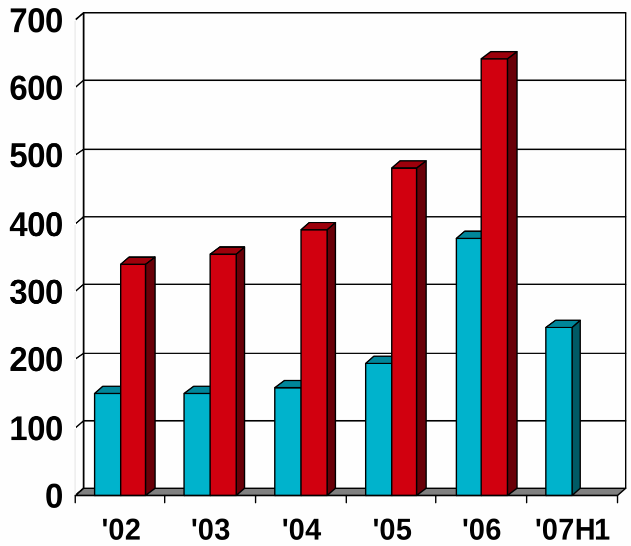
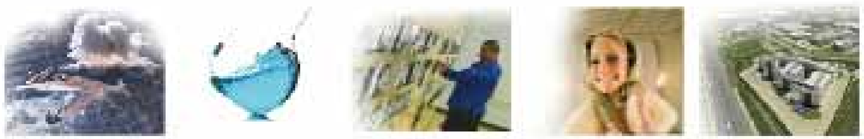
Results for 2007 H1

- **HEPS -35%**
- **Volumes up, except for detonators**
- **Revenue +16%, and +23% excluding property**
- **Operating margin (excluding property) improved, helped by cost control, notwithstanding resistance to full recovery of increased input costs**
- **Foreign sales +30% in rand and now 24% of Group revenue**

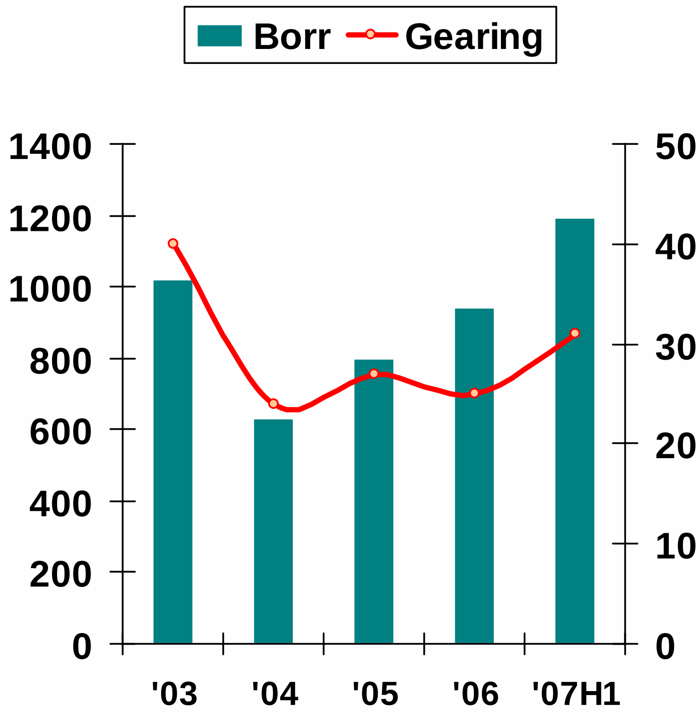
Headline earnings per share (cents)



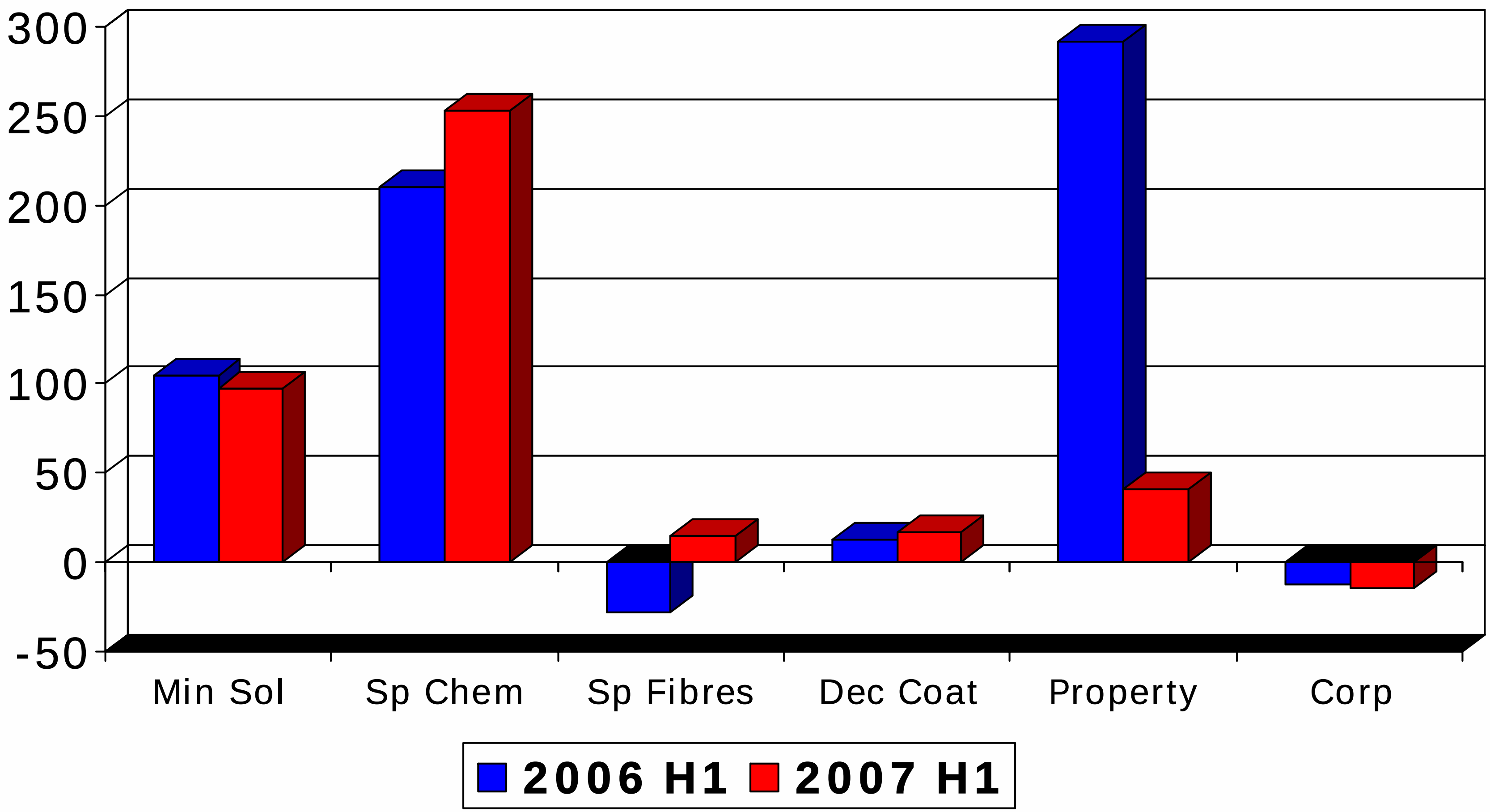


Financial

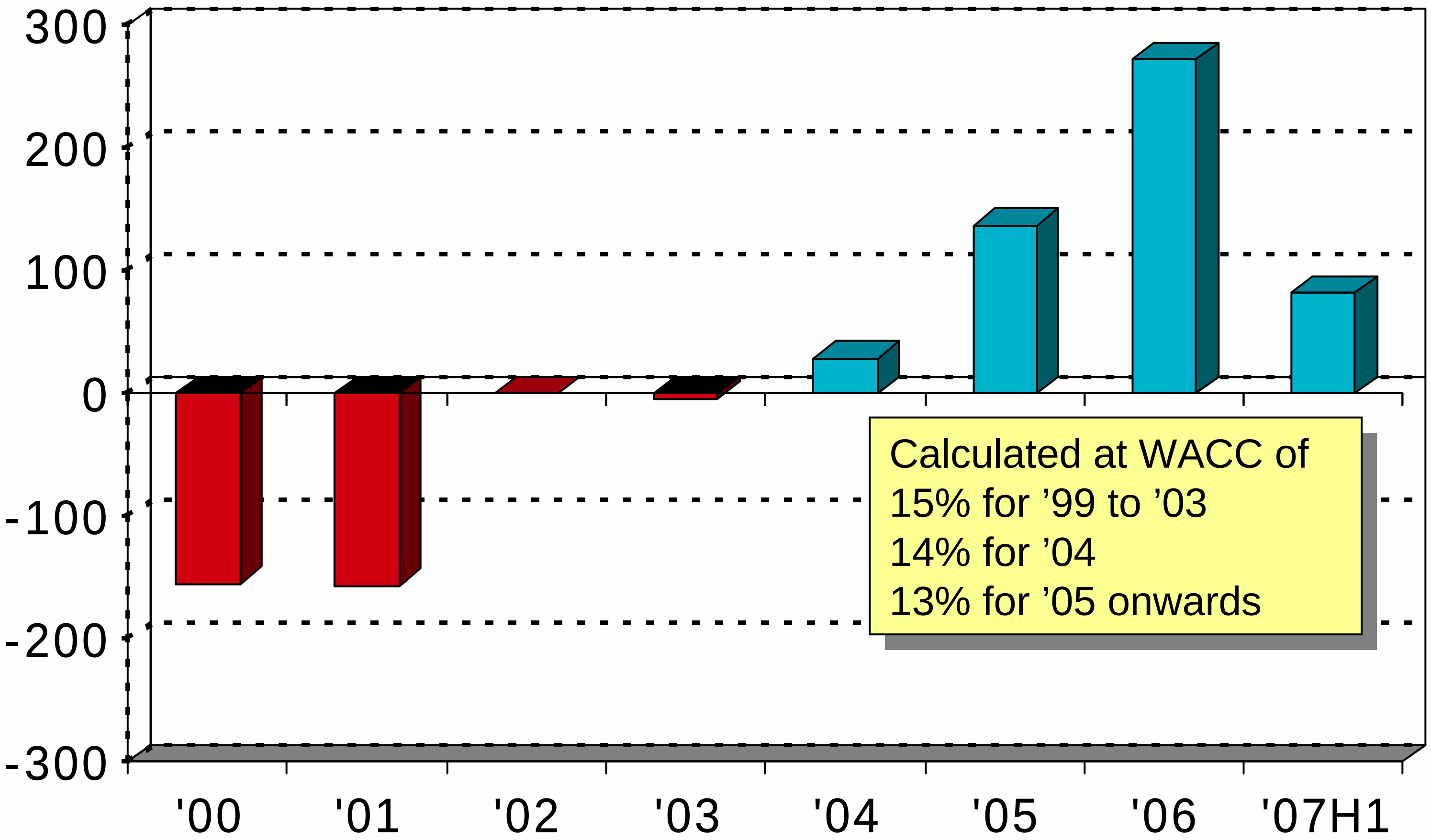
- Investment returns on employer accounts boosted profit by R60m
- Capex R275m, more than 2x the depreciation charge; AEL and Chemserve expansions
- WC improved to 17% (18% at June ’06)
- Net borrowings of R1 192m, R58m lower than at June ’06 = gearing ratio of 31%
- Cash interest cover robust at 8 times



Segmental trading profit (Rm)



Group EVA® (Rm)



300
200
100
0
-100
-200
-300
'00
'01
'02
'03
'04
'05
'06
'07H1
Calculated at WACC of
15% for ’99 to ’03
14% for ’04
13% for ’05 onwards

Mining solutions

- Revenue R1 294m (+12%); TP R97m (-8%)
- Margin 7.5% (9.1%)
- Volumes in Africa and surface markets in South Africa grew strongly
- Record ammonia prices and aggressive purchasing by major customers in a rising cost environment contributed to margin squeeze
- Fixed costs well controlled, somewhat offsetting decline in margins
- Some market share lost to competitors in narrow reef initiating system market

Mining solutions cont.

- Factory modernisation and automation programme continues to progress well
- Market converting from capped fuse to shocktube, but more slowly than originally estimated
- First automation phase, project Bernice, designed to produce 40 million detonators
- Plant now operating at increasing rates
- Traditional shocktube plant has ramped up capacity; volumes at planned levels
- AEL accelerating past other suppliers; moving into #1 position in shocktube volume terms

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Mining solutions cont.

- The next phase, project Charlize, (R100m) designed to double Bernice’s detonator capacity, manufacture shocktube, and install automated assembly
- Project on track for completion Q4’07
- Expenditure on the final phase, project Denise, (R300m) brought forward; completion expected by end ’09
- AEL has spent R160 million of the proposed total R500 million for the automation project

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Mining solutions cont.

DetNet

- **International sales improved and the new business model for DetNet bearing fruit**

- **New products introduced in to the Australian market and gaining customer acceptance**

- **Aiming to end ’07 at break-even rate**

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Specialty chemicals

- Revenue R2 596m (+25%);   TP R253m (+21%)
  - margin 9.7% (10.1%)
  - mainly from organic growth
- Chemical and energy prices and transport costs rising; oil price increasing steadily
- Difficult to recover cost increases in competitive market with double digit raw material price escalations; but margin maintained through cost control
- Continued strong demand from manufacturing, consumer-driven and mining sectors

Specialty chemicals cont.

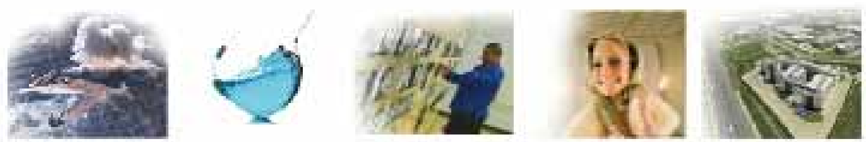
- **Growth strategies**
- **Capital investment programme**
  - **major projects underway**
  - **long lead items ordered**
  - **EIA and tender documents being progressed**
  - **contractor capacity available**
  - **easing in some construction costs**
- **Other capital investments**
  - **include sulphonation expansion, fractionation column in Brazil and warehouse at Chloorkop**

Specialty chemicals cont.

- **Growth strategies**
- **Acquisitions**
  - **active list in RSA and abroad**
- **Brazilian country strategy**
  - **expansions underway to increase capacity**
  - **considering alternative shareholding structure to secure raw material supply**
  - **actively seeking further acquisitions in region**

Specialty chemicals cont.

- **Other**
- **Masterbatch sale completed**



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Specialty fibres

- Revenue R1 062m (+35%);   TP R15m (-R28m in H1’06)
- Power outages and other disruptions in Q1’06 did not recur
- Quality and productivity programmes established in ’06 delivered significant benefits
- But not sufficient to offset fully the escalation in rand-based costs
- New competition from Far East producers further restricted ability to recover increasing raw material prices

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Specialty fibres cont.

- Successfully converting to new supplier for nylon polymer
- Local demand for PET remains strong; double digit growth
- Good progress made in identifying potential strategic partners/ owners that could add value to all/ part of the business
- Will also seek finality on USA JV shareholding in this process

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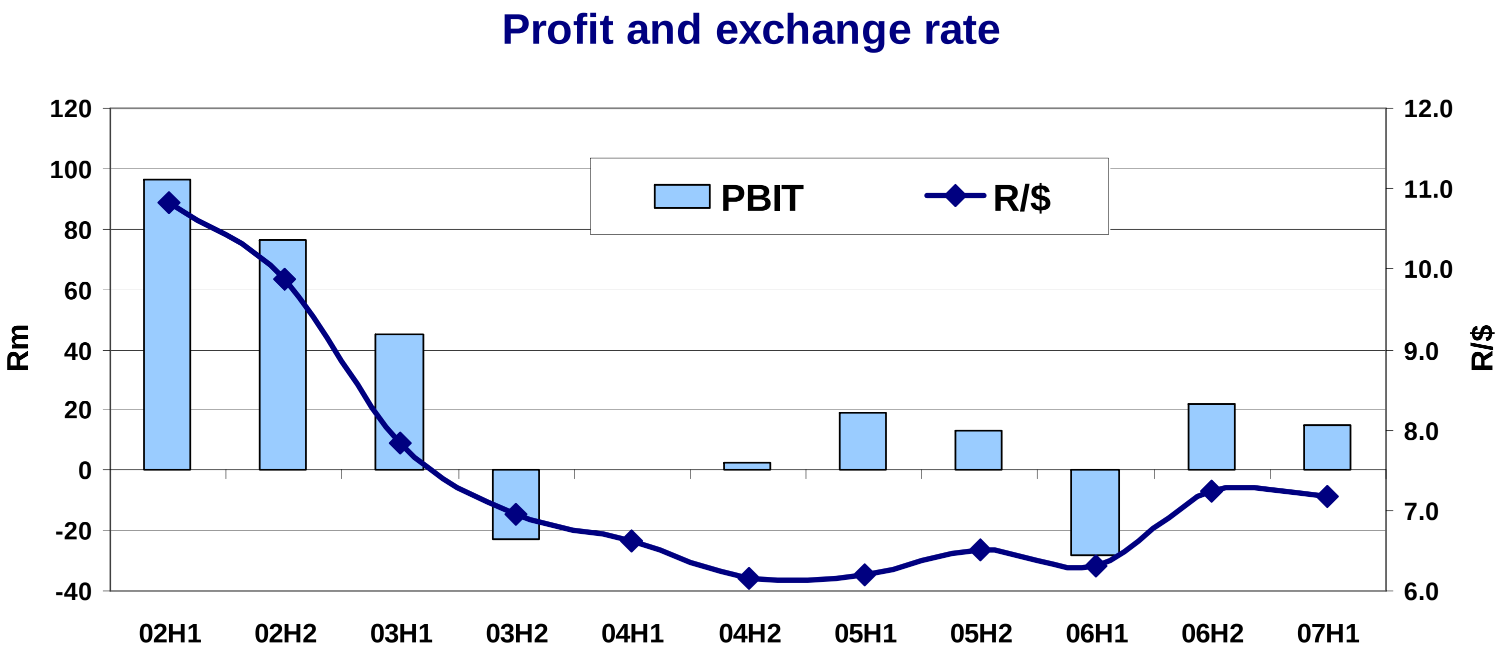
Specialty fibres



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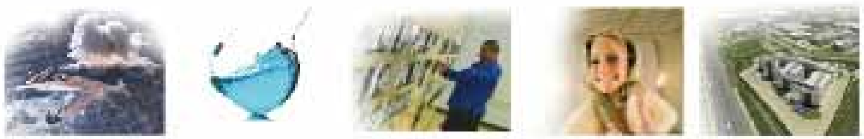
Decorative coatings

- Revenue R369m (+24%);   TP R17m (+30%)
  - margin 4.6% (4.4%)
- Strong demand in traditional low season
- Improved performance from African operations
- Agreed to sell Dulux and African subsidiaries in Botswana, Malawi, Namibia, Swaziland and Zambia to ICI plc; cash consideration of R745m
- Dulux targets primarily the retail consumer market; not well aligned with Group’s strategic focus: supply specialty products and services to manufacturing and mining sectors



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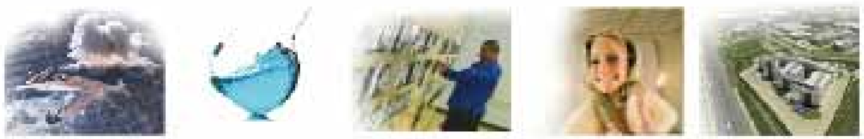
Decorative coatings

- Subject to regulatory approvals, it is expected that the transaction will take effect from 1 October ’07
- Gain on disposal of some R500 million will be recognised
- At that time, and depending on progress with potential acquisitions, the Board will consider returning all or part of the sale proceeds to shareholders

Property

- Revenue R212m (-54%);   TP R41m (R292m in H1’06)
- Comparisons distorted by Milnerton sale last year
- Sold property in Richards Bay and last portions of Greenstone Hill
- Delays with rezoning applications in some areas
- Availability of land ready for release and sale likely to remain limited in H2’07



Outlook

- Favourable international conditions and firm commodity prices should support local mining and manufacturing sectors with concomitant benefits to Chemserve and AEL
- Limited land ready for release and sale, and profit from property to be substantially below ’06
- Hence management expects that headline earnings per share in 2007 are likely to be lower than those achieved last year excluding the non-recurring effect of the agreement with the Pension Fund in that period
- Group to benefit from major investment programmes and property development activities, but mainly in ’08 and ’09