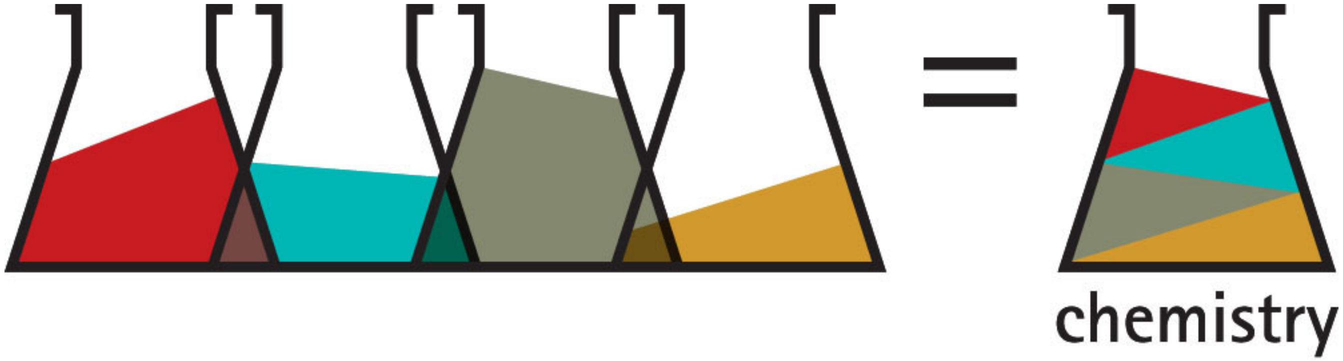

Group interim financial results for the half-year ended 30 June 2008

Presentation to
investors, analysts and media

29 and 30 July 2008

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Summary

- HEPS +35%
- Operating profit from continuing operations up 43%
- Revenue at record levels, > R5.6b, +43%
- Impressive growth of Chemserve continues
- AEL improved off 1H07
- Major capex programme on track

Summary

- Heartland: good results in difficult market
- Valuation exercise completed
- SANS exit progressing steadily
- R500m new capex approved
- Dividend up 25% to 90c

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Business environment

- SA economy under serious pressure
- Consumer demand in decline
- Global commodity cycle “stronger for longer”
- SA mining activity down but regional growth strong
- Rand more volatile since Jan ’08
- Inflation outside target range
- Oil and other raw materials increasing
- Southern African political issues

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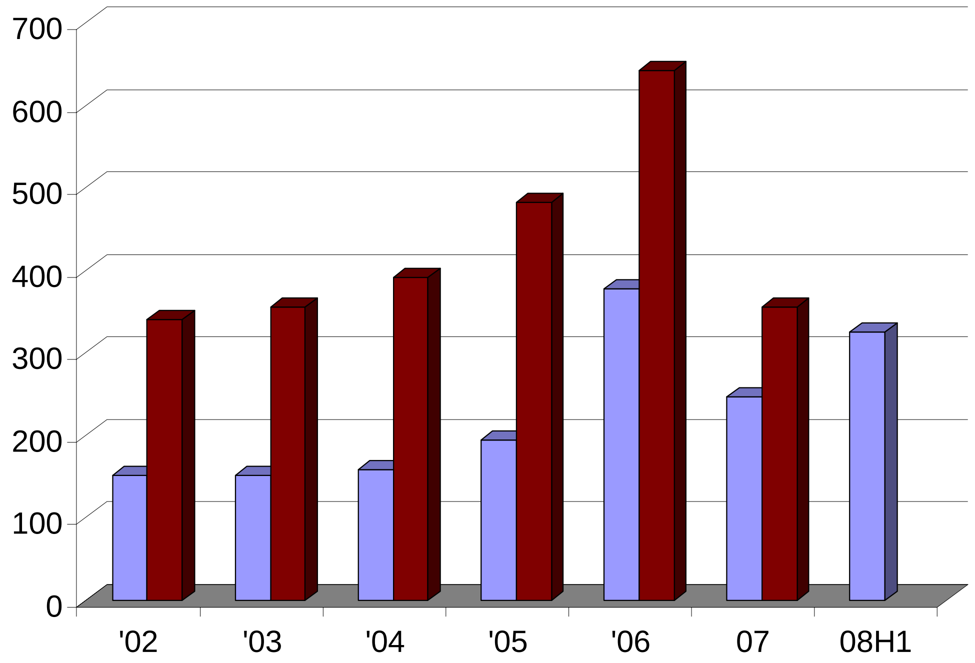
Impact on AECI

- Demand for products: growth erratic, patchy but positive
- Major volatility and upward pressure on input costs
- Margin pressures continue
- Production disruptions in 1Q08

Results for 1H08

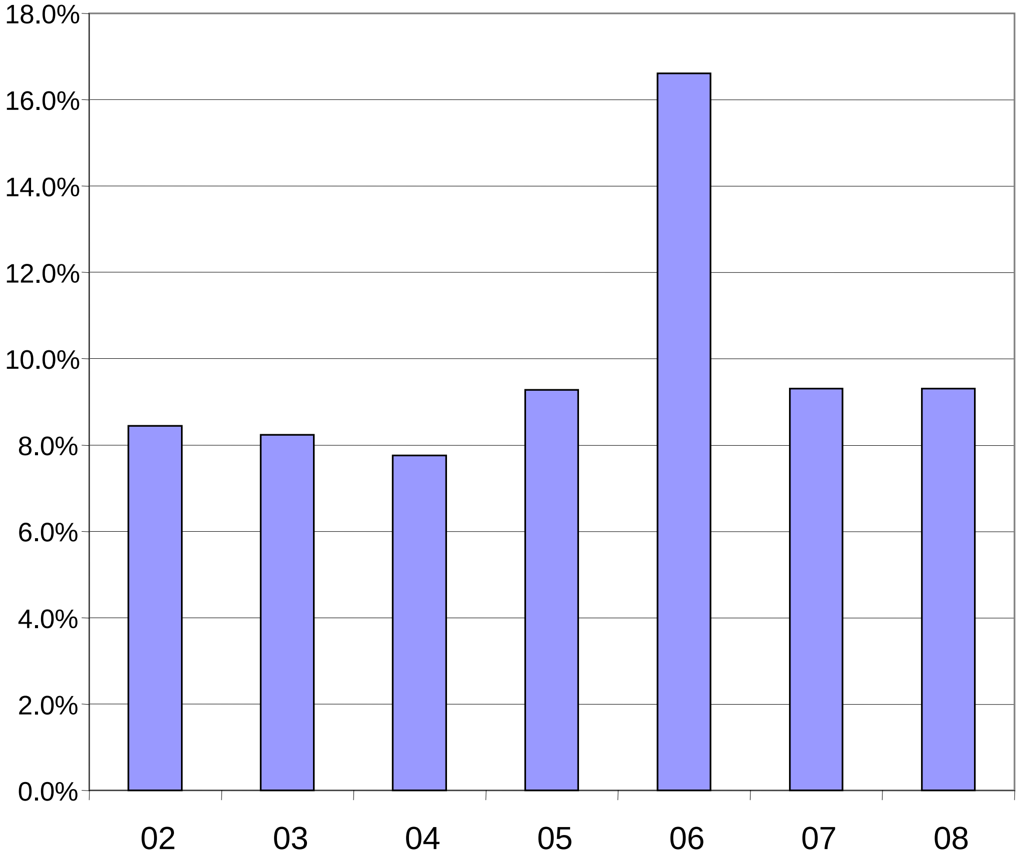
- HEPS +35%
- No “unusual” items
- All businesses improved
- Chemserve the driving engine



Headline earnings per share (cents)

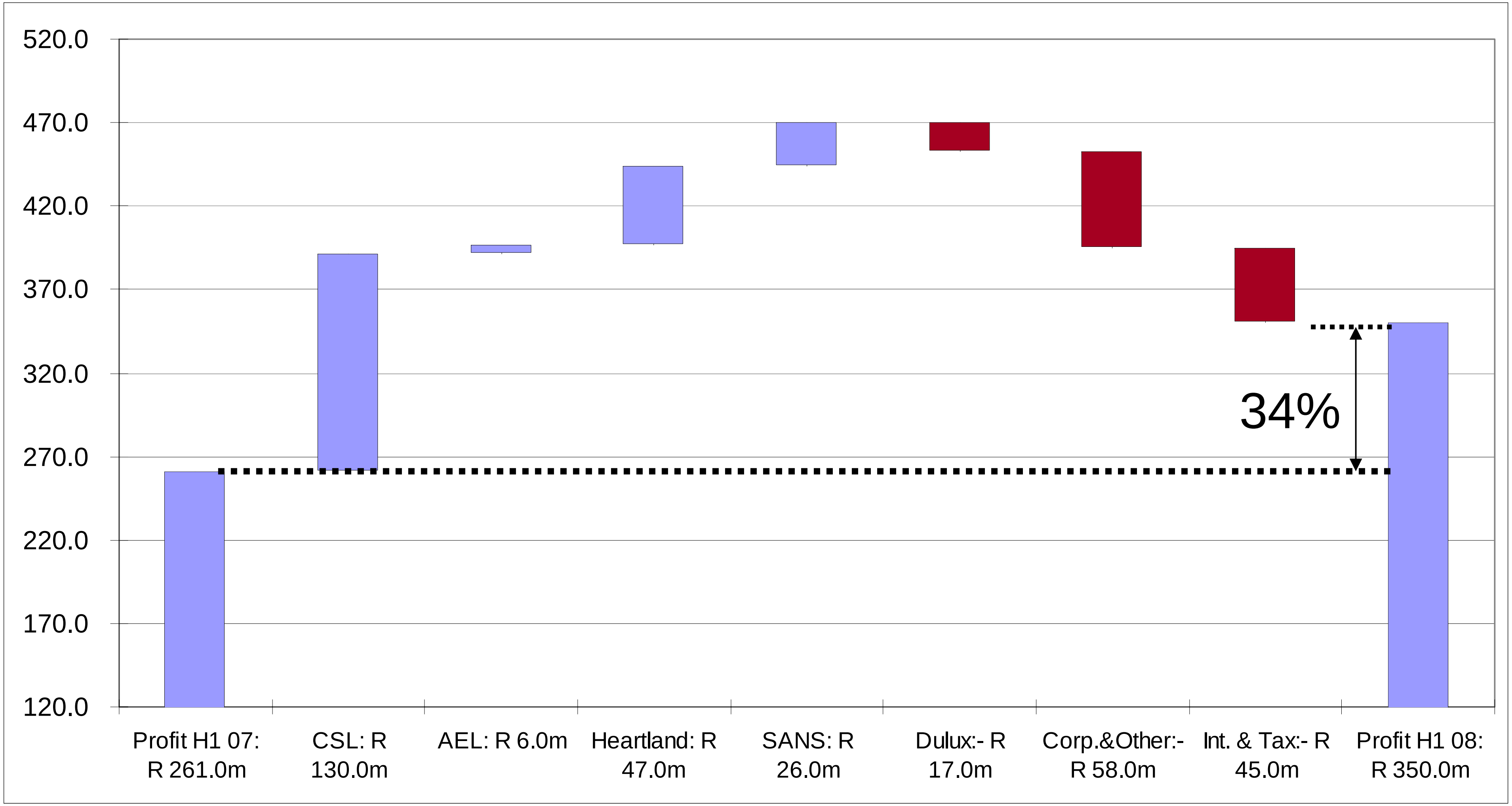
Results for 1H08

- Trading margin maintained
- Volumes mixed
    - Chemserve +16%,
    - explosives +12% detonators -22%
- Foreign sales +69% in rand



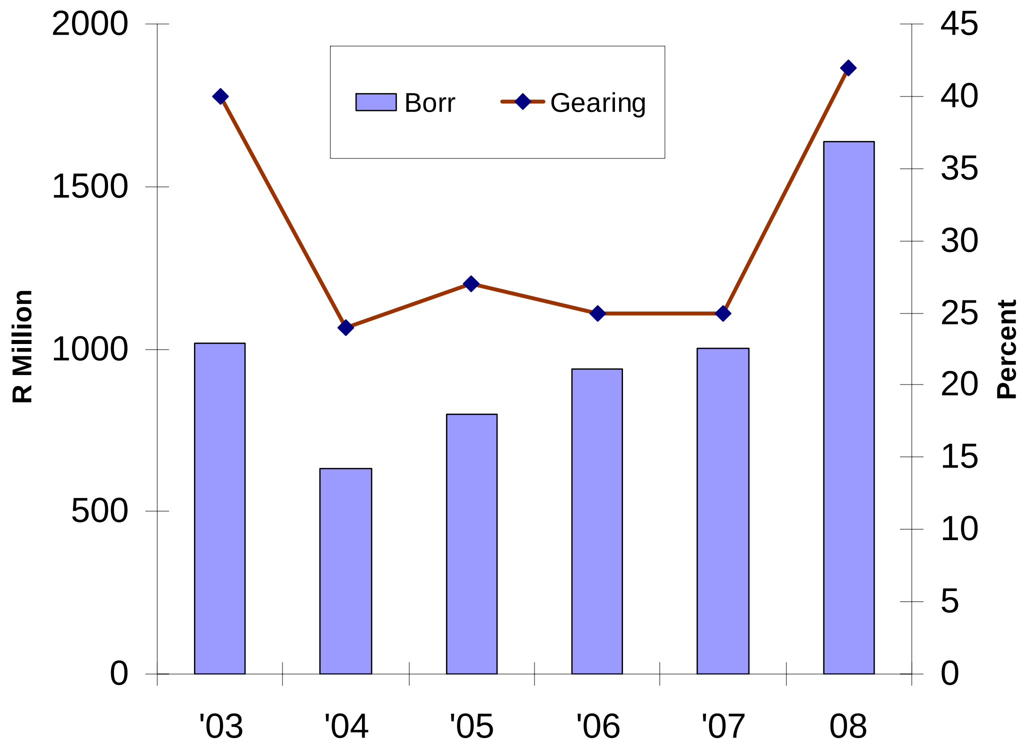
First half trading margin (%)

After tax profit comparison



Financial

- Capex R395m, incl R260m for expansion projects
- Capex cash spend will peak at R1.2bn in '08
- WC 19.8%, in target range
- Borrowings up R674m to R1 675m
- Gearing up to 42%, in line with plan
- Cash interest cover 7x



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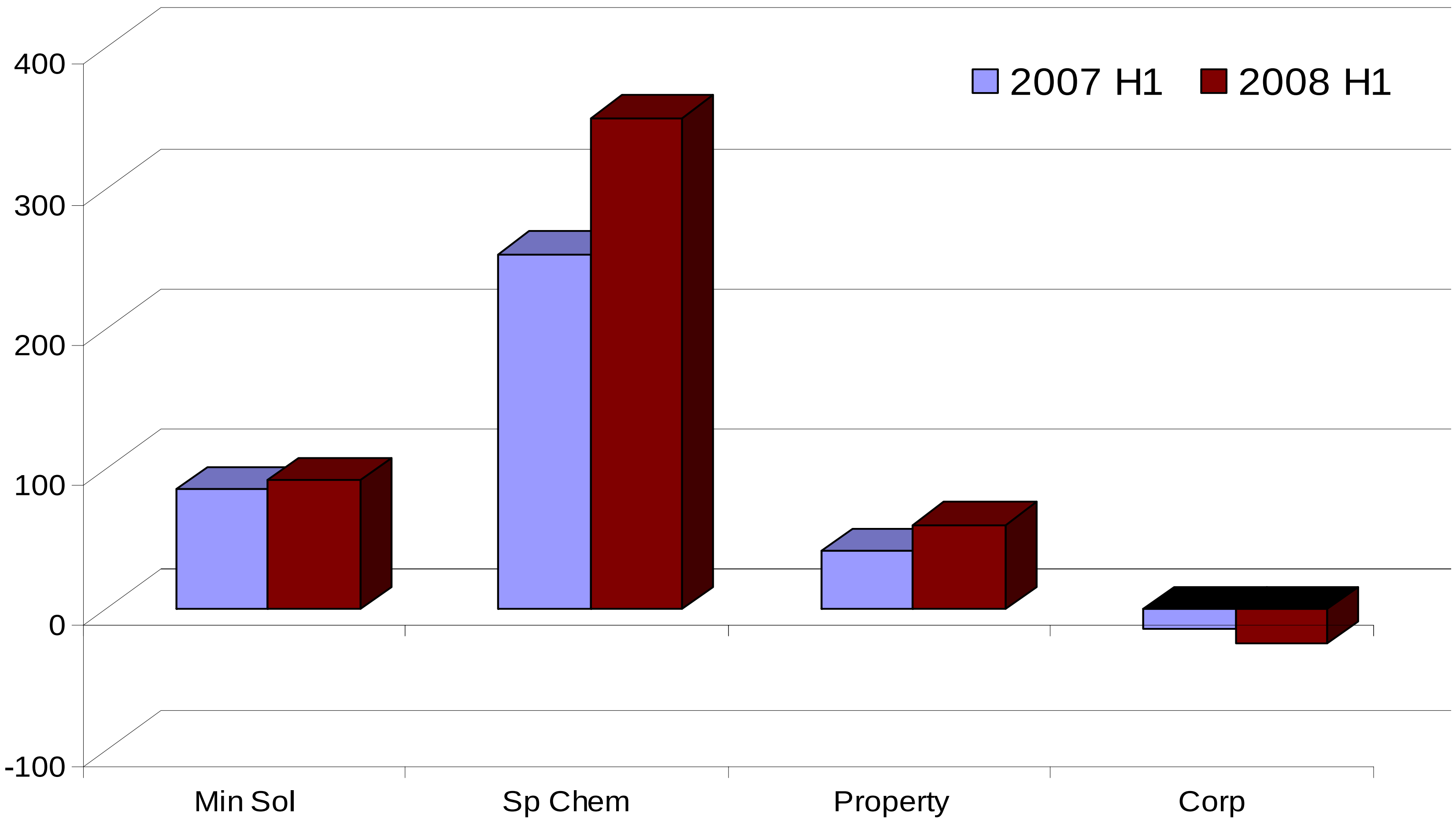
Safety, health and environment

- Total Recordable Injury Rate (TRIR) at 1.22 for the Group
- Regrettably 2 fatal injuries occurred during the half
- One health-related incident included in the TRIR statistics
- No major environmental incidents

Segmental trading profit (Rm)



Chemical Services: environment

- Price increases driven by weaker rand, inflation, rapidly rising chemical prices
- Some product shortages experienced, but impact on customers limited
- Lower fixed cost ratios helped maintain trading margin
- Demand in local market mixed - consumer squeeze

Chemical Services: environment cont.

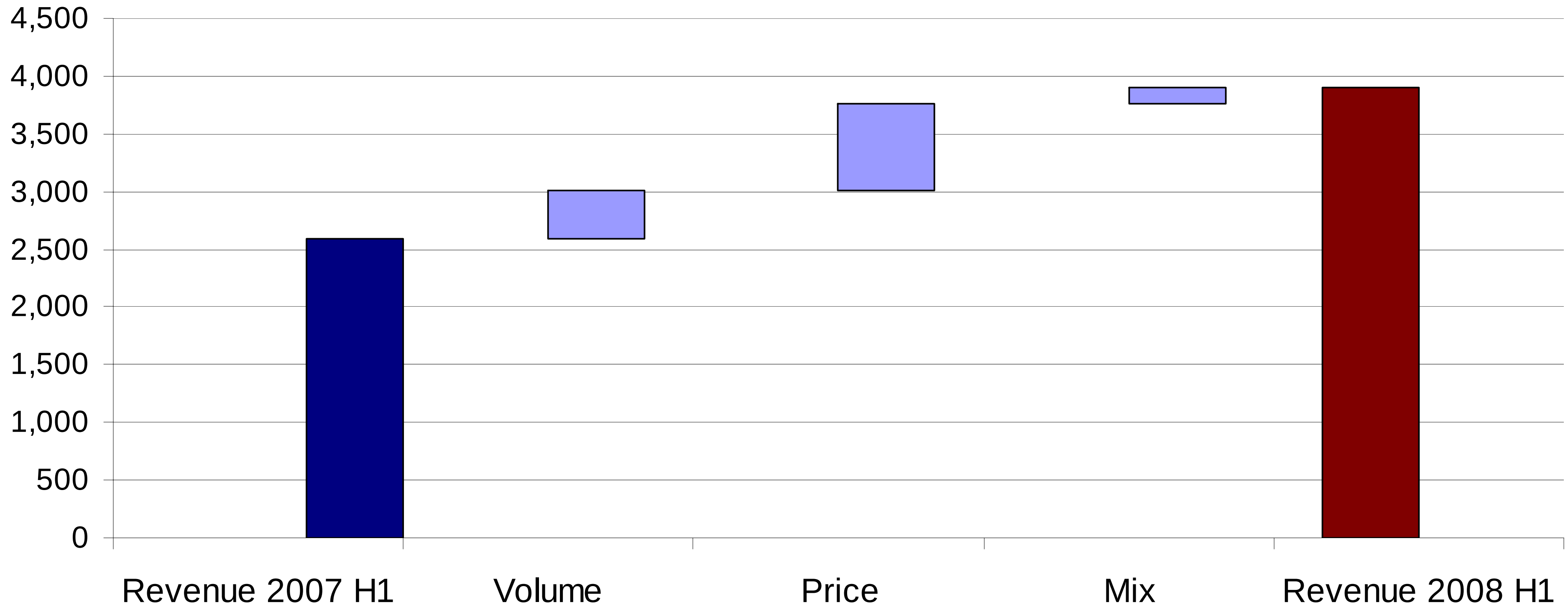
- Major sectors remained robust, especially mining
- Power outages in Jan/Feb impacted, especially in Gauteng and related to mining
- Skills shortages evident, resulting in increased cost of hiring and retaining people

Chemical Services: performance

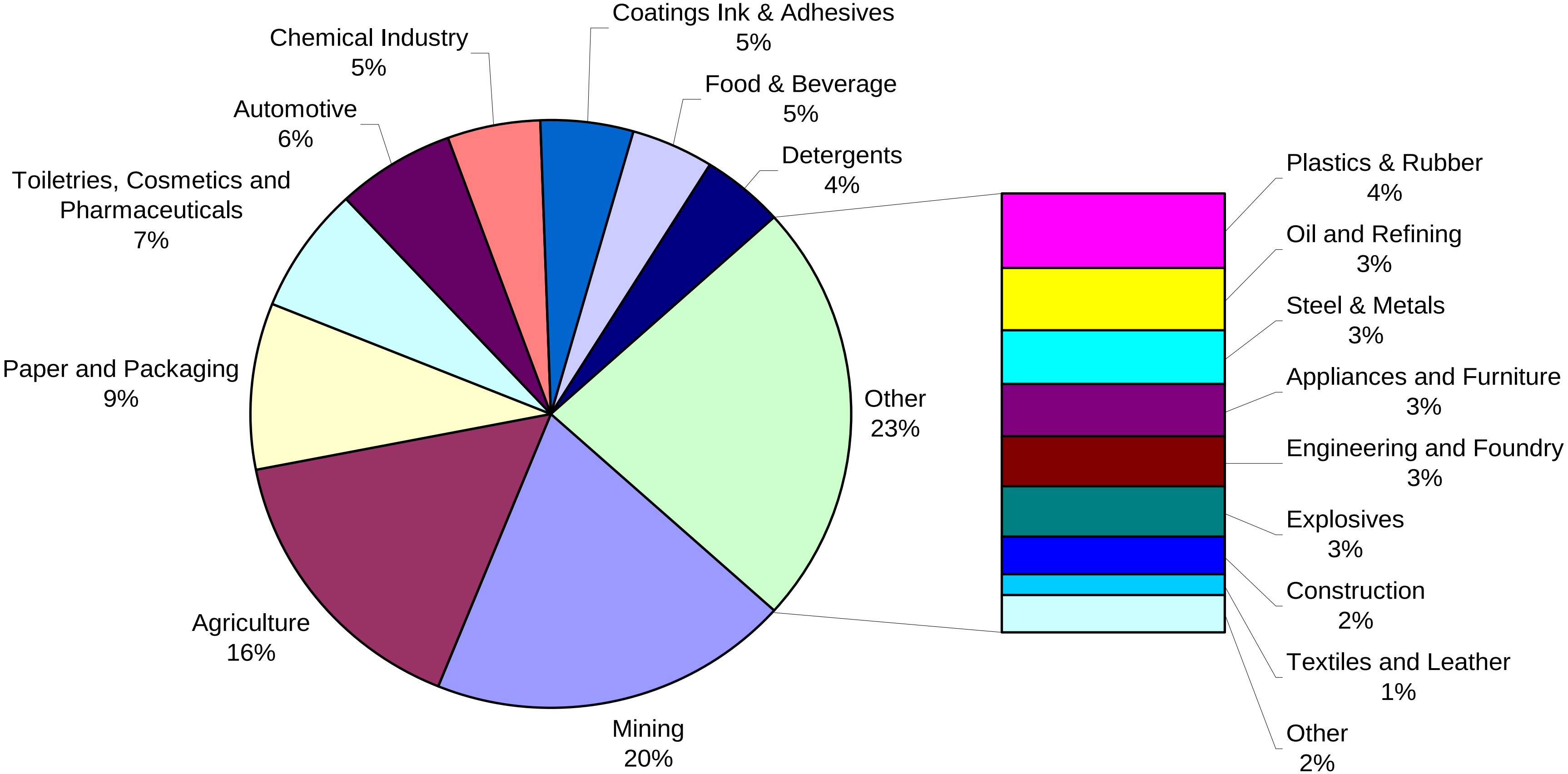
- Revenue R3 863m (+49%)
- TP R386m (+53%)
- Margin 10% (9.7%)

Chemical Services: volume, price, mix

Revenue growth H107 to H108



Chemical Services cont.



CHEMICAL SERVICES SALES BY INDUSTRY TO JUNE 2008

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Chemical Services: growth strategies

Capital investment programme

- Capital of R1.3bn approved past 18 months; incl. R200m in changes of scope and escalation
- Major projects well underway, but construction costs locally escalating once more, resources tight (guar, xanthates I & II, sulphonation, fractionation, CS_2, AM, PAM)
- Review of projects show returns as originally envisaged

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Chemical Services: growth strategies cont.

Capital investment programme cont.

- Timing
  - Commissioning has commenced on guar plant (Sasolburg)
  - Other projects will enter commissioning phase over next 12 months; handover of last plant expected Nov '09

Chemical Services: growth strategies cont.

Acquisitions

- Chemfit, Tenside (Crest) and Dustaway (Improchem) acquired from July 1
- Bergen Trading (Crest) at the Competition Commission
- Active acquisition list continues in RSA and abroad

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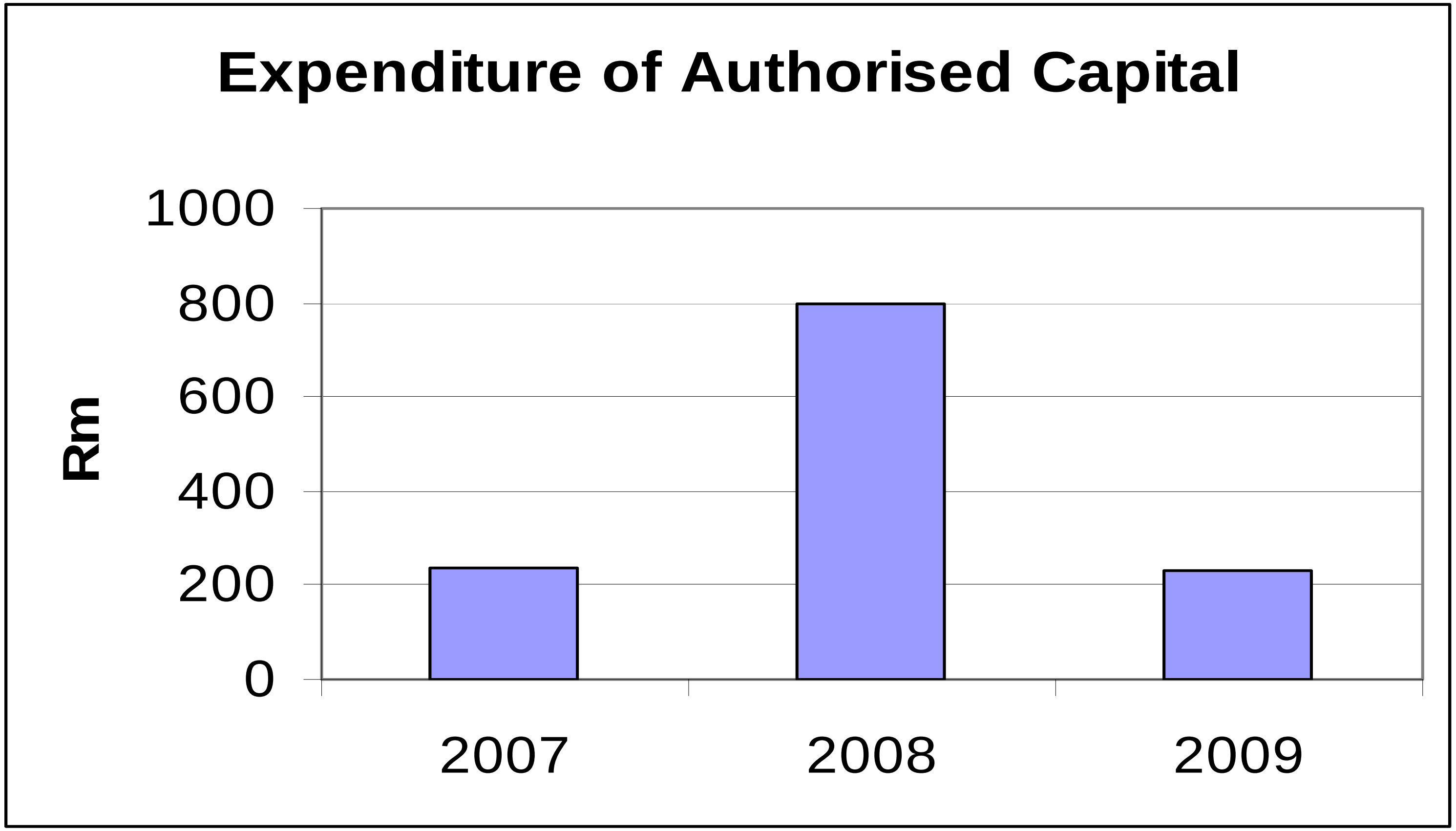
Chemical Services: capital spend timing



Chemical Services: growth strategies cont.

Brazilian country strategy

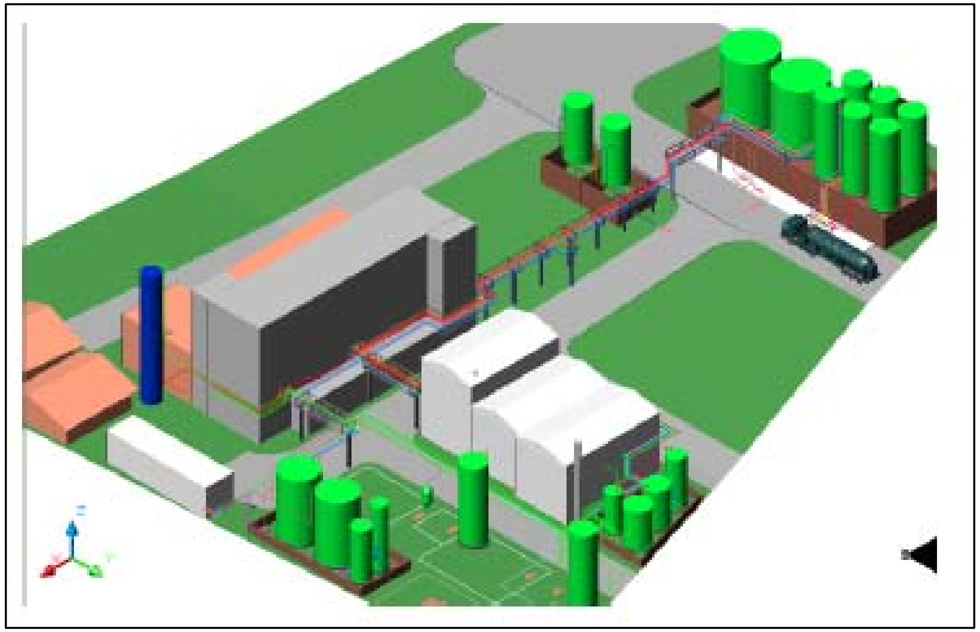
- Fractionation column construction proceeding to plan after rain delays early on, expect commissioning Q109
- MeadWestvaco shareholding in Resitec in place
- Actively seeking further acquisitions in region

Chemical Services cont.

Xanthate and guar plants take shape

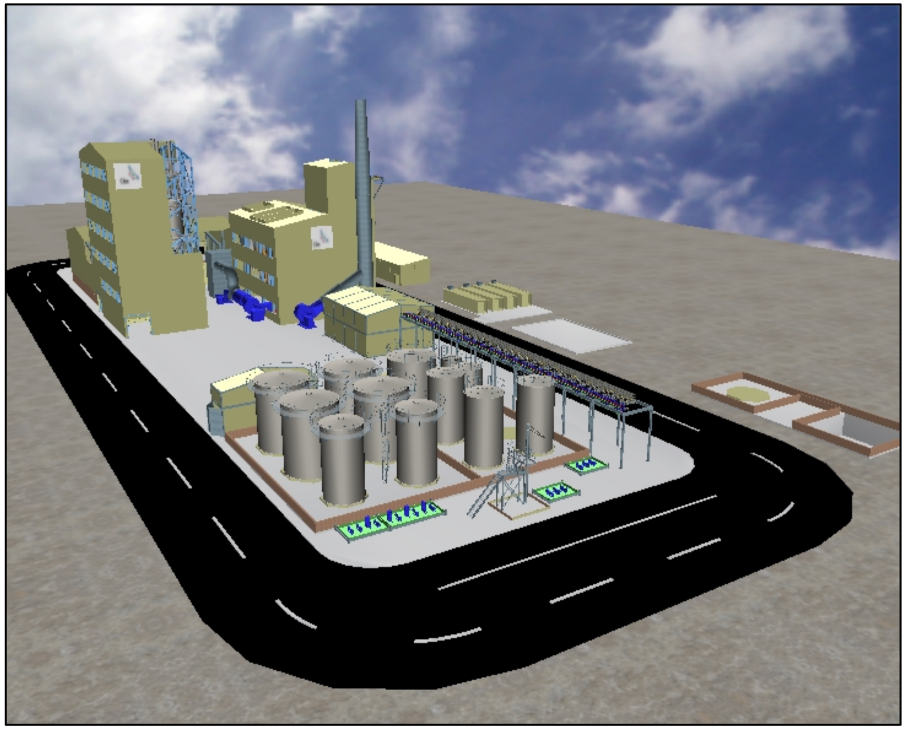
Chemical Services cont.

Lages fractionation column progressing to plan



Chemical Services cont.

AM and PAM plant foundations laid



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Mining solutions: environment

- Global mining boom continued
- Product shortages experienced worldwide – especially ammonium nitrate
- Input cost escalations – ammonia doubled from Jan to May
- Cost of new capacity continued to rise

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Mining solutions: environment cont.

- Pressure on mining safety, compliance and productivity continued
- Skills and resourcing remained challenging
- New mega mines coming on stream
- Mining growth outlook remains positive

Mining solutions: performance

- Revenue R1.65b (+28)
- TP R92m (+7%)
- Margin down from 6.6% to 5.5%
- Fixed costs under inflationary pressures

Mining solutions: performance cont.

- SA Surface and Massive markets - good growth driven by coal, platinum and construction
- African markets performed well - good growth in Botswana, the west and central Africa regions
- Narrow reef volumes continued to drop in line with gold and platinum sectors
- DetNet high volume growth in Africa and USA

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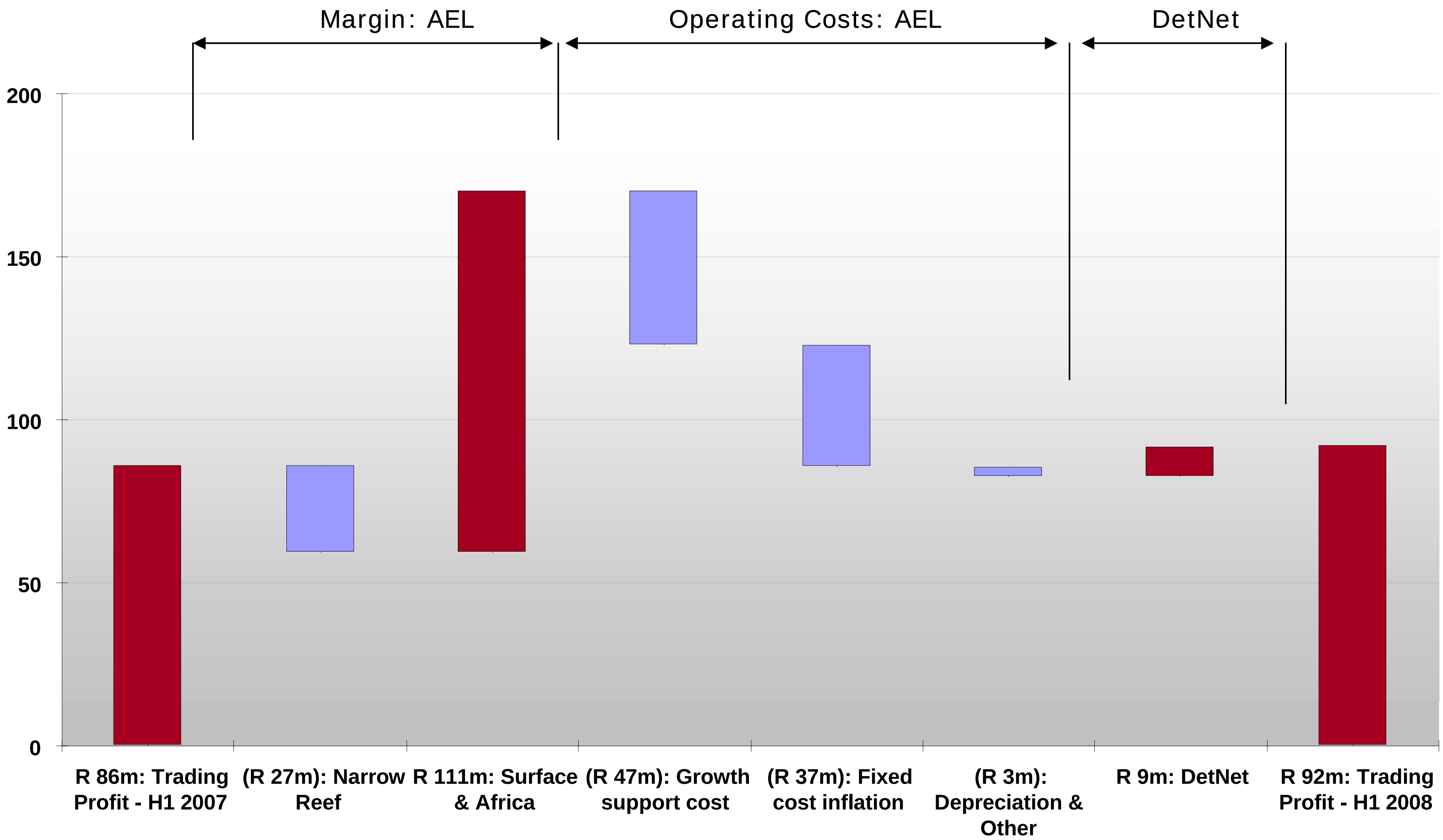
2007 – 2008 1H trading profit

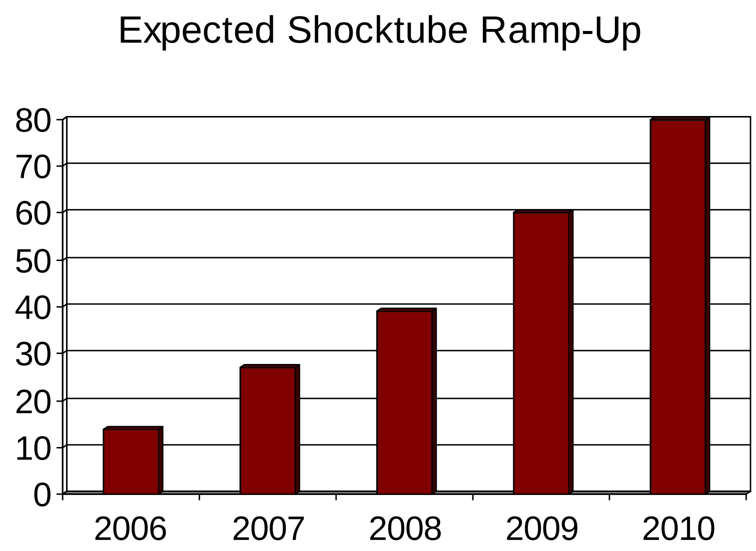


Mining solutions: projects

- Capital spend for year within budget but pressured by construction costs escalation
- ISAP project's Bernice and Charlize phases completed
- Denise phase to deliver in 2008:
  - additional shocktubing lines
  - new spray dried powder capacity
  - additional elemented detonator capacity
  - the first automated assembly lines

Mining solutions cont.

- Targeting 39m units in ’08
- ’10 target remains on track
- Conversion in full swing



Mining solutions well positioned to harness growth locally and abroad

Heartland

Revenue R292m (+38%) TP R88m (+115%)

• Property sales			164
• Leasing revenue	Annuity income		70
• Services			58
Trading profit			88
Net cash inflow			64
• Remediation		31	
• Infrastructure		45	
Environmental remediation charge against I/S			37

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Precinct 1, Somerset West

Longmeadow Business Estate

Heartland: background and outlook

- Average historical rate of sales 120ha per annum over 9 years (Modderfontein and Somerset West)
- Buoyant market has resulted in sales emptying supply pipeline
- More difficult than expected to re-fill the pipeline
- Market conditions have also deteriorated severely

- Therefore, sales of land over next 12 months likely to be very modest

Heartland vision

For next 3 years

- In planning - approval process for about 400ha
- Requires infrastructure spend of R350m
- Release land with rights at rate required by market
- Function of property/interest rate cycle
- Opportune time in cycle to refill the pipeline

Property valuation

- Independent valuation - Old Mutual Investment Group Property Investments
- 15 year cash flow of sales and costs
- 25% real discount rate applied
- Value of R2.5 bn (at 1 July ’08)
- Current carrying value in books is R410 million
- Does not take into account remediation spend

Interpretation of valuation

- Starting point for strategic evaluation of options for Heartland
- Sets out a clear expectation of cash flows, takes into account the “hole in the pipeline”
- In-house development can unlock more value for AECI shareholders

Real discount rate	10%	15%	20%	25%
Value (bn)	R4.5	R3.5	R2.9	R2.5

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SANS Fibres

- LDI nylon sale – completion due Q3
- PET sale process - indicative offers received
- Remaining operations performing well
  - R41 million trading profit
  - Cash neutral after R100m retrenchments
- Carrying value R413m
  - Should realise through sale of businesses and working capital

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Outlook

- Drivers
  - Mining: regaining momentum in SA, increasing activity in Southern Africa
  - Manufacturing: relatively weak rand and high inflation usually benefit manufacturing
  - Consumers: weak, but buying down rather than not buying
  - Agriculture: season commences September
  - Product shortages likely in some areas, prices likely to remain firm

Outlook

- Provided these drivers remain in place:
  - Expect continued strong performance from Chemserve
  - Expect gradual improvement from AEL
  - Expect very low property sales from Heartland
- From ’09 benefits of capital investments will be felt

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Calendar

- 16 October: Property presentation, Somerset West
- 24 February ’09: 2008 results released
- 24/25 February ’09: Results presentations