1. PERFORMANCE SUMMARY

2. BUSINESS ENVIRONMENT

3. STRATEGIC CONTEXT

4. RESULTS ANALYSED

5. SEGMENTAL PERFORMANCE
   > Property
   > Explosives
   > Specialty chemicals

6. OUTLOOK, STRATEGY AND OBJECTIVES
PERFORMANCE SUMMARY
PERFORMANCE SUMMARY

› Safety performance: TRIR of 0.35 (’14: 0.50)
› Revenue +9% to R18.4bn
   » Foreign revenue of R6.4bn = 34% of total
› Profit from operations +7% to R1 703m
› Underlying profit from operations +18% to R1 881m
   » R178m (before tax) expense – post-retirement obligations de-risking
› HEPS +6% to 894c
   » Benefit of Somerset West land sales
› 9.2% trading margin (9.4% in ’14)
› Cash of R1.4bn returned to shareholders
› Final ordinary cash dividend +16% to 260cps (225cps in ’14)
Realisation of property assets at Somerset West

Benefits of acquisitions and strategic portfolio management realised
   » Integration of
      ~ Farmers Organisation Limited (Nulandis) – effective June
      ~ SCP – effective August
      ~ Biocult (Nulandis) – effective November

De-risking of defined-benefit post-retirement benefits
   » DB:DC and PRMA projects all nearing completion
   » R120m savings/year from ‘16

Capex in line with depreciation and amortisation
SAFETY PERFORMANCE: TRIR OF 0.35

OVERSHADOWED BY TWO FATALITIES

All workers TRIR

<table>
<thead>
<tr>
<th>Year</th>
<th>TRIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>0.6</td>
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<tr>
<td>11</td>
<td>0.8</td>
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<tr>
<td>12</td>
<td>0.4</td>
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<tr>
<td>13</td>
<td>0.4</td>
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<tr>
<td>14</td>
<td>0.4</td>
</tr>
<tr>
<td>15</td>
<td>0.1</td>
</tr>
</tbody>
</table>
BUSINESS ENVIRONMENT
BUSINESS ENVIRONMENT

SA MINING VOLUMES JAN ’10 – DEC ’15

Cum change y-o-y = 3.3%
December y-o-y = -0.3%

Source: Stats SA
HISTORICAL PRICE PERFORMANCE – GOLD AND PLATINUM (US$/OZ)

Source: SNL
HISTORICAL PRICE PERFORMANCE – COAL AND IRON ORE (US$/TONNE)

Source: SNL
MINING

› Global
  » Deceleration of demand from China, in particular
    ~ Collapse of commodity prices
    ~ Mine closures, operational restructuring, cost containment, asset shedding, mining assets underutilised, impairments (incl. suppliers)
  › Ongoing
  » Aggressive procurement processes due to market forces
  » Customers targeting high-grade ores and reducing stripping ratios
  » Low capex levels and reductions in exploration activities

› SA
  » Gold prices in ZAR at all-time high – positive for this mining sector
  » Volumes in platinum mining sector recovered – but not to ’13 levels
  » Decline in coal and iron ore volumes

› Rest of Africa
  » Growth in Central African copper mining
  » Gold mining in West Africa stabilised
  » Growth also in East Africa

› Indonesia
  » Low thermal coal prices = sustained pressure on volumes
SA MANUFACTURING VOLUMES JAN ’08 – DEC ’15

Cum change y-o-y = 0,0%
December y-o-y = 0,4%

Source: Stats SA
BUSINESS ENVIRONMENT

ZAR/US$ EXCHANGE RATE JAN '14 – DEC '15

Source: INET Bridge
BRENT CRUDE OIL (US$/BBL)

Source: INET Bridge
SA MANUFACTURING AND AGRICULTURE

Manufacturing
- GDP targets revised down
- Electricity supply more stable but remains a concern
- No step-change in exports, even with weak ZAR
- Rationalisation and lower production levels due to cost competitiveness factors
- Weak demand impacts margin and volume growth
- Steel industry seriously challenged
- Drought effects on industry

Agriculture
- Drought effects a major concern
  ~ Inflationary pressures in food sector, in particular
MINING SOLUTIONS = 56% OF REVENUE

- 44 Explosives
- 12 Mining chemicals
- 12 Agriculture
- 22 Manufacturing
- 5 Food and beverage
- 5 Property
GROUP MINING REVENUE BY MINERAL MINED (%)

19 Platinum
19 Copper
19 Gold
17 Coal
6 Diamond
6 Quarry, construction, civil
6 Iron ore
8 Other
SPECIALTY CHEMICALS: R9,9bn REVENUE BY MARKET SECTOR (%)

WATER SOLUTIONS = 14%

- 25 Agriculture
- 24 Mining
- 11 Food and beverage
- 6 Chemical industry
- 6 Paper and packaging
- 5 Oil and refining
- 4 Textiles and leather
- 3 Toiletries, cosmetics and pharmaceuticals
- 3 Plastics and rubber
- 3 Coatings, ink and adhesives
- 10 Other
RESULTS
ANALYSED

4
CASH UTILISATION

› Capex in line with depreciation and amortisation
  » R583m – incl. R283m for expansion projects

› NWC to revenue: 17.2% (15.4% in ’14)
  » R150m for land sales outstanding

› Net borrowings: R1 178m

› Gearing at 13% vs 20% in Jun ’15 (9% in Dec ’14)
  » Special dividend paid
  » Share repurchase

› Cash interest cover: 10.4x

› Dividend cover for the year: 2.3x

› Final ordinary cash dividend: 260cps (+16%)
> Profit from operations +7% 
  to R1 703m
> EBITDA +7% to R2,3bn
> Underlying EBITDA +15% to R2,5bn
  » R178m (before tax) expense – post-retirement obligations de-risking
> HEPS +6% to 894c
> More than R400m repatriated via dividends
> Tax rate: 31% (‘14: 25%)
  » Foreign withholding tax
  » CGT on capital land sale (Modderfontein, in ‘14)
> Return on net assets: 18,01%
  (17,8% in ‘14)
  » Target = 20%+
### CASH RETURNED TO SHAREHOLDERS IN ’15

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary cash dividends</strong></td>
<td></td>
</tr>
<tr>
<td>’14 final of 225cps</td>
<td>R258m</td>
</tr>
<tr>
<td>’15 interim of 125cps</td>
<td>R143m</td>
</tr>
<tr>
<td><strong>Special cash dividend</strong></td>
<td></td>
</tr>
<tr>
<td>375cps</td>
<td>R431m</td>
</tr>
<tr>
<td><strong>Share repurchase</strong></td>
<td></td>
</tr>
<tr>
<td>5,969,845 ordinary shares purchased and cancelled</td>
<td>R563m</td>
</tr>
<tr>
<td>~ 4.66% of issued share capital</td>
<td></td>
</tr>
<tr>
<td>~ Up to 5% on AGM shareholder authority</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH RETURNED</strong></td>
<td>R1,4bn</td>
</tr>
</tbody>
</table>
Four defined-benefit pension funds

- Two funds restructured in ’15
  - AECI Pension Fund; AECI Supplementary Pension Fund
- All processes governed by fund trustees, AECI Remuneration Committee and their respective advisors
- Transactions approved by FSB
- Surplus allocated to all stakeholders equitably
- Pensioners outsourced to Sanlam with an enhanced pension
- Active members transferred to new defined-contribution (DC) pension fund with an enhancement
- AECI received a surplus, utilised:
  - To secure medical benefit for qualifying pensioners
  - To provide active members with a retirement benefit equilisation
### Analysis of the Employer Surplus Accounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of employer surplus account (ESA)</td>
<td>179</td>
</tr>
<tr>
<td>PRMA Plan Asset</td>
<td>448</td>
</tr>
<tr>
<td><strong>’14</strong></td>
<td>627</td>
</tr>
<tr>
<td>Net surplus allocation from AECI Pension Fund</td>
<td>1,141</td>
</tr>
<tr>
<td>AECI Supplementary Pension Fund equalisation</td>
<td>(103)</td>
</tr>
<tr>
<td>PRMA pensioner alternative benefit</td>
<td>(652)</td>
</tr>
<tr>
<td>Other</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>’15</strong></td>
<td>982</td>
</tr>
</tbody>
</table>

**Proposed future utilisation of ESA**

- Active members PRMA settlement – estimate: 250
- Asset backing pensioner member PRMA: 400
- Future Company contribution holiday: 332

**Total**                                          | 982
### PRMA Analysis

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Amount (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Gross liability</td>
<td>1,275</td>
</tr>
<tr>
<td></td>
<td>Liability settled</td>
<td>(799)</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>2015</td>
<td>PRMA liability</td>
<td>479</td>
</tr>
<tr>
<td></td>
<td>Remaining pensioner member liability</td>
<td>351</td>
</tr>
<tr>
<td></td>
<td>Employee past service liability</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>479</strong></td>
</tr>
</tbody>
</table>

- 65% of qualifying pensioners accepted alternative benefit offer made in ’14
- Total cost of settlement exceeded the liability by R75m
- Alternative benefit offer was made to qualifying employees in December ’15
PROPERTY

<table>
<thead>
<tr>
<th>Rm</th>
<th>Revenue 2015</th>
<th>Revenue 2014</th>
<th>Profit from operations 2015</th>
<th>Profit from operations 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shanghai Zendai transaction</td>
<td>-</td>
<td>462</td>
<td>48</td>
<td>421</td>
</tr>
<tr>
<td>Somerset West</td>
<td>554</td>
<td>55</td>
<td>394</td>
<td>12</td>
</tr>
<tr>
<td>Rental and services</td>
<td>368</td>
<td>354</td>
<td>85</td>
<td>57</td>
</tr>
</tbody>
</table>

| Total                       | 922          | 871          | 527                        | 490                        |

> Somerset West
  » Bulk sale to City of Cape Town concluded in June
  » Sale of balance of Precinct 1 also concluded in ’15

> Transfers of land to Shanghai Zendai complete

> Rental occupancy rates at Umbogintwini at all-time high, Modderfontein stable
  » Opportunities to develop vacant land (on leasehold basis) at Umbogintwini to meet existing demand
  » Non-recurring rentals from Somerset West buildings will not repeat in ’16
<table>
<thead>
<tr>
<th>Property Valuation Analysis</th>
<th>Rm</th>
<th>Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Bank valuation (Sep '14)</td>
<td>545</td>
<td>734</td>
</tr>
<tr>
<td>City of Cape Town transaction price</td>
<td>400</td>
<td>709</td>
</tr>
<tr>
<td>Precinct 1 sales concluded since Sep '14</td>
<td>187</td>
<td>25</td>
</tr>
<tr>
<td>Total value realised</td>
<td>587</td>
<td>734</td>
</tr>
</tbody>
</table>

- **City of Cape Town**
- **Precinct 1**
Approx. 216ha of surplus land remains (excl. 275ha Modderfontein Reserve)

AEL footprint = 1 100ha

No plans to realise developable land in short term
EXPLOSIVES: PERFORMANCE DRIVERS

SA

› Volume improvement
  » New contracts secured
  » Most business retained in retendering processes but margin sacrificed

› Volume improvement achieved notwithstanding difficult conditions in 2H15
  » Large customer in business rescue
    ~ R27m bad debt provision
  » Slowdown in iron ore and coal production

Rest of Africa

› Growth continued
› Good cash generation
› Political and socio-economic challenges remain in some countries
Indonesia

› Business remained under pressure
   » But some ramp-up in BBRI volumes in 2H15
› Long cycles for net input VAT refunds – R46m provided

Australia

› Expected volumes achieved
› Product mix not optimised - dry weather conditions
› Margins under pressure
EXPLOSIVES

PERFORMANCE

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>R8 236m</td>
<td>+14%</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>R418m</td>
<td>+12%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>5,1%</td>
<td>(’14: 5,1%)</td>
</tr>
<tr>
<td>Trade WC</td>
<td>18%</td>
<td>(’14: 19%)</td>
</tr>
</tbody>
</table>

› Overall explosives volumes +13%
› Initiating systems volumes +34%
   » Platinum recovery
   » New business in gold mining sector
   » ISAP operating at capacity
› SA explosives volumes +6%
   » R150m margin sacrifice
   » Slowdown in 2H15
› Overall explosives volumes in rest of Africa +14%
   » Good volume growth in DRC
   » Favourable product mix
   » West Africa performed well
› Indonesian explosives volumes -23%
AEL SITE ESTABLISHED IN MOZAMBIQUE: GOOD POTENTIAL
Notable performance in a difficult environment
  » Benefits of acquisitions
  » Enhanced footprints in Africa
  » Focus on strategic pillars

Excellent cost management

Some market share gains

Rapid response to customers’ changing circumstances and needs
  » R&D and innovation
SPECIALTY CHEMICALS

PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>+6,0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>R9 886m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Profit from operations</th>
<th>+12,1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit from operations</td>
<td>R1 121m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Trading margin</th>
<th>11,3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading margin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Trade WC</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade WC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Volumes +4,9%
  - Manufactured +3,1%
  - Traded +8,2%

- Pleasing recovery by Senmin
  - But exports disappointed

- Water Solutions
  - ImproChem: benefits of acquisitions and footprint, negative effects of drought and low oil price

- Agrochemicals
  - Nulandis: benefits of acquisitions, negative drought effects

- Food Additives and Ingredients
  - Revenue of R814m
  - SCP excelled

- Improved performances also from CI, Experse, IOP, SANS
OUTLOOK, STRATEGY AND OBJECTIVES
Global
› Growth under pressure for the foreseeable future
› Strong US$
› Bearish commodity price outlook (next 3 – 5 years)
› Large-scale changes in mining industry

SA
› Poor business confidence and weak fixed investment
› Cycle of low growth and manufacturing capacity underutilisation
› Household consumption expenditure under pressure
   » Food prices expected to increase as a result of drought and inflation
› SA economy vulnerable and poor conditions in the manufacturing sector
› Inflation rising, interest rates in moderate upward cycle, rand exchange rate weak and volatile
'15 REVENUE BY STRATEGIC PILLAR

AECI

MINING SOLUTIONS
R10,01bn

WATER SOLUTIONS
R1,38bn

AGROCHEMICALS
R2,47bn

FOOD ADDITIVES AND INGREDIENTS
R814m

PORTFOLIO OF SPECIALTY CHEMICALS BUSINESSES
R3,44bn
AECI MINING SOLUTIONS

AECI

MINING SOLUTIONS

WATER SOLUTIONS

AGROCHEMICALS

FOOD ADDITIVES AND INGREDIENTS

PORTFOLIO OF SPECIALTY CHEMICALS BUSINESSES

R10,01bn

R1,38bn

R2,47bn

R814m

R3,44bn
AECI MINING SOLUTIONS: ADDRESSING THE CHALLENGES

- Environmental Accountability
- Water Utilisation
- Power Management
- Safety Management
Containerised package plants

- Easy transport and installation
- Modular design
- Rapid response
- Minimal infrastructure required

- Designed to customer requirements

- Plug and play
  - Industrial, water recycling and potable water applications

- Customers range from mining to local communities

- Potential for more partnerships with local authorities
> Water treatment plants designed to customer specifications for large industrial applications

> Examples

» Tenke (DRC)
» Vale (Mozambique)
» Chevron (Cape Town)

> Design, manufacture, installation, commissioning, chemical supply
ACQUISITIONS: AGROCHEMICALS

› Farmers Organisation (Malawi)
  › Net consideration = R136m
    ~ 4x EBITDA
  › Integrated with Nulandis effective June
  › Supplies commercial and smallholder farmers in Malawi, Southern and East Africa

› Biocult (SA)
  › Net consideration = R17m
  › Integrated with Nulandis effective November
  › IP investment
  › In line with holistic plant health strategy
AECI

MINING SOLUTIONS

WATER SOLUTIONS

AGROCHEMICALS

FOOD ADDITIVES AND INGREDIENTS

PORTFOLIO OF SPECIALTY CHEMICALS BUSINESSES

R10,01bn

R1,38bn

R2,47bn

R814m

R3,44bn
Southern Canned Products

- Net consideration = R241m
- 6 – 7x EBITDA
- Effective August

Manufacturer and distributor of ingredients for juice-based drinks and products, in Cape Town
AFOODABLE

SCP (5 months)

AECI FOOD ADDITIVES AND INGREDIENTS: REVENUE TARGETS (RM)
FOOD ADDITIVES AND INGREDIENTS: ENHANCED CAPACITY AND CAPABILITY

- New Lake Foods facility in Cape Town
  - Enhanced capacity, quality, efficiencies
- SCP acquisition enhanced the offering to the beverage sector, in particular
- Great potential for exports to rest of Africa

A growing market in SA
- Food consumption forecast CAGR to ’19 = 7,0%
- Soft drink volume sales forecast compound annual growth to ’19 = 4,0%
  
  Source: BMI
SPECIALTY CHEMICALS: R9,9bn REVENUE BY MARKET SECTOR (%)  

WATER SOLUTIONS = 14%

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical industry</td>
<td>6%</td>
</tr>
<tr>
<td>Paper and packaging</td>
<td>6%</td>
</tr>
<tr>
<td>Oil and refining</td>
<td>5%</td>
</tr>
<tr>
<td>Textiles and leather</td>
<td>4%</td>
</tr>
<tr>
<td>Toiletries, cosmetics and pharmaceuticals</td>
<td>3%</td>
</tr>
<tr>
<td>Plastics and rubber</td>
<td>3%</td>
</tr>
<tr>
<td>Coatings, ink and adhesives</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>25%</td>
</tr>
<tr>
<td>Mining</td>
<td>24%</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>11%</td>
</tr>
</tbody>
</table>
OBJECTIVES: ‘16

› Continue to reshape and refocus the business model
› Expand and leverage geographic footprint further
› Pursue more acquisitions in SA, the rest of Africa and internationally in support of strategic growth pillars
› Enhance the focus on innovation
› Ongoing strategic portfolio management
› Pursue exports and import replacements in weak ZAR environment
› Limit fixed capital spend to depreciation and amortisation
› Continue to drive cost control and working capital management
› Enhance Group-wide collaboration initiatives to enhance cost base competitiveness
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGM</td>
<td>30 May</td>
</tr>
<tr>
<td>Half-year ends</td>
<td>30 June</td>
</tr>
<tr>
<td>Interim results released and JHB presentation</td>
<td>26 July</td>
</tr>
<tr>
<td>CT presentation</td>
<td>27 July</td>
</tr>
</tbody>
</table>
THANK YOU