

ELEMENTIS

Elementis plc

Interim Results | Six months ended 30 June 2008

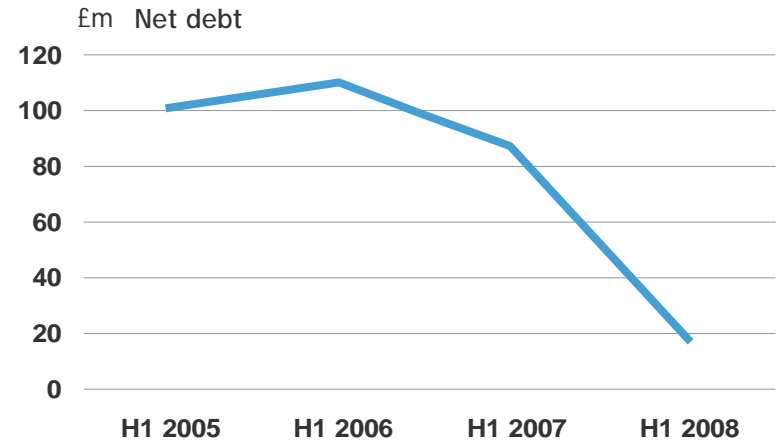
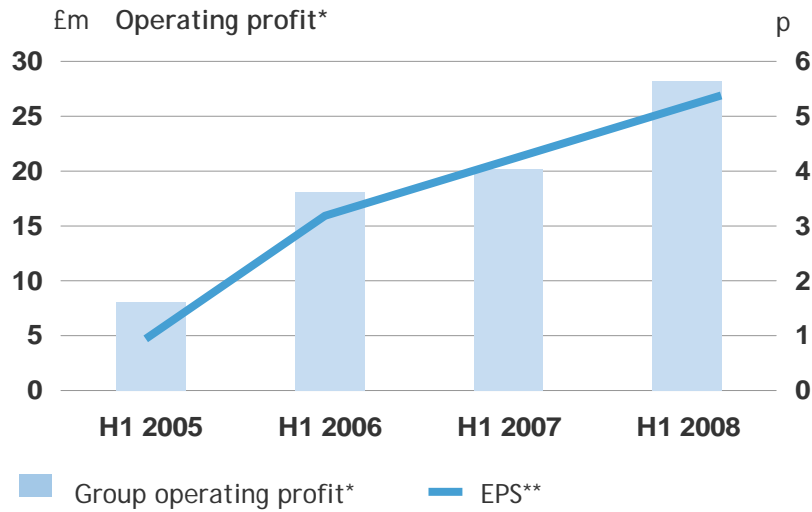
A GLOBAL SPECIALTY CHEMICALS COMPANY

Interim Results

£ millions	2008	2007	
Revenue*	186.9	153.0	+22%
Operating Profit*	28.3	20.1	+41%
Profit before tax*	26.8	17.2	+56%
EPS - diluted	5.2p	4.2p	+24%
Net Debt	17.8	85.7	-79%

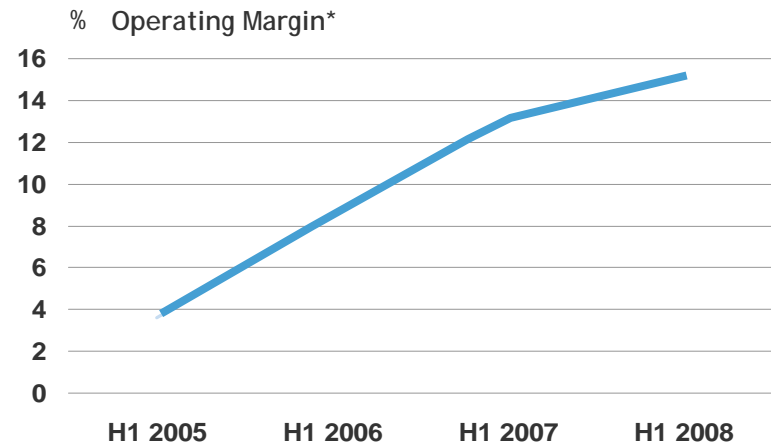
* From continuing operations

Positive Financial Trends



OBJECTIVES

- Improve level and quality of group earnings
- Specialty Products - platform for growth
- Reduce volatility of Chromium business
- Conversion of earnings to cash



*from continuing operations and before exceptional items

** before exceptional items

Interim Results: Chromium

£ millions	2008	2007
Sales	79.8	57.2
Operating Profit	13.9	7.5

Largest

market share

Modern

well invested facilities

Strategy

to reduce sensitivity to
cyclical fluctuations

Migration

to higher value products

Favourable

supply demand dynamics

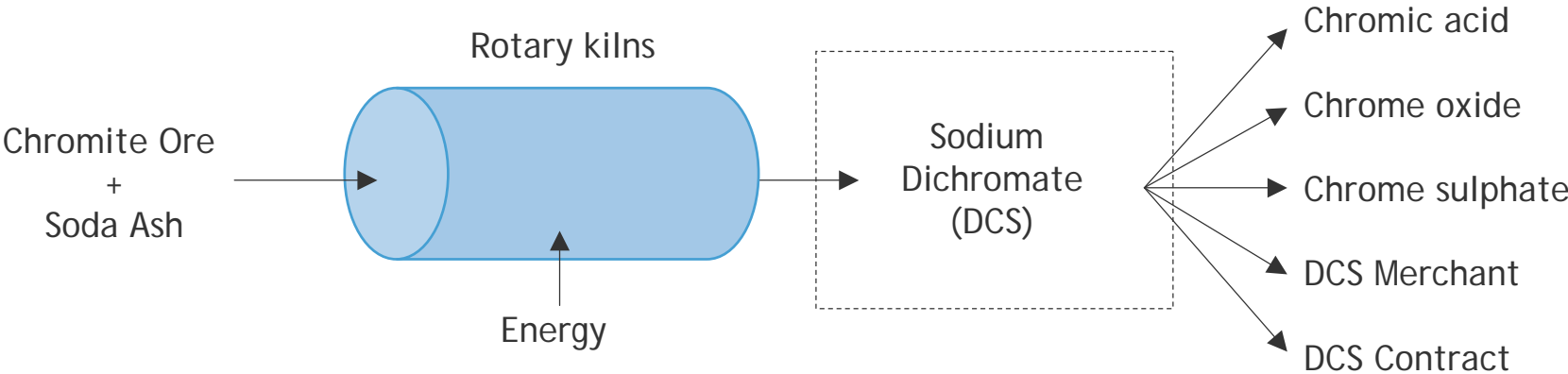
Chromium Chemicals Production

RAW MATERIALS

PRIMARY PROCESS

BASE PRODUCT

DERIVATIVES



Chromium Products & Segments

PRODUCT

MARKET

Chrome Sulphate



Leather Tanning

Chromic Acid



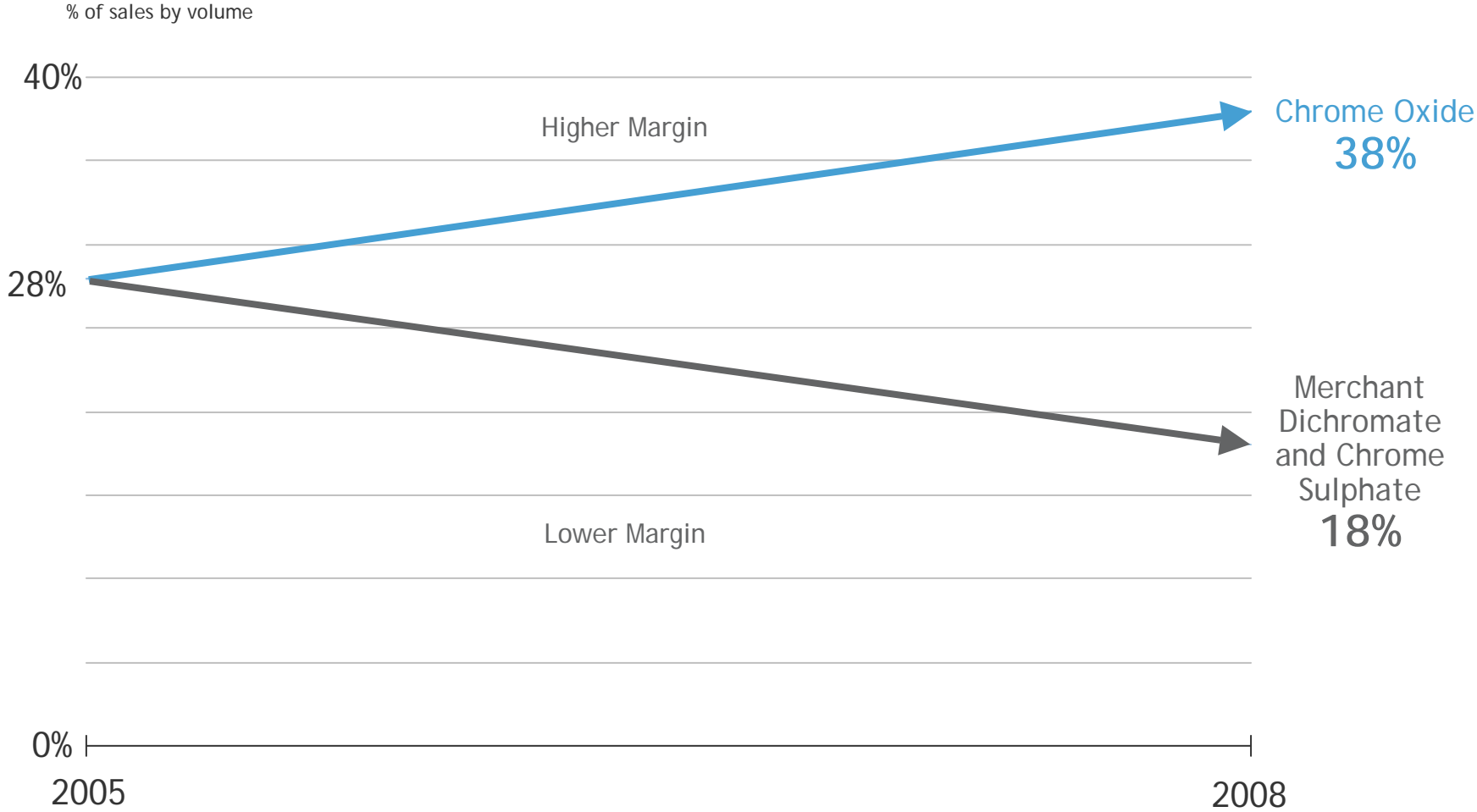
Timber Treatment
Metal Finishing

Chromic Oxide



Chrome Metal Alloys
Chrome Pigments
Ceramics/Refractories

Chromium: Moving to higher margin products



Interim Results: Surfactants

£ millions	2008	2007
Sales	25.6	24.5
Operating Profit	0.5	0.5

Shares facility
with Specialty Products

Optimising
product mix

Selling prices
offset inflation

Interim Results: Specialty Products

£ millions	2008	2007
Sales	81.5	74.2
Operating Profit	16.6	15.3

Operating margin over **20%**

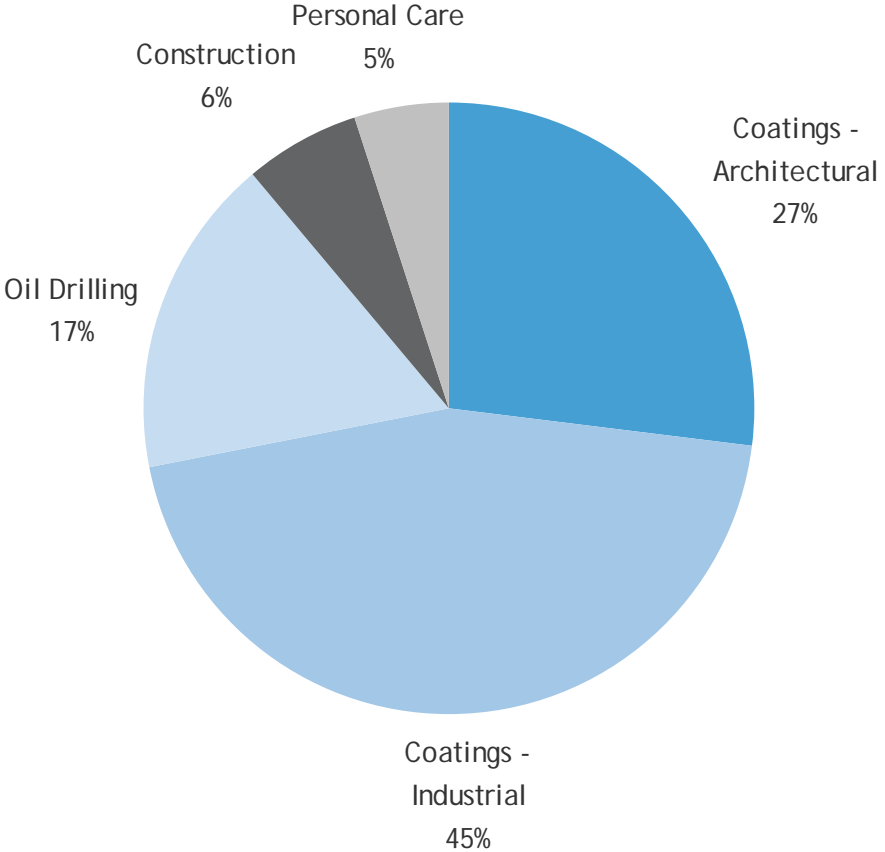
Coatings volume growth in Europe, Asia and Latin America, offsetting North America

Consumer products volumes up **19%**

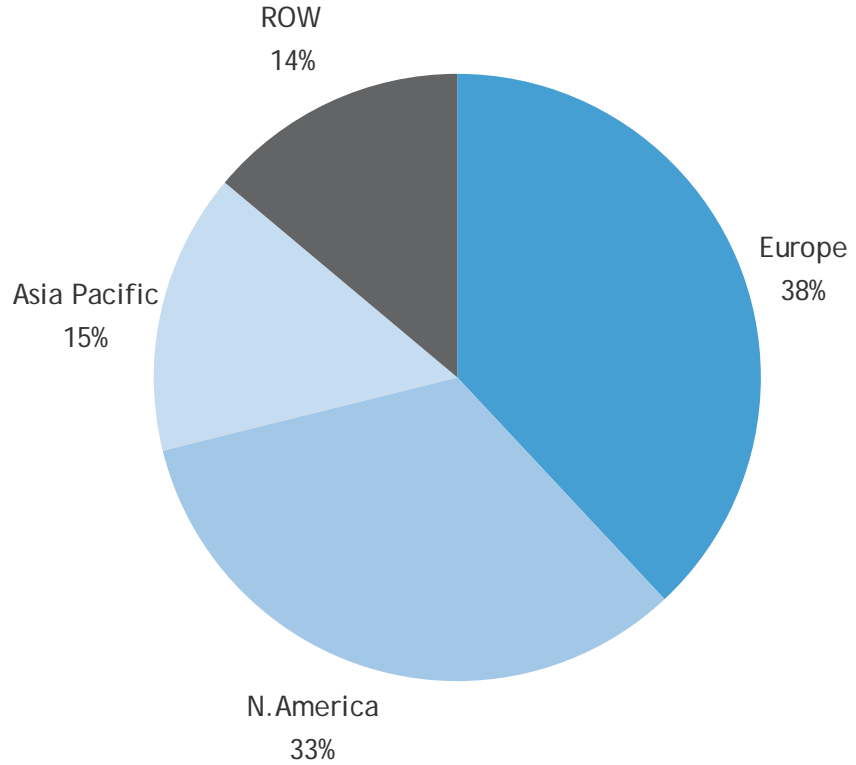
Specialty Products: Sales Mix

Based on volume

Markets



Geographic



Principal products: Organoclays, Rheological additives, Colourants, Dispersants, Waxes and other specialty processing aids.

Specialty Products: Platform for Growth

Excellent

technical/application support

Alignment with

market leaders

Diversity

in markets, technologies, customers and geography

Has the characteristics of a true specialty business

RHEOLATE CVS™ Technology

Unique Solution

Solves industry problem of viscosity drop from addition of colorants.
Delivers significant customer cost savings.

Unique Chemistry - colour Viscosity Stabilizers

Leverages Elementis' surfactant; rheology; and coatings application know-how.
Proprietary technology (patents pending).

Unique opportunity

All major NA & EU customers are testing it.
High value specialty chemical margins.

Overview of DEUCHEM

Acquired July 1, 2008

Sales revenue 2007:

£35.0m

Additives and Resins

Operating profit 2007:

£4.6m

Employees:

427

Taiwan: 159, China: 268

Manufacturing Sites

Shanghai, China

Hsinchu, Taiwan



德謙松江廠

Deuchem Overview

Strengths

Excellent reputation for **technical service** and **application support**

Strong position with Asia based customers

Modern **well invested** manufacturing and technical facilities

First class R&D capabilities

Value Drivers

New products and applications through joint technical development

Selling Elementis products via the **Deuchem Asia platform**

Selling Deuchem products via the **Elementis global platform**

Introduce Elementis **performance driven** culture

New strategic capacity secured

Yuhong Acquisition

New high quality facility

7,000mt

Based in

China

near existing facility

80:20

JV controlled by
Elementis

£2.6 m

Invested

Clay

Alignment with clay
supplier

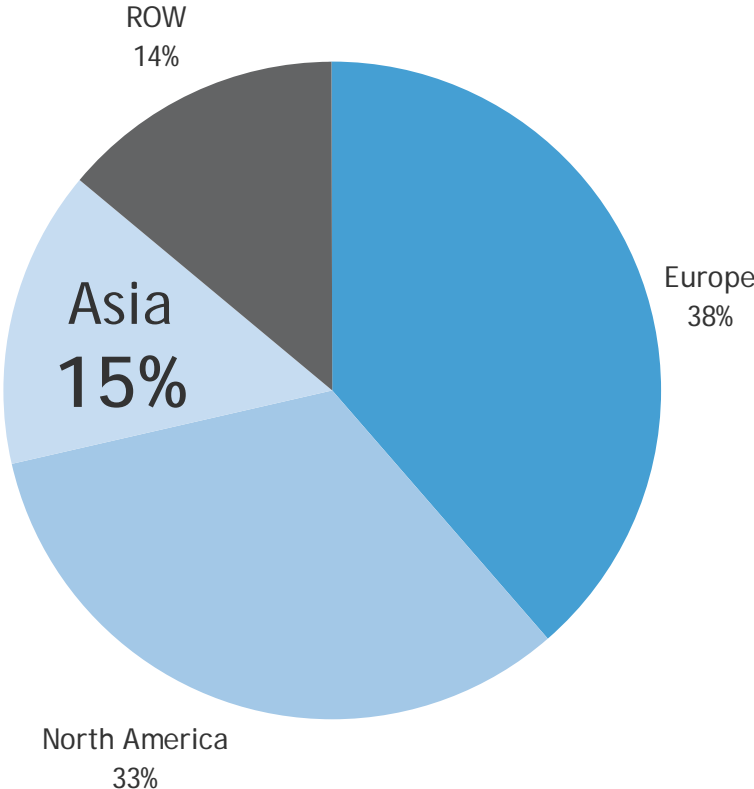
Strategic

capacity

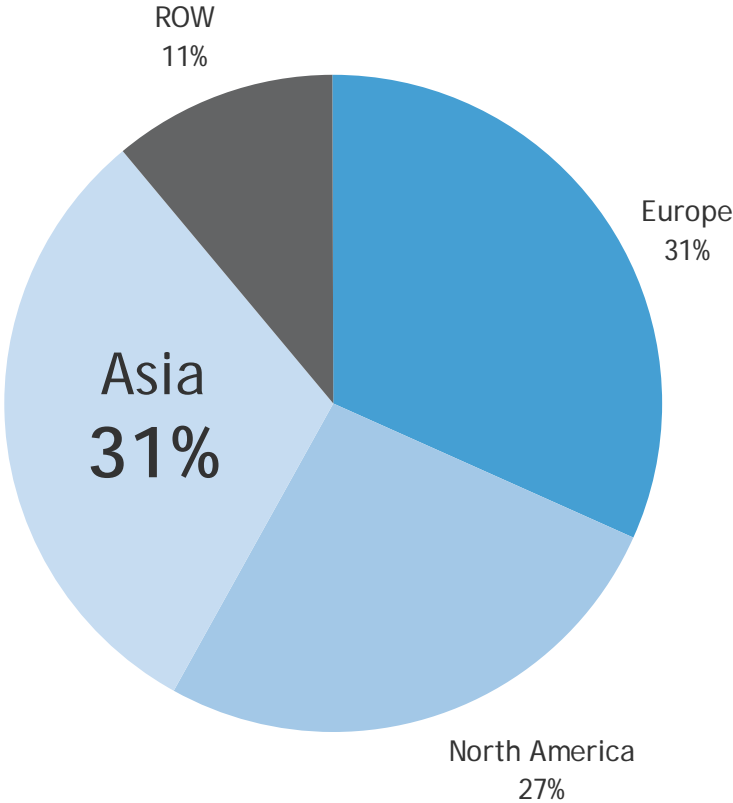
expansion

Specialty Products Global Footprint

Before acquisitions



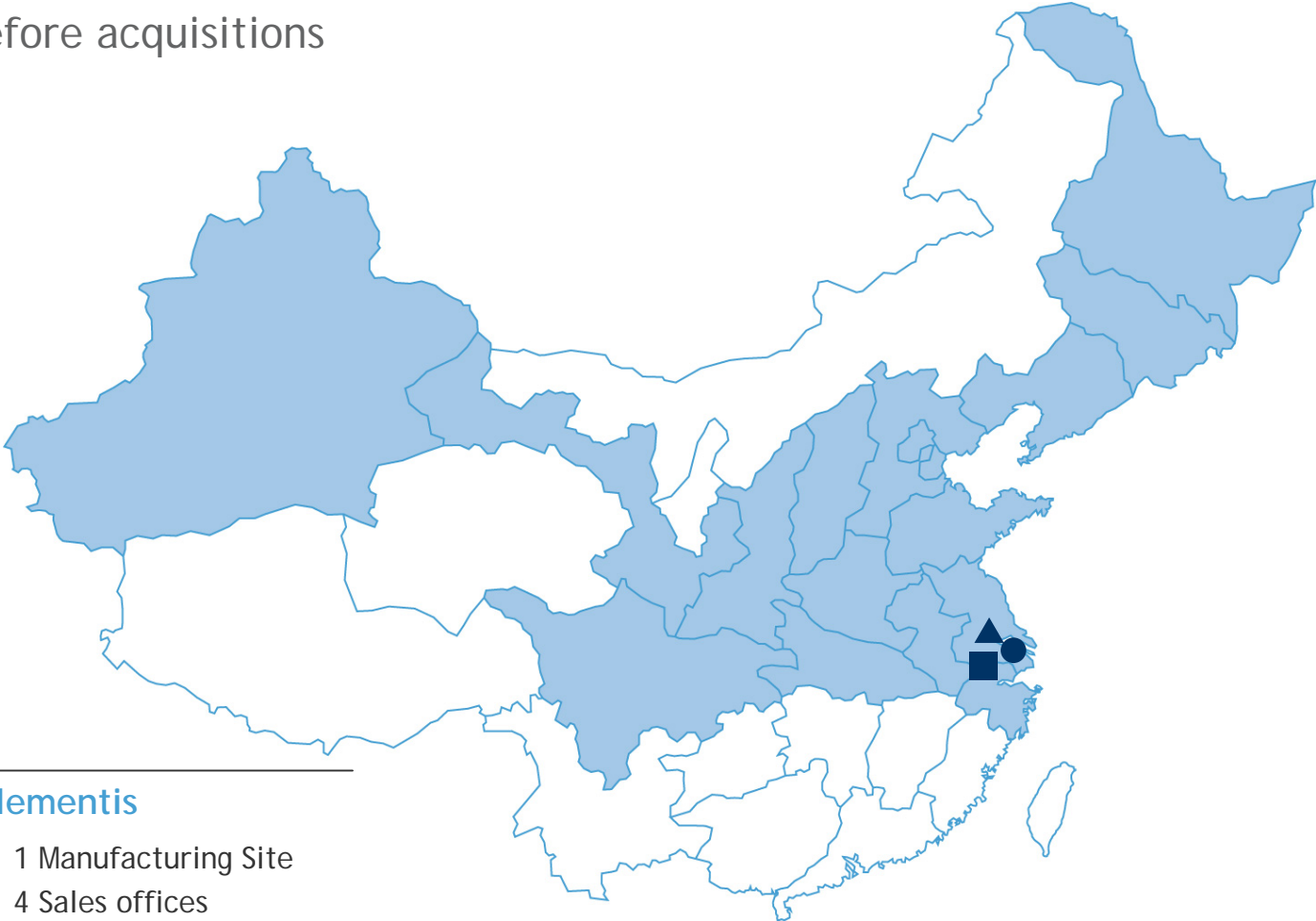
After acquisitions



Based on volume

Asia Pacific Infrastructure

Before acquisitions



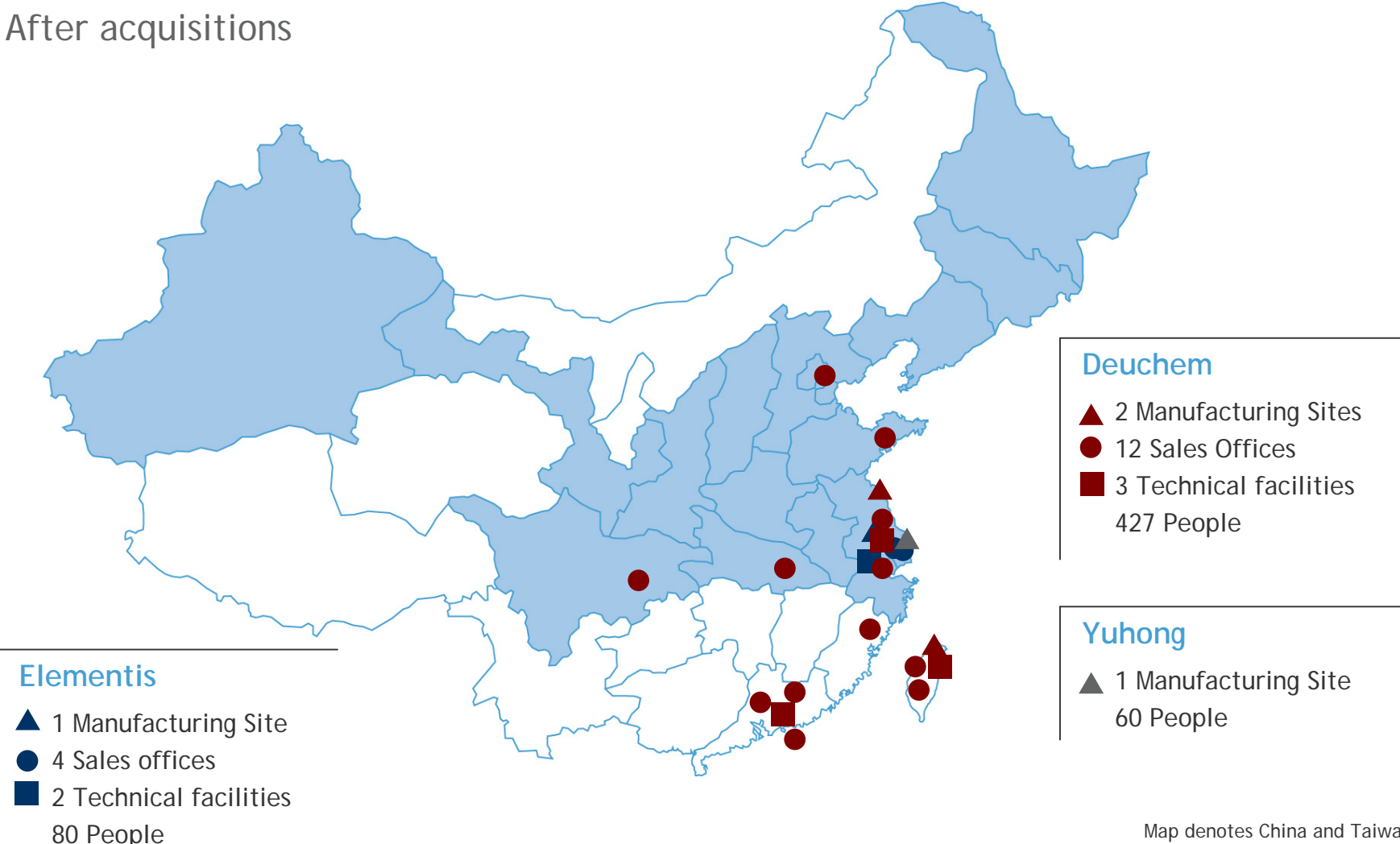
Elementis

- ▲ 1 Manufacturing Site
 - 4 Sales offices
 - 2 Technical facilities
- 80 People

Map denotes China and Taiwan

Asia Pacific Infrastructure

After acquisitions



Elementis

- ▲ 1 Manufacturing Site
 - 4 Sales offices
 - 2 Technical facilities
- 80 People

Deuchem

- ▲ 2 Manufacturing Sites
 - 12 Sales Offices
 - 3 Technical facilities
- 427 People

Yuhong

- ▲ 1 Manufacturing Site
- 60 People

Map denotes China and Taiwan

Financial impact of Deuchem and Yuhong

Proforma balance sheet and income statement based on:

Elementis balance sheet
as of **June 30, 2008**

Elementis income
statement for
full year 2007

Deuchem balance sheet
and income statement
as of **Dec 31, 2007**

Yuhong **estimated** sales
and operating profit

Proforma Financials (for illustrative purposes only)

£ millions

Balance sheet	Elementis June 30, 2008	Deuchem Dec 31, 2007	Yuhong Estimated	Proforma
Working Capital	70.4	12.2		82.6
Other Assets/Liabilities	195.0	30.8	2.6	228.4
Total Net Assets	265.4	43.0	2.6	311.0
Net Debt	17.8	43.0	2.6	63.4
Gearing	7 %			20 %

Income statement	Elementis Actual FY 2007	Deuchem Actual FY 2007	Yuhong Estimated	Full Year Proforma
Sales	299.8	35.0	5.0	339.8
Operating profit	38.1	4.6	0.5	43.2
Earnings per share (p)	7.2	0.4		7.6

Exchange Rates

	H1 2008	H1 2007
Average rate (€/£)	1.30	1.48
Currency translation gain/(loss)	£3.2m	£(1.8)m
Hedged rate (€/£)	1.44	1.42
Hedging (cost)/benefit	£(2.4)m	£2.1m
Net effect of currency movements on operating profit	£0.8m	£0.3m

75 % of Euro exposure hedged for H1 2008

Similar levels of hedging in place for H2 2008

Interim Results: Cash flow

£ millions	2008	2007
Ebitda	33.8	29.9
Working capital	(21.1)	(2.7)
Capital expenditure	(4.4)	(3.2)
Pensions	(3.7)	(1.5)
Other	(0.5)	(3.2)
Operating cash flow	4.1	19.3
Restructuring	-	(1.0)
Free cash flow	4.1	18.3

Interim Results: Net Debt

£ millions	2008	2007
Opening net debt	(16.2)	(100.6)
Free cash flow	4.1	18.3
Dividend	(6.2)	(5.3)
Currency translation	0.5	1.9
Closing net debt	(17.8)	(85.7)

Interim Results: Tax charge

£ millions	2008	2007
Tax charge	3.7	0.9
Rate	13.8%	5.0%

Low rate due to US goodwill amortisation (\$23m pa) and past losses

Rate is increasing as previously indicated due to improving profitability

Interim Results: Dividend

£ millions	2008	2007
Per share	1.5p	1.3p

Increased by **15%**

Plan to progress as earnings improve

Summary

Positive
operating
performance
trend

Dividend
increased

Strong
balance sheet

Strategic
acquisitions in Asia

H2 Outlook

Expect to make
progress

Integration
of Deuchem and
Yuhong

Focus on **growth**
in Specialty
Products

ELEMENTIS

Thank you

A GLOBAL SPECIALTY CHEMICALS COMPANY