



At home in Africa

Interim Results

for the six months ended 30 September 2014



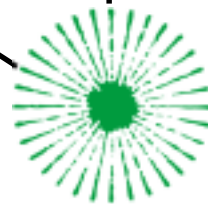
GROUP AT A GLANCE

Agriculture

Mining



Chemicals



OMNIA



GEOGRAPHICAL SCOPE



1 Angola	4 Brazil	7 Ethiopia	10 Lesotho	13 Mauritania	16 Uganda
2 Australia	5 Burkina Faso	8 Indonesia	11 Malawi	14 Mauritius	17 Zambia
3 Botswana	6 DRC	9 Kenya	12 Mali	15 Mozambique	18 Zimbabwe

18 Namibia
17 New Zealand
18 Senegal
19 Sierra Leone
20 South Africa
21 Switzerland
22 Tanzania

- Head Office in Johannesburg, South Africa
- Significant manufacturing facility and production plant complex in Sasolburg
- Operations based in 20 countries on the African continent
- Other operations in Mauritius, China, Australasia & Brazil



KEY DRIVERS AFFECTING RESULTS

- **Macro environment** - Challenging across all three divisions
- **Exchange rates** – Positive impact on selling prices across all three divisions due to weaker South African Rand
- **Agriculture division** - Normal trading levels ahead of the planting season; improved factory efficiencies; unfavourable ammonia:urea ratio continues
- **Mining division** – Lower global commodity prices & South African platinum strike resulting in lower volumes and price pressure; new product development
- **Chemicals division** – Slowdown in South African manufacturing sector; industrial action in mining and manufacturing; pricing pressure



KEY FINANCIAL FEATURES

- **Revenue** ▲ up 1.1% to R7.58 billion
- **Operating profit** ■ flat at R630 million
- **Operating margin** ■ maintained at 8.3%
- **Profit for the period** ▼ down 4.7% to R404 million

- **Debt : Equity** ▲ improves from 35.7 % to 29.7%

- **Basic EPS** ▼ down 4.9% to 606 cents per share
- **Headline EPS** ▼ down 4.1% to 610 cents per share
- **Interim Dividend** ▲ up 2.7% to 190 cents per share

MINING OVERVIEW





OVERVIEW - MINING

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	6 months 30 Sep 2014	%	6 months 30 Sep 2013	12 months 31 Mar 2014
Revenue	R2.7bn	(2.7)	R2.8bn	R5.5bn
Operating profit	R424m	(6.4)	R453m	R829m
Operating margin	15.8%	(0.7)	16.5%	15.2%

Trading conditions

- Pressure on global mining commodity prices/physical demand decreased
- Five month long strike in the South African platinum mining sector
- Breakthrough product development for underground mining application

Performance

- Mining explosives and chemical volumes decreased due to lower mining activity
- Slowdown in west Africa due to drop in gold price

Prices and Costs

- Selling prices increase – Rand:US Dollar weakness and increase in ammonia price
- Costs well controlled



NEW UNDERGROUND PRODUCT DEVELOPMENT – PORTABLE CHARGING UNIT

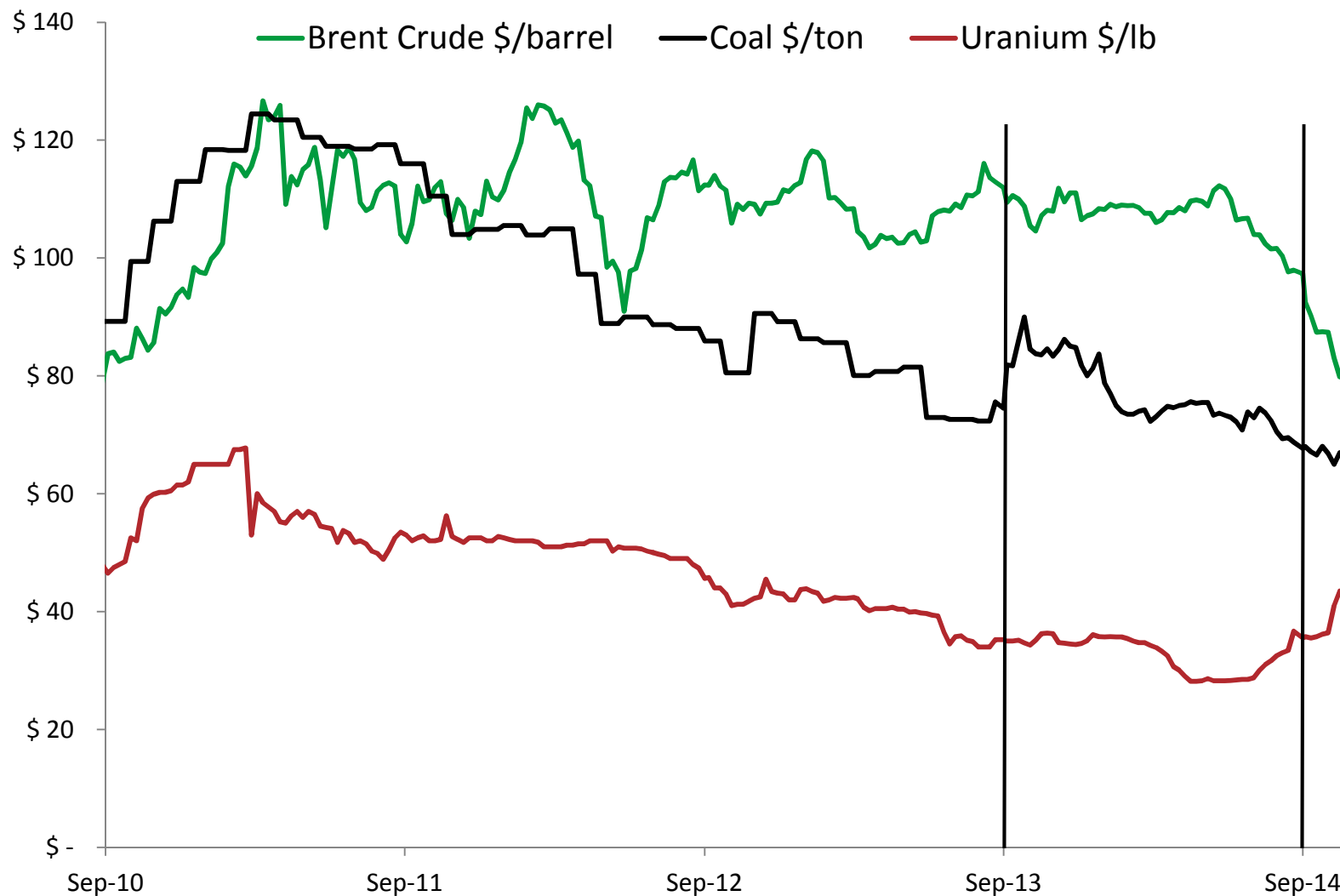
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COMMODITY PRICES - ENERGY

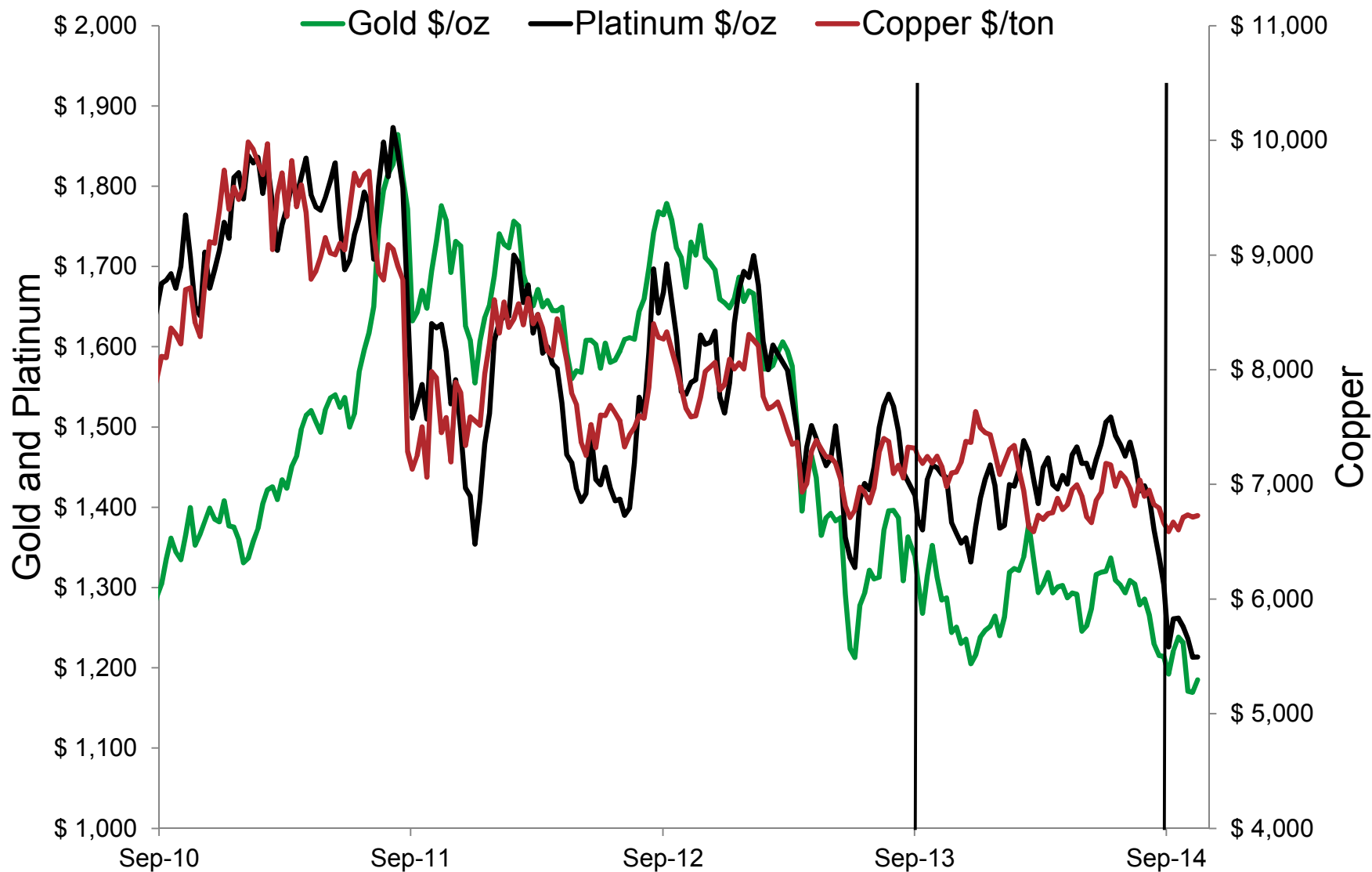
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COMMODITY PRICES - METALS

OMNIA



AGRICULTURE OVERVIEW





OVERVIEW - AGRICULTURE

	6 months 30 Sep 2014	%	6 months 30 Sep 2013	12 months 31 Mar 2014
Revenue	R2.8bn	5.2	R2.7bn	R6.7bn
Operating profit	R171m	40.2	R122m	R431m
Operating margin	6.0%	1.5	4.5%	6.5%

Trading conditions

- Late start to planting season; well positioned
- Increased volumes in low margin wholesale business

Performance

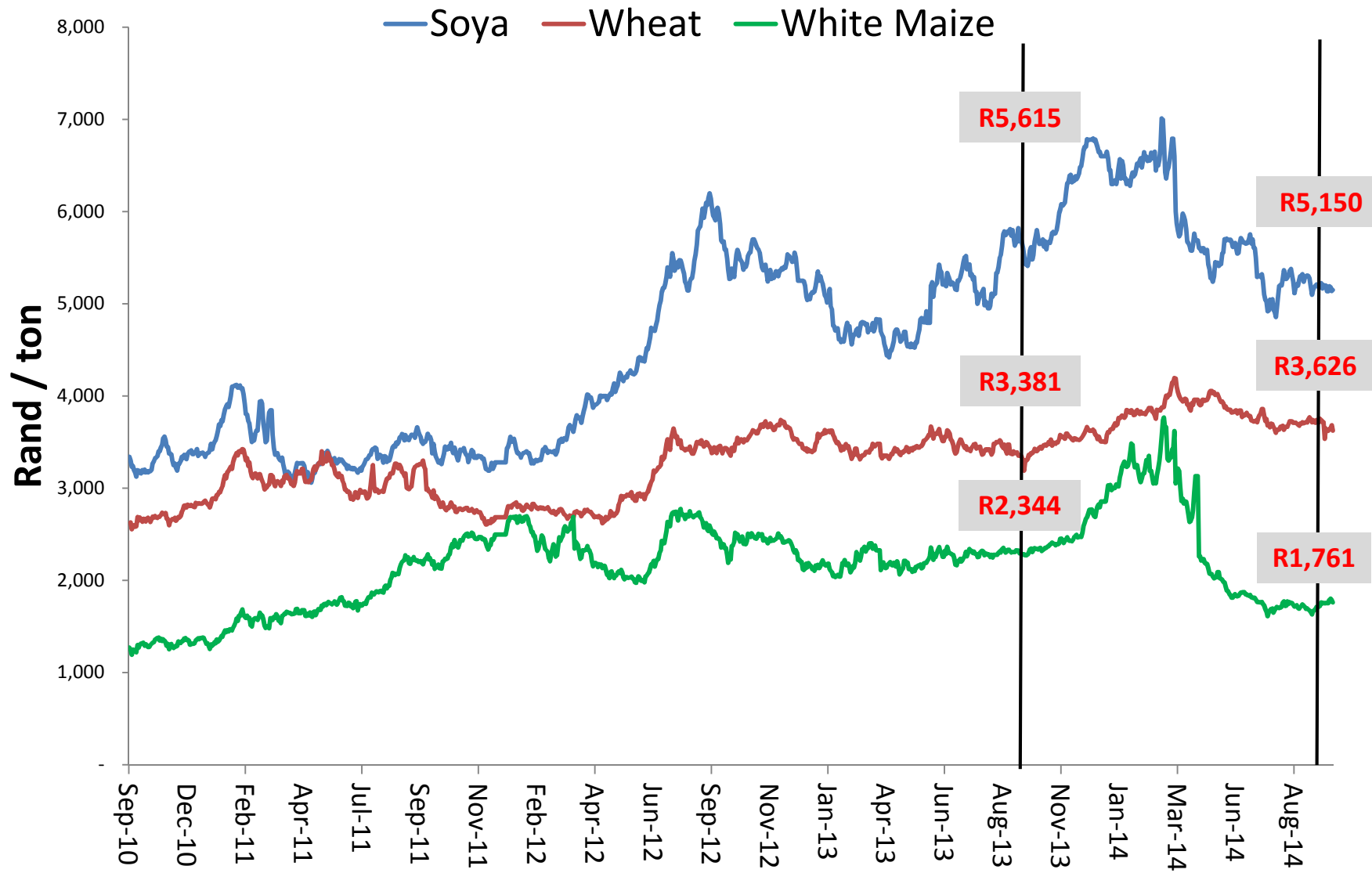
- Improved performance from granulation plants
- Increased throughput volumes and operating efficiency at Nitric acid complex
- Imported volumes at 40% of prior year

Prices and Costs

- Moderate decline in the ammonia:urea ratio which remains at unfavourable levels
- Overhead costs well controlled

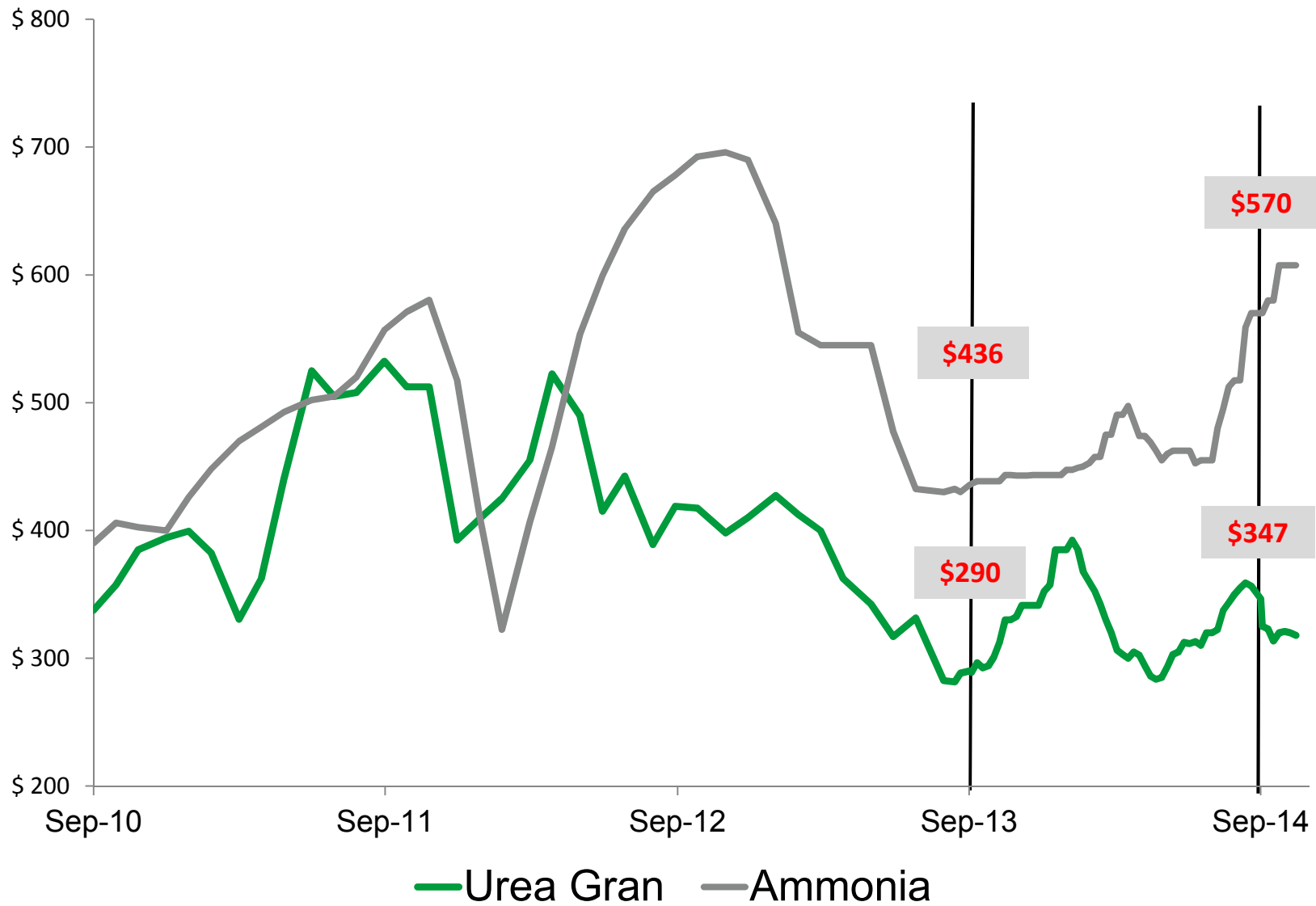


CROP PRICES (in ZAR per ton)



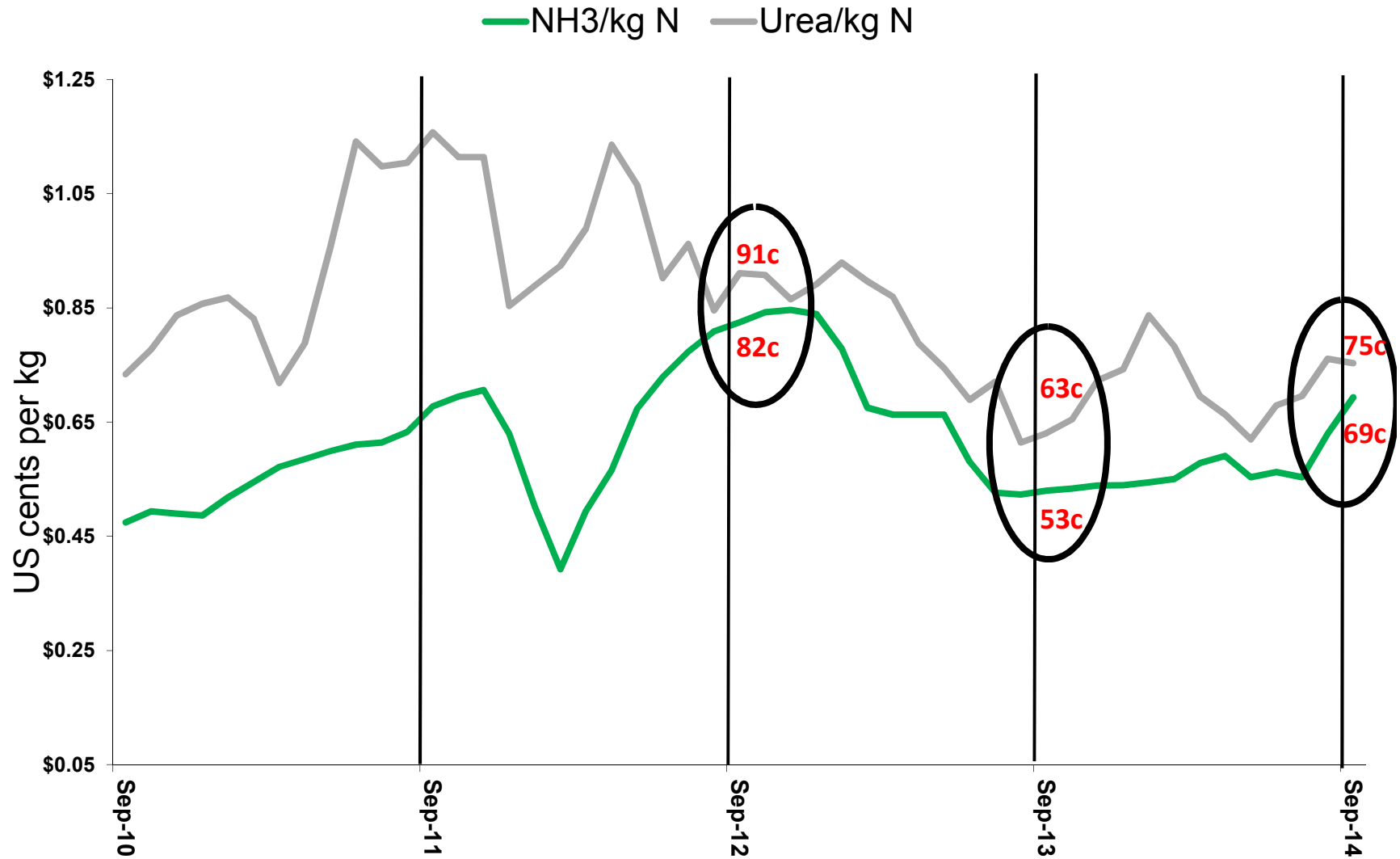


AMMONIA VS UREA PRICE (in US\$ per ton)



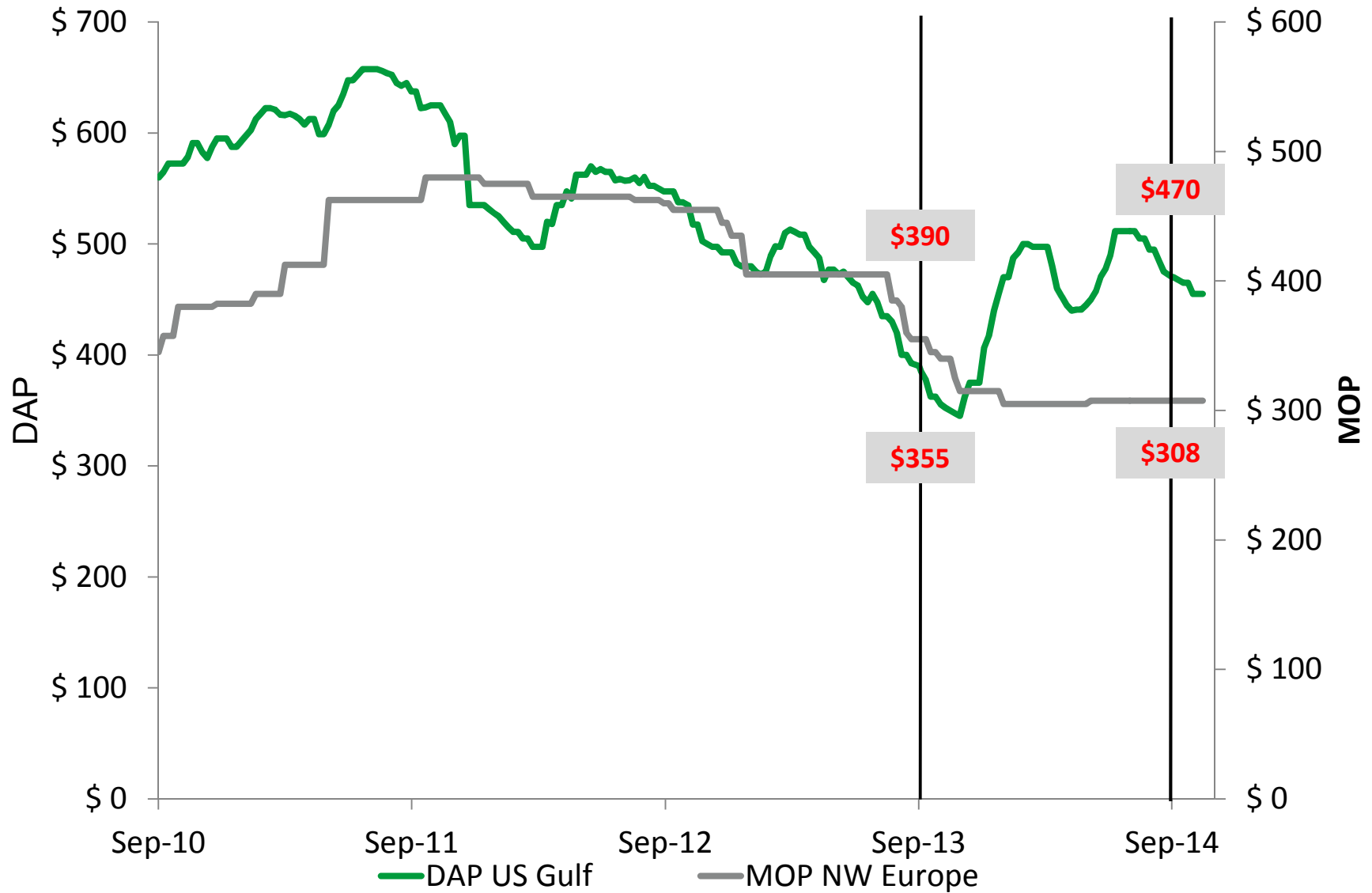


AMMONIA VS UREA FOB COSTS / KG N (in US cents per kg)





PHOSPHATE AND POTASH PRICES (in USD)



CHEMICALS OVERVIEW





OVERVIEW - CHEMICALS

	6 months 30 Sep 2014	%	6 months 30 Sep 2013	12 months 31 Mar 2014
Revenue	R2.1bn	1	R2.0bn	R4.1bn
Operating profit	R35m	(34)	R53m	R156m
Operating margin	1.7%	(0.9)	2.6%	3.8%

Trading conditions

- Low activity levels in South African manufacturing sector
- Secondary effect from various strikes and Eskom related issues

Performance

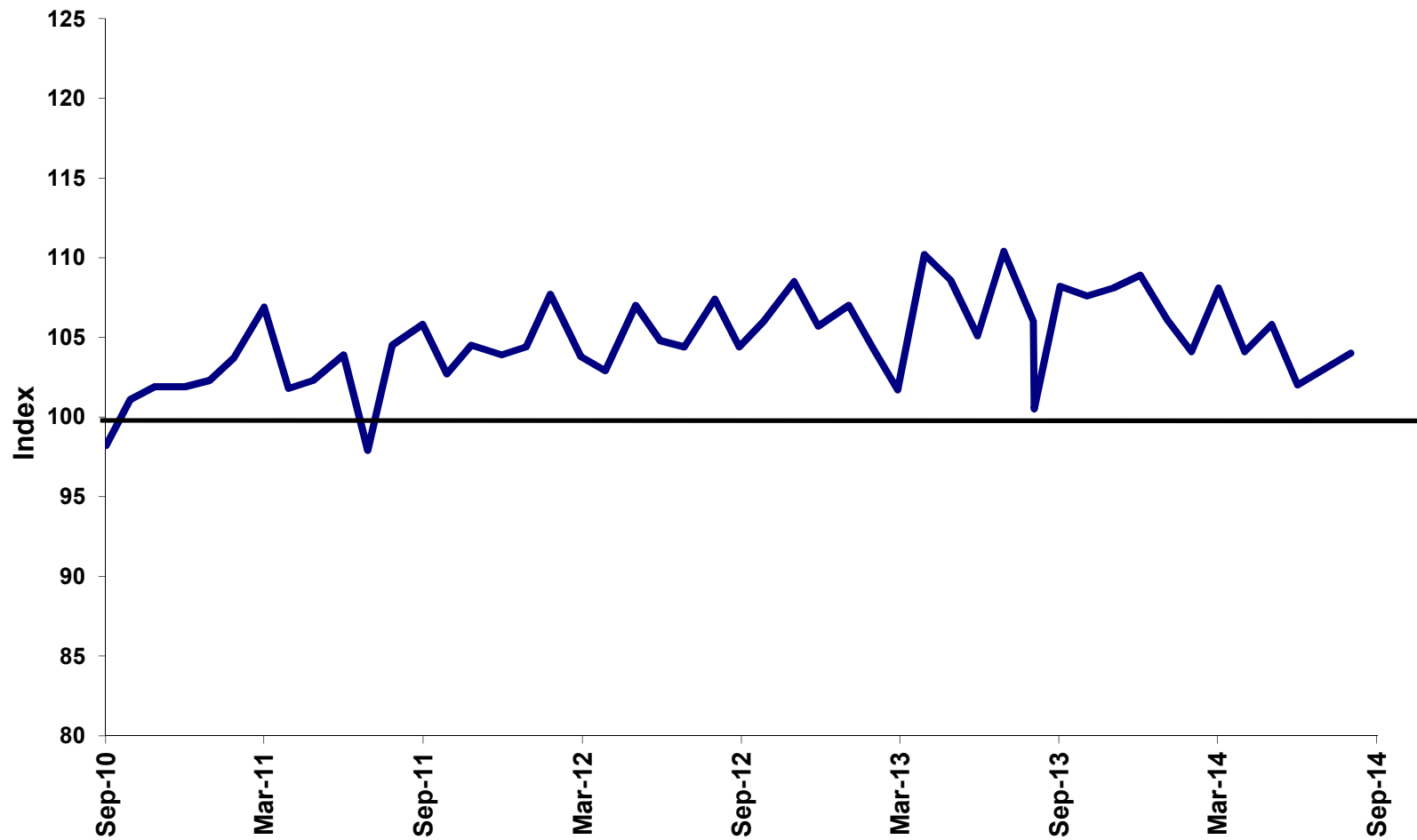
- Protea One model taking effect
- Marginal increase in volumes sold
- Chlorine packing plant operating in line with expectation

Prices and Costs

- Margins under pressure and change in product mix
- Costs in line with inflation

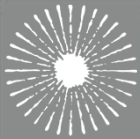


INDEX – PHYSICAL MANUFACTURING VOLUMES SOUTH AFRICA SEP 2010 – AUG 2014



FINANCIAL OVERVIEW

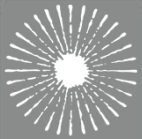




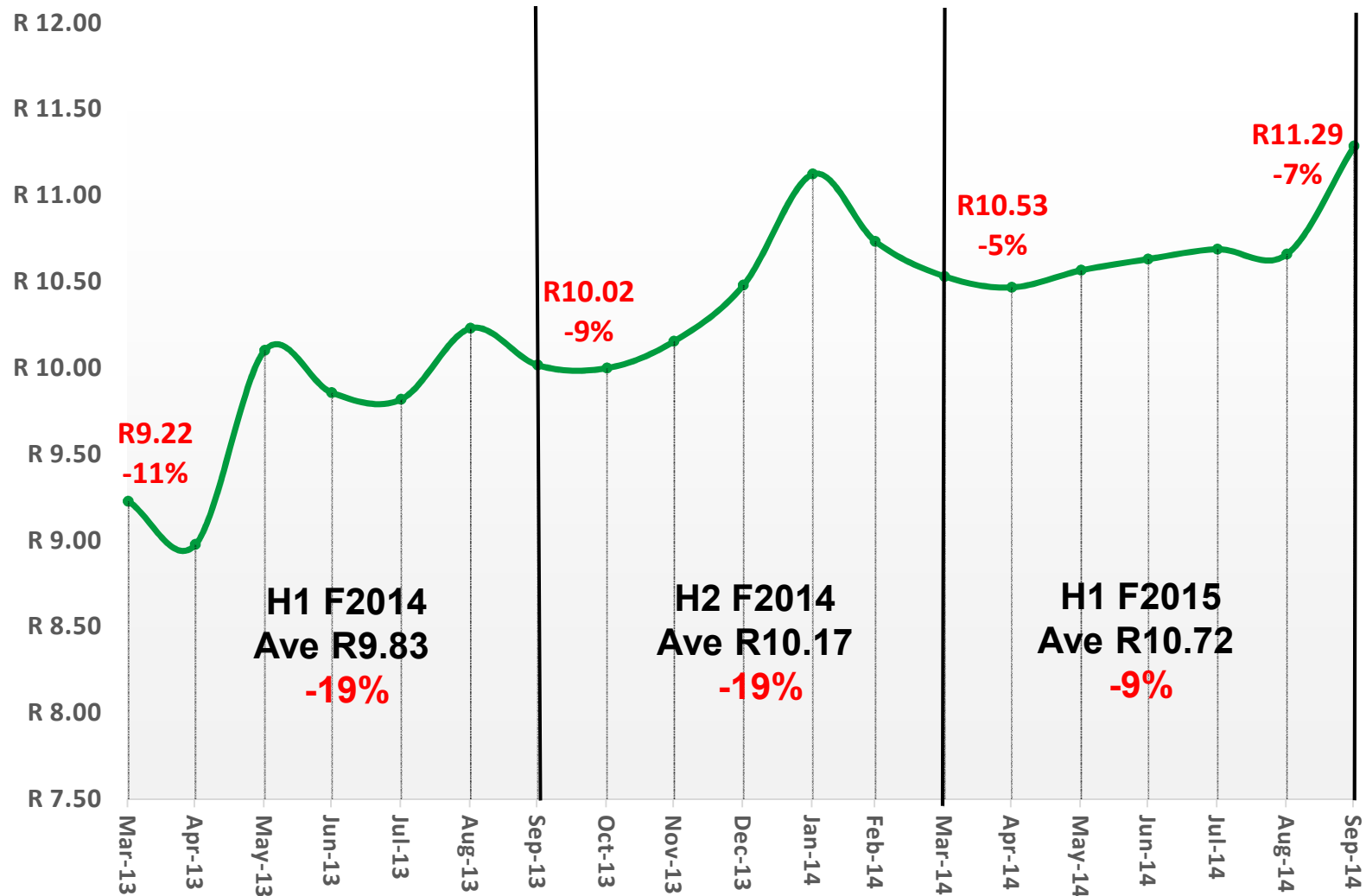
KEY DRIVERS OF REVENUE AND PROFITS

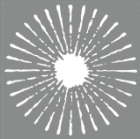
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- **USD : Rand exchange rate**
 - Impacts selling prices and material costs
 - Translation of earnings of foreign operations
 - Affects translation of US Dollar denominated equity
- **Commodity prices**
 - Downward pressure on US Dollar prices
- **Volumes**
 - Throughput efficiencies achieved at Sasolburg production complex
 - Sales volumes under pressure in Mining and Chemicals
- **Ammonia : Urea ratio**
 - Unfavourable ratio continues



USD : ZAR EXCHANGE RATE – AVERAGE AND YEAR END



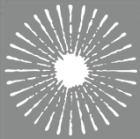


CONSOLIDATED INCOME STATEMENT

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In Rm's	6 months 30 Sep 2014	%	6 months 30 Sep 2013	12 months 31 Mar 2014
Revenue	7 585	1.1	7 499	16 259
Cost of sales	(5 858)	(0.9)	(5 912)	12 647
Gross profit	1 727	8.8	1 587	3 612
Administrative expenses	(374)	(11)	(336)	(908)
Distribution expenses	(742)	(16)	(640)	(1 324)
Other operating expenses	(29)	(12)	(26)	(79)
Other operating income	48	12	43	115
Operating profit	630	0	628	1 416
Net finance expenses & other	(58)	(1)	(54)	(87)
Profit before taxation	572	0	574	1 329
Taxation	(168)	12	(150)	(337)
Profit after taxation	404	(4.7)	424	992

- Period on period Gross profit **up 8.8%** & Operating profit & Profit before tax was flat



KEY STATISTICS

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	6 months 30 Sep 2014	%	6 months 30 Sep 2013	12 months 31 Mar 2014
Gross Profit	22.8%	1.6	21.2%	22.2%
Operating Profit	8.3%	(0.1)	8.4%	8.7%
Profit before taxation	7.5%	(0.2)	7.7%	8.2%
Profit after taxation	5.3%	(0.4)	5.7%	6.1%
Income tax expense	29.4%	(3.3)	26.1%	25.4%

- **Gross profit margin up 1.6%** Change in mix; Agriculture revenue up
- **Operating profit down 0.1%** Higher distribution unit costs; margin squeeze against inflation based cost increases
- **Profit before taxation down 0.2%** Higher borrowing costs due to rate increases
- **Profit after taxation down 0.4%** Higher tax charge period on period
- **Income tax expense down 3.3%** Varying tax charges across various jurisdictions



OPERATING MARGINS/TARGETS

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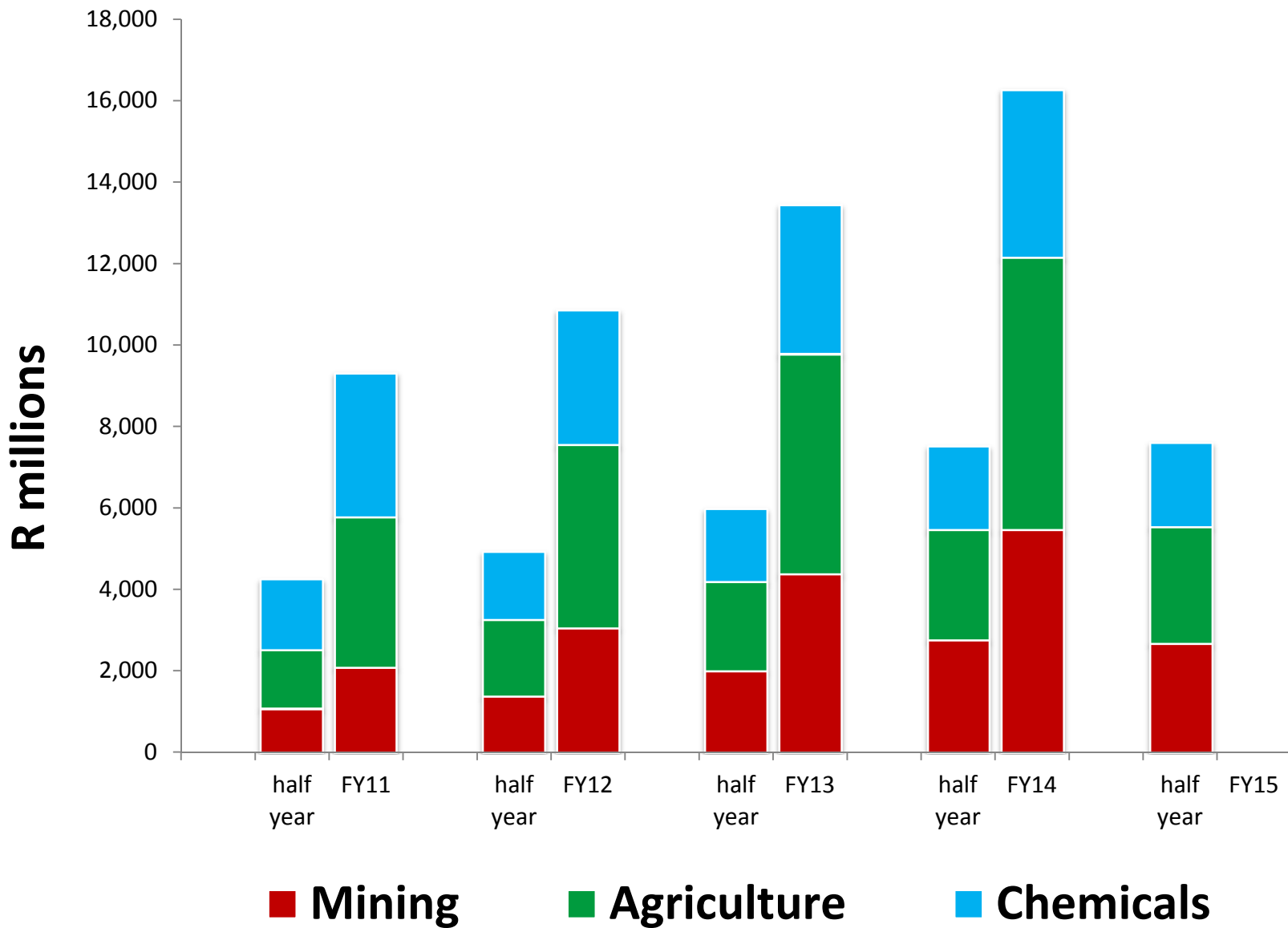
	Target	6 months 30 Sep 2014	6 months 30 Sep 2013	12 months 31 Mar 2014
Mining	15%-16%	15.8%	16.5%	15.2%
Agriculture	8%-10%	6.0%	4.5%	6.4%
Chemicals	4.5%-5.5%	1.7%	2.5%	3.8%

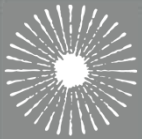
Mining	<ul style="list-style-type: none">• In line with upper end of target range
Agriculture	<ul style="list-style-type: none">• Late start to planting season with sales deferred to H2• Debottleneck granulation plants in H1• Imported volumes• Ammonia:Urea ratio remains unfavourably high
Chemicals	<ul style="list-style-type: none">• Under pressure due to strike in both mining and SA manufacturing sectors• Margin squeeze



SEGMENTAL PERFORMANCE - REVENUE

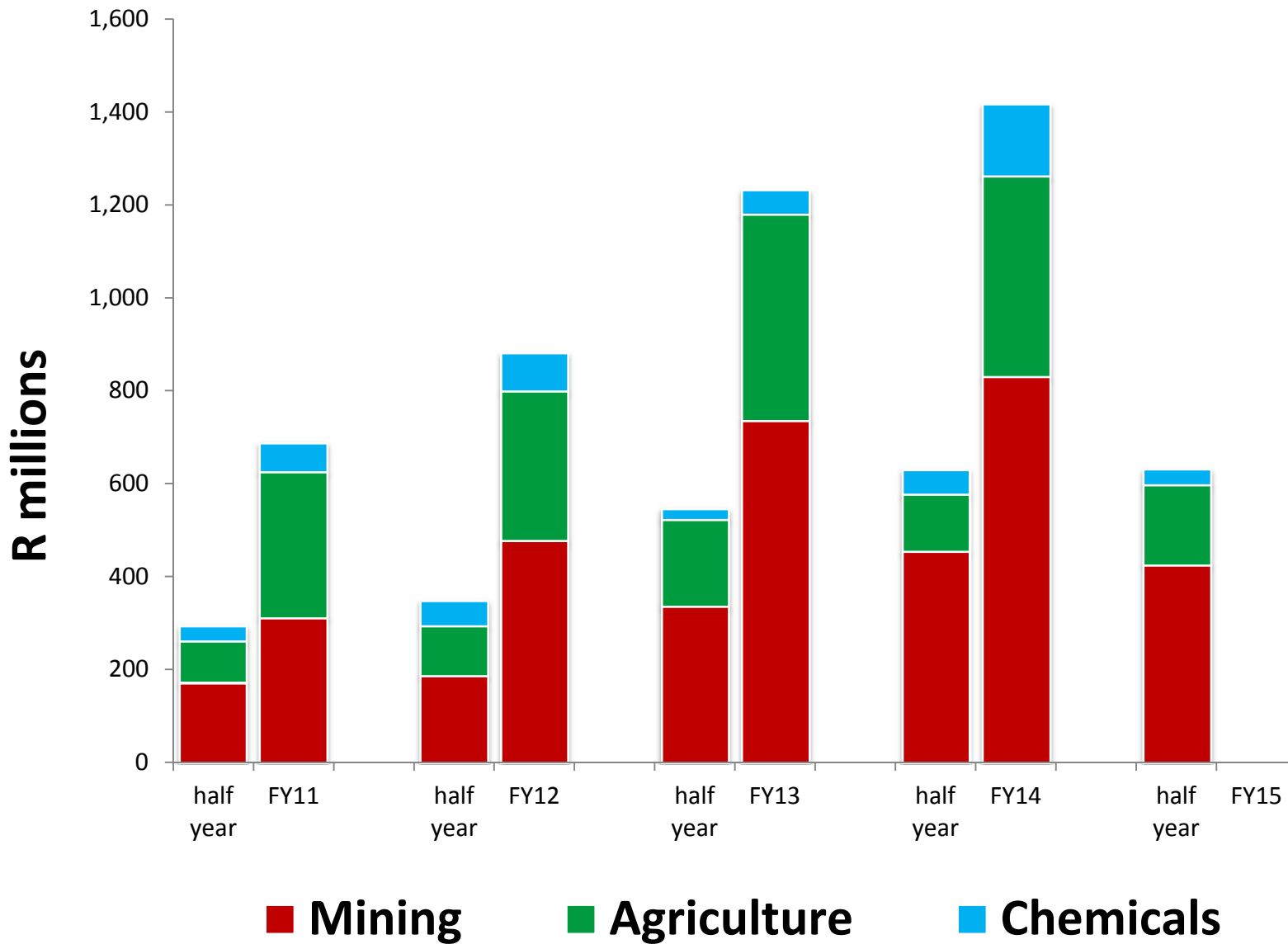
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SEGMENTAL PERFORMANCE – OPERATING PROFIT

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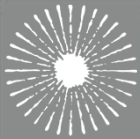
BALANCE SHEET - ASSETS

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R millions	6 months 30 Sep 2014	Restated* 6 months 30 Sep 2013	12 months 31 Mar 2014
Non-current assets	4 366	4 057	4 270
Current assets	7 945	6 827	5 964
Inventories	4 484	3 706	3 213
Trade & other receivables	3 461	2 992	2 751
Total	12 311	10 755	10 234

- **Non-current assets up R309m** Capex on expansion on BME production facility at Dryden; various plant and logistic facilities for Agriculture
- **Inventories up R778m** Increase of R496m in agriculture – higher physical stock levels due to timing
- **Trade & other receivables up 15.7%** Prepayment and timing issue on other receivables

*The 2013 Inventory and Property, Plant and Equipment (PPE) has been restated under IAS 16 (Property, Plant and Equipment) whereby critical spares have been reallocated to PPE. This restatement has not been audited and has no material impact on the Group results



BALANCE SHEET – LIABILITIES & EQUITY

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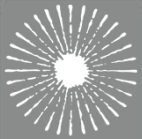
R millions	6 months 30 Sep 2014	Restated* 6 months 30 Sep 2013	12 months 31 Mar 2014
Total equity	6 287	5 359	5 912
Current liabilities	3 828	3 188	3 645
Net debt	1 865	1 914	335
Deferred tax	331	294	342
Total	12 311	10 755	10 234
Debt : equity ratio	29.7%	35.7%	5.7%

- **Total equity up R928m**
- **Current liabilities up R640m**
- **Debt : equity ratio down 6%**

Net of R314m in dividends (Sep 2013 & Mar 2014)

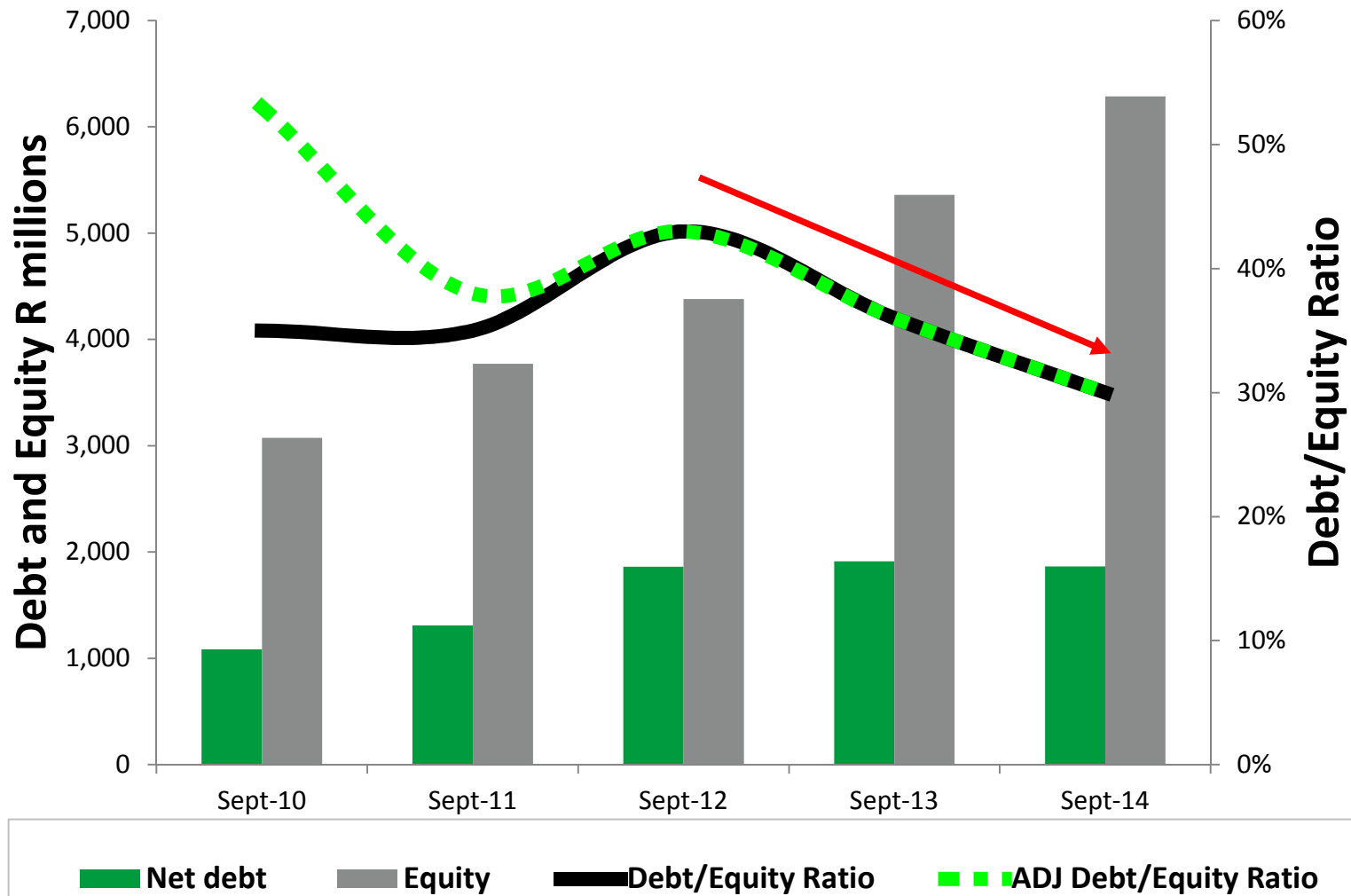
Overall increase in net working capital of R561m;
improvement in supplier terms

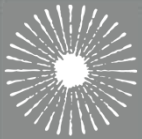
Increased equity and reduction in debt levels



DEBT : EQUITY RATIO – INTERIM FINANCIAL RESULTS

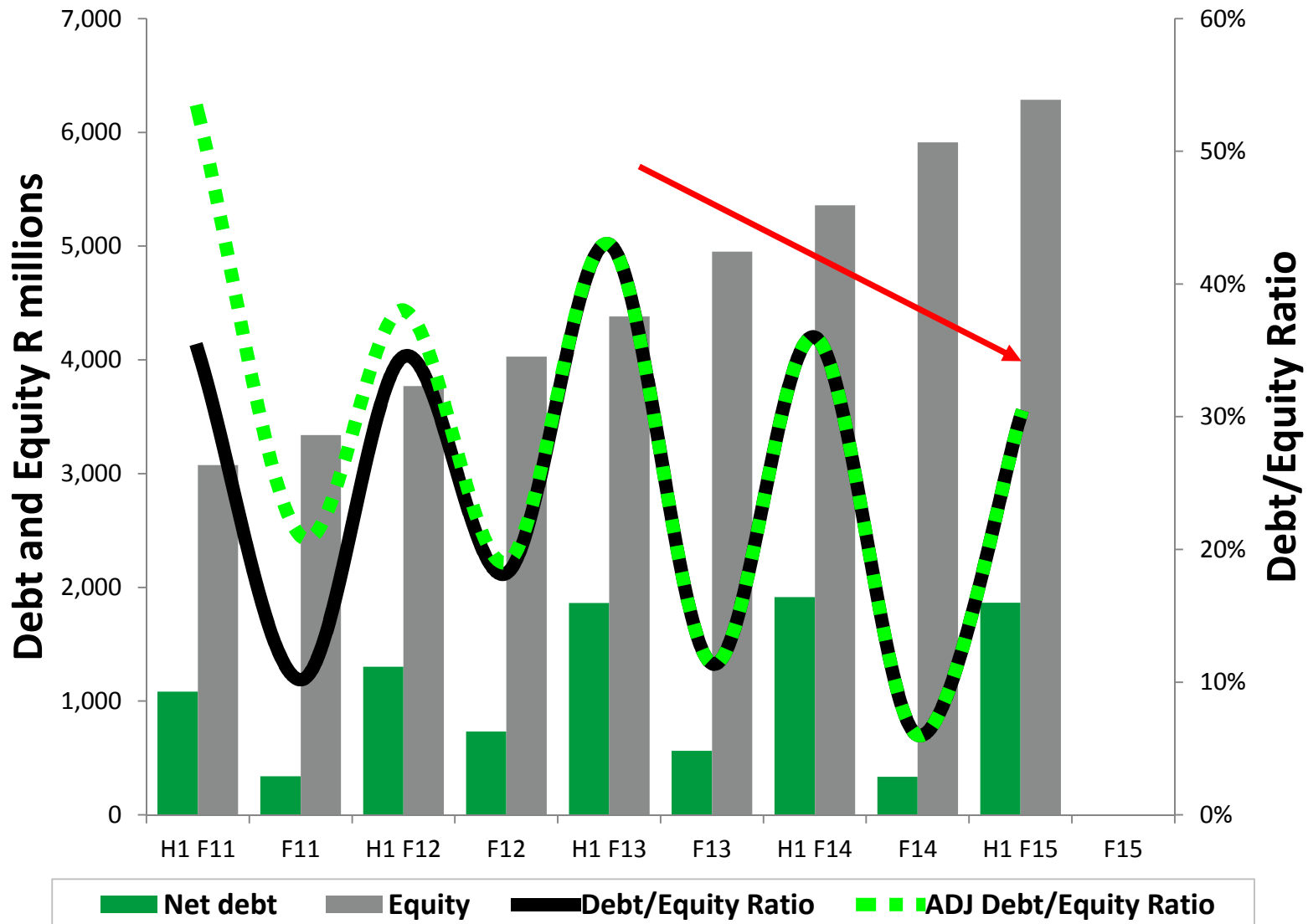
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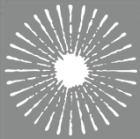




DEBT : EQUITY RATIO – HALF YEAR & FULL FINANCIAL YEAR

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CASH FLOW

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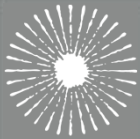
R millions	6 months 30 Sep 2014	6 months 30 Sep 2013	12 months 31 Mar 2014
Operating profit before depreciation/amortisation/non-cash items	849	820	1 769
Utilised by working capital	(1 619)	(1 303)	(52)
Cash utilised/(generated)	(770)	(483)	1 717
Finance costs – net	(59)	(56)	(113)
Taxation paid	(235)	(152)	(289)
Net cash utilised/(generated) from operating activities	(1 064)	(691)	1 315
Cash outflow from investing activities	(276)	(481)	(791)
Net cash generated before financing activities	(1 340)	(1 172)	524
Dividends paid	(195)	(182)	(301)
Treasury shares	0	2	3
Net decrease in cash and cash equivalents	(1 535)	(1 352)	226
Net debt at opening	(335)	(564)	(564)
Exchange gains	5	2	3
Net cash and cash equivalents (debt) at closing	(1 865)	(1 914)	(335)

- Build up of fertilizer inventories ahead of planting season
- Capital expenditure on bulk mining explosives facility at Dryden, BME sites in Africa and plant & logistics facilities for Agriculture division

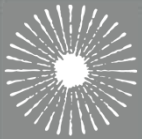


At home in Africa

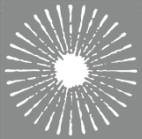
PROSPECTS



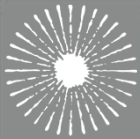
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| <ul style="list-style-type: none">• New markets• Growth• Exchange rates• Margins | <ul style="list-style-type: none">• Potential opportunities in Africa• Launch of underground emulsion units• Potential growth in Africa for supply of Mining Chemicals products• Growth in Copper mining continues• Benefit of weaker Rand:US Dollar exchange rate• Operating margins to remain within target |
|---|--|



- | | |
|---|--|
| <ul style="list-style-type: none">• New planting season | <ul style="list-style-type: none">• Maize plantings expected to be down 5%• Maize price lower; switch to soya & other• Agronomic conditions good• Water table and dam levels good |
| <ul style="list-style-type: none">• Operational efficiencies | <ul style="list-style-type: none">• Further benefits of improved production and efficiencies of downstream plants |
| <ul style="list-style-type: none">• Market conditions | <ul style="list-style-type: none">• Stable international fertilizer prices• Ammonia : Urea ratio expected to remain at unfavourable levels |
| <ul style="list-style-type: none">• Margins | <ul style="list-style-type: none">• Expect usual strong performance in H2• Full year margin in line within target range |



- | | |
|---|--|
| <ul style="list-style-type: none">• Restructuring | <ul style="list-style-type: none">• Structural re-organisation implemented in April 2014• Improvement in customer service levels, sales price and margin management |
| <ul style="list-style-type: none">• Market conditions | <ul style="list-style-type: none">• Recovery in manufacturing and mining activity levels |
| <ul style="list-style-type: none">• International prices | <ul style="list-style-type: none">• International chemical prices to remain subdued |
| <ul style="list-style-type: none">• Margins | <ul style="list-style-type: none">• Target of 4.5% - 5.5% unlikely to be achieved for F2015 |



NEW 5 YEAR LONG TERM INCENTIVE PLAN (LTIP) - APPROVED BY SHAREHOLDERS

OMNIA

<ul style="list-style-type: none">• Philosophy	<ul style="list-style-type: none">• Believe in concept of employee ownership• Retention of key skills and talent• Incentivize to achieve long term targets
<ul style="list-style-type: none">• Ongoing various ownership plans	<ul style="list-style-type: none">• Sakhile 1 – Broad based scheme with 10% ownership• Sakhile 2 – Talented black management with 3.5% ownership
<ul style="list-style-type: none">• LTIP F2010 – F2014• LTIP F2015 – F2019	<ul style="list-style-type: none">• Previous 5 year scheme exceeded 8% (real) growth in earnings target• Achieved 10.37% (real)• Fourth successive five year LTIP achieved• New targets agreed by shareholders• 8% (real) annual growth in EPS• 11% (real) average ROE over 5 years



THANK YOU

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