OMNIA

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

OMNIA HOLDINGS LIMITED
Incorporated in the Republic of South Africa,
Registration number 1967/003680/06,
Share code: OMN ISIN ZAE000005153
("Omnia" or "the Group")

FINANCIAL HIGHLIGHTS

Revenue increased by 2.2% to **R7.8bn** ↑	Profit for the period down 18.1% to **R331m** ↓	Operating margin down by 1.4% to **6.9%** ↓
Headline earnings per share down 19.0% to **494.0** cents ↓	Debt: equity ratio improves from 29.7% to **22.8%** ↑	Dividend down 5.3% to **180** cents per share ↓

SUMMARY CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	%	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Revenue	7 754	2	7 585	16 835
Cost of sales	(6 048)	3	(5 858)	(12 898)
Gross profit	1 706	(1)	1 727	3 937
Administrative expenses	(403)	8	(374)	(907)
Distribution expenses	(757)	2	(742)	(1 524)
Other operating expenses	(71)	145	(29)	(90)
Other operating income	61	27	48	60
Operating profit	536	(15)	630	1 476
Finance expenses	(97)	20	(81)	(192)
Finance income	17	(23)	22	47
Share of profit of investments accounted for using the equity method	1	–	1	–
Profit before taxation	457	(20)	572	1 331
Income tax expense	(126)	(25)	(168)	(397)
Profit for the period	331	(18)	404	934
Attributable to:				
Owners of Omnia Holdings Limited	333	(18)	406	939
Non-controlling interest	(2)	–	(2)	(5)
	331	(18)	404	934
Earnings per share from profit attributable to owners of Omnia Holdings Limited (cents)				
Basic earnings per share	494	(18)	606	1 402
Diluted earnings per share	465	(14)	542	1 308
Headline earnings per share	494	(19)	610	1 465
Diluted headline earnings per share	465	(15)	546	1 366

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Profit for the period	331	404	934
Other comprehensive income, net of tax			
Currency translation difference	374	161	367
Total comprehensive income for the period	705	565	1 301
Total comprehensive income attributable to:			
Owners of Omnia Holdings Limited	707	567	1 306
Non-controlling interest	(2)	(2)	(5)
	705	565	1 301

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Operating profit	536	630	1 476
Depreciation and amortisation	181	170	353
Adjustment for non-cash items	98	49	17
Cash generated from operations	815	849	1 846
Utilised by working capital	(949)	(1 619)	(878)
Interest paid	(97)	(81)	(208)
Interest received	17	22	47
Taxation paid	(128)	(235)	(341)
Net cash (outflow)/inflow from operating activities	(342)	(1 064)	466
Cash outflow from investing activities	(239)	(276)	(578)
Cash outflow from financing activities	(283)	(236)	(466)
Net decrease in cash and cash equivalents	(864)	(1 576)	(578)
Net cash and cash equivalents at beginning of period	(699)	(131)	(131)
Exchange rate movements on cash and cash equivalents	36	5	10
Net cash and cash equivalents at end of period	(1 527)	(1 702)	(699)

SUMMARY CONSOLIDATED BALANCE SHEET

as at 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
ASSETS			
Non-current assets	4 537	4 366	4 473
Property, plant and equipment	3 975	3 783	3 927
Intangible assets	535	528	519
Available-for-sale financial assets	–	24	–
Investment accounted for using the equity method	24	31	20
Deferred income tax assets	3	–	7
Current assets	9 159	8 287	7 431
Inventories	5 073	4 484	3 886
Trade and other receivables	3 704	3 461	3 118
Income tax assets	17	–	27
Cash and cash equivalents	365	342	400
Total assets	13 696	12 653	11 904
EQUITY			
Capital and reserves attributable to the owners of Omnia Holdings Limited	7 111	6 295	6 653
Stated capital	1 500	1 289	1 500
Treasury shares	(120)	(6)	(70)
Other reserves	1 408	821	1 028
Retained earnings	4 323	4 191	4 195
Non-controlling interest	(13)	(8)	(11)
Total equity	7 098	6 287	6 642
LIABILITIES			
Non-current liabilities	558	424	605
Deferred income tax liabilities	488	331	502
Trade and other payables	37	–	37
Long term debt	33	93	66
Current liabilities	6 040	5 942	4 657
Trade and other payables	4 088	3 820	3 503
Short term debt	60	70	55
Income tax liabilities	–	8	–
Bank overdrafts and short term facilities	1 892	2 044	1 099
Total liabilities	6 598	6 366	5 262
Total equity and liabilities	13 696	12 653	11 904
Net debt	1 620	1 865	820
Net working capital	4 689	4 125	3 501
Net asset value per share (Rand)	106	94	98
Capital expenditure			
Depreciation	163	153	322
Amortisation	18	17	31
Incurred	239	288	587
Authorised and committed	116	237	92
Authorised but not contracted for	290	231	96

SEGMENTAL ANALYSIS

for the year ended 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	%	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Revenue, net of inter-segmental sales	7 754	2	7 585	16 835
Agriculture	3 506	23	2 842	7 287
Mining	2 244	(16)	2 676	5 351
Chemicals	2 004	(3)	2 067	4 197
Operating profit	536	(15)	630	1 476
Agriculture	160	(6)	171	656
Mining	305	(28)	424	720
Chemicals	71	103	35	100

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2015

	Attributable to the owners of Omnia Holdings Limited					
Rm	Stated capital	Treasury shares	Other reserves	Retained earnings	Non-controlling interest	Total
At 31 March 2014 (audited)	1 289	(6)	655	3 980	(6)	5 912
Recognised income and expense for the period:						
Profit for the period				406	(2)	404
Currency translation difference			161			161
Transactions with shareholders:						(195)
Ordinary dividends paid				(195)		
Share-based payment – value of services provided			5			5
At 30 September 2014 (unaudited)	1 289	(6)	821	4 191	(8)	6 287
Total recognised income and expense for the period:						
Profit for the period				533	(3)	530
Currency translation difference			206			206
Change in functional currency of subsidiary			11	(12)		(1)
Transactions with shareholders:						
Ordinary shares issued	211		(37)	(405)		(231)
Ordinary dividends paid				(127)		(127)
Treasury shares purchased		(66)		15		(51)
Treasury shares sold		2	18			20
Share-based payment – value of services provided			9			9
At 31 March 2015 (audited)	1 500	(70)	1 028	4 195	(11)	6 642
Total recognised income and expense for the period:						
Profit for the period				333	(2)	331
Currency translation difference			374			374
Transactions with shareholders:						
Ordinary dividends paid				(205)		(205)
Treasury shares purchased		(50)				(50)
Share-based payment – value of services provided			6			6
At 30 September 2015 (unaudited)	1 500	(120)	1 408	4 323	(13)	7 098

OTHER RESERVES

as at 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Share-based payment reserve	107	129	101
Foreign currency translation reserve	1 280	689	906
Gain on treasury shares sold	18	–	18
Net discount arising on acquisition of shares of subsidiaries	3	3	3
	1 408	821	1 028

RECONCILIATION OF HEADLINE EARNINGS

for the six months ended 30 September 2015

Rm	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Profit for the period attributable to owners of Omnia Holdings Limited	333	406	939
Adjusted for loss on disposal of fixed assets	–	1	3
Adjusted for impairment of available-for-sale financial asset	–	–	39
Headline earnings	333	407	981

NOTES

Basis of preparation

This interim report has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by IAS 34 Interim Financial Reporting, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The preparation of this interim report was supervised by the Group finance director, WG Koonin CA(SA).

The financial statements have been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the financial statements for the year ended 31 March 2015, unless otherwise stated.

The interim results have neither been reviewed nor audited by the Group's auditors.

ADDITIONAL INFORMATION

for the six months ended 30 September 2015

000's	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Weighted average number of shares in issue	67 381	66 687	66 970
Weighted average number of diluted shares in issue	71 665	74 492	71 799
Number of shares in issue (excluding treasury shares)	67 173	66 782	67 471

COMMENTARY

Introduction

Omnia is a diversified provider of specialised chemical products and services used in the agriculture, mining and chemical sectors. Omnia's corporate office is in Johannesburg, South Africa and its main production facility in Sasolburg, some 70 kilometers south of Johannesburg. The Group's operations extend into 16 countries on the African continent, including South Africa, with focused operations also in Australasia, Brazil, China and Mauritius. Our client base extends across southern and West Africa and to other regions such as Europe, South America and South-East Asia. Omnia differentiates itself from other commodity chemical providers by adding value at every stage of the supply and service chain through technological innovation and by deploying its intellectual capital. The sustainability of the business model is based on and strengthened by its targeted backward integration, through installing technologically advanced plants to manufacture core materials such as nitric acid and explosives emulsions. Omnia provides customised, knowledge-based solutions through its Agriculture, Mining and Chemicals divisions. The Group's proven business model makes it a market leader in the distribution of industrial chemicals. Omnia continues to grow and prosper, offering extraordinary value to customers by tailoring solutions to their business needs through product and service innovation, and the expert application thereof.

Macro environment

The global economy is facing headwinds on several fronts, with most commodities – whether they be metals, oil or grains – in complete oversupply. The chief driving factor seems to be the realisation that growth in China is slowing down, following many years of strong growth.

Mining has been the primary growth engine for the Group for the last five years. The downturn in the mining sector, which started in the last quarter of the 2014 calendar year continues. In the short-term, the situation is expected to remain weak or to deteriorate further and will probably not turn the corner for another few years. Although the weakening of the Rand:US dollar exchange rate has been mostly positive for our business, similar to the previous financial year, this effect has been neutralised by weakening US dollar denominated commodity prices across the board caused by general markets' oversupply and the strengthening of the US dollar against all major currencies. These factors contribute to the slowdown in mining activity across the globe.

Changing weather patterns and the prospect of an El Niño effect over southern Africa continue to affect the early part of the rainy season.

Statistics show that the weak manufacturing sector in South Africa continues to slow, making for a continued difficult environment for the Chemicals division.

FINANCIAL REVIEW

Group revenue rose by 2.2% to R7 754 million (2014: R7 585 million) on the back of mixed results from the three divisions, with encouraging volume growth in the Agriculture division, lower volumes in the Mining division and flat prices achieved in the Chemicals division.

Gross profit decreased by 1.2% to R1 706 million (2014: R1 727 million) and gross profit percentage was marginally lower at 22.0% of revenue (2014: 22.8%) due to higher gross margins in the Mining and Chemicals divisions, offset by lower gross margins in the Agriculture division.

Administrative expenses increased by 7.8% to R403 million (2014: R374 million) as a result of weaker exchange rates and further provisions for bad debts. Distribution overheads increased by 2.0% to R757 million (2014: R742 million), which is in line with the increase in revenue. Other operating expenses of R71 million (2014: R29 million), included R53 million (2014: R12 million) in foreign exchange losses, largely driven by the weaker Rand:US dollar exchange rate and volatility of the local currencies of various African countries in which we operate. Amortisation of intangible assets, at R18 million (2014: R17 million), increased marginally.

Operating profit decreased by 14.9% to R536 million (2014: R630 million), with the improved operating profit in the Chemicals division offset by the reduction in the Agriculture and Mining divisions. Overall, the operating margin for the six month period reduced from 8.3% to 6.9%. Whereas the Chemicals division's operating margin increased to 3.5% (2014: 1.7%) as a result of the positive effect of the restructuring exercise, improved product mix and margin focus, the Mining division's operating margin was lower at 13.6% (2014: 15.8%) due to pricing pressure and additional provisions in the first six months. The Agriculture division's operating margin decreased to 4.6% (2014: 6.0%) due to sales mix and pricing pressure at the early stage of the planting season.

Net finance expenses increased by R21 million to R80 million (2014: R59 million) due to higher levels of borrowings during the period, due to higher fertilizer inventory levels carried over from year end.

Income tax expense decreased by 25.0%, or R42 million, to R126 million (2014: R168 million) due to the lower levels of profitability. The effective tax rate at the half year was lower period-on-period at 27.6% (2014: 29.4%).

Profit after tax decreased by 18.1%, or R73 million, from R404 million in the previous corresponding period to R331 million in the current period.

Total assets increased by 8.2%, or R1 043 million, from R12 653 million in the previous corresponding period to R13 696 million in the current period primarily as a result of higher levels of inventories, receivables and capital expenditure.

Property, plant and equipment increased by R192 million to R3 975 million primarily as a result of capital expenditure incurred in the period under review, that relates to normal replacement capital.

Inventory increased by 13.1%, or R589 million, from R4 484 million in the previous corresponding period to R5 073 million, primarily due to an increase of R710 million in the Agriculture division. This increase is attributable to higher production efficiency resulting in increased production output ahead of the planting season, delayed commencement of fertilizer deliveries pending the start of the seasonal rains in South Africa and higher commodity input prices in Rand terms. Inventory in the Mining division decreased by R96 million while inventory in the Chemicals division decreased by R25 million.

Trade and other receivables increased by 7.0%, or R243 million, from R3 461 million in the previous corresponding period to R3 704 million in the current period, due to increased sales outside South Africa. Current trade and other payables increased by 7.0%, or R268 million, from R3 820 million in the previous corresponding period to R4 088 million, due to the timing of the working capital cycle. Total net working capital increased period-on-period by 13.7%, or R564 million, from R4 125 million to R4 689 million, represented mostly by the increase in inventories.

Equity increased by 12.9%, or R811 million, from R6 287 million in the previous corresponding period to R7 098 million in the current period. The net increase in equity was due to an increase in retained earnings of R461 million, foreign currency translation reserves of R579 million and R6 million in other reserves and movements, offset by R332 million in dividend payments. Period on period ordinary shares of R211 million were issued and treasury shares of R114 million were purchased.

Cash utilised by operating activities of R342 million (2014: R1 064 million) was R722 million lower than the previous six month period due to the decrease of R670 million in net working capital utilised and the R107 million decrease in taxation paid. Cash outflow from investing activities of R239 million (2014: R276 million) was R37 million lower due to the completion of certain capital projects in the prior corresponding period. After taking into account the R283 million (2014: R236 million) cash outflow from financing activities, which included a dividend payment of R205 million (2014: R190 million), the negative cash and cash equivalents position at the end of the six month period was lower by R175 million at R1 527 million (2014: R1 702 million).

Net debt at the end of the six month period was R245 million lower at R1 620 million (2014: R1 865 million) and the net debt:equity ratio improved by 6.9% to 22.8% (2014: 29.7%).

DIVISIONAL REVIEW

Agriculture

The Agriculture division comprises Omnia Fertilizer and Omnia Specialities and is the market leader in its field in southern Africa. The division produces and trades in granular, liquid and speciality fertilizers for a broad customer base of farmers, co-operatives and wholesalers throughout southern and East Africa and to select markets in Australasia and Brazil.

The Agriculture division's competitive edge lies in Nutriology®, or what we call the "science of growing". The science of growing is our business philosophy and involves more than just selling fertilizer to farmers – it is about optimising yield and crop quality to maximise returns while reducing farming and environmental risk. Achieving this entails becoming intricately involved in the producers' businesses to better understand their objectives and targets. Nutriology® also includes cutting-edge research and development that results in the development of new products, services and farming practices. The Omnia Nutriology® brand is highly regarded in the regional market and strongly supports management's vision of creating customer wealth through leveraging knowledge.

Revenue increased by 23.4% to R3 506 million (2014: R2 842 million) due to higher volumes. Sales volumes in the lower margin wholesale business increased period on period. New business development in the Western Cape has been encouraging. Operating profit decreased by 6.4% to R160 million (2014: R171 million) due to a combination of lower margins and increased expenses. During the period under review, the ammonia to urea ratio remained at unfavourable levels in relation to the long-term average.

Mining

The Mining division services the mining industry through BME and Protea Mining Chemicals.

BME operates throughout Africa with a strong presence in southern and West Africa. BME is a market leader in bulk emulsion and blended bulk explosives formulations for the opencast mining industry: it produces electronic delay detonators and shocktube initiating systems; it has its own range of boosters, and it manufactures packaged explosives for underground mining and specialised surface blasting operations. BME adds value to its products through its world-class blasting consultancy service. Its industry experts, experienced mining engineers and geologists advise and support customers in the planning and execution of blasting operations. This is achieved by using BME's unique and proprietary BlastMap™ software solutions in combination with the accuracy of the AXXIS® Digital Initiation System that is used to control the electronic delay detonators in the blasting process. BME continues to make advances in developing new markets for the AXXIS® Digital Initiation System, with a number of successful trials in new foreign markets.

Protea Mining Chemicals provides a suite of value-adding services to complement a wide range of chemicals and reagents supplied for use by the processing plants on mines in South Africa and Africa. This includes Protea Process®, a comprehensive service that covers the design of equipment, logistics and on-site management and make up of chemicals and reagents.

Revenue decreased by 16.1% to R2 244 million (2014: R2 676 million) due to volume reductions and pricing pressure across all markets. The gross margin improved due to changes in product mix and improved efficiency in raw material procurement. Operating margin was lower, due to the US dollar denominated costs reported in South African rands and the lead time to proportionately reduce overheads and other costs in the local and international businesses, with the fall in margin and reduction in volumes. Overall, the Mining division's operating profit decreased by 28.1% to R305 million (2014: R424 million) and the operating margin was lower at 13.6% (2014: 15.8%).

Chemicals

The Chemicals division's main business, Protea Chemicals, is a long-established and well-known manufacturer and distributor of speciality, functional and effect chemicals and polymers. It has a significant presence in every sector of the broader chemicals distribution market throughout southern and East Africa. Protea Chemicals represents many leading domestic and international chemical producers, providing cost-effective and efficient distribution channels for their products into the African market. Protea Chemicals continues to be rated as the largest chemical distributor in Africa by the respected industry journal, ICIS Chemical Business. The business operation, Zetachem, manufactures and distributes chemicals for the treatment of water to render it potable, a function mostly undertaken through municipalities.

Revenue decreased marginally to R2 004 million (2014: R2 067 million) on the back of slightly higher volumes, marginal reduction in unit selling prices and a change in product mix. The gross margin improved slightly due to competitive pricing achieved compared to the prior corresponding period. Overheads decreased slightly. Operating profits increased sharply to R71 million (2014: R35 million) and at an operating margin of 3.5% (2014: 1.7%), with the benefits of the restructuring exercise taking effect.

PROSPECTS

The Group expects that all three divisions – Agriculture, Mining and Chemicals – will continue to face different challenges in the short- to medium-term based on various factors. Omnia will continue to drive organic growth opportunities to build on the strengths in each division and expand the underlying businesses where possible. In addition, the Group remains focused on identifying acquisition opportunities considered to be appropriate for the business. In terms of the markets in which Omnia operates, a key area of concern is the international mining sector which is expected to remain in a depressed state for the next few years until global commodity prices start to improve. Management continues to focus on opportunities in this sector, including the development of markets for the AXXIS® Digital Initiation System and the recently launched underground mobile pumping system with the inherent safety and security benefits to mining customers. Overall, the Mining division faces a number of challenges over the next few years. The Agriculture division is appropriately positioned ahead of the summer planting season, with a strong performance expected in the second half of the year, subject to favourable rainfalls in southern Africa. The Chemicals division's increased performance is expected to continue in the second half of the year, with the full benefits of the restructuring exercise taking effect.

For the past couple of years a multi-disciplinary team has also been working on identifying and investigating numerous opportunities to create further growth for the Group. The opportunities currently being explored include backward integration, market diversification as a possible fourth leg to the Group's strategy/structure and potential mergers and acquisitions in similar or related businesses. The focus areas are sufficiently broad and exciting to present numerous opportunities worth pursuing. However, the timing of these potential events remains uncertain at this stage.

The weakening of the South African Rand against the US dollar is positive for the Group. The weaker Rand is a fundamental driver of the Group's profitability not only driving margins, which are principally denominated in US dollars, but also driving volumes as in the main our customers, benefit from a weaker exchange rate.

CHANGES TO THE BOARD DURING THE PERIOD

Mr Noel Fitz-Gibbon resigned as non-executive director with effect from 22 June 2015. Ms Khuma Shongwe resigned as independent non-executive director with effect from 17 July 2015.

DIVIDENDS

The Board has declared an interim gross cash dividend of 180 cents per ordinary share (2014: 190 cents per ordinary share) payable out of income in respect of the period ended 30 September 2015. The number of ordinary shares in issue at the date of this declaration is 68 293 352 participation shares. The gross dividend is subject to local dividends tax of 15% for those shareholders to which local dividends tax is applicable. The resultant net dividend amount is 153 cents per share for shareholders subject to local dividends tax and 180 cents per share for those shareholders not subject to local dividends tax. Omnia's tax reference number is 9400087715.

The salient dates for the interim dividend are as follows:

Last day to trade cum dividend	Friday, 8 January 2016
Shares trade ex-dividend	Monday, 11 January 2016
Record date	Friday, 15 January 2016
Payment date	Monday, 18 January 2016

Share certificates may not be dematerialised or materialised between Monday, 11 January 2016 and Friday, 15 January 2016, both dates inclusive.

NJ Crosse
Chairman

RB Humphris
Group managing director

WG Koonin
Group finance director

24 November 2015

Directors: RC Bowen (British), FD Butler, NJ Crosse (chairman), R Havenstein, HH Hickey, RB Humphris* (Group managing director), WG Koonin* (Group finance director), Prof SS Loubser, Dr WT Marais, HP Marais (alternate), SW Mncwango, D Naidoo **Executive directors*

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