OMNIA

OMNIA HOLDINGS LIMITED

TRUSTED PERFORMANCE
INNOVATIVE SOLUTIONS
BETTER WORLD

2018

AUDITED RESULTS

for the year ended 31 March 2018

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

OMNIA

SUMMARY OF AUDITED RESULTS

REVENUE INCREASED BY
7%
TO R17.4 BILLION

OPERATING PROFIT INCREASED BY
11%
TO R1 156 MILLION

OPERATING MARGIN INCREASED TO
6.7%
FROM 6.4%

PROFIT AFTER TAX INCREASED BY
12%
TO R664 MILLION

HEADLINE EARNINGS PER SHARE INCREASED BY
12%
TO 991 CENTS

GEARING AT YEAR-END OF
34%

RECORDABLE CASE RATE OF
0.47
DOWN FROM 0.54 IN PRIOR YEAR

ACQUISITION OF UMONGO PETROLEUM FOR
R780m
COMPLETED
1 DECEMBER 2017

ACQUISITION OF ORO AGRI FOR
US$100M
COMPLETED
30 APRIL 2018

LONG-TERM FINANCING OF
R800m
FOR PLANT FINANCING ARRANGED

COMMENCED CONSTRUCTION OF
R630m
NITROPHOSPHATE PLANT AT SASOLBURG

BBBEE RATING
LEVEL 3
FOR FY2017

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Rm	**Audited 2018**	Audited 2017	%
Revenue	**17 372**	16 269	7
Cost of sales	**(13 462)**	(12 802)	(5)
Gross profit	**3 910**	3 467	13
Distribution expenses	**(1 815)**	(1 551)	(17)
Administrative expenses	**(1 233)**	(998)	(24)
Other operating income	**461**	218	>100
Other operating expenses	**(213)**	(102)	(>100)
Share of net profit of equity accounted investments	**46**	6	>100
Operating profit	**1 156**	1 040	11
Net finance expenses	**(270)**	(184)	(47)
Profit before taxation	**886**	856	4
Income tax expense	**(222)**	(264)	16
Profit for the year	**664**	592	12
Attributable to:			
Owners of Omnia Holdings Limited	**666**	593	12
Non-controlling interest	**(2)**	(1)	(100)
Profit for the year	**664**	592	12
Earnings per share from profit attributable to owners of Omnia Holdings Limited (cents)			
Basic earnings per share	**985**	885	11
Diluted earnings per share	**927**	823	13
Headline earnings per share	**991**	881	12
Diluted headline earnings per share	**933**	819	14

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

Rm	**Audited 2018**	Audited 2017	%
Profit for the year	**664**	592	12
Other comprehensive income, net of tax			
Currency translation differences	**(491)**	(425)	(16)
Total comprehensive income for the year attributable to:	**173**	167	4
Owners of Omnia Holdings Limited	**175**	168	4
Non-controlling interest	**(2)**	(1)	(100)

SUMMARY CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2018

Rm	Audited 2018	Audited 2017	%
ASSETS			
Non-current assets	**6 181**	5 009	23
Property, plant and equipment	**4 588**	4 283	7
Goodwill and intangible assets	**1 363**	614	>100
Investment accounted for using the equity method	**71**	31	>100
Trade and other receivables	**128**	72	78
Deferred tax assets	**31**	9	>100
Current assets	**9 221**	7 755	19
Inventories	**4 190**	3 229	30
Trade and other receivables	**3 686**	3 096	19
Derivative financial instruments	**103**	55	87
Income tax assets	**131**	73	79
Cash and cash equivalents	**1 111**	1 302	(15)
Total assets	**15 402**	12 764	21
EQUITY			
Capital and reserves attributable to the owners of Omnia Holdings Limited	**7 488**	7 545	(1)
Stated capital	**1 597**	1 500	6
Treasury shares	**(123)**	(120)	(3)
Other reserves	**812**	1 367	(41)
Retained earnings	**5 202**	4 798	8
Non-controlling interest	**(5)**	(3)	(67)
Total equity	**7 483**	7 542	(1)
LIABILITIES			
Non-current liabilities	**1 924**	831	>100
Deferred tax liabilities	**666**	580	15
Trade payables and other liabilities	**190**	98	94
Debt	**1 068**	153	>100
Current liabilities	**5 995**	4 391	37
Trade payables and other liabilities	**3 378**	3 324	2
Debt	**15**	19	(21)
Derivative financial instruments	**32**	8	>100
Bank overdrafts	**2 570**	1 040	>100
Total liabilities	**7 919**	5 222	52
Total equity and liabilities	**15 402**	12 764	21
Net debt/(cash) (Rm)	**2 542**	(90)	
Net asset value per share (Rand)	**108**	113	
Capital expenditure (Rm)			
Depreciation	**384**	366	
Amortisation	**62**	46	
Incurred	**887**	817	
Authorised and not committed at year end	**409**	301	
Authorised but contracted for at year end	**403**	190	

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Rm	**Audited 2018**	Audited 2017
Cash generated from operations before working capital movement	**1 515**	1 138
(Utilised)/generated from working capital	**(1 648)**	211
Cash (utilised)/generated from operations	**(133)**	1 349
Net interest paid	**(293)**	(195)
Taxation paid	**(341)**	(268)
Net cash (outflow)/inflow from operating activities	**(767)**	886
Cash outflow from investing activities	**(1 452)**	(772)
Cash inflow/(outflow) from financing activities	**601**	(139)
Net (decrease) in cash and cash equivalents	**(1 618)**	(25)
Net cash and cash equivalents at beginning of year	**262**	310
Exchange rate movements	**(103)**	(23)
Net (debt)/cash and cash equivalents at end of year	**(1 459)**	262

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

Audited Rm	Attributable to the owners of Omnia Holdings Limited					
	Stated capital	Treasury shares	Other reserves	Retained earnings	Non-controlling interest	Total
At 31 March 2016	1 500	(121)	1 787	4 446	(10)	7 602
Recognised income and expenses						
Profit for the year ended 31 March 2017				593	(1)	592
Non-controlling interest buyout				(8)	8	–
Currency translation difference			(425)			(425)
Transactions with shareholders						
Ordinary dividends paid				(233)		(233)
Movement in treasury shares		1	3			4
Share-based payment – value of services provided			2			2
At 31 March 2017	**1 500**	**(120)**	**1 367**	**4 798**	**(3)**	**7 542**
Recognised income and expenses						
Profit for the year ended 31 March 2018				**666**	**(2)**	**664**
Currency translation difference			**(491)**			**(491)**
Transactions with shareholders						
Ordinary shares issued – equity settled share-based payments	**97**		**(97)**			**–**
Ordinary dividends paid				**(262)**		**(262)**
Movement in treasury shares		**(3)**	**4**			**1**
Share-based payment – value of services provided			**29**			**29**
At 31 March 2018	**1 597**	**(123)**	**812**	**5 202**	**(5)**	**7 483**

SEGMENTAL ANALYSIS

FOR THE YEAR ENDED 31 MARCH 2018

Audited Rm	**Gross revenue** **2018**	**Net revenue[1]** **2018**	**Operating profit** **2018**	**Profit before tax** **2018**	Gross revenue 2017	Net revenue[1] 2017	Operating profit 2017	Profit before tax 2017
Agriculture division	**9 248**	**7 965**	**711**	**536**	9 373	8 159	436	256
Agriculture RSA	**5 526**	**4 243**	**420**	**256**	5 657	4 443	255	105
Agriculture Trading	**1 213**	**1 213**	**16**	**9**	1 331	1 331	(10)	(14)
Agriculture International	**2 509**	**2 509**	**275**	**271**	2 385	2 385	191	165
Mining division	**5 090**	**5 080**	**387**	**394**	4 383	4 378	454	463
Mining RSA	**2 267**	**2 257**	**183**	**193**	1 780	1 775	152	163
Mining International	**2 823**	**2 823**	**204**	**201**	2 603	2 603	302	300
Chemicals division	**4 382**	**4 327**	**146**	**88**	3 812	3 732	143	84
Chemicals RSA	**3 925**	**3 870**	**58**	**3**	3 552	3 472	123	77
Chemicals International	**457**	**457**	**88**	**85**	260	260	20	7
Head office and elimination[2]	**–**	**–**	**(88)**	**(132)**	–	–	7	53
Total	**18 720**	**17 372**	**1 156**	**886**	17 568	16 269	1 040	856

1. Net revenue – excludes intercompany transactions and other items eliminated on consolidation.

2. Head office and elimination includes acquisition related costs, employee share based payment expenses and interest on investments in subsidiaries.

RECONCILIATION OF HEADLINE EARNINGS

FOR THE YEAR ENDED 31 MARCH 2018

Rm	**Audited 2018**	Audited 2017	%
Profit for the year attributable to owners of Omnia Holdings Limited	**666**	593	12
Adjusted for:			
Loss on disposal/impairment of property, plant and equipment	**7**	23	70
Profit on disposal of goodwill and intangible assets	**–**	(7)	(>100)
Insurance proceeds for replacement of property, plant and equipment	**(3)**	(19)	(84)
Headline earnings	**670**	590	14

OTHER RESERVES

AS AT 31 MARCH 2018

Rm	**Audited 2018**	Audited 2017
Foreign currency translation reserve	**739**	1 230
Share-based payment reserve	**45**	113
Gain on treasury shares sold	**25**	21
Net discount arising on acquisition of shares of subsidiaries	**3**	3
	812	1 367

ADDITIONAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

000's	**Audited 2018**	Audited 2017
Weighted average number of shares in issue	**67 607**	66 997
Weighted average number of diluted shares in issue	**71 848**	72 076
Number of shares in issue (excluding treasury shares)	**67 948**	67 248

NOTES

BASIS OF PREPARATION

The summary consolidated financial statements for the year ended 31 March 2018 ("financial results") have 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 Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by IAS 34 *Interim Financial Reporting*, the Listings Requirements of JSE Limited and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended. The financial results do not include all the information required by IFRS for full annual financial statements. The preparation of these financial results was supervised by the Group finance director, WG Koonin CA(SA).

The financial results 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 2017, unless otherwise stated.

The accounting standards, amendments to issued accounting standards and interpretations, which are not yet effective as at 31 March 2018, have not been adopted by the Group.

The directors take full responsibility for the preparation of the financial results and the financial information has been correctly extracted from the underlying annual financial statements.

AUDIT OPINION

Refer to pages 24 to 25 of this report for the independent auditor's report on the summary consolidated financial statements.

CONTINGENT LIABILITIES

LEGAL PROCEEDINGS

The Group is involved in various legal proceedings and where appropriate, management raise provisions in respect thereof as matters progress. The litigation, current or pending, is not likely to have a material adverse effect on the Group and therefore no specific adjustments have been made in the year-end results.

GUARANTEES

Certain Group companies have guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements. These companies have also guaranteed the borrowing facilities and banking arrangements of certain subsidiaries.

ENVIRONMENTAL REHABILITATION PROVISIONS

The Group is continuously assessing the need and possible quantification of further environmental rehabilitation provisions relating to its various sites.

POST-BALANCE SHEET EVENTS

ORO AGRI

All conditions precedent to the transaction for the acquisition of Oro Agri SEZC Ltd and Oro Agri SA (Pty) Ltd, as described in the acquisition announcement published on 1 March 2018, have been fulfilled or where applicable, waived. From 1 May 2018, the results of Oro Agri will be consolidated into the Group's results under the Agriculture division.

COMPETITION COMMISSION SETTLEMENT

On 28 May 2018, Omnia Fertilizer Limited, a subsidiary within the Omnia Group, concluded a settlement agreement (agreement) with the Competition Commission (Commission), in relation to a complaint regarding the supply of fertilizer that was referred by Nutri-flo to the Commission in November 2003. In the agreement, Omnia Fertilizer admits that Nitrochem (which was acquired by Omnia Fertilizer prior to the complaint being lodged) contravened section 4(1)(b) of the Competition Act No. 89 of 1998 as alleged in the Nutri-flo complaint and agreed to pay an administrative penalty of R30 million. This agreement is still subject to confirmation by the Competition Tribunal.

COMMENTARY

Group profit for the year of R664 million was up 12% on the prior year under challenging trading conditions. Despite headwinds in various parts of the business, the performance in the Agriculture division was encouraging, the Chemicals division was flat overall despite the weak South African economy and the Mining division was lower based on margin pressures and a substantial provision for a potential bad debt in Angola.

Agriculture RSA, excluding once offs as set out below, was up 15% largely due to growth in the speciality lines, increased production efficiencies and successful currency hedging strategies.

Agriculture International returned a solid performance for the year with operating profits up 44% on the back of strong growth in Australia and Brazil, coupled with an exceptional performance in Zimbabwe where the change in political leadership and renewed focus on the agriculture sector which coupled with significant inflation, boosted margins in the retail business. Agriculture Trading recovered from a loss in the prior year to a profit in the current year due to an improved business model with better working capital management and focus on trading margin, albeit not at desired levels.

Mining RSA operating profit was up 20% despite the uncertainty in the local mining industry. Mining International was down 32% due to the large write off described below and set-up costs. Excluding these adjustments, the results would be flat year-on-year.

Chemicals RSA was sharply lower by 53%, due to the economic stagnation for the last six months of the year leading up to and after the government conference in December and the impact of the storm in the Durban port in October that created a significant backlog in supply chain activities and congestion in the port facility for a few months thereafter. Chemicals International reported a four-fold increase in profits due largely to the demand for specialised product and service solutions from the offshore oil and gas sector and significantly higher demand for agrochemicals in Zimbabwe, following the change in government's approach to the agriculture sector.

The overall operating profit margin was 6.7% for the year, up from 6.4% in the prior year. Following the adjustment of the once off items in the current year's results, as set out below, that affect the various segments but net off overall, the current year operating profit margin remains unchanged at 6.7%:

- R201 million income in respect of the legal dispute with the main supplier of phosphoric acid, whose appeal to the High Court was dismissed in November 2017. This resulted in the reversal of the R101 million liability previously held on balance sheet and the write up of R100 million for the fair value of the amount previously classified as a contingent asset and not recognised (Agriculture RSA)
- R64 million bad debt provision for a single large debtor in Angola with the recoverability of the full amount continuing (Mining International)
- R28 million cost was incurred on the two acquisitions recently completed for the Agriculture and Chemicals divisions
- R37 million for Mining International consisting of R23 million in respect of restructuring and set-up costs for new territories (USA and Canada) and R14 million for the mark to market revaluation for the 35% option held in Advanced Initiating Systems (AIS), the Australian arm of BME
- R43 million additional environmental rehabilitation provisions in Agriculture RSA
- R30 million administrative penalty for Agriculture RSA, to settle the long running dispute with the Competition Commission regarding the Nutri-flo matter dating back to 2003

A total of R102 million of foreign exchange gains reported as part of other income was achieved through the currency hedging program that was well placed to benefit from the strengthening of the rand with the change in political leadership in the government which was offset by the resultant decrease in margin specifically in Agriculture RSA.

Key corporate activity in the financial year was as follows:

- Acquired 100% of LDR Precision Technical Field Services ("LDR") for R12 million, effective 1 August 2017, now part of the newly established entity called Axioteq
- Completed the acquisition of a 90% interest in Umongo Petroleum for R780 million as announced on 11 May 2017, effective 1 December 2017 with a net cash impact of R566 million. The remainder of the purchase price is contingent on future performance
- Acquired the remaining 35% interest in AIS for A$4.4 million (R45 million), effective 1 January 2018
- On 1 March 2018, announced the acquisition of 100% interest in the Oro Agri group of companies for US$100 million, with the transaction completed on 1 May 2018
- Commenced construction of the R630 million Nitrophosphate plant at Sasolburg, to reduce the dependency on Omnia's single supplier of phosphoric acid and to increase the economic and environmental benefit, and to further increase the Agriculture division's margin by 1.0% to 1.5%, with completion scheduled by 31 March 2019 (excluding Oro Agri effect on the margin)

Subsequent to year-end, finalised the R800 million (including capitalised interest costs) 6.5 year long term finance facility for the Nitrophosphate plant.

Further progress on the implementation of the Microsoft Dynamics ERP platform (Dynamics AX) that was rolled out in three major business units.

BALANCE SHEET

- Net working capital increased due largely to inclusion of Umongo Petroleum, assisting customers with longer payment terms and additional strategic inventory on hand. Inventory also affected by lower sales at the end of the financial year due to lack of rainfall in some areas and higher than normal rainfall and changes to mining plans at two major customers in Zambia that affected Mining International's revenue
- R2 542 million net debt at the end of the year, excluding the Oro Agri deal which closed post year-end
- 34% net debt:equity gearing ratio at year-end
- Global Credit Rating issued in August 2017 was A- (Long Term), A1- (Short Term) with a stable outlook

OPERATIONAL

- Level 3 BBBEE for FY2017 and the rating for FY2018 to be completed shortly
- 6 690 AXXIS^{TM} electronic detonators used by BME in a single world record opencast blast in Zambia

REPORTABLE CASE RATE

Improved to 0.47 (2017: 0.54) and Omnia regretfully report the loss of the lives of two colleagues in work related incidents.

DIVIDENDS

- Final dividend declared of 150 cents per share.
- Total dividend for the year of 350 cents per share

ECONOMIC ENVIRONMENT

Southern Africa has been experiencing a long period of drought resulting in variable yields for farmers with crop prices remaining subdued in rand terms. As a result, local farmers are under financial pressure which translates into pricing pressure for the Agriculture businesses. Internationally, weather conditions in large crop-producing countries have been favourable, resulting in larger crop yields that pushed down international crop and fertilizer prices.

It is a truism that poverty can only be addressed by ensuring that GDP growth exceeds population growth. Any other mechanism may provide some short-term relief but is not sustainable over the long term. The recent changes in political leadership in both South Africa and Zimbabwe are welcomed with early signs that there is a willingness to address corruption and job creation in both countries. Sadly, the South African economy contracted in the first quarter of 2018 by 2.2%, with year-on-year GDP growth at 0.8%. Much effort will be required by government to address the deterioration in economic performance and lack of growth that has persisted in South Africa for the past few years.

The current land debate in South Africa, no matter how well-intentioned, leads to uncertainty. The land issue is extremely complex due to its many different uses and attached rights. In almost every country in the world, the most pressing need for land is the use for urbanisation. With the development of land for urban use, comes the inherent cost of providing services and the expansion of the related infrastructure. In terms of agriculture, South Africa, being a dry country, has limited good quality arable land which needs to be protected in order to ensure long-term food security.

The uncertainty in the South African mining industry and resolving the issues relating to the Mining Charter, continues to weigh on the mining sector. In turn, this creates uncertainty for local and foreign investors looking to invest in the sector which will have a positive effect on the economy. As a result, mining investment in South Africa has been stagnating for a number of years with the resultant drop in employment and growth. The lack of mining investment not only impacts on the mining sector but also the manufacturing sector, which supplies a vast range of products, equipment and services to the mining industry. It is therefore pleasing to see the steps being taken by government to find new solutions to stimulate mining growth and resolve the impasse over the mining charter, although there is no clear indication when this will be finally resolved. The South African mining sector, however, remains under pressure and this elevates the importance of Omnia expanding into other markets such as central and west Africa where mines are ramping up on the back of a recovery in commodity prices.

The above are arguably some of the most important factors to stimulate the growth of the chemicals sector. Equally so, as a backbone to the economy, economic growth and for industries to be competitive, is affordable and consistently available electricity. For the energy sector to become competitive again, a cost-effective mix of energy, is a matter of priority. Energy commentators have long held that the cheapest source of long-term power for South Africa is a combination of renewables combined with gas turbines. Such an investment will have to be supported by government through policy certainty, investment in the related long-term infrastructural projects and the establishment of new industries required to facilitate the connection to the multiple gas sources identified off the coastline of southern Africa. Furthermore, strong collaboration with the chemical, manufacturing and energy sectors would be required to facilitate the development of such an initiative to create a new low cost source of energy that is sustainable over the long term that will help propel the South African economy.

FINANCIAL REVIEW

INCOME STATEMENT

Group revenue increased by 7% (2017: 3% decrease) to R17 372 million (2017: R16 269 million) based on a stronger performance from the Mining and Chemicals divisions on the back of a moderate improvement in operating conditions in the second half of the financial year, as well as increased services performed in Chemicals International. Revenue from the Agriculture division was marginally down due to the continued impact of the drought in some parts of southern Africa and a stronger rand throughout the year. Umongo Petroleum added R354 million for four months of the financial year and excluding this amount, Group revenue increased by 4.6%.

Gross profit increased by 13% to R3 910 million (2017: R3 467 million) and gross margin percentage to 23% (2017: 21%). Gross profit benefited from higher revenue as well as commodity hedging and production efficiencies in Agriculture RSA, improved performance in Agriculture Trading due to a shift to higher margin business and higher margins in Agriculture International, specifically in Zimbabwe with the changes in government and shift to support the agriculture sector.

Distribution expenses increased by 17% to R1 815 million (2017: R1 551 million), driven by the net increase in volumes sold by the Mining division and Agriculture International on the back of new business acquired.

Administrative expenses of R1 233 million (2017: R998 million) was 24% higher year-on-year. Administration expenses includes a R30 million administrative penalty payable to the Commission for Agriculture RSA, R64 million doubtful debt provision for one client in Angola that forms part of Mining International, R65 million restructuring, acquisition and new business costs and higher share based payments of R58 million (2017: R15 million).

Other operating income of R461 million (2017: R218 million) includes R101 million derecognition of a liability for the supply of phosphoric acid and R55 million recognition of the supplier's receivable (the remaining R45 million included in cost of sales). Derivatives put in place to cover the strengthening of the rand to protect inventory margins and foreign currency assets and liabilities resulted in a R200 million gain. The prior year includes R107 million relating to the NAP2 insurance claim while the current year includes a top-up of R12 million on the claim pending final settlement.

Other operating expenses of R213 million (2017: 102 million) includes R98 million devaluation in assets and liabilities offset by the gains on currency derivatives mentioned earlier. Amortisation of intangible assets of R62 million (2017: R46 million) includes R16 million for the amortisation of intangible assets linked to the Umongo Petroleum acquisition. The environmental rehabilitation provisions in Agriculture RSA increased by R43 million (2017: R23 million).

Share of net profit of equity accounted investments of R46 million (2017: R6 million) includes a 50:50 joint venture in Chemicals International where exceptional growth in demand was noted for agrochemicals in Zimbabwe following a renewed focus on agriculture.

Operating profit of R1 156 million (2017: R1 040 million) was up 11% year-on-year. The **Agriculture division** showed an increase of 63% in operating profit to R711 million (2017: R436 million), driven by strong growth in the International businesses, production efficiencies and a good recovery in Agriculture Trading following a change in the business model.

The **Mining division** returned a lower operating profit of R387 million (2017: R454 million), down 15% year-on-year including the R64 million provision for a large provision for a doubtful debt in Angola, with the recoverability of the full amount continuing. The underlying business improved due to new business in the Northern Cape, increased volumes from existing customers as well as higher AXXIS™ volumes and margins in Australia.

The **Chemicals division's** operating profit of R146 million (2017: R143 million) was marginally higher by 2%. The South African business contracted in line with the local manufacturing sector. The Chemicals International business showed good growth in demand for specialised product and service solutions using Protea Process™ from the oil and gas sector and significantly higher demand for agrochemical sales through the 50:50 joint venture in Zimbabwe following the change in leadership and a renewed focus on driving the agriculture sector of the country.

Operating profit margin of 6.7% (2017: 6.4%) for the year under review was marginally higher year-on-year, with the comparison of the divisional operating margins in percentage terms being mixed. The Agriculture division was up at 8.9% (2017: 5.3%), the Mining division was down at 7.6% (2017: 10.4%) and the Chemicals division down at 3.4% (2017: 3.8%).

Net finance expenses of R270 million (2017: R184 million) increased by 47% year-on-year. Finance expenses of R312 million (2017: R251 million) are net of the capitalisation of R23 million (2017: R11 million) of interest costs relating to capital projects under construction during the current financial year. The year-on-year increase in interest relates to additional working capital funding requirements following the utilisation of cash for the purchase of Umongo Petroleum as well as interest payable in terms of the sale of share agreement on the purchase price from the effective legal date to the payment date.

Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") was 10% higher at R1 602 million (2017: R1 452 million).

Profit before tax of R886 million (2017: R856 million) was R30 million or 4% higher year-on-year.

Taxation of R222 million (2017: R264 million) decreased by 16%. The effective tax rate of 25.1% (2017: 30.8%) was lower due to higher profits earned in lower tax jurisdictions, as well as some once off tax adjustments.

Profit after tax of R664 million (2017: R592 million) was 12% higher year-on-year, underpinned by higher operating profit, a number of once off items included in the results and a lower effective tax rate, which is commendable under the tough macro-economic environment and prevailing weather conditions in most parts of South Africa.

Other comprehensive income net of tax was lower year-on-year, due to a stronger rand in the current year decreasing the foreign currency translation reserve by R491 million (2017: R425 million). The majority of the foreign-currency translation reserve relates to the revaluation of the US dollar denominated balance sheets at financial year end. The rand strengthened by 11% against the US dollar from R13.38 at 31 March 2017 to R11.85 at 31 March 2018.

Headline earnings per share of 991 cents (2017: 881 cents) was 12% higher year-on-year.

Share-based payments amounted to R58 million (2017: R15 million) and was made up as follows: R38 million for the various cash- and equity-settled shares schemes, and acquisition related share-based payments include R14 million (2017: R31 million) for the purchase of the remaining minority shareholding in AIS and R6 million (2017: Rnil) for the valuation of the call option linked to the 10% minority interest in Umongo Petroleum.

BALANCE SHEET

The balance sheet continues to strengthen with **total assets** increasing by 21% or R2 638 million to R15 402 million (2017: R12 764 million). The net increase in non-current assets of R1 172 million is largely attributable to the Goodwill (R192 million) and intangible assets (R442 million) linked to the acquisition of Umongo Petroleum and the remainder in respect of capital expenditure. The **intangible assets** identified in the purchase price allocation included distribution contracts, customer relationships and brands with useful lives of 10 to 15 years. Capital expenditure of R887 million (2017: R817 million) was incurred based on planned capital projects including R199 million (2017: R20 million) on the new Nitrophosphate plant and R166 million (2017: R121 million) of **intangible assets** of which R150 million (2017: R117 million) relates to the implementation of Dynamics AX.

The increase in **current assets** of R1 466 million was largely attributable to the R961 million increase in inventories due to higher than planned inventory levels and lower end of season sales for Agriculture RSA, Agriculture International holding stock for April 2018 deliveries, that was higher year-on-year due to delays associated with poor weather conditions and the Chemicals division holding stock of new strategic products to support new business growth initiatives for delivery early in the FY2019. Umongo Petroleum reported inventory of R292 million (2017: Rnil). Trade and Other Receivables increased by R590 million including trade receivables for Umongo Petroleum of R178 million (2017: Rnil), longer payment terms given to customers and delayed payments by customers due to public holidays coinciding with the financial year-end date making up the balance.

Total liabilities at financial year-end were R7 919 million (2017: R5 222 million), up R2 697 million or 52%. **Current liabilities** increased by R1 604 million or 37% to R5 995 million (2017: R4 391 million), with gross bank overdrafts increasing to R2 570 million (2017: R1 040 million) mainly to fund the additional working capital requirements and to offset the use of excess cash to acquire Umongo Petroleum.

Non-current liabilities increased by R1 093 million to R1 924 million (2017: R831 million), with part of the R915 million increase in long-term debt being utilised to fund the construction of the Nitrophosphate plant (R520 million) and the balance to fund working capital. The debt profile for the Group was restructured to a more appropriate split of 70% as short-term debt (less than one year) and the remaining 30% as long-term debt (more than one year).

Net debt was R2 542 million at year-end (2017: R90 million net cash).

Total equity decreased to R7 483 million (2017: R7 542 million). The movement comprises net profit after tax of R664 million (2017: R592 million) offset by a decrease in the foreign currency translation reserve of R491 million (2017: R425 million), as a result of strengthening of the rand against the US dollar, and dividends paid of R262 million (2017: R233 million).

CASHFLOW STATEMENT

Cash utilised in operating activities of R767 million utilised (2017: cash generated of R886 million) was largely attributable to higher working capital as well as the inclusion of Umongo Petroleum for the first time.

Cash outflow from investing activities of R1 452 million (2017: R772 million) was higher due to the increase in expenditure that was in line with the business plan including funding the construction of the Nitrophosphate plant of R196 million (2017: R20 million), R166 million (2017: R121 million) capitalised as intangible assets of which R150 million (2017: R117 million) relates to the implementation of Dynamics AX and R578 million for acquisitions concluded during the year, including R566 million paid to acquire a 90% interest in Umongo Petroleum and R12 million for a 100% interest in the LDR group of companies.

Cash inflow from financing activities of R601 million (2017: R139 million outflow) was higher due to an increase in new long-term debt financing of R520 million to fund the Nitrophosphate plant construction and R400 million for working capital requirements. The Group incurred R45 million for the minority share buyout in AIS.

DIVISIONAL REVIEW

AGRICULTURE

Omnia's Agriculture division comprises Fertilizer RSA, Fertilizer International and Agriculture Trading and is the market leader in its field in South Africa and southern Africa.

The Agriculture division's revenue decreased by 2% to R7 965 million (2017: R8 159 million) on the back of a 2% decrease in total volumes sold. Revenue from Agriculture RSA was down 4.5% year-on-year due to the continued impact of the drought in some parts of southern Africa as well as a stronger rand throughout the year. The impact of the stronger rand on the value of inventory was mitigated through an effective hedging programme that generated a total of R110 million of foreign exchange gains, which was offset in part by lower margins. Agriculture International increased revenue by 5.2% driven by the increase in the demand for K-humate™ sales in various countries, the expansion of the retail business in Zambia and higher selling prices in Zimbabwe due to the impact of the high inflation economy and increased demand for agrochemical sales following the change in political regime with a renewed focus on the agriculture sector in that country. Agriculture Trading reduced revenue by 8.9% in line with a strategy of focusing on the working capital requirements and margins to improve the financial performance of the business.

The total operating profit margin of 8.9% (7.3% excluding the various adjustments including the litigation relating to the main supplier of phosphoric acid, Competition Commission settlement and environmental rehabilitation provisions) is higher than the previous year's margin of 5.3% and above the current year's target of 6.0% to 8.0%. The adjusted 200 basis points year-on-year increase in margin was driven by strong growth in the Agriculture International business, production efficiencies, effective commodity and foreign exchange hedging in Agriculture RSA, which protected the business from the impact of the stronger rand on margins, and a good recovery in Agriculture Trading. Operating profits increased by 63% to R711 million (2017: R436 million) or by 34% to R583 million (2017: R436 million), excluding the once-off adjustments.

Net working capital increased by 31% to R2 010 million (2017: R1 557 million) due to inventories in Agriculture RSA returning to higher than normal levels following the breakdown of the NAP2 plant that negatively impacted on production in the prior year as well as lower than anticipated sales at season end. At year end, Agriculture International was holding higher stock for April 2018 deliveries, which were later than in the prior year. Trade and other receivables decreased by R161 million.

AXIOTEQ

Effective 1 August 2017, the Group acquired a 100% of the net assets and liabilities of LDR for a purchase consideration of R12 million, excluding performance bonuses and retainer amounts to keep the unique skills in the team, which is a critical building block for the newly established Axioteq business. Following the acquisition, Axioteq has focused on two key areas, namely, Innovative systems and Data solutions. The Innovative systems team will focus on cutting edge technologies, which consist of continuous data gathering, field services and hardware, and the Data solutions team will focus on data processing, analytics and software.

MINING

Omnia's Mining division services the mining industry through BME and Protea Mining Chemicals.

The Mining division's net revenue increased by 16% to R5 080 million (2017: R4 378 million), volumes are 9% higher and average prices 7% higher than the prior year. The growth in volumes is due to new business obtained in the Northern Cape and higher volumes from existing clients.

Mining Chemicals was able to maintain the overall volumes sold with new business offset by the downturn in the uranium sector where low uranium prices resulted in lower volumes mined. The outlook for this commodity remains weak and management have proactively managed to reduce the financial and operational exposure in this area and establish new sources of revenue using the existing infrastructure that previously supported this business.

The operating profit of R387 million (2017: R454 million) was achieved at an operating margin of 7.6% (2017: 10.4%), which was 280 basis points down on the previous year. This is below the current year's guidance of 12.0% to 14.0%. The Mining division incurred a number of once-off expenses in the year, namely a large doubtful debt provision of R64 million for a single client in Angola, R14 million share-based payment charge upon acquiring the remaining 35% of AIS and R23 million to set up the new businesses in Canada and the USA and other internal realignment projects. Excluding these items, adjusted operating profit was R488 million (2017: R454 million) with an operating margin of 9.6% (2017: 10.4%) or 80 basis points lower than the prior year.

Net working capital increased to R1 395 million (2017: R967 million), due to slower paying debtors and higher inventory as a result of minimum shipping quantities required by international suppliers.

ADVANCED INITIATING SYSTEMS

In 2011, Omnia acquired a 65% interest in AIS, a blasting and explosives distribution and service business in Australia. In terms of a call option agreement, Omnia acquired the remaining 35% interest for A$4.4 million (R45 million). The transaction was closed on 1 November 2017 and the purchase consideration was settled from cash resources. The results for AIS will continue to be reported under the Mining International segment. The mark-to-market adjustment of the option, resulted in a R14 million (2017: R31 million) charge to the income statement in the current year. This amount has been included in the once off costs mentioned earlier.

CHEMICALS

The Chemicals division comprises Protea Chemicals and Umongo Petroleum (acquired effective 1 December 2017).

Net revenue increased by 16% to R4 327 million (2017: R3 732 million) with an 8% increase in volumes sold, mostly attributable to the offshore product and services offering under Protea Process™ and the inclusion of Umongo Petroleum for the four-month period to 31 March 2018. Overall, the Chemicals division achieved an 8% year-on-year increase in average selling prices mainly due to the inclusion of Umongo Petroleum.

Operating profit increased by 2% to R146 million (2017: R143 million). The operating margin decreased by 40 basis points to 3.4% (2017: 3.8%) and was at the lower end of the current year's target of 3.0% – 5.0%. The South African business continued to struggle due to the weak local economy, and the division's strategy to diversify into other African countries, is starting to bear fruit. The results include R46 million (2017: R2 million) for Omnia's 50% share of profit from the long established distribution joint venture in Zimbabwe, that benefited from the change in political leadership and the shift in focus to the agriculture sector which boosted demand for agrochemicals. Excluding the charges for the amortisation of intangibles and share-based payment expenses attributable to Umongo Petroleum of R22 million, the margin was 3.9%. Excluding both Umongo and the 50% share of profits in the joint venture, the normalised operating margin is 2.8%, marginally lower compared to the prior year at 3.8%.

Net working capital increased to R1 188 million (2017: R597 million) due to the division's increased inventory holdings linked to new products that will only realise value in FY2019 and lower debtor collections predominately due to timing of payments received as a result of the public holidays at year-end.

UMONGO PETROLEUM

The date of the acquisition of 90% of Umongo Petroleum was effective 1 December 2017 and the results were consolidated under the Chemicals division from that date. The operating results of Umongo Petroleum for the four months ended 31 March 2018 were R21 million (profit before interest and tax). This was offset by the amortisation of the identified intangible assets of R16 million and a share-based payment charge from a call option linked to the 10% minority interest of R6 million.

PROSPECTS

The Agriculture division is expected to benefit from a more diverse business which includes international growth as well as diversification into other crops as well as new services and solutions. With the conclusion of the Oro Agri acquisition, effective from 1 May 2018, the synergies identified in the acquisition process present a number of opportunities to further expand both businesses. It is further expected that there will be further improvements in production efficiency at Sasolburg and a slight uptick in commodity prices that will increase the sales prices for fertilizer products in the new year. International crop prices remain under pressure on a global basis. This is due to record harvests in most large producing countries in recent years. Regional farmers are under financial pressure due to low crop prices and variability in yield due to adverse weather conditions. This remains a concern going into the new year. Years of significant focus on the safety performance, production throughput and quality at our major Sasolburg factory finally started to return the required results, even though the import of certain fertilizer products still took place in the current year. The improved throughput bodes well for improved efficiencies and asset utilisation in the future. The ammonia:urea ratio, an index of our nitrogen raw material economics, was at an average of approximately 1.25 (2017: 1.23) for the year. The ratio is expected to remain favourable, but volatile in the forthcoming year.

The business development team was successful in concluding the acquisition of Oro Agri SEZC Limited and Oro Agri SA (Proprietary) Limited for US$100 million that was announced in March 2018. The Oro Agri transaction adds the production, distribution and sales of a unique range of patented agriculture biological (AgriBio) products as a key segment to the Agriculture division and provides excellent growth opportunities going forward. The Agriculture division will concentrate on further improving its technological and service offering, particularly concentrating on the synergies derived from the Oro Agri acquisition, enabling a stronger international focus and further growth.

The board approved the construction of a new Nitrophosphate plant at the Sasolburg factory that will allow for significant expansion of the Group's Nitrophosphate production capacity. The project at a cost of R630 million (R800 million including capitalised interest) is on schedule for completion by 31 March 2019. The plant will allow Omnia to use phosphate rock as a phosphate source instead of the higher priced downstream alternatives such as phosphoric acid. The new plant, once fully operational, is expected to lead to an improvement of approximately 1.0 to 1.5 percentage points in the Agriculture division's operating margin (excluding Oro Agri). Nitrophosphate, as a phosphate source, provides significant agronomic benefits and opportunities for Omnia to further differentiate its products. Nitrophosphate production is also environmentally friendlier than the production of phosphoric acid, which generates significant volumes of phosphate contaminated gypsum as a by-product. Due to the expected shortage of phosphoric acid and to reduce the reliance on the Group's main supplier of phosphoric acid, it was decided to aim for an early start-up of the reaction section on the Nitrophosphate plant towards the end of calendar 2018, which will produce mother liquor. This product is used as an alternative source of phosphate in the production of fertilizers.

The mining sector, after the last few years of lower international demand for mineral and metal commodities and subdued prices, is starting to show signs of recovery with metal and mineral prices recovering across the board. The international growth of BME's electronic detonator sales and the various technological offerings are gaining momentum. Futher growth of the sale of these products on an international basis is expected as the required registration of BME's products in the various target markets are obtained.

Although the Chemicals division faces weak demand for its products from local manufacturing clients, there are a number of pleasing growth opportunities internationally. A number of new and exciting principles having recently been secured and a strong growth path is expected for Umongo Petroleum with its distribution agreements with Chevron Products (base oils) and Chevron Oronite (additives) as well as other major global chemical suppliers.

The two major acquisitions of Umongo Petroleum and Oro Agri, both internally funded, enable acceptable gearing of the balance sheet of between 30% and 40% at year-end and are expected to significantly improve the returns to shareholders. Gearing at year-end was 34%. The executive team's focus for the year is to bed down the two acquisitions, drive the expected value and continue to focus on the implementation of Dynamics AX and further improve the control environment throughout the Group across all juristictions.

Omnia will focus on the implementation of the revised Group strategy which includes:

At Omnia, we leverage knowledge, enable technology and build relationships. This combination **delivers trusted performance, innovation for customers** and has a positive impact on the environment resulting in a **better world**. The Group strategy comprises three strategic pillars that aim to:

- Transform the existing business
- Create new growth
- Build people and Omnia's reputation

DIVIDENDS

The board has declared a final gross cash dividend of 150 cents (2017: 180 cents) per ordinary share, payable from income in respect of the year ended 31 March 2018. Together with the interim dividend of 200 cents (2017: 160 cents) per share, this provides shareholders with a total dividend this financial year of 350 cents (2017: 340 cents) per ordinary share. The number of ordinary shares in issue at the date of this declaration is 68 996 832 (including 1 049 273 treasury shares held by the Group). The gross dividend is subject to local dividends tax of 20% (2017: 20%) for those shareholders to which local dividends tax is applicable. The resultant net final dividend amount is 120 cents per share for those shareholders subject to local dividends tax and 150 cents per share for those shareholders not subject to local dividends tax. The company's tax reference number is 9400087715.

The salient dates for the final dividend are as follows:

Last day to trade cum dividend	Tuesday, 10 July 2018
Shares trade ex-dividend	Wednesday, 11 July 2018
Record date	Friday, 13 July 2018
Payment date	Monday, 16 July 2018

Share certificates may not be dematerialised or materialised between Wednesday, 11 July 2018 and Friday 13 July 2018, both dates inclusive.

Changes to the board and company secretary

The following changes have been made to the composition of the board and company secretary:

- RB Humphris retired as Group managing director on 31 May 2017 and was replaced by AJ de Lange who was appointed as Group managing director on 1 June 2017
- NJ Crosse retired from the board and as non-executive chairman on 31 May 2017 and was replaced by RB Humphris who was appointed as non-executive chairman of the board on 1 June 2017
- CD Appollis resigned as the Group's company secretary effective 30 November 2017
- A Eaton was appointed as acting company secretary effective 1 February 2018 until 31 July 2018
- M Nana was appointed as company secretary effective 1 July 2018
- HH Hickey resigned from the board and as audit committee chairman effective 30 November 2017

- L de Beer was appointed to the board and as audit committee chairman effective 30 November 2017
- D Naidoo resigned from the board and audit committee effective 30 January 2018
- Dr WT Marais retired from the board effective 12 March 2018
- H Marais (alternate director to WT Marais) retired from the board effective 12 March 2018
- T Mokgosi-Mwantembe was appointed as non-executive director effective 1 June 2018

RB Humphris Chairman	**AJ de Lange** Group managing director	**WG Koonin** Group finance director

26 June 2018

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Omnia Holdings Limited

OPINION

The summary consolidated financial statements of Omnia Holdings Limited, set out on pages 1 to 8 of the summarised financial statements, which comprise the summary consolidated balance sheet as at 31 March 2018, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Omnia Holdings Limited for the year ended 31 March 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in the basis of preparation note to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 June 2018. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in basis of preparation note to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: T Rae
Registered Auditor

Johannesburg

26 June 2018

ABOUT THE GROUP

BACKGROUND INFORMATION

Omnia is a diversified chemicals Group that supplies chemicals and specialised services and solutions for the agriculture, mining and chemical application industries. Using technical innovation, combined with intellectual capital, Omnia adds value for customers at every stage of the supply and service chain. With its vision of leaving a better world as a footprint, the Group's solutions promote the responsible use of chemicals for health, safety and a lower environmental impact, with an increasing shift towards cleaner technologies.

Omnia's corporate office is based in Johannesburg, South Africa and its main production facility in Sasolburg, some 70 kilometres south of Johannesburg. At 31 March 2018, the Group has a physical presence in 31 countries and its operations extend into 22 countries on the African continent, including South Africa, with additional focused operations in Australasia, Brazil and China.

UMONGO PETROLEUM

Umongo is a market-leading business which is complementary to Protea Chemicals and which will contribute to its product and market strategy. The addition of a base oil, additive and lubricant business to the Chemicals division from 1 December 2017, will broaden its current product offering and create new opportunities to grow the business in South Africa and sub-Saharan Africa.

ORO AGRI

Oro Agri is an international company involved in the research and development, production, distribution and sales of a unique range of patented AgriBio products. The key product ranges include biostimulants, adjuvants, crop protection products, liquid foliar fertilizers and soil conditioners for large-scale agriculture applications, including all row, stone fruit, pasture and other crop types, as well as smaller pasture, lawn and garden applications.

AgriBio products, which comprise biopesticides, biostimulants and biofertilizers, are eco-friendly alternatives for crop protection, enhancement and nutrition without the use of traditional chemicals. The use of AgriBio products can substitute or significantly improve the effectiveness of traditional chemical-based pesticides, fungicides and herbicides. These products appear to be reaching their maximum performance levels due to growing resistance levels built up to insects and plant diseases over the years. The Oro Agri range of environmentally friendly products provides green solutions aimed at addressing traditional crop-inhibiting diseases, which stunt growth and reduce crop yield, increasing nutrient uptake and improving water use efficiency.

Oro Agri was acquired with effect from 1 May 2018.

AXIOTEQ

Axioteq consists of two departments, Innovative Systems and Data solutions. The Innovative systems team will focus on cutting-edge technologies which consist of continuous data gathering, field services and hardware. The Data solutions team will focus on data processing, analytics and software. Axioteq was formed with effect from 1 August 2017.

Executive directors: AJ de Lange (Group managing director), WG Koonin (Group finance director)

Non-executive directors: RB Humphris (Chairman), Prof N Binedell, RC Bowen (British), FD Butler, L de Beer, TNM Eboka, R Havenstein, SW Mncwango, T Mokgosi-Mwantembe

Acting Group Company Secretary: A Eaton

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Transfer secretaries: Link Market Services South Africa (Pty) Ltd, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein

Sponsor: Merchantec Capital, 2nd Floor, North Block, Hyde Park Office Tower, corner 6th Road and Jan Smuts Avenue, Hyde Park, 2196

Auditors: PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090

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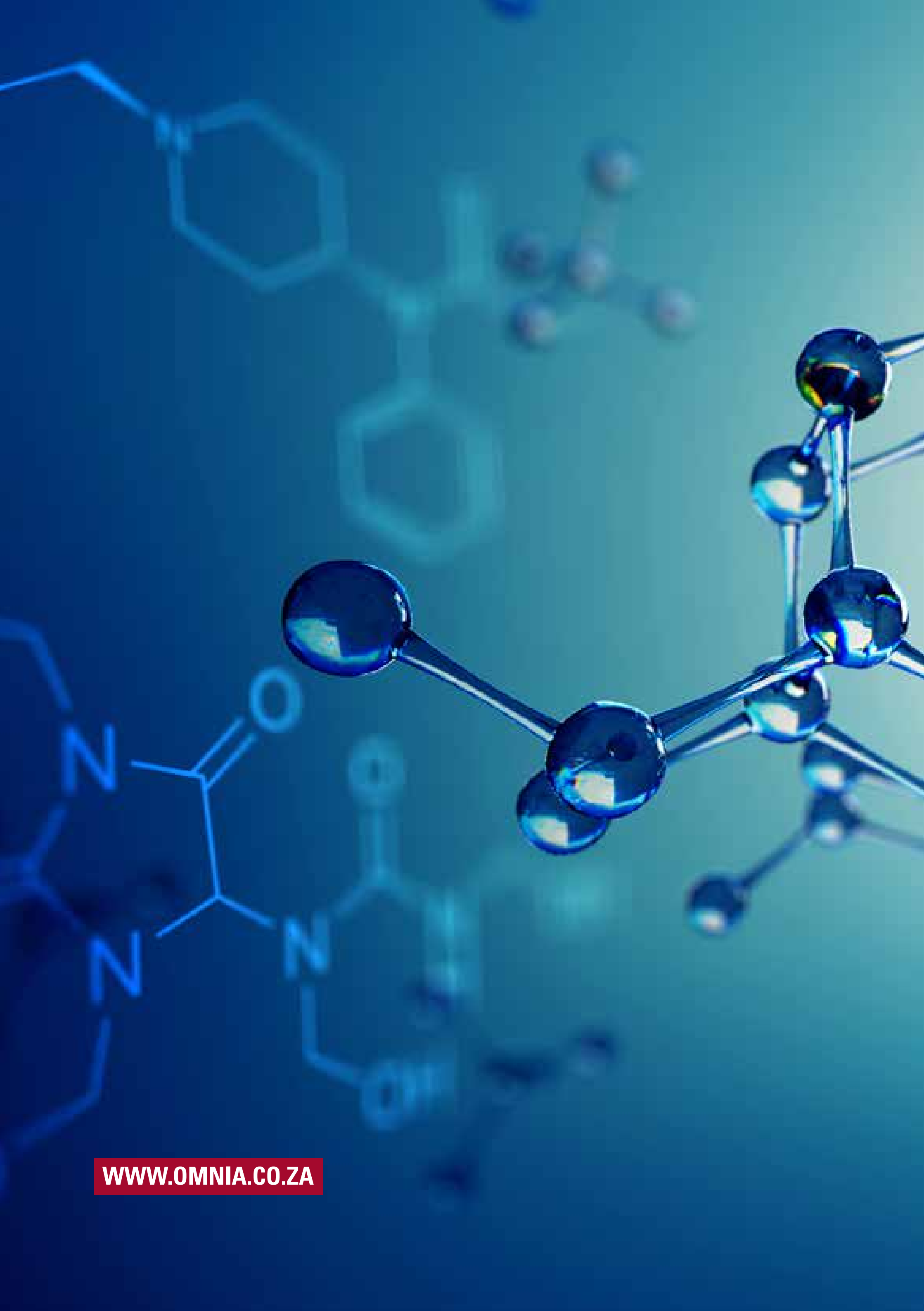
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