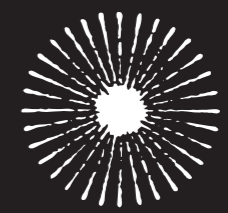


# AUDITED FINANCIAL RESULTS - For the year ended 31 March 2011



**OMNIA**

Bringing balance to life

## MAJOR FEATURES

- Profit for the year up 678% to R451 million
- Operating profit margin improves from 3.2% to 7.3%
- Lower finance costs
- Successful completion of R1 billion Rights Offer
- Debt:equity ratio improves to 10%

## KEY DRIVERS

- Strong demand for mining and agriculture commodities
- Strong Rand
- Low activity levels SA Manufacturing Sector

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

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

Rm	Audited 2011	%	Audited 2010
<b>Continuing operations</b>			
Revenue	9 368	6	8 827
Cost of sales	(7 403)	-	(7 438)
<b>Gross profit</b>	<b>1 965</b>	<b>41</b>	<b>1 389</b>
Other operating income	85	10	77
Administrative expenses	(532)	3	(517)
Distribution expenses	(790)	15	(688)
Other operating expenses	(41)	-	18
<b>Operating profit</b>	<b>687</b>	<b>146</b>	<b>279</b>
Finance cost	(122)	(44)	(217)
Finance income	39	(11)	44
Share of (loss)/profit of associates	(2)	-	3
<b>Profit before taxation</b>	<b>602</b>	<b>452</b>	<b>109</b>
Income tax expense	(151)	(51)	-
<b>Profit for the year</b>	<b>451</b>	<b>678</b>	<b>58</b>
<b>Attributable to:</b>			
Owners of Omnia Holdings Limited	448	56	-
Non-controlling interest	3	2	-
	451	58	-
Basic earnings per share (cents)	768.2	560	116.4
Fully diluted basic earnings per share (cents)	766.8	560	116.1

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

Rm	Audited 2011	Audited 2010
<b>Profit for the year</b>	<b>451</b>	<b>58</b>
<b>Other comprehensive income, net of tax</b>		
Movement in foreign currency translation reserve	(67)	(228)
Movement in cash flow hedge	9	(8)
<b>Total comprehensive income/(loss) for the year attributable to:</b>	<b>393</b>	<b>(178)</b>
Owners of Omnia Holdings Limited	390	(180)
Non-controlling interest	3	2
	393	(178)

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2011

Rm	Audited 2011	%	Audited 2010
<b>Assets</b>			
<b>Non-current assets</b>	<b>2 561</b>	<b>32</b>	<b>1 944</b>
Property, plant and equipment	1 938	50	1 295
Intangible assets	523	(3)	537
Available-for-sale financial assets	16	(16)	19
Investments in associates	78	(7)	84
Deferred income tax assets	6	(33)	9
<b>Current assets</b>	<b>3 743</b>	<b>15</b>	<b>3 243</b>
Inventories	1 488	13	1 315
Trade and other receivables	1 722	26	1 365
Cash and cash equivalents	533	(5)	563
<b>Total assets</b>	<b>6 304</b>		<b>5 187</b>
Equity			
Equity attributable to owners of Omnia Holdings Limited	3 338	69	1 973
Stated capital	1 289	318	-
Treasury shares	(19)	(8)	-
Other reserves	11	54	-
Retained earnings	2 057	1 609	-
Non-controlling interest in equity	1	(2)	-
<b>Total equity</b>	<b>3 339</b>	<b>69</b>	<b>1 971</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>	<b>411</b>	<b>(54)</b>	<b>884</b>
Deferred income tax liabilities	130	63	80
Debt	281	804	-
<b>Current liabilities</b>	<b>2 554</b>	<b>9</b>	<b>2 332</b>
Trade and other payables	1 953	(10)	2 167
Debt	523	384	108
Current income tax liabilities	7	2	-
Bank overdrafts	71	29	55
<b>Total liabilities</b>	<b>2 965</b>		<b>3 216</b>
<b>Total equity and liabilities</b>	<b>6 304</b>		<b>5 187</b>
Net debt	342	404	-
Net asset value per share (Rand)	50.35	42.40	-
<b>Capital expenditure</b>			
Depreciation	127	119	-
Amortisation	28	23	-
Incurred	801	385	-
Authorised and committed	322	9	-
Authorised but not contracted for	604	420	-

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2011

Rm	Audited 2011	Audited 2010
Operating profit	687	279
Depreciation and amortisation	155	142
Adjustment for non-cash items	(22)	103
<b>Cash generated from operations</b>	<b>820</b>	<b>524</b>
(Utilised)/generated by working capital	(755)	805
Interest paid	(119)	(217)
Interest received	39	44
Taxation paid	(94)	(111)
<b>(Utilised)/generated by operating activities</b>	<b>(109)</b>	<b>1 045</b>
Dividends paid	-	(40)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(109)</b>	<b>1 005</b>
Cash outflow from investing activities	(783)	(466)
Cash inflow from financing activities	852	180
<b>Net (decrease)/increase in cash</b>	<b>(40)</b>	<b>719</b>
Net cash/(overdraft) at beginning of year	508	(214)
Effects of exchange rate movements	(6)	3
<b>Net cash at end of year</b>	<b>462</b>	<b>508</b>

## SEGMENTAL ANALYSIS

For the year ended 31 March 2011

Rm	Audited 2011	%	Audited 2010
<b>Revenue, net of intersegmental sales</b>	<b>9 368</b>	<b>6</b>	<b>8 827</b>
Chemicals	3 596	(3)	3 714
Mining	2 092	18	1 776
Agriculture	3 680	10	3 337
<b>Operating profit/(loss)</b>	<b>687</b>	<b>146</b>	<b>279</b>
Chemicals	64	(58)	152
Mining	311	47	212
Agriculture	312	(85)	-

Segmental revenue for 2010 has been restated as revenue of R374 million attributable to the Chemicals division was incorrectly classified as Agriculture revenue.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Owners of Omnia Holdings Limited Equity

Rm	Stated capital	Treasury shares	Other reserves	Retained earnings	Non-controlling interest	Total
<b>At 31 March 2009</b>						<b>2 137</b>
Recognised income and expenses	201	(11)	286	1 663	(2)	2 137
Profit for the year ended 31 March 2010	-	-	-	56	2	58
Cash flow hedge	-	-	(8)	-	-	(8)
Currency translation difference	-	-	(228)	-	-	(228)
Ordinary dividends paid and capitalisation shares issued	26	-	-	(66)	-	(40)
Treasury shares sold	-	3	-	-	-	3
Share-based payment - value of services provided	-	-	49	-	-	49
Share-based payment - ordinary shares issued	91	-	(45)	(44)	(2)	-
<b>At 31 March 2010</b>	<b>318</b>	<b>(8)</b>	<b>54</b>	<b>1 609</b>	<b>(2)</b>	<b>1 971</b>
Recognised income and expenses	-	-	-	448	3	451
Profit for the year ended 31 March 2011	-	-	-	15	-	15
Currency translation difference	-	-	(67)	-	-	(67)
Share-based payment reserve	-	-	15	-	-	15
Cash flow hedge	-	-	9	-	-	9
Transactions with shareholders	-	-	-	-	-	-
Ordinary shares issued	971	-	-	-	-	971
Treasury shares purchased	-	(12)	-	-	-	(12)
Treasury shares sold	-	1	-	-	-	1
<b>At 31 March 2011</b>	<b>1 289</b>	<b>(19)</b>	<b>11</b>	<b>2 057</b>	<b>1</b>	<b>3 339</b>

## OTHER RESERVES

As at 31 March 2011

Rm	Audited 2011	Audited 2010
<b>Reserves comprise of:</b>		
Share-based payment reserve	96	81
Foreign currency translation reserve	(89)	(22)
Cash flow hedge	1	(8)
Net discount arising on acquisition of shares of subsidiaries	3	3
	11	54

## RECONCILIATION OF HEADLINE EARNINGS

For the year ending 31 March 2011

Rm	Audited 2011	Audited 2010
Profit for the year attributable to owners of Omnia Holdings Limited	448	56
Adjusted for (profit)/loss on disposal of fixed assets	(4)	-
Adjusted for profit on businesses contributed to associate	-	(20)
Adjusted for impairment of intangible assets	3	-
<b>Headline earnings</b>	<b>447</b>	<b>37</b>
<b>Headline earnings</b>		
Headline earnings are 766.5 cents per share (2010: 76.9 cents per share)		
Diluted headline earnings are 765.1 cents per share (2010: 76.7 cents per share)		

## ADDITIONAL INFORMATION

	Audited 2011	Audited 2010
Final dividend paid per share (cents) in respect of prior year	-	150
Weighted average number of shares in issue ('000)	58 316	48 107
Weighted average number of diluted shares in issue ('000)	58 427	48 236
Number of shares in issue ('000)	66 307	46 491

## NOTES

### Accounting policies

The condensed consolidated financial statements for the year ended 31 March 2011 were prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 - Interim Financial Reporting, the AC500 standards as issued by the accounting practice board and in compliance with the Listing Requirements of the JSE Limited. The condensed consolidated financial statements do not include all of the information required by IFRS for full annual financial statements.

During the year the company issued shares by way of a renounceable rights offer. In accordance with IAS 33, prior period basic, headline and diluted earnings per share have been restated to take into account the bonus element of the rights offer.

The principal policies used in the preparation of the results for the year ended 31 March 2011 are consistent with those applied for the year ended 31 March 2010, except for the adoption of IFRS 3 (revised) and IAS 27 (revised) which have no impact on the results as there were no business combinations in the current period and no transactions with non-controlling interests.

### Commitments

The future minimum lease payments under non-cancellable operating leases are R18 million (2010: R20 million) within one year and R43 million (2010: R79 million) between two and five years and R0 million (2010: R9 million) beyond five years, giving a total of R61 million (2010: R108 million).

### Goodwill

An annual impairment test on the balance of goodwill has been performed as at 30 September 2010. No impairment loss has occurred.

### Audit opinion

The Group's auditors, PricewaterhouseCoopers Inc., have issued their opinion on the Group's financial statements for the year ended 31 March 2011. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised financial statements have been derived from the Group financial statements and are consistent in all material respects with the Group financial statements. A copy of the audit report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the auditors.

### INTRODUCTION

Omnia is a diversified, specialist chemical services provider with business interests balanced across chemical, mining and agricultural markets. The Group's model, which leverages its intellectual capital and technology, differentiates it from commodity chemical companies.

The Group's three business divisions (chemicals, mining and agriculture) continue to provide value add customised solutions built on a continually expanding knowledge base. Omnia's business model places it at the forefront of the chemical services industry and involves uniquely matching customer needs to product innovation and application expertise to add extraordinary value to its customer's businesses.

It is with great sadness that we report on a tragic incident in our Mining division when an explosion at its cartridge manufacturing plant resulted in the deaths of three employees. This incident is the first of its kind in 25 years of operating our explosives business. Before this, the cartridge manufacturing plant had operated successfully without incident since it was commissioned 15 years ago. May Jacob Thekiso, Dikgang Khasu and Zane (Ariel) Phajane rest in peace. We will not forget you.

### MARKET CONDITIONS

The macro environment for this year was more stable and was exceptionally good for our Mining division, extremely difficult for our Chemical division and somewhat positive for our Agriculture division. At the beginning of the year, a patchy recovery in global economic activity started as economies began to respond to the substantial stimulus packages that had been implemented by various governments, which in turn resulted in mining and agricultural commodity prices rising and demand for mining commodities in particular increased. The rand continued to strengthen against the US dollar, negatively impacting all of our divisions selling prices and margins - this being felt most acutely in our Chemical division which also suffered the effect of depressed demand from our customers in the South African manufacturing sector as they struggled with competition against cheap imports made possible by rand strength. Inflation remained well under control within the South African Reserve Bank target inflation band and interest rates remained at historical lows.

### FINANCIAL REVIEW

Group revenue rose 6% to R9 368 million (2010: R8 827 million) on the back of volume increases in the Mining and Agriculture division and overall commodity price increases, partially offset by rand strength. No carbon credit revenue (CER) was generated this year (2010: R50 million) due to a delay in the certification of the CER's that were generated.

Gross profit increased 41% to R1 965 million (2010: R1 389 million) and rose to 21% of revenue (2010: 15.7%) due to improved gross margins in the Mining division and the avoidance of a repeat of the previous year's R350 million abnormal downward valuation of inventory in the Agriculture division. Adjusting the previous year's gross profit for the R350 million abnormal downward valuation of inventory, this year's gross profit margin of 21% is a credible improvement of 1.3% on last year's pre downward valuation of inventory adjusted gross profit margin of 19.7%.

Other operating income of R85 million (2010: R77 million) included an insurance claim receipt of R44 million (2010: R32 million), while other operating income of the previous year included a profit of R20 million on the transfer of businesses to our Naico Associate.

Administration overheads increased by 3% to R532 million. Included in administration expenses is share based payment charges of R15 million (2010: R42 million) and a higher level of provision for incentive bonuses. Taking these into account,

administration costs were well controlled. Distribution overheads increased by 15% to R790 million primarily due to higher volumes in the Mining and Agriculture divisions. Other expenses comprise mainly foreign exchange profits and losses on trading - a loss of R30 million (2010: R44 million profit) was incurred due to the continued strength of the rand.

Operating profit increased 146% to R687 million (2010: R279 million). After adjusting last year's operating profit for the R350 million abnormal downward valuation of inventory, operating profit of R687 million increased 9.2% on a 6.1% rise in revenue. This was due to a substantial improvement in the operating margin in our Mining division as operating leverage kicked in, a small improvement in operating margin in our Agriculture division on the back of higher volumes and higher commodity prices and partially offset by a reduced operating margin in our Chemical division due to a decline in gross profit whilst overheads were similar to the previous year. There was no contribution this year to operating profit from sale of CER's, whereas last year, sale of CER's contributed a net R43 million.

Finance costs of R122 million comprise of interest paid and foreign exchange gains or losses on conversion of foreign bank balances. Finance costs reduced from R217 million to R122 million due to a reduction in debt following receipt of the net proceeds of R971 million from the rights offer that was received on 14 September 2010, lower overall cost of debt due to lower interest rates, a reduction of R29 million in the loss on conversion of foreign bank balances, partially offset by higher average working capital requirements as a result of higher commodity prices, and the very late agriculture summer sales season due to the unusually late start to summer season rains in South Africa. Taxation increased to R151 million (2010: R51 million) incurring an effective tax rate of 25% (2010: 47%).

Total assets increased by 21.5% from R5 187 million to R6 304 million due to increased capex spend on the new Nitric Acid Complex and higher levels of working capital. Property plant and equipment increased by R643 million to R1 938 million mainly as a result of R546 million spent on the new Nitric Acid Complex.

Inventory increased 13% from R1 315 million to R1 488 million due to higher unit costs as a result of higher commodity prices in our Agriculture division, and a degree of restocking in the Agriculture division off the unusually low physical stockholding at the end of the previous year. Trade and other receivables increased 26% from R1 365 million to R1 722 million due to the very late agriculture summer sales season that resulted in a higher than normal level of Agriculture division trade debtors, late receipt of US dollar 12 million receivable, and an earlier than normal advance payment of US dollar 22.5 million made to secure supply of product for a fertilizer tender.

Equity increased by 69% from R1 973 million to R3 339 million as a result of the net proceeds of R971 million from the rights offer received on 14 September 2010, retained current year earnings of R448 million, which was partially offset by a R67 million reduction in foreign currency translation reserve due to the impact of the strong rand on our US dollar denominated equity.

Cash flow utilised by operations was R109 million compared to cash generated from operations of R1 045 million in the previous year primarily due to the changes in cash flow attributable to working capital, partially offset by better cash generated through operating profits. In the previous year working capital reduced by R805 million, mainly in inventory reduction, due to lower unit costs caused by the lower commodity prices and the reduction in the physical inventory of the Agriculture division from the high levels carried over from the 2009 financial year to lower than normal levels at the end of the 2010 financial year. This year working capital increased by R755 million due to higher inventory and receivables and lower payables. Cash outflow from investing activities increased by R317 million to R783 million (2010: R466 million) due primarily to capex on the Nitric Acid Complex. After taking into account the cash inflow from finance activities of R852 million (2010: R180 million) to which the rights offer contributed R971 million, there was a net cash outflow of R40 million (2010: R719 million inflow).

The year ended with a very strong balance sheet with net debt of R342 million (2010: R404 million) and a debt:equity ratio of 10% (2010: 20%). In looking at the net debt of R342 million, it should be borne in mind that capex expended to date on the Nitric Acid Complex is R621 million out of the R971 million equity raised for that purpose. The balance of R350 million has been temporarily used to reduce short term debt, and will be utilised to fund capital expenditure on the nitric acid complex in 2012.

## DIVISIONAL REVIEW

### Chemicals

Protea Chemicals, operating throughout southern and eastern Africa, is a well-established manufacturer and distributor of speciality, functional and effect chemicals and polymers, with a major presence in every sector of the broader chemical distribution market. It was recently rated as the 13th largest chemical distribution company in a global survey by the respected industry journal, ICIS Chemical Business.

Revenue reduced by 3% to R3 596 million (2010: R3 714 million) as volumes were stagnant and there was a small decline in selling prices as international commodity prices increases were insufficient to offset rand strength. The gross profit declined year on year, and with overheads being contained at the previous year's level due to cost reduction measures undertaken, operating profit declined 58% to R64 million (2010: R152 million). The operating margin decreased to an unacceptable low 1.8% (2010: 4.1%). Net working capital decreased marginally to R252 million (2010: R264 million).

### Mining

The Mining division offers a broad range of services to the mining industry through BME and Protea Mining Chemicals. BME, operating throughout Africa, is a market leader in blended bulk explosives formulations for the open cast mining industry, produces electronic delay detonators and shocktube initiation systems and manufactures packaged explosives for underground mining and specialised surface blasting operations. The company adds value to its products through its world-class blasting consultancy service using its unique in-house developed BlastMap software solution, which offers customers support and advice from industry experts and highly qualified mining engineers. Protea Mining Chemicals, operating in southern Africa, offers value added services to complement its wide range of chemical products. These include offerings such as Protea Process™, a comprehensive service that covers the handling, logistics and on site formulation of chemicals for its customers.

Revenue increased 18% to R2 092 million (2010: R1 776 million) on the back of strong volume growth and a rise in commodity prices. The South African operation in particular demonstrated strong growth. Costs within the division were tightly managed such that operational leverage kicked in, resulting in a 47% increase in operating profit to R311 million