



OMNIA

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

HIGHLIGHTS

- > Revenue at all-time record of R16,3 billion
- > EBITDA up 21% to R1,9 billion
- > Operating profit up 15,0% to R1 416 million after abnormally high LTIP expenses
- > Operating profit up 22,3% to R1 495 million adjusting for abnormal portion of LTIP expense
- > Operating margin down to 8,7% from prior year's 9,2%
- > Operating margin is 9,2% adjusting for abnormal portion of LTIP expense
- > Profit for year up 12,7% at all-time record of R992 million
- > Profit for year up 20,2% to R1 049 million adjusting for abnormal portion of LTIP expense
- > Basic earnings per share up 12,3% to R14,96 per share
- > Debt:equity ratio of 5,7%



At home in Africa

AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014

Condensed consolidated income statement

for the year ended 31 March 2014

Rm	Audited 2014	%	Restated* Audited 2013
Revenue	16 259	21	13 432
Cost of sales	(12 647)	22	(10 360)
Gross profit	3 612	18	3 072
Other operating income	115	72	67
Administrative expenses	(908)	22	(744)
Distribution expenses	(1 324)	16	(1 137)
Other operating expenses	(79)	193	(27)
Operating profit	1 416	15	1 231
Finance expenses	(143)	22	(117)
Finance income	56	60	35
Share of loss of investments accounted for using the equity method	—	—	(1)
Profit before taxation	1 329	16	1 148
Income tax expense	(337)	26	(268)
Profit for the year	992	13	880
Attributable to:			
Owners of Omnia Holdings Limited	996	13	883
Non-controlling interest	(4)	—	(3)
	992	13	880
Earnings per share from profit attributable to owners of Omnia Holdings Limited			
Basic earnings per share (cents)	1 496	12	1 332
Diluted earnings per share (cents)	1 344	8	1 250

*2013 earnings have been restated for change in accounting policy relating to the adoption of IFRS 11. The accounting treatment for our joint venture, Acol Chemicals (Pvt) Limited, changed from proportionate consolidation to equity accounting. This restatement does not have a material impact on the Group.

Condensed consolidated statement of comprehensive income

for the year ended 31 March 2014

Rm	Audited 2014	Audited 2013
Profit for the year	992	880
Other comprehensive income, net of tax		
Currency translation differences	255	248
Total comprehensive income for the year attributable to:	1 247	1 128
Owners of Omnia Holdings Limited	1 251	1 131
Non-controlling interest	(4)	(3)
	1 247	1 128

Condensed consolidated cash flow statement

for the year ended 31 March 2014

Rm	Audited 2014	Restated* Audited 2013
Operating profit	1 416	1 231
Depreciation and amortisation	295	272
Adjustment for non-cash items	58	33
Cash generated from operations	1 769	1 536
Utilised by working capital	(52)	(172)
Interest paid	(169)	(117)
Interest received	56	35
Taxation paid	(289)	(207)
Net cash inflow from operating activities	1 315	1 075
Cash outflow from investing activities	(791)	(653)
Cash outflow from financing activities	(337)	(315)
Net increase in cash and cash equivalents	187	107
Net cash and cash equivalents at beginning of year	(321)	(428)
Exchange rate movements on cash and cash equivalents	3	—
Net cash and cash equivalents at end of year	(131)	(321)

Condensed consolidated balance sheet

as at 31 March 2014

Rm	Audited 2014	%	Restated* Audited 2013
ASSETS			
Non-current assets	4 270	15	3 714
Property, plant and equipment	3 672	19	3 098
Intangible assets	537	4	516
Available-for-sale financial assets	34	62	21
Investment accounted for using the equity method	17	(78)	76
Deferred income tax assets	10	233	3
Current assets	6 302	19	5 306
Inventories	3 213	11	2 892
Trade and other receivables	2 751	28	2 144
Cash and cash equivalents	338	25	270
Total assets	10 572	17	9 020
Equity			
Capital and reserves attributable to the owners of Omnia Holdings Limited	5 918	20	4 954
Stated capital	1 289	—	1 289
Treasury shares	(6)	—	(9)
Other reserves	655	—	389
Retained earnings	3 980	21	3 285
Non-controlling interest	(6)	—	(2)
Total equity	5 912	19	4 952
Liabilities			
Non-current liabilities	462	14	406
Deferred income tax liabilities	342	17	293
Debt	120	6	113
Current liabilities	4 198	15	3 662
Trade and other payables	3 577	24	2 883
Debt	84	—	130
Income tax liabilities	68	17	58
Bank overdrafts	469	(21)	591
Total liabilities	4 660	14	4 068
Total equity and liabilities	10 572	17	9 020
Net debt	335	—	564
Net asset value per share (Rand)	88,67	—	74,41
Capital expenditure			
Depreciation	264	—	242
Amortisation	31	—	30
Incurred	855	—	646
Authorised and committed	143	—	53
Authorised but not contracted for	184	—	234

Consolidated statement of changes in equity

for the year ended 31 March 2014

Rm	Attributable to the owners of Omnia Holdings Limited					Non-controlling interest	Total
	Stated capital	Treasury shares	Other reserves	Retained earnings			
At 31 March 2012	1 289	(15)	133	2 620	—	1	4 028
Recognised income and expenses	—	—	—	—	—	—	—
Profit for the year ended 31 March 2013	—	—	—	883	—	(3)	880
Currency translation difference	—	—	248	—	—	—	248
Transactions with shareholders	—	—	—	—	—	—	—
Ordinary dividends paid	—	—	—	(220)	—	—	(220)
Treasury shares sold	—	8	—	—	—	—	8
Share-based payment – value of services provided	—	—	8	—	—	—	8
Share Appreciation Rights exercised	—	(2)	—	2	—	—	—
At 31 March 2013	1 289	(9)	389	3 285	—	(2)	4 952
Recognised income and expenses	—	—	—	—	—	—	—
Profit for the year ended 31 March 2014	—	—	—	996	—	(4)	992
Currency translation difference	—	—	255	—	—	—	255
Transactions with shareholders	—	—	—	—	—	—	—
Ordinary dividends paid	—	—	—	(301)	—	—	(301)
Treasury shares purchased	—	3	—	—	—	—	3
Share-based payment – value of services provided	—	—	—	11	—	—	11
At 31 March 2014	1 289	(6)	655	3 980	—	(6)	5 912

Reconciliation of headline earnings

for the year ended 31 March 2014

Rm	Audited 2014	%	Audited 2013
Profit for the year attributable to owners of Omnia Holdings Limited	996		883
Adjusted for loss/(profit) on disposal of fixed assets	2	—	(1)
Adjusted for profit on disposal of associate	(55)	—	—
Adjusted for impairment of available-for-sale financial asset	11	—	—
Adjusted for insurance proceeds for replacement of property, plant and equipment	(3)	—	—
Headline earnings	951		882
Headline earnings per share			
Headline earnings per share (cents)	1 428	7	1 331
Diluted headline earnings per share (cents)	1 283	3	1 249

Segmental analysis

for the year ended 31 March 2014

Rm	Audited 2014	%	Restated* Audited 2013
Revenue, net of intersegmental sales	16 259	21	13 432
Mining	5 458	25	4 379
Agriculture	6 680	24	5 399
Chemicals	4 121	13	3 654
Operating profit	1 416	15	1 231
Mining	829	13	735
Agriculture	431	(3)	443
Chemicals	156	194	53

Other reserves

as at 31 March 2014

Rm	Audited 2014	Audited 2013
Share-based payment reserve	124	113
Foreign currency translation reserve	528	273
Net discount arising on acquisition of shares of subsidiaries	3	3
	655	389

Notes

BASIS OF PREPARATION

The summarised financial statements 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 JSE Listings Requirements and the requirements of the Companies Act of South Africa. The summarised financial statements do not include all of the information required by IFRS for full annual financial statements. The preparation of these financial statements was supervised by the Group finance director, NKH Fitz-Gibbon 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 2013, with the exception of the adoption of IFRS 11 Joint Arrangements, which has resulted in changes in accounting policies effective for the year commencing 1 April 2013 and has been applied retrospectively in line with the transitional requirements.

The accounting standards, amendments to issued accounting standards and interpretations, which are not yet effective as at 31 March 2014, have not been early adopted by the Group.

AUDIT OPINION

The Group's auditors, PricewaterhouseCoopers Inc., have issued their opinion on the Group's financial statements for the year ended 31 March 2014. 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 their 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.

Additional information

for the year ended 31 March 2014

	Audited 2014	Audited 2013
Weighted average number of shares in issue ('000)	66 592	66 288
Weighted average number of diluted shares in issue ('000)	74 128	70 615
Number of shares in issue ('000) (excluding treasury shares)	66 678	66 543

Commentary

INTRODUCTION Omnia is a diversified provider of specialised chemical products and services used in the mining, agriculture and chemicals sectors. Omnia has been in business for 61 years and has its head office in Johannesburg, South Africa. The Group's operations extend into broader Africa, Australasia and Brazil. Omnia differentiates itself from commodity chemical providers by adding value at every stage of the supply and service chain through technological innovation and by deploying our intellectual capital. We strengthen our business model by targeted backward integration through installing technologically advanced plants to manufacture core materials such as nitric acid and explosives emulsions. Besides securing sources of supply, this enables us to improve operational efficiencies throughout the product development and production chain. Omnia provides customised, knowledge-based solutions through our Mining, Agriculture and Chemicals divisions. The Group's proven business model makes us a market leader in chemical services. We prosper through offering extraordinary value to our customers by tailoring our solutions to their business needs through product and service innovation, with the expert application of these.

MACRO ENVIRONMENT The macro environment for this year was good for our Mining and Agriculture divisions and difficult for our Chemicals division. The global economy experienced a slow but gradual recovery, with growth moderating in emerging economies, a firm recovery in the USA economy and a patchy but directionally positive recovery in the Eurozone economies. The net impact was continued good demand for mining and agricultural commodities, large fluctuations in mining commodity prices, lower global prices for agricultural commodities and flat to reduced prices for chemical products. The Rand was weaker against the US Dollar which positively impacted our profit performance. Rand inflation increased but did not move materially outside the South African Reserve Bank's target inflation band. Interest rates remained at historical lows for the year. Despite low interest rates and a weaker rand exchange rate, economic activity levels in the South African manufacturing sector remained muted which was not supportive of our Chemicals division, as its primary customer base is drawn from the South African manufacturing sector.

FINANCIAL REVIEW

Income statement Group revenue rose 21,0% to R16 259 million (2013: R13 432 million) on the back of volume and sales price increases in the Mining and Agriculture divisions and price increases in the Chemicals division.

Gross profit increased 17,6% to R3 612 million (2013: R3 072 million) and reduced marginally to 22,2% of revenue (2013: 22,9%) due to reduced gross margins in the Mining and Agriculture divisions.

Other operating income of R115 million (2013: R67 million) included a gain of R52 million on the disposal of the interest in the Nalco Africa associate, and an insurance claim receipt of R12 million (2013: R21 million).

Administration overheads increased by 22,0% to R908 million (2013: R744 million) due primarily to abnormally high Long-Term Incentive Plan (LTIP) expenses. LTIP expenses included in administration expenses are IFRS 2 share-based payment charges for equity settled LTIPs of R10,6 million (2013: R8,4 million), charges for cash settled LTIPs (these being

Partner 4 and Phantom Share Scheme) of R127,9 million (2013: R34,3 million) and the sharp increase in the provision for Share Appreciation Rights of R61,7 million (2013: R29,8 million). The total charge for this year for these three items is R200,2 million, a substantial increase on the R72,5 million of FY2013. The reason for the current year charges being regarded as abnormal and the effects thereof are dealt with below. The remuneration report, in the corporate governance section of our 2014 integrated annual report, which will be distributed in due course, provides full details on Omnia's employee participation schemes. Excluding the three aforementioned LTIP costs, other administration costs increased by 5,4%. Distribution overheads increased by 16,4% to R1 324 million (2013: R1 137 million), primarily due to higher volumes in the Mining and Agriculture divisions.

Other operating expenses comprise a foreign exchange loss of R48 million (2013: R3 million gain) and amortisation of intangible assets of R31 million (2013: R30 million).

Operating profit increased 15,0% to a new record high of R1 416 million (2013: R1 231 million), on the back of the improved operating profit of our Mining and Chemicals divisions, the operating profit of the Agriculture division being on par with the previous year. The Mining division's operating margin reduced to 15,2% (2013: 16,8%) as a result of a lower gross margin and abnormally high LTIP expenses. The Agriculture division's operating margin reduced to 6,5% (2013: 8,2%) due to the effect of the new low margin wholesale business, the unfavourable ammonia to urea ratio and the production problems experienced by the downstream granulation plant which necessitated the import of low margin fertilizer product to make up for the production shortfall. Overhead costs were tightly controlled. The Chemicals division's operating margin improved to 3,8% (2013: 1,5%) due to increased sales prices and a gain on the disposal of the investment in Nalco Africa, partially offset by the abnormally high LTIP expenses – other overheads being well controlled.

Finance expenses increased to R143 million (2013: R117 million) due to higher levels of intra-year working capital, marginally higher funding costs and much higher Kwacha cost of funding for the Zambia operations following the Zambian Government decision that all local business must be conducted in local currency. Finance expense of R143 million was after capitalisation of R26 million (2013: Nil) of interest costs relating to capital projects. Finance income increased to R56 million (2013: R35 million) due to increased finance levels to farmers.

Income tax expense increased to R337 million (2013: R268 million), incurring an effective tax rate of 25,4% (2013: 23,3%). Income tax expense was reduced by R12 million (2013: R14 million) due to Sect12i tax investment allowances. The previous year tax charge was affected by the reversal of overprovisions in prior years of R21 million.

Profit after tax increased by 12,7% from R880 million to R992 million.

Basic earnings per share increased by 12,3% to 1 496 cents per share. The dilutive effects of the LTIPs being the Executive Plan ("Nanotron") and the two Sakhile Initiative BBBEE schemes result in the fully diluted basic earnings per share increasing by 7,5% to 1 344 cents per share. The remuneration section of our 2014 integrated annual report sets out the details of these schemes as well as the likely timing of when these dilutions will take place. The actual dilution pertaining to the two Sakhile schemes may only take place between 2017 and 2021.

Understanding the effects of the abnormally high LTIP expense on this year's results

As mentioned above, this year's results have been impacted by the abnormally high cash settled LTIP expenses of R127,9 million (2013: R34,3 million) and the sharp increase in the provision for Share Appreciation Rights of R61,7 million (2013: R29,8 million).

The total expense for the cash settled LTIP (being Partner 4 and the Phantom Share Scheme) incurred in FY2013 and FY2014 of R162,2 million related to the five-year period ended 31 March 2014 and would, under a more normal yearly earnings pattern, have been spread over each of the five years in proportion to the normal profit in each of those five years. Due to the poor profit in the first year of this five-year plan and its catch-up occurring in the last two years of the period, the expense was, in accordance with IFRS rules, only accounted for in the last 18 months of the five-year period, after the target minimum earnings threshold was achieved. Accordingly, a more normalised cash settled LTIP charge for FY2013 would have been R43 million (actual charge R34,3 million) and for FY2014 would have been R49 million (actual charge of R127,9 million). Adjusting the FY2013 and FY2014 results for this would mean that the operating profit for FY2013 would have been R9 million lower at R1 222 million (actual R1 231 million), and for FY2014 would have been R79 million higher at R1 495 million (actual: R1 416 million) – an increase of 22,3% compared to the actual increase of 15,0%. Applying the same principle, the profit after tax for FY2013 would have been R7 million lower at R873 million (actual R880 million), and for FY2014 would have been R57 million higher at R1 049 million (actual R992 million) – an increase of 20,2% compared to the actual increase of 12,7%. The operating margin for FY2014 would have been 9,2%, on par with the 9,2% of FY2013. The FY2015 charge for cash settled LTIP expenses and for Share Appreciation Rights are expected to be materially lower than FY2014.

Balance sheet Total assets increased by 17,2% from R9 020 million to R10 572 million due to capital expenditure on plant and equipment and higher receivables.

Property, plant and equipment increased by R574 million to R3 672 million. This was due to capital expenditure of R838 million (2013: R623 million) on new and replacement assets; offset by depreciation of R264 million (2013: R242 million).

Inventory increased only 11,1% from R2 892 million to R3 213 million on a 21,0% rise in revenue, due to improved supply chain management.

Trade and other receivables increased by 28,3% to R2 751 million on the back of a 21,0% revenue increase. This was mainly due to the Chemicals division receivables increasing by 30,0% on revenue growth of 12,7%. The Mining and Agriculture divisions' receivables increased in line with the revenue increase.

Equity increased by 19,5% from R4 954 million to R5 918 million as a result of retained current-year earnings of R992 million and an increase of R255 million in our foreign currency translation reserve due to the impact of the weaker Rand:US Dollar year-end rate of 10,53 (2013: 9,23) on our US Dollar-denominated equity, partially offset by the dividend payments of R301 million.

The year ended with a pleasingly strong balance sheet, net debt of R335 million (2013: R564 million) and a net debt:equity ratio of 5,7% (2013: 11,4%). This position is particularly pleasing given the substantial growth experienced in and high level of capital expenditure over the last four years.

Cash flow statement Cash flow generated from operating activities improved to R1 315 million (2013: R1 075 million) due to increased cash generated from operations and lower investment in net working capital. Overall year-end net working capital was reasonably well controlled resulting in a cash outflow of R52 million compared to the previous year cash outflow on working capital of R172 million. Cash outflow from investing activities of R791 million (2013: R653 million) comprises mainly expansion capital expenditure of R622 million. After taking into account the cash outflow from finance activities of R337 million (2013: R315 million) to which dividends paid contributed R301 million, there was a net cash inflow of R187 million (2013: inflow R107 million).

DIVISIONAL REVIEW

Mining Omnia's 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; produces electronic delay detonators and shocktube initiating systems; has its own range of boosters, and manufactures packaged explosives for underground mining and specialised surface blasting operations. BME adds value to its products through its world-class blasting consultancy service, through which industry experts and experienced mining engineers and geologists advise and support customer operations, particularly in using its unique and proprietary BlastMap™ software solutions combined with the accuracy of the AXIS™ electronic delay detonators.

Protea Mining Chemicals provides a suite of value-added services to complement a wide range of chemicals that it distributes to the mining industry in Africa mainly for the processing of ore. These include Protea Process®, a comprehensive service that covers the design of equipment, logistics and on-site management and make up of chemicals.

Revenue increased 24,6% to R5 458 million (2013: R4 379 million) on the back of volume growth of 12,7% and an average sales price increase of 11,9%. Price increases are mainly due to the weaker Rand. Operating margins reduced from 16,8% to 15,2% as margins came under pressure from increased competitor pricing, high cost of bought-in replacement product after illegal industrial action reduced production capacity at Losberg, abnormally high cash settled LTIP expenses and a steep increase in the provision for Share Appreciation Rights.

LTIP expenses included in operating profit are IFRS 2 share-based payment charges for equity settled LTIPs of R2,4 million (2013: R2,2 million), charges for cash settled LTIPs (these being Partner 4 and Phantom Share Scheme) of R25,6 million (2013: R9,1 million) and provision for Share Appreciation Rights of R31,6 million (2013: R14,8 million). Adjusting for the abnormal portion only of the cash settled LTIP expenses (not for Share Appreciation Rights), operating margin increased to 15,5%.

Net working capital increased to R1 052 million (2013: R796 million), due to higher volumes and the longer supply chain process of our central and West Africa operations, which require higher levels of inventory.

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

The Agriculture division's range of specialised products and services are coordinated through its pioneering Nutriology® offering, which incorporates leading-edge research and development resulting in products and services that assist customers to optimise crop yield and quality for maximised returns, while managing farming and environmental risk. The Omnia Nutriology® brand is highly regarded in the regional market and its core concept of value-added products and services is being increasingly recognised.

Omnia Fertilizer services the South African market through regional sales offices and a comprehensive network of agents and representatives supported by qualified agronomists. The rest of southern Africa is supported from regional offices located in Angola, Mauritius, Mozambique, Zambia and Zimbabwe, while other markets such as Botswana, the Democratic Republic of the Congo (DRC), Ethiopia, Kenya, Lesotho, Malawi, Namibia and Swaziland are serviced from South Africa.

Omnia Specialities supplies a comprehensive range of water soluble and foliar products, trace elements and organic soil conditioners to the southern African market and through offices in Australia, New Zealand and Brazil and exports products to Europe, Asia and South America.

Revenue increased 23,7% to R6 680 million (2013: R5 399 million) on the back of a 12,4% volume increase and an average 11,3% improvement in sales prices. The overall gross profit percentage weakened due to the even more unfavourable ammonia to urea ratio, production problems on the granulation plants in the first half of the year which necessitated the import of over 100 000 tons of fertilizer which sold at low margins, and the effect of the new lower margin wholesale business that was started in the year. These were partially offset by the effects of the weaker Rand, increased production volumes achieved on the new nitric acid complex, and improved sales margins mainly through product diversification and the execution of the Nutriology® concept.

The lower gross margin performance, well controlled overheads but abnormally high LTIP expenses caused operating profit to decrease by 3% to R431 million (2013: R443 million) and the operating margin reduced to 6,5% (2013: 8,5%).

LTIP expenses included in operating profit were IFRS 2 share-based payment charges for equity settled LTIPs of R3,7 million (2013: R2,7 million), charges for cash settled LTIPs, (these being Partner 4 and Phantom Share Scheme) of R67,7 million (2013: R15,1 million) and provision for Share Appreciation Rights of R21,1 million (2013: R8,4 million).

The new lower margin wholesale business and the abnormally high LTIP expenses had a significant impact on the division's results. Excluding the results of the new lower margin wholesale business, the division's overall volumes were flat, overall sales prices increased 11,3% and the operating margin improves from 6,5% to 6,9%. Adjusting further for the abnormal portion only of the cash settled LTIP expense (not the Share Appreciation Rights), operating margin increases from 6,9% to 7,6%.

Net working capital decreased 20% to R765 million (2013: R959 million).

Chemicals The Chemicals division's main business, Protea Chemicals is a long established and well known manufacturer and distributor of specialty, functional and effective chemicals and polymers. It has a significant presence in every sector of the broader chemical distribution market throughout southern and eastern Africa. Protea Chemicals represents many leading domestic and international chemical producers, providing a cost efficient and effective distribution channel 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. Subsidiary business, Zetachem, manufactures and distributes chemicals for the treatment of potable water.

Revenue increased by 12,8% to R4 121 million (2013: R3 654 million) due primarily to higher unit selling prices and a small increase in volumes sold. With a maintained gross margin percentage, operating overheads being well controlled, a capital gain on the sale of the Nalco Africa investment and abnormally high cash settled LTIP costs, the operating margin improved to 3,8% (against a target of 4,5 – 5,5%).

A capital gain of R52 million is included in operating profit in relation to the disposal of the investment in Nalco Africa. LTIP expenses included in operating profit were IFRS 2 share-based payment charges for equity settled LTIPs of R4,4 million (2013: R3,5 million), charges for cash settled LTIPs (these being Partner 4 and Phantom Share Scheme) of R34,5 million (2013: R10,1 million) and provision for Share Appreciation Rights of R9,1 million (2013: R7,3 million). Adjusting for the profit on the sale of Nalco Africa and the abnormal portion only of the cash settled LTIP expenses (not the Share Appreciation Rights), operating margin would have been 3,0%.

PROSPECTS The macro environment for next year appears positive and will be strongly influenced by the direction of the Rand. Interest rates are expected to increase by no more than 50 bps while inflation is expected to move a little outside the 6% limit set by the SARB, though probably only for a short period.

Our Mining division anticipates further volume growth across its entire product range at growth rates similar to that of FY2014. Our Agriculture division anticipates stable sales volume conditions as plantings are expected to remain at high levels while operating profit is expected to be enhanced through better production volumes and efficiencies. The unfavourable ammonia to urea ratio is not expected to revert to historical normal range in the year ahead. Our Chemicals division anticipates improving its performance aided by the significant structural reorganisation implemented in April 2014 and a weaker Rand.

The Group's operating cash flow is likely to remain strong, but net cash flow will be impacted by any further weakening of the Rand which – while positive for earnings – would necessitate an increase in working capital funding. Continued elevated levels of capital expenditure, albeit at lower levels than FY2014, will be incurred to support the growing volumes and geographical spread of the Mining division and to further strengthen the security of the ammonia and ammonium nitrate supply chain.

DIVIDENDS The Board has declared a final gross cash dividend of 290 cents (2013: 270 cents) per ordinary share payable out of income in respect of the year ended 31 March 2014, which, together with the interim dividend of 185 cents (2013: 150 cents) per share provides shareholders with a total dividend this year of 475 cents (2013: 420 cents) per ordinary share. The number of ordinary shares in issue at the date of this declaration is 67 249 825. As the company does not have any STC credits to utilise, 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 246,50 cents per share for those shareholders subject to local dividends tax and 290 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	Friday, 11 July 2014
Shares trade ex-dividend	Monday, 14 July 2014
Record date	Friday, 18 July 2014
Payment date	Monday, 21 July 2014

Share certificates may not be dematerialised or materialised between Monday, 14 July 2014 and Friday, 18 July 2014, both dates inclusive.



NJ Crosse
Chairman



RB Humphris
Group managing director



NKH Fitz-Gibbon
Group finance director

19 June 2014

Directors: RC Bowen (British), FD Butler, NJ Crosse (Chairman), NKH Fitz-Gibbon* (Finance director), R Havenstein, HH Hickey, RB Humphris* (Managing director), Prof SS Loubser, Dr WT Marais, HP Marais (alternate), SW Mncwango, D Naidoo, KP Shongwe *Executive directors

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

www.omnia.co.za

