OMNIA

LEVERAGING KNOWLEDGE

CREATING CUSTOMER WEALTH

RESULTS PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2015

AGENDA

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OMNIA AT A GLANCE

Agriculture

Omnia's Agriculture division comprises Omnia Fertilizer and Omnia Specialities

Mining

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

Chemicals

The Chemicals division's main business is through Protea Chemicals

GEOGRAPHICAL SCOPE

▲ *Agriculture*
▲ *Mining: BME*
▲ *Mining: Protea Mining Chemicals*
▲ *Chemicals*

1: SOUTHERN AND EAST AFRICA	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Angola	▲	▲		▲
Botswana		▲		
DRC	▲	▲	▲	
Kenya				▲
Mauritius	▲	▲	▲	▲
Mozambique	▲	▲		
Namibia		▲	▲	▲
South Africa	▲	▲	▲	▲
Tanzania		▲		
Zambia	▲	▲	▲	
Zimbabwe	▲	▲		▲

2: WEST AFRICA	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Burkina Faso		▲		
Mali		▲		
Mauritania		▲		
Senegal		▲		
Sierra Leone		▲		

3: AUSTRALASIA	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Australia	▲	▲		
New Zealand	▲			

4: ASIA	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
China				▲
Indonesia		▲		

5: SOUTH AMERICA	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Brazil	▲			

- Operations in 16 countries on the African continent, including South Africa
- Focused operations in Australasia, Brazil, China and Mauritius

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OUR VISION AND STRATEGY

Vision

'Create customer wealth by leveraging knowledge'

Strategy

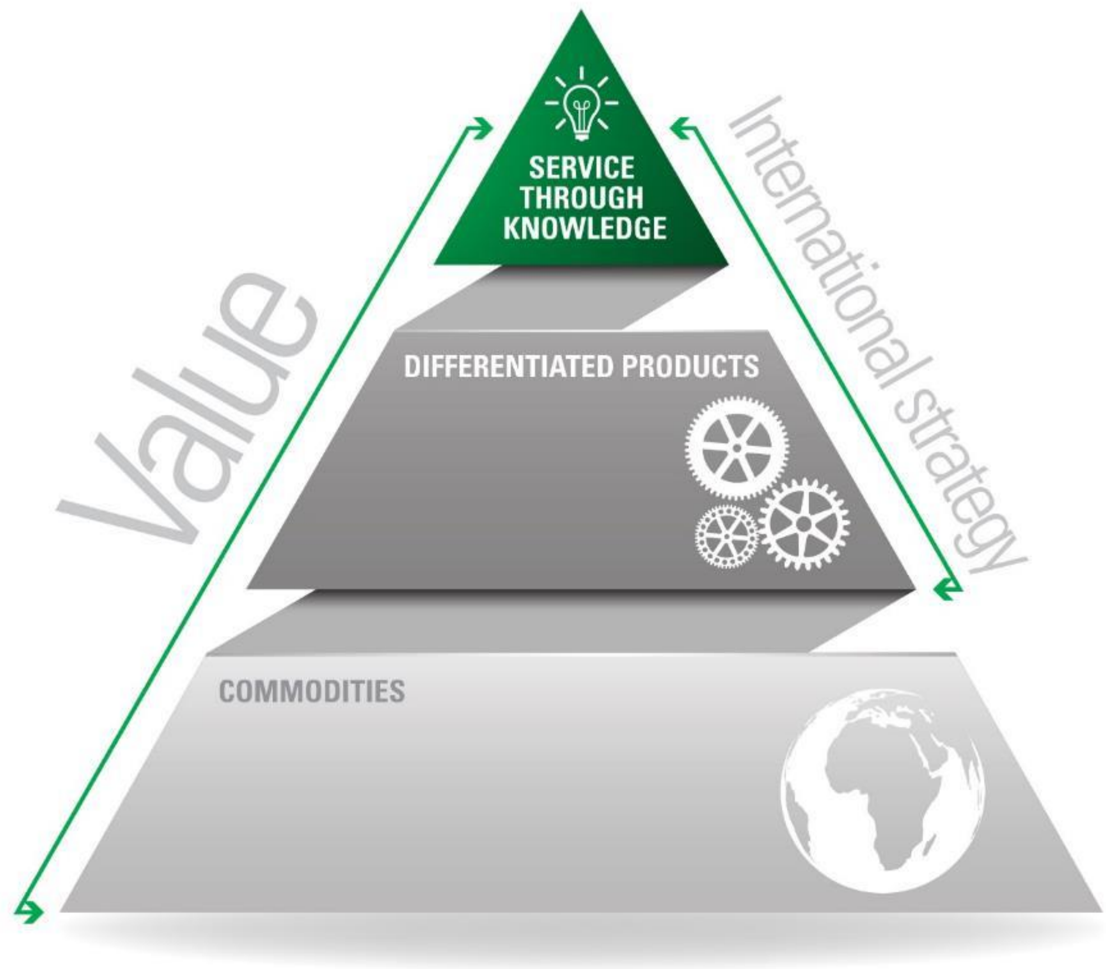
- Providing specialised chemical products and services used in agricultural, mining and chemical markets
- Focusing on unique market offerings that create value and, in so doing, earn a premium
- Diversifying geographically beyond South Africa primarily focused on Africa with a growing presence in other international countries
- Identifying and implementing focused acquisitions to build on the strengths of each division
- Improving on cost competitiveness across all divisions, particularly in the Chemicals division
- Continuously improving on health, safety and environmental practices by following the guiding principles of Responsible Care®
- Building a culturally diverse business that respects and promotes the rights of its people
- Building a learning organisation

OUR VALUE PROPOSITION

- We differentiate ourselves from other commodity chemical suppliers by applying our intellectual capital and technologies to all key points along our supply and service chains

- This enables Omnia to create value throughout by tailoring our products and services to the specific and changing needs of our customers

- Our business model has been tried and tested over many years, and continues to be fine-tuned as our markets and customers evolve



LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

KEY DRIVERS – FY2015

- Weaker SA rand
- Unfavourable ammonia to urea ratio
- Good growth in sales in Agriculture division with a step change in operational performance
- Weaker performance in Mining division against downturn in industry, especially in West Africa
- Flat performance in Chemicals division due to struggling manufacturing sector

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OVERVIEW OF RESULTS

	2015	%	2014
Revenue (Rbn)	**16.8**	+4	16.3
Profit before tax (Rm)	**1 331**	-	1 329
Profit after tax (Rm)	**934**	-6	992
Basic earnings per share – cents	**1 402**	-6	1 496
Headline earnings per share – cents	**1 465**	+3	1 428
Total dividend – cents	**490**	+3	475
Debt: Equity (%)	**12.3**		5.7

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OTHER KEY HIGHLIGHTS

- Revenue at an all-time high of **R16.8 billion**
- Operating profit up 4.2% to **R1.5 billion**
- Headline earnings per share up **2.6%** to **R14.65**
- Cash generated from operations steady at **R1.8 billion**
- Debt: equity ratio at **12.3%** remains low
- Our safety performance improved – recordable case rate **below our target of 1.0** for the first time
- Credit rating affirmed in July 2014 as **A-** (long term) and **A1-** (short term), with a positive ratings outlook

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

AGRICULTURE OVERVIEW

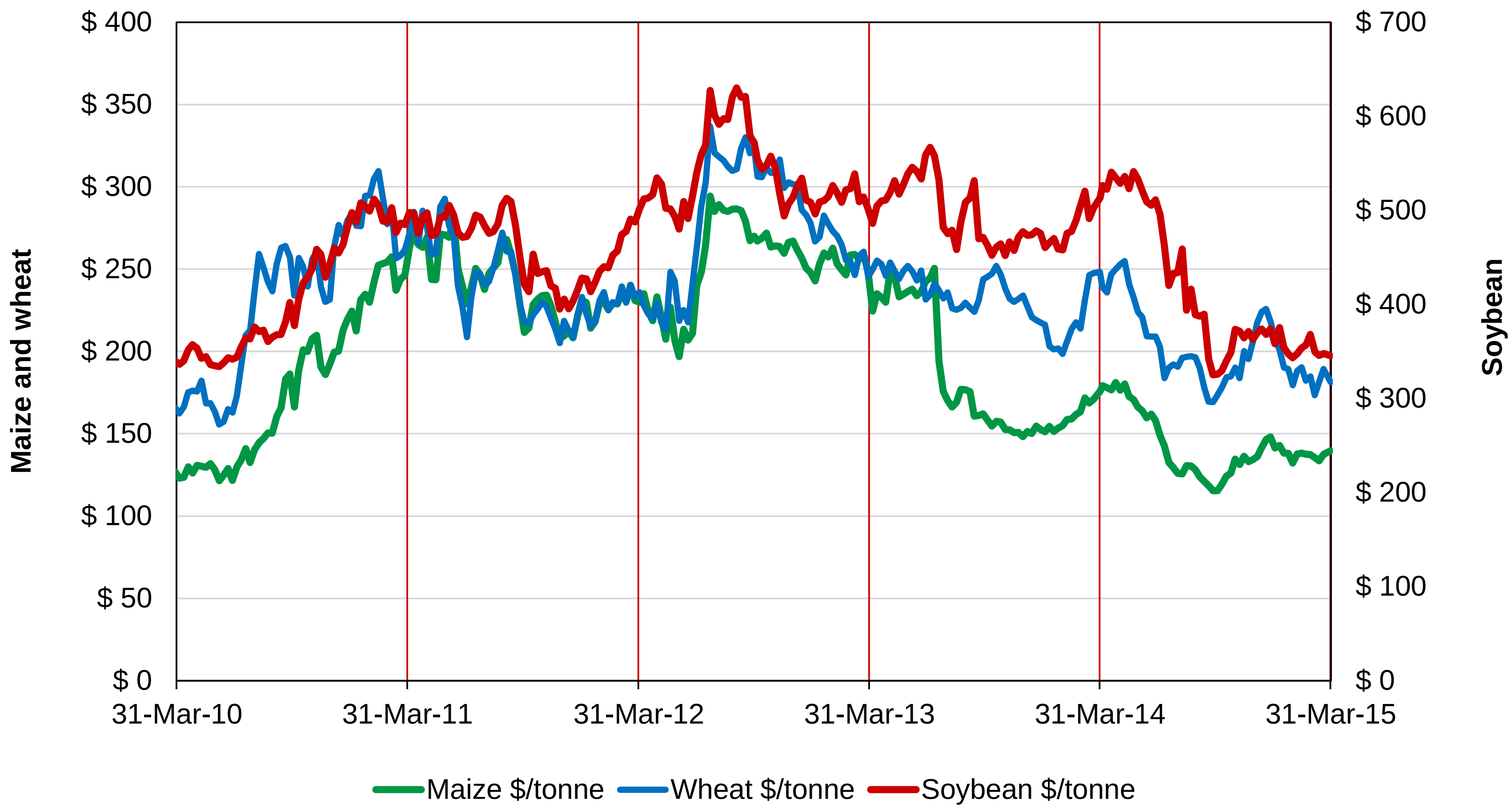
AGRICULTURE – OVERVIEW

	2015	%	2014
Revenue (Rbn)	7.3	+9	6.7
Operating profit (Rm)	656	+52	431
Operating margin (%)	9.0		6.5

- The demand for fertilizer remained steady despite difficult season
- Higher production and sales volumes
- Increased growth in our trading and wholesale businesses
- Ammonia: urea ratio remained unfavourably high throughout most of the year
- Revenue growth up 9.1% with volumes up 6.0% year on year
- Operating margin of 9.0% within guidance of 8.0% – 10.0% and up from prior year margin of 6.5%
- Operating profit of R656 million, up 52% year-on-year

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

CROP PRICES – USD/TONS

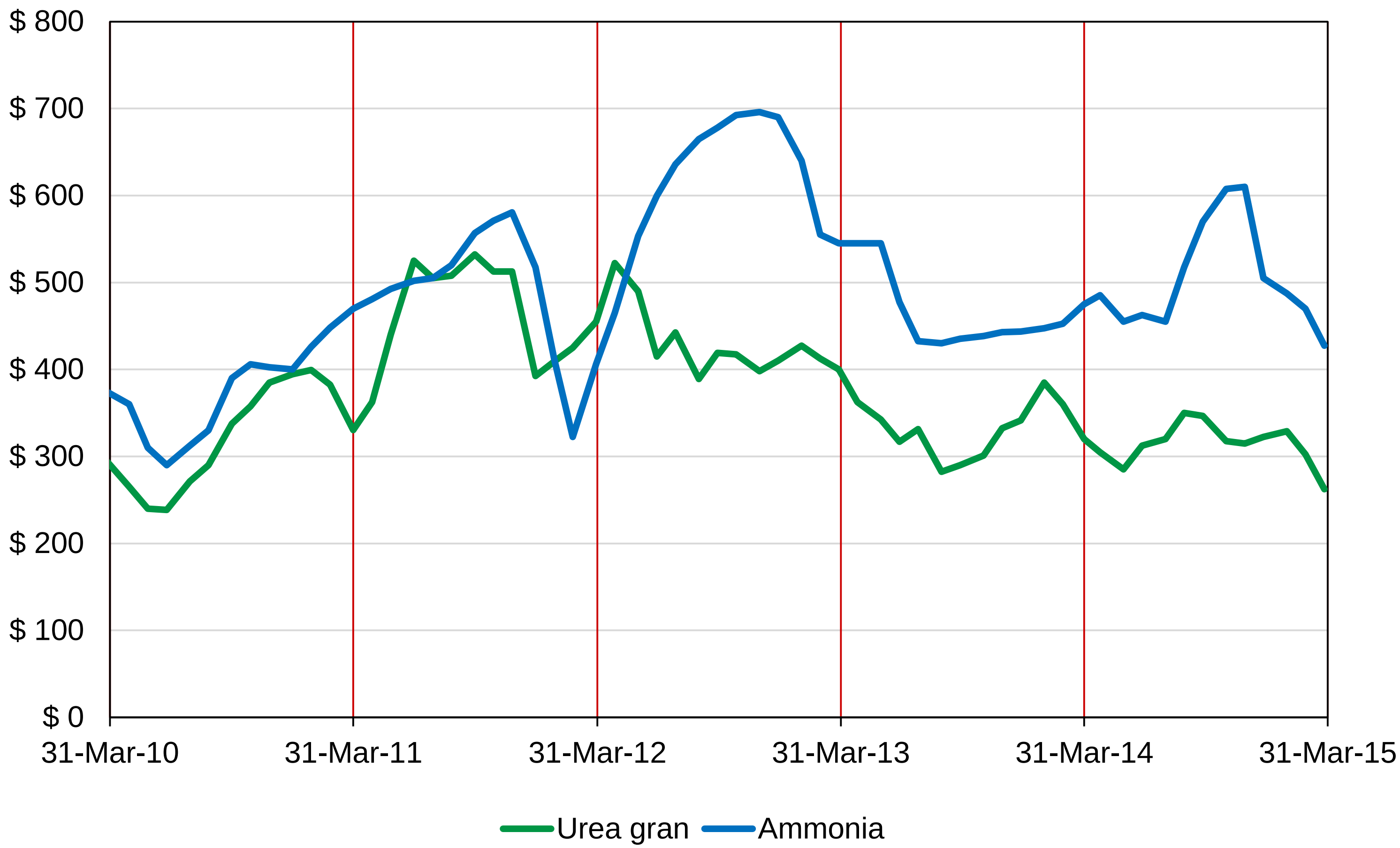


LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

MAIZE – RAND

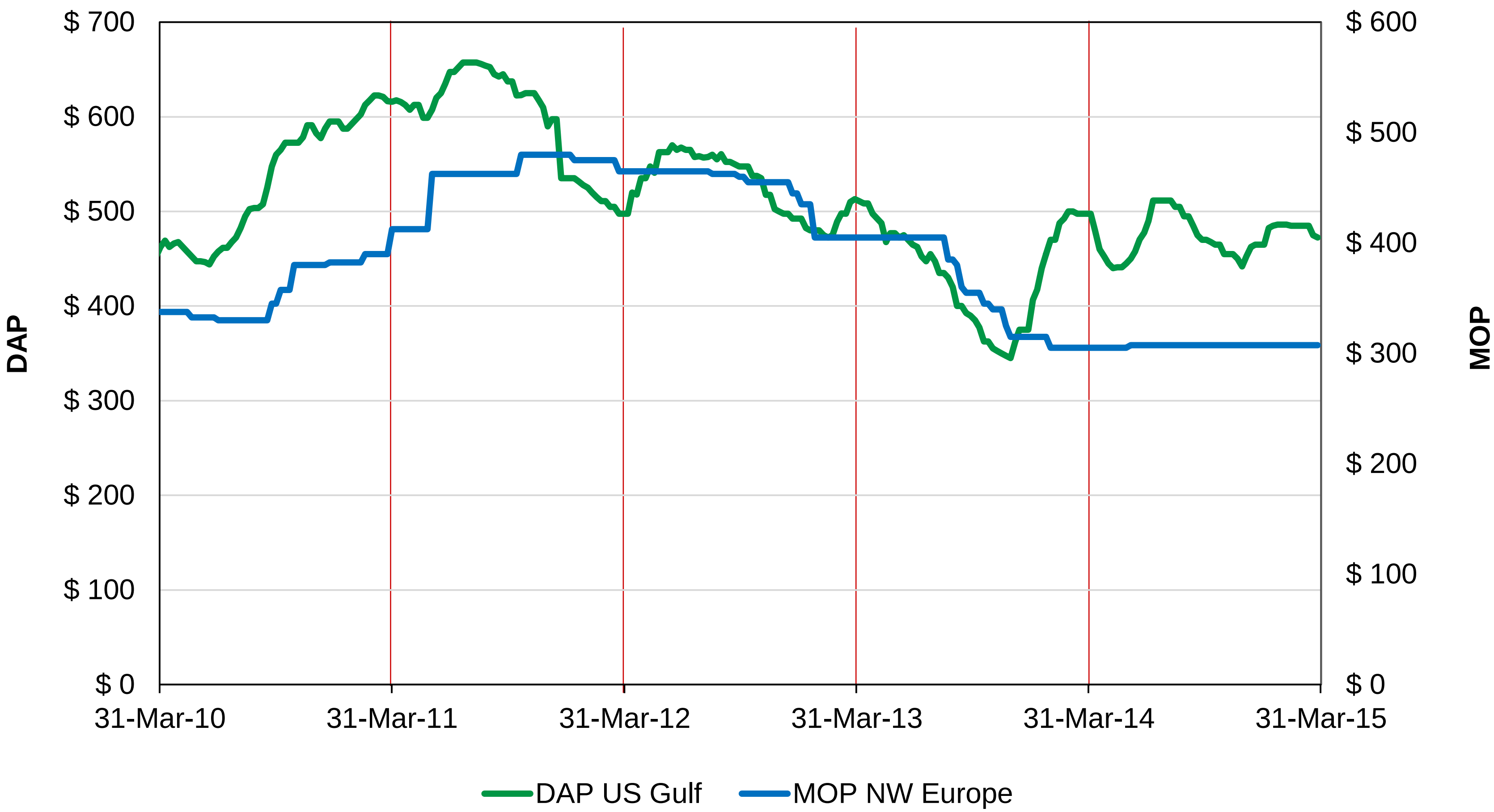
LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

AMMONIA VS UREA PRICE



LEVERAGING
KNOWLEDGE
CREATING CUSTOMER WEALTH

PHOSPHATE AND POTASH PRICES – USD/TONNE



LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

AGRICULTURE – PRODUCTION AND SALES

- Drought in Southern Africa with 1.3% reduction in total maize planted in RSA
- Overall sales volumes up 6%, with international sales up 4% and local sales up 2%
- Revenue from the trading and wholesale business up 46% or R331 million year-on-year
- Increase in number of cash-sale depots in Zambia and Zimbabwe
- The local operating margins were positively impacted by:
  - increased production volumes achieved at the nitric acid 2 complex as well as the downstream granulation plants
  - record sales volumes of liquids and speciality fertilizers
  - improved performance on reducing raw material costs due to tighter management of the various supply chain factors
  - weaker SA rand which is net positive on the operating margin

AGRICULTURE – NET WORKING CAPITAL

	2015	%	2014
Net working capital	1 837	110	765
Inventories	2 553	42	1 795
Trade and other receivables	1 395	37	1 016
Trade and other payables	(2 111)	3	(2 046)
Net working capital ratio (%)	25.2		11.5

- Higher net working capital at year end due to:
  - summer drought in latter part of the planting season impacted nitrogen fertilizer top dressing sales
  - excess purchases of raw materials
  - improved performance from Sasolburg in latter part of the year
  - Late season leading to higher year-end receivables
- Net working capital position will normalise in FY2016 with revised production plan and strong markets buoyed by improvement in crop prices

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

MINING OVERVIEW

LEVERAGING
KNOWLEDGE
CREATING CUSTOMER WEALTH

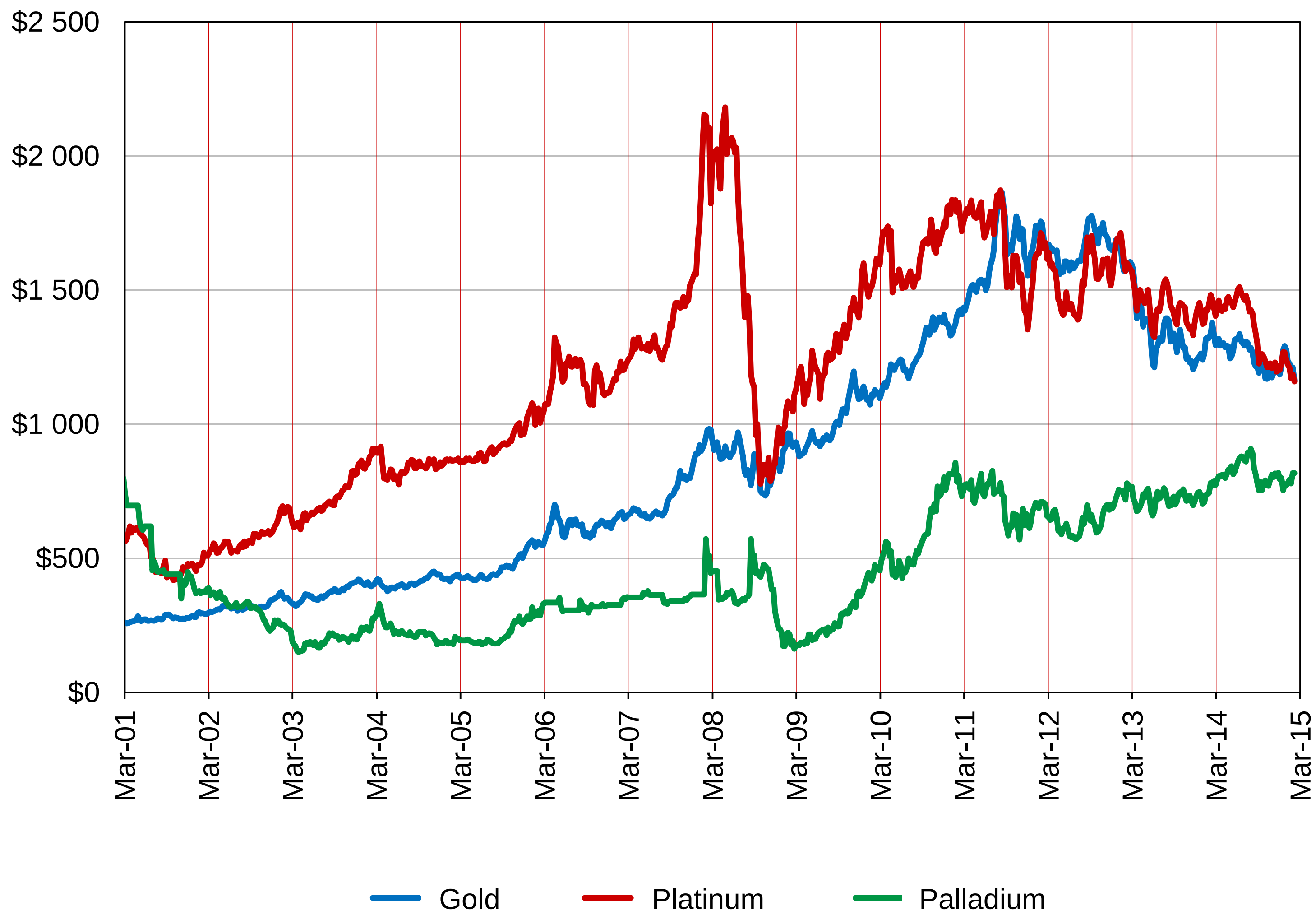
MINING – OVERVIEW

	2015	%	2014
Revenue (Rbn)	5.4	-2	5.5
Operating profit (Rm)	720	-13	829
Operating margin (%)	13.5		15.2

- Good performance in very tough market conditions
- BME
  - Softer demand in mining with volumes down 2.7%
  - Various once-off costs due to mine closures and competitive pressure
  - Roll-out of the new portable emulsion pumping units
- Protea Mining Chemicals
  - Solid performance in a challenging market

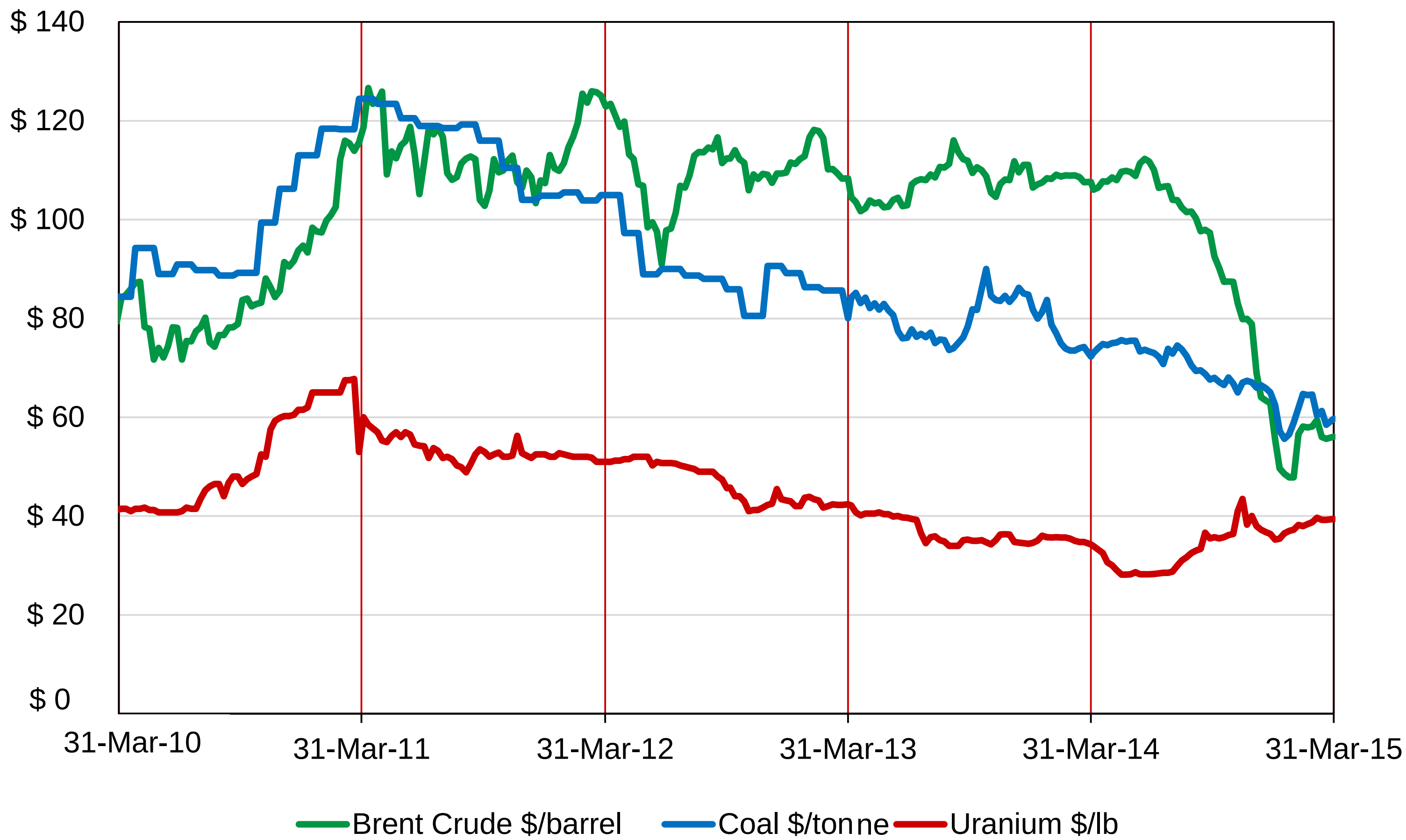
LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

PRECIOUS METALS USD/OUNCE– FROM 2001 TO MARCH 2015



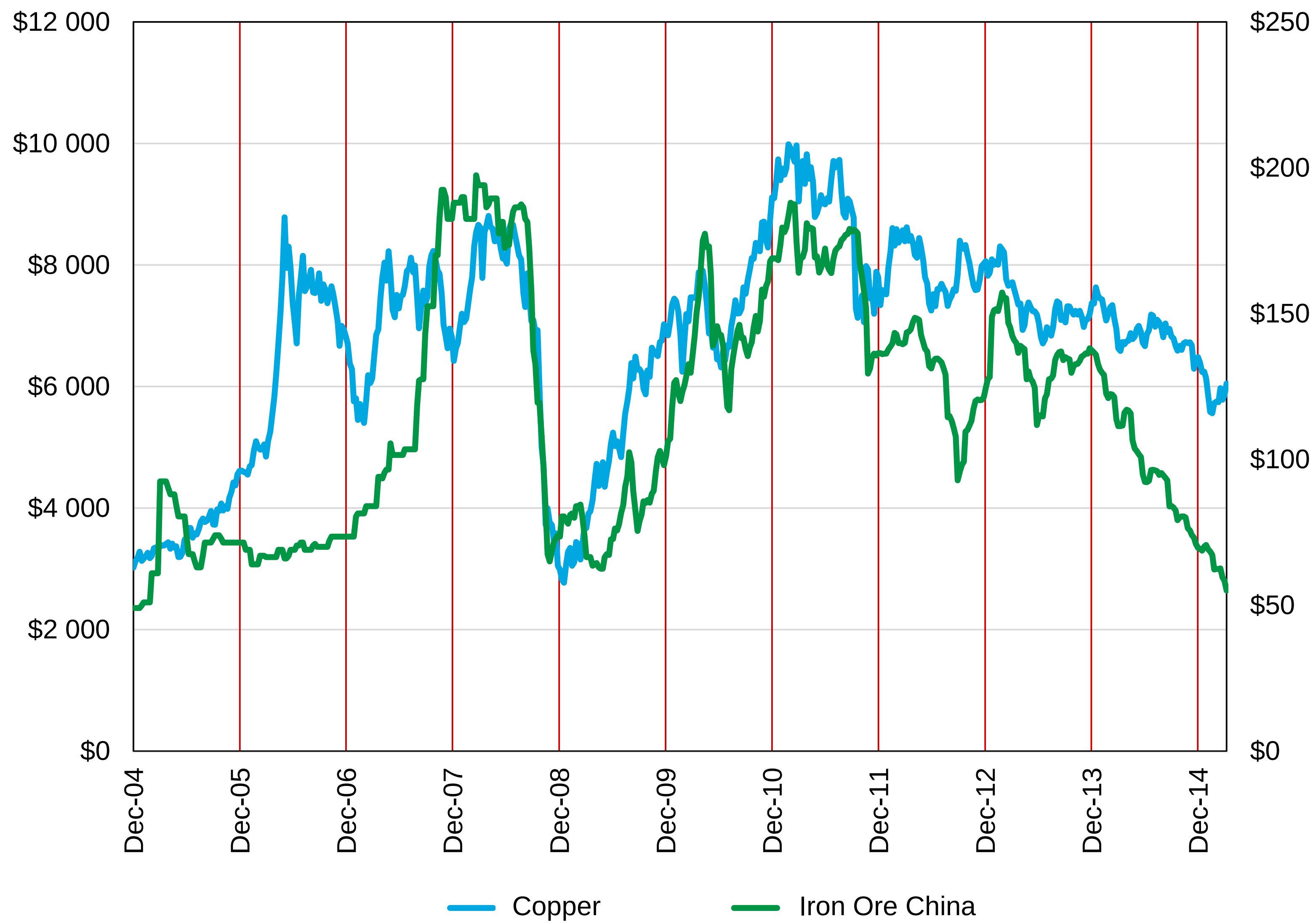
COMMODITY PRICES – ENERGY

OMNIA



LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

COMMODITY PRICES – METALS



LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

MINING – PRODUCTION AND SALES

- Softer demand in mining commodity and mineral markets throughout Africa
- Reduced new greenfield and brownfield mining activity
- West Africa under pressure – mine closures, Ebola and lost contract
- Weaker rand supported sales prices, export business and foreign earnings

LEVERAGING
KNOWLEDGE
CREATING CUSTOMER WEALTH

CHEMICALS OVERVIEW

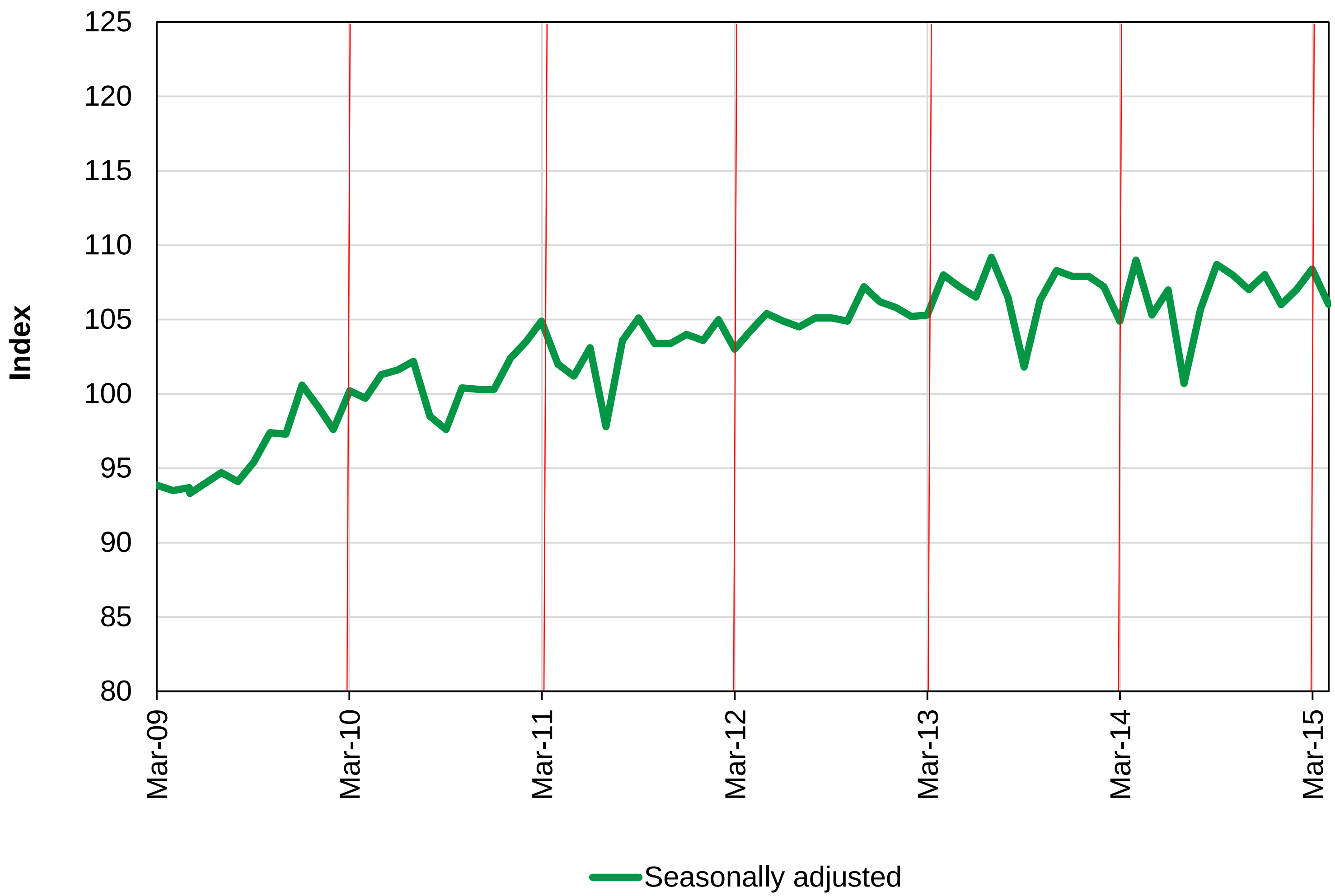
CHEMICALS – OVERVIEW

	2015	%	2014
Revenue (Rbn)	**4.2**	+2	4.1
Operating profit (Rm)	**100**	-36	156
Operating margin (%)	**2.4**		3.8

- Continuing difficult trading environment
- Prior year results include the once off gain of R52 million on disposal of our interest in Nalco Africa
- Margins flat at 2.4% after adjusting for the disposal in Nalco Africa

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

INDEX – PHYSICAL MANUFACTURING VOLUMES – SOUTH AFRICA JANUARY 2009 – APRIL 2015



LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

CHEMICALS – RESTRUCTURING

- Business successfully restructured to centralised 'One Protea' model
- Further cost rationalisation in progress
- Refined product offering and improved customer service model

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

FINANCIAL OVERVIEW

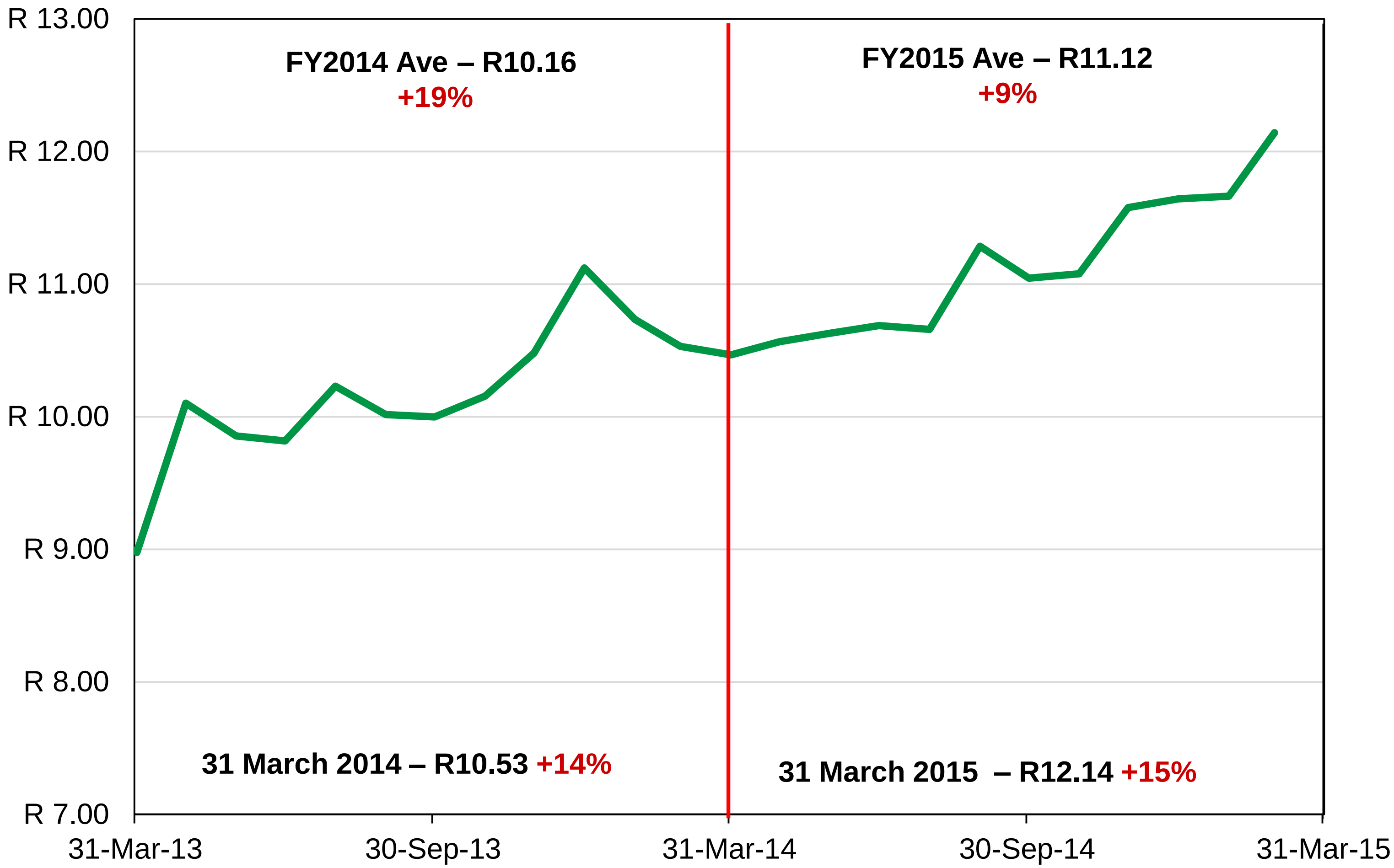
LEVERAGING
KNOWLEDGE
CREATING CUSTOMER WEALTH

KEY DRIVERS OF REVENUE AND PROFITS

- **Exchange rates**
  - Weakening SA rand: US dollar – positive with improvement in net margin
  - Currency hedge – translation of earnings from foreign operations
- **Commodity prices**
  - Generally lower across all three divisions
- **Volumes**
  - Positive in agriculture but under pressure in mining and manufacturing
- **Urea: Ammonia ratio**
  - Remained negative throughout the year

LEVERAGING KNOWLEDGE
CREATING CUSTOMER WEALTH

USD: RAND EXCHANGE RATE – AVERAGE AND YEAR END



INCOME STATEMENT

	Audited 2015	%	Audited 2014
Revenue	16 835	+4	16 259
Cost of sales	(12 898)	+2	(12 647)
Gross profit	3 937	+9	3 612
Distribution expenses	(1 524)	+15	(1 324)
Administrative expenses	(907)	-	(908)
Other operating expenses	(90)	+14	(79)
Other operating income	60	-48	115
Operating profit	1 476	+4	1 416
Gross margin (%)	23.4		22.2
Operating margin (%)	8.8		8.7

- **Gross profit** – Increase in volumes, improved unit selling price and weakening exchange rate
- **Distribution expenses** – Increase in depreciation charge, higher sales volumes in Agriculture, US dollar transport rates outside South Africa
- **Other operating expenses** – Foreign exchange loss of R59m (2014: R48m)
- **Other operating income** – Nalco Africa disposal in prior years of R52m

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

SALES MIX AND VOLUMES – % CHANGE

	Revenue	Volumes	Average price
Agriculture	+9	+6	+3
Mining	-2	-3	+1
Chemicals	+2	+3	-1

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

INCOME STATEMENT

	Audited 2015	%	Audited 2014
Revenue	16 835	+4	16 259
Cost of sales	(12 898)	+2	(12 647)
Gross profit	3 937	+9	3 612
Expenses / other income	(2 461)	+12	(2 196)
Operating profit	1 476	+4	1 416
Finance expense - net	(145)	+67	(87)
Profit before taxation	1 331	-	1 329
Income tax expense	(397)	+18	(337)
Profit for the year	934	-6	992
Tax rate (%)	29.8		25.4

- **Finance expense** – higher working capital
- **Income tax** – lower Section 12I, losses in international countries not utilised

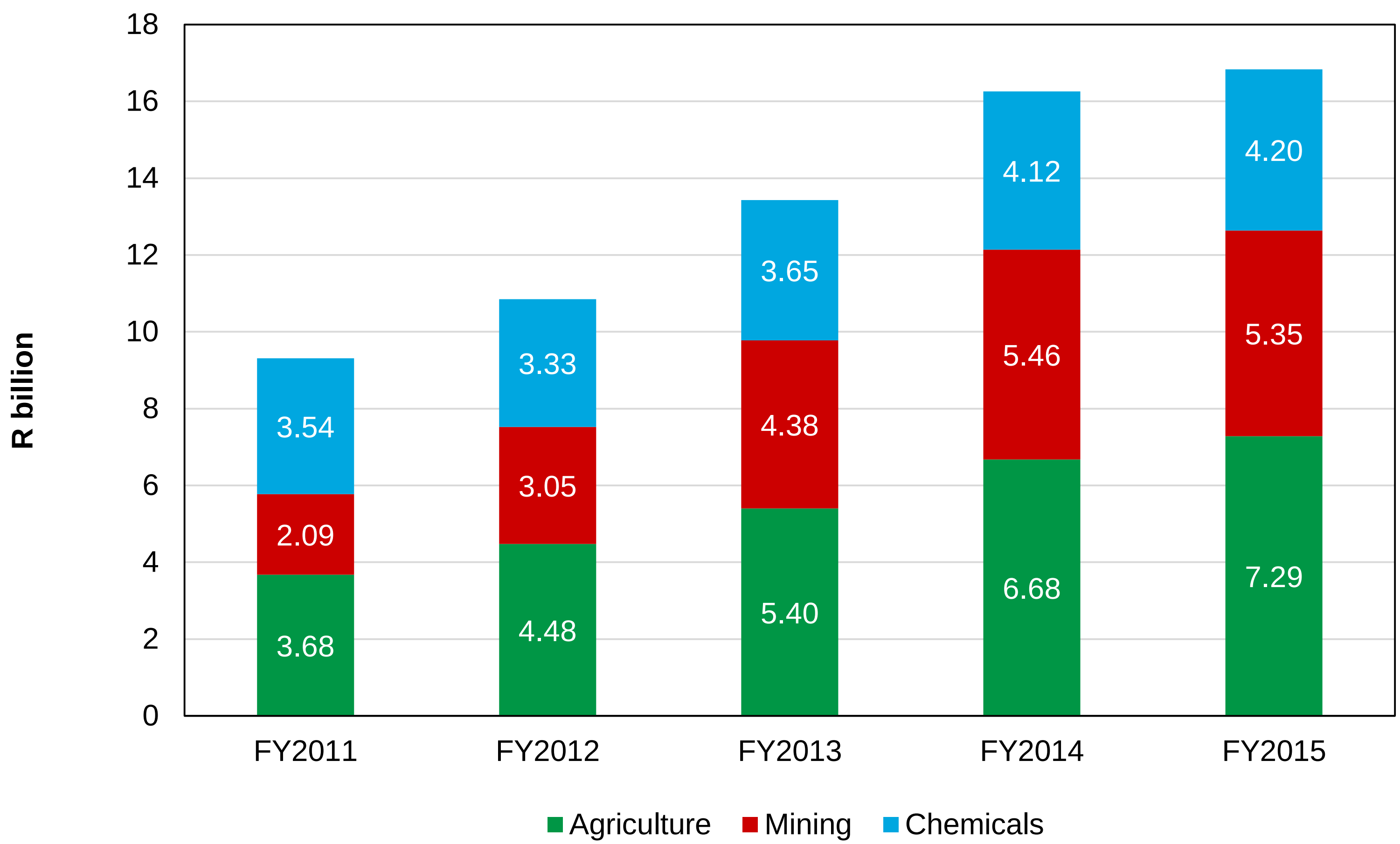
LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

SEGMENTAL REVIEW – Rm

Agriculture	2015	2014	2013	2012	2011
Revenue (external)	**7 287**	6 680	5 399	4 476	3 680
Operating profit	**656**	431	443	323	312
Operating margin (%)	**9.0**	6.5	8.2	7.2	8.5
Total assets	**6 919**	5 539	4 971	4 155	3 339
Mining					
Revenue (external)	**5 351**	5 458	4 379	3 051	2 092
Operating profit	**720**	829	735	476	311
Operating margin (%)	**13.5**	15.2	16.8	15.6	14.9
Total assets	**2 677**	2 604	2 003	1 440	1 062
Chemicals					
Revenue (external)	**4 197**	4 121	3 654	3 327	3 542
Operating profit	**100**	156	53	82	63
Operating margin (%)	**2.4**	3.8	1.5	2.5	1.8
Total assets	**2 308**	2 435	2 046	1 883	1 885

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

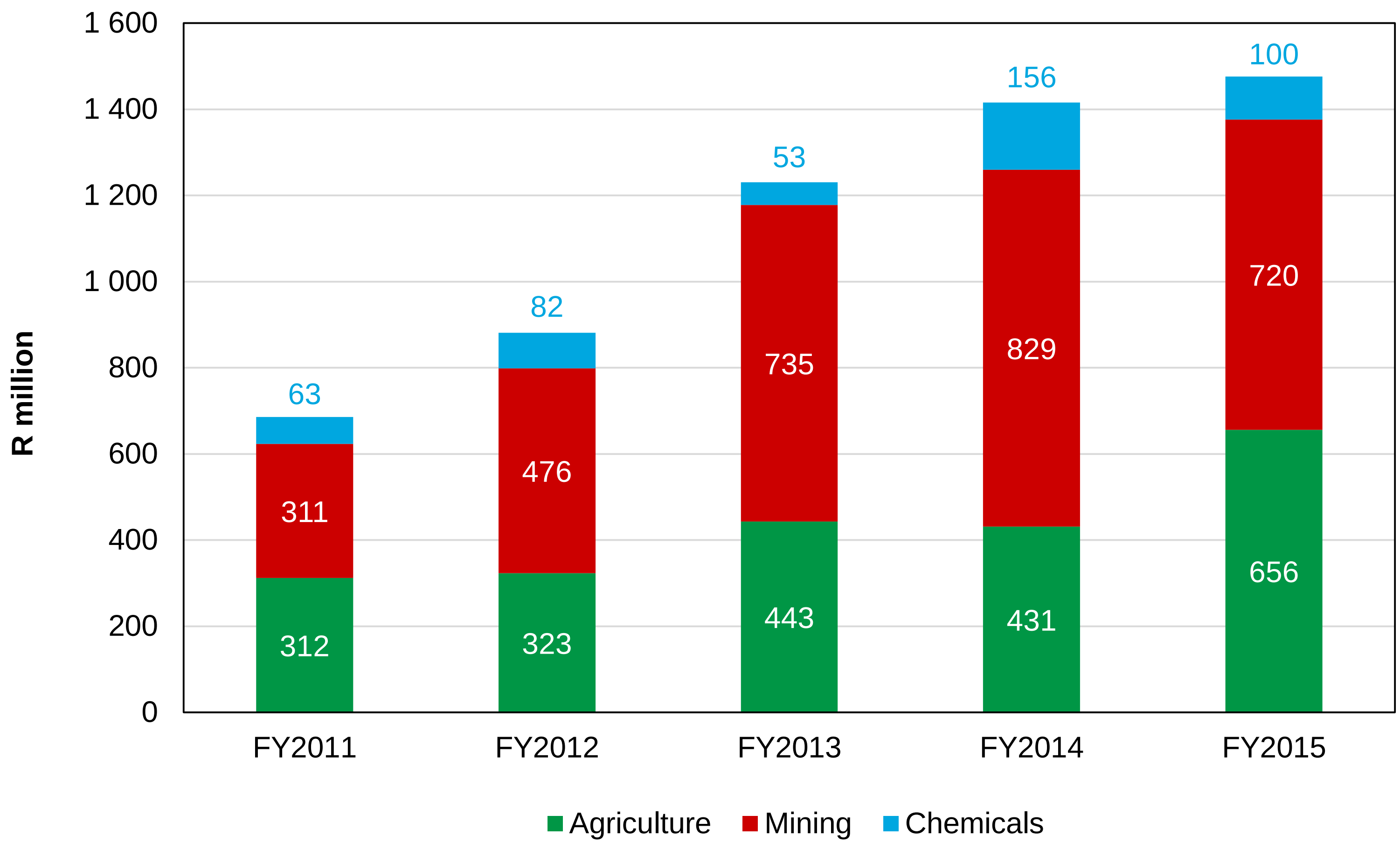
SEGMENTAL PERFORMANCE – REVENUE



- Four year Compound Annual Growth Rate of 16.0%

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

SEGMENTAL PERFORMANCE – OPERATING PROFIT



- Four year Compound Annual Growth Rate of 21.1%

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

BALANCE SHEET – ASSETS

Rm	Audited 2015	%	Audited 2014
Non-current assets	4 473	+5	4 270
Current assets	7 031	+18	5 964
Inventories	3 886	+21	3 213
Trade and other receivables	3 145	+14	2 751
Total Assets	11 504	+12	10 234

- **Non-current assets**
  - Expansion capital R465m; Replacement capital R109m
  - Depreciation R322m
- **Current assets**
  - Inventories – Agriculture division: Drought and improve production from Sasolburg
  - Trade and other receivables – late season

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

BALANCE SHEET – DEBT AND EQUITY

	Audited 2015	%	Audited 2014
Total equity	6 642	+12	5 912
Deferred tax	502	+47	342
Liabilities	3 540	-3	3 645
Debt	820	+100	335
	11 504	+12	10 234
Debt: Equity (%)	12.3		5.7

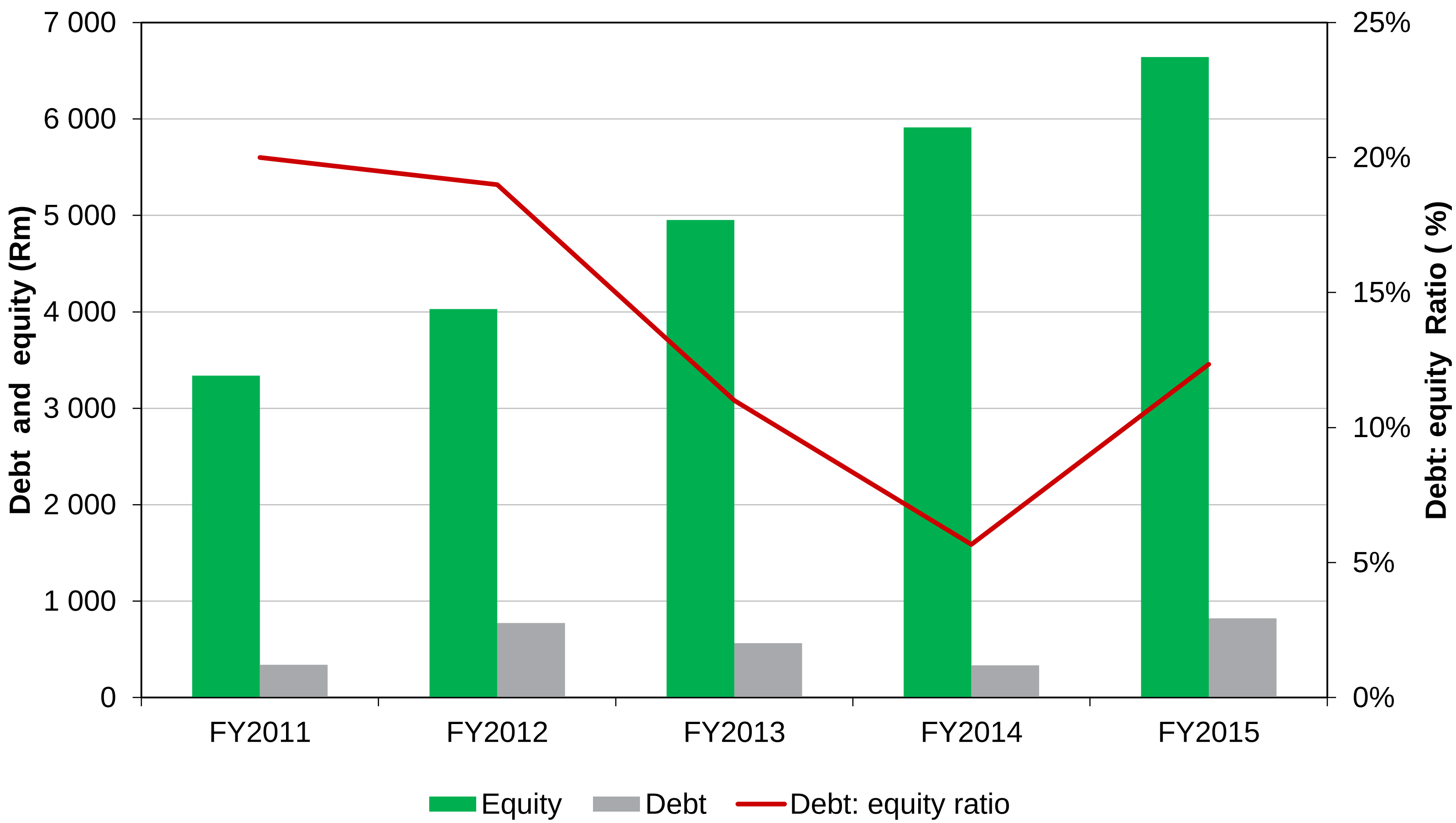
- **Net movement** in equity of R730m
  - Increase due to profits of R939m; FCTR movement of R378m;
  - Decrease due to dividends paid of R322m; Partner 5 equity hedge R64m
  - Nanotron (LTIP) share issue – R194m (net)
- **Deferred tax**
  - Increase of R160m due to losses and timing differences
- **Debt increase** due to funding of working capital in Agriculture

CASH FLOW – Rm

	Audited 2015	Audited 2014
Cash generated from operations	**1 846**	1 769
Utilised by working capital	**(878)**	(52)
Net cash generated from operations	**968**	1 717
Finance cost – net	**(161)**	(113)
Taxation paid	**(341)**	(289)
Net cash inflow generated from operations	**466**	1 315
Cash outflow from investing activities	**(578)**	(791)
Cash outflow from financing activities	**(466)**	(337)
Net (decrease)/ increase in cash and cash equivalents	**(578)**	187
Net cash and cash equivalents at beginning of year	**(131)**	(321)
Exchange rate movement on cash and cash equivalents	**10**	3
Net cash and cash equivalents at end of year	**(699)**	(131)

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

DEBT: EQUITY RATIO



PROSPECTS

LEVERAGING
KNOWLEDGE
CREATING CUSTOMER WEALTH

GROUP OUTLOOK

- Weak rand dollar expected to benefit all three divisions
- Strong balance sheet – gear up to fund any large capital projects or potential acquisitions
- Strong management team and business model
- Continue to expand markets beyond Africa

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OUTLOOK – AGRICULTURE DIVISION

- Ammonia to urea ratio improving
- Continuing sales opportunities
- Expansion of nitrophosphate facility
- Continued ramp up of nitric acid 2 complex
- On-going drive to improve energy and water utilisation
- Electricity co-generation optimisation
- Potential carbon credit sales

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OUTLOOK – MINING DIVISION

- Mining sector expected to remain weak
- Various surface emulsion opportunities
- BME to potentially benefit from new Eskom power station
- Roll out of portable emulsion pumping system
- On-going increase in used oil in emulsions
- Protea Mining Chemicals – various opportunities

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OUTLOOK – CHEMICALS DIVISION

- South African manufacturing sector performance to remain weak
- Target completion of restructuring during the year
- Major simplification and focus for business
- Real progress towards achieving targeted margin

LEVERAGING KNOWLEDGE CREATING CUSTOMER WEALTH

OPERATING MARGIN – TARGET %

	Target FY2015	Actual FY2015	Target FY2016
Agriculture	8.0 – 10.0	**9.0**	8.0 – 10.0
Mining	15.0 – 16.0	**13.5**	13.5 – 15.0
Chemicals	4.5 – 5.5	**2.4**	3.0 – 4.0

THANK YOU

WWW.OMNIA.CO.ZA

creating customer wealth by leveraging knowledge