



# Interim results

## for the six months ended 30 September 2006

OMNIA HOLDINGS LIMITED (Incorporated in the Republic of South Africa) Registration number: 1967/003680/06 • Share code: OMN ISIN: ZAE00005153

### HIGHLIGHTS

- ▶ Revenue up 18% to R2,4 billion
- ▶ Headline earnings up 48% to R80 million
- ▶ Headline earnings per share up 47% to 182,2 cents
- ▶ Interim dividend of 70 cents per share declared

### Condensed Consolidated Income Statements

for the six months ended 30 September 2006

R million	Unaudited 6 months 30/9/06	%	Restated reviewed 6 months 30/9/05	Audited 12 months 31/3/06
<b>Revenue</b>	<b>2 438</b>	18	2 069	4 331
<b>Gross profit</b>	<b>438</b>	13	386	868
<b>Operating profit</b>	<b>144</b>	30	111	289
<b>Net finance cost</b>	<b>(21)</b>		(30)	(59)
Interest paid	(28)	(10)	(31)	(70)
Interest received	3	(40)	5	13
Forex gain/(loss)	4	(200)	(4)	(2)
<b>Profit before taxation</b>	<b>123</b>	52	81	230
Taxation	(43)	59	(27)	(76)
<b>Net profit for the period</b>	<b>80</b>	48	54	154
Attributable to:				
Equity holders of the company	80	48	54	154
Basic earnings per share (cents)	182,2	47	123,8	353,2
Fully diluted basic earnings per share (cents)	179,2	48	121,4	347,0
Final dividend paid per share (cents) in respect of prior year	85,0	9	78,0	78,0
Interim dividend per share (cents) declared in respect of current year	70		60,0	60,0
Weighted average number of shares in issue (million)	44		43	44
Weighted average number of fully diluted shares in issue (million)	44		44	44
Number of shares in issue (million)	44	1	43	44

### Condensed Consolidated Balance Sheets

as at 30 September 2006

R million	Unaudited 30/9/06	Restated reviewed 30/9/05	Audited 31/3/06
<b>Assets</b>			
Property, plant and equipment	679	634	642
Intangible assets	445	457	455
Deferred taxation	1	3	4
Inventories	929	901	619
Trade and other receivables	1 148	846	746
Other current assets	58	46	32
	<b>3 260</b>	2 887	2 498
<b>Equity and liabilities</b>			
Shareholders' equity	1 131	942	1 020
Deferred taxation	91	65	88
Non-current liabilities	15	23	29
Trade and other payables	1 334	1 023	1 014
Taxation	4	23	25
Other current liabilities	685	811	322
	<b>3 260</b>	2 887	2 498
Net interest-bearing debt	637	788	303
Net asset value per share (Rand)	25,87	21,76	23,38
Forex (loss)/gain net of fair value and other adjustments included in operating profit	(31)	4	(1)
Depreciation	28	26	55
Amortisation	10	10	20
<b>Capital expenditure</b>			
Incurred	65	43	93
Authorised and committed	47	14	12
Authorised but not contracted for	98	44	197

### Condensed Consolidated Cash Flow Statements

for the six months ended 30 September 2006

R million	Unaudited 6 months 30/9/06	Restated reviewed 6 months 30/9/05	Audited 12 months 31/3/06
Operating profit	144	111	289
Depreciation and amortisation	38	36	75
Adjustment for non-cash items	3	-	(5)
Finance cost	(25)	(25)	(57)
Taxation paid	(58)	(57)	(83)
(Utilised by)/generated from working capital	(399)	(398)	1
<b>(Utilised by)/generated from operations</b>	<b>(297)</b>	(333)	220
Dividends paid	(39)	(35)	(60)
<b>Cash (outflow)/inflow from operating activities</b>	<b>(336)</b>	(368)	160
Cash outflow from investing activities	(65)	(43)	(87)
Cash outflow from financing activities	(13)	(138)	(147)
<b>Net decrease in cash for the period</b>	<b>(404)</b>	(549)	(74)
Movement in foreign currency translation reserve	66	(4)	(4)
Net overdraft at beginning of period	(275)	(197)	(197)
<b>Net overdraft at end of period</b>	<b>(613)</b>	(750)	(275)

### Statement of Changes in Shareholders' Equity

R million	Ordinary Shareholders' Equity					Total
	Stated capital	Treasury shares	Other reserves	Retained earnings	Minority interest	
At 31 March 2005	201	(22)	(14)	755	2	922
Net profit for the period				54		54
Decrease in foreign currency translation reserve			(4)			(4)
Share-based payment expense			3			3
Treasury shares sold		2				2
Ordinary dividends paid				(35)		(35)
At 30 September 2005	201	(20)	(15)	774	2	942
Net profit for the period				100		100
Share-based payment expense			3			3
Ordinary dividends paid				(25)		(25)
At 31 March 2006	201	(20)	(12)	849	2	1 020
Net profit for the period				80		80
Increase in foreign currency translation reserve			66			66
Share-based payment expense			4			4
Ordinary dividends paid				(39)		(39)
At 30 September 2006	201	(20)	58	890	2	1 131

### Other Reserves

R million	Unaudited 6 months 30/9/06	Restated reviewed 6 months 30/9/05	Audited 12 months 31/3/06
Other reserves comprise of:			
Share-based payment reserves	17	10	13
Foreign currency translation reserve	38	(27)	(28)
Hedging reserve		(1)	
Net discount arising on acquisition of shares of subsidiaries	3	3	3
	<b>58</b>	(15)	(12)

### Condensed Segmental Analysis

for the six months ended 30 September 2006

R million	Unaudited 6 months 30/9/06	%	Restated reviewed 6 months 30/9/05	Audited 12 months 31/3/06
Revenue, net of intersegmental sales	2 438	18	2 069	4 331
Chemicals	1 162	11	1 050	2 103
Mining	470	15	409	841
Agriculture	806	32	610	1 387
Operating profit	144	30	111	289
Chemicals	63	21	52	112
Mining	65	3	63	129
Agriculture	16		(4)	48

### NOTES

#### Accounting policies

The consolidated condensed financial statements for the six months ended 30 September 2006 were prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 - Interim Financial Reporting and in compliance with the Listings Requirements of the JSE Limited. The consolidated condensed interim financial statements do not include all of the information required by IFRS for full annual financial statements.

The principal policies used in the preparation of the results for the period ended 30 September 2006 are consistent with those applied in the annual financial statements for the year ended 31 March 2006.

#### Headline earnings

Headline earnings equates to basic earnings.

#### Restatement of comparative numbers

Comparatives for the six months ended 30 September 2005 have been amended to ensure a more relevant presentation of results as per the requirements of IAS 1. These adjustments have been set out in detail in the Transition Report (note 1) to the annual financial statements for the year ended 31 March 2006 and had no significant impact on the reported results. These adjustments relate to the reclassification of forex losses, forward cover cost, fair value gains and net monetary gain to sales, cost of sales and operating expenses. In addition, the opening balance sheet at 1 April 2004 has been adjusted by R6 million following a more detailed review of the estimated useful lives of fixed assets.

#### Hyperinflation

The hyperinflation adjustments, as required by the accounting standard IAS 29 - Financial Reporting in Hyperinflationary Economies, result from the devaluation in the Zimbabwean Dollar. The most significant adjustment is a decrease in gross profit for the period by R3,8 million (2005: R6,8 million increase). The net impact of these hyperinflation adjustments to the group, is a net loss of R2,2 million (2005: R5,1 million profit).

#### Dividends

A final dividend of 85 cents per share was declared on 19 June 2006 in respect of the earnings of the previous financial year. This dividend is reflected in the current period to 30 September 2006.

An interim dividend of 70 cents per share has been declared in respect of the current period.

#### Commitments

The future minimum lease payments under non-cancellable operating leases are R17,2 million (2005: R13,1 million) within one year and R51,4 million (2005: R44,7 million) between two and five years and Rnil million (2005: Rnil) beyond five years, giving a total of R68,6 million (2005: R57,9 million).

#### Goodwill

An annual impairment test on the balance of goodwill has been performed at 30 September 2006. No impairment loss has occurred.

#### Basic and diluted earnings per share

Earnings of R79,532 million were used in calculating basic and diluted earnings per share. The weighted average number of shares in issue was 43,648 million while the weighted average number of fully diluted shares in issue was 44,385 million.

### Commentary

#### Introduction

Omnia is a diversified, specialist chemical services provider with its business interests balanced across chemical, mining and agricultural markets.

The Group is fundamentally a knowledge business, which leverages its leading intellectual capital and world-class production assets to differentiate its product and service offerings. Omnia's unique business model creates extraordinary value for its customers, thus allowing the Group to earn a premium in its markets and build long-term customer relationships.

Improved fertilizer sales contributed to a solid performance in the first half of 2006 following the previous season when a significant maize stock overhang in South Africa resulted in prices being driven down to export parity levels, making it uneconomical for farmers to plant.

The major activities of the Agriculture division customarily occur in the second six-month period which is the main planting season.

In line with expectations, the Chemical division's polymer business also returned to normality during this period with the overstocked position of the plastics industry at the beginning of the previous year having been eliminated.

#### Financial review

The Group results are reported in accordance with International Financial Reporting Standards (IFRS). All comparatives have been restated in compliance with IFRS.

Group revenue increased by 18% to R2,4 billion (2005: R2,1 billion), due to increased sales across all businesses, the largest increase being attributable to the agriculture business. Operating profit increased by 30% to R144 million (2005: R111 million), with the margin increasing to 5,9% from the 5,3% achieved in the prior period mainly due to improved performance's from the chemical and agricultural divisions.

Interest paid reduced by 10% to R28 million (2005: R31 million). Net finance cost was positively influenced by a R4 million foreign exchange gain compared with a R4 million foreign exchange loss in the prior period.

Net profit increased by 48% to R80 million (2005: R54 million).

The seasonal nature of Omnia's agriculture operations causes the Group's working capital requirements to peak at or around September each year. Although raw material prices remained at high levels, net interest-bearing debt reduced to R637 million (2005: R788 million). Cash utilised by operations for the period under review reduced by R36 million to R297 million (2005: R333 million), mainly due to the increase in operating profit of R33 million. With the weakening of the rand there was a R66 million positive movement in the foreign currency translation reserve for the period (2005: -R4 million).

### Operational Review

#### Chemicals

The Protea Chemicals division is the leading speciality, functional and effect chemicals distributor in southern Africa. It has a significant presence in every sector of the chemical distribution market and contributed 44% to Group operating profit (2005: 47%).

Revenue increased by 11% to R1 162 million (2005: R1 050 million). The bulk of this increase came from the lower margin polymer business. Modest price increases have recently been recorded on other product lines following the weakening of the Rand.

In accordance with previous expectations, international polymer prices increased during the period, and with the optimisation of stock levels, operating margins in the Polymer division returned to acceptable levels.

The increased revenue resulted in operating profit increasing by 21% to R63 million (2005: R52 million). Operating margins improved marginally from 5% to 5,4%.

#### Mining

The Mining division is the market leader in blended bulk explosives formulations for surface mines, and in addition manufactures packaged explosives for underground mines and specialised surface blasting applications. It also supplies a diverse range of mining chemicals as well as blasting accessories, and is currently commercialising a state-of-the-art electronic detonator system. The Mining division contributed 45% to Group operating profit (2005: 57%).

The Mining division benefited from the continued high level of mining activity that prevailed during the period, particularly in coal, copper and iron ore. This resulted in another period of noteworthy growth in BME's bulk explosives volumes. With the volume growth experienced in the recent past, and in anticipation of further growth in the near future, additional resources have been allocated to the mining business. The expected growth, however, has been slow in materialising, in line with the pace of mining licence approvals being experienced in the industry. This impacted the operating margin which declined from 15,4% to 13,8%.

Technical improvements and cost reductions continue to be applied to the development of the Deltadet electronic detonator. Full commercialisation of the next generation detonator system is expected shortly.

The Mining division achieved a 15% growth in revenue to R470 million (2005: R409 million) but the reduction in operating margin to 13,8% saw operating profit increase by 3% to R65 million (2005: R63 million).

#### Agriculture

The Agriculture division manufactures and supplies granular, liquid and speciality fertilizers to individual farmers, co-operatives and wholesalers across southern Africa. In addition, it supplies speciality fertilizers to farmers in Australia and New Zealand. Agriculture contributed 11% to Group operating profit (2005: -4%).

Revenue increased by 32% to R806 million (2005: R610 million). As experienced in the previous years, the summer rainfall which heralds the onset of the main planting season had not yet materialised. Some of the increase in revenue that materialised in the period under review, when compared with the previous period, is from low margin trade in Africa that normally only materialises in the second six-month period. That said, operating margins in the Agriculture division are traditionally considerably lower in the first half of the financial year compared with those in the second half. The Agriculture division's operating margin was 2% in the period (2005: -1%).

While the Group's speciality fertilizer operations in both Australia and New Zealand continue to progress, in particular the Australian humate business, the Group's agriculture activities in Africa generated lower margins than those achieved in the comparable first half of the previous year.

### Prospects

#### Short term

It is expected that conditions for the Chemicals division will remain positive for the remainder of the financial year. Demand for the Group's chemical product offering will be driven by the expected improvements in the manufacturing sector of the South African economy, while the relatively high oil price will ensure price increases for the downstream petrochemical products and their derivatives. International chemical prices are increasing in line with the improvement in the global economic environment, and coupled with the recent depreciation of the rand, will undoubtedly impact on local prices in South Africa.

The continued strong demand for world metals and minerals will benefit both the explosives and mining chemical markets, and even after taking into account the continued costs of ongoing detonator development, continued real growth should be achieved. There remains significant potential for the Mining division's future growth into Africa and renewed focus and energy is being directed at taking advantage of the opportunities that arise from the division's presence in Africa.

In so far as the Agriculture division's short-term prospects are concerned, the oversupply of maize that led farmers to limit their planting in the previous comparable period has now turned into a considerable maize shortage. As a consequence, the hectares planted to maize is expected to revert to previous levels. The latest crop estimate forecasts that 2,8 million hectares will be planted to maize, up from the 1,6 million hectares achieved in the previous season. Therefore, domestic fertilizer volumes for the full year should revert to normal, thus positively impacting this aspect of Group activities.

The excellent rainfall in the recent past has resulted in high underground water, soil moisture and dam levels. This environment should impact favourably on the fertilizer business and the Group as a whole in the period going forward.

The Group therefore expects a pleasing improvement in earnings for the year ended March 2007, compared with those achieved in the prior financial year ended March 2006.

#### Long term

The Group remains well positioned, and is regularly being presented with opportunities to grow its chemical manufacturing and distribution activities, both nationally and internationally.

In the Mining division, continued buoyant metals and mineral resource prices are expected to result in a similar trend to that achieved in the period under review, with further growth prospects coming from new projects in Africa.

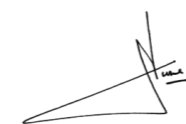
The need for fertilizers is a long-term reality. The South African fertilizer market is showing every sign of recovery and will be complemented by continued sales to other African countries. The trend towards speciality fertilizer sales and services continues to grow.

The Group progressed its application to utilise the Clean Development Mechanism (CDM), created by the Kyoto Accord, to reduce greenhouse gas emissions. If Omnia's plans come to fruition, these efforts may lead to a substantial financial benefit. A Project Development Document (PDD) has been approved by the Designated National Authority in South Africa and is now awaiting registration by the CDM executive board in Bonn, Germany. It is anticipated that commissioning of the project will occur in the 2008 financial year.

Omnia remains focused on diversifying its risk profile and pursuing new growth opportunities, while maintaining a firm focus on the Group's core competencies.

#### Dividends

The board is pleased to announce that an interim dividend of 70 cents per share has been declared in respect of shareholders recorded in the register on Friday, 5 January 2007. The last day to trade cum dividend will be Thursday, 28 December 2006. The shares will commence trading ex dividend on Friday, 29 December 2006 and the record date will be Friday, 5 January 2007. The payment date will be Monday, 8 January 2007. Share certificates may not be dematerialised or rematerialised between Friday, 29 December 2006 and Friday, 5 January 2007, both dates inclusive.



NJ CROSSE

Chairman

Bryanston

29 November 2006



RB HUMPHRIS

Managing Director