

Interim results

for the six months ended 30 September 2007



HIGHLIGHTS

- ▶ Revenue up 26% to R3,1 billion
- ▶ Operating profit up 33% to R192 million
- ▶ Headline earnings per share up 24% to 224.5 cents
- ▶ Interim dividend of 83 cents per share declared

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

BALANCED BUSINESS
CONTINUES TO DELIVER

Condensed Consolidated Income Statements

for the six months ended 30 September 2007

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Revenue	3 061	2 438	5 537
Operating profit	192	144	422
Net finance cost	(45)	(21)	(58)
Interest paid	(44)	(28)	(80)
Interest received	1	3	18
Forex (loss)/gain	(2)	4	4
Profit before taxation	147	123	364
Taxation	(50)	(43)	(118)
Net profit for the period	97	80	246
Attributable to:			
– Equity holders of the Company	97	80	246
Basic earnings per share (cents)	220.3	182.2	560.3
Fully diluted basic earnings per share (cents)	218.3	179.2	553.2
Final dividend paid per share (cents) in respect of prior year	90.0	85.0	85.0
Interim dividend per share (cents) declared in respect of the current year	83	70.0	70.0
Weighted average number of shares in issue ('000)	44 038	43 648	43 772
Weighted average number of fully diluted shares in issue ('000)	44 448	44 385	44 338
Number of shares in issue ('000)	44 189	43 725	43 943

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 2006 (audited)	201	(20)	(12)	849	2	1,020
Recognised income and expense						
Net profit for the period				80		80
Increase in foreign currency translation reserve						66
Share-based payment				4		4
Transactions with shareholders						
Ordinary dividends paid				(39)		(39)
At 30 September 2006 (unaudited)	201	(20)	58	890	2	1,131
Recognised income and expense						
Net profit for the period				166		166
Decrease in foreign currency translation reserve						(24)
Share-based payment				2		2
Transactions with shareholders						
Treasury shares sold		4				4
Ordinary dividends paid				(29)		(29)
At 31 March 2007 (audited)	201	(16)	36	1,027	2	1,250
Recognised income and expense						
Net profit for the period				97		97
Decrease in foreign currency translation reserve						(30)
Share-based payment				12		12
Transactions with shareholders						
Treasury shares sold		1				1
Ordinary dividends paid				(39)		(39)
At 30 September 2007 (unaudited)	201	(15)	18	1,085	2	1,291

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 31% to Group operating profit (2006: 44%).

Revenue increased by 30% to R1 509 million (2006: R1 162 million). This increase reflects both the full impact of the previously reported change in a large contract, from a pure commission based business to a sale of goods business, and the increased revenue arising from the lower margin polymer businesses. Because of the volatility in rand exchange rates, selling margins were lower in some instances. Added costs such as the division's allocation of Group project costs and the increased share-based payment charge, further reduced the operating margin to 4% (2006: 5%). This saw the operating profit decline to R60 million (2006: R63 million).

Mining

Omnia's Mining division is the market leader in blended bulk explosives formulations for surface mines, and also manufactures packaged explosives for underground mines and specialised surface blasting applications. In addition, the division supplies a diverse range of mining chemicals and blasting accessories. The Mining division contributed 29% to Group operating profit (2006: 45%).

The Mining division continued to benefit from increased mining activity during the period, particularly in coal, copper, uranium and iron ore. This resulted in further growth, particularly in mining chemicals, but at lower margins than in prior periods. The explosives market has become intensely competitive, with rapidly rising raw material costs pressuring margins and causing the division to withdraw from unprofitable contracts. In addition considerable costs for additional resources have been incurred in respect of new contracts where these contracts have yet to deliver volume. The division also carried an allocation of the Group project costs and share-based payments. The stronger rand had a negative impact on exported product. These factors combined to cause a decline in operating margin from 14% to 10%.

The Mining division achieved 24% growth in revenue to R581 million (2006: R470 million) but the operating margin fell to 10%. This was as a result of lost business in Zimbabwe and the division's inability to secure a continuous supply of shocktube initiating systems, as previously reported. These factors meant that operating profit declined by 14% to R56 million (2006: R65 million). The division's own new shocktube assembly plant, which will overcome the supply difficulties experienced, is on track to be commissioned before the end of the financial year.

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 40% to Group operating profit (2006: 11%).

Revenue increased by 20% to R971 million (2006: R806 million). Increased international demand for maize, driven by the need for alternative sustainable fuel sources, has seen the maize price remain relatively high at R1 800 per ton, from R1 300 per ton a year ago. This has led to a shortage of fertilizer raw materials in international markets and rapid concomitant price increases. It is also likely to persuade farmers to plant more hectares to maize than in the past.

Although operating margins in the Agriculture division are traditionally considerably lower in the first half of the financial year than those in the second, operating margins increased to 8% in the period (2006: 2%), due largely to the advance purchase of raw materials at favourable prices. This improvement has helped shield the Group from the negative impact of declining operating profits in the Chemical and Mining divisions.

Prospects

Chemicals

Demand for the Group's chemical products will be influenced by the environment within South Africa's manufacturing sector. The recent strengthening of the rand will have an adverse effect on manufacturing, as exports become uncompetitive and companies are encouraged to import cheaper manufactured components. Oil prices approaching record highs will ensure price increases for downstream petrochemical products and their derivatives. International chemical prices are increasing in line with an improvement in the global economic environment, and supply shortages are becoming increasingly evident. Furthermore action has been taken to improve margins in the short term.

Mining

The continued strong demand for world metals and minerals will benefit both the explosives and mining chemical markets. However, the Mining division intends to be circumspect in its growth aspirations given the current competitive nature of the market that will render some contracts simply uneconomical to service. Omnia is committed to operating at acceptable margins and will not endeavour to hold on to uneconomic business. Continued growth is however expected, with margins returning to more acceptable levels. The Mining division is focused on taking advantage of the opportunities that arise from its growing presence in Africa and there remains significant potential for its future growth in the rest of Africa.

Agriculture

The latest crop estimate forecasts that 2.8 million hectares will be planted to maize, up from the 2.5 million hectares achieved in the previous season. Domestic fertilizer volumes for the full year should therefore revert to, if not exceed, normal volumes, positively impacting this aspect of Group activities.

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.

Omnia Group

The Group expects an improvement in earnings for the year ended March 2008 compared with those achieved in the financial year ended March 2007.

The project for the Clean Development Mechanism that was announced a year ago is on track, with the Envinox plant in the first phase of installation at the Sasolburg production site.

Omnia remains focused on diversifying its risk profile and pursuing new growth opportunities, while maintaining a firm focus on the Group's core competencies. Within this context Omnia announced the acquisition of speciality chemical and water treatment business, Zetachem in August 2007 for a net R133 million, subject to the approval of the Competition Commission.

Omnia is well positioned to benefit from demand for biofuels which will positively impact on the need for fertilizer products. The Group's position in this market will underpin growth in the Agriculture market in future years.

Mr Ralph Havenstein was appointed as a non-executive director of the Board with effect from 6 November 2007. Ralph brings with him, high level business expertise coupled with a strong chemical engineering and mining background. His experience will contribute significantly to the board.

Black economic empowerment shareholding

The Group's simplified structure became effective on 1 April 2007. In the restructuring a new company, Sakhile Initiative Ltd, was formed which will have as its shareholders Omnia's South Africa-based employees. To achieve this Omnia effectively sold 10% of its shares and claims in Omnia Group (Pty) Ltd to Sakhile for R278 million, entitling this employee-owned company to 10% of the economic interest and full voting rights in Omnia Group (Pty) Ltd. Sakhile funded the transaction by:

- borrowing R218 million from a bank to pay for interest bearing loan accounts in Omnia Group (Pty) Ltd, and
- issuing a Preference Share of R60 million to Omnia Holdings Ltd to pay for interest free loans in Omnia Group (Pty) Ltd.

Further details of the BEE empowerment shareholding arrangement can be obtained from the Omnia Holdings Ltd annual report dated 2 August 2007.

Dividends

The board is pleased to announce that an interim dividend of 83 cents per share has been declared in respect of shareholders recorded in the register on Friday 4 January 2008. The last day to trade cum dividend will be Thursday 27 December 2007. The shares will commence trading ex dividend on Friday 28 December 2007 and the record date will be Friday 4 January 2008. The payment date will be Monday 7 January 2008. Share certificates may not be dematerialised or rematerialised between Friday 28 December 2007 and Friday 4 January 2008, both dates inclusive.


NJ CROSSE
Chairman

28 November 2007


RB HUMPHRIS
Managing Director

Condensed Consolidated Balance Sheets

as at 30 September 2007

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Assets			
Property, plant and equipment	819	679	760
Intangible assets	429	445	436
Deferred taxation	3	1	3
Inventories	1 446	929	905
Trade and other receivables	1 373	1 148	969
Other current assets	33	58	50
	4 103	3 260	3 123
Equity and liabilities			
Shareholders' equity	1 291	1 131	1 250
Deferred taxation	91	91	83
Non-current liabilities	258	15	33
Trade and other payables	1 474	1 334	1 417
Taxation	31	4	49
Other current liabilities	958	685	291
	4 103	3 260	3 123
Net interest-bearing debt	1 184	637	265
Net asset value per share (Rand)	29.2	25.9	28.4
Forex loss included in operating profit	(5)	(31)	(31)
Capital expenditure			
Depreciation	28	28	59
Amortisation	10	10	20
Incurred	86	65	188
Authorised and committed	124	47	33
Authorised but not contracted for	77	98	174

Segmental Analysis

for the six months ended 30 September 2007

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Revenue, net of intersegmental sales	3 061	2 438	5 537
Chemicals	1 509	30	1 162
Mining	581	24	470
Agriculture	971	20	806
Operating profit	192	33	144
Chemicals	60	(5)	63
Mining	56	(14)	65
Agriculture	76	375	16

Notes

Accounting policies

The consolidated condensed financial statements for the six months ended 30 September 2007 were prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 – Interim Financial Reporting and in compliance with the Listing 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 six months ended 30 September 2007 are consistent with those applied in the annual financial statements for the year ended 31 March 2007.

Headline earnings

Headline earnings are 224.5 cents per share (2006: 181.4 cents per share).

Diluted headline earnings are 222.4 cents per share (2006: 178.4 cents per share).

Dividends

A final dividend of 90 cents per share was declared on 18 June 2007 in respect of the earnings of the previous financial year. This dividend is reflected in the current period to 30 September 2007.

Commitments

The future minimum lease payments under non-cancellable operating leases are R23.9 million (2006: R17.2 million) within one year and R38.0 million (2006: R51.4 million) between two and five years and R1.5 million (2006: Rnil) beyond five years, giving a total of R63.4 million (2006: R68.6 million).

Commentary

Introduction

Omnia is a diversified, specialist chemical services provider with business interests balanced across chemical, mining and agricultural markets. It 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, allowing the Group to earn a premium in its markets and build long-term customer relationships.

All three of Omnia's business segments achieved revenue growth in excess of 20%, the largest being in the Chemicals division where revenue grew 30%, albeit at considerably lower margins than in the past. The Mining division showed revenue growth of 24% as strong global demand for metals continued to support sales. In the Agriculture division, notwithstanding the fact that its major activities customarily occur in the second six-month period which is the main planting season, revenue growth of 20% was achieved at considerably improved margins when compared to the prior period. This is a reflection of higher fertilizer prices combined with positive planting conditions, driven mainly by prevailing higher maize prices.

Financial review

Group revenue increased by 26% to R3.1 billion (2006: R2.4 billion), as sales increased across all businesses. Operating profit increased by 33% to R192 million (2006: R144 million), with the margin increasing to 6.3% from the 5.9% achieved in the prior period as a result of improved performance from the Agricultural division. As indicated in previous communications, the Group has embarked on a number of projects that will bear fruit in two or three years time. The cost of these projects is being allocated to the operating divisions, impacting negatively on their operating margins in the short term. In addition, the respective operating divisions now carry a proportionate percentage of the share-based payments charge arising from the BEE employee ownership scheme, Sakhile Initiative, described below. These share-based payments for the six months amount to R12 million (2006: R4 million).

Interest paid increased by 57% to R44 million (2006: R28 million) due to higher interest rates being applied to a substantially higher level of debt. Net finance costs were negatively influenced by a R2 million foreign exchange loss compared with a R4 million foreign exchange gain in the prior period.

Net profit increased by 21% to R97 million (2006: R80 million) led by a solid contribution from Agriculture.

The seasonal nature of Omnia's agriculture operations causes the Group's working capital requirements to peak in about September of each year. Raw material prices – notably ammonia, urea, potash and phosphates – driven by surging worldwide biofuel demand – continued their upward spiral. Given these continued raw material price increases a strategic decision was taken to acquire raw material stock in advance. This has resulted in net interest bearing debt increasing by 86% off last year's low base to R1 184 million (2006: R637 million). Cash utilised by operations for the period under review increased by R563 million to R833 million (2006: R270 million), mainly resulting from an increase in working capital of R490 million when compared with the prior period. The strengthening of the rand saw a R30 million negative movement in the foreign currency translation reserve for the period (2006: positive R66 million).

Condensed Consolidated Cash Flow Statements

for the six months ended 30 September 2007

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Operating profit	192	144	422
Depreciation and amortisation	38	38	79
Adjustment for non-cash items	(31)	69	(3)
Utilised in working capital	(889)	(399)	(60)
	(690)	(148)	438
Interest paid	(44)	(28)	(80)
Interest received	1	3	18
Taxation paid	(1)	(58)	(100)
Dividends paid	(39)	(39)	(68)
(Utilised)/generated by operations	(833)	(270)	208
Cash outflow from investing activities	(86)	(65)	(175)
Cash inflow/outflow from financing activities	228	(3)	8
Net (decrease)/increase in cash	(691)	(338)	41
Net overdraft at beginning of period	(234)	(275)	(275)
Net overdraft at end of period	(925)	(613)	(234)

Reconciliation of headline earnings

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Net profit for the year	97	80	246
Profit on disposal of fixed assets	-	-	(1)
Investment impaired	2	-	-
Headline earnings	99	80	245

Other Reserves

R million	Unaudited 6 months 30/09/07	Unaudited 6 months 30/09/06	Audited 12 months 31/03/07
Share-based payment reserves	31	17	19
Foreign currency translation reserve	(16)	38	14
Net discount arising on acquisition of shares of subsidiaries	3	3	3
	18	58	36