



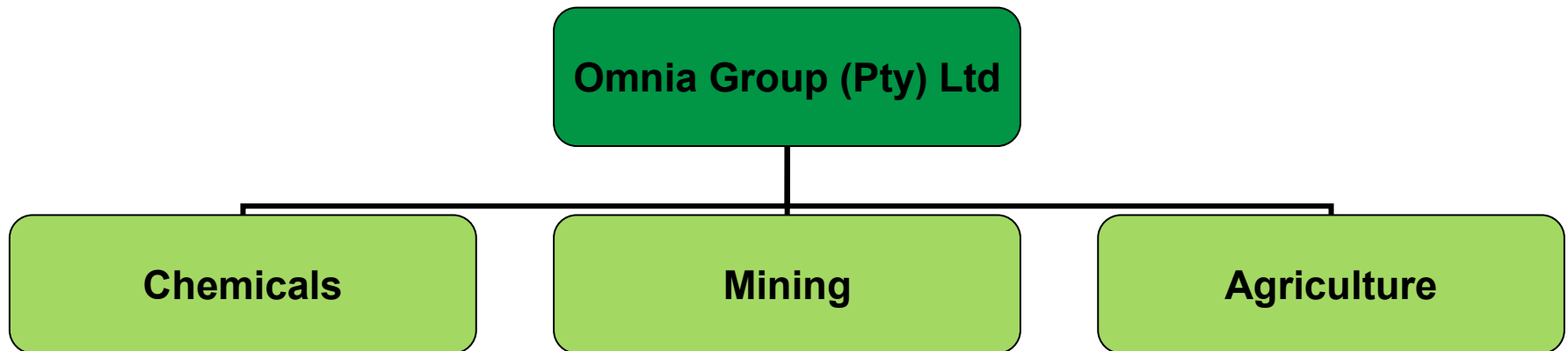
# Results Presentation

For the financial year ending  
31 March 2008



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# Group Structure



*\*the science of growing • wetenskap vir groei*

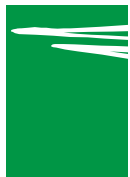


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# Overview of Results



Revenue	▲	33% to R 7.3 billion
Net profit	▲	27% to R 313 million
Basic earnings per share	▲	28% to 718.2 cents
Headline earnings per share	▲	30% to 724.5 cents
Total dividend for the year	▲	25% to 200c per share

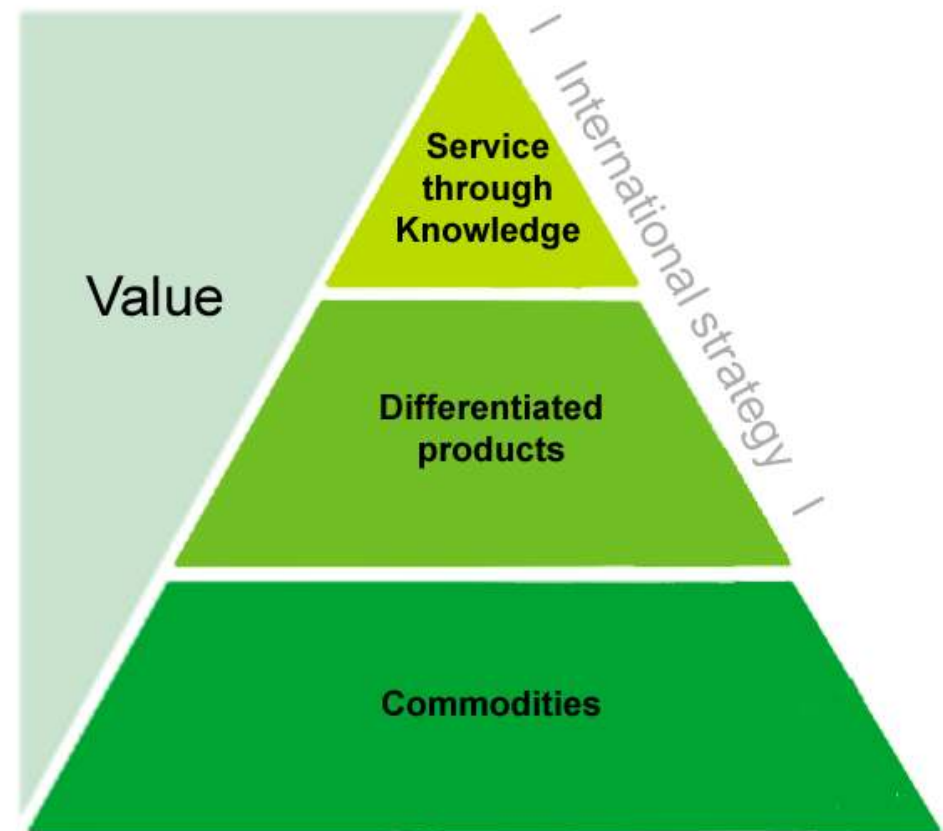


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# The Omnia Proposition

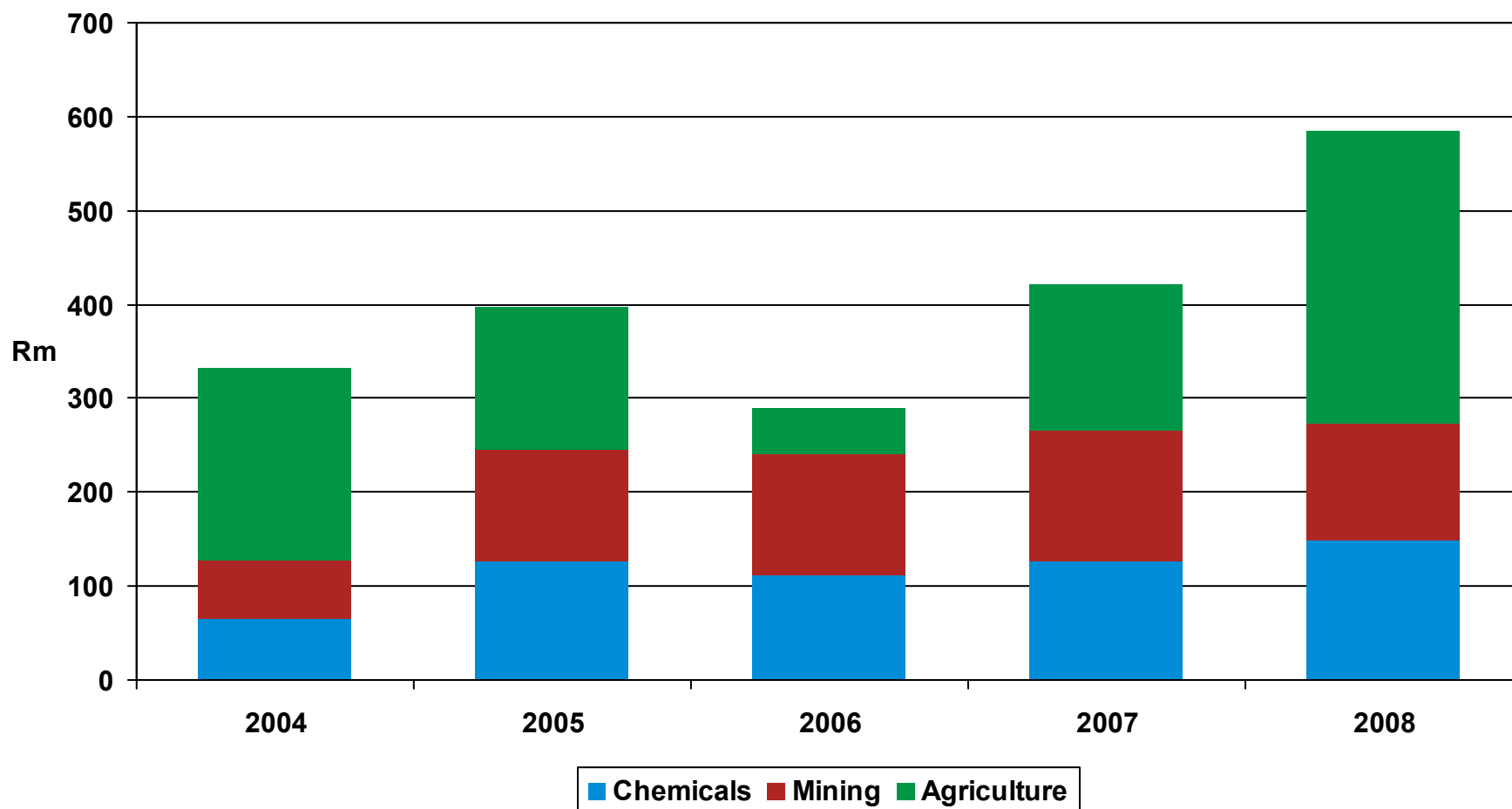


- Leverage intellectual capital and technology to create value for customers
- Respond innovatively with differentiated products and services
- Develop offerings positioned further up the pyramid model to broaden the value added
- Committed to continuing improvement in sustainable business practices and Responsible Care principles



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# Balanced Business - Operating Profit



# Operating Environment



- Positive macro environment for Omnia
- Strong demand in all three of Group's major markets
- Extraordinary market conditions
  - Dramatic increase in key input costs
  - Vital shortages of raw materials
  - Dramatic changes within agriculture
- Rising procurement costs significantly impact on working capital



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# Operational Environment

- Chemicals
  - Benefited from growth in South African economy
  - Volumes increased by more than 10%
  - Acquisition of Zetachem
- Mining
  - Continued volume growth, particularly mining chemicals
  - Unprecedented increase in cost of raw materials
  - Renegotiated pricing contracts
- Agriculture
  - Maize price remains above R 1 800 per ton for most of period
  - Global shortage of raw materials
  - Price of fertilizer reached record highs
  - Investment into jatropha agronomics



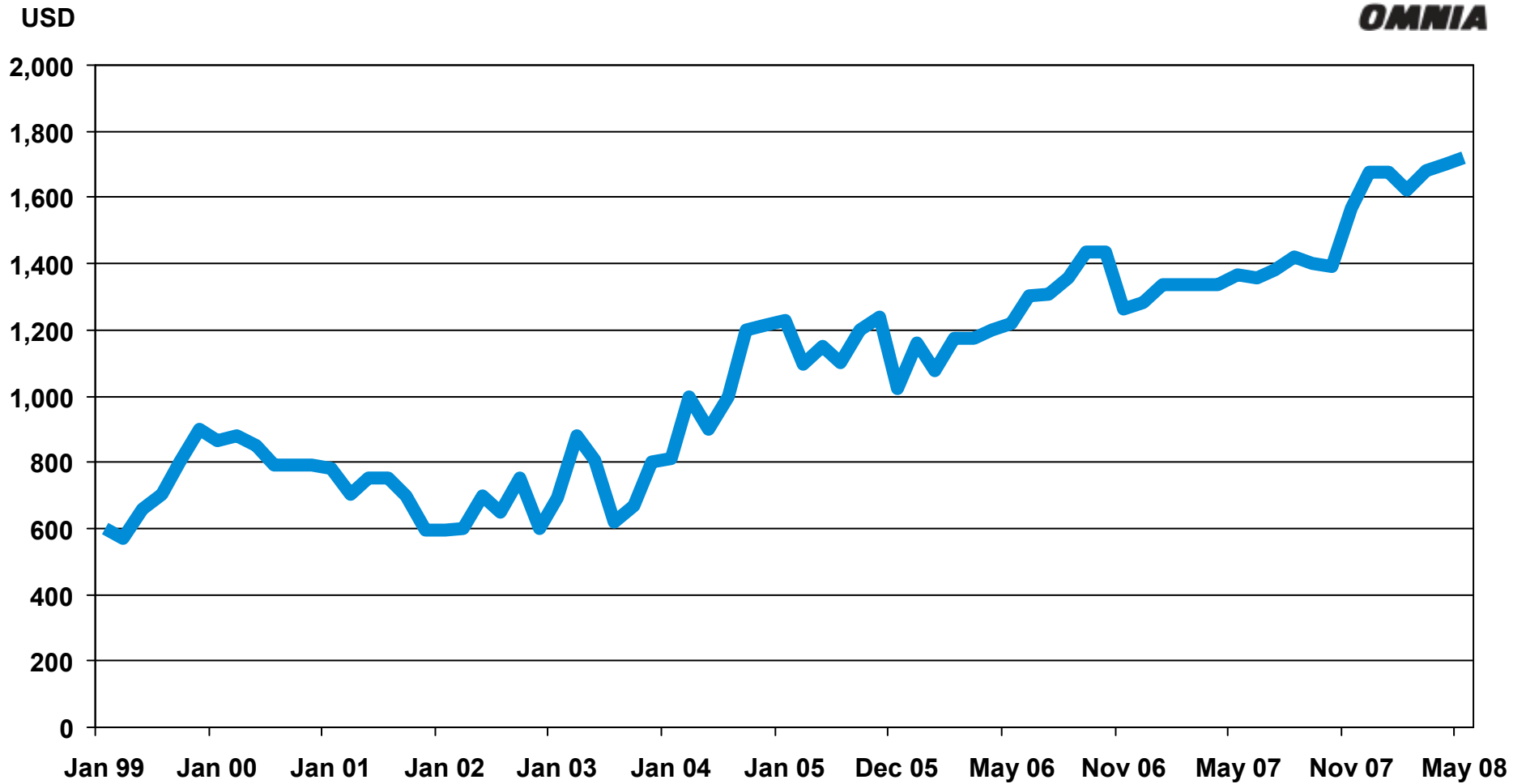
# Divisional Review : Chemicals



		2008	2007
Revenue	▲	27% to R 3.3 billion	R 2.6 billion
Operating profit	▲	17% to R 148 million	R 127 million
Operating margin	▼	4.5%	4.8%
Contribution	▼	25%	30%

- Decrease in operating margin due to product mix, in particular greater polymer volumes
- Zetachem acquisition will improve margins
- Reduction in contribution to Group operating profit due to appreciable increase in contribution of Agriculture

# Commodity Prices - LDDPE



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# Divisional Review : Mining



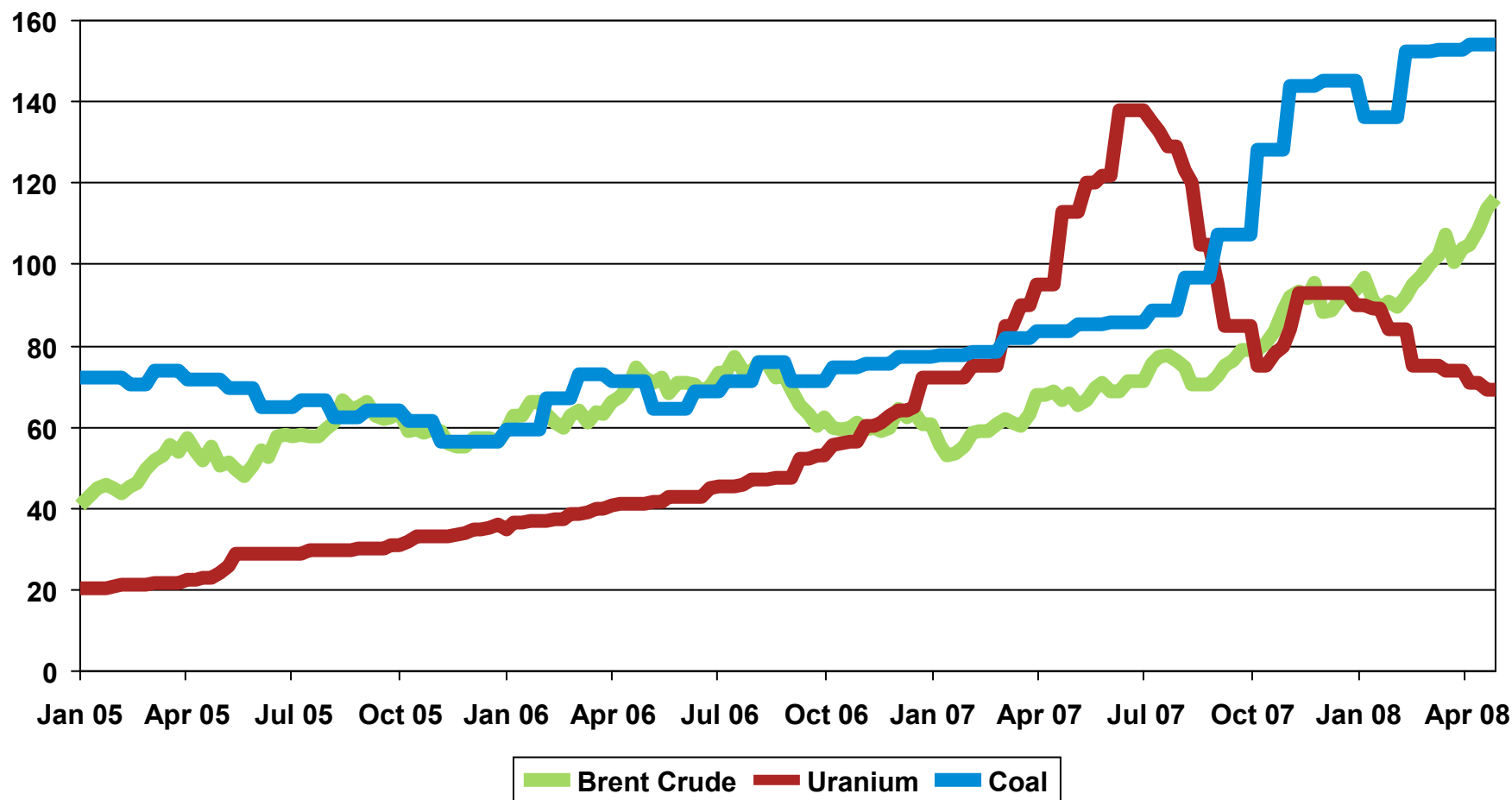
		2008	2007
Revenue	▲	28% to R 1.3 billion	R 1.0 billion
Operating profit	▼	9% to R 125 million	R 138 million
Operating margin	▼	9.8%	13.8%
Contribution	▼	21%	33%

- Decrease in operating margin due to unprecedented rate of increase in the cost of raw materials
- Contract pricing did not allow for expeditious adjustments
- Re-negotiated price increases were completed in the last quarter of the year

# Commodity Pricing - Energy

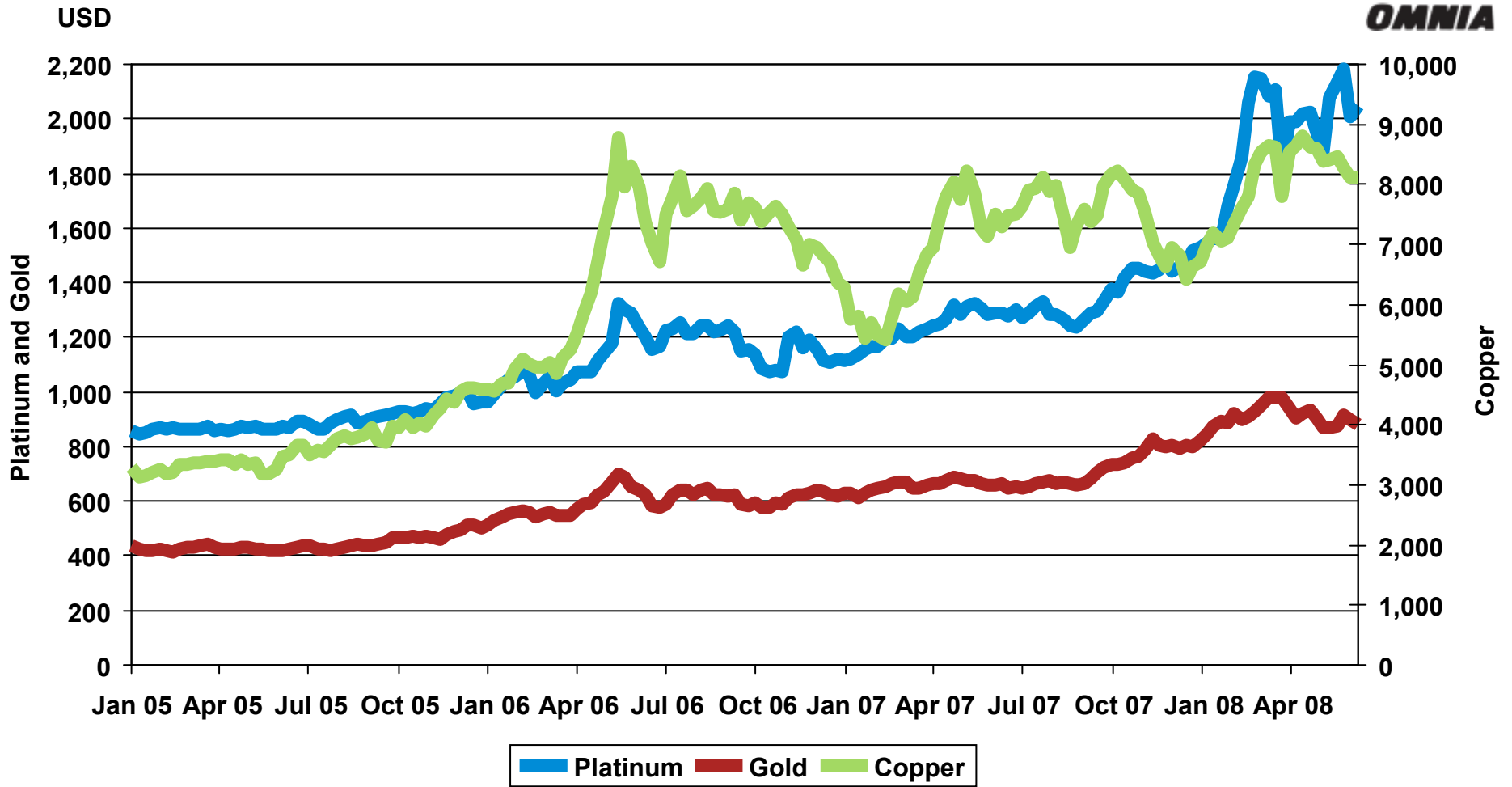


USD



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# Commodity Pricing - Metals



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# Divisional Review : Agriculture



**“Despite sharply rising input costs, there has never been a better time to be a farmer in South Africa, or any other part of the world”**

- Johan Willemse

Agricultural Economist

University of the Free State



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# Drivers of Food Prices



- Arable land to urbanisation
- Increasing lack of water for agriculture
- Resistance to full scale implementation of GM crops
- Insufficient research on regionalised crop yields
- Change of diets from staple grains to higher protein

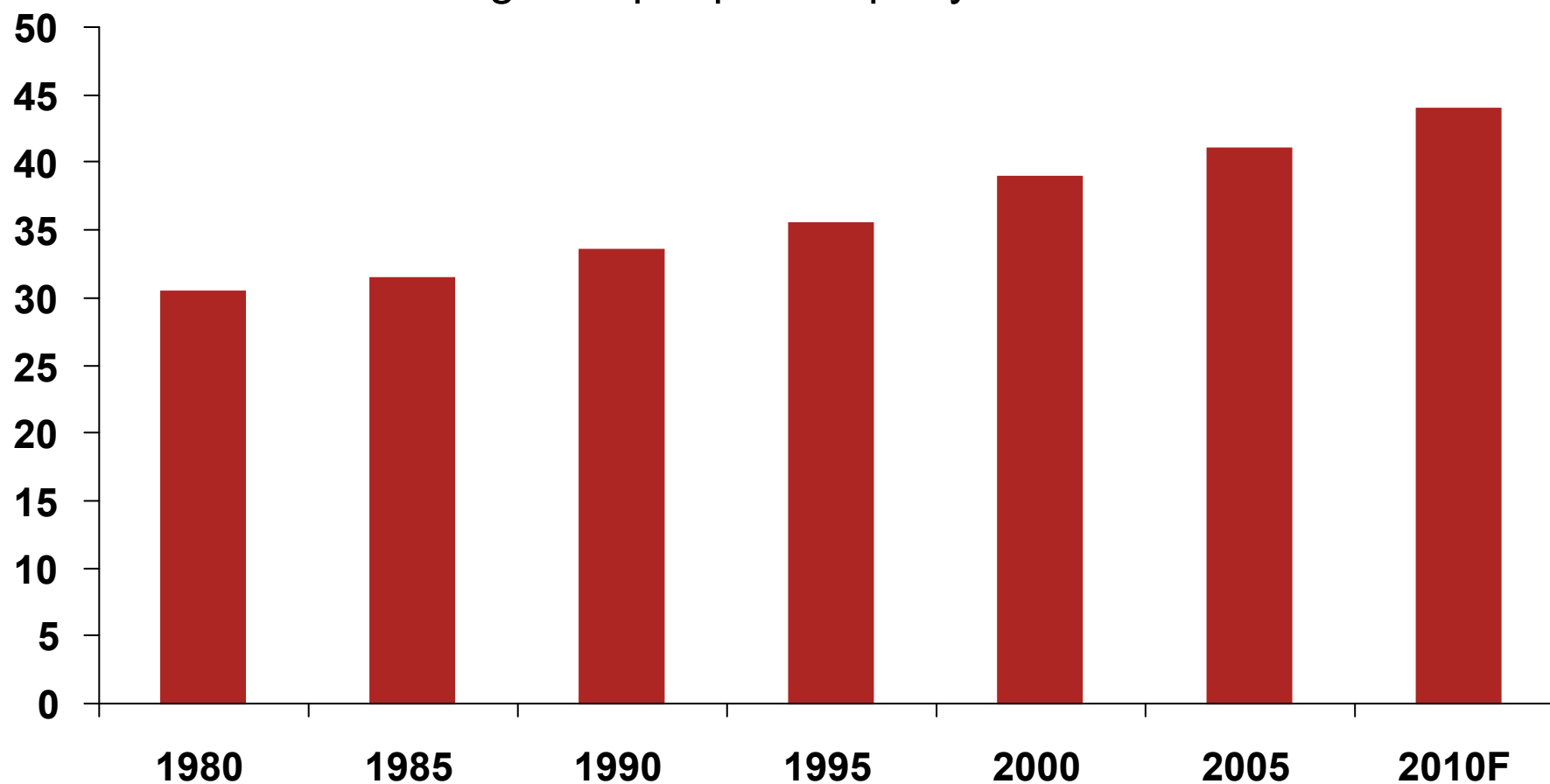


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# World per Capita Meat Consumption



Kilograms per person per year

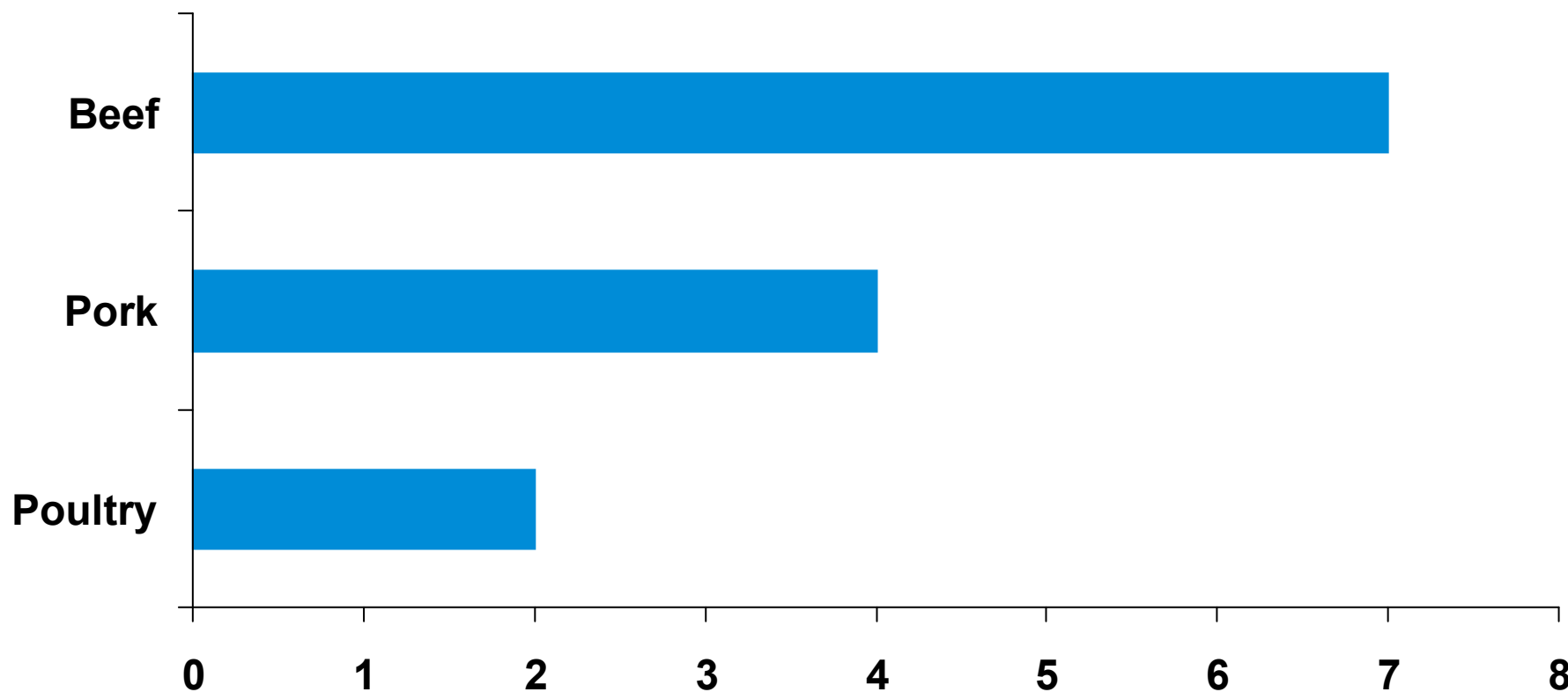


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# Grain Consumption vs Meat Production



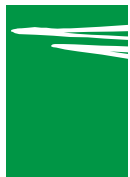
Kilograms of Feed Grain to Produce 1 Kilogram of Meat





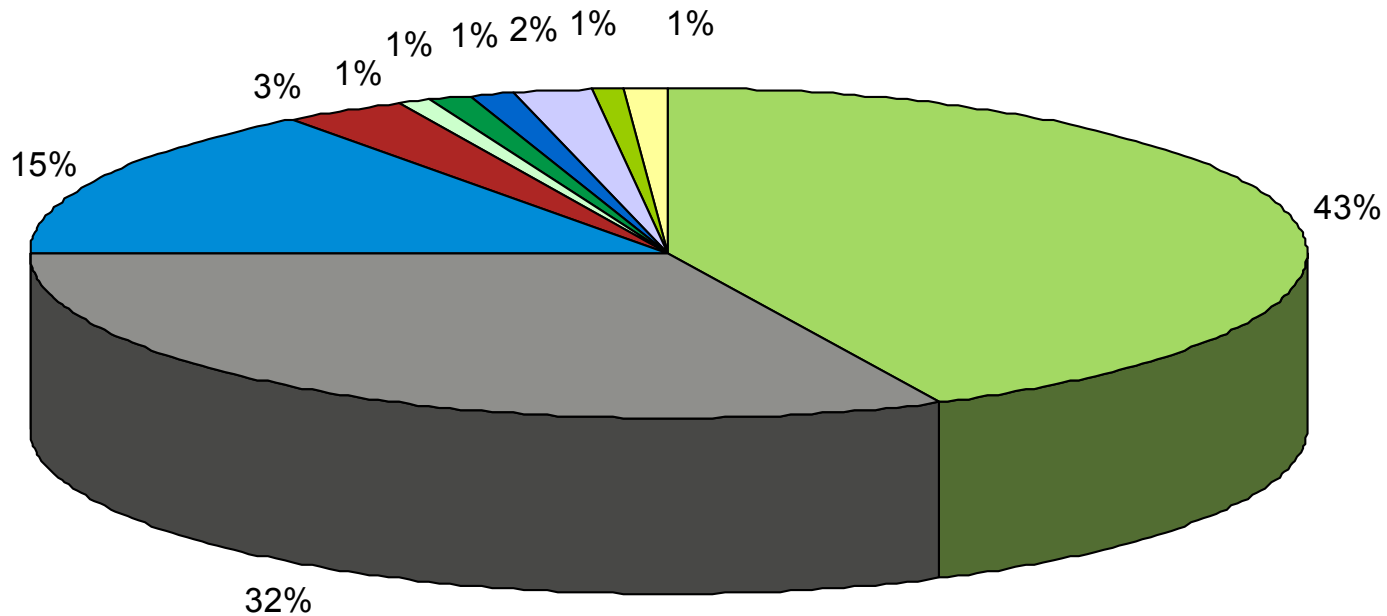
# Drivers of Food Prices

- Arable land to urbanisation
- Increasing lack of water for agriculture
- Resistance to full scale implementation of GM crops
- Insufficient research on regionalised crop yields
- Change of diets from staple grains to higher protein
- Climate change – droughts in Australia, flooding in Burma and China
- Production of Biofuels



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# Biofuel Production per Country

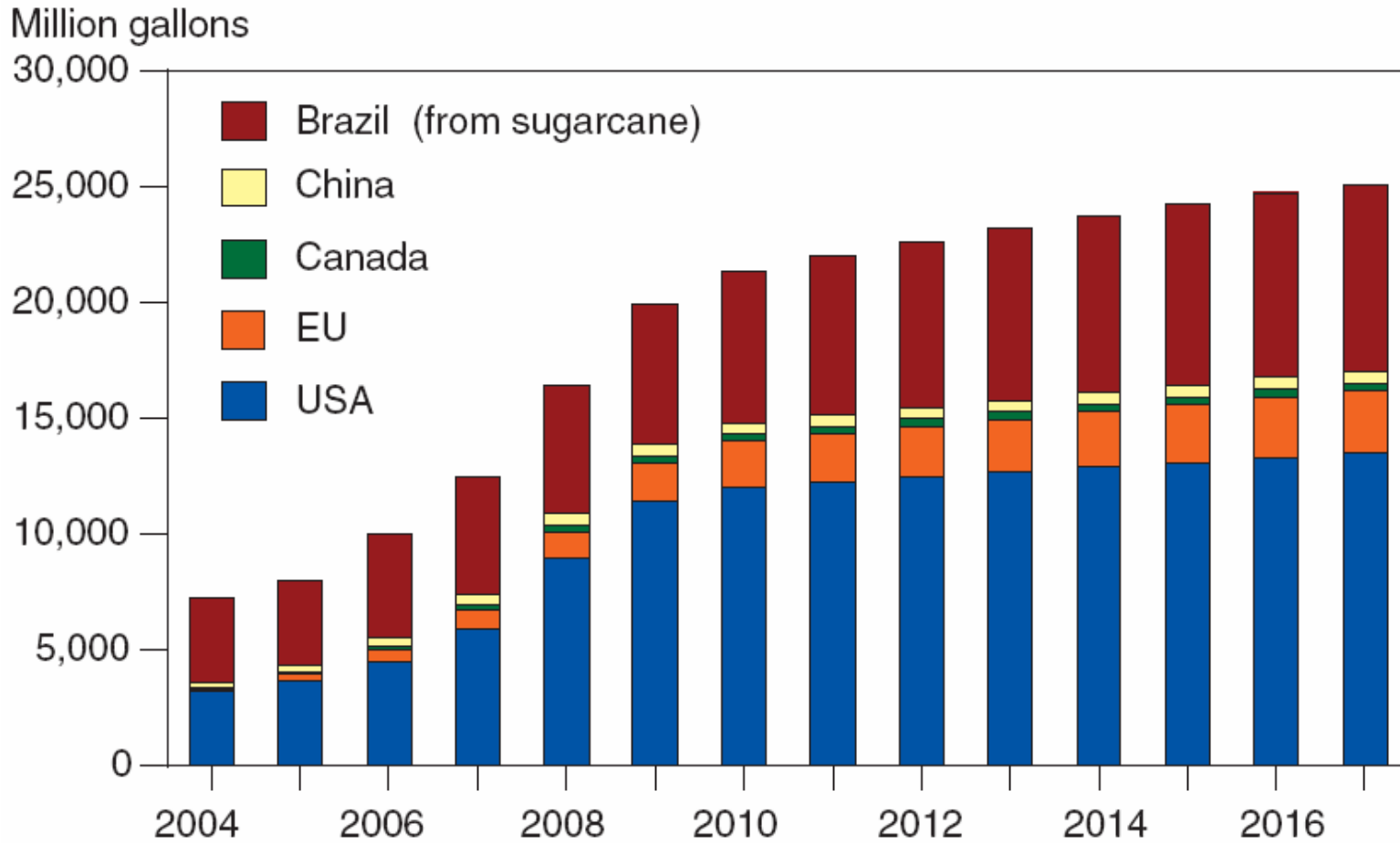


- USA
- China
- Oceania
- Other Asia
- Brazil
- India
- Other North & Central America
- EU
- Thailand
- Other South America

Source: USDA Agricultural projections



# Ethanol Production

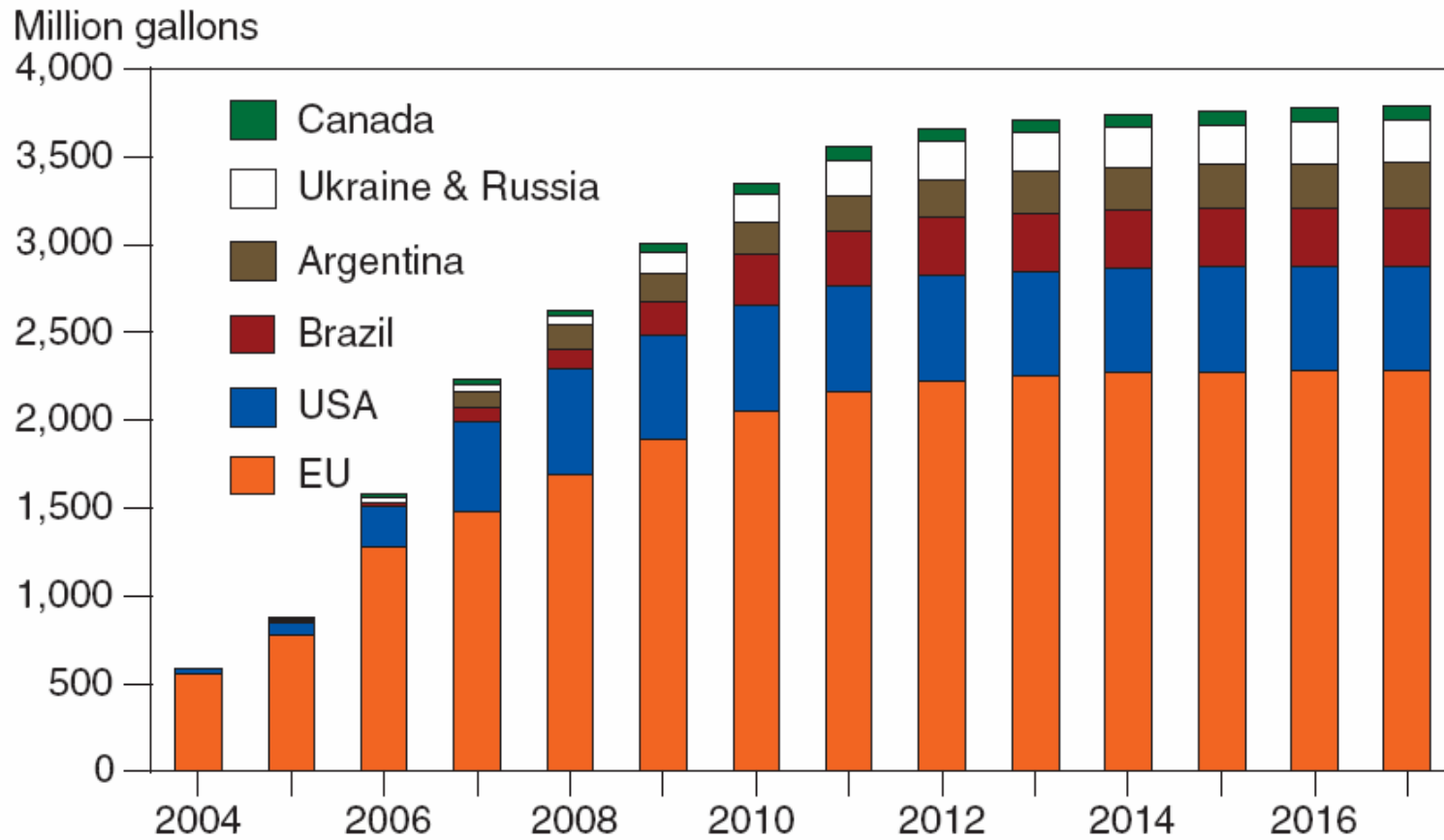


Source: USDA Agricultural projections



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# Biodiesel Production



Source: USDA Agricultural Projections to 2017.



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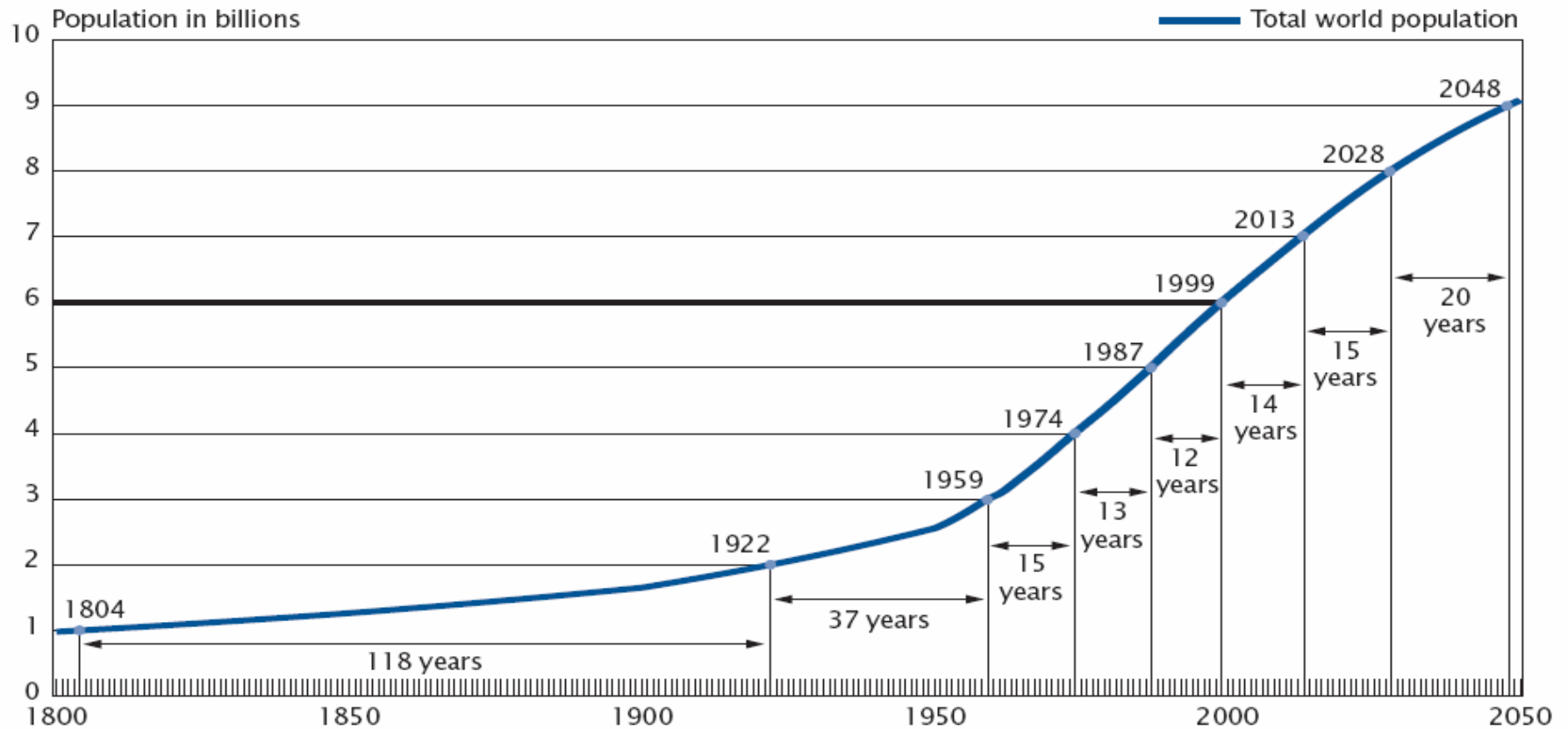
# Drivers of Food Prices

- Arable land to urbanisation
- Increasing lack of water for agriculture
- Resistance to full scale implementation of GM crops
- Insufficient research on regionalised crop yields
- Change of diets from staple grains to higher protein
- Climate change – droughts in Australia, flooding in Burma and China
- Production of Biofuels
- Exponential increase in world population



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# Population Growth



Source: United Nations (1995b); U.S. Census Bureau, International Programs Center, International Data Base and unpublished tables.



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# Drivers of Food Prices

- Arable land to urbanisation
- Increasing lack of water for agriculture
- Resistance to full scale implementation of GM crops
- Insufficient research on regionalised crop yields
- Change of diets from staple grains to higher protein
- Climate change – droughts in Australia, flooding in Burma and China
- Production of Biofuels
- Exponential increase in world population
- Insufficient time for farmers to adapt to new circumstances

**Is this a problem or is this an opportunity?**



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# Consequences



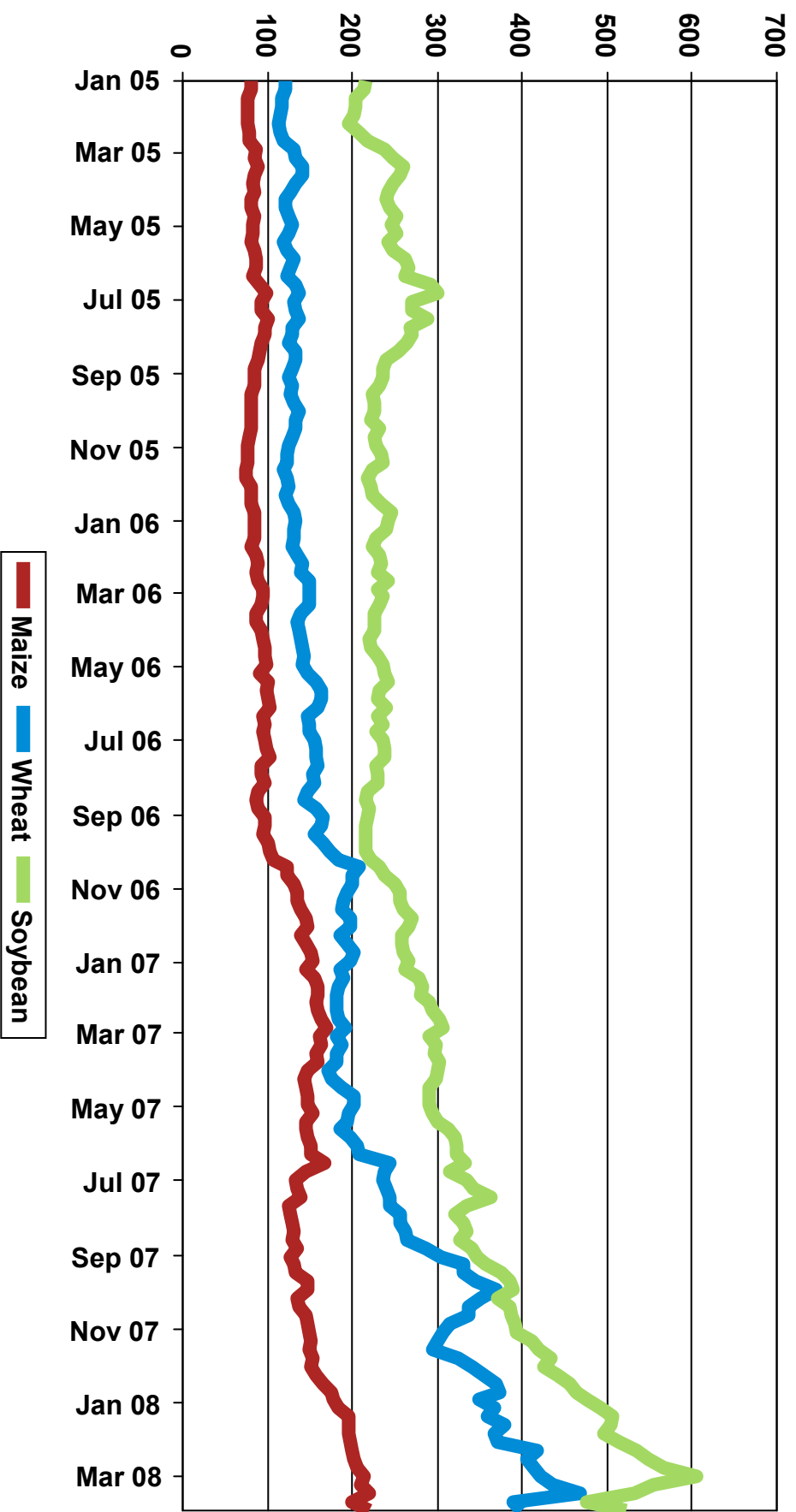
- High crop prices
- Global Food shortages/food riots
- Stocks to use ratio on coarse grains declined to a new low



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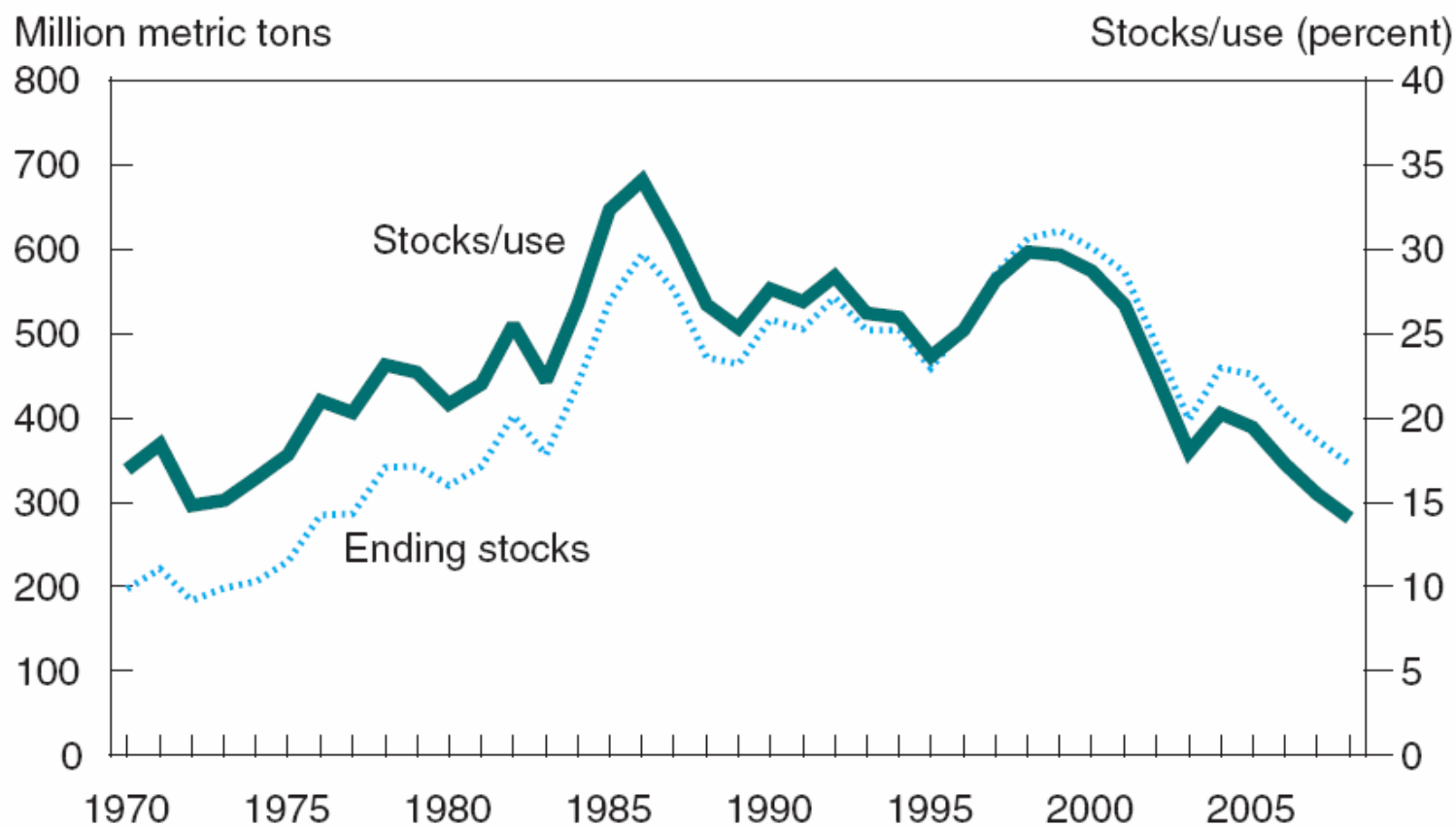
# Commodity Prices

USD



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# Total World Grain & Oilseeds



Source: USDA PS&D Database.



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# Consequences

- High crop prices
- Global Food shortages/food riots
- Stocks to use ratio on coarse grains declined to a new low
- Increase in hectares planted
- Fertilizer demand has outstripped supply
- Chinese Export Tax 135% on fertilizer



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# Harsh Reality



	Ammonia fob Yuz	Urea Gran fob ME	DAP fob US Gulf	Sulphur fob Vancouver	MOP fob NW Europe
Average 2007	269	320	430	113	212
Average 2008	492	439	987	563	457
Current 29 <sup>th</sup> May 2008	434	650	1190	690	705
<b>Increase from 2007 to current</b>	<b>61%</b>	<b>103%</b>	<b>177%</b>	<b>511%</b>	<b>233%</b>



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# Divisional Review : Agriculture



		2008	2007
Revenue	▲	43% to R 2.7 billion	R 1.9 billion
Operating profit	▲	98% to R 311 million	R 157 million
Operating margin	▲	11.4%	8.2%
Contribution	▲	54%	37%

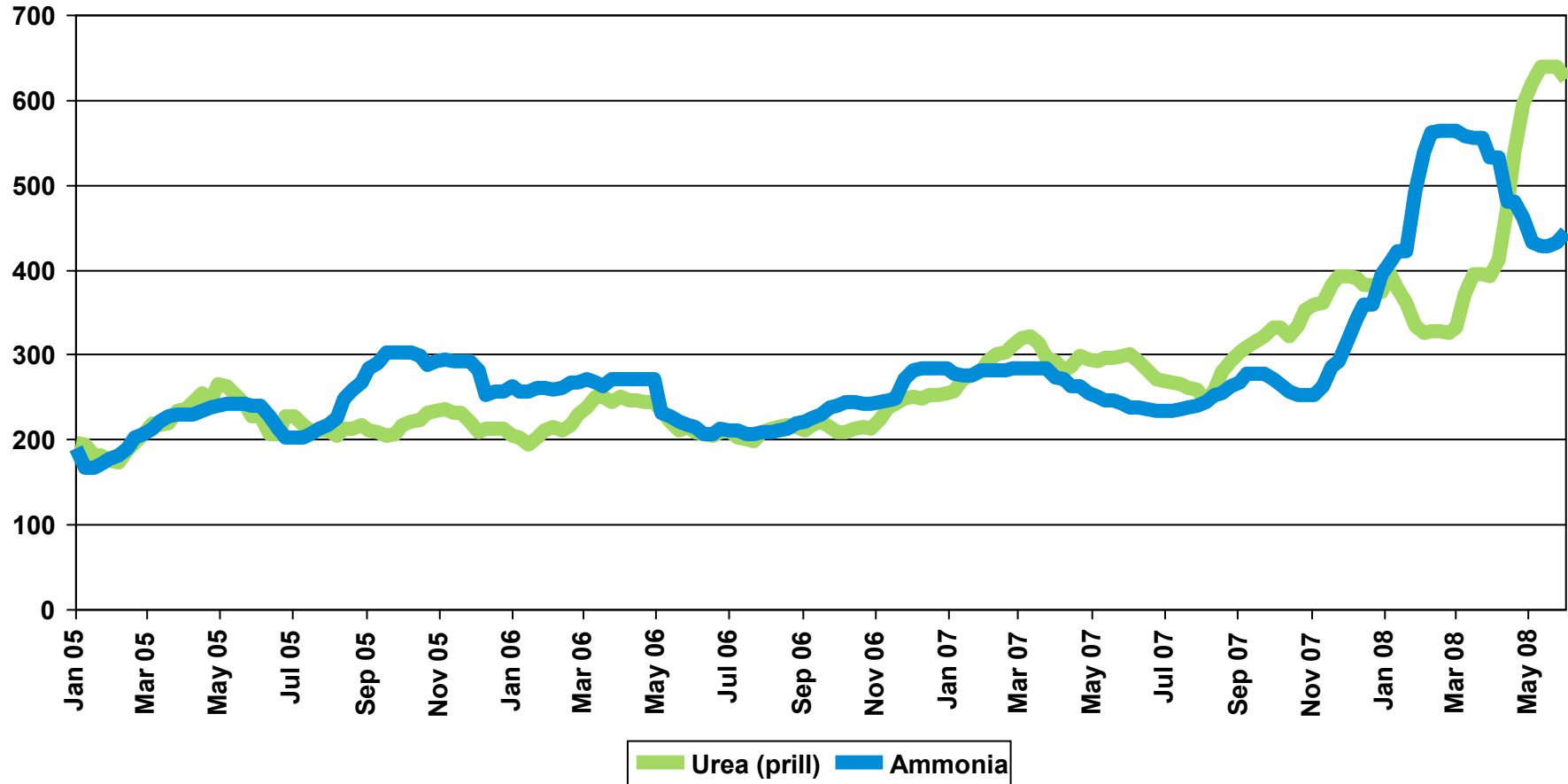
- Maize price remaining at levels above R1 800 per ton
- Global shortage of fertilizer raw materials
- Price of fertilizer at record highs

# Raw Material Fundamentals

International cost per ton ammonia vs urea



USD



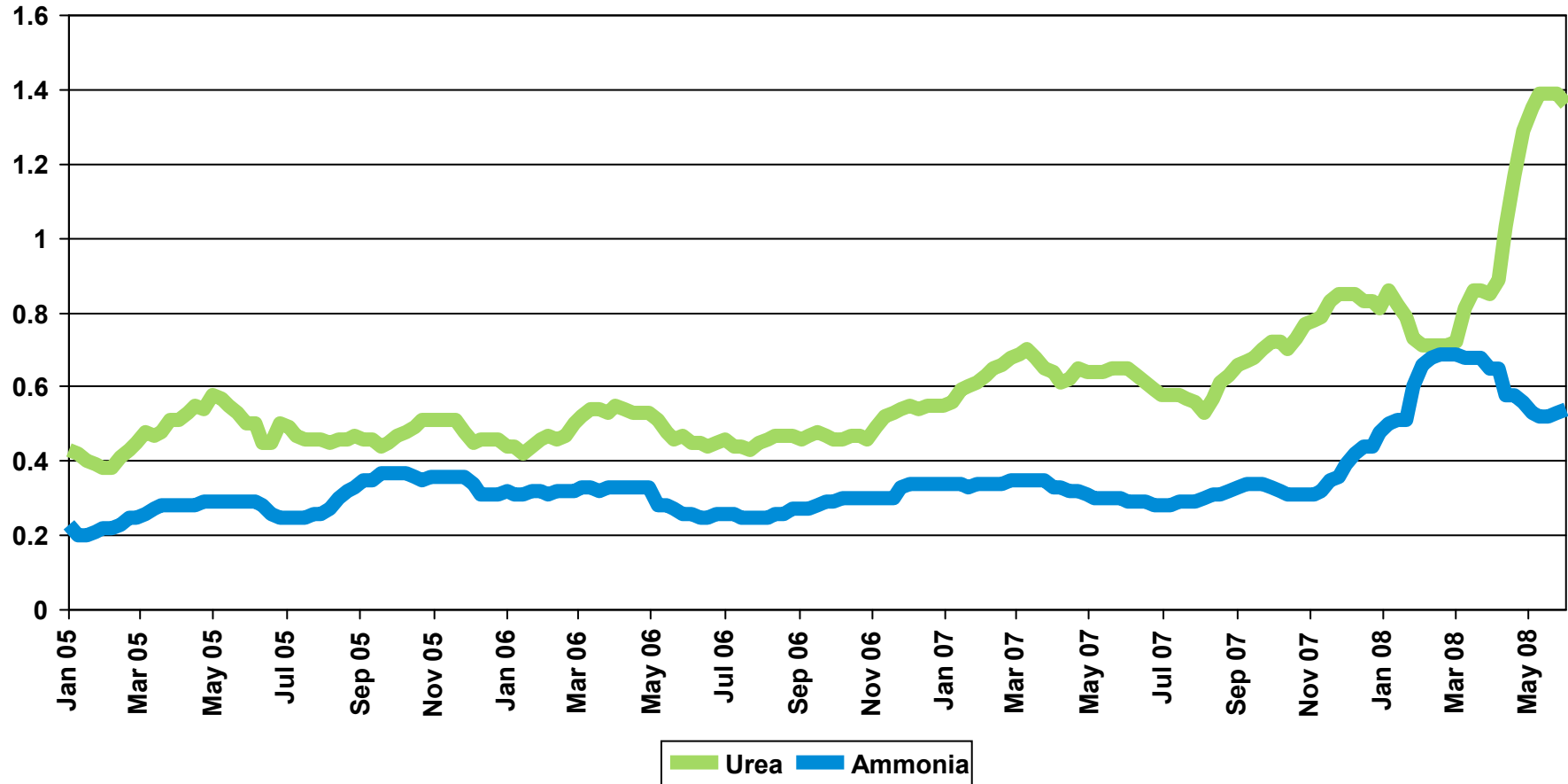
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# Raw Material Fundamentals

## Cost per Kg Nitrogen ammonia vs urea



USD

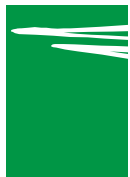
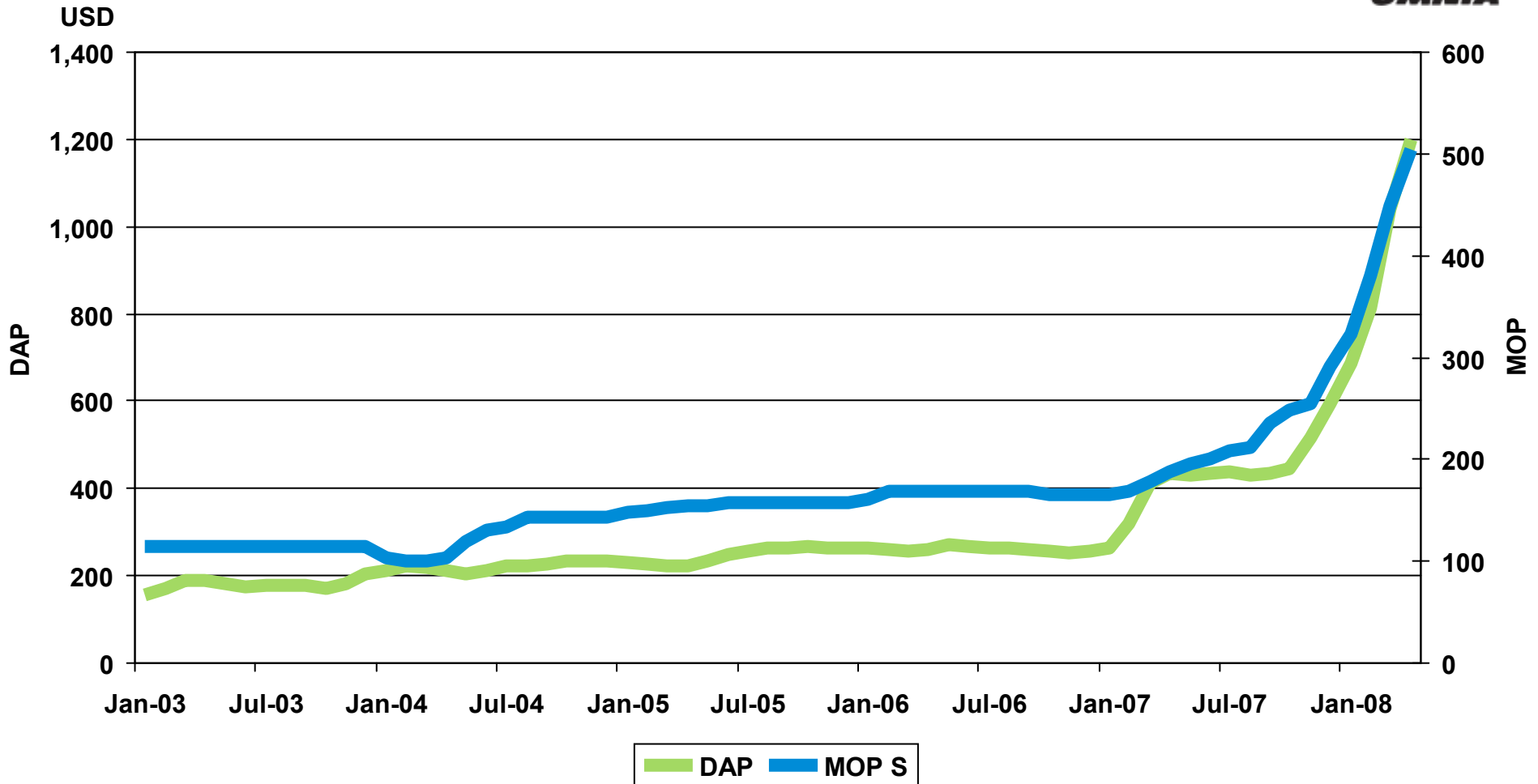


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# Raw Material Fundamentals



Rising raw material prices – DAP & MOP



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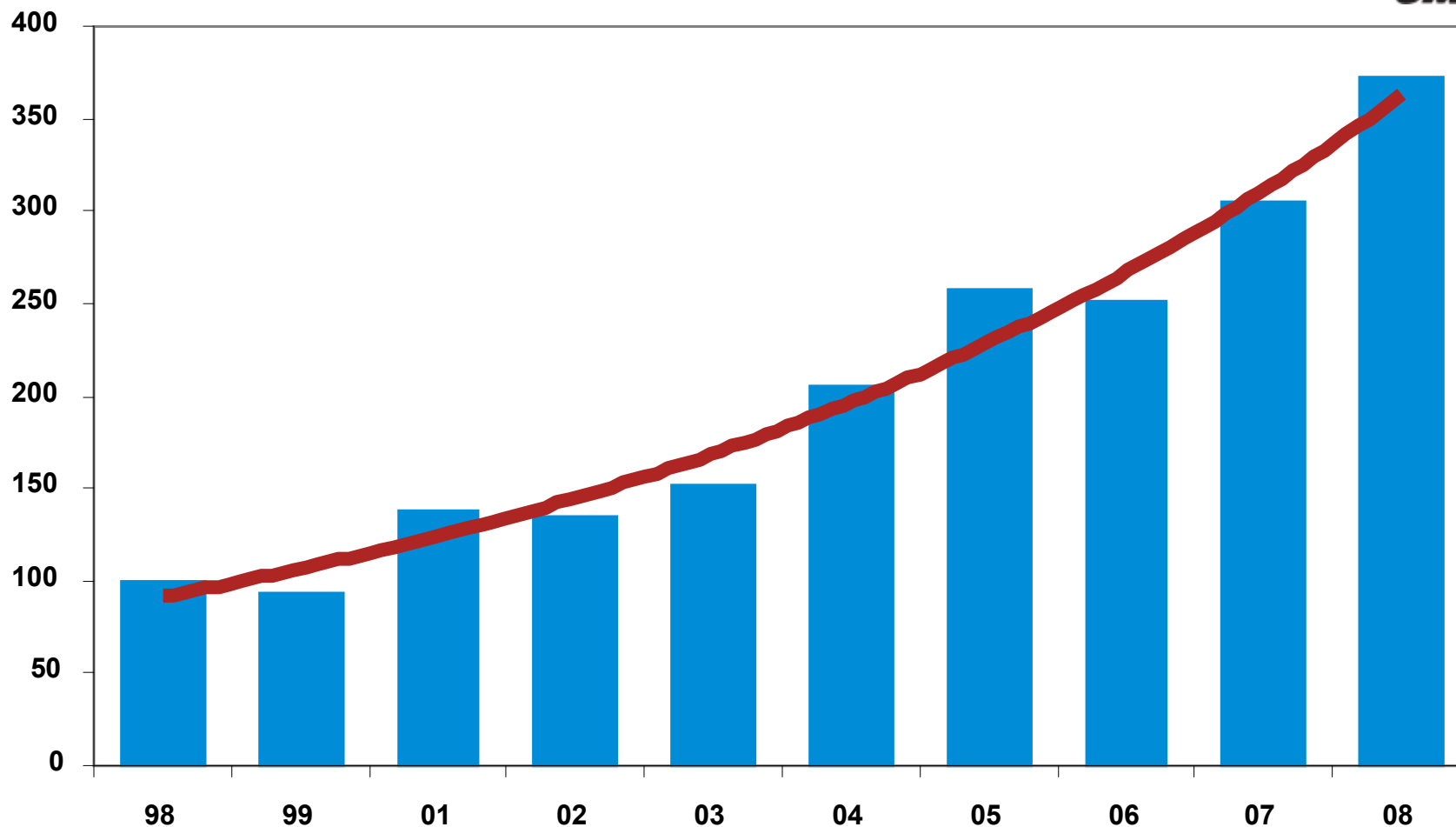
# Financial Review

For the financial year ending  
31 March 2008



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# Real Growth : Revenue Indexed



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# Income Statement



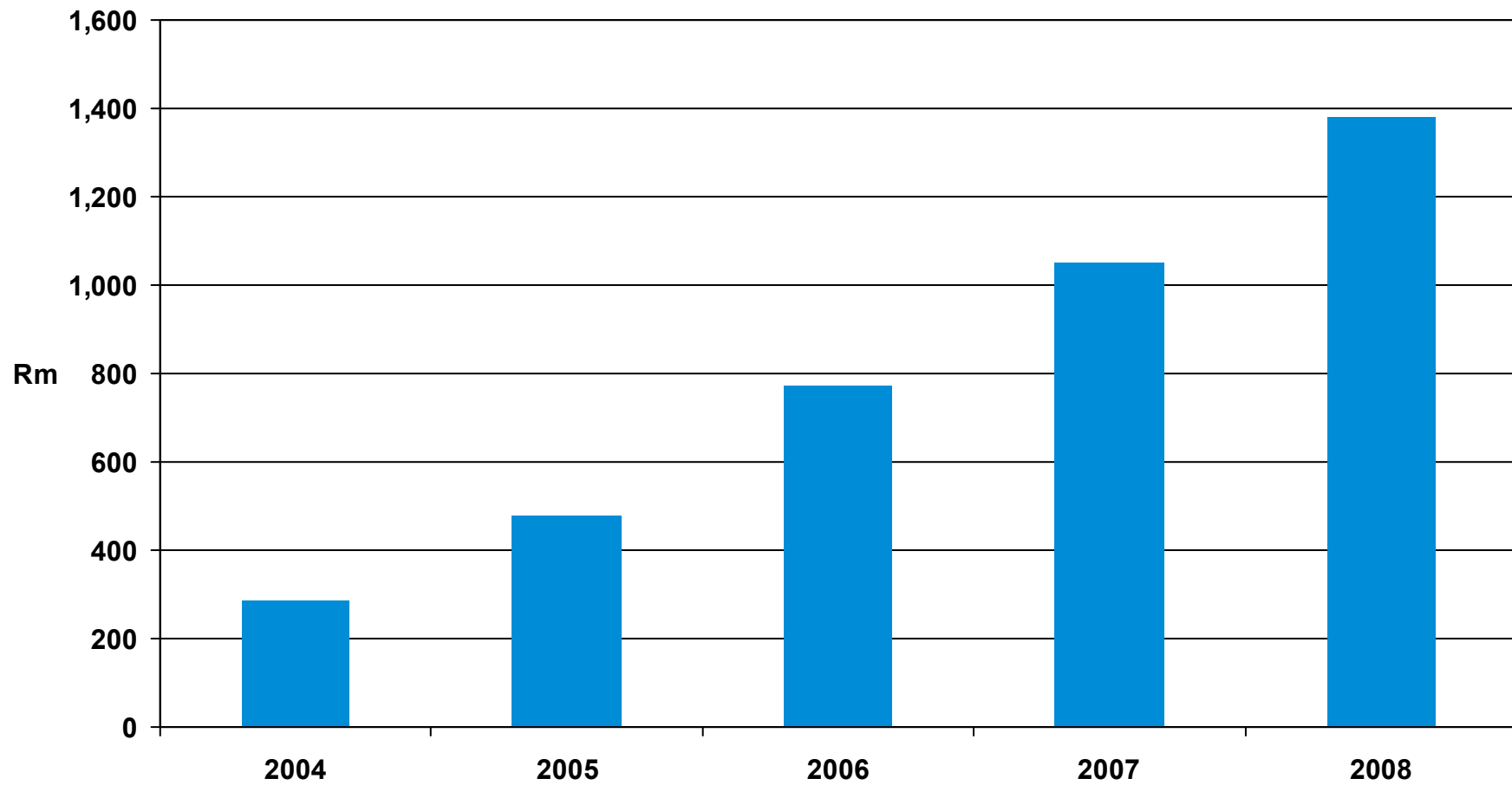
Rm	2008	%	2007
Revenue	7 340	33	5 537
Operating expenses	( 915)	28	( 717)
Operating profit	584	38	422
Net finance cost	( 112)	93	( 58)
Interest paid	( 143)	79	( 80)
Interest received	25	39	18
Forex gain	6	50	4
Profit before taxation	472	30	364
Taxation	(159)	35	( 118)
<b>Net profit for the year</b>	<b>313</b>	<b>27</b>	<b>246</b>

# Segmental Review



Rm	2008	%	2007
<b>Chemicals</b>			
Revenue	3 334	27	2 624
Operating profit	148	17	127
Operating margin	4.5%		4.8%
<b>Mining</b>			
Revenue	1 281	28	1 001
Operating profit	125	( 9)	138
Operating margin	9.8%		13.8%
<b>Agriculture</b>			
Revenue	2 725	43	1 912
Operating profit	311	98	157
Operating margin	11.4%		8.2%

# Export Revenue



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# Balance Sheet



Rm	2008	%	2007
<b>Capital and Reserves</b>			
Stated capital	188	2	185
Non-distributable reserves	79	464	14
Share-based payment reserve	45	137	19
Other reserves	3		3
Retained earnings	1 268	23	1 027
Minority interest	(2)		2
<b>Shareholders' equity</b>	<b>1 581</b>	<b>26</b>	<b>1 250</b>
<b>Debt : Equity ratio</b>	<b>29%</b>		<b>21%</b>



# Balance Sheet



Rm	2008	%	2007
<b>Non-current assets</b>	<b>1 520</b>	<b>27</b>	<b>1 199</b>
Property, plant and equipment	965	27	760
Intangible assets	517	19	436
Available-for-sale financial assets	30		-
Deferred income tax assets	8		3
<b>Net working capital</b>	<b>696</b>	<b>52</b>	<b>457</b>
Inventories	1 380	52	905
Trade and other receivables	1 457	50	969
Cash and cash equivalents	82	64	50
<b>Total Assets</b>	<b>4 439</b>	<b>42</b>	<b>3 123</b>

# Balance Sheet



Rm	2008		2007
<b>Non-Current Liabilities</b>	<b>392</b>	<b>238%</b>	<b>116</b>
Deferred income tax liabilities	104		83
Provisions	1		9
Interest-bearing borrowings	287		24
<b>Current Liabilities</b>	<b>2,466</b>	<b>40%</b>	<b>1,757</b>
Trade and other payables	2,141	51%	1,417
Current portion of interest-bearing borrowings	61		7
Current income tax liabilities	79		49
Bank overdrafts	185		284
<b>Total Liabilities</b>	<b>2,858</b>	<b>53%</b>	<b>1,873</b>



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# Cash Flow Statement



Rm	2008	%	2007
Operating profit	584	38	422
Depreciation and amortisation	92	16	79
Adjustment for non-cash items	13		(6)
Utilised by working capital	(138)	130	(60)
Net interest paid	(118)	90	(62)
Taxation paid	(134)	34	(100)
<b>Cash generated before dividends</b>	<b>299</b>	<b>10</b>	<b>273</b>



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# Cash Flow Statement



Rm	2008	%	2007
Cash generated before dividends	299	10	273
Dividends paid	(76)	12	(68)
Generated by operations	223	9	205
Net cash outflow from investing activities	(413)	136	(175)
Plant and equipment	(234)		(175)
Acquisitions (Zetachem)	(150)		-
Investment in jatropha agronomics	(29)		-
Net cash inflow from financing activities	323		8
<b>Increase in funds available</b>	<b>133</b>	<b>250</b>	<b>38</b>



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# Salient Financial Features

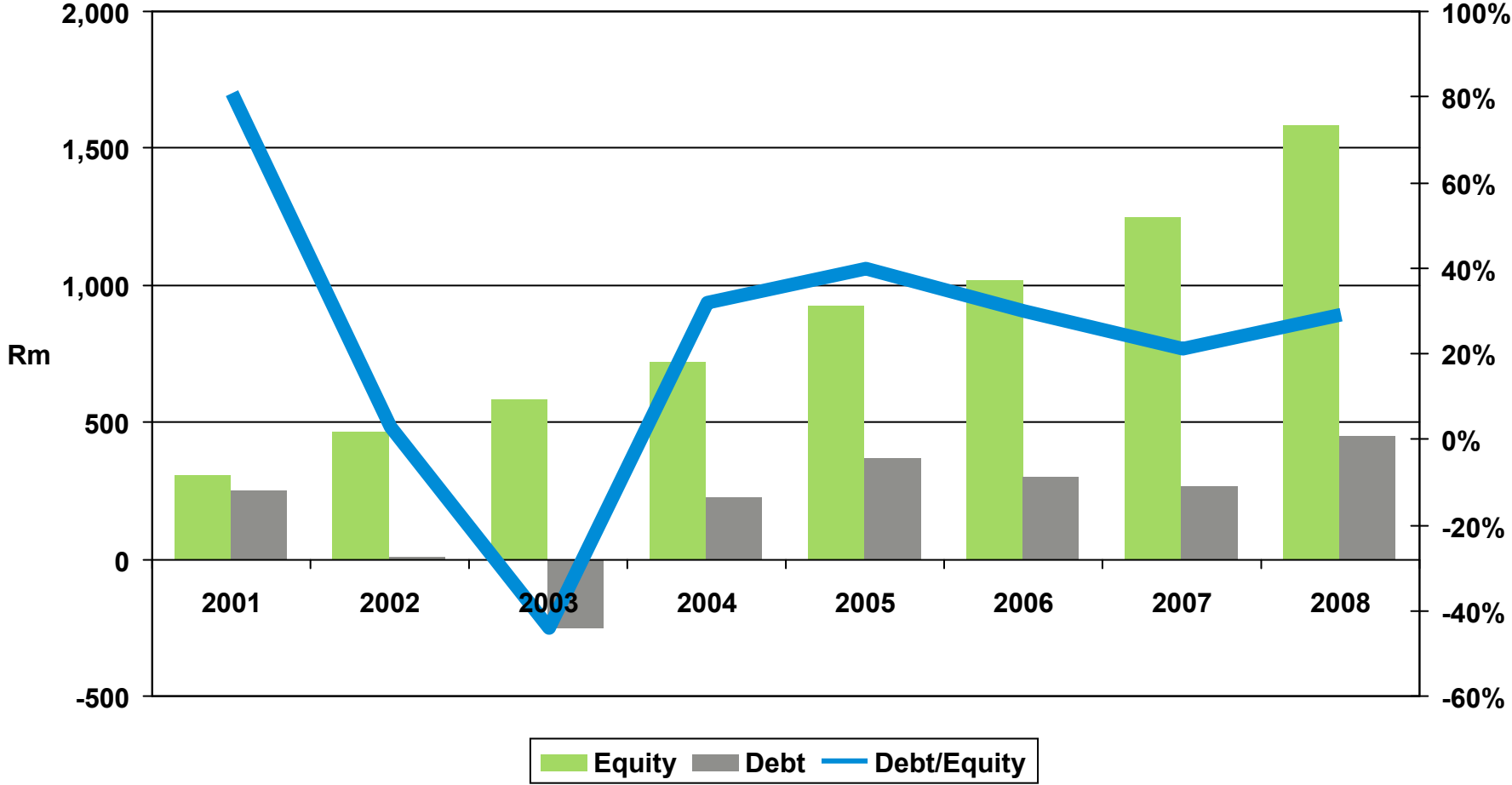


	2008	2007	2006	2005
Operating margin	<b>8.0%</b>	7.6%	6.7%	9.3%
Headline earnings	<b>319</b>	245	154	217
Headline earnings per share (cents)	<b>724.5</b>	558.2	354.3	507.7
Fully diluted headline earnings per share (cents)	<b>687.9</b>	553.2	347.0	478.5
Number of shares in issue	<b>44 263</b>	43 943	43 607	43 424
Net asset value per share	<b>35.7</b>	28.4	23.4	21.2
Return on shareholders equity	<b>20.1%</b>	19.6%	15.1%	23.5%



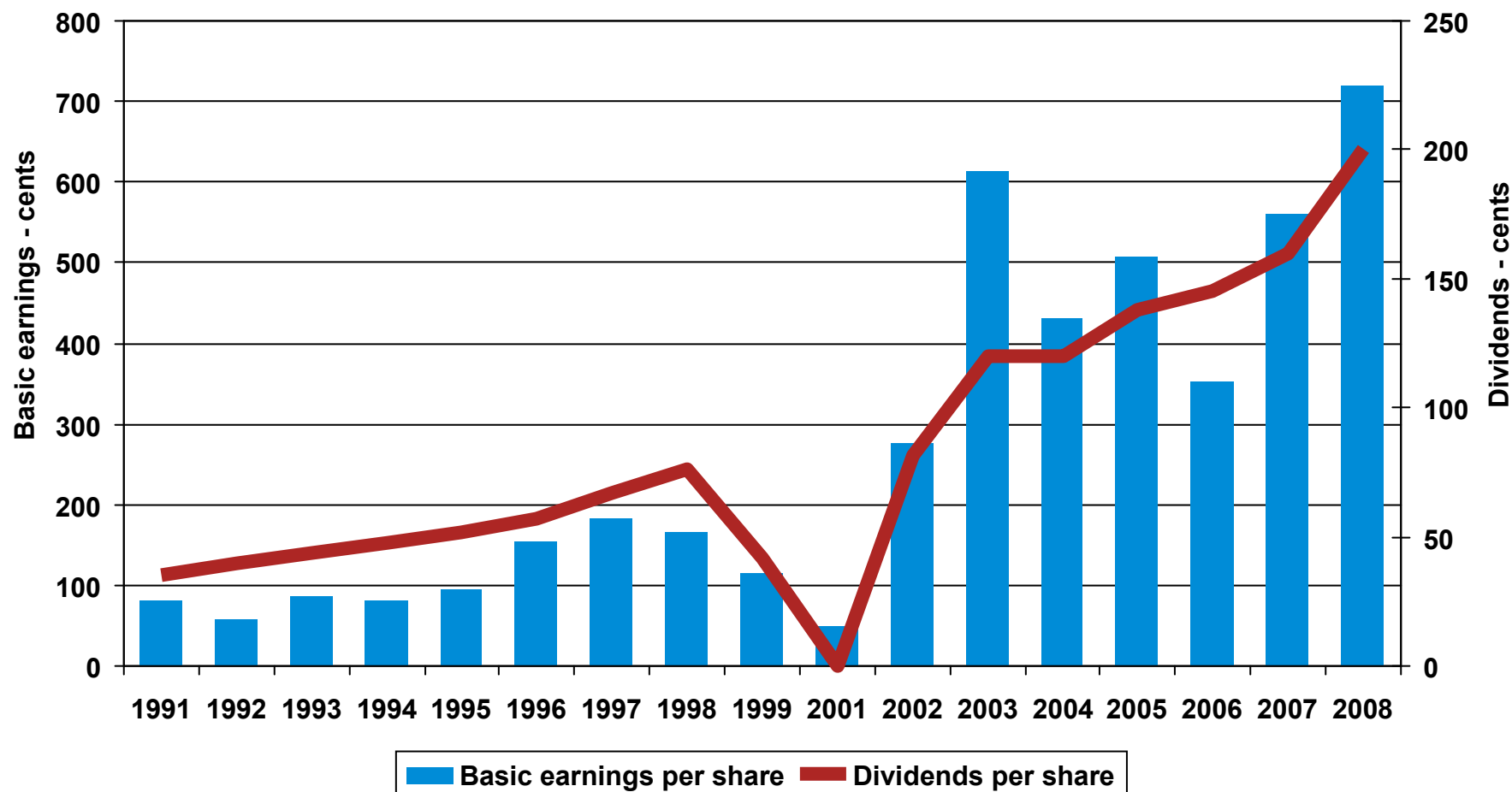
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# Debt Equity



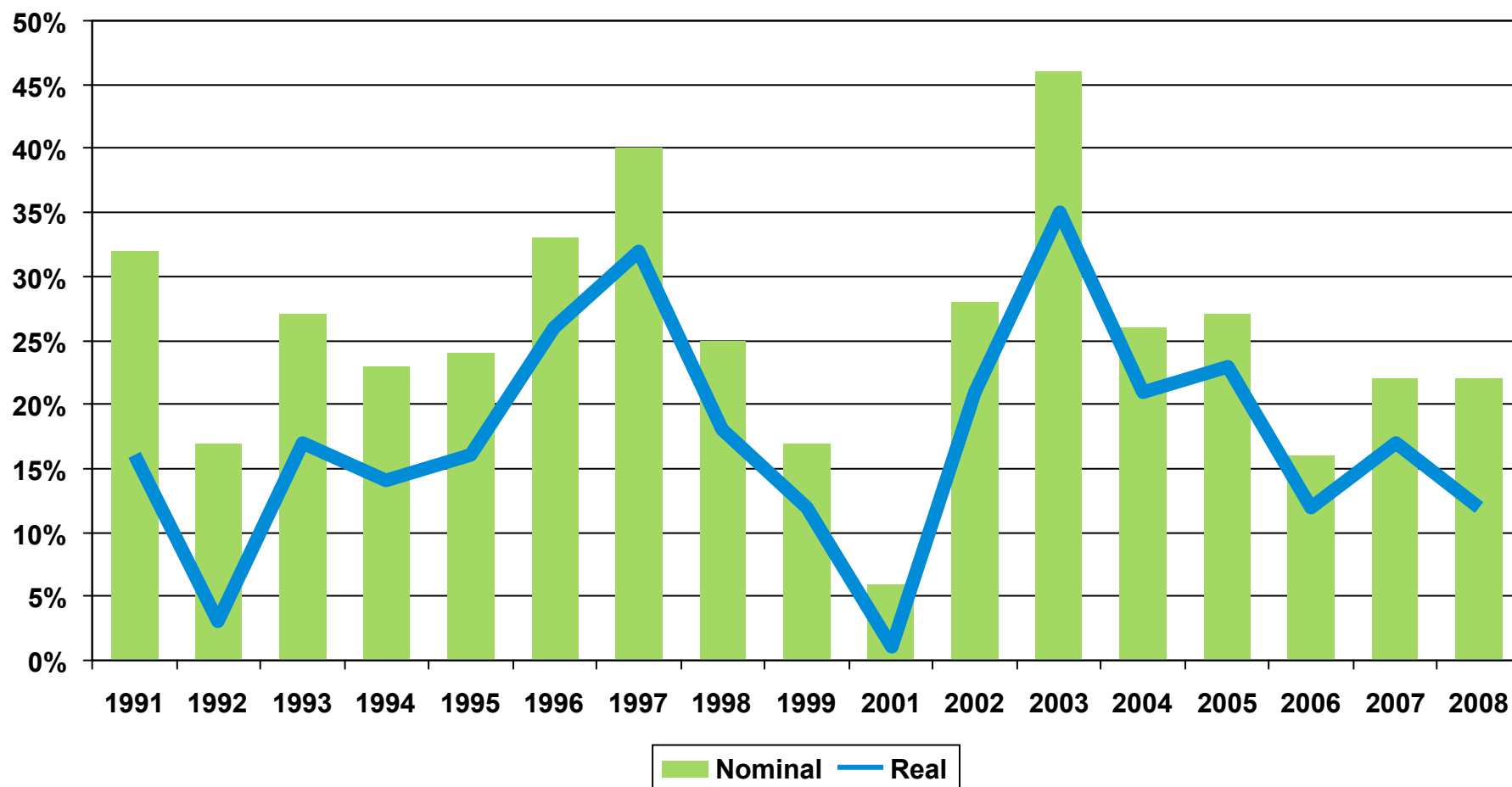
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# Earnings and Dividends per Share



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# Return on Shareholders Equity



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# Prospects



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# Environment



- South African economy will continue to slow down
  - However, weakening rand enables the manufacturing sector to become internationally more competitive
- Higher cost of funding will impact negatively
- Inflationary pressures on expenses
- Ongoing strong growth in world metal, mineral and energy demands
- Golden age for agriculture



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# Group Outlook : Chemicals



- Weaker rand driving industrial chemical sales
- EcoGypsum™ to reach full production
- Zetachem acquisition to enhance chemical margins
- Sasol turbo project to provide higher polymer volumes for African Polymers



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# Group Outlook : Mining



- Coal and uranium mining set to expand
- Mining chemicals set to benefit from increased uranium mining
- Re-negotiated explosives contracts will result in improved margins
- Shocktube plant in process of commissioning



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# Group Outlook : Agriculture



- The landscape has fundamentally changed
- High food prices will drive increased planting
  - World Bank – “food prices will remain high until at least 2015”
- Agronomic conditions excellent
  
- Fertilizer margins will remain strong but working capital will increase substantially
- Omnia Fertilizer to benefit from reduction in raw material cost with phased implementation of Nitrophosphate process
- Omnia Fertilizer studying jatropha agronomics



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# Envinox Clean Air Plant



- Plant commissioned in the second half of the 2008 financial year
- Omnia Fertilizer will generate approximately 500,000 Certified Emission Reduction (CER) units per annum
- CER units are traded internationally as commodities
- Potentially earn approximately R 60 million per annum in revenue over 5 year period
- Mail and Guardian
  - Omnia Group (Pty) Ltd awarded “Greening the Future” award



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# Group Outlook : Long Term



- Macro environment in mining and agriculture expected to be positive for the next decade
- Group driving a new Business Process system which will lead to substantial improvements in business information, logistics and productivity



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# Group Management



- Management on track to achieve its 5 year cumulative earnings target set by shareholders of 10% real growth in earnings
- Target set at R 1.237bn for the 5 years
- On cumulative target of R 909m after 4 years
  
- Ranked 59th in Top 100 Companies
  - Overall compound growth of 42.7% over 5 years
- Ranked 54<sup>th</sup> in Empowerdex survey



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**Thank you**

[www.omnia.co.za](http://www.omnia.co.za)



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