


HIGHLIGHTS

- **Revenue up 78% to R5,5 billion**
- **Operating profit up 209% to R594 million**
- **Headline earnings per share up 281% to 839 cents**
- **Interim dividend of 100 cents per share declared**

INTERIM RESULTS

for the six months ended 30 September 2008

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")

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2008

R million	Unaudited 6 months 30/09/08	%	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Revenue	**5 454**	78	3 061	7 340
Operating profit	**594**	209	192	584
Net finance cost	**(61)**		(45)	(112)
Interest paid	**(65)**	48	(44)	(143)
Interest received	**2**	100	1	25
Forex gain/(loss)	**2**		(2)	6
Profit before taxation	**533**	263	147	472
Taxation	**(160)**	220	(50)	(159)
Net profit for the period	**373**	285	97	313
Attributable to:				
Equity holders of the Company	**372**	284	97	317
Minority interest	**1**		–	(4)
	373		97	313
Basic earnings per share (cents)	**839,0**	281	220,3	718,2
Fully diluted basic earnings per share (cents)	**803,5**	268	218,3	687,9
Final dividend paid per share (cents) in respect of prior year	**117**	30	90	90
Interim dividend declared per share (cents) in respect of current year	**100**	20	83	83
Weighted average number of shares in issue ('000)	**44 285**		44 038	44 132
Weighted average number of fully diluted shares in issue ('000)	**46 241**		44 448	46 073
Number of shares in issue ('000)	**44 321**		44 189	44 263

CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2008

R million	Unaudited 6 months 30/09/08	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Assets			
Property, plant and equipment	**1 025**	819	965
Intangible assets	**507**	429	517
Available-for-sale financial assets	**30**	–	30
Deferred taxation	**3**	3	8
Inventories	**2 855**	1 446	1 380
Trade and other receivables	**1 937**	1 373	1 457
Other current receivables	**44**	33	82
	6 401	4 103	4 439
Equity and liabilities			
Shareholders' equity	**1 915**	1 291	1 581
Deferred taxation	**103**	91	104
Non-current liabilities	**350**	258	288
Trade and other payables	**2 728**	1 474	2 142
Taxation	**69**	31	79
Other current liabilities	**1 236**	958	245
	6 401	4 103	4 439
Net interest-bearing debt	**1 542**	1 184	451
Net asset value per share (Rand)	**43,2**	29,2	35,7
Capital expenditure			
Depreciation	**43**	28	71
Amortisation	**12**	10	21
Incurred	**93**	86	284
Authorised and committed	**34**	124	–
Authorised but not contracted for	**134**	77	102

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September 2008

R million	Unaudited 6 months 30/09/08	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Operating profit	**594**	192	584
Depreciation and amortisation	**54**	38	92
Adjustment for non-cash items	**(17)**	(31)	11
Utilised in working capital	**(1 369)**	(889)	(138)
	(738)	(690)	549
Interest paid	**(65)**	(44)	(143)
Interest received	**2**	1	25
Taxation paid	**(167)**	(61)	(134)
Dividends paid	**(55)**	(39)	(76)
(Utilised)/generated by operations	**(1 023)**	(833)	221
Cash outflow from investing activities	**(83)**	(86)	(413)
Cash inflow from financing activities	**17**	228	323
Net (decrease)/increase in cash	**(1 089)**	(691)	131
Net overdraft at beginning of period	**(103)**	(234)	(234)
Net overdraft at end of period	**(1 192)**	(925)	(103)

OTHER RESERVES

R million	Unaudited 6 months 30/09/08	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Share-based payment reserve	**63**	31	45
Foreign currency translation reserve	**75**	(16)	79
Net discount arising on acquisition of shares of subsidiaries	**3**	3	3
	141	18	127

RECONCILIATION OF HEADLINE EARNINGS

R million	Unaudited 6 months 30/09/08	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Net profit for the year	**372**	97	317
Loss on disposal of fixed assets	**–**	–	2
Impairment of assets	**–**	2	–
Headline earnings	**372**	99	319

Headline earnings

Headline earnings are 839,0 cents per share (2007: 224,5 cents per share)
Diluted headline earnings are 803,5 cents per share (2007: 222,4 cents per share)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

R million	Stated capital	Treasury shares	Other reserves	Retained earnings	Minority interest	Total
	Ordinary shareholders' equity					
At 31 March 2007 (audited)	201	(16)	36	1 027	2	1 250
Recognised income and expenses						
Net profit for the period				97		97
Decrease in foreign currency translation reserve			(30)			(30)
Share-based payment reserve			12			12
Transactions with shareholders						
Ordinary dividends paid				(39)		(39)
Treasury shares sold		1				1
At 30 September 2007 (unaudited)	201	(15)	18	1 085	2	1 291
Recognised income and expenses						
Net profit for the period				220	(4)	216
Increase in foreign currency translation reserve			95			95
Share-based payment reserve			14			14
Transactions with shareholders						
Ordinary dividends paid				(37)		(37)
Treasury shares sold		2				2
At 31 March 2008 (audited)	201	(13)	127	1 268	(2)	1 581
Recognised income and expenses						
Net profit for the period				372	1	373
Decrease in foreign currency translation reserve			(4)			(4)
Share-based payment reserve			18			18
Transactions with shareholders						
Ordinary dividends paid				(55)		(55)
Treasury shares sold		3				3
Movement in minorities					(1)	(1)
At 30 September 2008 (unaudited)	201	(10)	141	1 585	(2)	1 915

SEGMENTAL ANALYSIS

for the six months ended 30 September 2008

R million	Unaudited 6 months 30/09/08	%	Unaudited 6 months 30/09/07	Audited 12 months 31/03/08
Revenue, net of intersegmental sales	**5 454**	78	3 061	7 340
Chemicals	**2 294**	52	1 509	3 334
Mining	**1 006**	73	581	1 281
Agriculture	**2 154**	122	971	2 725
Operating profit	**594**	209	192	584
Chemicals	**156**	160	60	148
Mining	**126**	125	56	125
Agriculture	**312**	311	76	311

NOTES

Accounting policies

The consolidated condensed financial statements for the six months ended 30 September 2008 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 2008 are consistent with those applied in the annual financial statements for the year ended 31 March 2008.

Dividends

A final dividend of 117 cents per share was declared on 13 June 2008 in respect of the earnings of the previous financial year. This dividend is reflected in the current period to 30 September 2008.

Commitments

The future minimum lease payments under non-cancellable operating leases are R22 million (2007: R24 million) within one year and R17 million (2007: R38 million) between two and five years and R1 million (2007: R2 million) beyond five years, giving a total of R40 million (2007: R64 million).

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, and builds long-term customer relationships, ensuring maximisation of shareholder value.

All three of Omnia's business divisions, which are diversified into three different markets, achieved revenue growth in excess of 50% for the period under review to September 2008, when compared with the period to September 2007 mainly driven by a weaker rand on the back of steeply rising international prices.

Market conditions

Omnia continued to experience exceptional market conditions in the period under review. The extraordinarily high prices for those raw materials of key importance in the Group's manufacturing processes, as well as for a wide range of basic commodities of similar importance, continued to exert considerable market influence.

In the Chemicals division, the unprecedented oil and gas prices similarly drove both commodity and speciality chemical prices upwards, while the weakening rand resulted in increased revenue.

In the Mining division, although metals pricing started to decrease in the period under review, demand for coal, copper, uranium and iron ore remained robust, and in consequence mining activity during the period was healthy. This benefited demand for explosives and related products and services, as well as the Group's expanding range of mining chemicals.

The dominant contributor to Group profit was the Agriculture division. This is due to imbalances in supply and demand during the period under review, which saw internationally determined fertilizer raw material prices reach unprecedented highs. This resulted in Omnia's fertilizer input costs being driven to similar unprecedented highs, and concomitant higher fertilizer prices.

Many of the Agriculture division's customers, mindful of international market conditions and recognising the inevitable rise in fertilizer prices arising therefrom, purchased and paid for their requirements earlier than usual, and in so doing fixed their price. Volumes sold during the period under review were greater than normal as a result of these early sales. As a consequence the margin achieved in the period was also greater than normally achieved in the first half of a financial year. This will impact on fertilizer sales (and margin) during the second half of the financial year which is the normal planting season.

The Agriculture division's activities beyond the borders of South Africa fared well, particularly in Australasia, contributing considerably to the increase in operating profits.

The economic and financial crisis resulted in a sharp drop in commodity prices and demand after the period under review, however the long term fundamentals of all the divisions, particularly the Agriculture division, remain strong.

Financial review

Group revenue increased by 78% to R5,5 billion (2007: R3,1 billion). Operating profit increased by 209% to R594 million (2007: R192 million). The operating margin increased to 10,9% (2007: 6,3%) with margins in all three divisions improving to acceptable levels. Net profit for the period increased by 283% to R373 million (2007: R97 million), led by the solid contribution from Agriculture, and supported by increases in operating profits in excess of 120% from the Chemical and Mining divisions.

The seasonal nature of Omnia's Agriculture division causes the Group's working capital requirements to peak around September each year. As mentioned, raw material prices – notably ammonia, urea, potash, phosphates and oil derived products – continued their upward spiral to new highs. This resulted in net interest bearing debt increasing by 30% to R1,5 billion (2007: R1,2 billion). As a consequence, and coupled with increases in interest rates, net interest paid increased by 48% to R63 million (2007: R43 million) for the period under review. This interest charge is, however, lower than expected because numerous Agriculture division's customers in South Africa purchased and paid for their fertilizer requirements in advance of actual requirement.

With the increase in shareholders' equity to R1,9 billion (2007: R1,3 billion) the debt: equity ratio reduced to 80% (2007: 92%) when compared with the prior period. Cash utilised by operations for the period under review increased by R190 million to R1 023 million (2007: R833 million), mainly due to the increase in working capital of R480 million when compared with the prior period.

OPERATIONAL REVIEW

Chemicals

The division, comprising Protea Chemicals and Zetachem, 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. Zetachem is a significant producer of speciality chemicals and provides innovative solutions for the water treatment industry.

Revenue increased 52% to R2 294 million (2007: R1 509 million). While part of the revenue increase arose from traditional volume growth, it also reflects international chemical price increase trends, as well as the influence of the weakening rand and an increase in volumes from the division's expanding but lower margin polymer businesses. A renewed focus on the business models within the division, and the actions taken and referred to previously, have resulted in the operating margin achieved recovering to 6,8% (2007: 4,0%). Operating profit increased by 160% to R156 million (2007: R60 million).

Mining

The Mining division is the market leader in blended bulk explosives formulations for surface mines, and through the BME brand, also manufactures packaged explosives for underground mines and specialised surface blasting applications. The division also supplies a diverse range of mining chemicals and blasting accessories.

The robust demand environment, both for the supply of mining chemicals, explosives and related services, together with rapidly increasing international prices, particularly of nitrate products, resulted in revenue growth of 73% to R1 006 million (2007: R581 million). Operating profit rose by 125% to R126 million (2007: R56 million). Previous communications to Omnia shareholders indicated that the explosives market had become intensely competitive, with rapidly rising raw material costs pressurising margins. Following the unacceptable 14% decline in operating profit in the period to September 2007, the division opted to withdraw from unprofitable contracts and renegotiate the pricing of others. This decisive action resulted in a recovery in the operating margin to 12,5% (2007: 9,7%), although it still remains below historic levels. Costs for additional resources are also being incurred in respect of new contracts where these contracts have yet to deliver intended volumes. Costs are also being impacted negatively by the shortage of competent skills in the industry, with the division having to face significant additional costs to retain such skills.

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 53% to Group operating profit (2007: 40%).

Revenue increased by 122% to R2 154 million (2007: R971 million) while the operating profit increased by 311% to R312 million (2007: R76 million).

Although operating margins in the Agriculture division are traditionally considerably lower in the first half of the financial year than those in the second, in the period under review they increased to 14,5% (2007: 7,8%). As mentioned earlier, sales that would normally have been expected during the second half of the year occurred during the first period under review, causing an increase in margin. Reference has also been made to the strong performance of the division from markets beyond the borders of South Africa, particularly Australasia, contributing significantly toward the total fertilizer margin. The margin contribution from these international markets increased more than six-fold when compared with the prior period.

PROSPECTS

Chemicals

Demand for the Group's chemical products will be influenced by the broader economic environment. The Rand's recent weakening could have a positive effect on manufacturing, as exports become more competitive and imported manufactured components more expensive. The reduction in oil prices from all time high levels, will impact positively on prices of downstream petrochemical products and their derivatives. While international chemical prices increased in the review period in line with an improvement in the global economic environment, it is anticipated that there may well be price reductions in the near future as is already evident opposite some industrial chemicals as well as polymer products. Zetachem's contribution to divisional results will be for a full 12 month period as at March 2009.

Mining

The demand for certain commodities, particularly coal and uranium, remains strong and will benefit both the explosives and mining chemical markets.

The coal mining sector is set to grow domestically due to Eskom's requirements and the strong growth of the uranium sector is particularly encouraging given Omnia's solid position in this market. Mining activity throughout Africa remains healthy, with several major projects coming on line.

Growth, particularly within the mining chemicals market is expected to continue, with margins remaining at acceptable levels. The Mining division is focused on taking advantage of the opportunities that arise from its growing presence in Africa where there is significant potential for future growth, notwithstanding the recently noted decline in commodity prices.

Agriculture

Domestic fertilizer volumes for the current season are expected to be some 5% below the normal 2 million tons. As indicated there has been a pattern change in the current season in South Africa, with advance purchasing taking place. Traditionally, the division's main activities occur in the second half of the year which is the normal planting season but the sudden decrease in raw material prices, coupled with reduced volumes, will place fertilizer operating margins under pressure in the second period to March 2009.

Thus the division's performance in the second half of the year will not be at the same levels relative to the first half, as has been evident in the past. However, the need for fertilizers is a long-term reality, and is crucial for achieving an African Green Revolution in the face of a rapidly rising population and declining soil fertility.

Omnia group

The Group expects a considerable improvement in earnings for the year ending March 2009 compared with those achieved in the financial year ended March 2008. Omnia remains well positioned to take advantage of the opportunities in agriculture and mining, sectors recognised as being key to Africa's sustainable development.

In the last quarter of the previous financial year Omnia completed the erection of its Envinox Clean Development Mechanism plant at the Sasolburg production facility, through which the company will earn carbon emission reduction ("CER") credits. No CER's have been delivered as yet, although the verification of these is expected in the near future enabling the company to earn the anticipated R30 million in respect of the CER's generated for approximately half a year.

Omnia is well positioned to benefit from any demand for biofuels which will positively impact fertilizer products. In line with Omnia's strategic focus on pursuing new growth opportunities, both nationally and internationally, the Group has announced plans to complete a detailed study to erect a second nitric acid plant and expand nitrate production capacity at its Sasolburg facilities. This new facility will address the growing demand for products in its Agricultural and Mining regional markets, and will reduce Omnia's dependence on third parties, and in particular on urea imports.

DIVIDENDS

The board is pleased to announce that an interim dividend of 100 cents per share has been declared in respect of shareholders recorded in the register on Friday 9 January 2009. The last day to trade cum dividend will be Friday 2 January 2009. The shares will commence trading ex dividend on Monday 5 January 2009 and the record date will be Friday 9 January 2009. The payment date will be Monday 12 January 2009. Share certificates may not be dematerialised or rematerialised between Monday 5 January 2009 and Friday 9 January 2009, both dates inclusive.

NJ CROSSE
Chairman

RB HUMPHRIS
Managing Director

26 November 2008

STUDIO 5

Directors NJ Crosse *(Chairman)*, FD Butler, DL Eggers* *(Group Finance Director)*, NKH Fitz-Gibbon*, RB Humphris* *(Group Managing Director)*, Prof SS Loubser, Dr WT Marais, RR Masebelanga*, JG Pretorius, DC Radley, TR Scott, R Havenstein, HH Hickey **Executive Directors*

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