

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

KEY DRIVERS

- Downward valuation of inventory
- Negative market impacts
- 21% strengthening of the rand

MAJOR FEATURES

- Revenue down 22%
- Loss for the period R99 million (2008: Profit R373 million)
- Basic loss per share 218,2 cents (2008: Profit R39,0 cents per share)
- Distribution and administration costs contained



OMNIA HOLDINGS LIMITED (Incorporated in the Republic of South Africa)
Registration number 1967/003680/06 JSE code OMN ISIN ZAE0000005153
("Omnia" or "the Group")

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 September 2009

Rm	Unaudited 6 months 2009/09/30	%	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Continuing operations				
Revenue	4 249 (3 828)	(22)	5 454 (4 367)	11 111 (9 045)
Cost of sales				
Gross profit	423	(61)	1 087	2 066
Other operating income	40	18	34	20
Distribution costs	(272)	(6)	(268)	(639)
Administrative expenses	(243)	(6)	(259)	(546)
Operating expenses	-	-	-	(34)
Operating (loss)/profit	(52)	(109)	594	877
Finance cost	(93)	46	(63)	(205)
Finance income	8	282	2	41
Share of post tax profits of associate	2	-	-	5
(Loss)/profit before income tax	(135)	(122)	533	718
Income tax expense	36	(122)	(160)	(227)
(Loss)/profit for the period	(99)	(127)	373	491
(Loss)/profit attributable to:				
Equity holders of the company	(99)	(127)	372	491
Minority interest	-	-	1	-
	(99)	-	373	491
Basic (loss)/earnings per share (cents)	(218,2)	(126)	839,0	1107,4
Fully diluted basic (loss)/earnings per share (cents)	(217,8)	(127)	803,5	1062,2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 September 2009

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
(Loss)/profit for the period	(99)	373	491
Other comprehensive income, net of tax			
Movement in foreign currency translation reserve	(263)	(4)	131
Total comprehensive (loss)/income for the period attributable to:	(362)	369	622
Owners of the company	(361)	368	622
Minority interest	(1)	1	-
	(362)	369	622

CONDENSED CONSOLIDATED BALANCE SHEET for the six months ended 30 September 2009

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Assets			
Non-current assets	1 766	1 565	1 686
Property, plant and equipment	1 202	1 025	1 114
Intangible assets	505	507	517
Available-for-sale financial assets	1	1	1
Investments in associates	48	29	40
Deferred income tax assets	10	3	14
Current assets	3 323	4 836	4 071
Inventories	1 597	2 855	2 391
Trade and other receivables	1 549	1 681	1 342
Derivative financial instruments	142	256	179
Current income tax assets	4	-	-
Cash and cash equivalents	31	44	159
Total assets	5 089	6 401	5 757
Equity			
Equity attributable to owners of the company	1 745	1 917	2 139
Stated capital	317	201	201
Retained reserves	(10)	(10)	(11)
Other reserves	(15)	141	286
Unaudited	1 453	1 585	1 663
Minority interest in equity	(2)	(2)	(2)
Total equity	1 743	1 915	2 137
Liabilities			
Non-current liabilities	801	453	789
Interest-bearing borrowings	787	350	670
Deferred income tax liabilities	14	103	118
Provisions	-	-	-
Current liabilities	2 545	4 033	2 831
Trade and other payables	1 354	2 344	1 973
Current portion of interest-bearing borrowings	461	67	68
Current income tax liabilities	-	69	20
Bank overdrafts	296	1 169	373
Derivative financial instruments	434	384	397
Total liabilities	3 346	4 486	3 620
Total equity and liabilities	5 089	6 401	5 757
Net interest-bearing debt	1 513	1 542	952
Net asset value per share (Rand)	37,5	43,2	48,2
Capital expenditure			
Depreciation	53	43	102
Amortisation	9	12	21
Incurred	140	93	258
Authorised and committed	137	34	91
Authorised but not contracted for	341	134	9

CONDENSED CONSOLIDATED CASH FLOW STATEMENT for the six months ended 30 September 2009

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Operating (loss)/profit	(53)	594	877
Depreciation and amortisation	61	54	123
Adjustment for non-cash items	(185)	(17)	53
Generated from/ utilised in working capital	(32)	(1 369)	(744)
(209)	(738)	309	
Interest paid	(92)	(65)	(214)
Interest received	8	2	41
Taxation paid	(86)	(167)	(283)
Dividends paid	(41)	(55)	(96)
(Utilised)/generated by operations	(420)	(1 023)	(243)
Cash outflow from investing activities	(140)	(83)	(257)
Cash inflow from financing activities	511	17	389
Net (decrease)/increase in cash	(49)	(1 089)	(111)
Net overdraft at beginning of period	(214)	(1 103)	(1 103)
Net cash and cash equivalents	(263)	(1 192)	(214)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Rm	Ordinary Shareholders' Equity	Retained Earnings	Minority Interest	Total
Stated capital	Treasury shares	Other reserves		
At 31 March 2008 (audited)	201	(13)	1 277	1 268
Recognised income and expenses	-	-	-	-
Profit for the period	-	-	372	372
Decrease in foreign currency translation reserve	-	-	(4)	(4)
Share-based payment reserve	-	-	18	18
Transaction with shareholders	-	-	-	-
Ordinary dividends paid	-	-	(55)	(55)
Treasury shares sold	-	3	-	3
Movement in minorities	-	-	(1)	(1)
At 30 September 2008 (unaudited)	201	(10)	1 441	1 585
Recognised income and expenses	-	-	-	-
Profit for the period	-	-	120	120
Increase in foreign currency translation reserve	-	-	131	131
Share-based payment reserve	-	-	14	14
Transaction with shareholders	-	-	-	-
Ordinary dividends paid	-	-	(42)	(42)
Treasury shares sold	-	(1)	-	(1)
At 31 March 2009 (audited)	201	(11)	286	1 663
Recognised income and expenses	-	-	-	-
Loss for the period	-	-	(99)	(99)
Decrease in foreign currency translation reserve	-	-	(263)	(263)
Share-based payment reserve	-	-	7	7
Transaction with shareholders	-	-	-	-
Ordinary shares issued in respect of third partner scheme with management	90	(45)	(45)	-
Capitalisation award	26	-	(26)	-
Ordinary dividends paid	-	-	(40)	(40)
Treasury shares sold	-	1	-	1
At 30 September 2009 (unaudited)	317	(10)	1 453	1 743

OTHER RESERVES

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Share-based payment reserves	39	63	76
Foreign currency translation reserve	(57)	75	207
Net discount arising on acquisition of shares of subsidiaries	3	3	3
	(15)	141	286

SEGMENTAL ANALYSIS for the six months ended 30 September 2009

Rm	Unaudited 6 months 2009/09/30	%	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Revenue, net of intersegmental sales	4 249	(22)	5 454	11 111
Chemicals	1 844	(20)	2 294	4 528
Mining	899	(11)	1 006	2 111
Agriculture	1 506	(30)	2 154	4 472
Operating profit	(53)	(109)	594	877
Chemicals	59	(62)	156	198
Mining	106	(16)	126	269
Agriculture	(218)	(170)	312	410

RECONCILIATION OF HEADLINE EARNINGS

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Net (loss)/profit for the year	(99)	373	491
Impairment of assets	-	-	3
Headline (loss)/earnings	(99)	373	494

Headline (loss)/earnings are (218,2) cents per share (2008: 839,0 cents per share)
Diluted headline (loss)/earnings are (217,8) cents per share (2008: 803,5 cents per share)

NOTES

Accounting policies
The consolidated condensed financial statements for the six months ended 30 September 2009 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 2009 are consistent with those applied in the annual financial statements for the year ended 31 March 2009, except for the adoption of IAS 1 Revised and IFRS 8 which have no impact on the results but require additional information.
Dividends
A final dividend of 150 cents per share was declared on 18 June 2009 in respect of the earnings of the previous financial year. This dividend is reflected in the current period to 30 September 2009.
Commitments
The future minimum lease payments under non-cancellable operating leases are R4 million (2008: R22 million) within one year and R1 million (2008: R17 million) between two and five years and R0 million (2008: R1 million) beyond five years, giving a total of R5 million (2008: R40 million).

ADDITIONAL INFORMATION

Rm	Unaudited 6 months 2009/09/30	Unaudited 6 months 2008/09/30	Audited 12 months 2009/03/31
Final dividend paid per share (cents) in respect of prior year	150*	117	117
Interim dividend declared per share (cents) in respect of current year	-	100	100
Weighted average number of shares in issue ('000)	45 094	44 295	44 316
Weighted average number of fully diluted shares in issue ('000)	45 176	46 241	46 204
Number of shares in issue ('000)	46 430	44 321	44 370

*Includes a capitalisation award of 150 cents as a final dividend for the year. Shareholders could elect to receive a cash dividend of 145 cents instead of the capitalisation award

INTRODUCTION

Omnia is a diversified, specialist chemical services provider with business interests balanced across chemical, mining and agricultural markets. The Group's business model, which leverages its intellectual capital and technology, differentiates it from other commodity chemical companies.

The Group's three businesses (chemical, mining and agriculture) continue to provide high value, customised solutions built on a continually expanding knowledge base. Omnia's unique business model places it at the forefront of the chemical services industry and involves matching customer needs to product innovation and application expertise, to add extraordinary value to its customers and their businesses.

MARKET CONDITIONS

Omnia's year end results announcement in June 2009 and the trading update of 23 October 2009, indicated the sensitivity of the Group's earnings to declining commodity prices as well as to the appreciation of the rand.

Commodity prices in general declined substantially during the latter part of the previous financial year. These price reductions also affected the key raw materials used by the Group, resulting in a downward valuation to the year end inventories.

Due to the unusual buying patterns in the prior year's first half period ("previous corresponding period") and the subsequent elevated sales levels in the second half period occasioned by reduced plantings following a decline in the maize price, the Group was left holding substantial volumes of fertilizer stocks for its farming customers at the March 2009 year end. This year end inventory was fairly valued at the time when the rand exchange rate was R9,49 to the

US Dollar. While further raw material price reductions took place during the period under review, mainly with respect to potash, the rand exchange rate strengthened to R7,51 to the US Dollar. This necessitated further material stock write downs during the period under review.

The continuing strong rand remains one of the major contributors to the weaker financial performance of the Group in the short term, impacting negatively on each of the three business divisions – chemicals, mining and agriculture. This is also having a negative impact on the Group's customers who in turn find themselves to be uncompetitive in export markets and having to compete with cheap imported finished goods in the domestic market.

All three divisions faced challenges from a combination of softer volumes, pricing pressures and weak export prices. Also of significance was the decline in production in South Africa, as reflected in the manufacturing index, which reached negative growth for the ten consecutive months to the end of June 2009. While margins will remain depressed as long as these conditions prevail there has been an improvement in the manufacturing index since June 2009.

FINANCIAL REVIEW

The financial results for the previous corresponding period were extraordinary given both the prevailing high commodity prices at the time as well as the enhanced, albeit atypical volume off-take of fertilizer products in that comparable first half period in which Omnia recorded a R373 million profit. By contrast, Omnia suffered an earnings loss of R99 million for the half year ended 30 September 2009, as the Group's performance continued to be impacted by depressed market conditions, declining commodity prices and the strengthening of the rand by 21% to R7,51 against the US Dollar since March 2009, necessitating material inventory devaluations. Fertilizer stocks had to be devalued by R350 million while polymer stocks traded at near zero margins or even losses.

Accordingly Group revenue decreased by 22% to R4,2 billion (2008: R5,5 billion) and operating profit decreased by R647 million to an operating loss of R52 million (2008: R594 million profit).

Distribution costs increased by a nominal 1% to R272 million (2008: R268 million) while administrative costs reduced by 6% to R243 million (2008: R259 million). This reduction is mainly a result of reduced incentive bonuses.

In terms of new reporting standards a statement of comprehensive income has been included in this announcement. The new standard reflects the material reduction in the foreign currency translation reserve, within the non-distributable reserves, of R263 million (2008: reduction of R4 million) brought about by the strong rand when applied to the Group's equity that lies in its foreign operations. This movement is a major component of the adjustment for non-cash items reflected in the cash flow statement.

The seasonal nature of Omnia's Agriculture division causes the Group's working capital requirements to peak around September each year. With the considerable decline in commodity prices, the Group's net working capital requirements reduced significantly at this peak period in its cycle when compared to the previous year's peak. However a noticeable change, when compared to the previous corresponding period, is the relatively lower level of supplier funding as much of the inventory on hand had already been acquired in the prior year and the suppliers settled. This has resulted in working capital needing to be funded to a greater extent by short term bank overdraft, causing finance costs to rise by 45% to R93 million (2008: R63 million).

As a result of this, cash utilised for the period under review is R420 million compared to R1 023 million in the previous corresponding period. During the period under review the Group raised R420 million in the form of short term commercial paper as a means of funding the trading cycle and increasing the working capital that occurs at the interim stage. This is reflected in the cash inflow from financing activities in the cash flow statement.

The debt: equity ratio of 87% (2008: 81%) at this interim stage is at its traditional peak.

With the successful completion of the Third Partnership with Management Scheme which enabled management to participate in the equity of the Group, together with the capitalisation award in June 2009, the stated capital of the Group has increased to R317 million (2008: R201 million).

OPERATIONAL REVIEW

Chemicals

Protea Chemicals is the leading distributor of specialty, functional and effect chemicals in southern and eastern Africa with an established presence in every sector of the chemical distribution market.

Revenue declined by 20% to R1 844 million (2008: R2 294 million) with the operating profit falling by 62% to R59 million (2008: R156 million). Operating margins reduced to 3% (2008: 7%) as international commodity prices, notably those linked to oil such as polymers, also fell considerably. This, combined with the strength of the rand, resulted in the significant reduction in operating margin. The strong rand has also affected the divisions customers by rendering their exports uncompetitive in the global market, and also affecting their domestic volumes which had to compete with a flood of cheap finished goods imports. As a consequence, customers reduced their requirement for chemical products.

The recent strategic acquisitions demonstrate that the Group remains focused on the longer term growth of the company. The acquisition of Petroleum Fine Products, effective 1 December 2009, enhances the existing consumer care portfolio and will build on one of Omnia's stated objectives of growing the business and enhancing margins through vertical integration strategies.

Mining

The market leader in blended bulk explosives formulations for surface mines, the Mining division also manufactures specialty explosives for underground mines and specialised surface blasting. The division also markets blasting accessories, and a complete range of mining chemicals.

While volumes initially held out surprisingly well, the global recession eventually had an impact on South Africa in that commodity prices went into freefall, reducing the demand for commodities such as platinum, copper, nickel and zinc. Although the Group is predominantly engaged in coal, gold and uranium extraction, the drop in price of the aforementioned commodities did impact on the division's volumes. Furthermore a number of customers' pipeline expansion projects from which the Group would have benefited have progressed at a slower pace than previously anticipated.

With the fall in raw material prices, which has a direct impact on selling prices of Omnia's products, the mining division's revenue reduced by 11% to R899 million (2008: R1 billion) while the operating profit reduced by 16% to R106 million (2008: R126 million). This saw the operating margin reduce slightly to 12% from 13% in the previous corresponding period.

Agriculture

The Agriculture division produces and supplies granular, liquid and specialty fertilizers to individual farmers, co-operatives and wholesalers throughout South Africa and, increasingly, to sub-Saharan Africa, as well as to Madagascar, Australia and New Zealand.

The extraordinary financial results of the prior year did not reflect the typical patterns of the past. This was both in respect of highly inflated fertilizer raw material prices as well as volume off-take. Sales volumes and value dropped off significantly in the second half of 2009 and the traditional peak sales period around September did not materialise. Compared to these unusual results in the previous corresponding period revenue in the Agriculture division fell by 30% to R1,5 billion