



OMNIA

LEVERAGING KNOWLEDGE

CREATING CUSTOMER WEALTH

INTEGRATED
ANNUAL REPORT

OMNIA HOLDINGS LIMITED

2015



BOARD RESPONSIBILITY STATEMENT

The Omnia board of directors (the board) acknowledges its responsibility to ensure the accuracy of the integrated annual report for the 2015 financial year. Accordingly, the board has applied its collective expertise to this report and, in its opinion this report addresses all material issues and presents an integrated and accurate view of Omnia's performance in the year under review. This integrated annual report has been prepared in accordance with the recommendations of principle 9.1 of the King III Code and the guidelines of the GRI 3.1 and IIRC, to the fullest extent that the Group's management policies and procedures presently enable.



AGRICULTURE



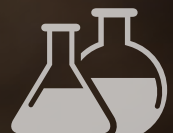
The Agriculture division which comprises Omnia Fertilizer and Omnia Specialities, produces and trades in granular, liquid and specialty fertilizers for a broad customer base of farmers, co-operatives and wholesalers throughout southern and East Africa, Australasia and Brazil.

MINING



BME is a leading manufacturer and supplier in southern and West Africa of explosives, related accessories and blasting services to the mining, quarrying and construction industries. Protea Mining Chemicals specialises in products and solutions used in processing and recovering plants in the mining industry.

CHEMICALS



The Chemicals division's primary business, Protea Chemicals, is a manufacturer and distributor of specialty, functional and effect chemicals and polymers. It has a presence in every sector of the broader chemical distribution market throughout southern and east Africa.

ABOUT THIS REPORT

Omnia Holdings Limited (“Omnia” or “the Group”) is a business that performs in an integrated manner. Our three divisions work together to ensure a responsible, efficient use of resources and are viewed holistically to create a sustainable Group.

In addition thereto, we are a Group that considers our impact on the world in which we operate – not only do we try to limit our consumption, but we also work to create products that make a difference. Our work sees the convergence of what we know with what we make, enabling us to shape the future through products and services that meet our customers’ needs. Omnia remains focused on critical issues such as, secure food supply, clean water and safer mining, allowing us to make a difference in the world today and going forward.

With this in mind, we have prepared this integrated report for our integrated business. This is our fourth integrated report and each year we have worked to consider the evolving practice, as well as feedback we have received, to improve the standard of our reporting. Through this report we aim to share and elaborate on the details of our three divisions and how they function individually as well as how we operate collectively as a Group. Using guidance from the International Integrated Reporting Council (IIRC), International Financial Reporting Standards (IFRS), King Report on Corporate Governance in South Africa (King III) and the Global Reporting Initiative (GRI) we have explained what we have done in the past year, what we aim to achieve in the coming year and how we remain a sustainable business.

This report covers our three business divisions – Agriculture, Mining and Chemicals – which operate in 16 countries on the African continent, including South Africa, with our main production facilities and corporate office based in South Africa. While this report focuses on the financial year, from 1 April 2014 to 31 March 2015, it also includes historical information and forward-looking statements providing context in respect of the Group’s strategy and operations.

The source data for this report originated from our various operations, before being integrated at a divisional and Group level. There were no restatements in this year’s integrated report. Our financial statements, as presented on pages 170 – 217, were independently audited by PricewaterhouseCoopers Inc. The remainder of the integrated report was not assured.

In line with IIRC guidelines we have directed this report at providers of capital and, as such, when deciding what to include herein, we have considered what stakeholders would deem to be important information.

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SECTION 1

RESULTS AT A GLANCE

Omnia's business model is focused on value creation and has increased profitability for 2015.

FINANCIAL RESULTS AND HIGHLIGHTS

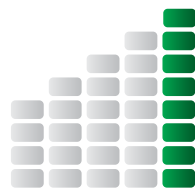
Revenue at an all time high of
R16.8 billion
 up 3.5% year-on-year



Operating profit up

4%

R1 476 million



Headline earnings
per share up 2.6%

1 465

CENTS PER SHARE



+9 400

CUSTOMERS

4 027 employees



Debt: equity ratio

12.3%

21

Operating profit margin at

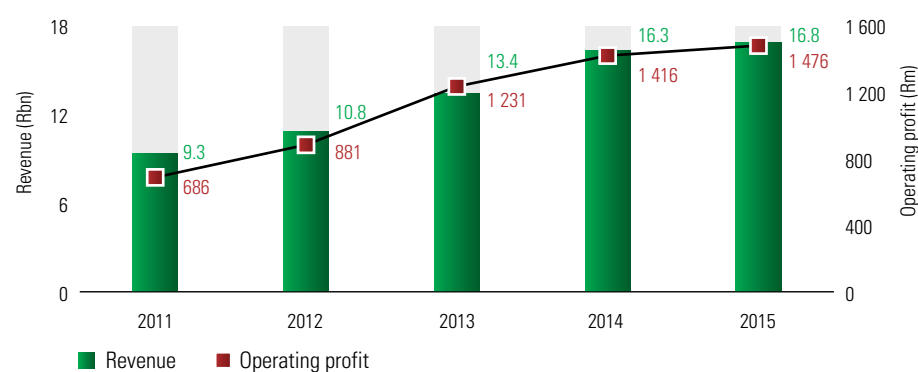
8.8%

COUNTRIES

FINANCIAL RESULTS AND HIGHLIGHTS CONTINUED

	31 March 2015	% Change	31 March 2014
in Rm			
Revenue	16 835	4	16 259
EBITDA	1 829	7	1 711
Operating profit	1 476	4	1 416
Profit for the year	934	(6)	992
Profit attributable to owners of Omnia Holdings Limited	939	(6)	996
Cash generated from operations	1 846	4	1 769
Cash available from operating activities	466	(65)	1 315
Capital expenditure	587	(31)	855
Equity	6 642	12	5 912
Net debt	820	100	335
Market capitalisation	11 639	(18)	14 193
in cents per share			
Basic earnings	1 402	(6)	1 496
Diluted basic earnings	1 308	(3)	1 344
Headline earnings	1 465	3	1 428
Diluted headline earnings	1 366	6	1 283
in respect of the previous financial year			
– Final dividend paid	290	7	270
in respect of the current financial year			
– Interim dividend paid	190	3	185
– Final dividend declared subsequent to year end	300	3	290
Total dividend	490	3	475
Net asset value per share	9 844	11	8 867
Ratios in %			
Net debt to equity	12		6
Return on average equity	15		18

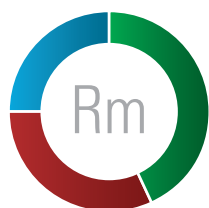
REVENUE AND OPERATING PROFIT



		2015	2014
Shares			
Shares in issue at year end ¹		67 471 010	66 677 592
Market capitalisation at year end	R million	11 639	14 193
Market value per share			
– At year end	R	172.50	211.05
– High during the year	R	242.00	221.76
– Low during the year	R	167.00	153.62
Value of shares traded during the year	R million	6 712	5 914
Volume of shares traded during the year	million	33	31
Share volumes traded as percentage of total shares in issue	%	48.8	45.7
Key Ratios			
Operating margin	%	8.8	8.7
Profit before tax (percentage of revenue)	%	7.9	8.2
Profit after tax (percentage of revenue)	%	5.5	6.1
Effective tax rate	%	29.8	25.4
Return on average equity	%	14.9	18.3
Gearing ratio	%	12.3	5.7
Current ratio		1.6	1.5
Net debt: EBITDA cover		0.4	0.2
EBITDA finance cost cover		12.6	19.7
Dividend cover		2.9	3.1
Operating profit margin by division			
Agriculture (FY2015 target of 8%-10%)	%	9.0	6.5
Mining (FY2015 target of 15%-16%)	%	13.5	15.2
Chemicals (FY2015 target of 4.5%-5.5%)	%	2.4	3.8

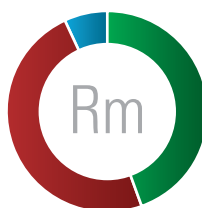
¹ excluding treasury shares of 822 342 (2014 : 572 233)

REVENUE BY DIVISION



• Agriculture	7 287
• Mining	5 351
• Chemicals	4 197

OPERATING PROFIT BY DIVISION



• Agriculture	656
• Mining	720
• Chemicals	100

EBITDA (Rm)

11	856
12	1 070
13	1 575
14	1 711
15	1 829

PROFIT AFTER TAX (Rm)

11	451
12	629
13	880
14	992
15	934

GROUP PROFILE

ABOUT US

Omnia Holdings Limited is a diversified Group with specialised services and solutions for the agricultural, mining and chemicals industries. As a Group, Omnia creates customer wealth by leveraging knowledge.

The Group differentiates itself from other commodity chemical providers by adding value at every stage of the supply and service chain through technological innovation and by deploying our intellectual capital. The sustainability of the business model is strengthened based on targeted backward integration through the installation of technologically advanced plants to manufacture core materials such as nitric acid and explosives emulsions. In addition to securing sources of supply, this enables us to improve operational efficiencies throughout the product development and production cycle.

Omnia, which has its roots in the fertilizer and agricultural industry, has built an in-depth understanding not only of its core markets in South Africa, but also in the fundamental industries of mining and agriculture in Africa. Based in Johannesburg, South Africa and with operations in 16 countries in Africa, including South Africa, and 6 countries outside Africa, Omnia has more than six decades of experience in the business. Additionally, Omnia continues to grow its global footprint, with business units in Australasia, Brazil and Mauritius and clients in other regions such as Europe, South America and South East Asia.

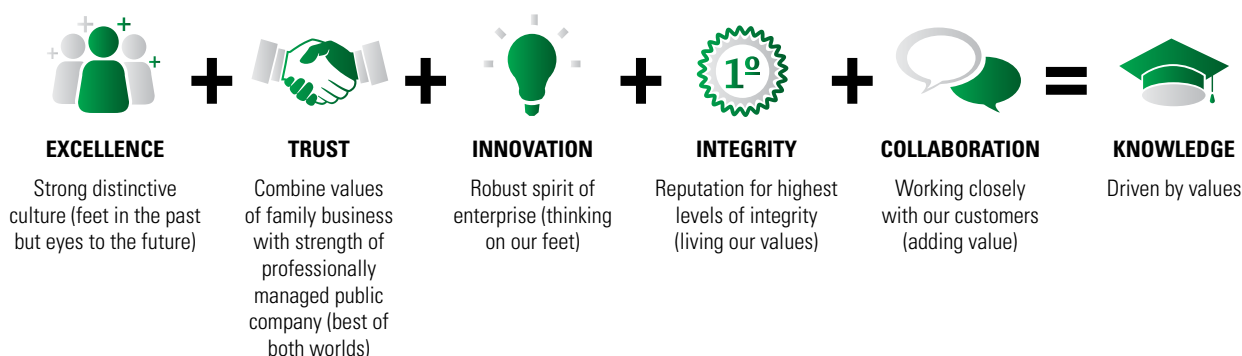
Omnia provides customised, knowledge-based solutions through our Agriculture, Mining, and Chemicals divisions. Our divisions include Omnia Fertilizer, BME, Protea Mining Chemicals and Protea Chemicals, all niche businesses that operate with a common objective – to enhance our customers' businesses through research, development and knowledge sharing that will equip the customer to increase yields and by extension, profit margins.

The Group's proven business model makes it a market leader in chemical services. Omnia continues to grow and prosper, offering extraordinary value to its customers by tailoring its solutions to their business needs through product and service innovation, with the expert application thereof.

"Omnia provides customised, knowledge-based solutions through our Agriculture, Mining, and Chemicals divisions."

OUR VALUES

Omnia is distinguished by its culture of transparency and integrity. Our prosperity has taught us that assisting others, assists us.



A photograph of three men in safety gear standing in front of a white truck. The man on the left wears a yellow vest and a grey hoodie. The man in the center wears a white protective suit, a white hard hat, and safety glasses. The man on the right wears a green jumpsuit with a yellow vest. They are all smiling and looking at a clipboard held by the man on the right. The truck behind them has the 'Protea Mining Chemicals' logo and 'A member of the Omnia Group' written on it. A speed limit sign for 80 is visible on the truck.

OUR VISION

Creating customer wealth by leveraging knowledge

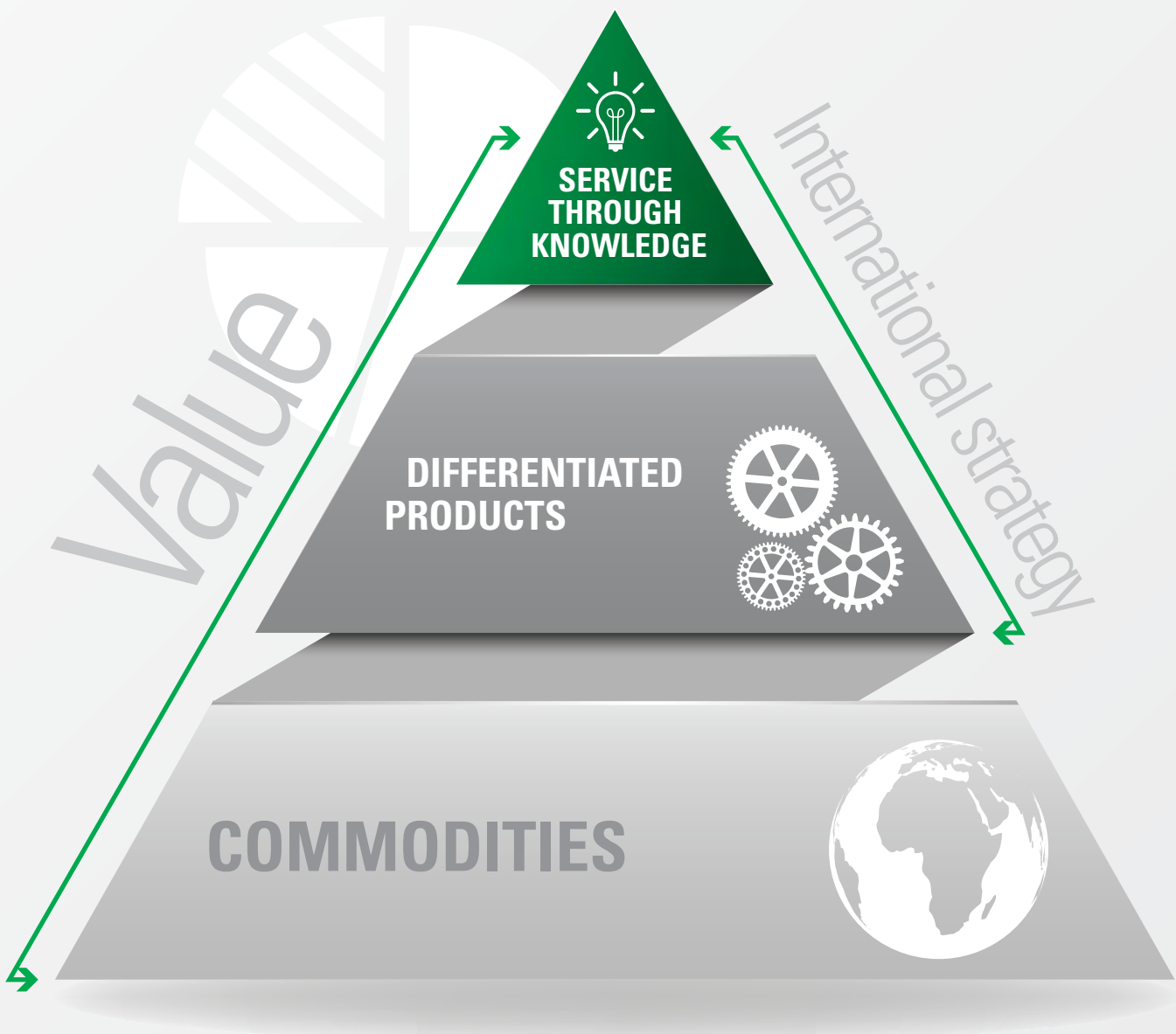
Omnia is committed to playing a role in the development and growth of the agricultural, mining and chemical sectors. We have years of experience and extensive knowledge which we integrate into our services to facilitate the growth of the sectors forming our client base. We strive to help these sectors grow as we have grown and prospered through long term sustainable relationships with customers.

BUSINESS MODEL

OUR VALUE PROPOSITION

We differentiate ourselves from other commodity chemical suppliers by applying our intellectual capital and technologies to all key points along our supply and service chains. This enables Omnia to create value throughout by tailoring our products and services to the specific and changing needs of our customers.

Our business model has been tried and tested over many years, and continues to be fine-tuned as our markets and customers evolve. We sustain and grow our business by continuously enhancing the value we offer to our local and international customers through product innovation, growing our intellectual capital and working to further raise our already exceptional service levels. A continuous feedback loop with our customers at all points of engagement keeps our business model on track.





OMNIA GROUP

VALUE DISTRIBUTED:

R3 693m

R191m

To providers
of finance

R234m

To govern-
ments

R1 455m

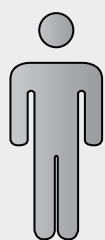
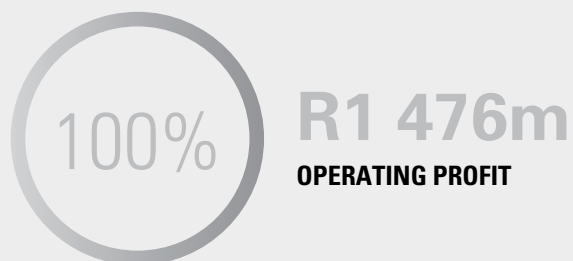
Reinvested

R1 435m

On salaries

R322m

To providers
of capital



4 027
EMPLOYEES

100%

REVENUE



R16 835m

100%

KNOWLEDGE **AND PRODUCTS**
MEET TO **MAKE A DIFFERENCE**



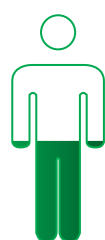
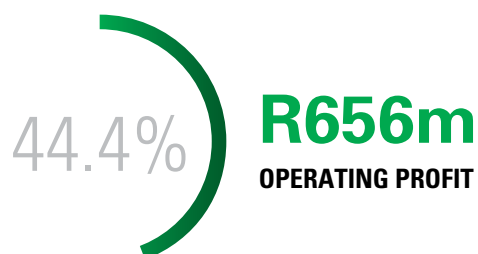
AGRICULTURE

INPUTS:



STRATEGIC RELATIONSHIPS:

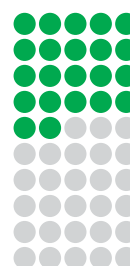
- Farmers
- Government
- Industry bodies



1 669
EMPLOYEES

41.4%

REVENUE



R7 287m

43.3%

OUTPUTS:

- Fertilizer
- Consulting
- Nutriology

OUTCOMES:

- Efficient water use
- Secure food supply
- Increased agricultural yields



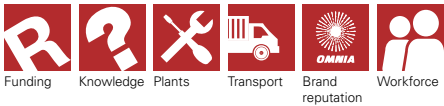
MINING



CHEMICALS

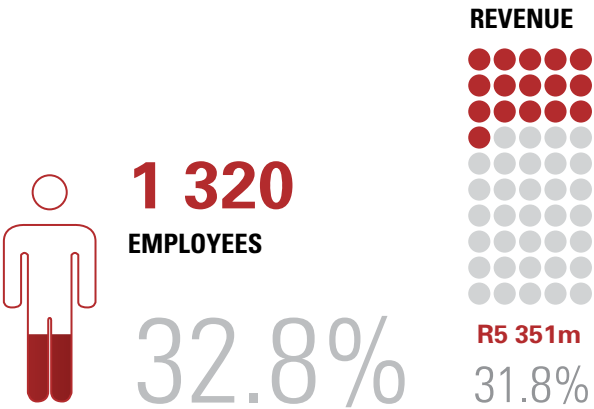
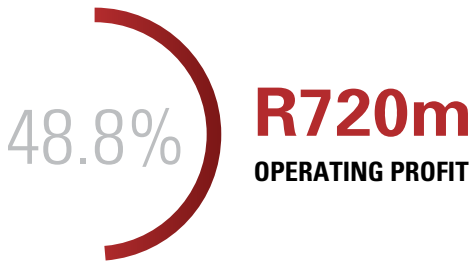


INPUTS:



STRATEGIC RELATIONSHIPS:

- Mining sector in Africa
- Government and regulatory bodies



OUTPUTS:

- Bulk explosives
- Consulting
- Mining accessories

OUTCOMES:

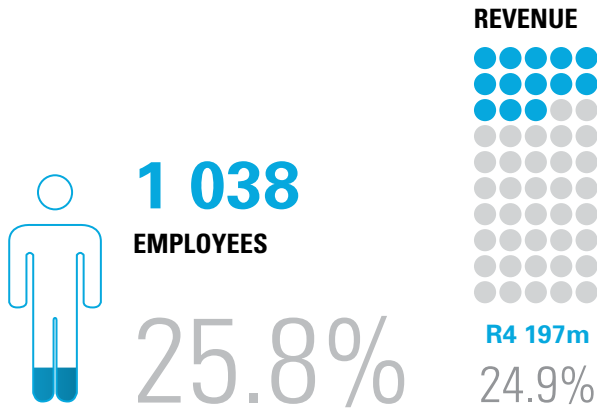
- Enhanced safety
- Enhanced productivity

INPUTS:



STRATEGIC RELATIONSHIPS:

- Suppliers
- Industrial sector
- CAIA



OUTPUTS:

- 10 000 products

OUTCOMES:

- Treated drinking water
- Renewable energy



A BUSINESS MODEL FOR LONG-TERM SUSTAINABILITY

Omnia has a balanced presence in sectors that are essential to the sustainable use of the world's finite resources, and will play a key role in sustaining Africa's future development. We will continue to develop and leverage our intellectual property to add focused value to the agriculture, mining and chemicals markets in Africa and abroad.



SECTION 2

OUR LEADERSHIP

Omnia's board comprises members with varying skills and experience, who have all displayed strong and credible leadership in this challenging economy.

CHAIRMAN'S STATEMENT



Neville Crosse
Chairman

4.2% INCREASE

*Omnia's operating
profit increased by
4.2% to R1.5 billion*

I am very pleased to share this Integrated Report for the 2015 financial year with shareholders and other stakeholders.

YEAR UNDER REVIEW

As initially announced on 23 June 2015, the Group's results for 2015 show a decrease in the excellent performance of 2014. At the pre-tax level our profit remained flat, but due to a higher effective tax rate, the profit after tax was 5.8% lower year-on-year. This was still a credible performance given the downturn in the global mining sector which is a key part of our business, the onset of a drought period in the latter half of southern Africa's summer growing season and the general slowdown in the South African economy and manufacturing sector, exacerbated by the electricity supply issues with state utility company, Eskom.

STRATEGIC PLAN

At the end of the 2014 financial year, the executive team presented a new five-year strategic plan along with actions to be implemented, for discussion and approval by the board. The board acknowledged that an 8% real compound growth target would be challenging in prevailing global economic circumstances, particularly given the continuing downturn in the commodities market. However, the board considered that Omnia's enviable record of delivering annual real returns to shareholders of at least 8% over more than two decades, was achievable and these targets were confirmed for management.

Some minor changes have been made in the creation of the new five-year plan, with the inclusion of a return on equity component and the split in weighting with 80% based on an annual 8% compound real growth in earnings per share over the five-year plan and 20% based on an annual 11% average real return on equity over the five-year plan. The fundamentals of our business remain sound, and the new incentive scheme based on these parameters, was approved at an extra-ordinary meeting of shareholders on 20 October 2014. See page 50 for further details on our strategy.

COMPLEX AND SUBDUED EXTERNAL ENVIRONMENT IN 2014/15

During the year under review the South African and global economies were subjected to various shocks, which curtailed the overall performance of the Group.

The significant downturn in commodity prices has affected mining across the world, giving rise to production cut backs and in some instances, mine closures. Consequently, volumes and margins in the explosives sector have been negatively affected and are likely to remain under pressure in the short to medium term.

The rapidly increasing cost of electricity in South Africa together with the huge risk of power outages, will continue to stretch the country's manufacturing sector to the limits and curtail economic growth. Against the backdrop of the most severe energy supply crisis in South Africa's history, sales volumes to chemical consumers have declined with the further complication of upstream and downstream manufacturers having to re-balance or cut back production. These problems are not short-term by nature and will be with us for at least another five years as Eskom struggles to rebuild its generating and grid capacity. This will require innovative solutions by the Group if it is to maintain required levels of production, with many of these innovations having already been introduced at our main production facility in Sasolburg.

The development of gas reserves, both regionally and in South Africa, is progressing too slowly to deliver a medium-term reduction in the cost of energy in the country. Furthermore, this also limits the opportunity for Omnia to produce internationally competitive chemicals that would create a significant extension to our economy.

CHAIRMAN'S STATEMENT CONTINUED

While government remains committed to enhancing South Africa's business and economic environment, on occasion it fails to match up to its ambitions. Declining foreign direct investment and waning local investment, signal that the significant problems plaguing our economy of low growth, the resultant decline in the tax base and high levels of unemployment, will persist for some time. Many of these issues have an appreciable impact on the Group and operations.

In the **mining sector**, which is at the core of the country's economy, the 26% black economic empowerment (BEE) ownership requirement remains in the spotlight, with the concept of 'once-empowered, always-empowered' to be tested in the courts.

Recent clarifications relating to the DTI BEE code indicate that the mining industry may in fact be required to increase BEE ownership levels in line with the code, placing a further burden on a business sector that is already under pressure. Foreign investors, in my experience, hardly understand the concept and convolutions in the revised law and no longer believe the effort is worth the returns that can be made in South Africa. The disinvestment programme by the world's major mining groups, through the splitting of assets to be separately listed on the JSE Stock Exchange, is now in process. Losses incurred as a result of the recent labour strike in the mining sector have destroyed shareholder value and have contributed to making new equity hard to come by as investment returns in the South African mining sector remain unattractive.

The **agricultural sector** has been particularly badly hit by the flood of legislative changes that are being considered. Government's proposal to limit land ownership to 12 000 hectares or two farms per farmer, does not recognise how farmers operate or how farming units are made up from numerous title deeds. The suggestion that farmers should transfer 50% of their farms to their workers undermines the fundamental question of property rights. Whether these concepts eventually become law or not remains a serious point. Unfortunately, the damage has already been done to investor sentiment towards long-term investment into irrigation systems and very expensive orchard plantings, as a result of the uncertainty that has been created.

Our Agriculture division is extensively involved in the development of previously disadvantaged commercial farmers and we have an in-depth understanding of the considerable problems they face. It is easy to appreciate why only 8% of the 76 000 land claimants in South Africa have chosen to farm the land given to them and why as many as 90% of land reform projects have failed. Our team is assisting the Department of Land Reform by providing mentoring, technical and on-site support training to developing farmers in order to improve the sustainability of these farms and the long-term success of these farmers. The development of small commercial farmers is critical to the long term development of the South African agriculture sector and they have an important role to play.

Nonetheless, it should be recognised that large scale farming in a water-stressed country such as South Africa, is a complex and high-risk enterprise that is best managed by professional farmers – regardless of their race. The reality in global agriculture is that farming units are increasing in size in order to obtain economies of scale that are essential to survive and thrive in a competitive market. This is counter to our government's strategies to limit farms to 12 000 hectares. The ability to invest in the right technology and utilise modern day farming practices is critical to the financial survival of the farmer. The importance for a country to produce enough food to feed its people should not be under-estimated and governments should be mindful of the implications of policy decisions which could have a detrimental effect on the agricultural sector. South Africa is no exception.

Rising costs, including the lack of labour costs that are increasing faster than inflation and that cannot be justified by the lack of productivity improvements, coupled with labour discontent, have meant that many farmers are moving towards increased

"Thanks to more than 60 years of innovation and experience, Omnia has the ability to adapt our business to legislative change."

mechanisation. Sadly, a consequence thereof is more job losses in a country that already has excessively high levels of unemployment.

The Industrial Biofuels Strategy for South Africa was published in 2007 with the intention of dovetailing with changes to fuel legislation. The agricultural sector was excited by the possibilities generated by biofuels and prospective producers, including Omnia, investigated them extensively. Eight years later, the Final Position Paper which is intended to govern the pricing and subsidy mechanisms, has still not been published, despite repeated pledges by the Department of Energy and numerous appeals by various parties. Interest by participants, including Omnia, has waned and is unlikely to be revived in an environment of uncertainty.

With the plethora of new legislation being considered in the agricultural sector over the next few years, Omnia is well placed to deal with the challenges. Thanks to more than 60 years of innovation and experience, Omnia has the ability to adapt our business to legislative change, to set adversity aside and to seek out fresh opportunities that exist in the markets in which we operate.

An example of this is in our Agriculture division: over the past five years our Agriculture division has built a new generation of production facilities to position itself as a leader in the region. This entailed enormous effort to bring on stream a world-class nitric acid 2 complex and downstream production plants below budget and on time. These units, which are now operating at their designed capacity with further upside potential, have made a significant impact on the Group's earnings. This impact was achieved by releasing our Mining division from the constraints of limited access to raw materials by reducing input costs for fertilizer and mining explosives. In parallel, the Agriculture division upgraded its production units to a point where they are running at close to maximum efficiency, reducing imports and enabling significant growth in market penetration in the region.

"The Agriculture division produces nearly all the raw materials used by our Mining division and has developed a competitive advantage through significant economies of scale in its supply chain."

AGRICULTURE

The extent to which the Agriculture division is the backbone of the Group is often not appreciated. This unit produces nearly all the raw materials used by our Mining division and has developed a competitive advantage through significant economies of scale in its supply chain. We expect that in the next financial year, the Agriculture division will reach the next stage of optimal production economics by operating five unique plants in South Africa, namely, chemical granulation, calcium nitrate, nitrophosphate, porous ammonium nitrate (PGAN) and superphosphate, all of which enhance the product slate that Omnia Fertilizer can offer to the region's farmers and BME. The next phase in development will require the construction of a new generation of nitrophosphate plant using Omnia's proprietary technology. This project is at an advanced stage of engineering.

However, optimal production can only occur if the sales of fertilizer match the output of Omnia's production facilities. To achieve this, Omnia's considerable investment in agronomics produces an extraordinary competitive advantage. With more than 100 trained agronomists working alongside our customers and our own in-house laboratory in Sasolburg to process thousands of soil samples, Omnia is in a unique position to advise farmers in their planting activities and to truly add value for our customers.

Our Agriculture business model is focused on producing prosperity for our farming clients, which follows from the Group's vision statement of 'Creating customer wealth by leveraging knowledge'. In the case of fertilizer, the approach is simple – apply the correct nutrient in the amount needed, at the time it is required in order for the crop to use it in the correct way. Much of our research and agronomic advice is focused on improving nutrient use efficiencies and ensuring that environmental pollution is minimised, whilst optimising the farmers' risk profiles.

Precision farming is the most promising agronomic approach to ensuring that the farmer makes the right choices to optimise yield and quality whilst reducing the impact on the

CHAIRMAN'S STATEMENT CONTINUED

environment and lowering risk. In the last seven years, this has led to more than a million soil samples being taken and analysed by Omnia's laboratory in Sasolburg in order to assist farmers and their agronomists in making informed decisions. Sophisticated farmers are starting to make use of advanced forms of technology, including the use of satellite imagery to correctly understand soil conditions in order to apply the right nutrients to the soil for the crops optimum yield.

During the growth of the crop, its vitality is measured using OmniSAP® technology. This enables the farmer and agronomist to monitor nutrient levels and to correct growth deficiencies by drawing on Omnia's extensive product range.

Predictive modelling is an area into which we are putting considerable effort. Early results of the high level data being collected from drone-based images show that by using Omnia's modelling tools a farmer can start to predict crop yields with a high level of accuracy at the early stage of a crop's development. This business intelligence creates an advantage for a farmer who can enter into hedging arrangements and optimise their product pricing. Further research work is required to bring these new algorithms to their full potential.

The management of the biological quality of a farmer's soil is becoming a crucial component of sustainable farming. We have invested 10 years of research into this topic, which has produced the OmniBio® index – a useful tool for determining the health of a particular soil. Farmers can now evaluate the biological productivity of their soil with a view to understanding the long-term profitability of their operation.

More recently, the importance of water consumption in agriculture has become a focus area within Omnia. The agronomic team uses newly-developed tools and on-farm weather stations to advise clients how to extract every last bit of crop growth from the very last drop of water. This direction of research is very important given the declining availability of water to South African farms.

The international Agriculture division continues to be a key component of the Group's income stream, generating US dollar based income that contributes to balancing the Group's exposure to the SA rand currency. The long-established divisions in Zambia and Zimbabwe continue to develop new ways of presenting products in their markets. The continued opening of numerous "'cash and carry"' stores in these countries has increased the customer base without the need to supply credit terms and has reduced the reliance on high risk state tenders for a large portion of revenue. The fertilizer wholesale trading division that was established in 2012, has successfully penetrated regional markets and will now move into a consolidation phase with the aim of optimising margins and risk exposures.

The Group business development team is spending a great deal of time and effort on developing business investment opportunities. Although several have been assessed by the board, none have met our investment criteria and so far, no major investments have been made.

Operations in Australia and Brazil have shown encouraging signs of improvement year-on-year, with further work to be done to ensure that these businesses reach their full potential.

Omnia's development group, which is tasked with supporting small scale commercial farmers in South Africa, had a successful year, with the demand for its services growing steadily. However, most farmers in this category have limited access to the finances necessary to farm, partly because of a lack of property title deeds to use as security or performance history that approach those of commercial farmers. Omnia has taken the path of financing many of these aspirant commercial farmers, but it will eventually be necessary for financing institutions such as the Land Bank and commercial banks to take on the financing of smaller farmers with the peace of mind that these farmers are guided by Omnia's highly-regarded agronomic team. Omnia continues to develop this initiative with

"We advise clients how to extract every last bit of crop growth from the very last drop of water."



various institutions in order to limit future equity exposure and to provide commercial scale financing to these businesses. This has formed part of our corporate social investment plan and also bodes well for creating a new generation of black farmers in South Africa.

MINING

Our Mining division has been exposed to the difficulties of mining in South Africa and to the slowdown in commodity prices and mining activities across the globe. BME has reacted rapidly to changes in the West Africa market, to rationalise some of its operations and as a result, has been exposed to a number of once-off costs associated with mine closures that affected earnings in the year under review. The BME team is actively investigating new market opportunities to negate these changes and to rebuild the production base for the new financial year.

"The BME team is actively investigating new market opportunities to rebuild the production base for the new financial year."

In South Africa, the roll out of BME's novel underground portable explosives pump technology has started with two mines purchasing the system. This offers BME the opportunity to obtain further operational experience before expanding the programme to other customers. The new HEF emulsion production unit in Dryden is in the process of being commissioned and will lead to improved logistics costs and significantly increased production capacity. The automated production line for shock tube products and the new automated line for producing AXXIS® Digital Initiation System products, are expected to be fully operational before the current calendar year end. These three new production units are expected to reduce labour and operating costs and to significantly improve operational efficiencies in the years to come.

Ready availability of ammonium nitrate from the recently built nitric acid 2 complex at Omnia Fertilizer in Sasolburg, has supported the significant growth and development of BME over the past few years.

Protea Mining Chemicals continues to develop at a steady pace and remains an important supplier to the mining industry in central and southern Africa. Considering the headwinds in the mining industry, the business performed well and continues to identify innovative ways of adding value in plant processing activities.

CHEMICALS

The Chemicals division incurred certain once-off restructuring costs during the year with the transition to a centralised structure under the label of 'One Protea'. Management continues to make progress with the implementation of the revised business and operating

CHAIRMAN'S STATEMENT CONTINUED

strategies, with encouraging signs of improvements at this early stage. The process will be completed before the current calendar year end and will place this business on a firm footing for the future. The division continues to struggle in what is admittedly a difficult industrial business environment.

GOVERNANCE

The board continues to enhance its oversight of corporate governance in the Group and to comply with regulations and guidelines.

The social, ethics and risk committee continues to improve its capability in assessing risk and is providing meaningful input to the board regarding potential exposures. Presentations to the committee by management on particular risk exposures, has proven to be useful in developing an in-depth understanding of these issues.

The remuneration committee completed an investigation into incentive structures for management and this resulted in a new generation of the five-year incentive plan that was presented to and approved by shareholders on 20 October 2014. The committee has also considered variations to the remuneration structures for employees working outside South Africa and these are in the process of being implemented.

The audit committee continues to deal with the growing financial complexity of the Group in order to provide the necessary assurance that the processes and controls to meet its mandate are actively monitored on a continuing basis.

The massive effort into safety, health and environment matters over many years is starting to deliver the desired outcomes. The Group achieved a Recordable Case Rate of below the target of 1.0 for the first time. While this is a significant achievement, it lags the ratings of our international counterparts and further steps are being taken to improve the performance in these areas. These include additional safety training for our employees and contractors, reviewing our safety protocols in line with best practice and the ISO standards and strong oversight by line management at all times.

"The massive effort put into safety, health and environment matters over many years is starting to deliver the desired outcomes."

EMPLOYMENT EQUITY

The board is committed to creating an equitable, diverse and multi-cultural workplace. There has been a focus in recent years on implementing employment equity throughout the Group with concerted steps taken to continue growing the representation of black (African, Coloured and Indian) women and black employees at management levels. At present, Omnia's total workforce includes 66% black employees. Top management includes 37.5% black executives of which 25% are black women.

A cornerstone of Omnia's employment equity and BBBEE initiatives is skills development, as the board recognises that the chronic skills shortage in key business areas represents a very real threat to the Group's sustainability. The Group's Sakhile Initiative and retention schemes support our employment equity strategy by helping retain and attract talented and skilled equity employees.

A prime focus area for a science driven organisation like Omnia, is developing a maths and science skills pool. A significant portion of our skills development expenditure is being allocated to bursaries for students in these disciplines.

DIVIDENDS

The board has declared a final dividend of 300 cents per share, which together with the interim dividend of 190 cents per share, provides shareholders with a total dividend of 490 cents per share this year.

“The Group’s balance sheet remains very strong with a low level of gearing.”

OUTLOOK FOR THE YEAR AHEAD

The international mining sector is expected to remain depressed for a few years until global prices for commodities start to improve. In South Africa, the domestic demand for coal is expected to grow considerably in the medium-term as Eskom’s new power stations come on line and BME, as a major supplier to the coal industry, is expected to benefit from this trend. Although explosives prices will come under pressure, BME has access to low cost ammonium nitrate from Omnia Fertilizer’s nitric acid complex, which will assist in maintaining profitability. The potential wide acceptance of our new underground portable pumping unit creates an opportunity to open new markets, especially in the deep level mining market in South Africa. Rationalisation opportunities exist within BME and management will focus on realising them in the financial year ahead.

Protea Mining Chemicals has a number of new contracts that will deliver an improvement in earnings.

The domestic and international Agriculture divisions have to contribute the required growth in earnings for the Group in the new financial year. They are well poised to do so from a production point of view. Unfortunately, the summer season was marred by the late summer drought in some areas in the central region of South Africa, which is leading to higher crop prices mirroring the reducing grain production. As a result, there will be some farmers whose disposable income will fall and others who will do well. Combined, these factors will affect overall fertilizer consumption.

The Chemicals division will continue to rationalise its business in response to the moribund state of South Africa’s industrial and manufacturing sectors. The process to settle the new One Protea structure should lead to an improvement in earnings in the new financial year.

The Group’s balance sheet remains very strong with a low level of gearing. Management continues to actively investigate investment opportunities that complement the development of the Group into the future.

APPRECIATION

This has been a challenging year for the Group as global economics had a significant impact particularly in the mining sector. Management’s response has been appropriate and has resulted in a creditable financial performance.

The rationalisation of a number of the Group’s business units, particularly in the Chemicals division, will need to take place.

The management of a group as complex as Omnia, creates a heavy burden on Rod Humphris and his executive team and I thank them for the on-going effort of positioning the Group to achieve the challenging five-year targets that have been set for them.

The membership of the board has been stable in the last period with the only change being Noel Fitz-Gibbon’s change in function from executive to non-executive director and his replacement as executive director and Group finance director by Wayne Koonin. We welcome Wayne to the board and wish him well in his new and challenging role.

My thanks to my fellow directors for their counsel and support.



Neville Crosse

Chairman

18 June 2015

GROUP MANAGING DIRECTOR'S REVIEW

A YEAR OF CONSOLIDATION AND OPTIMISATION

After the major expansions in our markets and production capacity over the past few years, the year under review reflects a period of consolidation and optimisation. A great deal of focus has been on optimising our plants, business units and cost structures, and the achievements recorded in the current financial year are testament to these efforts.

At an operational level there were many achievements that are not immediately evident in the financial performance, but that are well worth reporting, namely:

- Our safety performance was commendable with our Recordable Case Rate (RCR) of 0.7 below our target of 1.0 for the first time
- Excellent leadership training implemented in collaboration with leading external consultants to improve the quality of management across the Group
- Continued expansion in the agricultural markets with the development of new products and the ongoing importance of the Specialised Agronomic Services (SAS) business unit to support our customers
- Significant expansion of our emerging farmer business unit with additional funding and an increase in the area under management by emerging farmers that participate in this programme
- Resolved production constraints on our fertilizer plants, creating record production volumes from the Sasolburg plant and reducing the unit cost of production
- Improvement in Group-wide logistics with additional warehouse capacity located close to our key agriculture markets and a rationalisation of the Chemicals division's warehousing capacity
- The successful centralisation of the Chemicals division structure, with the implementation of the 'One Protea' structure that will allow for the rationalisation of this business
- Achievement of quality improvements flowing from BME's automated detonator assembly facility
- Completion of the construction of the new, leading-edge bulk emulsion plant at Dryden which is in the process of being commissioned to deliver even better services to our clients in the Gauteng, Mpumalanga and Kwa-Zulu Natal areas

Our enterprise resource planning (ERP) system has been in use over the last few years. It is currently being reviewed to gauge to what extent the original objectives are being met and whether the latest developments in information technology need to be considered to keep the Group competitive. The various process and IT teams are conducting company-wide studies to identify bottlenecks or constraints and optimisation opportunities. Further updates on this initiative will be provided in due course.

GROUP STRATEGY

The Group's strategy has been shaped over a number of years, and focuses on maintaining our unique, specialised market offerings, while expanding organically. We also aim to sustain a nurturing working environment so as to retain our employees, who are themselves, an integral part of our offering.

While this strategy is reviewed regularly, it has proved its worth and has remained largely consistent over the years. This has enabled our teams and workforce to have a clear understanding of our objectives and what is required of each person.



Rod Humphris
Group managing director

3.5% INCREASE

*The Group's revenue
increased by 3.5%
to R16.8 billion.*



“The Group’s strategy focuses on maintaining our unique, specialised market offerings, while expanding organically.”

Our strategy is underpinned by the following fundamental practices of the business:

- Provide specialised solutions to the agricultural, mining and chemical markets
- Focus on unique market offerings that create value and, in so doing, earn a premium
- Diversify our markets beyond South Africa’s borders
- Identify and implement strategic acquisitions to build on the strengths of each division
- Improve our cost competitiveness, particularly in our Chemicals division
- Continuously improve our health, safety and environmental performance and practices by following the guiding principles of Responsible Care®
- Build a culturally diverse business that respects and promotes the rights of its people
- Develop a learning organisation

For further details on our strategy and how this aligns with our business model, see pages 8, 50 – 52.

The Group has always taken pride in being a market-focused organisation and we continuously strive towards a broader value offering and improving customer service across all our divisions. We foster a sense of ownership through a distinct culture and a variety of share participation schemes.

OPERATING PERFORMANCE AND PROSPECTS

The Group’s revenue increased by 3.5% to R16.8 billion from the previous year. In line with this, operating profit increased by 4.2% to R1.5 billion. This is the slowest growth both in turnover and operating profit for some years and reflects the tightening conditions in the mining and manufacturing sectors.

GROUP MANAGING DIRECTOR'S REVIEW CONTINUED

AGRICULTURE

EXCELLENT PERFORMANCE ACHIEVED

The Agriculture division turned in an excellent performance with revenue growing by 9.1% to R7.3 billion. This was achieved in an environment in which maize plantings were 1.3% lower than in the prior year. The granulation production problems of the previous year were resolved, with the plants turning in an excellent performance in the current year. The fertilizer trading business that started in December 2012 achieved strong sales growth with an increase of 46% in revenue or R331 million in the current year.

Our major production site at Sasolburg is running well, with a focus on streamlining costs and optimising energy. The site already produces approximately 50% of the energy it uses, which offers some protection from electricity interruptions and power tariff increases. As a consequence, the Group itself experienced minimal inconvenience from load shedding by Eskom, the state electricity utility.

The nitric acid 2 complex which came into production three years ago has ramped up production further, with volume capacity now at 81% of design capacity compared to 75% in the prior year. The plant has proven its ability to run at higher-than-design volume capacity of 115%, which bodes well for further increases in production output. This, in turn, will enable the Agriculture division to meet the increasing demand for products and at the same time, reduce the per unit production costs. This also benefits BME.

Finished fertilizer products that were imported reduced from 100 000 tons in FY2014 to 42 000 tons in FY2015. Arguably, with the benefit of hindsight, even less could have been purchased since our own production output exceeded expectations, with the improved operational performance at the Sasolburg plant. The excess purchases, combined with the late summer drought which had a negative impact on nitrogen fertilizer top dressing sales, contributed to the higher-than-planned year-end stock levels in the Agriculture division. This in turn, affected the Group's net working capital needs and gave rise to year-end debt levels that although low, were higher than planned.

The operating profit margin achieved of 9.0% was within the guidance of 8%-10%, even after being affected by the continuing unfavourable ammonia to urea ratio during the current financial year, which leads to lower nitrogen margins. As the ammonia to urea ratio continues to improve, this will further enhance profitability.

The EnviNOx® processes installed at Omnia's two nitric acid plants continue to perform well, with over 98% destruction of greenhouse gases (GHGs) being achieved. Since inception, the two plants have generated a total of 3.7 million certified and uncertified carbon credits, an impressive achievement which further entrenches the Group as leader in Africa in reducing GHGs. No sales revenue was generated from these carbon credits this year as world prices were very low, although after the financial year end a transaction was concluded to sell a portion of the credits at a favourable price. The Group continues to stockpile these credits, and plans to sell them once carbon prices recover or use them to offset possible future carbon taxes. In total, the Group has sold 1.7 million carbon credits to date, while 1.4 million are currently in stock with a further 0.6 million in the process of being certified.

In South Africa, the onset of a drought period late in the 2014/15 planting season reduced yields and total harvest. Maize production is expected to slide from the 14.3 million tons recorded in the 2013/14 season to approximately 9.8 million tons in the 2014/15 season. As expected, the lower maize harvest has caused local maize prices to rise from the export parity floor price currently estimated at R1 650 per ton to R2 500 per ton, and may rise

"An operating profit of 9.0% was achieved, within the guidance of 8%-10%."

further to the ceiling price of import parity price of R3 100 per ton. The combination of late summer rains, which relieved the drought in some areas, together with higher maize prices, provides an attractive prospect for this year's summer planting. We are looking forward to a normal fertilizer season in the forthcoming year as higher crop prices improve, which will encourage farmers to return to planting higher profit maize crops.

The strong growth of our local Agriculture division over the last few years, which has been complemented by steady growth from our international businesses, is expected to continue. This growth is being driven by our technical leadership, and has resulted in a number of benefits, that are greatly appreciated by our customers. In summary, advanced nutritional services and products lead to increased crop yields and quality, at a reduced level of risk.

Our raw material supply chain is being further optimised, as we invest in expanding our proven nitrophosphate process, which will further drive down raw material costs. The process not only substitutes higher downstream intermediate phosphoric acid with lower-cost fundamental rock phosphate, but also delivers calcium nitrate as a by-product for use both by our explosives and by our specialities fertilizer business. Maximum benefit is achieved by matching the requirements of the fertilizer business and the explosives business. With the growth in both businesses over the last few years nitrophosphate production could be quadrupled in order to balance the two businesses' requirements. A project to expand production is currently being defined and will in all likelihood begin in the following financial year.

The ammonia to urea ratio is expected to remain unfavourably low in the year ahead, but a return to a more positive ammonia to urea ratio in line with historical trends is expected over the next few years. This would improve the Agriculture division's margin and profitability.

"Our raw material supply chain is being further optimised."

UNDERSTANDING THE AMMONIA TO UREA RATIO

Ammonia is the basic raw material feedstock for both the production of ammonium nitrate and urea. Ammonium nitrate and urea production requires considerable capital and operational costs, which implies that both will be sold at a premium to ammonia. Indeed that is the case but the prices of these downstream products of ammonia are, as is the case of ammonia itself, subject to supply and demand factors on world markets. Over time a natural equilibrium has evolved between ammonia and urea pricing reflecting the price premium of urea over ammonia, but disturbed by supply/demand factors.

Omnia purchases ammonia to produce its ammonium nitrate based fertilizers. Omnia's costs are therefore subject principally to the price of ammonia. On the other hand many of Omnia's competitors purchase urea on world markets to sell in the local market. This implies that Omnia's ammonium nitrate based fertilizers need to compete with urea based fertilizers.

In the case of demand/supply factors making ammonia relatively more expensive than urea, Omnia's margins contract. In this case the ammonia to urea ratio is higher and therefore, less favourable for Omnia. On the other hand the opposite case can also prevail to the benefit for Omnia Fertilizer and its customers. Omnia has chosen the ammonium nitrate route rather than the urea route, as ammonium nitrate has proven agronomic benefits over urea in the growth cycle of crops. In addition, Omnia wishes to use its ammonium nitrate as a basic building block in the production of explosives which urea cannot do. Understandably, the variability of the ammonia urea ratio has no impact on the explosives business.

GROUP MANAGING DIRECTOR'S REVIEW CONTINUED

MINING

At R5.4 billion, the Mining division revenue was 2.0% lower than in the prior year and following several years of strong growth this was a year of consolidation. Growth in West Africa stalled due to a combination of factors and resulted in certain once-off costs. These included mine closures which led to debt write-downs, stock losses, the loss of a major contract, and reduction in volumes and staff retrenchments. The onset of the Ebola epidemic, which restricted travel and the movement of people, hampered mining operations, which were also affected by falling commodity prices; particularly that of gold that is mined extensively in that area. The intensified slowdown in mining in Africa, together with the loss of a major coal contract in South Africa, contributed to the division's disappointing performance, which was nevertheless slightly offset by modest growth in copper, platinum and iron ore markets.

As a result, despite the downturn in world mining revenues, this division has been remarkably resilient. The year's operating profit of R720 million was 13.1% down on that of the previous year, resulting in an operating margin of 13.5%, which was below the guidance of 15%-16%.

By the end of the financial year, construction of the new expanded emulsion facility at Dryden was completed and the commissioning process was at an advanced stage. This is a state-of-the-art facility utilising the latest technology in the production of superior emulsion stability, which in turn, offers better storage and transport properties for the product. The facility has sufficient spare capacity to serve market growth with a high-quality product for several years to come.

On the growth front, during the course of the past year, the business made remarkable progress in two areas with the electronic detonator product, AXXIS® Digital Initiation System, and the new portable underground emulsion unit. The functionality, quality and simplicity of the AXXIS® Digital Initiation System is increasingly being recognised, with significant sales in Africa and large-scale trials underway in Australia. The cost benefits of using the product in open-cast and quarrying operations are being progressively understood.

The roll-out of our emulsion technology to the underground sector is a very exciting development that could change the manner in which blasting is performed, particularly in the deep level, narrow vein underground mines in South Africa. Not only has the chemistry of the surface emulsion product been adapted for application in an underground environment, but also a completely revolutionary patented delivery mechanism – a highly portable charging unit – has been developed. This is the key to safer explosives control and more efficient underground blasting. Major South African mining groups have already indicated high levels of interest in this new product.

The slowdown in mining activity over the past year has persisted, far beyond market expectations. A consolidation of mining activities across the globe is expected to continue in the year ahead as metal and minerals prices show no sign of recovery.

In spite of this slowdown, our mining business is focusing on growing revenues by carefully selecting opportunities in the bulk explosives markets. This is an area of the business that is continuously being enhanced by reductions in raw material costs and the application of additional used oil in the formulations. In the year ahead, the business will also move beyond the once-off financial and operational impact in the West Africa business with many of the required changes to this business unit already implemented. The roll-out of our emulsion technology into the underground explosives markets is expected to gain momentum, and sales are likely to increase as a result. The increase in turnover will be augmented by the additional volume increases of initiation systems sold where our emulsion systems are also utilised. The development of our digital initiation system, AXXIS® Digital Initiation System, is now maturing with recognition in the mining industry of its advanced functional capabilities. AXXIS® Digital Initiation System sales are expected to accelerate in international markets.

“At R5.4 billion, the Mining division revenue was 2.0% lower.”

“Protea Chemicals’ turnover of R4.2 billion was 1.8% higher.”

CHEMICALS

Protea Chemicals’ turnover of R4.2 billion was 1.8% higher than that of the previous year. Given that the South African manufacturing environment stagnated, and the simultaneous restructuring of the business, this is a commendable outcome. Operating profit was R100 million, 35.9% lower than the prior year, due in part to an operating margin of 2.4% which was well below the target of 4.5% - 5.5%. As noted in last year’s integrated annual report, the FY2014 results included a R52 million once off profit from the sale of our portion of the investment in Nalco. Excluding this amount, the comparative prior year operating profit was R104 million and the year-on-year financial performance was unchanged.

A considerable amount of investigation and preparation was performed in FY2014 in respect of creating a simpler centralised model for the Chemicals division – dubbed ‘One Protea’. This led to the implementation of structural changes in the current financial year, in which the ten operating units were rationalised into a single operating unit. With the change taking place in the first quarter of the financial year and the impact of the mining and manufacturing strikes in the second and third quarters, the Chemicals division experienced certain disruptions.

Once the business had settled into its new structure it became evident that a substantial cut in overheads was necessary to reposition the business with an appropriate cost base to compete in the market place. During the fourth quarter of the financial year, systems and industry experts assisted the business in substantially simplifying the product offering and business processes, and redefining the customer service models. This is expected to reduce working capital needs and improve warehousing, distribution and administration costs. In addition thereto, it is expected to create a superior distribution platform, with a national focus, accompanied by a more efficient shared administrative system. It is also imperative to re-design the customer service model to enhance the overall customer experience.



GROUP MANAGING DIRECTOR'S REVIEW CONTINUED

The poor growth environment for manufacturing in South Africa is expected to continue. The fundamental issues of impractical labour legislation coupled with a shortage of power has resulted in a weak investment climate for industrial growth in South Africa, which is not expected to change in the year ahead.

Looking forward, Protea Chemicals will continue to focus on bedding down the 'One Protea' structure, whilst driving down costs by simplifying the business. This process, which will be completed in FY2016 and is expected to enhance customer service. Significant efforts by the various teams within Protea Chemicals to align strategies and improve stock availability and customer service are currently underway. Various market development projects are also underway to allow the division to capitalise on growth opportunities, albeit in a challenging business climate.

As a result of these initiatives, Protea Chemicals is expected to show a much-improved performance in FY2016 and can be expected to achieve an operating margin of between 3.0% and 4.0%, with a view to increasing the operating margin in FY2017 between 4.5% and 5.5%.

PROMOTING SUSTAINABLE GROWTH

We are extremely pleased to report that the safety programmes implemented throughout the Group are yielding changes in behaviour among employees and contractors. The RCR improved significantly from 1.08 in 2014 to 0.7 in the year under review. This is a major achievement with the Group's target of a RCR of less than 1.0 being met for the first time. However, this is not an area for complacency and efforts will need to be driven consistently if the Group is to maintain or even improve this performance. We are focusing our efforts on instilling the same level of participation of our contractor employees as that of our own employees. This requires more regular training which is, commensurate with the risky nature of the work performed by contractors.

Good progress was made this year on upskilling our talented people. The Group takes care in the way in which it selects people, recognising that they are the future of the company. It is a Group priority to find people who are innovative, energetic, action-orientated and most importantly, who take care of the detail and are customer service orientated.

We invested in another successful action-learning programme, in conjunction with the Gordon Institute of Business Science (GIBS) at the University of Pretoria, using current problems from the business in a simulated environment. Programmes like these are mentored by senior management. In turn, various levels of senior management were also exposed to intensive leadership development courses, which incorporated 360 degree evaluation and feedback sessions. We believe that all these programmes, which are guided by leading experts in their field, are truly valuable and develop the right kind of thinking in our people, increasing the competitive edge of the Group in a dynamic world.

A solid environmental performance is not merely an afterthought for us at Omnia – it's an integral part of our business model. While we endeavour to limit our environmental impact and monitor any environmental incidents, we also try to create products and services that contribute to environmental sustainability. From water treatment to soil management our work aims to help clients use natural resources effectively and simultaneously mitigate their own impact on the environment.

Obviously, because of the place natural resources occupy in our business model, the threat of climate change is a real one for us. As a result, we are limiting the impact of the company's carbon footprint, while also considering how to adapt the business to changing weather patterns. In addition, we are also engaging with relevant parties to understand and comment on the proposed new carbon tax to be legislated in South Africa. For more details on this and our approach to other environmental issues see page 130 for our detailed sustainability section.

"The RCR improved significantly to 0.7 in the year under review."



APPRECIATION

Despite the negative effects of the lack of growth in manufacturing in South Africa and the marked slowdown in global mining on our Chemicals and Mining divisions respectively, both divisions' teams have worked extremely hard to deal with the circumstances to seek out new opportunities. The agriculture team has done an excellent job to build and deliver on both the production and sales opportunities over the past year.

My thanks to all our employees who, even as market circumstances remain difficult, have continued to respond positively and make a real difference in the Group.

I extend a special word of appreciation to Noel Fitz-Gibbon, the Group finance director, who retired on 1 October 2014 after serving 14 years as an executive director. His exceptional service and contribution to the Group have been invaluable. We are fortunate to retain his wise counsel, as he will continue to serve on the Omnia board as a non-executive director.

I welcome Wayne Koonin as the new Group finance director knowing that he has all the skills to continue with excellent financial stewardship and with strong abilities to drive the growth of the Group.

Finally I wish to extend my gratitude to all our customers for continuing to support our business and for entrusting us to make a real difference to their businesses. We know that the environment is extremely challenging at present. All we can do is promise to work harder on our relationships and to live the well-established tenet that underlies everything we do - 'creating customer wealth by leveraging knowledge'.

"My thanks to all our employees who, even as market circumstances remain difficult, have continued to respond positively and make a real difference to our Group."

GROUP MANAGING DIRECTOR'S REVIEW CONTINUED

LOOKING AHEAD

The Group's balance sheet is currently strong and, pleasingly, having grown stronger every year. Our low levels of debt are considered to be a strength in today's volatile financial markets, and we recognise that this under-gearing certainly undermines our return on equity performance. In the current markets, this places Omnia in an enviable position to gear up the balance sheet to fund any large capital projects or potential acquisitions. The board continues to evaluate opportunities to enhance shareholder value and will make the appropriate decision when an opportunity presents itself.

We expect that all three divisions – Agriculture, Mining and Chemicals – will continue to find organic growth opportunities to build on their strengths and continue to expand. A multi-disciplinary team has been working for the past two years on identifying and investigating numerous opportunities that would create significant growth for the Group in the future. The opportunities currently being explored range from backward integration, market diversification as a possible fourth direction for the Group, and potential mergers and acquisitions in similar or related businesses. Areas of particular interest include mining chemicals, water treatment chemicals and processes, food additives and processes, bio-chemicals and renewable energy. These focus areas are sufficiently broad and exciting to present numerous opportunities worth pursuing. The timing of these possibilities remains uncertain at this stage.

The board has set a challenging new five-year target for the management team, effective from 1 April 2014. This approach is consistent with past practice and follows the successful achievement of the Group's last four five-year targets which exceed 8% real earnings growth. For the new five-year plan, the previous benchmark target of 8% real earnings growth was replaced by a more demanding goal of 8% real earnings per share (EPS) growth (80% weighting) and an 11% real average return on equity (ROE) (20% weighting).

At the end of the first year of this new five-year plan, the Group's profit after tax was R212 million or 220 cents per share below the targeted levels. With the weak manufacturing environment in South Africa, together with the predicted decline in growth in global mining, the Group will need to investigate and take fresh opportunities in its chosen fields of chemicals and chemicals services to address in part, this shortfall. The Group's strong balance sheet should support our capacity to seize such opportunities.

The weakness of the SA rand against the US dollar is positive for the Group as a weaker rand is a fundamental driver of the Group's profitability. Not only does this drive margins, but also volumes, as our customers benefit from a weaker exchange rate.

"We expect that all three divisions will continue to find organic growth opportunities to build on their strengths and expand."



Rod Humphris

Group managing director

18 June 2015

GROUP FINANCE DIRECTOR'S REPORT



Wayne Koonin
Group finance director

Despite 2015 having been a challenging year for the Mining and Chemicals divisions, the Group's turnover and operating profitability advanced year-on-year, demonstrating the robust nature of our business model. Profit before tax remained flat year-on-year, however, profit after tax declined due to a higher effective tax rate year-on-year.

The Group balance sheet remains strong with the gearing remaining low, even though working capital was higher at financial year end. This was due to the late seasonally related build-up of stock in the Agriculture division, which will return to normal levels in the forthcoming year on a rebalancing of the production schedule. Cash flow generated by operations remained strong and capital expenditure continues to decrease with the completion of major projects started in the previous year.

FINANCIAL HIGHLIGHTS

- **Revenue** at an all-time high of R16.8 billion, up 3.5% year-on-year
- **Profit before tax** level at R1 331 million
- **Profit after tax** of R934 million down 5.8%, due to an overall higher effective tax rate of 29.8%
- **Headline earnings per share** rose by 2.6% to R14.65 per share
- **Cash generated from operations** remained steady at R1.8 billion
- **Debt: equity ratio** higher at 12.3% due to increased short-term working capital requirements for the Agriculture division
- **Credit rating** affirmed in July 2014 as A- (long-term) and A1- (short-term), with a positive ratings outlook

Revenue advanced to an all-time high of R16 835 million, increasing by 3.5% year-on-year in a challenging market. Operating profit was higher by 4.2% at R1 476 million. Profit before tax of R1 331 million remained flat. Profit after tax slipped by 5.8% to R934 million due to a higher effective tax rate of 29.8% compared to the prior year's 25.4%.

The Omnia business model is built around geographic, product and customer diversification across our three business divisions of Agriculture, Mining and Chemicals, and this is reflected in the strength of our results.

GLOBAL ECONOMIC ENVIRONMENT

The past year's global **macro-economic environment** was characterised by several conflicting developments. The recovery of the US economy continued to gain momentum, resulting in a strengthening of the US dollar as markets anticipated the US Federal Reserve raising interest rates for the first time since 2009. In contrast, the Eurozone continued to struggle with little or no growth and the possibility of deflation setting in. The decision by the European Central Bank to launch a Quantitative Easing programme of up to one trillion and the threat of Greece defaulting on debt obligations and exiting the Eurozone, weighed further on the region's common currency. The recent elections in the United Kingdom voted in a majority government, paving the way for a more stable outlook for the United Kingdom and sterling. China's economy continued to grow strongly, albeit at a slower rate, which has had a knock-on effect in terms of the global economy and in particular, the demand for commodities. Credit expansion and favourable monetary policy that previously supported the growth in the Chinese economy, has started to weigh on the

2.6% INCREASE

*Headline earnings
per share rose by
2.6% to R14.65
per share*

GROUP FINANCE DIRECTOR'S REPORT CONTINUED

economic outlook for the country due to the high costs of servicing public sector, corporate and household debt. Further changes implemented by the Chinese government affecting the import and export of commodities, combined with stricter environmental laws to deal with chronic air pollution, have also altered the supply/demand and pricing fundamentals of certain commodities across the globe.

Commodity prices play a critical role in our business. Commodity prices came under pressure virtually across the board, with sharp declines being registered from the middle of the 2014 calendar year that were caused by a variety of factors including declining demand and oversupply due to additional production capacity coming on stream. The strong rise in the US dollar also contributed to the decline in commodity prices as they are denominated in the US currency. Events in the Middle East, the reluctance of OPEC to curtail oil production output and the rapid development of the shale gas industry in the USA, created a significant oversupply in oil markets with Brent crude dropping by more than 50% to below \$50 per barrel at one stage. The further complication of slowing global growth and new technology also weighed on oil prices. The short- to medium-term outlook for commodity prices remains weak and will most likely lead to further contractions over the next few years in the mining industry which is a key market in which Omnia operates.

"We utilise our skills, judgement and experience to protect, mitigate or enhance our position."

SOUTH AFRICAN ECONOMIC ENVIRONMENT

The rate of economic growth in South Africa has continued to fall, placing various industries under pressure. Higher input costs, uncertainty in the supply of electricity, falling productivity and unrealistic wage demands that are significantly in excess of inflation, are common themes hampering local economic development. Official unemployment in South Africa remains well above the 25% level.

Inflation has remained within the 3%-6% target range set by the South African Reserve Bank. The recent sharp fall in oil prices has had a positive effect throughout the country's economy, resulting in a temporary reduction in the inflation rate preventing it from breaching the upper end of the Reserve Bank's target range. However, the prospect of further upward pressure on inflation remains, particularly with higher food prices, and the rate may well accelerate if and when oil prices return to higher levels. This in turn influences our manufacturing and overhead costs, increases that may not always be fully recovered in the selling price of our products.

Interest rates in South Africa have remained unchanged, with the prime overdraft lending rate standing at 9.25% since July 2014. However the threat of higher inflation has heightened the prospect of a rate hike in the near term. This would be likely to further curtail any economic growth.

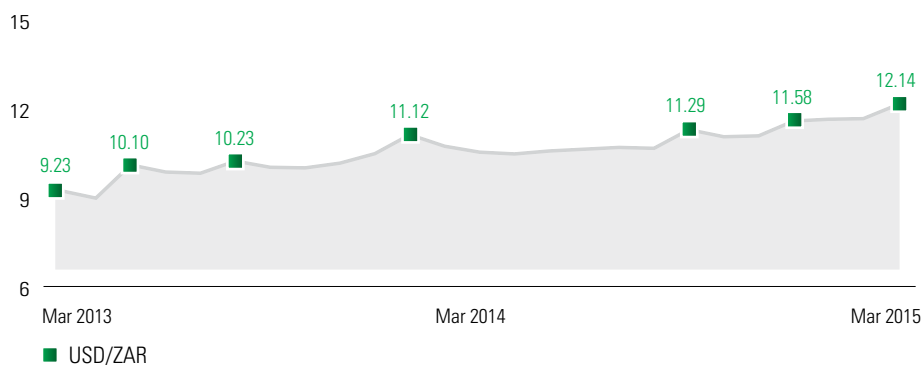
The **SA rand** came under pressure against all major currencies during the year, in particular the US dollar. Due to the limited number of transactions in euros, any improvement in the SA rand:euro exchange rate had a limited effect on our business.

ECONOMIC FACTORS

Many diverse factors influence the overall profitability of Omnia. As part of the day-to-day management of the Group, we manage these various factors and utilise our skills, judgement and experience to protect, mitigate or enhance our position.

The **SA rand** is the reporting currency of our business and the basis upon which this integrated annual report has been prepared. Most of our sales transactions are denominated in US dollars and raw material costs, whether produced locally or imported, are determined with reference to the US dollar. A large portion of our trading activity is denominated in US dollars while our overheads are mainly rand-based. Ultimately, US dollar-denominated profits coupled with a weakening rand, translate into higher reported profits for the Group.

USD/ZAR EXCHANGE RATE HISTORY



On average the **SA rand:US dollar** exchange rate was 9.3% weaker at R11.12 in the current financial year against R10.17 in the preceding year. At the financial year end, the rate was R12.14 compared to R10.53 a year earlier.

Our accounting for **foreign exchange gains and losses**, is strongly influenced by the rand's volatility against other currencies. With a substantial asset base outside South Africa and denominated in US dollars, the translation of the year-end balance sheet into SA rands, results in book gains or losses that are accounted for in the foreign currency translation reserve account. The net foreign currency translation gain for the year was R367 million against R255 million in the prior year.

The translation of the income statement transactions is based on daily foreign exchange rates, with the gains or losses on the revaluation of current assets and liabilities taken to foreign exchange gains or losses in the income statement. Many of the African countries in which we operate have pegged their currencies to the US dollar or, in some cases, to the euro. The volatility of these currencies primarily against the euro contributed to foreign exchange losses of R59 million being incurred in the year under review, compared to R48 million in the prior year.

Funding of **working capital** is mostly in SA rands with a minor portion in US dollars. Raw materials purchased for all three of our divisions, whether imported or sourced locally, are priced in US dollars. Certain raw materials are imported directly into our operations based outside South Africa and do not pass through the Sasolburg production facility. A large portion of our finished goods are manufactured in South Africa using a combination of local and imported raw material. The ultimate cost of these finished goods is denominated in rands and funded on that basis.

The **working capital cycle** is dominated by the fertilizer business in which trading follows the seasonal nature of farming in southern Africa. The production cycle for granular fertilizer from the Sasolburg complex begins around April or May of each year and continues through to the start of the rainy season, which could be any time from October onwards. By January of each year, the production process has been completed and the rundown of the large stockpiles continues until February or March, with the nitrogen fertilizer-top dressing sales taking place in the latter part of the planting season and final year-end sales typically depleting stockpiles towards financial year end. As a result of this cycle, the working capital requirements for the fertilizer division typically peak in September to December and bottom out from March to May. The working capital demands for the Mining and Chemicals divisions is typically influenced by lead times for the procurement of goods, with normal levels of working capital maintained based on our business model parameters.

GROUP FINANCE DIRECTOR'S REPORT CONTINUED

Funding facilities are predominantly rand-denominated and are provided by leading South African banks and financial institutions. A portion of funding is also provided offshore in US dollars by South African and international banks. The total net finance expense for the year under review was R145 million compared to R87 million in the prior year. The 67% increase year-on-year was due to the higher cost of financing the net increase of R659 million in working capital funding (based on net current assets) largely due to higher fertilizer stocks remaining in our warehouses at financial year end. Subsequent to year end, the fertilizer stock position continued to reduce and will normalise through the 2015/16 production cycle, thereby releasing cash back into the business. Management continue to refine the treasury model to optimise funding requirements and to reduce borrowing costs.

On an annual basis, **Global Credit Rating (GCR)** agency undertakes an independent rating of the Group. For the year ended 31 March 2014, the rating was affirmed in July 2014 as **A- (long term)** and **A1- (short term)**, with a ratings outlook of positive. A rating of A- is considered to be "Investment grade – High credit quality" and A1- as "High grade – High certainty of timely payment". Both ratings were unchanged year-on-year, demonstrating the sound business model of the Group.

COMMODITY PRICES

Commodities are purchased by the Group through a global network of suppliers. Stringent quality control procedures are in place to ensure that the products sourced and used in our manufacturing processes are of the highest standards. Certification and other requirements associated with the purchase and transport of hazardous chemicals form part of the overall procurement process.

To mitigate our pricing risks, various **hedging strategies** are adopted for the procurement or sale of raw materials and finished products, and for trading in foreign currencies. These strategies may include hedging the commodity price or the currency or both so as to create certainty in our pricing formulas. The hedging committee meets on a monthly basis to review key data for the business and forward production schedules in order to determine what strategy it may be best to adopt. The hedging strategies differ by division based on the nature of the underlying purchases and the instruments available to create the financial hedge. Market liquidity and pricing will also influence our hedging decisions. The hedging policy and foreign currency trading policy is set by the board.

Certain **key raw materials** are used by the various divisions. The Mining division is largely exposed to the price of ammonia whereas urea, phosphates, potash and ammonia are the main commodities used in our Agriculture division. The Chemicals division uses a wide variety of chemicals, a small portion of whose prices are strongly influenced by the price of oil.

During the past financial year, international ammonia prices fluctuated widely from \$475 per ton at the start of the year to more than \$600 per ton by mid-year before finishing the year lower at \$425 per ton. Urea started the year on a stronger note at \$320 per ton, rose during the year and dropped back to around \$275 per ton at the financial year end. Phosphate prices started the year at \$498 per ton and drifted lower to end at \$476 per ton. In contrast, potash prices remained relatively flat around \$300 per ton.

The **ammonia:urea ratio** is a key driver in the cost of manufacturing and in the final selling price of fertilizer products, which may be urea based, NPK chemically granulated products or specialty products. Nitrogen is produced from ammonia and represents approximately half of the composition of NPK granulated products. The ratio of the price of ammonia to the price of urea **per ton of nitrogen** sold is one of the profit drivers of our Agriculture division. As urea is a downstream product to ammonia and should trade at higher prices, the extent to which the ratio changes over time has a direct impact on profitability. The higher the ratio, the lower the profit margin and *vice versa*.



The average ammonia:urea ratio for the past financial year was unfavourably high at approximately 1.68 compared to 1.54 in the previous year. Since the financial year end the ratio has improved to levels below those of the year just ended and is expected to continue to improve further, which will be advantageous for the Group. To manage the impact of this ratio, management uses a combination of hedging strategies and variations in the raw materials procurement cycle to mitigate the impact. Ultimately, this can only remedy the situation over the short term. Thereafter, the net underlying adjustment to market prices will either move total input costs higher or lower.

Metal and mineral prices play a key role in determining the level of mining activity of our Mining division's customers. In terms of the broader categorisation of the precious metals, base metals, energy and other commodities, the supply/demand fundamentals differ by category and commodity and have a direct impact on prices. This in turn, influences life-of-mine plans and levels of mining activity. Short-term changes in price may have a limited impact on mining activity, however, price shifts (up or down) over the medium-to-longer term, may permanently alter mine plans and mining activity. This may place our products and services at a premium relative to other mining and processing costs, helping to ensure that the quality of blasting enhances productivity and the amount of minerals recovered.

GEOGRAPHIC RISK

Omnia operates in 16 countries across Africa, with focused operations also in Australasia, Brazil, China and Mauritius. South Africa, which is our largest market, is also home to our corporate office and production facilities. Our operations in sub-Saharan Africa cover western, central and east Africa. Operating across many geographies presents a number of challenges because of differing financial, legal, tax, banking, regulatory and operating regimes. Our decentralised management structure ensures that we have management teams based in each of the countries in which we trade to manage the day-to-day affairs in accordance with local laws and Group policies.

GROUP FINANCE DIRECTOR'S REPORT CONTINUED

Our main production facility is located in Sasolburg, some 70 kilometres south of Johannesburg. It covers 168 hectares and consists of 12 plants, including the nitric acid 2 complex that was built at a cost of R1 billion in 2012, plus other related facilities for a further R0.4 billion. The Agriculture division has an extensive network of staging warehouses and depots throughout South Africa which enables us to place our products close to key markets in order to provide the highest level of service to our customers during the planting season. As part of the fertilizer production supply chain, the Agriculture division has comprehensive ammonia storage and transport facilities. This includes offloading and storage facilities at Richards Bay, Sasolburg and other smaller sites, with specialised rail tankers to transport ammonia between the two sites. Throughout Africa, we also operate an extensive logistics footprint that includes sales depots as well as blending and warehousing facilities.

Other production sites include the main BME production facility in Fochville, a smaller production facility in Dryden which has recently been upgraded and which will be commissioned by mid-2015, and on the properties of certain large mining customers on-site blending facilities in various countries in Africa. Protea Mining Chemicals also utilises special facilities, warehousing, blending and bagging operations, specialised transport tankers and other such facilities in various geographic locations that form part of the supply chain for hazardous materials. In Walvis Bay, Namibia, a specially equipped in-harbour storage and bagging warehouse is used to supply key markets in the vicinity.

Protea Chemicals has four main facilities nationally, being Wadeville (Johannesburg), Cape Town, Jacobs (Durban) and Port Elizabeth. The recent rationalisation of the smaller branch structure and ongoing implementation of the One Protea structure will bear fruit in the new financial year. Over the years, Protea Chemicals has developed a deep understanding of the transportation and logistics issues of moving hazardous chemicals across multiple borders into Africa. This has allowed us to develop this part of our business outside South Africa and to diversify our reliance on the local manufacturing industry as a primary target market.

"We place our products close to key markets in order to provide the highest level of service to our customers."

FINANCIAL REVIEW

INCOME STATEMENT

Group revenue rose 3.5% to R16 835 million (2014: R16 259 million) based on an improved performance by the Agriculture division which was offset by weaker performances by the Mining and Chemicals divisions due to a general slowdown in both sectors.

Gross profit increased by a commendable 9.0% to R3 937 million (2014: R3 612 million) with a robust improvement in the Agriculture division's margin, offset by lower volumes and competitive pricing that affected the performance of the Mining division, and the tight trading environment in which the Chemicals division operates that put margins under pressure.

Administrative expenses of R907 million (2014: R908 million) were unchanged year-on-year, before taking into account the R200 million once-off charge in the prior year for the long term incentive plan (LTIP). On a pro forma basis, excluding this amount, the current year's expense of R907 million (2014: R708 million on a pro forma basis) was 28.1% higher year-on-year. This year-on-year increase in costs, is partially attributable to the weaker rand:US dollar exchange rates which affect the cost of running our businesses outside South Africa and the once off write-offs and associated restructuring charges relating to both the West African business units in the Mining division and the Angolan and Mozambique business units in the Agriculture division.

Included in administrative expenses is the impairment of available-for-sale financial assets of R39 million (2014: R11 million).

Distribution expenses increased by 15.1% to R1 524 million (2014: R1 324 million), due in part to the depreciation charge on capital expenditure projects completed in the prior year that were subject to a full year depreciation charge in the current year. Sales

volumes increased in the Agriculture and Chemicals divisions resulting in higher distribution expenses and an increase in US dollar transport rates outside South Africa, when converted at the higher amount due to the weakening of the SA rand against the US dollar.

Other operating expenses of R90 million (2014: R79 million) included R59 million (2014: R48 million) in foreign exchange losses, largely driven by the weaker euro:US dollar exchange rate and volatility of the local currencies of many of the African countries in which we operate, that fix their currencies against the US dollar. Amortisation of intangible assets of R31 million (2014: R31 million) for the year was unchanged.

Other operating income of R60 million (2014: R115 million) was lower year-on-year, primarily due to the prior year's R52 million gain on the disposal of the interest in Nalco Africa.

Operating profit of R1 476 million (2014: R1 416 million) was up 4.2% year-on-year. The Agriculture division had an excellent year, with a sharp increase of 52.2% in operating profit to R656 million (2014: R431 million) largely due to the improvement in margin as a result of volume growth, the significant improvement in the performance at the Sasolburg plant that reduced the unit cost of finished goods produced, improvement in overhead recoveries based on higher throughput volumes, a strong performance in the high-margin speciality products business and growth in the high-margin retail sales in Africa. The Mining division returned a respectable operating profit of R720 million (2014: R829 million), down 13.1% in a slow market and after taking various once-off charges primarily on the West Africa operations. The Chemicals division's operating profit of R100 million (2014: R156 million) was 36% lower year-on-year before taking into account the R52 million gain in the prior year on the disposal of our interest in Nalco Africa. Excluding this amount, the year-on-year profit on a pro forma basis of R100 million (2014: R104 million) was 3.8% lower which is commendable when considering the restructuring initiative that took place in this division and the poor economic environment in South Africa where the issues in the manufacturing sector were accentuated by labour strikes and shortages of electricity.

"Operating profit of R1 476 million was up 4.2% year-on-year."

Operating profit margin of 8.8% (2014: 8.7%) for the year under review was marginally higher year-on-year.

The year-on-year comparison of the divisional operating margins in percentage terms were mixed with the Agriculture division up at 9.0% (2014: 6.5%), the Mining division down at 13.5% (2014: 15.2%) and the Chemicals division down at 2.4% (2014: 3.8%). With reference to the past year's guidance on operating profit margin and the outlook for the 2016 financial year, the guidance for Agriculture remains unchanged at 8.0%-10.0%, Mining would be slightly lower at 13.5%-15.0% due to prevailing market conditions and Chemicals also lower at 3.0%-4.0% as this business continues to rebuild.

Net finance expenses of R145 million (2014: R87 million) was sharply higher year-on-year due to the higher levels of working capital required for an extended period during the latter part of the financial year in the Agriculture division. This increased requirement was attributable to the higher stock levels that developed as a result of the better-than-planned performance at Sasolburg, the late rains that delayed the start to the planting season, a lack of follow-up rains leading to the late summer drought that led to a slowdown in additional nitrogen fertilizer top dressing sales in the latter part of the season. Finance expenses of R192 million (2014: R143 million) are net of the capitalisation of R16 million (2014: R26 million) of interest costs relating to capital projects under construction during the current financial year. Finance income of R47 million (2014: R56 million) declined as a result of lower cash balances on hand during the year and reduced levels of funding provided to farmers on which interest income is earned.

EBITDA was higher at R1 829 million (2014: R1 711 million), with the year-on-year difference partially attributable to the higher depreciation and amortisation charge at R353 million (2014: R295 million).

GROUP FINANCE DIRECTOR'S REPORT CONTINUED

Profit before tax of R1 331 million (2014: R1 329 million) was flat year-on-year.

Taxation of R397 million (2014: R337 million) increased by 17.8% or R60 million year-on-year due to the higher than normal **effective tax rate** of 29.8% (2014: 25.4%). The 4.4 percentage point increase is due to a combination developed as losses made by separate legal entities in various countries that could not be offset against profits made elsewhere in the Group, the combination of the mix of profits, varying tax rates and formulas in the various countries in which we operate that changes year-on-year and the lower amount of Section 12I tax incentives claimed in the past financial year. The Section 12I tax incentive claimed of R1.4 million (2014: R11.5 million), was due to the reduction in expenditure on the qualifying capital project, namely the nitric acid 2 complex in Sasolburg.

Profit after tax of R934 million (2014: R992 million) was 5.8% lower year-on-year, due to the higher effective tax rate.

Total comprehensive income was higher year-on-year at R1 301 million (2014: R1 247 million), due to the higher foreign-currency translation differences of R367 million in the 2015 financial year (2014: R255 million).

Headline earnings per share of R14.65 (2014: R14.28) was up 2.6% year-on-year.

NANOTRON

Nanotron operated from 1 April 2009 to 31 March 2014. The SENS announcement detailing the Nanotron transaction was issued on 12 December 2014 and the distribution to participants was finalised shortly thereafter.

Over the five-year period ended 31 March 2014, the Group achieved a compound annual growth rate of 10.37% above the threshold growth rate set by shareholders at 8%. As a result of the criteria having been met, on 30 November 2014, the board of directors of Omnia ("the board") exercised the option to acquire the remaining 81.446% interest in Nanotron held by participants at a total cost of R439.7 million. This was calculated in accordance with the valuation formula and based on the 30-day VWAP at the exercise date of R210.69. Participants were settled 50% in cash amounting to R219.9 million and the remaining 50% by way of equity with the issuance of 1 043 527 new Omnia Holdings shares, with an equivalent value of R219.9 million. At the inception of the Nanotron scheme, a once-off charge of R29 million was recorded in FY2010 and no further amounts were recorded thereafter. On this basis, the prior year LTIP charge of R200 million **excludes** any amount for Nanotron as detailed below and there was no further LTIP charge in the year under review on settlement of the amount due to the participants.

PRIOR YEAR LTIP CHARGES

In order to contextualise the accounting in the income statement for the annual LTIP charge expected in the various schemes and with reference to the detail contained in the prior year's integrated annual report, a summary of the financial effects is set out below.

Due to the poor profit in the first year of the five-year (FY2009) plan and the subsequent improvement in financial performance in the fourth (FY2013) and fifth years (FY2014) of the plan, there was a significant catch-up in the LTIP charge during the latter period. A substantial portion of the R200 million charge in the 2014 financial year was as a result of the Group meeting the overall five-year target in the final year of the scheme which ended on 31 March 2014. The prior year LTIP charge of R200 million consisted of: R128 million for the cash- and equity-settled LTIP for the Partner 4 and the phantom share schemes, R62 million for the share appreciation rights scheme and R10 million for the equity-settled Sakhile 1 and Sakhile 2 schemes. There was no additional charge in the 2014 financial year for the Nanotron scheme.

Due to the strong financial performance particularly in the last two years of the five-year scheme that ended on 31 March 2014, a pro forma calculation of the expenses was performed to normalise the charges for the previous two years as set out below:

"The balance sheet continued to strengthen with total assets increasing by 12.6%."

	2014 Rm	2013 Rm	Total Rm
Actual charges for the year: cash- and equity-settled schemes	128	34	162
Pro forma charges for the year: cash- and equity-settled schemes	49	43	92
Pro forma difference on profit before tax	(79)	9	(70)

On this basis, the net pro forma adjustment for FY2014 would be R79 million (or R57 million after tax). The current year's headline earnings of R981 million would be 27% lower year-on-year if the prior year's headline earnings increased by R57 million, from R951 million to R1 008 million. The headline earnings per share of 1 465 cents per share would be 3.2% lower year-on-year if the prior year's headline earnings per share increased from 1 428 cents per share to 1 514 cents per share.

CURRENT YEAR LTIP CHARGES

The current year's LTIP charges of R19 million (2014: R200 million) consists of: R8 million (2014: R128 million) for the new cash- and equity-settled 'Partnership with Management 5 Share scheme' (Partner 5), Rnil (2014: R62 million) for the share appreciation rights scheme and R11 million (2014: R10 million) for the equity-settled Sakhile 1 and Sakhile 2 schemes. This compares to an estimated charge in the order of R75 million for the current year, if the target for year one of the five-year plan was met. The lower charge in the current year is due to the R212 million shortfall in the profit before tax for year one of the new five-year plan that commenced on 1 April 2014.

As a result of the lower than planned performance against target, the year-on-year LTIP charge for the cash- and equity-settled scheme decreased by R120 million, from R128 million in the prior year for Partner 4 and phantom share schemes to R8 million in the current year for the Partner 5 scheme, which also incorporates a phantom share scheme. The R62 million year-on-year reduction in the LTIP charge for the share appreciation rights scheme, is due to the year-on-year decrease in the share price from R211.05 at 31 March 2014 to R172.50 at 31 March 2015.

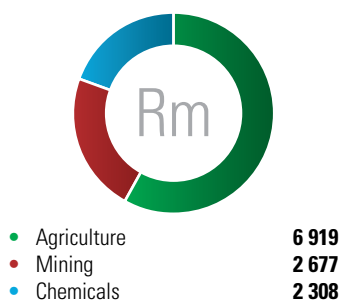
BALANCE SHEET

The balance sheet continued to strengthen with **total assets** increasing by 12.6% or R1 332 million to R11 904 million (2014: R10 572 million). The increase in **current assets** of R1 129 million was largely attributable to the R673 million increase in inventory as a result of the higher-than-normal build-up of fertilizer stocks in the latter part of the planting season, the R367 million or 13% increase in trade and other receivables due to fertilizer sales taking place later in the season with associated credit terms that extend beyond the financial year end. The net increase in **non-current assets** of R203 million is largely attributable to lower capital expenditure of R587 million (2014: R855 million) based on capital projects planned for the year offset by the higher depreciation charges of R322 million (2014: R264 million), based in part on the increased capital expenditure in the prior year which is now subject to a full year depreciation charge.

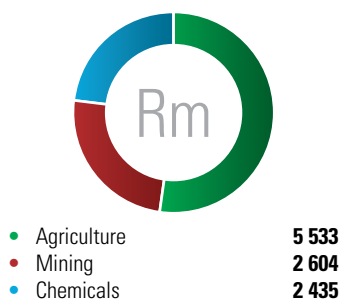
Total liabilities at financial year-end were R5 262 million (2014: R4 660 million), up R602 million or 12.9%. **Current liabilities** increased by R459 million or 10.9% to R4 657 million (2014: R4 198 million), with trade and other payables reducing marginally to R3 503 million (2014: R3 577 million) and bank overdrafts rising from R469 million to R1 099 million, largely to fund the higher than normal fertilizer stockholding in the latter part of the financial year.

Non-current liabilities increased by R143 million to R605 million (2014: R462 million), with the increase in deferred tax of R160 million and long-term trade and other payables of R37 million, offset by the decrease in long-term debt of R54 million.

TOTAL ASSETS PER DIVISION at 31 March 2015



TOTAL ASSETS PER DIVISION at 31 March 2014



GROUP FINANCE DIRECTOR'S REPORT CONTINUED

Net debt at year end was R820 million (2014: R335 million), due to the funding of additional working capital for the Agriculture division, a position that will normalise in the 2016 financial year. Although the **gearing ratio** of 12.3% at year end was higher than the 5.7% recorded at the end of the prior year, it remains low and is expected to continue to fall as the year end fertilizer stockholding normalises, converting back into cash and as the underlying assets continuing to generate higher levels of profitability and cash flow.

Total equity increased to R6 642 million (2014: R5 912 million), a R730 million or 12.3% net movement year-on-year, due to the increase in net profit after tax of R939 million, total increase in the foreign currency translation reserve of R378 million and new shares issued to settle 50% of the amount due to participants in the Nanotron transaction in the amount of R211 million (net of the R8 million in share issuance and transaction costs). This was offset by the reduction in retained earnings due to the release from the share-based payment reserve for the Nanotron scheme of R405 million, dividends paid of R322 million, treasury shares purchased in the open market for the new Partner 5 scheme of R64 million and R7 million for other items. The increase in the foreign currency translation reserve is due to the weakening at the year-end South Africa rand:US dollar exchange rate, which is used to translate the value at the financial year end of those net assets denominated in US dollars, from R10.53 at 31 March 2014 to R12.14 at 31 March 2015. At year end, the total foreign currency translation reserve was R906 million (2014: R528 million).



CASH FLOW STATEMENT

Cash flow from operations rose by R77 million to R1 846 million (2014: R1 769 million) and **net cash inflow from operating activities** was R466 million (2014: R1 315 million), with the year-on-year decrease largely attributable to the R878 million (2014: R52 million) of net cash funding utilised for inventory related to working capital funding which will normalise in the following financial year.

Cash flow from investing activities of R578 million (2014: R791 million) was lower due to the reduction in expenditure on major capital projects, which remained in line with the business plan.

Cash flow from financing activities of R466 million (2014: R337 million) was higher due to increased dividend payments of R322 million (2014: R301 million), the net settlement of debt amounting to R83 million (2014: R39 million) and treasury shares purchased for R61 million (2014: R3 million treasury shares issued).

The net decrease in **cash and cash equivalents** for the year was R578 million (2014: R187 million net increase) and net borrowings and overdrafts at year end totaled R699 million (2014: R131 million).

PROSPECTS

The past financial year was challenging and the Group responded proactively to deal with the issues on a timeous basis. The South African and global economies remain under pressure, with the true effects of globalisation felt on a daily basis. The role of technology continues to reshape the business landscape and Omnia will continue to forge ahead in its efforts to ensure that the business is well equipped to meet these challenges.

The Agriculture division continues to make good progress and the investment decision to build the nitric acid 2 complex in 2012 is starting to pay dividends. The ongoing reduction in our production costs, further development in our range of speciality products, the expansion of our retail footprint in Zimbabwe and Zambia, and the critical role of our agronomists and the "Feet on the farm" strategy continues to ensure that we remain market leaders in this sector.

The various once-off charges incurred during the year in the Mining and Chemicals divisions places the business on a sound footing for the year ahead.

The Group balance sheet remains strong and the capacity that this provides to fund further expansion projects or potential acquisitions is important to our growth strategy. The ongoing support of our funders, suppliers and customers remains an integral part of our success as does the dedication of all our staff at Omnia.



Wayne Koonin

Group finance director

18 June 2015

"Omnia will continue to forge ahead in its efforts to ensure that the business is well equipped to meet these challenges."

SECTION 3

OUR BUSINESS

We add value at every stage of the supply and service chain through innovation and intellectual capital.

GROUP OVERVIEW



1: SOUTHERN AND EAST AFRICA				
Angola	▲	▲		▲
Botswana		▲		
DRC	▲	▲	▲	
Kenya				▲
Mauritius	▲	▲	▲	▲
Mozambique	▲	▲		
Namibia		▲	▲	▲
South Africa	▲	▲	▲	▲
Tanzania		▲		
Zambia	▲	▲	▲	
Zimbabwe	▲	▲		▲
2: WEST AFRICA				
Burkina Faso		▲		
Mali		▲		
Mauritania		▲		
Senegal		▲		
Sierra Leone		▲		
3: AUSTRALASIA				
Australia	▲	▲		
New Zealand	▲			
4: ASIA				
China				▲
Indonesia		▲		
5: SOUTH AMERICA				
Brazil	▲			

KEY DRIVERS

Good growth

in sales in
Agriculture division

Ammonia

to urea ratio

RAND/ DOLLAR EXCHANGE

Need for food security

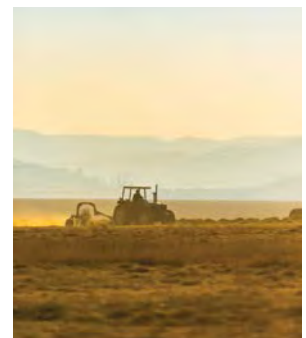


Low activity levels

in South African
manufacturing sector

NEED FOR POTABLE WATER

Access and efficient use of water



GROUP OVERVIEW CONTINUED

Starting as a family business in 1953 with just £53 in capital, Omnia has grown into a company with a market capitalisation of approximately R12 billion today. Despite the increase in market capitalisation over the years, we have not forgotten the importance of remaining close to our markets and customers.

We pride ourselves on the long standing one-on-one relationships that we maintain with our customers, suppliers and other key stakeholders across all our divisions.

Over more than six decades since our establishment, Omnia has continued to deliver on a strategy of leadership in our core markets of agriculture, mining and chemicals. Omnia listed on the JSE Limited ("JSE") in 1980 and our roots are firmly in South Africa, with our footprint increasing across the globe. We continue to expand our frontiers, having grown formidably over the past three decades across the African continent. As an extension to this exciting journey, we continue to seek opportunities on an international level, using our products, knowledge and expertise to enter new markets abroad.

Omnia has long recognised the potential for growth in Africa. Due to opportunities in the agricultural and mining sectors in Africa, the initial phase of our Africa strategy was to establish a presence in various countries. The manufacturing sector in Africa was less attractive at the time and offered no meaningful opportunity for our Chemicals division. In 1990, South Africa started an important journey to democracy, with the removal of apartheid. The world rewarded this change with the lifting of sanctions against the previous government and fundamentally changed the landscape for South African businesses to expand beyond the borders of the country. Omnia seized the opportunity to begin developing the African markets, using South Africa as its base. Omnia established its first agricultural facility north of the border, in Zambia in 1992 and a further fertilizer operation in Zimbabwe in 1996. In 1999, a BME mining explosives facility was opened at a mine in Namibia.

As the demand for goods and services expands, the extent of our operations across all three divisions, including Protea Chemicals, has grown over the past two decades. Our strategy has evolved into full operations in several countries in Africa, with a significant investment in infrastructure, people and knowledge to complement our service offering on the continent. As the world continues to focus on the growth opportunities in Africa, this opens up industries and creates opportunities for Omnia to grow the business further.

With operations in numerous sub-Saharan African countries and 5 distribution hubs in key areas, Omnia operates an extensive and sophisticated logistics network across the continent. The Agriculture division operates in 10 countries, the Mining division comprising BME in 17 countries and Protea Mining Chemicals in 5 countries, and the Chemicals division in 7 countries.

The diversification in the Group's businesses across geographies, commodities, products and customers, underpins our growth. Growth in African countries accelerating at middle to high single digit rates, bodes well for increasing demand. Many African countries either transact or fix their local currencies against the US dollar or the euro, resulting in a currency hedge for Omnia whose results are reported in SA rands. Equally so, a portion of our overhead costs are typically denominated in US dollars which in part, offsets the gains. Overall, the higher economic growth rate outside South Africa helps compensate in part for the lower economic growth rate currently experienced in South Africa. Ultimately, the net effect can translate into greater economic prospects for the Group to enhance earnings and profitability.

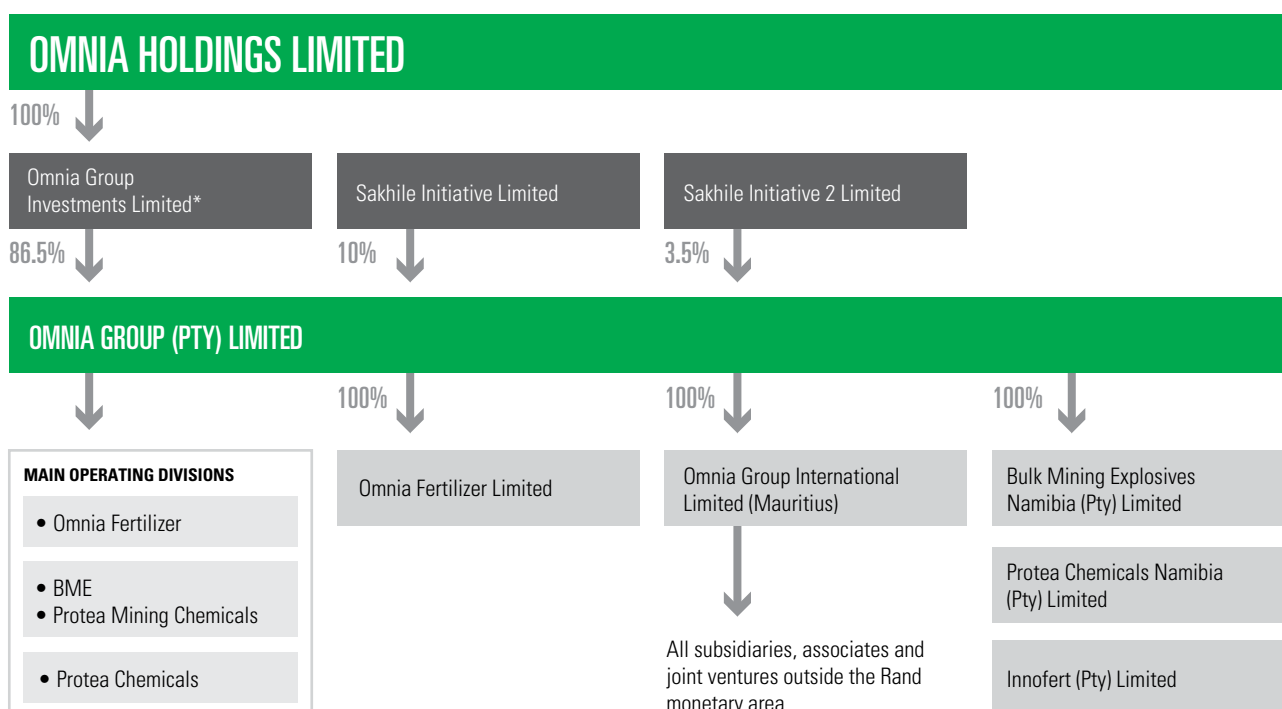
GROWTH

Omnia still remains an integral part of South Africa's agricultural, mining and manufacturing sectors. Although these industries are currently facing considerable challenges, our decades in business have meant that we have witnessed the vagaries of the economic cycles and the impact on these industries. Omnia understands these issues and is well placed to mitigate these risks, ensuring a sustainability of growth and earnings into the future.

OUR ORGANISATION

Omnia is a diversified Group specialising in chemical services and solutions for the agricultural, mining and chemical industries. Using technical innovation combined with our intellectual capital, Omnia adds value at every stage of the supply and service chain to create value for our customers.

ABRIDGED GROUP STRUCTURE



* Omnia Group Investments Limited includes the 5% previously held by Nanotron Investments (Pty) Limited.

Each division differentiates itself in the market and from competitors by combining decades of experience and technology to create unique products and solutions. Omnia holds a unique position as a specialist chemical company in the South African and African markets.

In December 2014, the benefits from the Nanotron scheme were distributed to the participants by way of cash and shares and the scheme wound up. As part of the transaction, Omnia Holdings acquired the remaining 81.4% of Nanotron from the participants to hold an effective 100% of the issued share capital of the company. Subsequent to the transaction, Omnia Group Investments Limited's effective interest in Omnia Group (Pty) Limited is 86.5% (2014: 81.5%).

OMNIA HOLDINGS LIMITED

Omnia Holdings Limited is listed on the JSE in the chemicals sector under the share code: OMN. At 31 March 2015, 67 471 010 shares (excluding treasury shares) were in issue with a market capitalisation of around R11.6 billion. Omnia Holdings Limited's wholly-owned subsidiary, Omnia Group Investments, holds an 86.5% effective interest in Omnia Group (Pty) Limited, the Group's operating entity through which the Agriculture, Mining and Chemicals divisions operate.

OUR ORGANISATION CONTINUED

Our other shareholders in the Omnia Group are Sakhile Initiative 1 and Sakhile Initiative 2. These entities are majority owned by black employees and black management, with an emphasis on black economic empowerment. Collectively, Sakhile 1 and Sakhile 2 own 13.5% of Omnia Group (Pty) Limited.

- **Omnia Group Investments Limited**

Omnia Group Investments was established in 1964 as an investment holding company. The company effectively owns 86.5% of Omnia Group (Pty) Limited which holds the operating divisions of Agriculture, Mining and Chemicals.

- **Sakhile Initiative Limited (Sakhile 1)**

Sakhile 1 was established on 1 April 2007 as a broad-based black economic empowerment (BBBEE) vehicle. Shares in Sakhile 1 are owned by 2 186 Omnia employees residing in South Africa. Sakhile owns 10% of Omnia Group (Pty) Limited. The incentive scheme terminates on the twelfth anniversary of its inception and the benefits are paid out to participants by issuing Omnia Holdings Limited listed shares for a value equal to that of a Sakhile share, as determined by the scheme's Memorandum of Incorporation (MOI). Refer to pages 90 – 91 for more details on Sakhile 1.

- **Sakhile Initiative 2 Limited (Sakhile 2)**

Sakhile 2 was established in January 2009 as an investment vehicle to retain senior black employees as well as to attract and retain talented employees of colour. Sakhile 2 owns 3.5% of Omnia Group (Pty) Limited. The incentive scheme terminates on the seventh anniversary of each of the three tranches of shares issued to the 148 participants starting from January 2017 onwards. The benefits are paid out to participants by issuing Omnia Holdings Limited listed shares. Refer to pages 91 – 92 for more details on Sakhile 2.



“Omnia Group Investments was established in 1964 as an investment holding company. The company effectively owns 86.5% of Omnia Group (Pty) Limited that holds the operating divisions of Agriculture, Mining and Chemicals.”

OUR OPERATING DIVISIONS



AGRICULTURE

Agriculture continues to be a core focus of Omnia's business. Raw materials required for the agriculture business, such as nitric acid, are also used in the manufacturing of chemicals and explosives and, as a result, the agriculture, mining and chemical products and services have become increasingly integrated across the Group.

The Agriculture division which comprises Omnia Fertilizer and Omnia Specialities, produces and trades in granular, liquid and speciality fertilizers for a broad customer base of farmers, co-operatives and wholesalers throughout southern and East Africa, Australasia and Brazil.

Our range of specialised products and services are co-ordinated through our Nutriology® brand. Nutriology® is the 'science of growing', and this philosophy has been integrated into our approach in the development of product ranges, services, relationships and profitability. Nutriology® incorporates leading-edge research and development resulting in products and services that help customers to optimise crop yield and quality for maximised returns, while also managing their own farming and environmental risk.

Omnia Fertilizer services the South African market through regional sales offices, a countrywide distribution network and a comprehensive network of agents and representatives that are supported by qualified agronomists. The rest of southern Africa is supported from regional offices located in Angola, Mauritius, Mozambique, Zambia and Zimbabwe, while other markets such as Botswana, the Democratic Republic of the Congo (DRC), Kenya, Lesotho, Malawi, Namibia and Swaziland are serviced from South Africa.



Omnia Specialities supplies a comprehensive range of water soluble and foliar (application directly to leaves) products, trace elements and organic soil conditioners to the southern African market and through offices in Australia, New Zealand and Brazil, and via products exported to Europe, Asia and South America.



MINING

This division services the mining industry through BME and Protea Mining Chemicals. BME is a leading manufacturer and supplier of explosives, related accessories and blasting services to the mining, quarrying and construction industries in southern and West Africa.

BME is a market leader in bulk emulsion and blended bulk explosives formulations for the opencast mining industry. It produces electronic delay detonators and shocktube initiating systems, and has its own range of boosters. BME also manufactures packaged explosives for underground mining and specialised surface blasting operations.

BME offers a world-class blasting consultancy service through a combination of leading edge proprietary technology and world class expertise. The combination of industry experts, experienced mining engineers and geologists advise and support customer operations, particularly in using BME's unique and proprietary BlastMap™ software solutions combined with the accuracy of the AXXIS® Digital Initiation Systems.

Protea Mining Chemicals provides a suite of value-added services to complement a wide range of chemicals used in mine processing plants across various commodities in Africa. Protea Process® is part of the value added service offering that includes a comprehensive service covering the design of equipment, co-ordinating logistics, on-site management and the specialised make up of chemicals for particular applications.



CHEMICALS

The Chemicals division's primary business, Protea Chemicals, is a manufacturer and distributor of specialty, functional and effect chemicals and polymers. It has a presence in every sector of the broader chemical distribution market throughout southern and East Africa. Protea Chemicals, which is rated as the largest industrial chemical distributor in Africa, represents various domestic and international chemical producers, providing a cost efficient and effective distribution channel for our products into the African market. Subsidiary business, Zetachem, manufactures and distributes chemicals for the treatment of potable water and manufactures other speciality chemicals used in downstream manufacturing processes.

"BME offers a world-class blasting consultancy service through a combination of leading edge proprietary technology and world class expertise."

OUR EXTERNAL ENVIRONMENT

It is clear that the current and anticipated levels of global consumption cannot be sustained by existing resources and capacities. The growing demand on an already strained supply base, has meant that there is greater competition for scarce resources worldwide. It is apparent that significant investment into food, mining, water and alternative energies is imperative.

While there is a push for better use of the available land and, therefore, for our agricultural products and services, there are still local and regional obstacles to growth such as climate change, droughts, lack of skills, inconsistent agricultural policies and biofuel stimulus.

At the same time, the significant downturn in commodity prices has impacted on mining around the world, causing production cut backs as well as mine closures. This slowdown in mining has been more pronounced in South Africa, where commodity producers have had to also contend with discontent among workers, productivity issues, rising electricity costs and shortages of available electricity, which curtail production. The industry is expected to continue to contract in the coming year, at least, with almost all metals and mineral prices remaining flat or decreasing further.

In South Africa, the manufacturing sector is also lagging. The rapidly increasing cost of electricity and ongoing power outages has also put manufacturing under immense strain, curtailing volume output. Manufacturing is also directly impacted by the slow growth in mining, and many of our chemical products are sold to the mining industry.

Being a diversified supplier, Omnia is protected to some degree by the changes in the local and regional economic environment. The Group uses periods of slow economic growth to revisit plans and strategies so that we are well equipped to take advantage of any increase in demand.

“Being a diversified supplier, Omnia is protected to some degree by the changes in the local and regional economic environment.”



OUR STAKEHOLDERS

Omnia accepts that the board has a duty to all stakeholders to report transparently and to consider stakeholders' legitimate needs, interests and expectations. As such, we engage regularly with stakeholders to understand how they perceive Omnia. This assists the board in pinpointing future trends and possible risks. This feedback informs us of any material issues and guides our strategic development.

"Building personal relationships with our stakeholders is not just good business sense, it is an integral part of our daily work."

We pursue dialogue with our broader stakeholder group based on constructive engagement and developing a mutual understanding of objectives, while taking into account statutory, regulatory and other directives overseeing the dissemination of information by companies and their directors.

Building personal relationships with our stakeholders not only makes good business sense, but is also an integral part of our daily work. Effective stakeholder engagement is one of the factors that allows our intellectual capital and technology to work with our service and supply chain.

Due to our multinational operations, there are various economic, social, regulatory, community and environmental influences we need to navigate to ensure long-term sustainability. People shape a company and so we want to ensure that we have a skilled, experienced talent pool. Our focus is on building and retaining our employees, who are encouraged to provide feedback about their training and work experiences.

Omnia is actively involved in the development of effective public policy, through government-led initiatives. We are a representative of the Chemical and Allied Industries Association of South Africa (CAIA) and engage with government on national and provincial levels to formulate safety, health and environmental policies. As a leading player in the chemical industry, Omnia strongly supports the implementation of plans to improve on waste management, climate change effects and on clear policies that do not prejudice local manufacturers.

The board believes in the duty to represent a fair and transparent review of the Group's position to stakeholders. Increasingly, the emphasis has been on greater accountability regarding non-financial disclosures. Our board carefully ensures that communication on our performance is distributed to all stakeholders and the public through a broad range of channels. This engagement is guided by our disclosure requirements in terms of legislation, King III and the JSE Listing Requirements.

OUR STAKEHOLDERS CONTINUED



Stakeholder group	Nature of engagement	Issues raised	Status
Shareholders	Interim and Annual reports, SENS announcements, analyst presentations i.e. interim and year-end presentations, shareholder meetings, annual general meeting, one-on-one meetings with major shareholders, analysts and fund managers	Company and share price performance, growth strategies, non-financial performance targets, corporate governance and remuneration practices	☒ Improved financial analysis, disclosure and reporting, strong share price performance, improved integrated annual reporting, improved shareholder participation in meetings
Investment community	Articles in financial publications, SENS announcements, press releases, investor road shows, analyst presentations, website	Company and share price performance, growth strategies, investment case	☒ Improved understanding of nature of Omnia's business, strong share price performance, enhanced reporting
Employees	Intranet, website, training, newsletter, presentations, performance evaluations, career discussions, share scheme training and participation, equity forums, road shows	Job security, career growth, leadership development, salary increases, performance incentives, safety and health, environment, wellness issues	☒ Greater investment in training and development, improved communication and understanding of Omnia's values and policies
Directors	Operational budget presentations, board and committee meetings, site visits, one-on-one meetings with executive and key employees	Company and operational performance and growth strategies, governance compliance, risk management, attraction, retention and protection of knowledge, information and skills	☒ Greater strategic focus on long-term growth strategies, better planning and decision making, improved risk management and compliance assessment processes
Trade unions	Bargaining council meetings, dispute settlement meetings	Wage negotiations, conditions of employment, health, safety and wellness issues	☒ Ongoing focus on employee and labour relations
Customers	Sales agreements, sales and marketing conferences, meetings, sales and marketing brochures, newsletters, events, industry conferences, training, letters and emails	Price, quality of product, service-related issues, technology support	☒ Enhanced service offering, greater confidence in product and service delivery, increased sales
Government and regulatory bodies	Formal and informal meetings, consultations, documentation and report submissions, conferences, tender submissions, extensive commentary on draft legislation and presentations	Competition Law compliance, employment equity (EE), safety, health and environmental legislation compliance, BBBEE	☒ Improved EE and BBBEE compliance and performances, implementation of Competition Law compliance programme with training and communication, continuous engagement with Competition Law authorities, continued focus on improving compliance with safety, health and environmental law standards



Stakeholder group	Nature of engagement	Issues raised	Status
Suppliers	Supply agreements, meetings, conferences, events, training sessions	Reduction of costs, improved quality of service, product quality and security of supply, compliance with BBBEE ratings, other regulations and standards	✓ Enhanced service offering, greater confidence in product and service delivery, ongoing management of costs
Communities	CSI projects in communities, community-based forums, training and support	Education, BBBEE, wealth creation, Environmental Law compliance, emergency procedures, safety standards and skills development	✓ Ongoing investment in key projects focused on, MHI emergency procedures, compliance with safety standards, farmer development and skills development, operating within the principles of Responsible Care®
Industry	Representation on key industry bodies, meetings, conferences, newsletters, correspondence	Competition – law related issues, environmental legislation, best practice standards, policy and regulations	✓ Improved and consistent industry-wide implementation of legislation, active participation in lobbying proposed changes in legislation and raising the awareness of key issues affecting the industry

WE ARE ALSO MEMBERS OF VARIOUS FORUMS:



Industry forums	Environmental participation	Community forums
CAIA and Responsible Care® workshops	Vaal Triangle Priority Area Air meeting	Sasolburg community working group
Sasolburg intercompany response meeting	Vaal Triangle Priority Area Air Technical Task Team	Local security forum
North West Air Pollution Control forum (NAPCOF)	Leeu-Taaibosch forum and Technical Task Team	
Institute of Safety Management	Highveld Priority Area Air Quality Officer forum and Multi-stakeholder reference group	

OUR STRATEGY

OUR APPROACH

We take a proactive approach to improving our products and services to the agricultural, mining and chemical markets and focus on adjusting our unique market offerings to add more value. While we have a solid presence in Africa, we continue to look for opportunities to diversify geographically as well as for acquisitions to build on the strengths of each of our divisions.

The principle of Responsible Care® is one of our top priorities. Responsible Care® is the chemical industry's unique global initiative that drives continuous improvement in safety, health, and environmental performance, together with open and transparent communication with stakeholders. The initiative embraces the development and application of sustainable chemistry, helping our industry to contribute towards sustainable development while allowing us to meet the world's growing need for essential chemicals and the products which those chemicals make possible.

We also promote cultural diversity through respect and promotion of the rights of our people. At the heart of our strategy lies our commitment to building an organisation that is continuously learning.

While our business is evolving and we are shifting our focus from the past to what lies ahead, our strategy remains consistent. This consistency equips our people with the vision and tools they need to help drive our business forward. We foster a sense of belonging and responsibility for the Group's future through a variety of share participation schemes.

We have always taken pride in being a market-focused organisation and we continuously strive towards broadening our value offering across all our divisions.

"While our business is evolving and we are shifting our focus from the past to what lies ahead, our strategy remains consistent."

OUR STRATEGIC OBJECTIVES

Our Group operates across defined economic sectors, each with its own distinctive characteristics, and within each sector we reinforce our competitive positioning by:

- Providing specialised solutions to the agricultural, mining and chemical markets
- Focusing on unique market offerings that create value and, in so doing, earn a premium
- Diversifying geographically beyond South Africa primarily focused on Africa with a growing presence in other international countries
- Identifying and implementing strategic acquisitions to build on the strengths of each division
- Improving on cost competitiveness across all divisions, particularly in the Chemicals division
- Continuously improving on health, safety and environmental practices by following the guiding principles of Responsible Care®
- Building a culturally diverse business that respects and promotes the rights of its people
- Building a learning organisation

OUR KPIs

Omnia uses key performance indicators (KPIs) to measure our progress in implementing our strategy and in monitoring business performance against the annual operating plan. These KPIs encompass both financial and non-financial indicators as well as quantitative and qualitative factors. The five-year plan that runs from 1 April 2014 to 31 March 2019, is the basis for the overall measurement of these KPIs and which in turn, forms the basis of the management incentive scheme over the same period. The main KPIs are listed below.

Description		Target	Actual 2015
FINANCIAL KPIs			
The five-year plan commencing on 1 April 2014 to 31 March 2019 is based on:			
Compound real growth in EPS [above CPI]	Compound real growth of 8% per annum in profit over the five-year plan with an 80% weighting on a base EPS of 1 540 cents per share	Compound real growth of 8%	(8.6%)
Average real return [above CPI] on equity	The real return on equity for each financial year is calculated as [profit after tax divided by (Average of opening and closing equity)] less CPI. The average real return on equity for the five-year plan is the simple average of the real return on equity for each year thereof. Average real return on equity over the five-year period of 11% per annum with a 20% weighting	Inflation plus 11%	11.1%
Gearing	Net debt expressed as a percentage of total shareholder equity	30%-40%	12.3%
NON-FINANCIAL KPIs			
Broad Based Black Economic Empowerment (BBBEE)	To maintain level 4 enterprise status	4	3
Safety	To achieve a year-on-year reduction in the recordable case rate (RCR) as defined by the US Occupational Safety and Health Administration (OSHA) Rules – CFR 1904 and to reach a target of less than 1.00 and maintain thereafter	1.0	0.7

“The board has set a target of an 8% compound real growth rate in earnings per share for the next five-year cycle.”

PERFORMANCE AGAINST OUR KPIs IN 2015:

EARNINGS GROWTH

The board has set a target of an 8% compound real growth rate in earnings per share for the next five-year cycle, being 1 April 2014 to 31 March 2019. For the comparative five-year period ended 31 March 2014, the compound real growth in profit after tax was 10.3% with cumulative profit after tax of R3 012 million.

For year one of the plan, we are R212 million behind the target. Trading conditions were challenging during the twelve-month period due to the sharp slowdown in the mining sector precipitated by declining commodity prices and a strengthening US dollar, the effects of disruptions to electricity supply in South Africa causing a slowdown in the manufacturing sector with a resulting impact on upstream and downstream customers in the supply chain and a general slowdown in economic activity. Management expects trading conditions to remain challenging over the short-term and we are actively taking steps to counteract the situation.

GEARING

While gearing remains below target, it was higher year-on-year due to the increase in working capital for the Agriculture division as a result of additional stock on hand at year end, the settlement of the Nanotron scheme and the purchase of shares in the open market as a hedge for the new Partner 5 income scheme. The effects of a late start to the rainy season, poor subsequent rains and the partial onset of a drought period at a crucial time

OUR STRATEGY CONTINUED

in the planting season, resulted in a slowdown in sales in the latter part of the year. Steps implemented include the rescheduling of production for the 2015/16 planting season which will offset the higher levels of finished goods inventory at year end and facilitate a reduction in the overall gearing position to reduce to levels similar to the previous financial year end.

The Group continues to fund the short-term working capital requirements for the business with short-dated funding facilities from banks and other financial institutions. The balance sheet has the capacity to be geared up to fund major new capital projects or acquisitions. The planning for such new capital projects and the search for potential acquisitions continues.

BBBEE

The Group's BBBEE rating was on target in the current year and management continues to assess opportunities to improve its BBBEE rating. For more information on our BBBEE performance see page 142.

SAFETY

The enormous focus placed on safety, health and environmental matters over many years, has delivered the desired outcome in the current financial year. For the first time the Group achieved a RCR of 0.7 which is well below the target of 1.0. While this is a significant achievement, further steps will be taken to further improve performance in these areas.

"For the first time the Group achieved a RCR of 0.7 which is well below the target of 1.0."

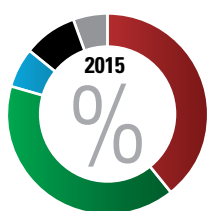


ECONOMIC IMPACT

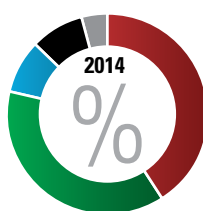
VALUE ADDED STATEMENT

for the year ended 31 March 2015

	2015		2014	
	Rm	%	Rm	%
Revenue	16 835	100.0	16 259	100.0
Cost of materials and services	13 142	78.4	12 748	78.4
Total value added	3 693	21.6	3 511	21.6
Value distribution				
To employees				
Remuneration and benefits	1 435	39.4	1 439	41.0
To providers of finance				
Finance costs	191	5.4	143	4.1
To providers of capital				
Dividends to Omnia shareholders	322	8.9	301	8.6
To governments				
Current taxation	99	2.7	168	4.8
Foreign taxation	135	3.7	127	3.6
To reinvest in business				
Deferred taxation	163	4.4	42	1.2
Depreciation and amortisation	353	9.7	295	8.4
Retained income	939	25.8	996	28.4
	3 638	100.0	3 511	100.0



• Employees	39.4
• Reinvested in business	40.1
• Governments	6.4
• Providers of capital	8.8
• Providers of finance	5.3



• Employees	41.0
• Reinvested in business	37.8
• Governments	8.5
• Providers of capital	8.6
• Providers of finance	4.1

Value added is a measure of the wealth created by the Group and its employees through its various business activities. This statement shows the value added and how it was shared.

VALUE ADDED RATIOS

	2015	2014
Number of employees	4 027	3 685
Revenue per employee (R'000)	4 181	4 412
Value created per employee (R'000)	903	953

RISKS

OUR APPROACH

Risk management is integral to the way we conduct business at Omnia. Following our growth in the last few years, we have become increasingly risk-focused and cognisant of the importance of identifying, evaluating, monitoring and mitigating our risks to ensure that we can sustain this growth, and our business.

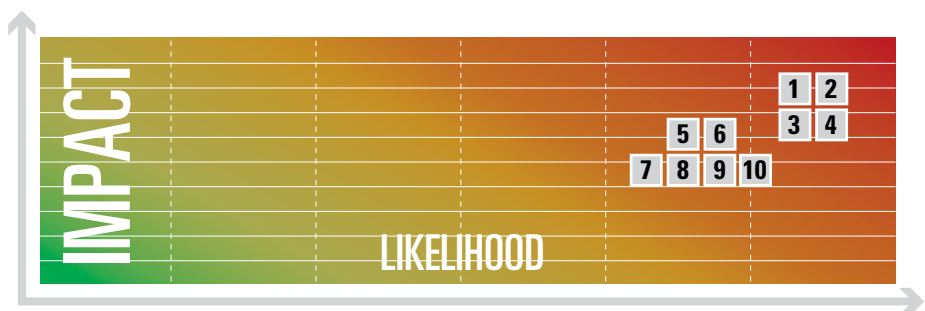
This approach to risk is present throughout our business – our plants and divisions maintain risk registers, which are monitored and reviewed monthly. Because Omnia is an integrated business, we consider the consequence that a change in a risk in one division could have on the Group as a whole. In addition, as a Group, we monitor our top safety, health and environmental risks on an ongoing basis. Divisional information feeds into our process for developing our Group risk register, which ranks our top 50 risks, and the corresponding mitigation measures for them.

We believe that our risks, if mitigated correctly, can provide opportunities to improve our business and strengthen our competitive advantage. The identification of such opportunities is an integral aspect of our risk management processes, as is the prioritising of our risks and opportunities.

The responsibility for ensuring the Group’s compliance and adherence to appropriate risk management processes as recommended by King III and approval by the board, lies with the social, ethics and risk committee of the board. This committee holds three to four meetings per year. A separate risk-management committee operates in accordance with the framework and guidelines of a written risk policy. It reports to the social, ethics and risk committee and has established itself as an important management function, with inputs from all levels of management. This committee is supported in its role by senior executive management, including the divisional managing directors and technical directors.

“Our risks, if mitigated correctly, can provide opportunities to improve our business.”

RISK HEAT MAP



- | | |
|--|--|
| 1 Sustained low commodity prices | 6 Inadequate transformation |
| 2 Increased competition | 7 Industrial action |
| 3 Major exchange rate volatility | 8 Lack of local phosphates supply |
| 4 African mining conditions | 9 Raw materials sourcing constraints |
| 5 Global volatility of commodity prices and demand | 10 Shrinking of manufacturing industry in South Africa |

TOP TEN RISKS

For the purpose of this integrated report, we have chosen to report on our top ten material risks – classified as being either critical or major, depending on the potential severity of the impact on our business. The table below highlights these risks, their possible impacts on our business and mitigation measures.

Risks	Impact	Mitigation
1: Sustained low commodity prices	CRITICAL Sustained low commodity prices can negatively impact our revenue and long-term sustainability.	By differentiating our product and increasing our production volumes we hope to maintain and grow markets even in the face of low prices. To support this, we are also working on managing costs, increasing efficiency and updating our buying strategy.
2: Increased competition	CRITICAL More competitors in the market translate into a smaller sales margin and decreased market share.	We spend time understanding the market and our competitors in order to consistently improve our business model and offer clients the best products and services. We also manage our production and supply chain in order to contain prices.
3: Major exchange rate volatility	CRITICAL A change in exchange rates affects the planning of our business. A stronger US dollar results in a weaker rand that can positively affect our export earnings. The converse is also true.	We use a combination of forward cover, hedges, raw material purchases, finished good purchases, dollar facilities and local overdraft facilities in African countries to mitigate this risk. Our hedging policy serves as a guideline to our execution strategy and the hedge committee provides oversight in the decision making process.
4: South African mining conditions	CRITICAL Given our extensive work in the mining sector, the shifting landscape of the South African mining industry impacts demand for our products in that market. Ongoing changes in legislation require that we understand the impact on our customers and our business.	To manage this risk, we look very closely at our relationships within the industry – by actively participating in industry forums we are able to gain insight into trends in the industry and to adapt our business strategy accordingly. We remain abreast of changes in legislation by adjusting our operating procedures and upgrading products in order to be aligned with the regulations at all times. Internally, we have increased our focus on skills development to meet these challenges, and have diversified our business into other African countries to reduce our exposure to one market.
5: Global volatility of commodity prices and demand	MAJOR Due to a number of global factors, the various markets in which we work shift their demand patterns, often adjusting the prices of commodities.	There are many ways we manage the volatility in commodity prices, the first of which is to track the price trends of major raw materials on a daily basis so we can plan accordingly. We also try to manage the stock holding and supply chain in such a way as to limit our exposures to this risk.

RISKS CONTINUED

Risks	Impact	Mitigation
6: Inadequate transformation	MAJOR Being based in South Africa, transformation of our workforce is essential to the sustainability of our business. Not meeting targets could result in us losing our social licence to operate, as well as contracts in which this is a prerequisite.	We have dedicated specific resources to ensuring we meet our transformation targets. This work includes developing skills development programmes for employees, effective recruitment policies, procurement practices that are inclusive and corporate social investment (CSI) initiatives that make a difference. We have also put into place employee share ownership schemes that allow the people of Omnia to participate in our success.
7: Industrial action	MAJOR Over the past few years the threat of industrial action across South Africa has increased, especially in the mining and manufacturing industries, which both form part of our business model and supply chain. As a result, industrial action can impact both our ability to meet targets and the demand for our products.	One of the main ways we mitigate this risk is to ensure that Omnia is a company that people want to work for. We offer competitive salaries and benefits, support freedom of association and spend time engaging with our employees. We also aim to ensure we create an environment and a fair workplace, where all are treated equally, and that leaders are equipped to apply this culture. The geographic spread of our warehouses enables us to continue to operate parts of our business if a specific area is affected by industrial action.
8: Lack of local phosphates supply	MAJOR Without a sufficient supply of phosphates we cannot manage our Agriculture division appropriately and meet the demands of our customers.	Internally we manage our stock levels to ensure that we have a steady supply of phosphates. We also communicate with local suppliers and are looking into alternative sources of phosphates.
9: Raw material sourcing constraints	MAJOR Because of the nature of our products we need to ensure that we have a steady supply of the raw materials required to meet our production schedule and in turn, customer demands.	We maintain good relationships with a variety of international and local suppliers and manufacturers to ensure that we are prepared for any unforeseen constraints. In addition, we manage our stock levels internally and make use of spot contracts to purchase raw materials when necessary. We also have a dynamic forecasting system in place to understand when constraints might occur.
10: Shrinking of manufacturing industry in South Africa	MAJOR The decrease in the local manufacturing industry reduces the demand for our products.	This risk is mitigated primarily by our balanced business profile. We further manage this risk through our involvement in industry bodies, such as CAIA, and through monitoring segmental growth in the industry.

MATERIALITY

“At Omnia we do not only sell products, we also share knowledge that allows clients to optimise their use of our products.”

Material matters are those that substantively affect our ability to create value in the short, medium and long term. We discuss the value creation process in more detail in each of the divisional sections. Overall, Omnia aims to create value by delivering products and services that not only meet the needs of our clients but that also improve their businesses.

With this in mind, we have determined the most material matters regarding the manner in which we carry out this value creation process on a daily basis. By understanding what impacts on our resources and demands our time, we understand what we must prioritise in order to continue creating value. These material matters are those that are most integral to our strategy and performance, and their continuous monitoring, review and focus are part of the work performed by our management teams.

MATERIAL MATTERS 2015

MANAGING KEY RELATIONSHIPS

The basis of the value creation in all three divisions is the linkage between people and products. In order to do this, we need to focus on key relationships to strengthen our supply chain and to improve on the products and services delivered to clients. These include our relationships with suppliers, customers, employees, industry bodies and government. By maintaining such relationships we are able to maintain a steady supply of raw materials, adapt our offerings to meet our clients' needs, ensure our workforce is involved and productive, understand where we are positioned in the market and maintain our licence to operate. The sum of this is a business which has value creation at its heart, and which is the basis for our competitive advantage.¹

MAINTAINING CUTTING EDGE KNOWLEDGE

Also vital to maintaining a competitive advantage is our intellectual capital. At Omnia we do not only sell products, we also share knowledge that allows clients to optimise their use of our products. As a result, ensuring that our knowledge is up-to-date and relevant, and keeping abreast of technological advances, is crucial to our value creation process. We achieve this through a combination of internal training and development programmes, tracking of global trends and interactions with relevant stakeholders.²

UNDERSTANDING OUR IMPACT

In order to continue creating value it is important that we monitor our processes to ensure that they are effective. To do this we need to understand our impact. We work internally and with clients to understand and determine whether our products and services are achieving their goals, such as safer mining or increased food security. In addition, we use our knowledge to anticipate future needs that we could meet by ensuring that our products and services contribute, not only to our customers but to society as a whole.

Value creation, however, is not only external and so we endeavour to understand our impact internally too. We aim to create a safe, thriving workplace for employees, we are involved in various projects that improve communities surrounding our operations and we work constantly to decrease our carbon footprint. This means that we not only provide products and services that add value to our customers, but that we also conduct a business that is custodian of its human, social and environmental capital.³

¹ For additional information on how we manage these relationships see our Stakeholder Engagement section on pages 47 – 49.

² For additional information on how we remain at the forefront of technology, see the investment case section on pages 58 – 65.

³ For additional detail on this, see our divisional reviews on pages 99 – 129.

INVESTMENT CASE

The economic growth trends of the past few years have shown a clear shift away from the west to the fast-growing Asian economies of India and China. The more recent slowdown in growth in the eastern economies has resulted in a renewed global focus on Africa which is considered to be the last frontier in terms of its market and growth potential.

According to the UN Economic Commission for Africa, the continent has achieved an average growth of 5% per annum over the past decade, with some countries growing by more than 7% per annum. Underpinning this growth were relatively high commodity prices, higher domestic demand due to increased infrastructure investment and improved economic management. Africa is home to a third of the planet's mineral reserves, a tenth of the oil reserves and produces two-thirds of its diamonds. African economies are also heavily dependent on agriculture with the industry employing 65% of Africa's labour force and accounting for 32% of the continent's overall gross domestic product.

There is little doubt that as millions of people cross the poverty line in the next few decades, there will be tremendous opportunity in the areas of energy, food and infrastructure. Coincidentally, these are three industries in which Omnia excels. Not only is Omnia a leading provider of high-value and specialised solutions to businesses that mine metal and mineral resources, grow agricultural products and operate in the industrial sector, it is also at home in Africa.

Omnia has a physical presence in 16 African countries, including South Africa, and is involved in trade with several other African and international countries. Omnia's Mining division has the most extensive African presence in the Group and is particularly well represented in southern, central and West Africa. The Agriculture and Chemicals divisions have a strong presence in southern Africa. Beyond its continental reach, Omnia's products and services directly address pressing global priorities: food security, water preservation and smart mining.

FOOD SECURITY

Having enough to eat is a basic human need, one that drives individual and market behaviour in predictable ways. History suggests that government policies which ensure food security can speed up economic growth in countries where a substantial portion of the population lives below the breadline.

Africa's population is skyrocketing. For the period from 2000 to 2050, eight of the ten countries with the highest expected average annual population growth rate in the world are African. Until 2055, 18 of the 20 countries with the highest expected total fertility rate are located in sub-Saharan Africa. This supports UNICEF's prediction that Africa's population will increase by 1.8 billion newborns over the next 35 years, and that the total African population will nearly quadruple to approximately 4.2 billion by the end of the century. Put another way, one in three people will live in Africa by the end of this century.

The pressure on resources is immense. Ensuring sufficient food supplies necessitates the adoption of modern agriculture, which promotes the use of chemical fertilizers, irrigation systems, farm machinery and large-scale monoculture farms for increased efficiency and yields. Modern agriculture, in turn, is faced with its own challenges, including a heavy dependence on water, fossil fuels and nutrients.

"Omnia has a physical presence in 16 African countries and is involved in trade with several other African and international countries."

The science of **GROWTH**

Fertilizers replace the chemical compounds/ constituents that are taken from the soil by growing plants. They are designed to ensure a high soil fertility to enable maximum crop yields utilising the least arable land. Fertilizers can also be tailored to suit the type of crop that is being grown, but primarily contain nitrogen, phosphorus and potassium compounds.

The nutrients in fertilizers are vital for plant growth. Plants use nitrogen in the synthesis of proteins, nucleic acids and hormones. When plants are nitrogen deficient, they are marked by reduced growth and yellowing leaves. Plants also need phosphorus, a component of nucleic acids, phospholipids and several proteins. It is also necessary to provide the energy to drive metabolic chemical reactions. Without enough phosphorus, plant growth is reduced. Potassium is another major substance that plants get from the soil. It is used in protein synthesis and other key plant processes. Yellowing, spots of dead tissue and weak stems and roots are all indicative of plants that lack potassium.

Calcium, magnesium and sulphur, commonly grouped as the secondary nutrients, are only included in fertilizers in small amounts since most soils naturally contain enough of these components. Micronutrients such as iron, copper, manganese, zinc, molybdenum and boron, are also present in small amounts. These compounds are no less important to growth and without them plants will not grow or can become stunted.

Source:  <http://www.madehow.com/Volume-3/Fertilizer.html#ixzz3a0IGqG00>

INVESTMENT CASE CONTINUED

OMNIA'S NITRIC ACID 2 COMPLEX (SASOLBURG)

In 2012, in response to the market shortage of nitric acid and ammonium nitrate, Omnia commissioned the construction of a second nitric acid complex in Sasolburg. The nitric acid 2 complex produces the key feedstock materials for the production of mining explosives and fertilizers.

The R1.4 billion plant and related infrastructure has not only resolved the decade-long shortage of nitric acid and related products in the South African market, it has put Omnia in a leading position in the fertilizer and mining explosives industry in southern Africa. Besides significantly improving security of supply to the agricultural and mining market, the investment has reduced Omnia's input costs and allowed the Group to broaden its product range and expand further into African markets.

A major challenge with starting such capital intensive, high-volume plants is the ability to initially operate the plant at an acceptable capacity and to then ramp up to nameplate capacity as fast as possible. The nitric acid 2 complex operated at 81% of its design capacity during the current financial year, improving from 75% in the prior year. It was also proven that the plant can safely and consistently operate at 15% above its nameplate design capacity. This adds additional flexibility during the peak fertilizer season and ultimately to increase our total throughput volumes with no major additional capital expenditure.

At the heart of our product and service offerings lies the chemical compound granulation plants. Due to the additional upstream nitric acid and ammonium nitrate production capacity, these downstream plants are now capable of producing at their design capacities and have allowed the Agriculture division to deliver excellent agronomic value to the current and expanding customer base. The impact of the new nitric acid complex is most evident in the reduced requirement for imported fertilizer. This is due to the improved availability of raw material for the downstream granulation plants. The imported fertilizer component has reduced by 60% year-on-year, from 105 000 tons in the previous year to 42 000 tons in the current year.

The expansion of the current nitrophos production facility is currently under consideration with the potential to significantly reduce the raw material cost of granulation. It also has the added benefit of reducing the dependency on high-value raw materials like phosphoric acid.

We currently generate almost half of the electrical energy we require at Sasolburg by using excess steam from the exothermic reaction of the new nitric acid complex, combined with an electrical generation unit. Through the variety of plants and processes, our engineers continue to identify opportunities to reduce, re-use or generate additional energy in the manufacturing process in order to reduce our dependence on the supply of electricity from the state utility company, Eskom. In turn, this improves our ability to run all 12 plants at Sasolburg on a continuous basis and reduce our total cost of electricity consumed. The annual cost of energy per kilowatt hour supplied by Eskom is increasing at double digit rates – far in excess of the inflation rate – and the need to mitigate this input cost remains a key priority for management. The continuous operation of these cogeneration plants improves efficiencies and reduces the unit cost of production.

We are in the process of experimenting with solar panels and heat pumps. Solar panels provide a source of energy to various applications that are less energy intensive. Heat pumps are seen to be an area of significant potential in reducing the energy requirements on site. However, this remains to be proven on an industrial scale. We implemented a programme to replace old motors with high-efficiency motors and we have also installed several variable speed drives on big motors, which reduces peak energy requirements during the start-up phase. Conventional lighting units are steadily being replaced with low-energy and LED fittings. An energy efficiency survey conducted on the first nitric acid plant has also resulted in achieving savings on steam consumption. This together with

“The impact of the nitric acid 2 complex is most evident in the reduced requirement for imported fertilizer.”



INVESTMENT CASE CONTINUED

the increased capacity of the nitric acid 2 complex, has resulted in a 10.7% reduction in purchased steam consumption by the Sasolburg factory.

We also removed up to 98% of the nitrous oxide (N₂O) gases generated by our production process and, in so doing, earn carbon credits which we can sell or potentially offset against the new carbon tax to be introduced in South Africa. The investment in technology allows Omnia to remain well within the stringent requirements of the new limits imposed during 2015 as well as the limits to be imposed in 2020 under the new legislation.

The use of water continues to be a key focus area for the Sasolburg site. Similar to the consumption of electricity, the use and re-use of water remains a top priority for management. The re-use of captured rain water is a key focus area, with significant improvements having been made in the past year after modifications to the granulation plants. This has allowed a significant quantity of captured rainwater to be re-used in the granulation process. As a result, this has reduced the amount of water obtained from the municipal system for granulation production by 93% or approximately 16 000 cubic meters per annum. Further projects currently underway in other areas of the factory, aim to reduce the water consumption from municipal sources by a similar amount in the following year.

SPECIALISED AGRICULTURAL SERVICES (SAS)

Our technology is a competitive advantage, as is our intellectual capital. With SAS, we take our technology onto the farm. As a key component of our agricultural business, SAS has become intricately involved in the business of farming. This is achieved by working with farmers to mitigate risks and promote sustainable farming practices, such as efficient planting practices, the use of nutrients, soil conditioning and irrigation practices. SAS augments our fertilizer offering – it puts a face on the product and skills in the hands of the farmer. Together with our production facilities, Omnia is strategically positioned as a leading supplier of fertilizer and agronomic expertise to create value for our customers.

Backed by a team of more than one hundred agronomists in South Africa, the SAS business unit partners with local government and farmers to create long-term mutual benefits to farming operations. Among the technologies deployed are extensive soil sampling (with the analysis conducted by our in-house laboratory at Sasolburg), yield mapping and zone management systems, which graphically demonstrate historical yields, identify non-productive zones for best use of land and the most efficient use of water and fertilizer. This in turn allows us to assist our customers to plan their farming activities on a more scientific basis, improve yields and minimize the impact on the environment. The correct planting programme, application of fertilizers and watering schedules, all contribute to a successful crop under assumed conditions, thereby improving the financial returns for farmers.

Our holistic and specialist offerings intensify agricultural yields in an environmentally-sound manner which helps reduce rural poverty and puts more food on tables. Africa, with its vast tracts of underutilised yet fertile land, could easily feed its own populations and still be a major food exporter to the rest of the world.

The year finished on a high note with the SAS team winning first prize in the internal business project initiative that was carried out in conjunction with the Gordon Institute of Business Science (GIBS) at the University of Pretoria, for their project on the future role of SAS in farming. In addition, our employee, Dr Louis Ehlers, was awarded the President's Prize for the best verbal paper presented at the Combined Agricultural Societies Congress in George in January 2015. The paper was on his PhD work relating to water use efficiency.

SMART MINING – TURNING TOXIC WASTE INTO VALUABLE PRODUCTS

Africa is home to metals and minerals that are in demand across the globe. Unlocking Africa's mineral wealth is vital to the continued prosperity of developed countries and emerging economic giants such as China, India, Brazil and Malaysia.

"Our technology is a competitive advantage, as is our intellectual capital."

Global demand for energy boosts demand for coal and uranium, while South Africa's coal-fired power stations – both existing and proposed – will require increased quantities of thermal coal. Iron ore, copper, platinum and "rare earth" minerals are also in demand, although demand has subsided in the past year with the global economy struggling to recover from the current economic downturn.

Declining commodity prices have, however, forced mineral and metal producers to look at more efficient methods of extraction. Omnia is recognised for its expertise in developing quality and cost-effective solutions that enhance safety and productivity in recovering and processing essential mining commodities. These technologies are backed by advanced services, knowledge and products offered by BME. With the mining industry under pressure to produce profits in a high-cost, low-price environment, the need for BME's modern technology in blasting and explosives has become imperative for increased mine profitability and yield.

Effective mining is also green mining. It is widely publicised that one litre of used oil can contaminate a million litres of water. Around 270 million litres of lubricants are sold annually in South Africa and of this, half is lost through use. That leaves 135 million litres of used oil generated every year of which some 80 million litres is accounted for through the tracking provided by hazardous-waste regulations. This implies that approximately 55 million litres is being disposed of irresponsibly.

BME is a leader in used oil technology and was the first company in South Africa to successfully and consistently apply used oil in the fuel phase of our emulsion explosives, starting more than three decades ago. BME remains at the forefront in emulsion technology with stable formulations that allow 80% of the fuel phase in our emulsion to comprise of used oil. This stability has multiple benefits beyond the application of used oil. Our emulsions can either be transported thousands of kilometres by road or seafreight, as far as Zambia, St Helena or Eritrea, without deterioration. On-site storage for long periods is also



INVESTMENT CASE CONTINUED

possible, allowing for assured supply in remote areas and consistent quality. This stability also ensures consistently reliable and well-fragmented blasts.

To secure the high volume of used oil required for our operations, BME has developed its own used-oil collection network and processing facility in South Africa. The facility can safely process up to 50 000 litres of potentially environment-damaging used oil per day, and is situated adjacent to BME's bulk emulsion plant in Dryden where the oil is processed for use in BME emulsions.

The success of the used oil process is, in part, due to the thorough procedures used at our collection points to ensure the 'purity' of the used oil product. The system begins with an audit of the servicing facilities at the operations we collect from, ranging from the brand of new oil that is used to the analysis of the compounds in the used oil. Full checks are also performed on the on-site storage facilities for used oil. The storage system is a sealed system starting from the pumping of used oil from engine sumps to the final stage into storage. Checks are performed for spillages and leaks. A sample of the used oil is then sent to our R&D laboratories for testing. If the results comply with the strict set of requirements and the used oil is 'clean', the oil will be collected.

Quarantine tanks are used at our facilities at Losberg and Dryden to allow for further screening of the collected oil prior to processing. In the company's process, 90% of oil collected is useable and the remainder is disposed of as per the requirements and regulations of the National Oil Recycling Association of South Africa (NORA-SA). Water and volatiles are removed during the processing and the final emulsion product in which the used oil is applied is a black, Vaseline-like emulsion, which is used as the primary component in our heavy explosives fuel (HEF) products.

"Omnia is recognised for its expertise in developing quality and cost-effective solutions that enhance safety and productivity."





“Management remains positive on the outlook for the Group, despite the challenging economic conditions.”

Given the logistics involved in collecting used oil from suppliers – some of them located across South Africa’s borders – the management of risk is a primary consideration. This involves ensuring that our drivers are knowledgeable about their loads and that appropriate steps are taken during the entire process from collection to manufacturing of the explosives to ensure that safety and quality is maintained.

During the past four years, BME has increased its own sourcing of used oil to over 50% of our total used oil consumption. BME is by far the largest consumer of used oil in southern Africa and at most of our African manufacturing operations, we source used oil from our clients to apply in our emulsion explosives.

SHARE PRICE PERFORMANCE

With the Mining division constituting 48.8% of the operating profit in the current financial year, there is a direct correlation between the decline in the share price from September 2014 to date, which principally mirrors the decline in the JSE mining index. Current pricing remains below R180 per share at a historical price earnings ratio of approximately 11-12.

The diversification in our product, client and geographic portfolio and our exponential growth over the years has helped us secure a long-term rating of A-(ZA) and a short-term rating of A1-(ZA) from Global Credit Ratings in July 2014. The share price outlook was retained as Positive at the last rating. Management remains positive on the outlook for the Group, despite the challenging economic conditions both locally and on a global basis.

FIVE-YEAR FINANCIAL REVIEW

at 31 March

	2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm
Income statements					
Revenue	16 835	16 259	13 432	10 854	9 314
Operating profit	1 476	1 416	1 231	881	686
Finance costs, net	(145)	(87)	(82)	(44)	(83)
Share of profit/(loss) of investments accounted for using the equity method	–	–	(1)	(2)	(1)
Profit before taxation	1 331	1 329	1 148	835	602
Taxation	(397)	(337)	(268)	(206)	(151)
Profit for the year	934	992	880	629	451
Non-controlling interest	5	4	3	1	(3)
Profit attributable to owners of Omnia Holdings Limited	939	996	883	630	448
Impairment of property, plant and equipment/intangible assets	39	11	–	10	3
Loss/(profit) on disposal of property, plant and equipment	3	2	(1)	3	(4)
Profit on businesses contributed to/sale of associate	–	(55)	–	(2)	–
Insurance proceeds for replacement of property, plant and equipment	–	(3)	–	(5)	–
Headline earnings	981	951	882	626	447
Ordinary dividends paid during the year					
Prior year final	(193)	(178)	(120)	–	–
Current year interim	(129)	(123)	(100)	(66)	–
	(322)	(301)	(220)	(66)	–
Balance sheets					
Capital and reserves attributable to owners of Omnia Holdings Limited	6 653	5 918	4 954	4 027	3 338
Non-controlling interest	(11)	(6)	(2)	1	1
Non-current liabilities	103	120	113	213	281
Deferred income tax liabilities	502	342	293	257	130
Current liabilities	4 657	4 198	3 662	2 991	2 553
Equity and liabilities	11 904	10 572	9 020	7 490	6 303
Non-current fixed assets and investments	3 947	3 723	3 195	2 777	2 040
Non-current intangible assets	519	537	516	522	523
Deferred income tax assets	7	10	3	6	6
Current assets	7 431	6 302	5 306	4 185	3 734
Assets	11 904	10 572	9 020	7 490	6 303
Net debt	820	335	564	772	341
Cash flows					
Cash generated from operations	1 846	1 769	1 534	1 074	812
Finance costs and taxation	(502)	(402)	(289)	(100)	(174)
Movement in working capital	(878)	(52)	(170)	(443)	(752)
Cash available from/(utilised by) operating activities	466	1 315	1 075	531	(114)
Dividends paid	(322)	(301)	(220)	(66)	–
Net cash inflow/(outflow) from operating activities	144	1 014	855	465	(114)
Net cash outflow from investing activities	(578)	(791)	(653)	(916)	(783)
Net cash (outflow)/inflow from financing activities	(144)	(36)	(95)	(458)	852
Net (decrease)/increase in cash and cash equivalents	(578)	187	107	(909)	(45)

		2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm
Statistical information						
Earnings, dividends and issued shares						
Basic earnings per share	cents	1 402	1 496	1 332	950	768
Headline earnings per share	cents	1 465	1 428	1 331	959	767
Dividends per share for the year	cents	490	475	420	280	–
Interim dividends per share	cents	190	185	150	100	–
Dividend cover		2.9	3.1	3.2	3.4	–
Net asset value per share	cents	9 844	8 867	7 441	6 063	5 035
Number of shares in issue at year end	million	67 471	66 678	66 543	66 437	66 307
Number of shares held by Share Incentive Scheme and not included above	million	822	572	707	813	943
Staff						
Number of employees		4 027	3 685	3 604	3 017	2 830
Profitability, liquidity and leverage						
Operating profit as a percentage of revenue	%	8.8	8.7	9.2	8.1	7.4
Effective tax rate	%	29.8	25.4	23.3	24.7	25.1
Return on average equity	%	14.9	18.3	19.7	15.6	16.4
Net debt to equity percentage	%	12.3	5.7	11.4	19.2	10.2
Current ratio		1.6	1.5	1.4	1.4	1.5
Net debt EBITDA cover		0.4	0.2	0.4	0.7	0.4
EBITDA finance cost cover		12.6	19.7	19.2	24.3	10.3
Share performance						
Market value per share						
– at year end	SA rand	172.50	211.05	158.00	95.25	73.24
– highest	SA rand	242.00	221.76	158.00	97.50	77.50
– lowest	SA rand	167.00	153.62	94.00	71.51	55.50
Value of shares traded during the year	R million	6 712	5 914	4 223	1 851	2 048
Volume of shares traded	million	33 320	30 716	33 338	22 288	18 540
Share volumes traded as a percentage of total issued shares	%	48.8	45.7	49.6	33.1	27.6

Definitions

1. Basic earnings per share – profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding shares held by share incentive scheme.
2. Dividend cover – earnings per share divided by the dividend per share for the year.
3. Net asset value per share – ordinary shareholders' equity and minority interest divided by the number of shares in issue at year end, excluding the shares held by the various share incentive schemes.
4. Number of shares in issue at year end – shares issued less shares held by various share incentive schemes.
5. Return on average equity – profit attributable to ordinary shareholders expressed as a percentage of the average opening and closing ordinary shareholders' equity.
6. Net debt to equity percentage – debt expressed as a percentage of all ordinary shareholders' equity plus minority interest.
7. Net debt – interest-bearing liabilities net of cash resources.
8. Current ratio – current assets divided by current liabilities.
9. EBITDA – operating profit before finance cost, tax, depreciation and amortisation.
10. Net debt EBITDA cover – net debt divided by EBITDA.
11. EBITDA finance cost cover – operating profit before finance cost, tax, depreciation and amortisation divided by finance cost.

FIVE-YEAR FINANCIAL REVIEW CONTINUED

at 31 March

	2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm
Segmental information					
Agriculture					
Revenue (external)	7 287	6 680	5 399	4 476	3 680
Operating profit	656	431	443	323	312
Operating margin	9.0%	6.5%	8.2%	7.2%	8.5%
Assets	6 919	5 539	4 971	4 155	3 339
Net working capital	1 837	765	959	825	629
Mining					
Revenue (external)	5 351	5 458	4 379	3 051	2 092
Operating profit	720	829	735	476	311
Operating margin	13.5%	15.2%	16.8%	15.6%	14.9%
Assets	2 677	2 604	2 003	1 440	1 062
Net working capital	1 090	1 052	796	540	376
Chemicals					
Revenue (external)	4 197	4 121	3 654	3 327	3 542
Operating profit	100	156	53	82	63
Operating margin	2.4%	3.8%	1.5%	2.5%	1.8%
Assets	2 308	2 435	2 046	1 883	1 885
Net working capital	575	570	398	422	244



OUR DIRECTORATE



INDEPENDENT NON-EXECUTIVE DIRECTORS

1: Ronald Bowen (63)

Qualifications: BSc (Hons)
Designation: Independent non-executive director
Date of appointment: 28 September 2011
Board committee memberships: None
Significant directorships: None
Experience: Senior executive for Süd Chemie AG Group, Germany and Ashland Chemicals, USA, for 30 years. Served on boards of Sasol, Industrial Development Corporation (IDC), Central Energy Fund (CEF) and PetroSA as well as several other boards in South Africa and internationally. Council member of global consultancy group and consultant on specialty chemicals worldwide.

2: Frank Butler (62)

Qualifications: BSc Chem Eng; MBA
Designation: Independent non-executive director
Date of appointment: 27 September 2002
Board committee memberships: Social, ethics and risk committee chairman; audit committee
Significant directorships: None
Experience: Private consultant in risk management and business strategies; chairman of CRM International Group 1980 to 2001.

3: Ralph Havenstein (58)

Qualifications: BCom; MSc Chem Eng
Designation: Lead independent non-executive director
Date of appointment: 6 November 2007
Board committee memberships: Social, ethics and risk committee
Significant directorships: Northam Platinum Limited, Murray and Roberts Holdings Limited
Experience: Served as director of Anglo Platinum, Simmer and Jack, Mintek and Sasol and on councils of Chamber of Mines and Chemical & Allied Industries' Association (CAIA).

4: Hester Hickey (61)

Qualifications: BCompt (Hons); Chartered Accountant (SA)
Designation: Independent non-executive director
Date of appointment: 13 June 2008
Board committee memberships: Audit committee (chairperson)
Significant directorships: Cashbuild Limited, African Dawn Capital Limited, Pan African Resources plc, Sentinel Pension Fund
Experience: Extensive experience in auditing, internal audit, risk management and governance. Consultant in governance and director training. Serves on board and member

of audit committee of several listed and private companies. Performs board evaluations and director training for Institute of Directors (IOD).

5: Prof Stephanus Loubser (67)

Qualifications: PhD
Designation: Independent non-executive director
Date of appointment: 30 January 2003
Board committee memberships: Remuneration committee (chairperson)
Significant directorships: None
Experience: Served as head of operational research at Sanlam, general manager marketing of National Productivity Institute and managing director of Nissan Marketing Company. Joined University of Stellenbosch as senior lecturer and later as Professor of Marketing of Graduate School of Business. Consultant in strategy, marketing and business transformation.

OUR DIRECTORATE CONTINUED



6: Sizwe Mncwango (49)

Qualifications: BSc; MSc Civ Eng; MBA

Designation: Independent non-executive director

Date of appointment: 29 July 2010

Board committee memberships: None

Significant directorships: None

Experience: Served on numerous boards and former CEO of Central Energy Fund (SOC) Limited. Extensive experience in general management, deal structuring and turnaround strategies.

Medical Scheme and South African Securities Investors Protection Fund, Old Mutual Wealth (Pty) Limited

Experience: Head of debt structuring unit at Sanlam Capital Markets and appointed to sub-credit committee of Sanlam Investment Cluster. Serves on boards and is a member of audit committees of several companies. Provides risk advisory services to Vantage Mezzanine Fund. Member of SAICA and the IOD.

8: Khumo Shongwe (50)

Qualifications: BSc (MED) Hons (Psych); MSc (Clin Psych); Executive Masters in Consulting and Coaching for Change

Designation: Independent non-executive director

Date of appointment: 21 June 2013

Board committee memberships: None

Significant directorships: National Business Initiative

Experience: Independent consultant, executive coach, part-time faculty member of business schools and involved in education development. More than 15 years' human resources experience in the mining industry relating to transformation, strategic planning, BEE and community

empowerment, turn-around projects, communications and sustainable development. Former executive director: People and Sustainability for Royal Bafokeng Holdings and vice president: human capital of Lonmin plc – South African operations. Previous board appointments include Astrapak, MB Technologies, Fraser Alexander, MTech Industrials, Vodacom, Impala Platinum. Fellow of Africa Leadership Initiative (ALI).

NON-EXECUTIVE DIRECTORS

9: Neville Crosse (62)

Qualifications: BSc Chem Eng; MBL

Designation: Non-executive chairman

Date of appointment: 1 January 1990

Board committee memberships: Social, ethics and risk committee; remuneration committee

Significant directorships: Chemical & Allied Industries' Association (CAIA)

Experience: Joined Omnia as project engineer in 1977. Appointed managing director of Omnia Fertilizer in 1985 and Group managing director of Omnia Holdings Limited in 1990. Appointed non-executive chairman of Omnia Holdings Limited in 2001.



SKILLS

The combined skills of our leaders are: leadership; strategy; business management; financial management and auditing; project engineering; legal expertise; governance; people management and development; transformation; risk management

10: Noel Fitz-Gibbon (61)

Qualifications: BCom (Cum laude); Chartered Accountant (SA)

Title: Non-executive director

Date of appointment: 20 December 1993

Board committee membership: None

Significant directorships: None

Experience: Approximately 40 years' experience in financial management positions in different industries. Group finance director of Omnia Holdings Limited from 1993 until 1999. Thereafter, served as non-executive director of Omnia Holdings Limited. Re-joined Omnia Holdings Limited in executive role as Group commercial director in 2006. Appointed Group finance director in 2010, retired effective 30 September 2014 and appointed as a non-executive director on 1 October 2014.

11: Dr Willem (Willie) Marais (59)

Qualifications: BCom; MBA; DBA (UP); Professional Valuer

Designation: Non-executive director

Date of appointment: 15 February 2007

Board committee memberships: None

Significant directorships: Institute of Estate Agents of SA

Experience: Business involvement in property and agriculture sectors. Past president of Institute of Estate Agents of SA, and former member of executive committee of International Consortium of Real Estate Associations.

12: Helgaard Marais (57)

Qualifications: BAdmin (UP)

Designation: Alternate to Dr WT Marais

Date of appointment: 3 December 2010

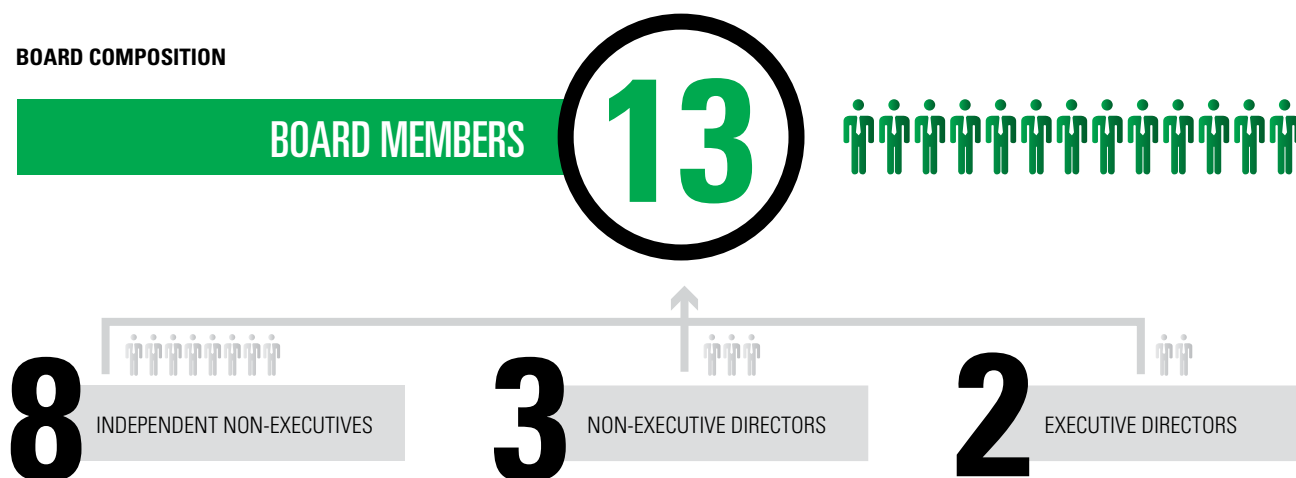
Board committee memberships: None

Significant directorships: Overberg Agri Limited

Experience: Serves on boards of various unlisted companies in the agricultural sector in the capacity of non-executive director and as a member of audit and risk, as well as remuneration and nominations committees.

OUR DIRECTORATE CONTINUED

BOARD COMPOSITION



Omnia Holdings Limited has a unitary board structure, comprising a majority of non-executive directors independent of management. As at 31 March 2015, the board comprised 13 directors, of whom eight are independent non-executive directors, three are non-executive directors and two are executive directors. The board as a whole selects and appoints new directors. A formal procedure applies to all appointments, which are confirmed by shareholders at the following annual general meeting.

EXECUTIVE DIRECTORS AND COMPANY SECRETARY

13: Rod Humphris (58)

Qualifications: BSc Chem Eng; BCom

Title: Group managing director

Date of appointment: 11 March 1999

Board committee memberships: Social, ethics and risk committee

Significant directorships: None

Experience: After gaining experience in gold, uranium, flotation and sulphuric acid at Anglo American's President Brand and Ergo mines, joined Omnia as project engineer in 1982. After occupying various positions within the Omnia Group, appointed managing director of Omnia Fertilizer in 1995 and Group managing director of Omnia Holdings Limited in 1999. Past president of Fertilizer Society of South Africa.

14: Wayne Koonin (45)

Qualifications: BCom; BAcc; Chartered Accountant (SA)

Designation: Group finance director

Date of appointment: 1 August 2014

Significant directorships: None

Experience: Over the past 17 years, Wayne has operated at board level as Group financial director or chief

financial officer, gaining extensive international experience working for various international mining companies with listings on the ASX, TSX, LSE, AIM, JSE and NASDAQ exchanges. This provided him with exposure to various international regulatory issues, reporting standards and transactions and to develop a portfolio of experience covering information technology, legal, corporate finance and strategy.

15: Celeste Appollis (43)

Qualifications: BA LLB; HDip Co Law

Title: Group company secretary, head of legal and BBBEE/EE officer

Date of appointment: 1 December 2007

Significant directorships: None

Experience: Admitted as an attorney in 1998 and practised as a legal professional. Joined the Department of Public Enterprises in 2001, ultimately holding the position of chief director: shareholder management. Joined Omnia as legal adviser in 2004. Promoted to Group company secretary in 2007 and to head of legal in 2010.

GROUP MANAGEMENT

16: Rod Humphris (58)

17: Celeste Appollis (43)

18: Zaahir Elias (41)

Qualifications: BAcc, DipAcc, Chartered Accountant (SA), CIA

Title: Chief audit executive

Date of appointment: 1 August 2012

Experience: Zaahir served his articles at Ernst & Young and gained extensive experience in auditing at BDO and SAB&T, where he became the director and partner in charge of internal audit service line nationally. He joined Omnia in 2008 as head of internal audit and was promoted to chief audit executive in August 2012.

19: Wayne Koonin (45)



12

INDUSTRIES

Industries in which our leadership have experience: chemicals; energy; platinum mining; gold mining; coal mining; mining research; petrochemicals; financial and auditing; agriculture; property and land; state-owned enterprises; manufacturing

20: Francois Hay (45)

Qualifications: Hons BAcc, Chartered Accountant (SA)

Title: Managing director: BME

Date of appointment: 1 December 2007

Date of resignation: 31 May 2015

Experience: Francois qualified as a chartered accountant in 1997 and joined Omnia in April 2000 as a financial accountant for Omnia Fertilizer. Thereafter, he was promoted to financial manager of Omnia Fertilizer and financial controller responsible for Omnia Specialities and Omnia International Operations. He joined BME as a general manager of finance and was appointed to the BME board as a financial director in 2004. He was promoted to managing director in November 2007 and resigned on 31 May 2015.

21: Khabo Ramoupi (47)

Qualifications: BA Psychology, Post Grad Dip Industrial Relations

Title: Group human resources director

Date of appointment: 1 May 2013

Experience: Khabo has over 20 years of extensive experience in people management and development, transformation and BBBEE implementation, talent management and

organisational development. She has held various executive roles over the past 10 years in private and public companies including state-owned entities, consulting, manufacturing and chemicals.

22: Gavin Brimacombe (54)

Qualifications: BSc Chem Eng

Title: Managing director: Chemicals Division

Date of appointment: 2 April 2007

Experience: Sold his interest in Duravin Chemicals to Protea Chemicals in 2001. After the acquisition of Protea Chemicals by Omnia in 2003, he was appointed joint managing director of the Chemicals division and sole managing director of the Chemicals division in 2010.

OUR GOVERNANCE

The board recognises that good corporate governance is essential to protect the interests of all stakeholders, and the sustainability of the business. Business is conducted in accordance with the principles of openness, integrity and accountability, as advocated in the King Code of Governance for South Africa, 2009 (the King III Report).

The board is committed to applying and enforcing appropriate corporate governance principles, policies and practices within each of the Group's operations. Ultimately, the board is the focal point of the Group's corporate governance system, and is accountable and responsible for ensuring compliance with King III.

The board regularly reviews the Group's organisational structures and corporate governance procedures, and implements measures to ensure continued compliance with good corporate governance practices. Through this process, all stakeholders can be assured that the Group is being managed according to prudently determine risk parameters and in compliance with generally accepted corporate practices.

The board adopted and implemented an application register documenting the Group's compliance with the 75 principles of the King Code. The application register is available on the Group's website www.omnia.co.za.

OVERALL GOVERNANCE STRUCTURE

OMNIA HOLDINGS BOARD

Board Committees:
Audit; Remuneration;
Social, ethics and risk

Omnia Group Board (Exco)

Divisional Boards

Subsidiary Boards

The board is committed to applying and enforcing appropriate corporate governance principles, policies and practices within each of the Group's operations.

CHANGES TO THE BOARD DURING THE YEAR

Noel Fitz-Gibbon retired as Group finance director and executive director of the board and was appointed as non-executive director with effect from 1 October 2014. Wayne Koonin joined the Group on 1 August 2014 and was appointed as Group finance director and executive director with effect from 1 October 2014.

STATEMENT OF COMPLIANCE

The JSE Listings Requirements require JSE-listed companies to report on the extent to which they comply with the principles set out in the King III Report. The Group has applied the recommendations of the King III Report, except for the following instances:

- The chairperson of the board is not an independent non-executive director as defined by King III
 - Neville Crosse, the non-executive chairman, chairs the board. The board is of the opinion that Mr Crosse's experience and knowledge of the chemical industry and the Group, as set out in more detail below, is critical to his chairmanship and in helping the board to set the strategic direction of the Group
 - Where the chairman is not an independent non-executive director, King III recommends the appointment of a lead independent director. Accordingly, Ralph Havenstein has been appointed to this role
- The head of internal audit does not report functionally to the audit committee but to the Group finance director
 - The Group finance director assumes overall responsibility for the finance function in the Group and therefore the board deemed it appropriate that internal audit, as part of the finance function, should report to the Group finance director. The head of internal audit, however, does report on the execution of the internal audit function's responsibilities and its findings to the audit committee
 - In addition, he has direct unrestricted access to the audit committee and meets on occasion with the Group managing director
- The board does not have a nominations committee to assist with the appointments of new directors or the reappointment of retiring directors
 - The procedures for the appointments of new or retiring directors are a matter for the board as a whole and all directors are invited to assist in nominating potential candidates for appointment to the board, as more fully set out below
 - A formal policy is in place setting out the process for the nominations, appointments and re-election of directors
- Sustainability reporting is not independently assured in accordance with a formal assurance process
 - The board reviewed the combined assurance model of the Group and deemed that, at present, assurance of sustainability reporting by the audit committee and the social, ethics and risk committee is appropriate and sufficient. Further detail of the Group's combined assurance model is provided below
- Management has adopted the CobiT® framework for IT Governance and the audit committee is currently reviewing the progress of implementation. CobiT® is an increasingly internationally accepted set of guidance materials for IT governance that is used to assist in the implementation of effective IT governance throughout a company
 - This is considered a continuous improvement process

THE BOARD CHARTER

The board has adopted a charter defining its responsibilities, the terms of which include:

- Providing strategic direction to the Group and being responsible for adopting strategic plans (such as strategies and plans originated by management) and, in particular, approving the five-year strategic plan
- Approving the annual business plan proposed by management
- Retaining full and effective control over the Group, and monitoring management's implementation of the approved annual budget and strategies
- Appointing the Group managing director, who is accountable to the board
- Preparing the Group's financial statements, interim report and preliminary announcement, and ensuring the integrity and presentation thereof
- Assessing the viability of the company and of the Group on a going-concern basis
- Determining director selection, orientation and evaluation
- Ensuring the Group has appropriate risk management, internal control and regulatory compliance procedures in place, and that these are communicated to shareholders and other stakeholders openly and promptly
- Establishing sub-committees of the board which have clear terms of reference and responsibilities, as and when appropriate
- Monitoring the non-financial aspects relevant to the business
- Considering and, if appropriate, approving the declaration of dividends to shareholders
- Finding the correct balance between conforming to governance constraints and performing in an entrepreneurial way
- Evaluating its own performance as a whole, the performance of management and that of sub-committees of the board, including reviewing both its charter and methods of self-evaluation from time to time
- Determining the appropriate code of ethics to ensure the integrity of the business affairs of the Group.

Directors' interests in terms of other board positions and contracts are declared, recorded and updated at every meeting. Board members are required to recuse themselves when participating in deliberations or decision-making processes that could in any way be affected by a conflict of interest. The board considered the interests declared by the directors during the year under review and concluded that none of the directors declared a material interest in any contract or arrangement entered into by the Group.

The board defines levels of materiality, reserving specific powers and delegating other matters with the necessary authority to management. The board has adopted a formal resolution framework, which is reviewed annually, that serves as an authority matrix guideline.

Notwithstanding the mandate given to the audit, remuneration and social, ethics and risk committees, the board is ultimately accountable and responsible for the performance and affairs of the Group. Delegating authority to board committees or management does not in any way mitigate or discharge the board and its directors of their duties and responsibilities.



THE BOARD OF DIRECTORS

COMPOSITION

Omnia Holdings Limited has a unitary board structure, comprising a majority of non-executive directors independent of management. As at 31 March 2015, the board comprised 13 directors, of whom eight are independent non-executive directors, three are non-executive directors and two are executive directors. The board as a whole selects and appoints new directors. A formal procedure applies to all appointments, which are confirmed by shareholders at the following annual general meeting.

The board consists of a balance of skills, experience and competencies, such as strategy, business management, finance, governance, engineering, risk management, human resources management and marketing, in industries and fields which affect the company's Agriculture, Mining and Chemicals divisions. The board composition includes three women and three black directors. Please refer to pages 69 – 73 for brief biographies of our board members.

INDEPENDENCE

The guidelines contained in the King Code are used to test the independence and categories most applicable to each director. Prior to any appointment, potential board appointees are subjected to a fit and proper test, as required by the Companies Act, 2008 and the JSE Listings Requirements. The independence of all independent non-executive directors, including those serving more than nine years, was assessed during the year under review by the board, which determined that it was satisfied with their level of independence.

"The board consists of a balance of skills, experience and competencies."

OUR GOVERNANCE CONTINUED

To ensure a clear division of responsibilities, the roles of chairman and Group managing director are separate. The chairman and the Group managing director jointly provide leadership and guidance to the Group.

The board met seven times during the financial year under review. Details of the attendance at meetings by members of the audit committee are provided on page 80 of this report.

THE CHAIRMAN

Neville Crosse has served as non-executive chairman since 2000. As chairman, he is responsible for ensuring the integrity and effectiveness of governance practices by the board. He leads the board and is responsible for representing the board to shareholders. His particular areas of responsibility include strategic planning, maintaining relationships with principals, government and key customers, transformation, corporate relations, top-level contact with regulatory bodies, providing guidance on acquisitions, and guiding senior management on key strategic, tactical and operational issues. Mr NJ Crosse has been with Omnia for more than 35 years. His foresight, commitment, thorough knowledge of the Group and its markets and in-depth involvement in a large number of non-board specific key issues are recognised as a critical success factor in the successful development and growth of the Group to its current position. The chairman's performance is evaluated annually by the board as a whole.

NON-EXECUTIVE DIRECTORS

Omnia's non-executive directors bring a diversity of experience, insight and independent judgement on issues of strategy, performance, resources and standards of conduct, while contributing to decision-making through their knowledge and experience. To protect shareholders' interests, the independent directors ensure that no one individual director has unfettered powers of decision-making and authority.

The independent non-executive directors are subjected to an annual assessment of their independence by the board. Non-executive directors who have served longer than nine years are also subjected to an annual evaluation of their independence.

The performance of the board is evaluated annually. The first evaluation is by the whole board as a collective, using a balanced scorecard based on key company and business performance targets and an evaluation questionnaire. Each director is then evaluated individually by the chairman of the board. As indicated above, the chairman's performance is evaluated by the board as a whole. These evaluations were conducted in the year under review and the board determined that it was satisfied with the collective board performance, the chairman was satisfied with each individual director's performance and the board was satisfied with the chairman's performance.

EXECUTIVE DIRECTORS

Being involved in the day-to-day business activities of the Group, executive directors are responsible for ensuring that the decisions, strategies and views of the board are implemented.

GROUP MANAGING DIRECTOR

Rod Humphris was appointed as Group managing director in 1999. He reports to the board and is responsible for ensuring the smooth running of the day-to-day business of the Group, as well as guiding the implementation of policies and strategies adopted by the board. In addition, he is responsible for developing and recommending to the board a long-term strategy and vision for the Group that will generate stakeholder value, as well as developing

and recommending to the board, annual business plans and budgets that support the Group's long-term strategy.

GROUP FINANCE DIRECTOR

Wayne Koonin was appointed as Group finance director – designate and joined the Group on 1 August 2014. He assumed the full responsibilities of Group finance director and executive director on 1 October 2014 when Noel Fitz-Gibbon retired from these positions. Wayne reports to the Group managing director and is responsible for all the financial affairs of the Group and, in addition, has responsibility for information technology, including the Group's deployment and overall responsibility for existing and new systems, internal audit and Omnia Group International Limited, the Group's Mauritius-based investment holding and trading business. The experience and expertise of the Group finance director is assessed annually by the audit committee as required by the JSE Listings Requirements. The results of this assessment are dealt with in the audit committee's report in the annual financial statements section of this integrated annual report.

SELECTION AND APPOINTMENT

In terms of the company's memorandum of incorporation, one-third of the non-executive directors retire annually and, if eligible, stand for re-election. Their names are submitted for re-election at the annual general meeting.

Non-executive directors have no service contracts with the company and are appointed for specific terms. The board has adopted a formal policy on the procedure for the appointment of directors. All directors are invited to assist in the identification and nomination of potential candidates. New appointments to the board are confirmed at the following annual general meeting in terms of the company's memorandum of incorporation.

Mr SW Mncwango, Prof SS Loubser, Mr FD Butler and Mr RC Bowen will be retiring at the forthcoming annual general meeting and will stand for re-election in accordance with the requirements of the memorandum of incorporation. Mr WG Koonin was appointed to the board during the year and his appointment will be tabled for confirmation by shareholders at the annual general meeting in accordance with the requirements of the memorandum of incorporation. Brief biographies are provided on pages 69 – 73, as well as in the notice of the annual general meeting distributed together with the integrated annual report.

INDUCTION AND DEVELOPMENT

Newly appointed directors undergo an induction exercise appropriate to their needs. The company secretary assists the chairman and the Group managing director with the induction and orientation of directors, including the arranging of specific training if required. All board members are encouraged to, and do visit the various businesses and site operations of the Group, as well as attend the annual budget and business plan presentations of those businesses.

The Group is committed to continuing director development in order to build on their expertise and develop a detailed understanding of the business and the markets in which the Group operates.

In addition, individual directors may, after consulting with the chairman and Group managing director, seek external independent professional advice on matters concerning the affairs of the Group, and in connection with the discharge of their responsibilities as directors, at the expense of the Group.

OUR GOVERNANCE CONTINUED

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The record of attendance by each director at board meetings and board committee meetings for FY2015 is set out below:

Member	Omnia Holdings Limited	Remuneration committee	Social ethics and risk committee	Audit committee
Number of meetings	7	4	3	4
RC Bowen	7			
FD Butler	7		3	4
NJ Crosse	7	4	3	
NKH Fitz-Gibbon	7			
R Havenstein	6		3	
HH Hickey	7			4
RB Humphris	7		3	
WG Koonin*	4			
Prof SS Loubser	7	4		
HP Marais (Alt Dr WT Marais)	1			
Dr WT Marais	6			
SW Mncwango	7			
D Naidoo	7	4		4
KP Shongwe	5			

* Mr WG Koonin was appointed as a director on 1 October 2014 and attended all meetings held after the date of his appointment.

BOARD COMMITTEES

While the board remains accountable and responsible for the performance and affairs of the Group, it delegates to management and board committees certain functions to assist the board in properly discharging its duties.

Each board committee acts within agreed, written terms of reference that are reviewed and updated annually. The chairperson of each board committee reports back to the board on the deliberation of the committee meeting, and minutes of board committee meetings are provided to the board for comment and noting.

The chairperson of each board committee is required to attend annual general meetings to answer questions raised by shareholders. The established board committees are as follows:

- Audit committee
- Remuneration committee
- Social, ethics and risk committee

AUDIT COMMITTEE

During the financial year under review, the audit committee comprised three independent non-executive directors, appointed by shareholders at the 2014 annual general meeting.

The chairperson, Ms HH Hickey, is an independent non-executive director. The Group managing director, Group finance director, head of internal audit and the external audit partner are invited to attend meetings. The audit committee met on four occasions during the year. Details of the attendance at meetings by members of the audit committee are provided in the table above.

The audit committee operates according to the provisions of the Companies Act, and a charter approved by the board, which was reviewed during the year under review in accordance with the King III Report and the Companies Act.

Board committees

Omnia Holdings board
Audit committee
Remuneration committee
Social, ethics and risk committee

Audit committee

HH Hickey
FD Butler
D Naidoo

The responsibilities of the audit committee include:

- Overseeing integrated reporting, and in particular all factors and risks that may impact the integrity of the integrated annual report
- Reviewing the interim and annual financial statements and considering whether they are complete, consistent with information known to the committee members and reflect appropriate accounting principles
- Reviewing the adequacy of management's efforts in maintaining effective internal control systems, including information technology security and control
- Reviewing the performance of the external auditors and recommended approval on the appointment or discharge of the auditors subject to shareholder approval
- Reviewing the performance of internal audit and ensuring that no unjustified restrictions or limitations on their activities exist
- Reviewing the Group's finance function to satisfy itself of its expertise, resources and experience, assessing the expertise and experience of the Group finance director and disclosing the results of the review in the audit committee's report in the company's annual financial statements
- Exercising oversight of financial reporting risks, information technology risks, internal financial controls, fraud and non-compliance risks as these relate to financial reporting.

For further details on the audit committee's responsibilities and the extent to which it has fulfilled them, please refer to the audit committee's report on page 166 of this integrated annual report.

Services rendered by the external auditors during the year under review, and approved by the audit committee, comprised mainly compliance and other assurance-based engagements, including opinion work not related to or associated with any prohibited services in terms of current policy.

Both the internal and external auditors have unrestricted access to the audit committee. The external and internal auditors may report findings to the committee in the absence of members of executive management. It is a duty of the audit committee to ensure that the independence of the external auditor is not impaired.

During the financial year under review, PricewaterhouseCoopers Inc. acted as the external auditors of the company. The audit committee is satisfied that the external auditors observe the highest levels of business and professional ethics, and that their independence is not impaired.

The audit committee is responsible for recommending to the board and shareholders at the annual general meeting, for their consideration, the approval and appointment of the external auditors.

Members of the audit committee conducted a self-evaluation exercise to identify areas that require attention and appropriate action. Based on this self-evaluation exercise, the audit committee will focus on strengthening its oversight role in relation to combined assurance. At the end of each financial year the audit committee reviews compliance with its terms of reference and makes recommendations to address any areas which may require improvement.

INTERNAL CONTROLS

The Group maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised use, acquisition or disposal. The internal audit function monitors these systems of internal control and reports its findings and recommendations to management and to the audit committee. Corrective action is taken as and when control deficiencies or opportunities for improvement in the systems are identified.

OUR GOVERNANCE CONTINUED

The purpose, authority and responsibility of the internal audit function are formally defined in an internal audit charter, which has been approved by the board and is consistent with the recommendation of the Institute of Internal Auditors.

The adequacy and capability of the Group's internal audit structure is subject to review by the audit committee to ensure that adequate, objective internal audit assurance standards and procedures exist within the Group. In this regard, appropriate recommendations are made by the audit committee from time to time to ensure the continued improvement of the internal audit department.

Internal audit tables audit plans for each business division annually. Follow-up audits are conducted in areas where major weaknesses are identified.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. During the year the audit committee regularly reviewed the efficacy of the internal control systems as well as the corrective steps taken where necessary, and deemed them adequate.

The Group maintains a vigilant stance against corporate crimes, and to this end a whistle-blowing mechanism is in operation, with reports submitted to the audit committee through internal audit.

The whistle-blowing line, operated by Deloitte, is intended to ensure that a proactive approach is applied to fraud, with a focus on prevention, detection and investigation. This provides assurance to stakeholders that fraud risks within the company are being independently managed and mitigated.



COMPLIANCE

A key requirement of King III is the establishment of a compliance function to ensure compliance with legislative, regulatory and policy requirements. The key responsibilities include:

- Regularly reviewing the legislative and regulatory environment within which Omnia operates and determining the extent to which it applies to the Group's activities
- Providing regular training on relevant legal requirements to relevant people and business units within the Group
- Assessing the level of legal compliance with these legislative and regulatory requirements by conducting regular assessments throughout the Group
- Working with business unit managers and relevant individuals to implement the necessary steps as required, or where possible, taking the necessary steps to implement them

The legal compliance function conducted a number of compliance audits throughout the Group during the year under review, focusing particularly on key risk areas and operations identified by management. A range of training workshops and presentations were also conducted to inform management and staff of key new legislation and regulations, which came into effect during the year, in order to ensure improved compliance.

A compliance audit plan and reports are regularly reviewed and approved by the social, ethics and risk committee.

Remuneration committee

Prof SS Loubser
NJ Crosse
D Naidoo

REMUNERATION COMMITTEE

The remuneration committee comprises three non-executive directors and is chaired by an independent non-executive director. The Group managing director and the Group human resources director attend meetings by invitation.

Other directors and remuneration specialists may be invited to attend meetings to offer special expertise, or to explain the performance of an incumbent under review. The committee met four times in the year. Details of the attendance at meetings by members of the remuneration committee are provided on page 80 of this report.

The remuneration committee operates under written terms of reference, which are reviewed from time to time. The main responsibilities of the remuneration committee are to:

- Obtain research on market-based compensation practices and levels
- Annually review and decide on the compensation packages and other terms of employment of the executive directors, and the Group managing director's immediate reports. Benchmarks are annually obtained through a customised survey conducted by leading compensation consultants
- Review and decide on the annual allocation of short-term incentives of the executive directors and the senior management of the Group
- Develop, implement and review the participation of the executive directors and other senior managers in the Group's long-term share incentive schemes
- Establish and decide on guidelines relating to the annual review of the compensation and benefit arrangements for all employees of the Group

The remuneration committee's overall strategy is to ensure that the Group's remuneration practices remain competitive and that employees are rewarded for their contribution to the Group's operating and financial performance. To remain competitive, remuneration is regularly benchmarked against the broader industry, and revised annually through internal mechanisms such as remuneration committee meetings, and external discussions at industry bargaining forums.

OUR GOVERNANCE CONTINUED

The chairman’s compensation does not form part of the mandate of the remuneration committee. A proposal is prepared annually by the non-executive directors of the board and presented for approval to the shareholders at the annual general meeting, for implementation each October.

Succession planning for the Group managing director is not dealt with by the remuneration committee, but by the board as a whole.

SOCIAL, ETHICS AND RISK COMMITTEE

The social, ethics and risk committee is responsible for ensuring the Group’s compliance and adherence to appropriate risk management processes as recommended by the King III Report and approved by the board. It also monitors the Group’s activities and standing in relation to the promotion of social and economic development, good corporate citizenship (including the promotion of equality, environmental, health and public safety), good labour conditions and good business ethics, as required by the Companies Act.

This committee comprises a total of four members of the board and executive management, and is chaired by Mr FD Butler, an independent non-executive director. It is the board’s view that management has the requisite experience and knowledge to identify and appropriately manage the business risks of the Group.

A separate risk management committee operates in accordance with the framework and guidelines of a written risk policy. It reports to the social, ethics and risk committee and has established itself as an important management function, with inputs from all levels of management.

The social, ethics and risk committee acts in accordance with the provisions of the Companies Act and written terms of reference, as approved by the board. Its responsibilities include:

- Monitoring the Group’s activities (and policies to ensure compliance with the provisions of section 72(4) to (10), as read with Regulation 43 of the Companies Act, and to ensure that employees comply with these policies)
- Drawing matters within its mandate to the attention of the board as occasion requires
- Reporting to the shareholders at the company’s annual general meetings on matters within its mandate
- Reviewing the regular reports provided by the management risk committee
- Reviewing and debating the risk register of strategic and major risks in these reports
- Reviewing any major incidents
- Debating specific risk areas of concern
- Applying a risk-based approach to the analysis of strategic risk issues within the Group and its wider environment
- Identifying risk-retention capacity and values at risk
- Recommending risk tolerance levels
- Undertaking an annual internal combined assurance review
- Reviewing the material findings of any examinations by regulatory agencies on risk-related issues
- Reviewing the process for communicating King III to Group employees and for monitoring their risk-related compliance
- Obtaining bi-annual updates from management and Group legal counsel regarding compliance and other legal matters
- Reporting to the board on how it has discharged the duties and activities assigned to it by the charter and board

Social, ethics and risk committee

FD Butler	
	NJ Crosse
	R Havenstein
	RB Humphris

- Reviewing any other reports the Group issues that relate to risk
- Assuring the audit committee that it has monitored the risk management processes within the Group and that it is satisfied that current processes are appropriate and effective
- Reviewing the Group's combined assurance process and reporting to the audit committee and board that it is satisfied that this process is adequately implemented throughout the Group and effectively monitors key identified areas of risk

The Group's combined assurance process and reporting is designed to ensure that significant risks facing the Group are adequately addressed. The Group's combined assurance model aims to optimise assurance coverage obtained from management, internal assurance and external assurance providers on the risk areas affecting the Group and the effectiveness of controls that mitigate the risks identified during the risk assessment process.

The activities of these assurance providers provide three lines of defence. These are:

- Management oversight, including: control self-assessments; management review; policies and procedures; and the delegation of authority
- Risk based assurance provided by the Group's corporate functions, including: internal audit; compliance department and SHEQ department
- Independent assurance, including: external audit; regulator reviews; independent third party expert reviews; ISO, CAIA and various certifications

The Group's combined assurance model includes an evaluation of the type and quality of assurance obtained. Dependent on the scope of work, the period covered, the issuance (or not) of an assurance statement or certificate, and the accreditation (or not) of the assurance provider, assurance is categorised as limited, moderate or extensive. The assurance quality is also evaluated as being either acceptable or unacceptable. The frequency of assurance is also documented.

The extent, quality and frequency of assurance is assessed within the Group on a risk by risk basis and reported to the social, ethics and risk committee, summarised into the following primary areas of activities:

Area	Main assurance provider	Primary standards
Health and safety	External ISO certification and compliance	OHSAS 18001
Finance	External auditors and internal audit	IFRS, JSE Listings Requirements
IT	Independent third party experts and internal audit	Cobit®
Operations	Management, independent third party experts and compliance department	Policies and procedures
Environment	External ISO certification and compliance	ISO 14001
Personnel	Internal audit	Policies and procedures
Quality	External ISO certification and compliance	ISO 9001

The implementation of the combined assurance model provides the Group's governance structures with a dashboard of key risks and the assurance obtained for those risks. From this, the audit committee was able to conclude on the completeness and appropriateness of the current assurance activities per significant risk identified.

The social, ethics and risk committee assessed the extent to which it fulfilled its responsibilities in the financial year under review and is satisfied that it has adequately

OUR GOVERNANCE CONTINUED

monitored the Group's activities and policies as required by section 72(4) to (10), as read with Regulation 43 of the Companies Act, and that the Group reasonably complies with these policies. The committee met three times in the year. Details of the attendance at meetings by members of the audit committee are provided on page 80 of this report.

The responsibilities of the risk management committee, which reports to the social, ethics and risk committee, is informed by the Group's risk management philosophy, which is covered on pages 54 – 56 of this report.

THE COMPANY SECRETARY

The company secretary, Ms CD Appollis, is responsible for providing the board collectively, and each director individually, with guidance on the discharge of their responsibilities in terms of the legislative, regulatory and governance requirements. All the directors have unlimited access to the advice and services of the company secretary. The company secretary plays a pivotal role in the company's corporate governance process and ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself and – where appropriate – shareholders are properly administered. The company secretary also acts as the compliance officer and delegated information officer of the Group, and is responsible for the execution of statutory requirements applicable to those responsibilities.

Ms CD Appollis was appointed as Group company secretary in 2007 and as head of the legal unit in 2010. She is accountable to the board, but reports to the Group managing director as far as her responsibilities as head of legal are concerned. In accordance with the requirements of the Companies Act and the JSE Listings Requirements, as read with King III, she is not a director of the company and therefore has an arm's length relationship with the board. Furthermore, the board has assessed her fulfilment of her duties under the Companies Act and her qualifications, experience and competence, and is satisfied that she has complied with her duties under the Companies Act, and that she has the necessary qualifications and experience to fulfil her responsibilities competently.

INTEGRATED ANNUAL REPORT

The directors are responsible for the preparation of the integrated annual report, providing key input and guidance to management during the process. The board provides final approval for the integrated annual report.

Management fulfils its responsibilities by maintaining adequate accounting records to ensure the integrity of the integrated annual report. This is accomplished by systems of internal control designed to provide reasonable assurance on their reliability. Such controls provide the Group with the assurance that its assets are safeguarded, transactions are executed in accordance with management's authorisations, and financial and other records are reliable. This is augmented by the Group's ethics and prescribed policies and procedures, which are regularly updated to take cognisance of shifting circumstances in the financial, non-financial and operational environment.

CODE OF CONDUCT

At Omnia we pride ourselves on our reputation of good ethical conduct which we have built up with all of our stakeholders over many years. This stems from the uncompromising belief that honesty, integrity, professionalism and service must underpin every relationship entered into with employees, management, customers, suppliers, the government and the communities in which the Group operates.

The Group has implemented a Code of Conduct (the Code), which has been fully endorsed by the board and applies to all directors and employees. The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. The directors believe that the ethical standards of the Group as stipulated in the Code are adequately monitored and are being met. Where there is non-compliance, the appropriate disciplinary procedures are consistently enforced. The Group responds promptly to offences to prevent their recurrence.

In summary, the Code requires that, at all times, all company personnel act with the utmost integrity and objectivity and in compliance with the letter and the spirit of national laws and company policies. The Code is provided to each employee as part of induction training, and employees annually sign declarations confirming their compliance with the Code.

DEALING IN SECURITIES

The Group has a policy in place to ensure that it is compliant with all laws and regulations governing insider trading and trading during prohibited periods. This policy and practice complies with the Financial Markets Act, the JSE Listings Requirements and all other relevant legislation. To comply with this policy and practice, the Group restricts its directors, officers and other employees from dealing in the company's securities prior to any formal announcement in respect of its financial results, or during any other period where such dealings may be considered price sensitive. The policy also regulates the dealings by directors in Omnia Holdings Limited's securities, as required by the JSE Listings Requirements. This policy is implemented and monitored by the company secretary. To comply with JSE Listings Requirements, the chairman approves all share transactions by company directors prior to each transaction. The Group managing director approves all share transactions by the chairman and senior management prior to each transaction. This policy is reviewed and updated from time to time to ensure that it remains compliant with any changes in legislation.

RELATIONS WITH SHAREHOLDERS

The Group pursues dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives, within the parameters of statutory, regulatory and other directives overseeing the dissemination of information by companies and their directors. Management communicates the strategy and performance of the Group with investors and analysts through various presentations and meetings. The preparation of this information is based on the standards of promptness, relevance and transparency.

The Group makes every effort to ensure that information is distributed via a broad range of communication channels with regard for security and integrity while bearing in mind the need for critical financial information to reach all shareholders simultaneously and timeously. In communicating the Group's strategy and results, the Group makes use of communication channels such as the Omnia website (www.omnia.co.za), the Stock Exchange News Service (SENS), as well as print, radio and television media.

On 19 May 2014, Merchantec Capital was appointed as the company sponsor, replacing One Capital Sponsor Services (Pty) Limited.

The Group acknowledges the importance of its shareholders attending the annual general meeting as this is an opportunity for shareholders to participate in discussions relating to agenda items and to raise additional issues. Explanatory notes setting out the effects of all proposed resolutions are included in each notice of meeting.

GOING CONCERN ASSESSMENT

At the end of each financial year, the board assesses whether the Group continues to be a going concern and whether any factors have significantly changed since the going concern assessment at the interim reporting stage. The board has concluded that there is a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future, and has therefore prepared the financial statements on a going concern basis.

REMUNERATION REPORT

REMUNERATION POLICY

Omnia differentiates itself from other commodity chemical suppliers by applying its intellectual capital and technologies to all key points along its supply and service chains. This enables Omnia to create value throughout by tailoring its products and services to the specific and changing needs of its customers.

Our business model has been tried and tested over many years, and is fine-tuned as our markets and customers evolve. The Group sustains and grows the business by continuously enhancing the value offered to our local and international customers through product innovation, growing our intellectual capital and working to further raise our already good service levels. Our value proposition can thus be summarised as: “A continuous feedback loop with our customers at all points of engagement that keeps our business model on track”.

It is the dedication and commitment of a talented and skilled workforce that eventually differentiates a business and fulfils its value proposition. Omnia firmly believes in this principle and equally believes that its reward practices, together with its distinct culture, have been a key building block in a history of extremely stable and successful management and professional teams in all of its divisions and the Group as a whole.

The Group’s remuneration policy therefore not only aims to attract and retain top talent, but is also designed to ensure that its people internalise and live its core values of professionalism, entrepreneurship, innovation, integrity and continuous learning, and that they are sufficiently challenged and then appropriately rewarded when the end result is achieved.

Market competitiveness and best practice processes remain a fundamental element of Omnia’s reward strategy. To this end peer group comparisons using public information, as well as customised surveys conducted by a leading consulting group, are conducted annually. These benchmark the remuneration, including guaranteed pay, as well as the variable short- and long-term incentive portions of both executive and other senior managers in the Group.

REMUNERATION GOVERNANCE

The remuneration committee is a board sub-committee that oversees the formulation and implementation of the Group’s remuneration policy. The composition, mandate and function of the remuneration committee are set out in the corporate governance section of this integrated annual report.

During the year under review, the remuneration committee commissioned a study by independent consultants to review Omnia’s reward practices, including short-term bonus incentive schemes, long-term share schemes, expatriate payment structures as well as benefits and package structuring. This study concluded that Omnia’s remuneration practices are substantially in line with best practice and good corporate governance processes.

REMUNERATION STRUCTURE

The annual packages of senior management and the majority of professional staff include a guaranteed portion and a variable portion. The amount awarded in the variable portion takes into account the performance of the individual, the performance of the division in which he or she works, the overall performance of the Group and, in the case of senior management, the additional criteria mentioned below. These calculations are performed annually.

Based on recommendations from management, these are approved by the remuneration committee, taking due cognisance of remuneration survey reports compiled by external consultants.

According to the last three annual surveys, Omnia's guaranteed packages for senior managers are aligned to levels below the median of the comparator organisations who participated in the survey. In terms of total remuneration, Omnia aligns to levels close to the upper quartile of the comparator group. This is in line with the Group's policy of a lower guaranteed portion and higher short-term incentives, if justified by the performance criteria referred to earlier.

Short-term incentives for senior management are based on an economic value added (EVA) formula. The annual EVA incentive is calculated as a percentage of the EVA that the Group generates in that year. A portion of the annual EVA incentive is allocated and paid in the year in which it is generated, and the balance is paid over in each of the following two years. This rolling three-year allocation and payment strategy has served the Group extremely well over many years, in that it prevents a 'feast or famine' scenario and plays a significant role in retaining the services of participants. However, it is possible that portions of bonuses which have been generated and retained in the incentive pool during high performance years, are released a year or two later during periods of poorer company performance, which could lead to an incorrect perception that bonuses are paid that are inconsistent with company performance.

The remuneration committee deliberates and decides upon the annual EVA based bonus payment for senior management. In so doing, account is taken of the individual performance against quantitative/financial and qualitative/non-financial criteria and objectives, which in turn are based on the core organisational objectives of:

- growth and profitability
- business development
- working capital management
- talent management: attracting and acquiring top talent, talent pipeline and leadership development, leveraging talent and talent engagement
- transformation (BBBEE)
- safety and health issues
- quality of products and services
- management of the environment and environmental issues

Other applicable employees participate in target-based commission and other short-term incentive schemes, which are regularly reviewed to drive defined performance targets and behaviours.

In addition to competitive salaries and short-term incentives, employees also have access to the typical fringe benefits offered by large companies such as medical insurance, retirement funds, and death and disability insurance cover.

Fees payable to non-executive directors are reviewed annually by the chairman based on surveys and other comparative public information. All proposed changes are submitted for approval at the annual general meeting before implementation.

Details of the remuneration paid to directors and prescribed officers are provided in this integrated annual report in note 27 to the annual financial statements. The four most highly paid employees who are not directors are prescribed officers.

REMUNERATION REPORT CONTINUED

CHAIRMAN'S REMUNERATION

The chairman receives a fixed monthly fee irrespective of the amount of time spent on main board, board committees or other company related matters.

The chairman's many years of experience and invaluable extensive knowledge of the Group has led to his in-depth involvement at a number of levels and functionalities, from strategic to tactical issues. The chairman's involvement thus extends far beyond board related matters and the board recognises that he has played a key role in the success that the Group has enjoyed and in building the Group to the strong position it enjoys.

The non-executive members of the board review the chairman's fee on an annual basis for approval at the annual general meeting. In reviewing the annual fee, due cognisance is given not only to comparative public information on remuneration of chairpersons but also to acknowledge the in-depth involvement throughout the Group on other non-board specific related work and the chairman's personal contribution to the successful development and growth of the Group.

Details of the chairman's remuneration are provided in this report in note 27 to the annual financial statements.

CONTRACTS AND RESTRAINTS OF TRADE

The Group managing director has an employment contract containing a six calendar month notice period and a restraint of trade for a period of three years.

The Group finance director and prescribed officers have employment contracts that contain three calendar months' notice periods and restraints of trade that vary between one and two years.

Typically, the restraints of trade restrict incumbents from competitive activities in the manufacture, marketing, distribution and sale of fertilizer, explosive materials and chemicals and any other product manufactured, marketed or sold by the Group on the continent of Africa.

SHARE INCENTIVE SCHEMES

The board has long recognised the need for significant management and employee ownership participation within the Group and believes that the Group's success is related to the excellence and long-term dedication of its people. The board also believes that an effective partnership arrangement between the shareholders of Omnia, its management and its people enhances the performance and ultimate wealth of the Group.

Share schemes, because of their longer-term nature, need regular participant communication and progress updates to ensure their success. To this end a variety of interventions ranging from regular one-on-one discussions to personal letters and, in certain instances, in-depth training courses, continue to take place at all levels to ensure that participants remain informed and motivated to achieve or exceed the Group's current five-year target.

According to these objectives, the Group has the following share schemes in place:

SAKHILE INITIATIVE LIMITED

As part of the Group's BBBEE initiative, a separate legal entity, Sakhile Initiative Limited ("**Sakhile 1**") was incorporated in 2007 to serve as a vehicle to implement an employee share incentive scheme for the permanent Group employees working in South Africa.

Sakhile 1 acquired 10% of Omnia Group (Pty) Limited and the shareholders of Sakhile 1 are the participating employees of the Group. This is to ensure that the participating employees benefit directly from the organisation's growth over the longer term to create a culture of ownership, employee retention for the Group's employees and to align the interests of



Sakhile 1 shareholders and Omnia shareholders. Eligible participants have been allocated shares over the eight year period since inception of the scheme on a decreasing scale. The initial quantum of 1 000 shares per qualifying participant were issued in year 2007, while 300 shares per qualifying participant were issued during FY2014. Sakhile 1 currently has 2 186 active shareholders and has issued ordinary shares of 1 566 800 in total.

Sakhile 1 is overseen by a board of directors who are nominated to their positions by its members. Omnia Holdings Limited has the right to and appoints one member to the board.

The Sakhile 1 employee share scheme which commenced on 1 April 2007 has a finite term of 14 years. The Sakhile 1 shareholders are entitled to 100% of their shares after eight years from date of allocation provided that they have been working for the Omnia Group during that period. The Sakhile 1 shares will be converted to Omnia Holdings Limited shares in three equal tranches in 2019, 2020 and 2021 when Omnia exercises its call option in year 2019 based on the value of the Sakhile 1 investment in Omnia Group (Pty) Limited. The employee share plan is classed as equity settled and the dilutive impact of Sakhile 1 is accounted for in the diluted EPS calculation, as the employee share scheme is not earnings target-based but time-based.

The number of shares that Omnia Holdings Limited will issue to the participants in Sakhile 1 is dependent on the 90 day VWAP of the Omnia Holdings Limited share price on 1 April 2019 and as such, it is difficult to accurately calculate the final dilutive impact of Sakhile 1 on Omnia Holdings Limited. In an attempt to provide some guidance and on the assumption that Omnia's share price on 1 April 2019 is R218.10, then approximately 3.7 million Omnia Holdings Limited shares will be issued to ordinary shareholders of Sakhile 1 in three equal tranches of 1.2 million shares on 1 April 2019, 2020 and 2021. Based on these estimates an employee that was allocated 1 000 Sakhile 1 shares in 2007 could expect to receive circa R451 000 in Omnia shares over these three years, less any applicable taxation payable.

The Sakhile 1 board, together with the Group's HR teams, are continuing to conduct intensive educational programmes to educate the Sakhile 1 shareholders about the benefits of share ownership and how their individual actions and performance as Omnia employees ultimately impacts on their personal wealth through their ownership in Sakhile 1.

SAKHILE INITIATIVE 2 LIMITED

The second phase of the BBBEE employee share scheme was implemented through a company called Sakhile Initiative 2 Limited ("**Sakhile 2**") and was launched during 2010. Sakhile 2 is an incentive vehicle used to attract, retain, develop and reward talented and key black employees and black executives who are based in South Africa. Sakhile 2 currently has 148 active shareholders who are issued with a total of 49 200 ordinary shares in Sakhile 2.

REMUNERATION REPORT CONTINUED

In January 2010, Sakhile 2 acquired 2% in Omnia Group (Pty) Limited, referred to as Tranche 1. Each allocation of shares must be held by the shareholder in Tranche 1 for seven years from the allocation date in order to benefit from the shareholding, i.e. around January 2017. Omnia Holdings Limited has a call option to acquire at any time within 18 months after January 2017 the shareholder's shares in Sakhile 2. The exercise price is calculated in accordance with the stipulated formulae set out in the Memorandum of Incorporation ("MOI") of Sakhile 2 and which is based primarily on the market capitalisation of Omnia Holdings Limited in April 2017, as is the number of Omnia Holdings Limited shares that Sakhile 2 Tranche 1 shareholders will be entitled to. These shares are then issued to the Sakhile 2 Tranche 1 shareholders in exchange for the shareholder's shares in Sakhile 2. The employee share plan is classed as equity settled and the dilutive impact of Sakhile 2 is accounted for in the diluted EPS calculation, as the scheme is not earnings target-based but time-based.

As the number of shares that Omnia Holdings Limited will issue to the participants in Sakhile 2 Tranche 1 is dependent on the 30 day VWAP Omnia Holdings Limited share price on 1 April 2017, it is difficult to accurately calculate the final dilutive impact of Sakhile 2 on Omnia Holdings Limited. In an attempt to provide some guidance, and on the assumption that the exercise date is 1 April 2017 and the Omnia Holdings Limited share price at that date is R198.61, then approximately 1 434 869 Omnia Holdings Limited ordinary shares will be issued.

In April 2011, Sakhile 2 Tranche 2 commenced by acquiring a further 1% in Omnia Group (Pty) Limited. Each allocation of shares must be held by the shareholder in Tranche 2 for seven years from the allocation date in order to benefit from the shareholding, i.e. around April 2018. The process for the participants to realise their shares is the same as that of Tranche 1.

In March 2013, Tranche 3 commenced by acquiring a further 0.5% in Omnia Group (Pty) Limited. Each allocation of shares must be held by the shareholder in Tranche 3 for seven years from the allocation date in order to benefit from the shareholding, i.e. around March 2020. The process for the shareholders to realise their shares is the same as that of Tranche 1 and 2.

The dilutive impact of Tranche 2 and 3 will depend on the Omnia Holdings Limited share price in April 2018 and March 2020.

Sakhile 2 is governed by its Memorandum of Incorporation ("MOI") and a board of directors oversees and manages the company as contemplated by the MOI and Companies Act. Omnia Holdings Limited has the right to and appoints one member to the board of Sakhile 2.

LONG-TERM SHARE INCENTIVE PLAN

The Long-Term Share Incentive Plan, as described in the circular to shareholders dated 19 September 2014 and approved by shareholders on 20 October 2014, runs concurrently with Omnia's five-year plan cycle which started on 1 April 2014 and runs until 31 March 2019.

The Long-Term Share Incentive Plan is a conditional performance based share plan in that at the commencement of the plan, 91 qualifying employees were awarded 860 000 allocated trust units (each allocated trust unit is the equivalent of one Omnia Holdings Limited share) which indicates the number of Omnia shares that the qualifying employees would earn at the end of the five-year period if the targets set by the board are met. The Omnia shares that are earned are only transferred after the end of the five-year period and are dependent on the achievement of the targets.

For the five-year period 1 April 2014 to 31 March 2019, the board has set targets of an 8% compound real growth in EPS and an average real return on equity of 11%. The qualifying employees' upfront allocated unit trust allocation is weighted 80% to the EPS target and 20% to the return on equity target.

The vesting range for the compound real growth in EPS target is between the minimum threshold of 4% and the stretch target of 12%, as follows:

	< Minimum threshold	4% Minimum threshold	8% target	12% Stretch target	> 12% target
Vesting %	Nil	25%	100%	125%	125%

Vesting is non-linear between the minimum threshold and target, and linear between target and the stretch target.

The vesting range for the average real return on equity target is between the minimum thresholds of 7% and the stretch target of 15%, as follows:

	< Minimum threshold	7% Minimum threshold	11% target	15% Stretch target	> 15% target
Vesting %	Nil	25%	100%	125%	125%

Vesting is non-linear between the minimum threshold and target, and linear between target and the stretch target. The Omnia Holdings Limited shares that are transferred to the qualifying employees after the five year period are transferred for no consideration. Termination of employment for reasons of fault termination prior to the end of the incentive period will result in the cancellation of the qualifying employee's participation in the long-term share incentive plan. Termination of employment for reasons of no fault termination prior to the end of the incentive period will result in a pro rata participation in the long-term share incentive plan, dependent on the reason for the no fault termination. Awards of allocated trust units will be made every two years to qualifying employees, and subsequent to the initial award described above, the next award will be made at the beginning of the financial year commencing 1 April 2016 for the next five-year incentive period of 1 April 2016 to 31 March 2021.

PARTNERSHIP WITH MANAGEMENT NUMBER FIVE SCHEME (PARTNER 5 SCHEME)

The incentive scheme for middle management and professional staff based in South Africa, referred to as 'Partner 5 Scheme' is linked to the Group achieving its current five-year targets in a similar manner to the long-term share incentive plan. At 31 March 2015, Partner 5 had 208 participants.

Each participant is allocated a fixed bonus amount and is entitled to this bonus dependent on and to the extent that the Group achieves the same targets with identical vesting ranges as those for the long-term share incentive plan at the conclusion of the plan cycle. Participants were not required to invest their own funds and the scheme is cash-settled five months after the five-year period ends.

PARTNERSHIP WITH MANAGEMENT NUMBER FIVE SCHEME (PHANTOM 5 SHARE SCHEME)

This scheme applies to selected senior management and professional level employees in countries outside of South Africa. At 31 March 2015, the scheme had 53 participants.

The scheme works on the same basis as the Partner 5 Scheme except that a fixed number of phantom shares are allocated to the participant and each participant is entitled to a bonus determined by the number of shares and the Omnia Holdings Limited prices at 31 March 2019, dependent on and to the extent that the Group achieves the same targets with identical vesting ranges as those for the long-term share incentive plan at the conclusion of the plan cycle.

REMUNERATION REPORT CONTINUED

SHARE APPRECIATION RIGHTS SCHEME

The cash-settled share appreciation rights scheme is not target-based and is only used as a retention mechanism for a limited number of key employees. Participants are invited at the discretion of the remuneration committee. At 31 March 2015, there were 67 participants in this scheme.

The scheme runs over a five-year period and accrues at the rate of 20% of the allocation after two years, a further 20% at the end of years three and four, and 40% at the end of year five. Participants have to exercise their rights within six months of the date that each portion of each allocation accrues to them. It does not run concurrently with the five-year long-term share incentive plan and 'Partner 5' schemes. Resignation prior to entitlement terminates the right to take delivery. Share appreciation rights are now used as a retention mechanism for a limited number of key employees instead of share options.

The Omnia Holdings Limited share price decreased by 18% from R211.05 on 31 March 2014 to R172.50 on 31 March 2015 which resulted in a recovery of R0.6 million (2014: R61.7 million expense) being credited to the income statement in FY2015 in respect of share appreciation rights.

OMNIA HOLDINGS LIMITED SHARE OPTION TRUST

The equity-settled share option scheme is not target-based and has in the past only been used as a retention mechanism for a limited number of key employees. The scheme runs over a five-year period and accrues at the rate of 20% of the allocation after two years, a further 20% at the end of years three and four, and 40% at the end of year five. It does not run concurrently with the five-year long-term share incentive plan and partner 5 schemes. Resignation prior to entitlement terminates the right to take delivery. The last issue of share options were made in 2008 and no further shares will be issued under this scheme.

R nil (2014: R40 965) was expensed to the income statement in FY2015 in respect of share options.

GENERAL

Further details of the current share schemes are provided in this integrated annual report in note 29 to the annual financial statements. The details of the participation of directors in those schemes are provided in note 27 to the annual financial statements.



SECTION 4

OUR VALUE

Our three divisions work together to create a sustainable successful business. Individually, each division provides our customers with products and services that add value and enhance their business.

OPERATIONAL REVIEW



International sales
volumes up by

 **4%**

South African
volumes up 2%



Volumes down by

 **3%**

Enhanced focus on **safety performance**

Rolled out NEW
portable emulsion pumping units



Volumes up by

 **3%**

Continued improvements
in operational and customer service metrics



AGRICULTURE **DIVISION** REVIEW



AGRICULTURE DIVISION REVIEW CONTINUED

OVERVIEW

Omnia's Agricultural division comprises Omnia Fertilizer and Omnia Specialities and is the market leader in its field in southern Africa. The division has its main production facilities in Sasolburg, supported by an extensive logistics infrastructure footprint across South Africa and the wider African continent.

In addition to its large-scale production facilities, the division has a strong agronomic unit that plays a key role in advising farmers on how to improve the various aspects of farming practice and providing them with the means to do so.

Among Omnia Fertilizer's larger customers is the Group's Mining division, housed under BME. All the principal raw materials used to manufacture explosives are produced by Omnia Fertilizer, with ammonium nitrate as the common raw material required by both business units. This is an example of the synergies we create and encourage throughout our operations.

Our competitive advantage lies in Nutriology®, or what we call the "science of growing". This is the core of our business philosophy, and involves more than just selling fertilizer to farmers – it is about optimising yield and crop quality for maximum return while reducing farming and environmental risk. We achieve this by becoming intimately involved in the farmers' businesses so as to better understand their objectives and targets. Nutriology® also includes leading-edge research and development that helps devise new products and services, as well as farming practices. The Omnia Nutriology® brand is highly regarded in the regional market and supports management's vision of creating wealth through knowledge.

Omnia Fertilizer employs over a hundred agronomists, as well as agents and field officers who work with our clients on their farms. We call it "Feet on the farm". This means we become involved in more than just the supply of fertilizer; we create value by using our extensive knowledge of the science of growing, supported by high quality products and other support services. Our close involvement on the farm aims to increase farming profitability while sustainably reducing risk.

Beyond the South African market, we have a network of agents and representatives, supported by qualified agronomists, advising farmers across Africa. In line with the Group strategy of diversifying geographically beyond South Africa, Omnia Fertilizer has been expanding its footprint, with 33% of the division's turnover now being generated outside South Africa. This expansion has created new opportunities and has facilitated the mitigation of climate and exchange rate risks, has leveraged economies of scale and has promoted operational efficiency.

Regionally, the division produces and trades in granular and speciality fertilizers to a broad customer base including commercial and small-scale farmers, corporates and wholesalers. The regional channel to market is through regional warehouses, wholesale distribution facilities and retail outlets. The service offering spans the entire spectrum from wholesale and trading to the full Omnia Nutriology® service model.

VALUE CREATION

"Our value-add services for agriculture cover the farming process from start to finish."

“Our competitive advantage lies in Nutriology®, or what we call the “science of growing”.”

VALUE CREATION

The Agriculture division creates value for our investors, customers and employees by producing and selling ammonium nitrate-based, chemically-granulated compounds, liquids and speciality fertilizer and fertilizer blends, supported by a range of value-added and risk mitigation services and knowledge.

Our value-add services for agriculture cover the farming process from start to finish, allowing us to help farmers improve their practice at each step. These services include:

- **OmniBio™:** Our value-add offering begins here and the OmniBio™ analysis provides farmers with insight into the life of their soil. By understanding the major biological factors found in the soil we are able to balance it and suggest specific crops that will react well to the environment. The OmniBio™ analysis has two parts to it – firstly it reveals deficiencies in fungi or bacteria and, secondly, it analyses nematode (microscopic worms) and enzyme activity. A fungi or bacteria deficiency can hinder plant growth – in response Omnia has developed Fungimax™ and Organoboost™, two products that help create a soil environment that encourages healthy growth. Similarly, a balance of enzymes and the correct nematodes create conditions that are conducive to plant growth. Through an OmniBio™ assessment our clients are able to manage the nematode and microbial populations in their soil.
- **OmniPrecise™:** Our management system assists farmers in utilising their resources efficiently by identifying poor patches in their fields and managing them accordingly. This is done by collecting, processing and analysing data in order to implement precise planes that optimise the management of the spatial variability in a field. This work is supported by our OmniZone™ maps, which help to identify the different yield zones over time, and our “Risk IQ” model, which calculates the long-term cumulative probability for each zone.
- **OmniSap®:** What we call “blood tests for plants”, OmniSap® allows our customers to monitor their crops as they grow. By analysing plant sap this process enables farmers to identify nutrient deficiencies and imbalances in the early stages of growth, allowing them to reduce risk and increase yield.

For more on these value-add products see our website (<http://www.fertilizer.co.za/pebble.asp?relid=317>)

Our value creation activities are sustained by our sound interactions and relationships with customers, suppliers, employees, partners and communities. Key aspects of this process include customer relationships and satisfaction, suppliers’ terms of trade, optimised supply chains and social licence to operate.

OUR APPROACH

We aim to apply our knowledge and create sustainable value by increasing returns and limiting farming and environmental risks through the science of growing, supported by Nutriology®. This encompasses the synergistic development of our fertilizer division and its extensive support services. It benefits our customers through wealth creation, appropriate management of risks and preservation of the environment. We approach Nutriology®’s complexities through analytical laboratories, biological analyses, agronomic services, precision farming, research and development, production facilities, product ranges, quality control, relationships

AGRICULTURE DIVISION REVIEW CONTINUED

with all stakeholders, environmental and safety awareness and efficient administration. This gives us a competitive advantage in the market, and makes Nutriology® an all-encompassing productivity and risk-mitigation system for our farming customers.

To maximise the benefits of the nitric acid 2 complex and downstream production facilities in Sasolburg, we have improved our throughput rate and conversion efficiencies at the downstream plants, eliminated the need for fertilizer imports, while reducing the plant's environmental impact by minimising greenhouse gas emissions and optimised energy consumption and water usage. Our focus is also on efficient procurement and backward integration to ensure competitively priced raw materials.

We have expanded both our local and international footprints and markets, by diversifying geographically and increasing our product offering so as to better manage the climate and exchange rate risks, while continuously promoting operational efficiencies. Our regional business model capitalises on production and procurement economies of scale, allowing us to leverage our supply chain and logistics footprint.

Finally, we continue to differentiate products and services to take full advantage of the division's unique offering of ammonium nitrate and nitro-phosphate-based chemical compound fertilizers, our unique coatings, such as K-Humate – a soil conditioner made from plant-derived organic matter – and our unique knowledge base. We aim to protect the environment by applying world-class technology and practices at all production facilities and by developing products and practices, such as water-use-efficiency and nutrient-use-efficiency, to minimise the environmental impact of fertilizer use.

OUR OPPORTUNITIES AND CHALLENGES

A key priority is to **optimise the Sasolburg complex's downstream production plants**. Our nitric acid 2 complex has met expectations as per the original business plan, and we are now able to meet our internal nitric acid and ammonium nitrate requirements. Improved throughput at all plants assists in optimising the factory's production cost. We have made significant progress in removing bottlenecks in the downstream granulation plants, increasing throughput and energy efficiency and improving the quality of the granulation products.

In order to service the agricultural sector in peak season, our advanced planning and scheduling systems, logistics management and warehousing facilities enable us to **produce and store large volumes of fertilizer** which are strategically placed near key farming areas, well in advance of the planting season. This entails purchasing and leasing warehouses, to store more than 160 000 tons of fertilizer.

We plan to **expand our nitro-phosphate production capacity** significantly and to optimise the benefit of our proven nitrophos technology. This technology will allow us to use phosphate rock as a source of phosphates in fertilizer production, rather than the more-expensive downstream products currently purchased, such as phosphoric acid and MAP/DAP. Phosphate rock can be sourced competitively from various suppliers around the world, but particularly from Foskor's mine in Phalaborwa, South Africa. The new nitrophosphate plant will be designed to cater for flexibility around the phosphate rock source used in production.

By connecting with our customers, we aim to **promote sustainable, productive and efficient food production**. For example, using the correct amount of the appropriate high-quality fertilizer, at the right time and in the right way, benefits the soil and crops while reducing risk, limiting the environmental impact and promoting sustainable food production. As a result, we plan ahead and recommend products based on our extensive knowledge of the "science of growing". Correct farming practices and fertilization programmes can

"We have expanded both our local and international footprints and markets, by diversifying geographically and increasing our product offering."

“The division continues with research and development to further develop our knowledge.”

boost yields and drought resistance in a changing climate, while managing risk and return. Results like these not only benefit our customers – they make a difference to the people who rely on them for healthy food, not only today but also in the future. This highlights the positive impact our products and knowledge can have, both on our customers and on the consumers of their products.

Changes in climate and annual weather patterns have an impact on when and where crops are planted as well as the yields and qualities achieved. As an example, while the local maize crop harvested in 2013/14 season amounted to 14.25 Mt, the 2014/15 crop is estimated at around 9.84 Mt. The year-on-year decrease is as a result of drought, heat and unfortunate timing of the rains relative to the growth cycle of crops.

Climate change and weather are both risks to agriculture globally. Erratic weather patterns all over the world disrupt production and influence food and fertilizer prices globally, which also impact the local and regional prices achieved by producers. We strive to work with our customers in managing these risks, while also improving farming profitability to ensure the sustainability of their businesses. Omnia strives to ensure that our customers remain successful, as ultimately, our success is dependent on the success of our customers.

Another issue is **water scarcity and droughts**, which is increasingly pressing and is forcing farmers to use water more efficiently and ensure farming and fertilization practices which provide crop resistance against droughts. The correct use of fertilizer and farming practices can improve water efficiency and can thereby reduce the effect of droughts on yield and reduce farming risk. The division continues with research and development to further develop our knowledge in this very important field.

GEOGRAPHIC SCOPE

The division has operations in Angola, Mozambique, South Africa, Zambia and Zimbabwe.

Other markets such as Botswana, the DRC, Lesotho, Kenya, Malawi, Namibia, Swaziland and Tanzania are serviced from South Africa.

FINANCIAL PERFORMANCE

		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Revenue (external)	R million	7 287	6 680	5 399	4 476	3 680
Operating profit	R million	656	431	443	323	312
Operating margin	%	9.0	6.5	8.2	7.2	8.5
Segment assets	R million	6 916	5 539	4 971	4 155	3 339
Net working capital	R million	1 837	765	959	825	629
Net working capital ratio	%	25.2	11.6	17.8	18.4	17.1

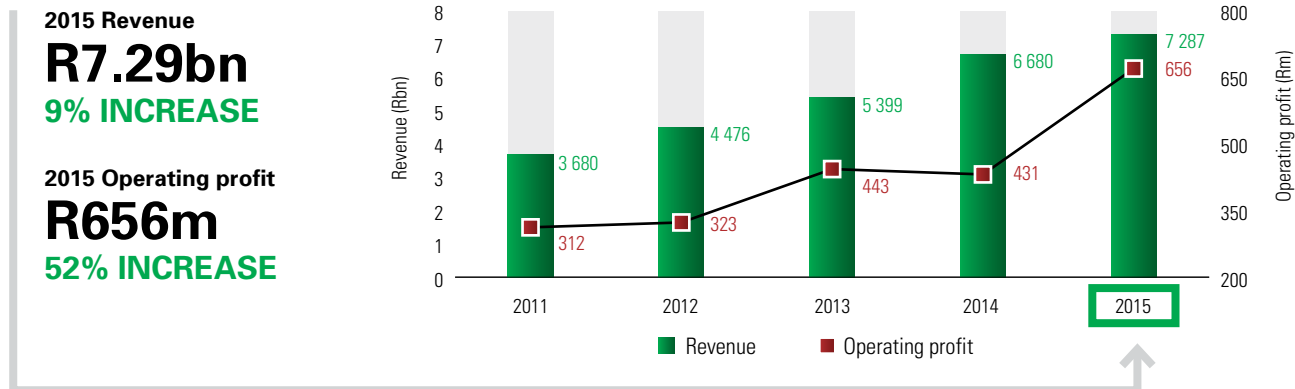
FINANCIAL KPIs

KPI	Description	Target 2015	Actual 2015	Actual 2014
Operating margin	Profit before interest and taxes as a percentage of revenue	8% - 10% *	9.0%	6.5%
Net working capital	Inventory plus receivables, less payables as a percentage of revenue	15% - 17%	25.2%	11.6%

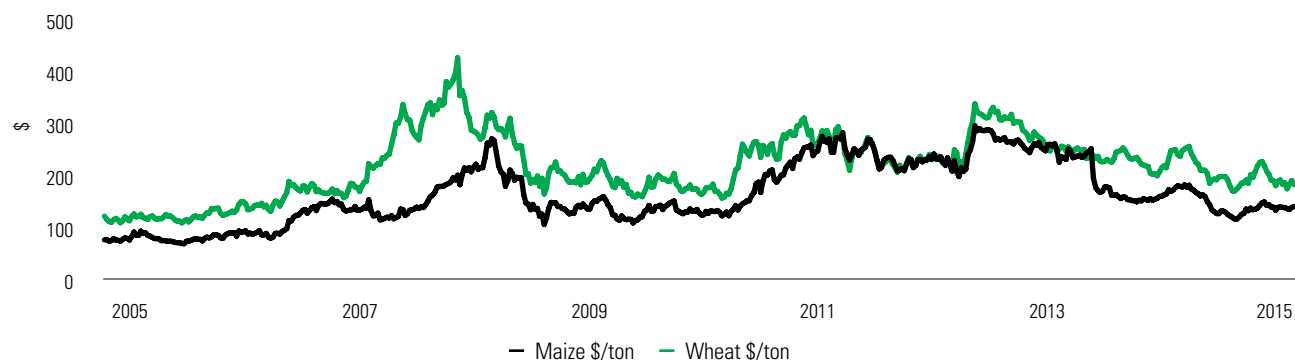
* Provided the ammonia to urea ratio is favourable

AGRICULTURE DIVISION REVIEW CONTINUED

REVENUE AND OPERATING PROFIT



CROP PRICES



PERFORMANCE IN 2015

While growth slowed in 2014, the demand for fertilizer remained steady and bumper harvests improved global supplies of most grains and oilseeds. This resulted in lower and less volatile food commodity price levels compared to the previous three years. The fundamentals in most agri-commodity markets appeared more balanced in FY2015. Global grain and oilseed stocks are expected to increase and the higher grain stocks-to-use ratio is at a level last seen in 2002/03.

At the start of the 2015 financial year, US dollar strength exerted downward pressure on dollar-denominated agricultural commodity prices and this is expected to continue through into the following financial year. Currency weakness against the dollar had a negative impact on most of the business in our international fertilizer portfolio, with the Angolan and Mozambican currencies being the most volatile.

Fertilizer prices were mixed, but generally trended lower than the previous year. Surplus capacity resulted in international urea prices dropping in the financial year under review, while phosphate prices increased marginally. Potash prices remained stable. The International Fertilizer Association (IFA) estimated that global nutrient sales for all uses

“While growth slowed in 2014, the demand for fertilizer remained steady.”

(including industrial use) in 2013 were 236 Mt nutrients. According to the May 2014 forecast of the IFA Agriculture Service, global fertilizer demand in the 2013 calendar year was estimated at 182.7 Mt nutrients.

Adverse weather conditions were experienced in many of the markets in which Omnia Fertilizer operates. There was flooding in parts of Malawi, Mozambique and Zimbabwe, while drought affected South Africa and parts of Australia, Botswana, Brazil and Namibia.

MARKET CONDITIONS IN SOUTH AFRICA

- The record maize crop of 14.25 Mt harvested during the 2013/14 season resulted in very low crop prices and pressure on farming profitability in the 2014/15 season
- Maize plantings were down by 0.8% (2014: down by 4%) in 2014/15 season due to the low maize prices, resulting in a switch from maize to soya beans and dry beans
- The drought experienced during the latter part of the season caused serious damage to crops with current estimates of a total crop as low as 9.84 Mt expected for the 2014/15 season. The expected shortage of maize in South Africa however, is now supporting the local price and will result in improved farming profitability in the coming year
- An unfavourable ammonia to urea ratio negatively impacted the conversion margins of production facilities, supporting the impact of urea and the short term market opportunity for traders
- A weaker SA rand assisted the business and countered the effect of lower fertilizer prices internationally

"We will continue to use our world-class system and infrastructure to ensure customer satisfaction."

STRATEGY

- To focus on regional growth (sub-Saharan Africa) as well as to expand selectively into international markets
- To increase throughput at all production facilities thereby improving production, procurement and logistics efficiency and reducing the delivered cost to select markets
- To further expand our footprint in order to spread market, climate and exchange rate risk, as well as promoting operational efficiency with a focus on selected East and West African markets
- To promote the use of K-Humates, which has provided a solid base for growth in the Australian market and creating opportunities to open new markets in Asia and South America
- To promote the use of Omnia's differentiated products with a focus on chemically granulated ammonium nitrate, nitro-phosphates, speciality and liquid fertilizers which form part of a comprehensive programme to improve crop quality, crop yield and resistance to disease and drought in order to further improve our customers' profitability, while reducing farming risks and protecting the environment
- To promote the Nutriology® concept that encompasses the development and delivery of fertilizer products, agronomic services, customer relationships and profitability, throughout the southern Africa region
- To use our world-class systems and infrastructure to ensure customer satisfaction through the timely availability of quality products and packaging, to ensure easy handling of products, excellent delivery experience and after-sales support
- Protect the environment by employing world-class technology and practices at our own production facilities, as well as by developing products and practices such as water-use efficiency and nutrient-use efficiency to minimise the environmental impact of fertilizer use

Operational performance

HIGHLIGHTS

International sales volumes up 4.1% (including trading business)

South Africa volumes up 2.0% despite a reduction in the area planted with maize

Production volumes higher owing to the ramp up at the granulation plants and an increase in liquids and speciality volumes in South Africa

Pleasing volume growth in our trading and wholesale businesses

Increase in the number of cash-sale depots in Zambia and Zimbabwe

Solid performance in the southern Africa regional market, despite challenging climatic conditions



Adriaan de Lange
Managing Director: South Africa

OPERATIONAL PERFORMANCE

The local operating margins were positively impacted by:

- The increased production volumes achieved at the nitric acid 2 complex as well as the downstream granulation plants
- Record sales volumes of liquid and speciality fertilizers
- Improved performance on reducing raw material costs which depend on the timing of purchases, strong price negotiations, hedging and management of exchange rate risks
- The weaker rand

Local operating margins were negatively impacted by:

- The unfavourable ammonia to urea ratio causing a shift to lower fertilizer prices
- The import of 40 000 tons of granular fertilizer which is significantly less than the previous year and is not expected to be required in the future due to the improved performance of our granulation plants
- Higher-than-planned working capital levels at year-end, due to the drought experienced during the latter part of the season resulting in less top-dressing fertilizers being applied and consequently, higher closing inventories and financing costs

The international fertilizer business showed satisfactory volume growth and improved financial performance compared to the previous year. Overall volumes grew by 4.1 %, largely through increased trading into southern and East Africa. This was despite the contraction in sales volumes in Zambia and Angola. Good growth was achieved in K-Humates and speciality fertilizer products.

The operations in Zambia and Zimbabwe again performed well under challenging circumstances. Omnia Zambia's commercial sales decreased compared to the prior year, but sales to small-scale farmers increased. Omnia Zimbabwe had an excellent year, despite tough agronomic conditions. During the year, six new retail outlets were opened in Zimbabwe to give a total of 18 in operation.

Omnia Angola's volumes decreased and the business recorded a loss as a result of margin pressure and exchange rate losses due to local reserve bank restrictions that delayed the transfer of cash from Angola. The recent drop in oil prices and US dollar strength seriously impacted the availability of foreign exchange, resulting in the introduction of exchange controls that, in turn, led to cash being trapped inside the country. The Angolan agriculture market remains small with very high operating costs. To address these challenges, the business model in Angola will be revised to a pure trading and import model and in-country representation will be scaled down.

Omnia Mozambique showed positive growth. Volume throughput at the Beira import facility increased by almost 50% in the past two years. Exports volumes from the Sasolburg production facility continued to increase year-on-year. There were solid sales volumes to Botswana, the DRC and Namibia, with positive growth being recorded in other African markets such as Kenya, Tanzania and Mauritius.

The wholesale and trading business showed solid volume growth from the previous year.

Trading conditions improved in Australia as the weakening Australian currency supported agricultural exports and weather conditions were less volatile than in previous years. Exports of humates, which are in essence the salts of humic and fulvic acids, showed solid growth. Good inroads have been made into the Australian horticulture market with these products. New Zealand experienced one of the worst droughts in its history, which negatively impacted agriculture, especially the dairy industry which was under severe pressure.



Jan Vermaak
Managing Director: International,
Specialities and New Business
Development

AGRICULTURE DIVISION REVIEW CONTINUED

This negatively impacted sales volumes and margins in that country. The Brazilian operation again recorded solid growth, by focusing on the sale of speciality products into key markets. Implementation of a new business model, in terms of which imported products are priced directly to customers in US dollar, reducing our exposure to fluctuations in the Brazilian real.

OUTLOOK

Population growth, scarcity of resources and demand for bio-fuels will keep food security on the global agenda. Economic growth and increased urbanisation in sub-Saharan Africa, will encourage a change in diets away from grains to a more balanced and protein-rich diet, which will increase the demand for fertilizer. Approximately 60% of the world's unutilised arable land is located in sub-Saharan Africa. Fertilizer application rates in Africa, and especially sub-Saharan Africa, remain well below the world average and could be significantly ramped up as foreign investment in the agriculture industry increases. This bodes well for increased food production and fertilizer sales in the region.

Due to the current oversupply of farming products, international food and agricultural commodity prices are expected to remain depressed. However, a strengthening US dollar and reduced regional grain inventories (which are being forecast as a result of adverse weather conditions) will provide some support to farmers in the region.

Omnia's positioning in the southern Africa market, its unique Nutriology® marketing approach and product range will ensure that the division is well placed to benefit from the growth in agriculture in southern Africa. Further expansion of Omnia's geographical footprint in sub-Saharan Africa will continue to be a strategic focus, with several target markets along the eastern and western African seaboard being explored.

The recent weakening of the SA rand/US dollar exchange rate will have a positive impact on export sales and profit margin.

"Omnia's Agriculture division will remain focused on enhancing its market position and will continue to strengthen its customer service."



KEY MACRO AND PERFORMANCE DRIVERS AFFECTING THE OUTLOOK

- *Volatile global agricultural commodity prices*
- *Strength of the US dollar*
- *The weak ammonia to urea ratio which negatively impacts on conversion margins*
- *Improved production volumes and efficiencies*
- *Improved margins by delivering increased value to customers*
- *Increased sales volumes, especially of explosives feedstock to the Mining division*
- *Population growth and urbanisation – will continue to drive agricultural development in Africa*

Omnia's Agriculture division will remain focused on enhancing its market position and will continue to strengthen its customer service. The strong trend towards the use of micro-nutrients in fertilizers is expected to continue and will result in higher speciality and coating sales.

The unfavourable ammonia to urea ratio and its negative effect on margins and product mix sold in the market is expected to continue during the next financial year. Higher opening inventory of finished product, together with the much improved performance of the granulation plants, will however assist margins during the next financial year. To limit the effect of movements in international fertilizer prices (which the business cannot control), there will continue to be a strong focus on our procurement and hedging strategies, improving production volumes and efficiencies, increasing value delivered to customers to ensure improved sales margins and stringent management of overhead costs.

OUR FUTURE

We live in a world of scarce resources. With a global population approaching eight billion, land availability is shrinking. Escalating urbanisation and increased income per capita have resulted in a change in diets and a shift from staples such as grains, which has resulted in higher fertilizer demand.

Meat consumption is rising in developing economies, resulting in the increased demand for corn and grains to feed livestock. To illustrate this point, it takes 7kg of grain to produce 1kg of beef (and 4kg of grain to produce 1kg of pork).

Additionally, farms need to grow in size in order to survive – larger commercially managed farms are generally more successful due to utilisation of leading-edge technology and the benefits of volume of scale.

Climate change is increasing the farming risk. This has forced farmers to reconsider their soil, water and nutrition management strategies. Scientific research, sound farming practices and correct fertilization can help plants resist drought conditions and limit, to some degree, other farming risks. This is where Omnia's technology comes into play, allowing us to provide risk-mitigation packages to assist farmers throughout the region.

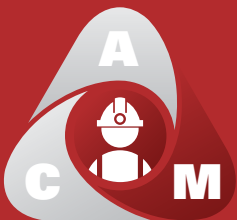
CHALLENGES TO ACHIEVING THIS

There are many factors that affect the growth potential of the business. The risks associated with certain factors are mitigated based on the use of various strategies such as hedging, forward sales of products and raw materials, accurate forecasting and planning processes. Other risks which are beyond the control of management, such as politics and legislative changes, may require alternative strategies to counteract their effects. Some of the factors potentially giving rise to these challenges include:

- A significant strengthening of the rand
- International fertilizer price volatility
- Volatile crop prices
- A weaker than expected and continuation of the unfavourable ammonia to urea ratio
- Strikes, electricity shortage and inefficient rail operations that can lead to shortages of key inputs, especially ammonia, causing unexpected plant downtime
- Non-performance of key suppliers
- Political, social and exchange rate risks in countries of operation
- Low produce prices leading to lower levels of planting requiring less fertilizer
- Change in policy, regulations or the law



MINING DIVISION REVIEW



MINING DIVISION REVIEW

OVERVIEW

Within the Mining division there are two separate businesses, BME and Protea Mining Chemicals, which provide product and services to the mining industry. Mining is a key sector for the Omnia Group and these businesses cover the needs that stretch from breaking ground to recovering the final product in the mining process.

BME's principal focus is on blasting agents – bulk emulsion and blended bulk explosives – complemented by an innovative electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking. Our expertise is particularly strong in serving open-cast and underground mining clients, as well as civil engineering operations. We have great expectations for our newly-designed emulsion explosives products and unique light-weight portable pumping equipment which are particularly well-suited for narrow-reef underground blasting. It is an exciting development and one that we believe has considerable potential. These emulsions are important to the underground mining industry as they provide better blasting results with increased mining rates and improved security thus limiting the risk of explosives theft.

The recent decline in commodity prices has had a negative impact on mining across the board. In particular, the bulk commodities of coal and iron ore, have been hard hit, with those mining operations at the low end of the cost curve having to curtail production to remain profitable or, in some cases, closing. The precious and base metals – particularly gold and copper – suffered a similar fate. Our skills and products, however, remain in demand, but this difficult operating environment creates a more-competitive market which we need to be able to respond to.

Safety is our first priority. Our commitment to safety is uncompromising and applies at all levels of our production, operations, mining and mining related activities. This ethos includes how we manage our staff and interact with our clients and the operating environment. We use stringent methods to evaluate our safety standards and procedures on a continuing basis, implementing corrective actions where necessary. The use of technology plays an important role, particularly in the operation of blasting equipment and products, to ensure the safe and proficient handling by operators. As part of our safety standards we apply the relevant ISO and OSHAC frameworks.

Safety is integral to our relatively new AXXIS® Digital Initiation System. The equipment and process combines entry-level explosives solutions with enhanced technology and safety features.

The AXXIS® Digital Initiation System is world class in its capabilities and, combined with the advanced BlastMapIII software, provides clients with blast design flexibility that provides marked improvements in mining efficiency, especially with regard to increased mining rates, enhanced mineral recovery and less blasting damage leading to safer mining conditions. The AXXIS® Digital Initiation System will facilitate entry into selective new markets across the continent.

Research and development in blasting technology has an important role in BME and there are a number of new technologies being developed based on demand from our clients. An example is the need for mines to be able to control their drilling and charging quality through the accurate recording of the charging activities. BME is about to introduce the XploLoggerIII electronic logging system that provides real-time networked recording of drilling quality and charging activities. The electronic data provided from this system allows management to quickly address problems that the system identifies, thus avoiding costly errors.

VALUE CREATION

"BME's specialised services improve mine productivity."

"Our expertise is particularly strong in serving open-cast and underground mining clients, as well as civil engineering operations."



Francois Hay
Managing Director: BME



With the improvement in technology and blasting methods, BME also provides blasting consultancy services to clients using modern monitoring equipment to assist with difficult blasting problems and in improving blasting efficiencies. The advice and services we offer provide benefits to our clients, in some cases even providing extended life to an operation or improving mine profitability through providing superior blast fragmentation for increased efficiencies of the crushing and milling cycles. In combination with our own products, we are able to advise clients on the best application to be used for blasting.

BME helps to preserve the environment by recycling used engine oil instead of using new fuels in making our explosive emulsions. BME has been at the forefront of used oil in emulsion explosives since the early 1990s and with continued research, now routinely applies up to 80% used oil in the fuel phase of our emulsion explosives. Working in conjunction with our customers on mine sites and other third parties in the local areas, we collect and reuse oil in the emulsion manufacturing process. This also assists mines and other companies in the disposal of these products, which may in certain instances require disposal permits that are difficult to obtain. The benefit is especially noticeable in remote sites where removal of used oil from mine plants is costly and difficult. BME is licensed to burn waste that cannot be recycled, including explosives waste material.

Protea Mining Chemicals specialises in products and solutions used in processing and recovery plants in the mining industry. Each plant and mineral is unique, and our service designs the correct mix of chemical products that will ensure optimum recovery of valuable minerals from crushed and milled ore. As technology evolves, Protea Mining Chemicals also identifies new opportunities to use the latest chemicals to improve the recovery process and in turn, add value to our clients.

While we source speciality products from around the world, our sales volumes and market opportunities are strongly influenced by the demand for commodities. Fluctuation in prices has an impact on mine plans and the volume of ore processed through the plant. The need to ensure a continuous supply of the correct chemicals is essential to maintain the consistency in the processing plants. This requires careful management of the supply chain and stockholding, from our suppliers through the logistics hubs to our end customers. Our logistics infrastructure and network includes warehouses, port loading and discharge facilities, specialised packing facilities and transport vehicles.



Martin Kearns

Managing Director: Protea
Mining Chemicals

MINING DIVISION REVIEW CONTINUED

A significant factor in the services provided by Protea Mining Chemicals is the safe and environmentally prudent transport of potentially hazardous chemicals, particularly those delivered in bulk to remote sites where standards of road surfaces and conditions may not be ideal. Using ISO 9000, 14001 and 18000 standards to manage the handling, packaging and transport of hazardous chemicals underpins our philosophy on safety. Additionally, Protea Mining Chemicals only uses SQAS-accredited (Safety & Quality Assessment System) transporters to ensure the safe and reliable transport of goods to our customers, irrespective of the destination.

Our markets span the African continent and our services to these markets are provided from our headquarters in Wadeville, outside Johannesburg. Protea Mining Chemicals also operates into Africa, with offices in Namibia and by using port facilities in Walvis Bay and Dar-es-Salaam as key transport hubs into these markets. The development of new ports and facilities along the east coast of Africa has improved the accessibility to these markets and reduced the overall lead time to reach customers.

In addition to the consequences of the weakening commodity prices this past year, other factors arose. The onset of the Ebola epidemic in West Africa had a significant impact on the economies of countries in that region particularly due to the closure of borders and a general ban on travel. Although travel was limited based on regulations enforced by local authorities and the movement of goods in and out of the region was restricted, it did not hamper the mining and blasting operations of our customers. The situation has started to normalise with the necessary health precautions remaining in place.

The changing political landscapes in some of the African countries in which we operate have resulted in changes of government. This creates uncertainty in future mining regulations and policy, which needs to be addressed on a continuous basis.

VALUE CREATION

The division creates value for customers, investors and employees by manufacturing and supplying blasting explosives and accessories, packaging, selling and distributing chemicals – supported by a range of specialised value enhancing services to the mining industry.

This value is sustained through its interactions and relationships with stakeholders such as customers, suppliers and communities. Key aspects include customer satisfaction, suppliers' terms of trade, reputation and social licence to operate.

BME's specialised services improve mine productivity and optimising blast designs for more efficient downstream operations. More precise blasting methods improve fragmentation results, thus reducing crushing costs and raising ore recoverability.

Our blasting techniques also improve pit-wall stability, resulting in better safety and reduced mining of waste rock. They also help to reduce vibration to allow blasting near structures such as buildings and roads.

Protea Mining Chemicals creates value for its investors and customers by selling and distributing chemicals – supported by a range of logistical and specialised value-add services, to the mining industry. It provides unique product offerings through Protea Process®, supported by leading suppliers who seek to trade with an African company based in Africa. Key requirements of these relationships include customer satisfaction, suppliers' terms of trade, safe handling of chemicals and a social licence to operate in the sub-region.

“Our markets lie across the Africa continent and our services to them are provided from our headquarters in Wadeville, outside Johannesburg.”

“BME will continue to focus on opportunities in the sub-Saharan Africa mining sector.”

OUR APPROACH

BME will continue to focus on opportunities in the sub-Saharan Africa mining sector and will roll out the AXXIS® Digital Initiation System to selected countries outside of Africa. Protea Mining Chemicals will focus its Protea Process® offering into the base-metal and precious-metal sectors and has expanded into the mining sectors of Democratic Republic of Congo, Namibia, Tanzania and Zambia.

Protea Mining Chemicals has established exciting new principal relationships with Lanxess on its Lewatit® ion-exchange resin and Lewabrane® membrane filtration products. The expansion into the speciality mining reagent application field through the addition of Huntsman’s performance products chemicals range continues to gain traction. In addition, new supply agreements are being vigorously pursued to further expand the scope and reach of the division’s business.

We are broadening the footprint of the business to develop applications for the extraction of nitrous and sulphur oxide (NOx/SOx) flue gas emissions through the novel use of chemicals and processes. This, together with our other initiatives, will necessitate skilled safety training to be conducted within the business to ensure the health of our people, their families and our customers.

Our aim is to establish a centre of excellence within the business for the application and effective use of chemicals within the mining industry, supported by in-house, fully staffed and equipped laboratories that are enhanced by global technology developed by key principals. Another drive has been to recruit and locate resources in markets outside South Africa to provide on-site technical and commercial support to our customers. This has been well received by our customers and has helped us identify other opportunities in these markets.

OUR OPPORTUNITIES AND CHALLENGES

The predicted **downturn in global markets** has led to a decline in growth in key markets such as China, India and Europe. The demand for metals and minerals has followed this downward trend which, in turn, has translated into lower prices. The oversupply of these commodities due to projects that are coming on stream, have compounded the situation and placed further pressure on commodity prices. Overall, the supply and demand fundamentals in the mining sector have also led to a contraction in mining activity and sales volumes.

The **South African and African mining industry continues to face serious challenges**. The strike in the platinum sector during the first half of 2014 caused a significant reduction in mining volumes and metal sales, which have only recently begun showing modest signs of recovery during the first quarter of the 2015 calendar year. The underlying higher costs at marginal mines will have the potential effect of reducing the output of minerals mined, or the eventual closure of some operations. The returns for gold and platinum have been eroded by increased costs, improving economic fundamentals in the USA that have reduced the “safe haven status” of gold, and the improvement in recycling technology that has impacted on platinum’s supply/demand fundamentals. The slowdown in economic development in China and India has had a noticeable impact on copper prices which have declined in sympathy with the broader commodity markets. Copper mines in Zambia and Botswana were affected by falling prices and those considered to be marginal, either closing or being placed on care and maintenance. In addition, the proposed changes to the mining tax regime in Zambia, which placed further pressure on the copper mines in that country and suggested changes in the mining royalty regime in various other countries in Africa, may also limit new mine development, curtail production or potentially lead to closure of operations.

MINING DIVISION REVIEW CONTINUED

The Mining division continues to focus on **growing market share more broadly across Africa**, where the introduction and expansion of the BME, Protea Mining Chemicals and Protea Process® brands have delivered a meaningful contribution to the division's customer base. To support the division's broad range of reagents, the safe and cost-effective logistics offering controls the regular supply of chemicals to each end user's site. Appropriate skills have been developed in the division to manage these activities.

Rand volatility poses a challenge as it complicates the management of Protea Mining Chemical's operating margin. Raw materials and international transport costs which are priced in US dollars, can be hedged to mitigate the financial impact.

SHEQ (Safety, Health, Environmental and Quality) issues are always of concern and the division goes beyond mere compliance as it implements robust SHEQ management and training programmes.

There are various risks to be considered when dealing with explosives and hazardous materials. The necessary safeguards and controls are implemented throughout the business to ensure that these items do not fall into the wrong hands, are stolen or are used for illegal mining or other activities. The ongoing nature of this risk, requires that on a continuous basis, BME reviews and tightens its **security measures and operational controls**.

BME operates in an industry that, intrinsically, has a high impact on the environment in which it operates and it seeks to **minimise these impacts** wherever possible. This is achieved through appropriate and safe practices being used in the business and the advancement of technology to reduce the possible impact of chemicals on the environment. BME continues to improve its products with this in mind – BME explosives are oxygen-balanced to minimise toxic fumes and the BlastMap™ blasting software and use of AXXIS® Digital Initiation System, reduce vibration, noise and dust in the blasting process. In addition our re-use of used oil in our explosives helps to reduce the impact on the environment.

GEOGRAPHICAL SCOPE

BME operates in the following countries: Angola, Botswana, Burkina Faso, the DRC, Mali, Mauritania, Mauritius, Mozambique, Namibia, Senegal, Sierra Leone, South Africa, Tanzania, Zambia, Zimbabwe, Eritrea and, beyond Africa, in Australia, Indonesia and Singapore.

Protea Mining Chemicals operates in the following counties: Botswana, the DRC, Mauritania, Mauritius, Namibia, South Africa and Zambia.

FINANCIAL PERFORMANCE

		2015	2014	2013	2012	2011
Revenue (external)	R million	5 351	5 458	4 379	3 051	2 092
Operating profit	R million	720	829	735	476	311
Operating margin	%	13.5	15.2	16.8	15.6	14.9
Segment assets	R million	2 677	2 604	2 003	1 440	1 062
Net working capital	R million	1 090	1 052	795	540	376
Net working capital ratio	%	20.4	19.3	18.2	17.7	18.0

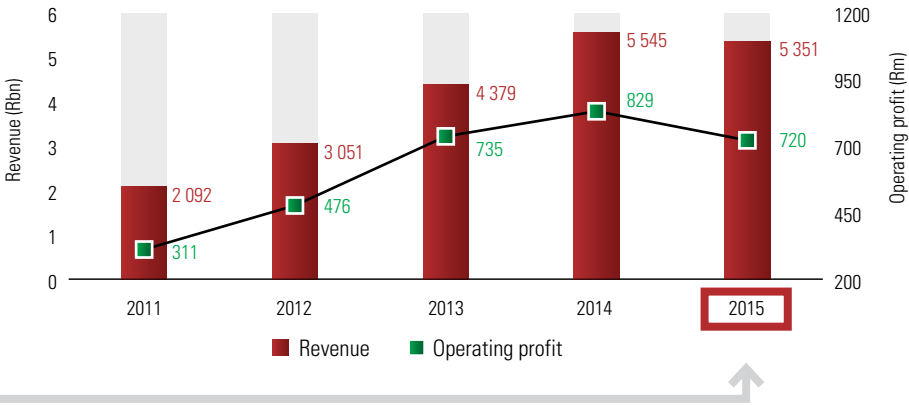
FINANCIAL KPIs

KPI	Description	Target 2015	Actual 2015	Actual 2014
Operating margin	Profit before interest and taxes as a percentage of revenue	15% – 16%	13.5%	15.2%
Net working capital	Inventory plus receivables, less payables as a percentage of revenue	17% – 19%	20.4%	19.3%

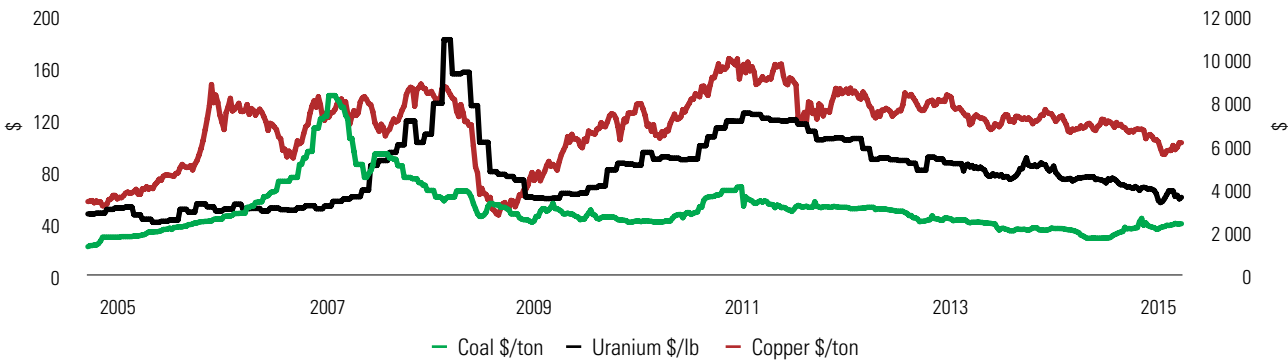
REVENUE AND OPERATING PROFIT

2015 Revenue
R5.35bn
2% DECREASE

2015 Operating profit
R720m
13% DECREASE



COMMODITY PRICES



MINING DIVISION REVIEW CONTINUED

PERFORMANCE IN 2015

MARKET CONDITIONS

Following the global financial crisis of 2008/9, the commodity cycle remained in an upward trend until mid-2014 when it began showing signs of turning negative. The downturn gathered momentum with all major commodity prices falling within a relatively short period of time in 2014, except for copper and oil, which fell sharply in late 2014/early 2015. Overall, market conditions remain challenging and are likely to remain so for the foreseeable future. More specifically, some of the key factors affecting market conditions can be described as follows:

- Softer demand in mining commodity and mineral markets throughout Africa, especially in gold, platinum, copper and iron ore
- Reduced mining activity in metals and minerals such as coal, uranium, vanadium, gold and platinum
- Reduced new greenfield mining activity in sub-Sahara Africa including South Africa
- Reduced brownfield expansion opportunities on existing mines
- Weaker rand supported sales prices, export business and foreign earnings
- Flat commodity chemical pricing with decline seen in oil-based chemical derivatives
- Insufficient skilled resources throughout Africa causing delays in new mining projects
- Pressure on commodity chemical pricing as customers look to significantly reduce their operational costs
- Increased competitor activity across all market sectors

STRATEGY

Expansion into Africa remains a core driver both for BME and for Protea Mining Chemicals. While markets appear to be contracting in South Africa with the closure of some mining operations, commodity producers that remain in business are being pressurised to reduce costs and produce more from existing operations. That should translate into more blasts and higher volumes sold by BME and Protea Mining Chemicals.

In Africa, BME's highest growth markets are the DRC and Zambia. Copper development in Zambia has however stalled because of the threat of a windfall or (now deferred) mining royalty tax following the recent change in government. The recent relaxation to a more acceptable level of taxation has been welcomed, although investor confidence remains low given the uncertainty brought about by the proposed radical change in policy. This is further hampered by a weak commodity price environment.

For Protea Mining Chemicals, the Protea Process® continues to support leading global chemical manufacturers in effectively growing their own businesses into Africa. Global networking, forms a significant cornerstone of the business and with the support of the Group's procurement offices in China and Mauritius. These offices manage the procurement of key reagents from China, Asia and the Middle East which allow for the supply of reliable, cost effective and high quality products to our customers.

A broadening of the customer portfolio among global mining groups has accelerated the need to expand the range of products, in-house and international networking and, in turn, a seamless, transparent and holistic approach to the business.

"Market conditions remain challenging and are likely to remain so for the foreseeable future."

Operational performance

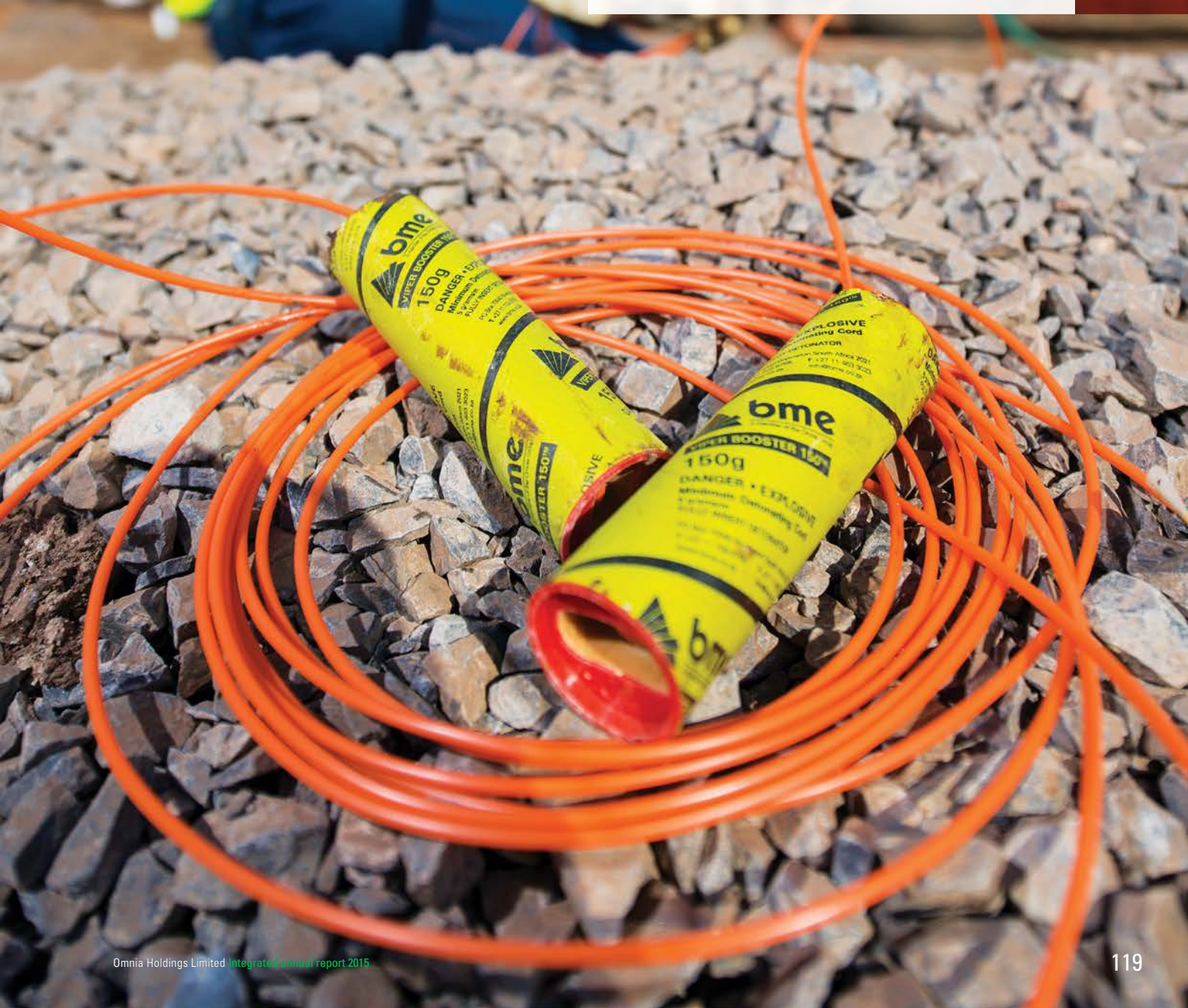
HIGHLIGHTS

Volumes down 2.7%

Delays or cancellation of mining projects causing a lag in the ramp up of some anticipated new business opportunities

Enhanced focus on safety performance

Roll out of the new portable emulsion pumping units to customers



MINING DIVISION REVIEW CONTINUED

OPERATIONAL PERFORMANCE

BME

The past year was the third-best year in BME's history. However, when compared to the previous two years, the company has not done as well as envisaged, due primarily to the rapid slowdown in the mining industry, resulting in lower volumes, margin squeeze and certain once-off costs that were incurred.

Problems which arose in West Africa during the interim reporting period gave rise to a number of financial and operational issues; including stock and debtor write-offs which have now been addressed. The ongoing improvements to the formulation of our emulsion explosives, blast design software and design of our electronic blasting equipment enabled us to remain competitive in open-cast mining. The finalisation of the production scale underground portable pumping units for the use of emulsions has created an opportunity to open new markets.

The improvement and consistency of supply of our key raw materials from the Sasolburg plant had also played a significant role in our growth story and will continue to do so in the years ahead.

We continue to make inroads into new markets in mining and construction in South America and the Far East respectively. Our traditional markets of South Africa and the African continent remain strongly in focus and critical to the future growth of the company.

PROTEA MINING CHEMICALS

Protea Mining Chemicals experienced a reduction in volumes due to the closure of a uranium operation in Malawi and pressure on mining operations to optimise output and control the use of reagents in the processing of mineral ores.

"The improvement and consistency of supply of our key raw materials played a significant role in our growth story."



KEY MACRO AND PERFORMANCE DRIVERS AFFECTING THE OUTLOOK

- *Slow growth demand for mining minerals*
- *Recovery in the uranium price*
- *Penetration of markets in new countries*
- *Successful endorsement of alternative products and agents by mining companies to improve plant performance*
- *Rand chemical prices and exchange rates*

Following a strong demand for chemicals throughout 2014, which lifted prices, the continued softening of consumption demand in Europe and China has seen a levelling off of pricing, bringing some relief to the mining sector. The drive to secure new cost-effective suppliers and new product to the range, has created opportunities for volume and margin growth through higher value products.

OUTLOOK

While BME's outlook is somewhat constrained by the issues in the mining sector, particularly in South Africa, Protea Mining Chemicals anticipates further volume growth in the year ahead.

OUR FUTURE

Based on the increasing role of technology and expertise required in the field of blast optimisation and mining efficiency, BME will continue to apply a high level of technical skills to conduct unique test programmes at mine sites and ongoing operations. This initiative recognises the knowledge-based business and strategic focus required to remain competitive in the coming years.

Our detailed and effective level of supply chain management has opened up opportunities to manage customers' inbound chemical supply chain risks and inventory levels.

Approved projects for new nuclear energy plants to be built in China as well as the expected re-commissioning of mothballed energy plants in Japan, post the Fukushima tsunami disaster, may see improved demand for uranium. As a result, the outlook for uranium is starting to look more favourable and should benefit both BME and Protea Mining Chemicals going forward.

The increased demand on mining operations to optimise processing costs opens up opportunities for new technology-based chemicals and process innovations, providing further growth prospects. Working closely with our customers and conducting extensive laboratory and on-site tests, Protea Mining Chemicals continues to identify new opportunities in this area. Similarly, BME continues to improve the quality of its explosives, detonators and software, as well as the quality of our service operations. The improvement in technology continues to drive innovation in the use of our electronic delay detonators and software in the blasting process.

CHALLENGES TO ACHIEVING THIS

- Significant new product and process developments, supported by strong in-field technical and operational resources, have catalysed new industry thinking. Further provision of skills and on-site reagent dosing technology will have to be developed in line with the trend towards smaller reagent plant footprints, in-line dosing systems and reduced water consumption. Protea Mining Chemicals is leveraging these opportunities by offering its customers more personnel training and on-site skills development for the effective and safe use of chemicals
- Leveraging of international technical competencies to improve competitiveness through increased mining process output, better procurement and application technology
- Continuous research and development to ensure a competitive edge with products and technical services
- A focus on retaining and attracting experts in our business and technologies
- Training and development of our technically skilled staff to deliver on the strategy



CHEMICALS DIVISION REVIEW



CHEMICALS DIVISION REVIEW

OVERVIEW

The Chemicals division's main business, Protea Chemicals is a long-established and well-known manufacturer and distributor of specialty, functional and effect chemicals and polymers. It has a significant presence in every sector of the broader chemicals distribution market throughout southern and eastern Africa.

Protea Chemicals represents many leading domestic and international chemical producers, providing a cost-efficient and effective distribution channel for their products into the African market. Subsidiary business Zetachem, manufactures and distributes chemicals for the treatment of potable water.

OUR APPROACH

- Ensure compliance with relevant safety, health and environmental requirements, and all legal imperatives
- Volume gains through new industry, product and geographic extensions to the current portfolio
- Rationalise our product range and distribution model
- Revisit the customer service model for smaller customers and deliveries
- Continued operational-efficiency and effectiveness-improvement projects
- Cost reduction in response to optimised product range and adapted service model

OUR OPPORTUNITIES AND CHALLENGES

A **healthy and growing manufacturing industry** is vital to our sustainability. Our customer base requires a pipeline of new-capacity investments as well as a supportive investment climate to flourish. However, the South African manufacturing sector's recovery has been held back by sporadic power-supply interruptions, labour issues, excessive capital costs and legislative uncertainty. The severe headwinds facing the manufacturing sector, curtailed any new manufacturing projects of substance or scale in the near term and severely hinder any new fixed investment in the South African manufacturing sector.

The second issue facing the division is the **decline in commodity prices**, particularly in the second half of the 2015 financial year. Of relevance to Protea Chemicals, was the sharp drop in oil prices to a six-year low of below \$50 a barrel in early 2015, recovering moderately to the mid-\$60 per barrel level at the time of this report. Certain products sold by Protea Chemicals are derivatives of oil and therefore, in terms of pricing mechanisms, derivative prices have also dropped.

The decline in dollar-denominated unit prices of chemical products has been offset in part by the weaker **SA rand:US dollar exchange rate**, when converted into rands. As a result, the net impact has not been as marked as the decline in the oil price alone would suggest. Overall, over the past year Protea Chemicals endured a market where prices remained flat in rand terms but total turnover remained constant.

A positive development, is the potential opportunity relating to the future exploration and development of the **Karoo and neighbouring countries gas reserves** with attendant energy and chemical raw materials benefits. This opportunity has not yet materialised due to regulatory uncertainty, environmental concerns and the more-recent fall in oil prices which has weakened the commercial logic of pursuing this initiative. This resource could, however, offer considerable longer-term potential to enhance South Africa's manufacturing industry.

VALUE CREATION

The division creates value for its investors and employees by sourcing and selling a wide range of chemicals to the broader manufacturing and allied industries. It leverages its long-standing relationships with leading global chemical companies to recommend and provide the specific chemicals required by manufacturers throughout industry. It maintains its ability to create value by acting as a vital advisory and distribution link between suppliers and customers. Key elements of value for our customers include the broad basket of products available from our warehouses in conveniently-located distribution centres, short product-delivery times, health, safety and environmental compliance, knowledgeable service staff, and competitive product pricing.



GEOGRAPHICAL SCOPE

Protea Chemicals has operations in: Angola, China, Kenya, Mauritius, Namibia, South Africa and Zimbabwe.

FINANCIAL PERFORMANCE

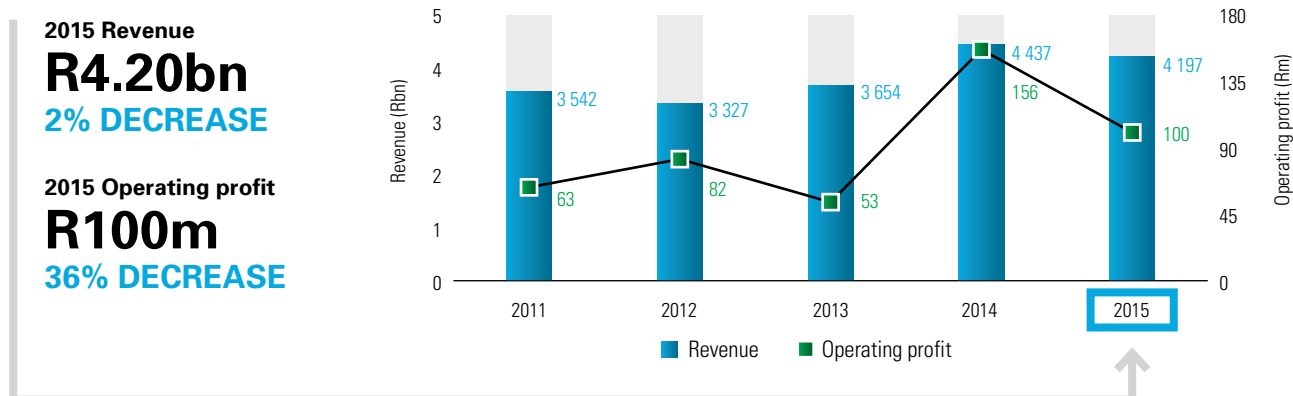
		2015	2014	2013	2012	2011
Revenue (external)	R million	4 197	4 121	3 654	3 327	3 542
Operating profit	R million	100	156	53	82	63
Operating margin	%	2.4	3.8	1.5	2.5	1.8
Segment assets	R million	2 308	2 435	2 046	1 883	1 885
Net working capital	R million	575	570	398	422	244
Net working capital ratio	%	13.7	13.8	10.9	12.7	6.9

FINANCIAL KPIs

KPI	Description	2015 Target	Actual 2015	Actual 2014
Operating margin	Profit before interest and taxes as a percentage of revenue	4.5% - 5.5%	2.4%	3.8%
Net working capital	Inventory plus receivables, less payables as a percentage of revenue	7% - 9%	13.7%	13.8%

CHEMICALS DIVISION REVIEW CONTINUED

REVENUE AND OPERATING PROFIT



PERFORMANCE IN 2015

The single greatest factor impacting our performance during the 2015 financial year has been the pressures faced by South Africa's manufacturing sector. The buyers of our products and services are generally manufacturers and any negative offset in that sector had a direct impact on Protea Chemicals.

Labour strikes in key market sectors led to customers either scaling back or halting production, with a resultant negative impact on demand for our products in the first half of the financial year.

Commodity prices were also generally weaker, and a significant fall in oil and derivative chemical prices was witnessed in the second half of the financial year.

Effective from 1 April 2014, the division moved from a federal structure based on a product and regional focus that operated independently of each other, to a single business arranged on a functional matrix structure. Following the initial phase of implementation, which took three months to complete and a further six months to bed down, the business then undertook a further review of the service delivery model in order to reduce costs and improve customer service. The next phase of the plan which is currently underway will result in a re-alignment from a product-based model to a customer-based model, a rationalisation of the number of products offered, improved customer service and further improvements to the information technology systems. Overall, the consequence of these changes will reduce the underlying complexity in this business and allow it to be more responsive to changes in market conditions in the future. Once fully implemented, an improvement in revenue and margin is anticipated, coupled with a reduction in overheads.

The operating margin declined in the 2015 financial year, largely as a result of margin pressures. Selling price inflation was lower than overhead cost inflation and manufacturing cost under-recoveries were lower due to reduced throughput volumes. The once-off costs associated with a revision of the product and customer service model, facilitated by the re-organisation implemented from 1 April 2014, also contributed to the overall reduction in margin year-on-year.

"The single greatest factor impacting our performance during the 2015 financial year has been the pressures faced by South Africa's manufacturing sector."

Year-end net working capital increased slightly by R5 million from the previous year, which is commendable given the difficult market conditions that affected the various components of working capital.

STRATEGY

- Complete the second phase of the re-organisation plan under the 'One Protea' structure, with further realignment of the business model, processes and systems to improve revenue and margin, while reducing overhead costs
- Drive operational efficiency and effectiveness, and implement cost-reduction measures where surplus operational and administrative capacity exists
- Rationalise the product portfolio offered to the market, and align customer costs with focused and simplified activity
- Further diversify the product and geographic portfolio to reduce dependency on the South African manufacturing industry

OPERATIONAL PERFORMANCE

The year was defined by the re-organisation of the multiple, largely independent businesses of Protea Chemicals, situated in various locations, into a single operating entity from 1 April 2014. The change brought about a renewed focus on product rationalisation and a revised customer service model. At the same time, external factors such as the constraint in electricity supply was not without internal challenges, a weakness compounded by the mining sector and metal workers strikes.

Zetachem suffered from the loss of the business previously transacted with a key municipal customer, reducing throughput volumes and the resultant overhead recoveries. While partially mitigated, cost and margin pressures remain. Zetachem invested in expanding the capacity of its ferric sulphate manufacturing capacity located outside Cape Town and the backward integration for the production of the raw material at the aluminium chloride production facility in KwaZulu-Natal.

As part of the rationalisation plan under the One Protea structure, the Springs site was closed in 2014 and the operations transferred to Wadeville. The Springs site is in the process of being decommissioned, with the necessary environmental and legal obligations being attended to prior to the site being put up for sale later this year.

The company's national approach to the management of health, safety and environmental risks contributed strongly to the significantly improved reduction in the Recordable Case Rate (RCR) to 0.54 (2014: 1.52), well below the self-imposed divisional target of 0.7 and the Group's target of 1.0.

All major Protea Chemicals sites continued to meet the highest quality and environmental standards in the handling of chemical products, with each being independently accredited in terms of the international Responsible Care® benchmarks. In addition, each site had their Integrated Management System (IMS) (IMS International-ISO 9001) certifications confirmed.

"The re-organisation of Protea Chemicals brought about a renewed focus on product rationalisation and a revised customer service model."

Operational performance

HIGHLIGHTS

Volumes up 3% which contributed to an increase in revenue of 1.8%

Selling prices 1.2% down due to the impact of altered product mix; the weaker SA rand not fully offsetting the lower chemical pricing evident in global markets

Gross margin percentage down with manufacturing and transport under-recoveries being the major influence

Expense growth higher than selling price inflation – and heavily influenced by once-off costs

Continued improvements in operational and customer service metrics

Refined product offering and customer service model being implemented



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KEY MACRO AND PERFORMANCE DRIVERS AFFECTING THE OUTLOOK

- *South African manufacturing sector performance*
- *Further growth into regional Africa*
- *Product and industry sector expansion*
- *Unit price levels and margin control*
- *Cost containment without compromising customer service delivery*



Gavin Brimacombe
Managing Director:
Chemicals Division

OUTLOOK

Low international commodity prices, especially oil-derived chemical prices, are likely to persist for the year (and possibly years) ahead. There will be some offset from the weaker SA rand, but at best, this is likely to result in constant pricing in SA rands.

There are few volume growth opportunities in the manufacturing sector, and those that do exist are limited. Growth will depend on the success in extending the division's product offering and will require broader geographic coverage into regional African and local South African markets.

The recent implementation and alignment of the product rationalisation and customer service model is anticipated to materially improve business profitability.

OUR FUTURE

Given the stagnant local manufacturing sector at present, growth opportunities are being actively pursued outside South Africa and local opportunities in the broader industrial, food and mining sectors in South Africa are also being targeted.

The alignment of operating capacity, rationalisation of product ranges and an improved customer service offering are all reducing costs and improving margins. Achieving maximum supply chain cost efficiency without compromising customer service standards is key to growing market share.

CHALLENGES TO ACHIEVING THIS

- Finalising the current product and service offering rationalisation and operating reduction in cost without compromising customer service levels
- Delivering a sustainable customer value proposition to customers outside South Africa
- Achieving efficiencies of scale in relatively small, country-defined, regional markets
- Overcoming logistics limitations and bureaucratic inefficiencies in African countries
- Sourcing the necessary people skills to support the African growth plans
- Achieving market share gains and margin enhancement in a subdued South African manufacturing market environment
- Effectively dealing with the BBBEE procurement demands of municipal water customers

SUSTAINABILITY REVIEW

PEOPLE MANAGEMENT

Omnia's people management strategy is integral and fully aligned to the business strategy. Our vision is to leverage knowledge through talented and motivated employees in order to empower our business and provide a competitive advantage to our customers' growth.

This vision is pursued by line management and has been holistically integrated into the day-to-day operations of the Group in the following way:

- Empowering line managers through training and the provision of relevant information for the effective management of employees
- Complementing line management skills and abilities with leadership, training, emotional intelligence skills and effective people management systems
- Balancing task and relationship-orientated leadership

"We make an effort to enrich the quality and lives of our employees to sustain our business."

WORKFORCE ANALYSIS

Omnia is reliant on a healthy, skilled and committed workforce. In order to achieve this objective, the Group makes every effort to enrich the quality and lives of our employees in order to sustain our business and to ensure that the organisation is run in an optimal manner. The Group currently employs a total of 4 027 employees (2014: 3 685 employees) worldwide, including permanent employees and contractors.

Omnia's workforce increased by 9.2% overall during the current financial year, due primarily to the Mining division's expansion outside of South Africa with the increase in contractors.

Our total workforce by employment type, region and gender is shown in the following table:

Employment type	South Africa		Africa ¹		Other regions		2015	2014
	M	F	M	F	M	F	Total	Total
Permanent	2 066	663	264	41	26	15	3 075	3 087
Contractors	270	71	581	30	0	0	952	598
Total	2 336	734	845	71	26	15	4 027	3 685

¹ excludes South Africa

EMPLOYEE WELLBEING

Omnia is committed to the wellness and personal growth of our employees. As part of our objective to ensure that employees perform at an optimal level, an understanding of the different types of demands that are placed on employees in the workplace is required. In turn, this informs what is needed for our employees to maintain all aspects of their lives to ensure optimal, consistent performance in the workplace. Wellness forms part of our employee value proposition and is one of the main catalysts for our employees to become and remain fully engaged in their working environment.

The Group's Employee Wellness Programme is linked to the National Health Calendar, which sets out the various Group and divisional wellness events in the year. This continues to make a tangible difference to our employees and the organisation. Each division uses employee engagement surveys to identify the specific areas of focus and to design wellness programmes which address these issues.



“Each division uses employee engagement surveys and designs wellness programmes from employee inputs.”

The wellness campaigns are focused on areas of concern which, if left unattended, could have a negative impact on employee performance in the workplace, and in turn, the performance of the Group. These campaigns include specific, medically-related issues such as illness management, HIV testing and counselling, diabetes and cancer awareness and general health management.

The wellness drive includes other behavioural issues that also have an impact on employee performance such as education on substance abuse, healthy eating habits, fatigue and stress management, financial fitness and maintaining a work-life balance.

AGRICULTURE

During the year under review, the South African operations continued with the wellness campaign, focusing on awareness of occupational disease management. As part of this campaign employees were tested and monitored to help them better manage their illnesses. Counselling was also provided through a contracted clinical psychologist to assist employees manage personal or interpersonal issues that may potentially impact negatively on an employees' productivity. The wellness programme also offers support to employees through general financial planning, retirement financial planning and management of substance abuse.

The annual wellness day event included a number of medically-orientated activities, such as general assessments and awareness on employee wellness. These are highlighted in a fun yet educational and engaging way, ensuring a high level of employee participation that means a benefit is derived from the activities and event as a whole. Medical insurance providers and healthcare consultants participate as the main service providers and sponsors for the event.

SUSTAINABILITY REVIEW CONTINUED

MINING

BME views employee wellness as an active lifelong process. They aim to increase employee awareness of lifestyle choices and empower them to make decisions that facilitate a more balanced and fulfilling life both at work and home. BME adopted an integrated approach to wellness which covers the following dimensions: physical, spiritual, social, mental and emotional wellness. BME continues the valuable life-skills programme which supports its HIV/AIDS strategy. This e-learning system is available to our shop floor employees, either on video or CDs, so that they can share the learning with their families.

BME also continued with the pulse check wellness programme, facilitated through ICAS. All the employees in BME's South African operations are supported by this programme which provides counselling and psychological support. The top issues that were successfully handled through ICAS were organisational/workplace relationship, stress, financial pressures, and addictive behaviours. In addition, the wellness programme also provides assistance to management with employee management support.

CHEMICALS

The Chemicals division's annual wellness programme has made a profound impact on the employees' lives over the past three years. The annual wellness day event is strategically designed to focus on employee's social, mental and physical health.

The concept of wellness covers many facets of an employee's life and is not just about physical fitness. Protea Chemicals has partnered with Reality Wellness, an external service provider, whose services cover a range of issues. This includes counselling and advice pertaining to social issues such as bereavement, divorce, serious illness, family matters and legal matters; medical issues such as medical insurance, health consultants and the OCSA clinic (who offers a large variety of disease management and HIV voluntary screening and counselling services), financial issues such as retirement fund administrators, financial institutions, stress and depression clinic and many other sponsors who have participated in designing a holistic wellness programme to support employees.

The wellness programme is aimed at assisting employees to adopt and sustain behaviours that reduce health risks, improve quality of life, enhance personal effectiveness and benefit both their everyday lives and the Group's bottom line. Protea Chemicals believes that by delivering on employee health-based interventions, this can drive a positive change in behaviour pattern and improve the employee engagement experience in the workplace.

TRAINING AND DEVELOPMENT

Building individual capabilities contributes to a more sustainable society and business. The ongoing development of our employees is fundamental to our ability to deliver on our business objectives and commitments to customers. As part of our development initiatives for employees, the Group is focused on making every effort to identify and address specific training needs at all levels. In turn, this requires employees to understand their roles in delivering on the business strategy and creating value for our customers. Through these co-ordinated efforts, we entrench a culture of lifelong learning and an unique employee engagement philosophy that is designed to equip the Group's employees with the necessary personal, interpersonal, leadership and technical competencies they require in order to succeed in a rapidly changing world.

On-going learning is facilitated through a range of initiatives which includes action learning projects through the partnership with the GIBS business school, on-the-job training, in-house development projects, Sakhile business skills training and financial assistance for external studies that range from Adult Basic Education and Training (ABET) to postgraduate degrees.

6.6 DAYS

The average number of training days for employees across the Group amounted to 6.6 days

70 EMPLOYEES

70 employees participated in Recognition of Prior Learning (RPL) Apprenticeship Programmes in the Agriculture Division

The Sakhile business training was a major focus area for the year. A significant effort was made to implement the Sakhile Business Skills Training Programme using a board game concept and Accounting Comes Alive, the financial acumen course that incorporates a section on managing personal finance. Both programmes were well-received by participants.

The identification and development of talent within the Group is an established principle and part of Omnia's philosophy to create a learning culture. In order to achieve this objective, the Group strives to create an environment which encourages discussion, creates collaboration in the workplace in order to solve problems, identifying opportunities to learn from each other and establish mentoring programmes to facilitate personal development.

Omnia's value proposition of leveraging intellectual capital to provide differentiated products and services is supported by training and development opportunities offered to staff at all levels. Omnia is therefore compelled to continuously review its training initiatives to raise performance, employee engagement and productivity levels.

There are various training courses and initiatives that are run across the various divisions and focus on the key areas of each business. The details of the various programmes is summarized below and set out in more detail in the write up for each division:

Programmes	Qualification	Divisions			
		Agriculture	Chemicals	Mining	Group
Learnership	Rock breaking and surface excavation, chemical electrician, instrumentation and chemical operators. Business practice and domestic service	118	–	84	50
Apprenticeship	Fitters, boilermakers, welders, instrumentation, electrician and diesel mechanics	75	–	2	–
Workplace Experiential learning	Chemical, industrial and mechanical engineering, human resources, export sales, marketing, logistics and SHEQ	–	13	–	–
Internship	Geology, mining and industrial engineering	–	–	4	–
Total trained by Omnia		193	13	90	50

AGRICULTURE

Our Agriculture division continues to invest significant time, effort and resources into artisan development, training and learnerships. The detailed training programmes are developed based on the business strategy, input from line management and areas identified where further employee development is required.

The development of chemical operators and artisans and Omnia Fertilizer's accreditation as a CHIETA Artisan Training Site, has significantly contributed to the BBBEE initiatives.

A total of 76 employees participated in these training initiatives which included a wide range of courses in the following disciplines: chemical operations level 2 to level 4, electricians, welders and instrumentation artisans. In addition, 70 employees participated in

SUSTAINABILITY REVIEW CONTINUED

the Recognition of Prior Learning (RPL) Apprenticeship Programmes covering the following disciplines: boilermaking, electrician, fitting, instrumentation and welding. In total, this is a significant number of learners. These interventions form a strong support base for the Skills Development pillar of our BBBEE scorecard.

The Agriculture division worked in partnership with the GIBS business school to pilot an Action Learning Project initiative using real business case scenarios. A total of five Action Learning Projects were selected based on either optimisation of current business areas or new opportunities. Multi-disciplined teams were assigned to each of the Action Learning Projects together with a GIBS business coach and an Omnia champion and sponsor. GIBS offered structured learning through study blocks that addressed topics such as leadership, financial acumen, scenario planning and principles of supply chain. The Action Learning Project model together with a theoretical partner, is a very powerful employee development model with a high return on training investment for the Group.

MINING

The Mining division has made a concerted effort to enhance the internal training and technical skills development programmes. Within BME, the production business unit utilised the e-Learning Project where most of the procedural training and works instructions are computerised. Initially the training is done on a dual medium presentation format whereby computerised training needs will be accompanied by instruction. Arising out of this, the change management process from handbook and classroom instruction to e-Learning has proven to be quite a challenge, which is not dissimilar to finding the balance between production demand and skills development.

Within the surface marketing business unit, the training centre made significant inroads during the year under review in the development of employees. Accredited training for blasters and blasting assistants was presented as a full-time course. Qualified blasters are a critically scarce skill within the mining industry and BME's particular area of focus, namely blasting. During the current financial year, approximately 80 employees completed the Blasting Assistant Course which forms part of the Rock Breaking Learnership for Surface Operations. In terms of the latter, a total of four employees are currently enrolled to complete the full qualification.

Drivers play a crucial role in our ability to move product to site in a safe and efficient manner. The training and testing of drivers is a rigorous process that is undertaken on an ongoing basis at our training centre. During the year under review, all surface marketing employees attended their annual revision training on all works instructions, legal and safety training.

ABET has also been an area of focus within BME. This has been provided mostly for surface marketing employees, who require the necessary communication and numeracy skills to be able to perform in the workplace. This is also a prerequisite in order for them to be able to complete the required legal training as prescribed by the South African Mines Health & Safety Act, 1996 (No.26 of 1996).

CHEMICALS

In the current financial year, the Chemicals division continued to focus on the top three training initiatives of SHEQ, technical training and life skills. The life-skills programme was mainly around an ABET intervention sponsored by the CHIETA.

Through the career discussion process with employees, part-time studies were identified as the main area of focus. Arising therefrom, a total of 75 employees were registered for part-time studies in the following disciplines: commercial, marketing, engineering and social science.

80 EMPLOYEES

*Approximately
80 employees
completed the
Blasting Assistant
Course*

50

*The Group enrolled
50 disabled
individuals into
learnerships*

TRAINING DAYS AND PARTICIPATION

In the current financial year, the average number of training days for employees across the Group of 6.6 days (2014: 7.0 days) was above the target of 5.0 training days per annum per employee.

Omnia's current permanent South African workforce comprises 61% black employees. Of the total training spend in South Africa, 59% was for black employees which is directly proportionate to the number of black employees in the Group and reflects a balanced approach.

The following table outlines the Group's training focus in the current financial year:

Training and development focus areas	% of training
Safety	20
Induction	14
Technical training	14
Life skills	13
Finance and administration	8
Information technology	6
Legal framework	4
Management and leadership	4
Marketing and sales	4
Employment equity and BBBEE	3
Personal development	3
Product and service	3
Logistics and supply chain	1
Other	3
Total	100

DEVELOPING TALENT

PART-TIME STUDIES

During the course of the current financial year, Omnia assisted 164 employees to further their studies on a part-time basis either through bursaries or study loans. The qualifications were mostly diplomas and degrees with the emphasis on the following disciplines: marketing, taxation, commercial, engineering and financial. Employees studying on a part-time basis, form part of the organisation's talent pool. In order to encourage employees to undertake studies on a part-time basis of the prospective career growth opportunities within the Group, those who are close to completing their part-time studies are included in the talent pipeline to be considered for future employment opportunities.

ARTISANS, LEARNERSHIPS AND PIVOTAL PROGRAMMES

PIVOTAL programmes include professional, vocational, technical and academic learning programmes that result in occupational qualifications that are quality assured by the Quality Council for Trades and Occupations (QCTO) and may include a knowledge component that is normally delivered at a Further Education and Training College (FET) or a University. In layman's terms this refers to external student bursaries, internships, workplace experience, graduate development, learnerships and any programmes that create employability. Going forward, there will be a strong focus on qualifications offered through the FET Colleges. The Department of Higher Education and Training (DHET) is also expecting both SETA's and

business to enter into partnerships with FET Colleges to upgrade infrastructure and assist in the development of better qualified lecturers and qualifications that are aligned to what the workplace requires. The Minister of Education wants to change the negative perception about FET College education and make FET Colleges a preferred educational institution.

To date, Omnia has aligned the various internal processes and initiatives with the requirements of the SETA in order to access funding offered under the various schemes and without compromising the required business training programmes. The PIVOTAL programmes play a major part on our skills development plan and delivery in terms of Omnia's BBBEE Scorecard.

THE GROUP

During April 2014, the Group enrolled 50 disabled black individuals into learnership programmes through the People Management Institute. The students were allocated in equal numbers to the four divisions, with Group being the custodian of reporting and liaising with the service provider 'I Can!' who facilitated the process on behalf of Omnia.

The following two learnerships were identified and considered to be appropriate:

Learnerships	Number of learners
National Certificate in Business Practice NQF1	25
National Certificate in Domestic Service NQF1	25



These learnerships were conducted for the greater part of the current financial year and were substantially completed by 30 April 2015, with similar programmes to be scheduled thereafter. These learnerships contributed substantially towards the equity and skills development pillars of the BBBEE Scorecard where historically Omnia scored very low points in the disability categories.

The Group has worked on identifying possible positions within the organisation to place some of the disabled learners and to create enterprise development opportunities, whereby the students with potential, will be assisted in starting up their own small businesses in order to make a sustainable living for themselves. A total of 25 domestic service students have been guaranteed employment through our 'I Can Clean!' service provider.

AGRICULTURE

Our Agriculture division has successfully implemented a number of the PIVOTAL programmes by implementing appropriate support structures, which include amongst others, an administrator that deals with these initiatives directly and who acts as a link between line management and the participants. Additionally, the division's technical training centre has made the initiative more successful by providing the necessary facilities to run workshops and sessions for the employees.

To be able to offer and facilitate some of the artisan and apprenticeship programmes, Omnia Fertilizer had to apply to the CHIETA to be considered as a recognised and accredited workplace. In order to qualify for the benefits under this programme, the accreditation needs to be upheld on an ongoing basis.

During the current financial year, the following interventions have been facilitated:

Apprenticeships and Recognition of Prior Learning (RPL)	Discipline	Number of employees
Recognition of Prior Learning	Electricians	8
Recognition of Prior Learning	Boilermakers	17
Recognition of Prior Learning	Welders	17
Recognition of Prior Learning	Fitters	33
Recognition of Prior Learning and Learnership Artisan	Instrumentation operators	11

The learnership programme offered in our Agriculture division includes the Chemical Operations qualification, the National Certificate for Instrumentation as well as a qualification to be an electrician. The levels range from NQF Level 2 through to NQF Level 4. A number of employees progressed to the next level in the Chemical Operations Learnership. For the current financial year, the following number of employees participated:

Programmes	Number of employees
Chemical Instrumentation	4
Chemical Electrician Level 2	1
Chemical Operations Level 2	21
Chemical Operations Level 3	6
Chemical Operations Level 4	5

SUSTAINABILITY REVIEW CONTINUED

MINING

In our Mining division, a total of 10 employees successfully participated in the following learnerships, apprenticeship and internships:

Programmes	Discipline	Number of employees
Learnership	Rock breaking ¹	4
Apprenticeship	Boilermaker	1
Apprenticeship	Diesel mechanic	1
Internship	Geologist	1
Internship	Industrial engineering	1
Internship	Mining engineering	2

¹ Rock breaking learnership for surface excavations

The learnership is registered with the Mining Quality Authority (MQA) in the mining industry, SETA and replaces the old Blasting Certificate, which was a requirement for all blasters in the mining industry. BME granted bursaries to seven mining and chemical engineering students as part of our ongoing contribution to the development of technical skills in our country.

CHEMICALS

Our Chemicals division focused on the Workplace Experience Programme, where a learner requires workplace experience to obtain a qualification – normally national diplomas and newly qualified graduates. This programme suits this division's business model as it offers Protea Chemicals additional resources at an affordable cost. In this way, the graduates receive the necessary training and experience they require in order to learn the basic skills required for the job. Upon completion of the six month experiential learning, those participants that display the correct attributes and potential talent, could be considered as candidates to be recruited into the division or Group.

Offering Workplace Experience yields better levels of success over and above learnerships, below is the list of the 13 workplace experience graduates that were undertaken by our Chemicals division:

Workplace experience	Number of employees
Export sales	1
Human resources	1
Industrial engineering	1
Marketing	1
Mechanical engineering	1
SHEQ	2
Logistics	2
Chemical engineering	4

THE OMNIA ACADEMY OF LEARNING

The Omnia Academy of Learning's (Academy) mandate is to provide training for strategic business requirements, to transfer knowledge throughout the Group and to embed the organisational culture and ethos.

Fertilizer embarked on a strategic alignment process for the whole organisation from senior management to the shop floor. This initiative has given rise to a number of significant

7 STUDENTS

Seven students granted bursaries to study chemical and mining engineering.

4 027

Omnia employed 4 027 people and this was 9.3% more than in 2014, with 3 087 full-time permanent employees and 598 contractors.

benefits in terms of the levels of employee engagement. The process is facilitated through the line management to ensure alignment with the organisational mandate and goals.

As part of this process, senior management identified the necessary leadership competencies required for the successful execution of the business strategy. The management and employee development programmes that are based on these competencies will continue to be developed and form part of the broader programme that will commence in the following financial year.

The Academy's courses continued to be rolled out into the business, focusing on subject matters such as 'critical thinking skills' and 'difficult discussions for managers'. Courses offered through the Academy include financial skills, management and leadership, personal development presentation skills, ethical behaviour and implementation of the Group's ethics policy.

In the following financial year, the Academy will be repositioned within the Group as a conduit for the development of employee and line manager relationship with a strong focus on leadership along the following theme: inspiring others and getting work done through others.

EXTERNAL BURSARIES PROGRAMME

In the current financial year, Omnia granted bursaries to seven students in the following fields of study: chemical and mining engineering. The students attended classes on a full-time basis at various institutions during calendar year 2014. As part of their development, they completed vacation work at the BME Dryden site, where they participated in practical mining as well as production work in the plant. Of the seven students that were initially enrolled, so far one mining engineering student successfully completed her studies and was appointed in the underground marketing division. The remaining six students are continuing with their studies.

EMPLOYEE RELATIONS

Omnia aims to operate our business in a manner that provides and preserves a harmonious place of work for all of our employees within the bounds of the applicable employee relations tools. Ongoing workshops ensure that both management and employees understand the disciplinary and grievance codes.

TRADE UNION REPRESENTATION

Trade unions currently represent 25% of our South African employees bargaining unit - a marginal decrease over the past year. The Group recognises employees' rights to freedom of association and to bargain collectively. The relationship with trade unions and other employee associations is co-operative and ethical.

The unions are all party to the National Bargaining Council for the Chemical Industry, except for AMCU, as it is not sufficiently representative in the Chemical Industry. The table below reflects the percentage of members amongst the five recognised unions in the Group.

Union	For the calendar year ended 31 December		
	2014	2013	2012
CEPPWAWU	11%	12%	17%
GIWUSA	5%	5%	6%
AMCU	5%	5%	5%
SACWU	3%	3%	3%
SOLIDARITY	Less than 1 %	1%	1%
NUM	Less than 1 %	n/a	n/a

SUSTAINABILITY REVIEW CONTINUED

LABOUR LEGISLATION

The amendments to the Labour Relations and Basic Conditions of Employment Bill (BCEA Bill) will have a significant impact on labour relations in South Africa in the future. In order to deal with these changes, the necessary preparations are in the process of implementation.

While the amended BCEA Bill provides mainly for technical changes in employment practices, the Labour Relations Amendment Bill addresses the increased protection for non-standard employees such as contractors and temporary employment services. This also includes organisational rights which were normally enjoyed by representative trade unions compared to minority unions. Omnia has plans in place to ensure compliance with this legislation.

NATIONAL BARGAINING COUNCIL FOR THE CHEMICAL INDUSTRY (NBCCI)

Omnia is party to the NBCCI through its membership of NASCEA (National Speciality Chemicals Employers Association), FIEA (Fertilizer Industry Employers Association) and EIEA (Explosives Industry Employers Association) and is actively involved through continued participation and involvement in the various structures, including collective bargaining.

46.2%

*R9 billion, or
46.2% of Omnia's
total expenditure,
spent on BBBEE
procurement*



921

*Farming assistance
provided to 921
farmers to date*

EMPLOYMENT EQUITY

Omnia believes in diversity and equal opportunity. Our goal for transformation is to have equal representations of race and gender in our workforce. This is also aligned to our five-year plan to improve the diversity of our workforce, which comprises the following:

- Equal representation and fairness in the recruitment and hiring of all employees in terms of race and gender
- Supporting employee development
- Remuneration packages based on individual performance and agreements with labour unions
- Representation and participation of workforce representatives
- Promoting ownership and accountability in our workforce

Omnia encourages cross-cultural understanding with regard to the diversity of our workforce and the target of our transformation goals.

People are central to the success of the Group and Omnia is reliant on a healthy, skilled and committed workforce to achieve this. This requires a concerted effort to enrich the quality and lives of our employees in order to sustain our business. In 2015, Omnia employed 3 070 people in South Africa which was 7.7% more than in 2014. Where possible, the Group attempts to recruit local employees in the vicinity of our operating which in the current financial year, resulted in 99.5% local employment in South Africa.

Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	–	–	1	4	1	1	–	–	–	–	7
Senior management	–	2	–	10	1	–	1	–	–	–	14
Professionally qualified and experienced specialists and mid-management	27	4	26	143	27	6	13	42	6	2	296
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	256	34	21	420	47	22	35	119	3	0	957
Semi-skilled and discretionary decision making	809	47	38	104	128	42	24	173	3	1	1 369
Unskilled and defined decision making	344	16	1	17	47	1	1	0	0	0	427
Total permanent	1 436	103	87	698	251	72	74	334	12	3	3 070

SUSTAINABILITY REVIEW CONTINUED

The Group has taken concrete steps in implementing employment equity for historically disadvantaged South Africans from the top-down. Omnia is pleased to report that the total workforce now comprises 66% black (African, Coloured and Indian) employees. In terms of top management, this consists of 37.5% black executives of which 25% are black women.

EQUITY OWNERSHIP

SAKHILE INITIATIVE SHARE SCHEMES

The majority of our employees are given equity ownership through employee share schemes in the company. Sakhile 1 and Sakhile 2 were created as employee share-incentive schemes in 2007 and 2009 respectively. Sakhile 1 includes mainly black qualifying permanent employees that do not participate in other management share schemes and who reside in South Africa, while Sakhile 2 is promoted to attract and retain skilled and talented black (African, Coloured and Indian) employees. Omnia employees have a total interest of 13.5% in Omnia Holdings, while black ownership is 28.18%.

PREFERENTIAL PROCUREMENT

Omnia favours the procurement of products and services from broad-based black economic empowerment (BBBEE) suppliers. For 2015, the total measurable preferential procurement spend with suppliers using the BBBEE recognition levels as per the DTI BBBEE Codes, was R9 billion and amounted to 46.2% of Omnia's total expenditure.

Omnia is working towards achieving key targets as stated in the updated Codes of Good Practice, which require a 70% spend on suppliers that qualify as BBBEE accredited suppliers. Most suppliers to Omnia are required to be verified and meet the minimum BBBEE requirements.

To ensure a consistent supply chain, the Group has centralised procurement practices at divisional levels and has improved Omnia's collective buying power. A large portion of the overall procurement spend at Omnia is on raw materials used in the manufacture of our various products. Many of these products are specialised and can only be obtained from specific local or international suppliers. As a result, these suppliers do not fall within the requirements for preferential procurement or the BBBEE codes and are excluded for the purposes of these calculations.

HUMAN RIGHTS

Human rights in South Africa are protected under the Constitution. Omnia respects and upholds these values, treating all people with dignity and respect.

The Group is dedicated to the safeguarding the human rights of others and attending to human rights impacts during the course of our business operations. Omnia respects the importance of freedom of association, being both an individual and collective right and does not restrict employees' choices with regards to membership in trade unions.

Omnia will uphold the letter of the law if adverse impacts from human rights infringements occur. The Group seeks to prevent such infringements and hold our suppliers and business partners to the same standards. The Group has no reported incidents regarding human rights, child labour, forced or compulsory labour for the current financial year.

COMMUNITIES

Developing the communities that Omnia operates in is not only good business sense, it is important in guaranteeing autonomy and upliftment. The Group endeavours to work with

surrounding communities in order to stimulate their economies, ensuring the long-term success of both the Group and these communities.

Omnia's belief is that education is critical to communities becoming self-reliant. This has been a core objective for the Group, with some 62 years of experience in actively supporting education initiatives in the agricultural sector. Within the domain of the African agricultural sector, these communities have benefitted formally and informally by the transfer of skills and knowledge. In October 2012, this contribution was recognised by the Sunday Times when Omnia was ranked fifth in the Top 100 Companies' corporate social investment category. The details of these programmes are set out below.

Within the Agriculture division, the small business development business unit is dedicated to assisting emerging farmers with developing agricultural land for commercial use. Omnia plays a key role in this initiative by providing the emerging farmer with access to finance, technology, skills and knowledge in order to farm the land in the best manner possible. This mentor-style relationship to individuals has been successful in promoting long-term sustainable growth. Over time, Omnia's objective is to convert these emerging farmers into commercial farmers who are self-sufficient and able to farm profitably.

For the planting season commencing from October 2013 to harvesting in September 2014, financing was provided to 46 farmers with 7 100 hectares of land. The total funding commitment was R42 million (excluding R8.2 million carry-over debt from previous seasons). For the planting season commencing from October 2014 to harvesting in October 2015, the overall size of the project has more than doubled with approximately R88 million in financing provided to 96 farmers with 22 400 hectares under management. During the lifetime of this project, Omnia has provided assistance to 921 farmers.

In conjunction with the emerging farmer programme, the Agriculture division is using a project called 'Feet on the farm', which provides the technical support to the farmer from Omnia. This programme is supported through a team of agronomists and a full-scale laboratory in Sasolburg to evaluate soil sampling and growing conditions, in order to best advise farmers on planting and crop management.

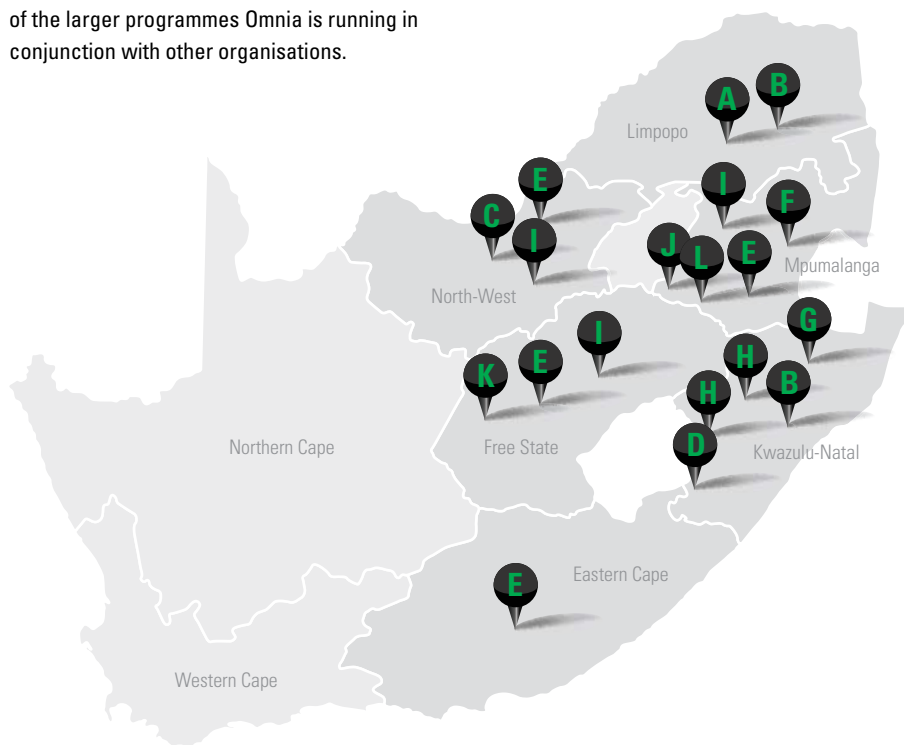
In addition, a Geographic Information System (GIS) database is being created from information amassed from various stakeholders, including soil analysis and yield monitors. This information will be compiled into a spatial data map like Google Earth and provide a timeline with relevant comparisons. This enables Omnia to personalise the services provided to our customers in order to create further value add in our service offering.

Omnia is open to collaboration from organisations, corporates or individuals that would like to be involved in this process. Currently, the Group is discussing the possibility of partnering with several large companies in South Africa to further advance the emerging farmer programme. As part of this initiative, the Grain Farmer Development Association (GFADA) helps co-ordinate efforts and resources of grain producers in commercial agriculture. During the last planting season Omnia was granted an amount of R2.1 million to pay for a portion of the cost of agricultural lime, which alleviates soil acidity, and a portion of crop insurance for nine Highveld farmers that participated in the Omnia grain production commercialisation project.

Set out below is a map and details of some of the larger programmes Omnia is running in conjunction with other organisations.

LOCAL AND SOCIAL ECONOMIC DEVELOPMENT

Set out below is a map and details of some of the larger programmes Omnia is running in conjunction with other organisations.



- A** **Peppadew Project** – Polokwane, Limpopo
- B** **Massmart vegetable project** – Mpumalanga and Limpopo
- C** **NWK/Omnia JV** – North-West
- D** **Old Mutual/Wiphold Masisizane project** – Matatiele, KZN
- E** **Department of Rural Development and Land Reform (DRDLR) Recapitalisation and Development Programme** – North West, Mpumalanga, Free State and the Eastern Cape
- F** **The Colin Forbes Story** – Piet Retief, Mpumalanga
- G** **Just Veggies** – Vryheid, KZN
- H** **Farmwise** – Bergville and Newcastle in KZN
- I** **The Grain Production Commercial Project** – Mpumalanga, the Free State and the North-West
- J** **Buhle Farmer's Academy** – Delmas, Mpumalanga
- K** **Free State**
- L** **Lowveld**

A THE PEPPADEW PROJECT

Omnia assisted Peppadew International with finance for fertilizer and technical skills for 10 farmers to grow piquante peppers in Polokwane areas (Vivo, Dendron, Soekmekaar), Limpopo. Peppadew International has exclusive offtake agreements with producers for this highly-valued crop.

B MASSMART PROJECT WITH TECHNOSERVE

This project supplies vegetables to Massmart and covers farmers in the Mpumalanga and Limpopo areas. Omnia supplies fertilizer to the scheme.

C NORTH WEST

Omnia has partnered with NWK for the last nine years to provide support to emerging farmers in the North West province. There are 14 farmers that have received fertilizer, training and support services. A similar initiative is in place with 67 farmers participating in the DRDLR recapitalisation programme, to which Grain SA has been nominated as the strategic partner.

14

14 farmers received fertilizer, training and support services



The Landbank assists 13 emerging farmers with finance and Omnia provides the necessary training, agronomic support and other technical services. The farmers in all three projects have sustainable businesses and are able to source finance at institutions of their choice and plan their production outputs from year to year.

D OLD MUTUAL/WIPHOLD

These are new projects in the Matatiele area (Eastern Cape), in partnership with Old Mutual's Masisizane Fund. The Masisizane Fund is financing mechanisation equipment, including tractors, implements and harvesters to the value of R15 million to service 3 000 hectares. Omnia provides agronomical services and financing for fertilizer.

The first batch of equipment that was delivered prior to the start of the 2014/2015 planting season included tractors and implements for primary cultivation through to planting and crop spraying equipment.

In Centani, in the Eastern Cape, the Women's Investment Portfolio Holdings Limited (Wiphold) empowerment investment fund is financing a project as part of their corporate social investment. Omnia provides technical assistance and fertilizer. The project is also part of Nedbank's Fair Share 2030 funding programme, and other partners in this programme include Technoserve and Farmwise Grains.

In projects such as these, risk can be shared between different parties. As Omnia has a successful track record in this field, regular requests are received for the Group to participate in such projects. Omnia's potential involvement is evaluated on a case-by-case basis.

E DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM (DRDLR) – RECAPITALISATION AND DEVELOPMENT PROGRAMME

The DRDLR Recapitalisation and Development Programme was initiated to improve productivity on farms that were given to black farmers under the land reform process. As part of the programme, funding is made available from the DRDLR to qualifying beneficiaries for mechanisation. This is done in partnership with suitably qualified organisations that would act either as strategic partners or as mentors to the emerging farmers.

Omnia assisted farmers that are part of its crop input financing scheme in the North West Province to apply for mechanisation funding from DRDLR and R29 million was awarded to these farmers for tractors and implements. In total, 29 farmers will benefit from this grant, but it will only be paid out during the next financial year.

Omnia was also identified as a credible partner based on our prior work with the farmers and similar funding will be sought for farmers on the Omnia scheme in Mpumalanga, Free State and the Eastern Cape.

F THE COLIN FORBES PROJECT

Colin Forbes is a commercial farmer in Amsterdam, Mpumalanga, who allocated 60 hectares of the land he owns to employees as part of an empowerment scheme. Based on the value given to employees by Mr Forbes, Omnia elected to support this initiative as a worthy cause.

Omnia supplied the funds necessary to get the project off the ground and Mr Forbes mentored his employees. The aim of this project is to assist farm workers to eventually own land, and to enable them to make a living from this as a commercial enterprise.

This scheme has been harvesting, on average, nine to 10 tons per hectare of maize and three tons per hectare of soya, which is a commendable achievement.

SUSTAINABILITY REVIEW CONTINUED

G JUST VEGGIES/McCAIN/POTATOES SA

Just Veggies is a potato farming project in northern KwaZulu-Natal, funded by the Public Investment Corporation (PIC) in partnership with McCain, Just Veggies Bayer Crop Science and Government departments. This project has seen previously uncultivated land turned into over 270 hectares of potatoes used for McCain's oven chips. To date, this project has been very successful and Omnia's involvement included the provision of agronomical services and the supply and financing of fertilizer.

The Just Veggies agri-processing facility is situated in Coronation (a defunct coal mining town), just outside Vryheid in Kwa-Zulu Natal. With its good soils, sufficient rainfall and suitable weather, Vryheid is an ideal place for vegetable production. This project is also funded by the PIC to the value of R100 million and the community are also shareholders in the business. The purpose of the business is to produce processed vegetables for McCain. Fresh produce is purchased from the surrounding rural farming communities that are contracted to grow vegetables for Just Veggies. Just Veggies also provides mentoring to the farmers and an oversight function to ensure that quality standards are adhered to. Just Veggies is a Level 1 BEE company.

Omnia participated in this project as it has a meaningful impact through expansion into farming areas other than maize. This was identified as a unique low risk project with Bayer Crop Science and McCain brought in as technical partners and preferred off-takers and input suppliers.

H SOUTH AFRICAN BREWERIES (SAB)/FARMWISE/OMNIA INITIATIVE

Omnia is involved in this unique initiative, where at least 1 000 beneficiaries participate in the SAB/DTI funded project across the Underberg (Bergville/Winterton) region through to the midlands of Kwa-Zulu Natal (Newcastle/Utrecht).

In the current financial year, 1 500 hectares of maize has been planted with the potential of doubling this in the following year. These farmers are also beneficiaries of land reform in Kwa-Zulu Natal and continue to receive government support on mechanisation and cultivation work on the lands. They also enjoy the benefits of the supply of fertilizer financed by Omnia and receiving a premium on the grain from SAB for non-GMO crops.



729

729 farmers have benefited from Omnia's assistance in growing crops

I THE GRAIN PRODUCTION COMMERCIAL PROJECT

Omnia plays a vital role in advancing emerging farmers, through this initiative. This project covers three provinces: Mpumalanga, the Free State and the North-West province where a total of 9 919 hectares of maize, sunflower and soya was planted. The average hectares per farmer in this project is 290 hectares with 34 beneficiaries participating in the scheme.

J BUHLE FARMER'S ACADEMY

The Buhle Farmer's Training Academy, is a well-known SETA agricultural training institution, at Delmas in Mpumalanga. Omnia provides teaching staff and technical skills training to the farmers. At the Academy, Omnia has pledged to share information, agronomic skills and technical support resources available when needed.

K FREE STATE

Omnia continues to form collaborative partnerships with like-minded companies and organisations that support emerging farmers, such as Vrystaat Ko-öperasie Beperk (VKB), Oos Vrystaat Ko-öperasie (OVK) and Grain SA. This partnership was first formed in the 2009/2010 season, and since then 52 emerging farmers have been assisted. Omnia, as a full-time partner, provides dedicated agronomic support, fertilizer products, technical services and training.

L LOWVELD

Omnia has a history of helping farmers in this area by providing technical support and fertilizer. At the last count, 729 farmers have benefited from Omnia's assistance in growing crops such as sugarcane, litchis and vegetables.

OMNIA'S SOCIO-ECONOMIC DEVELOPMENT SPEND

Omnia's vision is to empower communities that are based around our operations, and nurture local and social economic development. This is achieved through education, health and skills development programmes, as per the following important projects:

- Bursary schemes for children of our employees
- Primary healthcare and wellness programmes for employees
- Continuous expansion of and training support to a number of schools (Unobhala High School in Kwa-Zulu Natal and Inkwenkwezi Secondary School in the Western Cape)
- HIV/AIDS awareness training and support for employees
- Financial and human resource support for mathematics and science education through the Thandolwazi Trust and Wits University mining students

Omnia's total socio-economic development expenditure for the current financial year was R4.8 million or 0.76% of net profit after tax, against a target of 1%. The Group also contributed to the following organisations during the year under review: Business Against Crime and the World Wildlife Foundation.

GROUP SHEQ POLICY

OMNIA SAFETY, HEALTH ENVIRONMENT AND QUALITY (SHEQ) POLICY

The Omnia Group as a mining, agriculture and chemicals manufacturing, handling, storing and distribution company recognise that our activities could have an impact on people, communities and the environment within which we operate. We are therefore committed to conducting ethical business practices which maintain and enhance the balance between economic, social and environmental aspects.

OUR GOAL

To achieve a sustainable business that creates stakeholder value through responsible environmental management, the highest level of employee health and wellness, and provides a workplace that places great value on the safety and protection of our people.

OUR COMMITMENT

- Champion Responsible Care® principles across the business value chain
- Manage SHEQ risks in a manner that strives for compliance to legal requirements and conformance to industry best practice
- Achieve maximum customer satisfaction by continuously reviewing and improving the processes through which we deliver our products and services
- Use internationally recognised management systems which are regularly audited and improvements identified to drive improved SHEQ performance
- Manage process safety to prevent, prepare for, mitigate and respond to releases of chemicals and energy from manufacturing and storage facilities that may impact on employees, contractors, customers and surrounding communities and the environment
- Identify hazards, assess risks and implement effective controls to prevent causes and mitigate possible consequences from our products and services
- Effective response to emergencies involving our people, operations and products
- Provide the resources that are essential to establish, maintain, assess and continually improve SHEQ performance
- Facilitate the responsible and optimal utilisation of natural resources and raw materials
- Ensure adequate training of employees and contractors to facilitate an effective understanding of SHEQ responsibilities
- Regularly publish SHEQ performance against targets
- Promote effective participation to encourage dialogue and consultation with our stakeholders
- Strike an appropriate and reasonable balance between economic, social and environmental needs to facilitate the sustainability of the business
- Hold line management accountable for the implementation of the SHEQ policy

Our commitment to Responsible Care and continually improving our SHEQ performance is vested in every employee.

November 2014



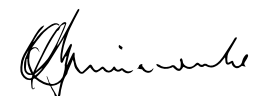
Rod Humphris
Group MD: Omnia Group



Adriaan de Lange
MD: Omnia Fertilizer (RSA)



Jan Vermaak
MD: Omnia Fertilizer:
International, Specialties and
New Business



Gavin Brimacombe
MD: Protea Chemicals



Francois Hay
MD: BME



OUR COMMITMENT

The Omnia Group is a voluntary signatory to the Global Responsible Care® Charter and is committed to the safe, responsible and sustainable operation of its business activities. The foundation for Omnia's approach to integrated management of safety, health and environmental aspects lies in the formulation of a dynamic SHEQ policy.

The main aim of the SHEQ policy is to achieve a sustainable business that creates stakeholder value through responsible environmental management, the highest level of employee health and wellness, and provides a workplace that places great value on the safety and protection of our people. The detailed SHEQ policy is available on the Omnia website.

By signing the Responsible Care® commitment, the Group managing director of Omnia pledges to:

- Conduct our operations in a manner that minimises adverse environmental impacts and protects the health and safety of our employees and of the public
- Recognise and respond to community concerns about our operations and our chemicals
- Promote the principle of sustainable development in the conduct of our operations and strive for continuous improvements in health, safety and environmental performances
- Integrate health, safety and environmental considerations into our planning for new products and processes
- Report information on relevant chemical-related health or environmental hazards promptly to appropriate authorities, employees, customers and any affected sectors of the public and recommend protective measures
- Give advice to customers and other affected parties on the safe use, storage and transportation of our chemicals as well as on the disposal of any residues and containers

SUSTAINABILITY REVIEW CONTINUED

- Increase knowledge by conducting and / or supporting relevant research on the health, safety and environmental effects of our products, processes and waste materials
- Co-operate with customers, authorities and affected parties to resolve problems created by the handling and disposal of chemical substances considered hazardous
- Participate with government and others in developing regulations and standards to safeguard the community, our employees and the environment and endeavour to ensure that such laws are based on scientifically supported data and/or opinion
- Promote the principles and practices of Responsible Care® by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose of chemicals
- Ensure that where chemicals are used or produced in our organisation they are controlled in terms of international conventions to which South Africa is a party and institute appropriate internal measures to facilitate compliance
- Measure safety, health and environmental performances and identify improvement opportunities by completing and submitting Quantitative Indicators of Performance data annually
- Verify the implementation of Responsible Care® in terms of the Responsible Care Audit Protocols through the use of CAIA approved independent auditors

The Group is also committed to continually improving its integrated management system (IMS) that is based on ISO 9001:2000, ISO 14001: 2004 and OHSAS 18001:1999 standards.

The purpose of this report is to provide stakeholders with an overview on the Omnia Group's sustainability performance for the period under review.



INTEGRATED MANAGEMENT SYSTEM (IMS)

All the divisions within the Group realise the importance of aligning SHEQ management systems with an external standard against which third-party audits can be undertaken. The divisions are therefore all certified in terms of the following standards where applicable:

- ISO 9001 – international quality management standard
- ISO 14001 – international environmental management standard
- OSHAS 18001 – international health and safety management standard
- Responsible Care® – the global chemical industry's unique initiative to improve health and environmental performances
 - All Omnia divisions are signatories of Responsible Care®
 - Third-party verification audits are conducted by the Chemical and Allied Industries Association (CAIA)

IMS certification of all certified sites was maintained during the current financial year.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE

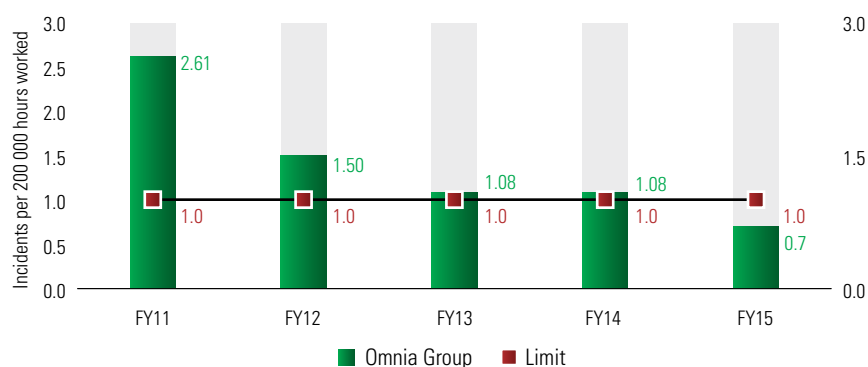
It was with considerable regret that the Group recorded the deaths of three contractors in the period under review. At our Mining division an electrical contractor was fatally injured in the execution of duties while at our Agriculture division two transport-related incidents resulted in the death of two contractors. These incidents are most regrettable, and the Group will continue striving towards a zero-fatality target.

Our safety and health performance is expressed as the Recordable Case Rate (RCR). The RCR measures the number of incidents per 200 000 hours worked. Notwithstanding the three tragic fatalities, the Group achieved its best-ever safety and health performance during the year under review with an RCR of 0.7. It is pleasing to note that there were no occupational illnesses recorded and, for the first time in recent history, the RCR was below the targeted rate of 1.0.

As reported previously, Omnia has continued with its concerted efforts to ensure that safety forms an integral part of the overall corporate culture through aspects such as commitment at all levels, continuous improvement, focused training, near-miss incident management and reward programmes amongst others. In general most of the matrices have shown significant improvement, most notably at the Chemicals division where several sites – Wadeville, Kwa-Zulu Natal (two sites) and Zetachem (all three sites), Port Elizabeth and East London - achieved zero recordable case statuses.

The RCR performance over the past few years is depicted in the following graph:

RECORDABLE CASE RATE



"Omnia has continued with its concerted efforts to ensure that safety forms an integral part of the overall corporate culture."

WATER CONSUMPTION

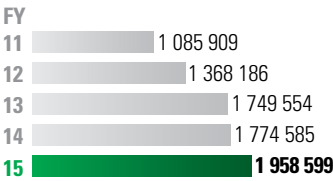
The Group’s water consumption rose by 10% over that of the previous reporting period, an overall increase that can largely be attributed to Agriculture and Chemicals divisions which recorded increases of 10% and 15% respectively. Water consumption at the Mining division remained largely unchanged year-on-year.

At the Agriculture division, the total water use increased due to the higher volume of liquid fertilizer produced. The increase at the Chemicals division was due to several factors:

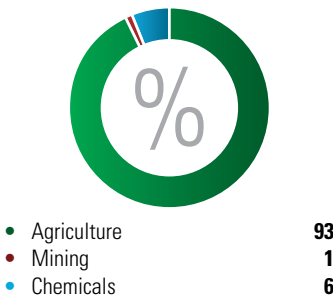
- Changes at the Blackheath plant from 80/20 import-local blend to a 100% local product which required more water for dilution
- Water used for the cold commissioning of the new acid tanks and digester at Blackheath
- An 8% increase in the production of Aluminium Chlorohydrate (ACH) at the Mobeni site in Kwa-Zulu Natal, which gave rise to an approximately 16% increase in water requirements
- Increase in the boiler utilisation

It is also significant to note that while absolute water consumption in the Group may be showing an increasing trend, production efficiencies, which have been on an upward trend linked to increased growth, are demonstrating a more stable but declining trend as depicted below.

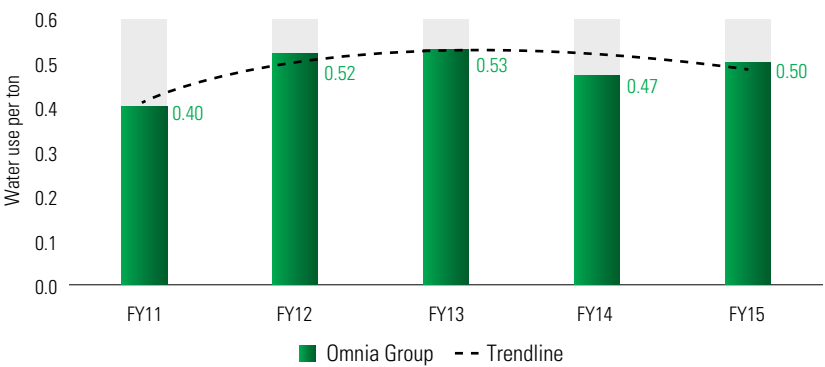
OMNIA GROUP WATER USE (m³)

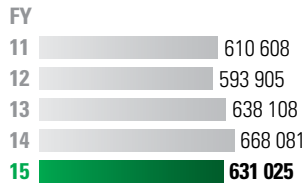
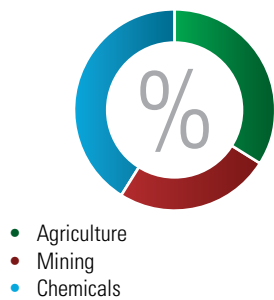


FY15: WATER USE PER DIVISION



WATER USE PER TON MANUFACTURED



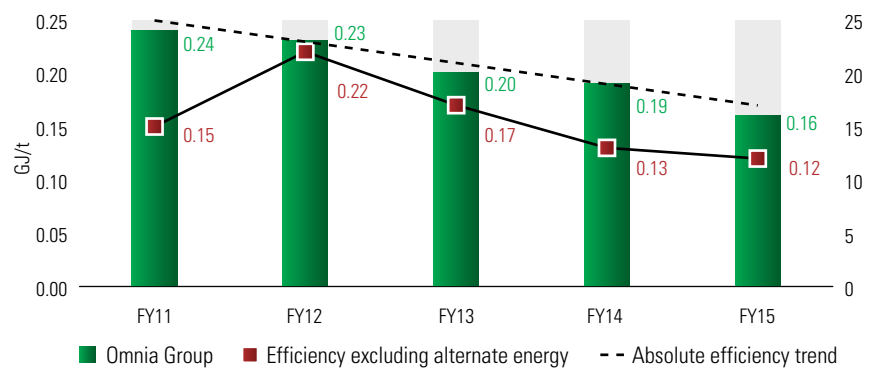
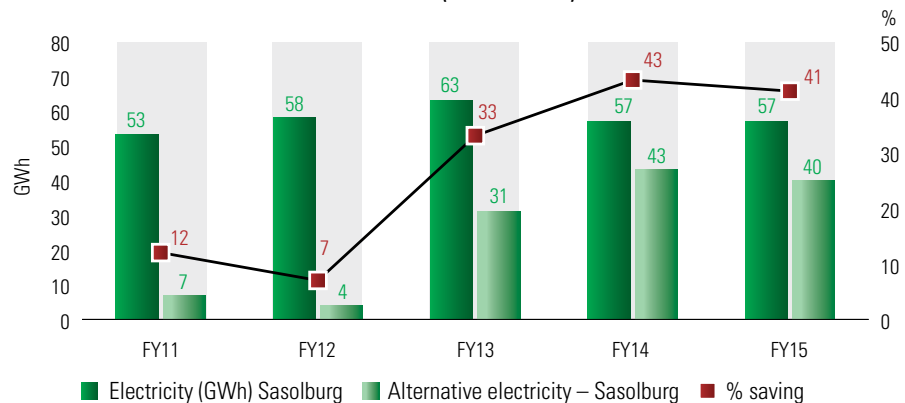
TOTAL ENERGY USE (GJ)**FY15: TOTAL GJ/T PER DIVISION****ENERGY CONSUMPTION**

The Group's absolute energy consumption was 12% lower than that of the previous year due to a number of power saving initiatives as detailed below. This decrease in energy consumption is mirrored in the decreasing consumption per ton of production.

In recent years, the Group has placed great emphasis on the management of energy and the identification and implementation of energy efficiency projects. The progressive reduction in energy consumption can be attributed to several efficiency projects that include:

- Improved efficiency at granulation plant driers
- Replacement of electrical motors with high-efficiency motors
- Use of variable-speed drives on large equipment
- Placement of solar panels in practical locations
- Installation of LED lighting to replace conventional units
- Optimisation of steam management

Alternative energy from the co-generation facility at our nitric acid complex began to operate optimally from 2014 and this has resulted in a reduction in the amount of electricity used at our Sasolburg site by 41 % in the year under review.

ENERGY USE PER TON MANUFACTURED (GJ/T)**OMNIA FERTILIZER: % ELECTRICITY SAVING (SASOLBURG)**

WASTE MANAGEMENT

HAZARDOUS WASTE

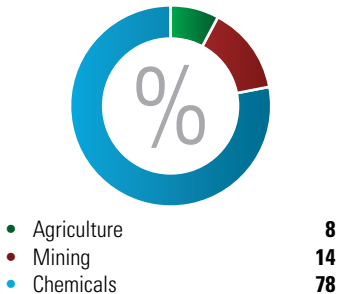
The volume of hazardous waste disposed by the Group increased slightly by 2%. Although a greater volume of waste has been recycled and re-used within the Group, a challenge was experienced at the Protea Chemicals Zetachem plant during the current financial year. Salt generated in the production process was reclassified from non-hazardous to low-hazardous waste which resulted in the increase in the amount of waste classified as hazardous. Investigations to purify the salt are currently underway.

TRANSPORT AND ENVIRONMENTAL INCIDENTS

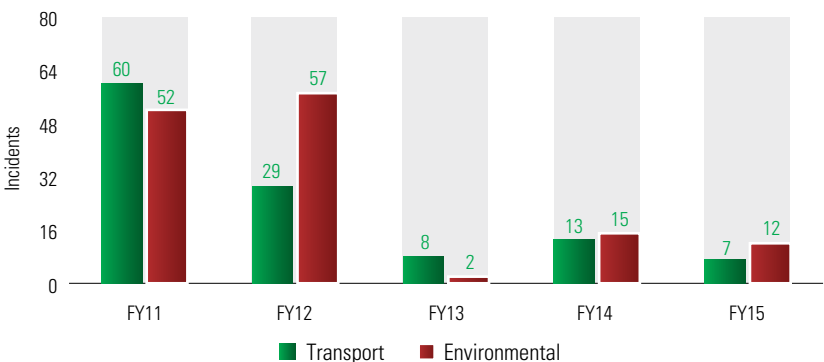
A significant drop in transport-related accidents was observed in the current financial year. With the aim of ensuring further reductions in the number of such incidents, the Group will focus on improved pre-transport communication related to the products themselves, to their risks and to their transport time frames. All third-party contractors will be audited and all loads leaving our sites will be checked thoroughly.

The general trend of environmental incidents also showed a decrease in the number of major or serious environmental incidents (excluding transport incidents) when compared to the previous reporting period. None of these incidents were regarded as being of a significant nature.

FY15: HAZARDOUS WASTE DISPOSAL PER DIVISION



TRANSPORT AND ENVIRONMENTAL INCIDENTS



The Chemicals division has devised an innovative mechanism to manage and reduce the environmental impact of incidents which might occur during the transport of hazardous chemicals. A prototype of a new deck for trucks that carry hazardous material was devised with the assistance of transport specialists. The deck was redesigned with a spill catchment lip around the entire deck, and inclined forward so as to facilitate flow towards a collection point. In the event of a spill the product will drain into fixed containers which can be checked and emptied responsibly after every trip. It is expected that this intervention will reduce the number of transport-related environmental incidents.

“Decrease in transport and environmental incidents.”

COMPLIANCE

- The Agriculture division sites in Rustenburg and Sasolburg have both received their Water Use Licence (WUL) from the Department of Water and Sanitation (DWS). Co-operative discussions with the Department have been initiated to ensure mutual understanding and implementation of appropriate actions
- At relevant sites in the Group, applications to convert Air Quality Certificates that were issued in terms of the Atmospheric Pollution Prevention Act (No.45 of 1965) into Atmospheric Emission Licences (AELs) which are required in terms of the National Environmental Management: Air Quality Act (No.36 of 2004) have been submitted and the converted AELs are currently being awaited

COMPLAINTS, PENALTIES AND FINES

No significant penalties were incurred for non-compliance with environmental laws or regulations and where problems arose they were addressed promptly and to the satisfaction of those affected.

PROCESS SAFETY

While many elements of Process Safety have long been in place at our various operation sites, the Group has embarked on a focused drive to formalise, standardise and improve process safety practices. This initiative is characterised by the following aspects:

- Targeted process safety self-assessment at each of the divisions based on the CAIA Process Safety Management Practice Standard and the Process Safety Audit Protocol
- Analysis of the self-assessments to identify key elements of concern
- Group synthesis of identified elements to ensure that best practice is uniformly applied across the Group and to leverage existing expertise within a division
- Prioritise elements for implementation at each division or site
- Develop a plan to address the key elements identified

Implementation of a formalised safety management system can be a lengthy process and the Group will therefore approach this in a phased manner. The phased approach will be guided by risk-based process safety assessments, prioritised areas of attention and identification and implementation of best practice across the Group.

CLIMATE CHANGE AND SUSTAINABILITY

As a means of enhancing sustainability reporting and performance across the Group, greater emphasis has been placed on the strategic issues that will be needed to achieve the following objectives:

- Understand material sustainability issues
- Improve on a baseline of accurate and complete SHEQ data
- Develop the business case for addressing sustainability through identified cost saving opportunities
- Demonstrate progress towards environmental targets for the Group
- Understand and manage climate change impacts

“No significant penalties were incurred for non-compliance with environmental laws.”

SUSTAINABILITY REVIEW CONTINUED

Omnia believes that while a climate change strategy needs to focus on effective environmental management, the strategy also needs to be economically sound. Emphasis is therefore placed on the following:

- Continued efforts to voluntarily reduce GHG emissions
- Formulating realistic reduction targets based on actual interventions identified and implemented
- Formulating suitable partnerships to achieve reduction targets
- Cooperating with policymakers to ensure an effective and supportive regulatory regime
- Continually engaging with stakeholders to manage risks and identify opportunities

CLIMATE CHANGE POLICY

Omnia has formulated a policy to address climate change which takes into account the developmental and progressive improvement work that has been undertaken and identified for ongoing implementation. The policy has been formulated based on actual parameters and achievable objectives and is directed towards facilitating effective and meaningful reporting. The complete policy is available on the company website.

RESOURCE EFFICIENCY

Omnia has entered into a partnership with the National Business Institute (NBI) to participate in the Private Sector Energy Efficiency (PSEE) project. In collaboration with the NBI, ERM – a sustainability consultancy – was appointed to carry out the necessary assessments. At our request the project applied at Omnia encompassed a total resource efficiency approach as opposed to only energy efficiency. On this basis the resource efficiency assessment was carried out on water use, waste generation and energy use at three Omnia sites – one per division.

During the site visits, the team engaged with key staff members (engineers, managers, SHEQ staff etc.) to understand current priorities and approaches associated with water, waste and energy as well as to review available consumption and disposal data. Site walkthroughs were also conducted to understand the most-important raw materials and commodities used and the types of equipment and processes utilised on site. The team members used their time on site to discuss and document opportunities for reductions and improved efficiencies with site management. Opportunity databases were developed for each site setting out the potential reduction or efficiency opportunities and their associated savings and input costs.

Following the finalisation of the resource efficiency assessments, a strategic road map was drafted, which set out the initial framework for driving resource efficiency. The roadmap includes a high-level plan of action, with actions defined for the short, medium and long terms based on perceived criticality of risks and opportunities and company business strategy.

ENVIRONMENTAL TARGETS

The resource efficiency assessments and strategic road map have culminated in the formulation of realistic achievable targets for each of the three divisions and the Group as a whole over a five-year period. The divisional targets, which are intensity based, have been formulated based on identification of actual projects for implementation. These targets have been rolled up into the following Group-level resource reduction targets for the next five years, using the 2014 numbers at the baseline against which the future measurements will be made:

Focus area	% Reduction target against 2014 baseline				
	2015	2016	2017	2018	2019
Energy	4	5	7	10	15
GHG emissions	4	5	7	10	15
Waste	3	4	6	8	10
Water	3	5	8	10	15

CARBON FOOTPRINT

The Greenhouse Gas (GHG) inventory of Omnia was established in accordance with the principles of the ISO Standard (ISO14064 part 1 “*Specification with guidance at the organisational level for the quantification and reporting of greenhouse gas emissions and removals*”), and the GHG Protocol: *A Corporate Accounting and Reporting Standard*. The application of these principles ensures that Omnia’s GHG inventory is a true and fair representation of the company’s GHG emissions.

The GHG inventory is commonly referred to as a Carbon Footprint and is representative of the total quantity of carbon dioxide (CO₂) and other GHG emissions for which an organisation is responsible. To facilitate reporting and comparisons all GHG emissions are expressed in terms of tons of CO₂ equivalents (CO₂e).

The calculation of Omnia’s GHG inventory was based on the operational control approach, according to which, Omnia recorded emissions from facilities, sites or operations over which it has operational control, that is the authority to introduce and implement its operating policies at the operations. Omnia therefore accounts for all of the emissions from operations over which it has operational control.

All calculations were based on GHG activity data multiplied by an appropriate GHG emission factor. Apart from the Eskom grid emissions factor, most other emission factors were obtained from the International Panel on Climate Change (IPCC), unless factors specific to the operation or material were available. Using standard IPCC emission factors makes for ease of comparison between the different divisions as well as of comparisons with previous years.

To create an accurate inventory of the company’s emissions, the overall emissions were divided into specific categories. The following emissions from the Omnia business operations are included:

Direct GHG emissions (Scope 1):

- Emissions from the combustion of fuels, including diesel, light fuel oil, coal and natural gas
- Process emissions from nitric acid

Indirect GHG emissions (Scope 2):

- Utilisation of grid electricity (the emissions associated with the production, transmission and distribution of electricity from the national grid)
- Utilisation of purchased steam

SUSTAINABILITY REVIEW CONTINUED

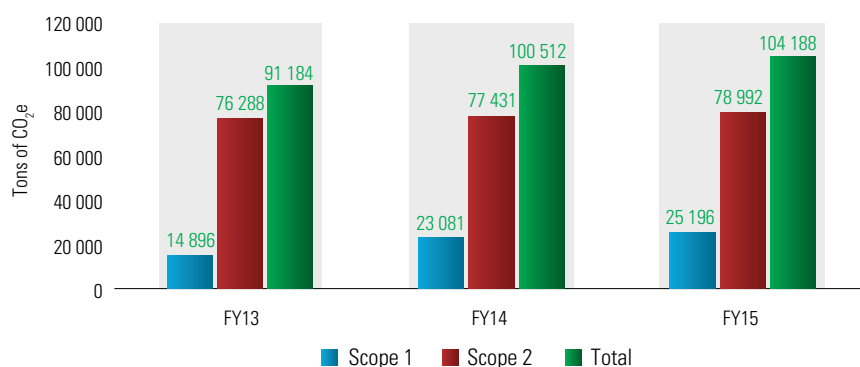
Based on the GHG Protocol requirements all organisations are required to report Scope 1 and Scope 2 emissions since these are within the control of the organisation. The Protocol does not require organisations to report Scope 3 emissions, which fall outside the control of the organisation. Scope 3 emissions include other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the company and outsourced activities. The Group's GHG inventory is therefore comprised solely of Scope 1 and Scope 2 emissions.

Scope	Division	2015	2014	2013	Direction of change*
Scope 1	Agriculture	12 815	13 498	9 413	▼
	Mining	7 049	6 459	2 634	▲
	Chemicals	5 332	3 121	2 849	▲
	Head Office	–	3	68	▼
	Omnia Group	25 196	23 081	14 964	▲
Scope 2	Agriculture	66 840	67 483	70 746	▼
	Mining	2 266	1 867	192	▲
	Chemicals	9 827	8 022	5 282	▲
	Head Office	60	59	68	▲
	Omnia Group	78 992	77 430	76 288	▲
Total Scope 1 & Scope 2		104 188	100 511	91 252	▲

* Comparing FY15 with FY14.

Graphic comparison of Omnia's carbon footprint for the last three financial years:

TOTAL CO₂e



The contributions of the divisions to the Group footprint (Scope 1 and 2) for FY2015 can be summarised as follows:

- Agriculture 76%
- Chemicals 15%
- Mining 9%

The comparison of the GHG inventories for the divisions is explained below:

Agriculture: The decrease in emissions was due to the continuous and improved operation of the EnviNOx® nitrous oxide (N₂O) destruction facility installed at Sasolburg.

Mining: The Mining division experienced a significant increase in its Scope 1 emissions between FY2014 and FY2015. This was largely due to increased travel distances for the company's own fleet.

Chemicals: Direct emissions have increased over the three years. This is primarily as a result of improved reporting in data.

The divisional changes have resulted in an increase of 4% in the Group's total Scope 1 and 2 emissions.

CDM PROJECTS

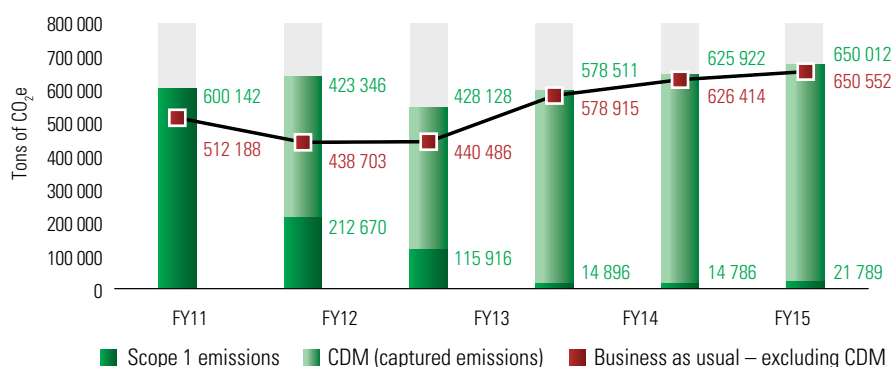
The Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty that sets binding obligations on industrialized signatory countries to reduce emissions of greenhouse gases. The Clean Development Mechanism (CDM) is an arrangement made under the Kyoto Protocol which creates emissions-reduction credits through emissions-reduction projects in developing countries. Certified Emission Reductions (CERs) are a type of emissions unit (or carbon credits) issued by the CDM Executive board for emission reductions achieved by CDM projects. The Kyoto Protocol makes provision for developing countries to register CDM projects and generate CERs.

Omnia has two registered Clean Development Mechanism (CDM) Projects:

- Omnia Fertilizer's Nitrous Oxide (N₂O) Reduction Project – registered on 3 May 2007
- Omnia N₂O Abatement Project II – registered 30 April 2012

The CDM projects were developed as emission reduction activities, from which Omnia subsequently received Certified Emission Reductions (CERs). The graph below shows Omnia's direct emissions as well as the CERs from the CDM projects that Omnia has implemented. Overall, the CERs gained from CDM projects have increased since 2010 (by 53% between 2010 and 2015). In addition, process emissions (N₂O) have declined significantly between 2010 and 2015 (99%).

HISTORY OF DIRECT EMISSIONS (with CERs from CDM projects)



SUSTAINABILITY REVIEW CONTINUED

SUSTAINABLE GROWTH

In a world in which growing demand is being strained by limited resources, significant investment in food production, mining, water and alternative energies will be required as it is clear that current and expected levels of consumption cannot be sustained with existing resources and capacities, particularly as emerging economies are lifting millions of people out of poverty into expanding middle classes that swell the rate of economic consumption.

Against this backdrop, Omnia is well positioned in its markets as a leading provider of high-value and specialised solutions to businesses that mine metals and minerals, grow agricultural products, and operate in the industrial sector. Omnia also has the expertise to provide our customers with support, advice and guidance in terms of safety, health and environmental aspects to ensure implementation of best practice in the use of our products.

FOOD SECURITY

Food security is increasingly at risk as the land available for agricultural production in traditional agricultural areas is shrinking due to urbanisation and mining, as water becomes scarcer and as changing global weather patterns disrupt agricultural production. These challenges are compelling food producers to produce higher yields from existing resources. Omnia's Agriculture division is at the forefront of efforts to improve food security and crop yields with its unique Nutriology® offering which is gaining increased recognition throughout southern Africa, Australasia and Brazil.

RECYCLING AND RE-USE

The Mining division has been a pioneer in the introduction of recycled oil in explosives products since the early 1980s and is committed to contributing to an environmentally secure future, especially when it comes to used oil. Used oil, largely from internal combustion engines, is predominantly sourced from mining, automotive workshops as well as from the agricultural and manufacturing sectors. This is used as a feedstock for explosives and by using old oil, BME converts a potential contaminant into an essential product.

BME ensures that the quality of its bulk explosives meets the highest standards. The used oil is subjected to rigorous testing before being used in the manufacturing process and is processed following the guidelines of the National Oil Recycling Association of South Africa (NORA-SA) and the ROSE (Recycling Oil Saves the Environment) Foundation.

BME is a founding member of NORA-SA and is an approved collector and processor. A representative of BME is the Chairman of the NORA-SA Mpumalanga branch and is a Director of the NORA-SA Exco. Members of NORA-SA are required to conduct themselves and their businesses in accordance with the NORA-SA Code of Conduct and in a manner that will further the objectives of the Association by acting ethically, in an environmentally acceptable and responsible manner and in such a way not to bring the Association into disrepute.

GREEN CHEMISTRY

Protea Chemicals has aligned itself with a global leader to provide materials for bio-based chemicals and packaging.

ECOGYPSUM™

Protea Chemicals is also currently operating the R35-million environment-friendly gypsum plant, EcoGypsum™. The plant's location at Phokeng, just outside Rustenburg, places it in vital proximity to much of South Africa's cement-manufacturing capacity.

In line with the Group's commitment to the environment and sustainable development, the plant will process an existing stock of by-products of the phosphoric acid plant, resulting in the rehabilitation of the surrounding area once the stockpile is exhausted.

The plant treats the gypsum, making it useable by customers manufacturing cement and cement board. Gypsum is a crucial ingredient in the manufacture of cement, as it acts as a retarder, delaying the time needed for cement to set.

PUBLIC POLICY AND STAKEHOLDER DIALOGUE

As part of our commitment to informing the development of effective public policy, Omnia continuously engages in various government-led policy initiatives. Omnia is represented on the board of CAIA and, as an active member of CAIA and its various committees, engages regularly with relevant regulatory authorities to help with the formulation of sound policies and strategies. Typically the engagements relates to the development and discussion of policies in the safety, health and environmental areas and, more recently, in those of waste management, climate change and carbon tax.

Regular engagement also takes place with the regulatory authorities at national, provincial or local levels in order to deal with operation specific matters.

The Group participates in the following environmental forums:

- **Industry Forums**

- CAIA and Responsible Care® Workshops
- Sasolburg Intercompany Response Meeting
- North West Air Pollution Control Forum (NAPCOF)
- Institute of Safety Management

- **Environmental Participation**

- Vaal Triangle Priority Area Air meeting
- Vaal Triangle Priority Area Air Technical Task Team
- Leeu-Taaibosch Forum and Technical Task Team
- Highveld Priority Area Air Quality Officer Forum and Multi-stakeholder Reference Group

- **Community Forums**

- Sasolburg Community Working Group
- Local Security Forum

CONCLUSION

For the financial year 2016, progress will be tracked closely against the defined resource efficiency actions and targets so as to monitor the effectiveness of the Group's strategy. A resource efficiency guideline will be developed to assist in embedding the process of efficiency within operations and in June 2015 Omnia will, for the first time, be responding publicly to the Carbon Disclosure Project (CDP). Continual improvements in sustainability reporting is also expected through the implementation of the SHE Reporting Guideline.

Omnia remains committed to the safe, responsible and sustainable operation of its production, warehousing and distribution facilities and services. Several projects to continually improve its safety, health, and environmental performance and the quality of products and services were commissioned during the period under review. These projects aim to improve the Group's environmental infrastructure, management systems and to reinforce a corporate culture of conducting tasks in environmentally responsible and safe manner.

"Omnia remains committed to the safe, responsible and sustainable operation of its production, warehousing and distribution facilities and services."



SECTION 5

OUR PERFORMANCE

The responsible, effective management of our financial capital allows us to ensure business sustainability, while providing results our shareholders and stakeholders can trust.

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5 OUR PERFORMANCE

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The preparation of these annual financial statements was supervised by the Group finance director WG Koonin CA(SA). These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Omnia Holdings Limited and its subsidiaries (the Group). The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

The directors consider that having applied IFRS in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable prudent judgements and estimates, and that all IFRS that they consider to be applicable have been followed. The financial statements fairly present the results of operations for the year and the financial position of the Group and the company at year-end in accordance with IFRS. The directors also prepared the financial information included in the integrated annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors are responsible for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position and results of the Group to enable the directors to ensure that the financial statements comply with the relevant legislation.

Omnia operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the

functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be considered going concerns in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the company and the Group.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board and committees of the board. The independent auditors were invited to and participated in the audit committee meetings. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The directors' report and the financial statements were approved by the board on 18 June 2015 and are signed on its behalf by:



NJ Crosse
Chairman

18 June 2015



RB Humphris
Group managing
director



WG Koonin
Group finance
director

CERTIFICATE BY THE COMPANY SECRETARY

To the best of my knowledge as company secretary, I hereby confirm, in terms of section 33 of the Companies Act, 2008, that for the financial year ended 31 March 2015, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that such returns are true, correct and up to date.



CD Appollis

Group company secretary
18 June 2015

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2015

The audit committee has pleasure in submitting this report, as required by sections 94(7) (f) of the Companies Act, 2008.

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit committee charter.

The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Companies Act as follows:

- Reviewed the interim and year-end financial statements, culminating in a recommendation to the board to adopt them. In the course of its review the committee:
 - takes appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act
 - considers and, when appropriate, makes recommendations on internal financial controls
 - deals with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls
 - reviews legal matters that could have a significant impact on the organisation's financial statements
- Reviewed the external audit reports on the annual financial statements
- Approved the internal audit charter and audit plan
- Reviewed the internal audit reports, and, where relevant, recommendations are made to the board
- Evaluated the assurance of the effectiveness of risk management controls and the governance processes provided by the social, ethics and risk committee
- Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2015 and noted the appointment of Mr Eric Mackeown as the designated auditor
- Approved the audit fees and engagement terms of the external auditors
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors

MEMBERS OF THE AUDIT COMMITTEE

The audit committee consists of Ms HH Hickey, Mr FD Butler and Ms D Naidoo who were appointed by shareholders at the annual general meeting in 2014. The committee meets at least four times per annum in accordance with the audit committee charter. All members act independently as described in section 94 of the Companies Act.

ATTENDANCE

The internal and external auditors, in their capacity as auditors to the Group, attended and reported at all meetings of the audit committee. The social, ethics and risk committee was also represented. Executive directors and relevant senior managers attended meetings by invitation. A table detailing attendance at meetings is included on page 80.

CONFIDENTIAL MEETINGS

The audit committee charter provides for confidential meetings between the committee members and the external auditors.

INTERNAL AUDIT

The audit committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control. The committee has reviewed the Company's system of internal financial controls and various corrective measures taken to improve it throughout the year under review and was satisfied that it is adequate. It is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties. Furthermore, the audit committee oversees cooperation between the internal and external auditors, and serves as a link between the board and these functions.

COMBINED ASSURANCE

King III requires the audit committee to ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities and moreover that the combined assurance received is appropriate to address all the significant risks facing the company. The social, ethics and risk committee has provided the audit committee with its assurance of the effectiveness of risk management controls in the Group and the committee has evaluated such assurance and is satisfied that a combined assurance model is applied and that it is appropriate for the Group.

INDEPENDENCE OF EXTERNAL AUDITORS

During the year under review the audit committee reviewed a representation by the external auditors and after conducting its own review, confirmed the independence of the auditors.

EXPERTISE AND EXPERIENCE OF THE GROUP FINANCE DIRECTOR

As required by paragraph 3.84(h) of the JSE Listings Requirements the audit committee has reviewed and has satisfied itself that the Group finance director has the appropriate expertise and experience.



HH Hickey

Audit committee chairperson
18 June 2015

DIRECTORS' REPORT

The directors are pleased to present this report for the year ended 31 March 2015.

NATURE OF BUSINESS

The Group, through its subsidiaries, is a specialist chemical services company providing customised chemical solutions in the agriculture, mining and chemicals markets. The subsidiaries of the Group are involved in the manufacture, distribution and trade of mining explosives and accessories, fertilizers and speciality fertilizers and chemicals.

FINANCIAL RESULTS

The financial results of the company and the Group are comprehensively dealt with in the finance director's report section of this integrated annual report and no further comment is deemed necessary.

DIVIDENDS

The board is pleased to announce that it has declared a final dividend of 300 cents to shareholders. This final dividend brings the dividend for the full year ended 31 March 2015 to 490 cents (after inclusion of the interim dividend of 190 cents per share).

STATED CAPITAL

Stated capital increased to R1 500 million. The authorised share capital has remained unchanged at 75 million ordinary shares of no par value. The total number of issued shares on 31 March 2015, net of treasury shares, stood at 67 471 010 shares (2014: 66 677 592), an increase of 793 418 shares.

PROPERTY, PLANT AND EQUIPMENT

The Group's world-class state-of-the-art fertilizer and explosives process plants have again performed well.

Capital expenditure on tangible assets amounted to R574 million (2014: R838 million) comprising maintenance expenditure and ordinary replacement capital, as well as expansion capital expenditure mainly in respect of plant, equipment and vehicles. Capital expenditure on intangible assets amounted to R13 million (2014: R17 million).

DIRECTORS AND COMPANY SECRETARY

Details regarding the directors and secretary in office at the date of this report appear on pages 69 – 73 of the integrated annual report.

MANAGEMENT BY THIRD PARTIES

None of the businesses of the company or its subsidiaries had, during the financial year, been managed by a third party or a company in which a director has an interest.

DIRECTORS' INTEREST IN CONTRACTS

No material contracts in which the directors have an interest were entered into during the current year.

DIRECTORS' REMUNERATION

Details of directors' remuneration are set out in note 27 to the financial statements.

SHAREHOLDER SPREAD

A summary of shareholder spread as at 31 March 2015 has been included in Annexure B.

MAJOR SHAREHOLDERS

According to the information received by the directors, the following are the only shareholders holding, directly or indirectly, in excess of 5% of the share capital as at 31 March 2015.

Shareholder	Number of shares	%
Government Employees Pension Fund	10 656 401	15.6
Foord Asset Managers	7 309 970	10.7
Coronation Fund Managers	6 574 483	9.6
Prudential Investment Managers	5 141 909	7.5
OMIGSA	3 516 613	5.1
Total	33 199 376	48.6

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Details of the company's principal subsidiaries, joint ventures and associates are set out in Annexure A of the financial statements. The attributable interest of the holding company in the income earned and losses incurred after taxation by its subsidiaries, is set out in note 10 to the financial statements.

DIRECTORS' REPORT CONTINUED

GOING CONCERN

The directors endorse and are of the opinion that the Group has sufficient resources to maintain the business for the future. Consequently, the going concern basis for preparing the financial statements is adopted. The board's statement in this regard appears in the statement of responsibility of directors for the annual financial statements.

The board minutes the facts and assumptions used in the assessment of the going concern status of the Group at financial year end. At the interim reporting stage, the directors

consider their assessment at the previous year end of the Group's ability to continue as a going concern and determine whether any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the interim reporting stage has been affected.

AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act.

DIRECTORS' SHAREHOLDING

as at 31 March 2015

Director	Total	Direct beneficial	Indirect beneficial	Indirect non-beneficial
as at 31 March 2015				
FD Butler	6 500	6 500	–	–
NJ Crosse	573 558	–	570 000	3 558
NKH Fitz-Gibbon	139 698	97 298	42 400	–
RB Humphris	1 047 133	994 942	44 575	7 616
Dr WT Marais	3 288 030	727 496	79 989	2 480 545
Total	5 054 919	1 823 236	736 964	2 491 719
HP Marais*	1 607 142	840 541	79 989	686 612
as at 31 March 2014				
FD Butler	6 500	6 500	–	–
NJ Crosse	573 558	–	570 000	3 558
NKH Fitz-Gibbon	42 400	–	42 400	–
RB Humphris	862 687	780 896	74 575	7 216
Dr WT Marais	3 504 737	745 914	96 167	2 662 656
Total	4 989 882	1 533 310	783 142	2 673 430
HP Marais*	1 639 271	838 074	96 167	705 030

*alternate to Dr WT Marais

There has been no change in directors' shareholdings between the 31 March 2015 and the date of approval of the annual financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF OMNIA HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Omnia Holdings Limited set out on pages 170 – 217, which comprise the balance sheets as at 31 March 2015, and the income statements, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material aspects, the consolidated and separate financial position of Omnia Holdings Limited as at 31 March 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



PricewaterhouseCoopers Inc.

Director: Eric Mackeown

Registered Auditor

Johannesburg

18 June 2015

GROUP BALANCE SHEET

at 31 March 2015

	Notes	2015 Rm	2014 Rm
ASSETS			
Non-current assets		4 473	4 270
Property, plant and equipment	2	3 927	3 672
Intangible assets	3	519	537
Available-for-sale financial assets	4	–	34
Investments accounted for using the equity method	5	20	17
Deferred income tax assets	11	7	10
Current assets		7 431	6 302
Inventories	6	3 886	3 213
Trade and other receivables	7	3 118	2 751
Income tax assets		27	–
Cash and cash equivalents	25	400	338
Total assets		11 904	10 572
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to the owners of Omnia Holdings Limited		6 653	5 918
Stated capital	8	1 500	1 289
Treasury shares	8	(70)	(6)
Other reserves	9	1 028	655
Retained earnings	10	4 195	3 980
Non-controlling interests		(11)	(6)
Total equity		6 642	5 912
LIABILITIES			
Non-current liabilities		605	462
Deferred income tax liabilities	11	502	342
Trade and other payables	13	37	–
Debt	12	66	120
Current liabilities		4 657	4 198
Trade and other payables	13	3 503	3 577
Debt	12	55	84
Income tax liabilities		–	68
Bank overdrafts	25	1 099	469
Total liabilities		5 262	4 660
Total equity and liabilities		11 904	10 572

GROUP INCOME STATEMENT

for the year ended 31 March 2015

	Notes	2015 Rm	2014 Rm
Revenue	14	16 835	16 259
Cost of sales		(12 898)	(12 647)
Gross profit		3 937	3 612
Distribution expenses		(1 524)	(1 324)
Administrative expenses		(907)	(908)
Other operating expenses	15	(90)	(79)
Other operating income	15	60	115
Operating profit	16	1 476	1 416
Finance expenses	17	(192)	(143)
Finance income		47	56
Profit before income tax		1 331	1 329
Income tax expense	18	(397)	(337)
Profit for the year		934	992
Attributable to:			
Owners of Omnia Holdings Limited		939	996
Non-controlling interests		(5)	(4)
		934	992
Earnings per share from profit attributable to equity holders of Omnia Holdings Limited during the year			
Basic earnings per share (cents)	19	1 402	1 496
Diluted earnings per share (cents)	19	1 308	1 344

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

	Notes	2015 Rm	2014 Rm
PROFIT FOR THE YEAR		934	992
Other comprehensive income, net of tax			
Currency translation differences	9	367	255
Total comprehensive income for the year		1 301	1 247
Attributable to:			
Owners of Omnia Holdings Limited		1 306	1 251
Non-controlling interests		(5)	(4)
Total comprehensive income for the year		1 301	1 247

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Attributable to the owners of Omnia Holdings Limited				Non- controlling interest Rm	Total Rm
	Stated capital Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm		
At 31 March 2013	1 289	(9)	389	3 285	(2)	4 952
Recognised income and expense for the year						
Profit for the year ended 31 March 2014	–	–	–	996	(4)	992
Currency translation difference	–	–	255	–	–	255
Transactions with shareholders						
Ordinary dividends paid	–	–	–	(301)	–	(301)
Treasury shares sold	–	3	–	–	–	3
Share-based payment – value of services provided	–	–	11	–	–	11
At 31 March 2014	1 289	(6)	655	3 980	(6)	5 912
Recognised income and expense for the year						
Profit for the year ended 31 March 2015	–	–	–	939	(5)	934
Currency translation difference	–	–	367	–	–	367
Change in functional currency of subsidiary	–	–	11	(12)	–	(1)
Transactions with shareholders						
Ordinary shares issued	211	–	(37)	(405)	–	(231)
Ordinary dividends paid	–	–	–	(322)	–	(322)
Treasury shares purchased	–	(66)	–	15	–	(51)
Treasury shares sold	–	2	18	–	–	20
Share-based payment – value of services provided	–	–	14	–	–	14
At 31 March 2015	1 500	(70)	1 028	4 195	(11)	6 642

GROUP CASH FLOW STATEMENT

for the year ended 31 March 2015

	Notes	2015 Rm	2014 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities		466	1 315
Cash generated from operations	22	968	1 717
Interest paid	17	(208)	(169)
Interest received		47	56
Income taxes paid	23	(341)	(289)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash outflow from investing activities		(578)	(791)
Property, plant and equipment additions			
Replacement		(109)	(216)
Expansion		(465)	(622)
Proceeds on disposal of property, plant and equipment		9	10
Purchase of intangible assets		(13)	(17)
Available-for-sale financial assets		–	(21)
Investment in associate		–	75
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash outflow from financing activities		(466)	(337)
Treasury shares		(61)	3
Repayment of debt		(83)	(130)
Debt raised		–	91
Dividends paid to company's shareholders	24	(322)	(301)
Net (decrease)/increase in cash and cash equivalents		(578)	187
Net cash and cash equivalents at beginning of year		(131)	(321)
Exchange rate movement on cash and cash equivalents		10	3
Net cash and cash equivalents at end of year	25	(699)	(131)

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 March 2015

1 GENERAL INFORMATION

Omnia Holdings Limited (the company) and its subsidiaries (together the Group) offer a broad spectrum of products and services to the mining industry, produce and distribute granular, liquid and speciality fertilizers and distribute speciality, functional and effect chemicals and polymers. The Group has operations throughout South Africa and Africa, as well as in Australasia and Brazil.

The company has its primary and only listing on the JSE Limited.

ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

All policies stated in the consolidated financial statements relate to the Group and the companies within the Group. The consolidated financial statements for the year ended 31 March 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), effective at the time of preparing these financial statements, and in compliance with the JSE Listings Requirements and the Companies Act.

The consolidated financial statements have been prepared under the historical-cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

Assets and liabilities are classified as either current or non-current on the balance sheet. Assets are classified as current when they are expected to be realised within 12 months after the balance sheet date or held primarily for the purpose of being traded. All other assets are classified as non-current. Liabilities for which the Group has an unconditional right to defer settlement for at least 12 months from the balance sheet date are classified as non-current.

The income statement is presented by function with additional disclosure regarding the nature of expenses such as depreciation, amortisation and employee benefits provided in the notes.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's

best knowledge of current events and actions. Actual results may differ from these estimates. Areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the Group's consolidated financial statements are disclosed in critical accounting estimates and judgements.

ADOPTION OF NEW AND REVISED STANDARDS

Standards, amendments and interpretations effective in 2015.

The following IFRS or IFRIC interpretations are effective for the first time for the financial year beginning on or after 1 April 2014 and have not had a material impact on the Group.

Amendments

- Amendment to IFRS 10 *Consolidated financial statements*
- Amendment to IAS 32 *Financial instruments: Presentation*
- Amendment to IAS 36 *Impairment of assets*
- Amendment to IAS 39 *Financial Instruments*

Interpretations

- IFRIC 21 *Leases*

The following new standards, amendments and interpretations were issued, but are not yet effective for the financial year beginning 1 April 2014 and were not adopted. These new standards, amendments and interpretations are not expected to have a material impact on the Group.

Amendments

- Amendments to IFRS 9 *Financial Instruments*
- Amendments to IFRS 10 *Consolidated financial statements*
- Amendment to IFRS 11 *Joint arrangements*
- Amendments to IAS 1 *Presentation of financial statements*
- Amendment to IAS 16 *Property, plant and equipment*
- Amendments to IAS 19 *Employee benefits*
- Amendments to IAS 27 *Separate financial statements*

Standards

- IFRS 15 *Revenue from contracts with customers*

SIGNIFICANT ACCOUNTING POLICIES

1.2 PROPERTY, PLANT AND EQUIPMENT

Plant and machinery are comprised mainly of factories and land and buildings are comprised mostly of offices. The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes all costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include transfers from equity of any gains/losses on

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the assets for their intended use. Other borrowing costs are expensed.

Freehold land is not depreciated. All other classes of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation is calculated to write off the cost of property, plant and equipment, including assets under finance leases to their residual value, over their estimated useful lives on a straight-line basis. Improvements to leasehold property are depreciated over the lesser of 50 years or the period of the lease.

Expected useful lives are as follows:

Buildings and leasehold improvements	5 – 50 years
Plant and machinery	3 – 60 years
Furniture, equipment and vehicles	3 – 15 years

Annually, at the balance sheet date, an estimate is made of the remaining useful lives and residual values of property, plant and equipment. Adjustments are made prospectively to the depreciation charge to reflect any change in the useful life or residual value.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

1.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-

financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised under administrative expenses in the income statement.

1.4 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of products

- The Agriculture division produces and trades in granular, liquid and speciality fertilizers for a broad customer base of farmers, cooperatives and wholesalers throughout southern and East Africa, Australasia and Brazil
- Omnia Specialities supplies a comprehensive range of water-soluble and foliar products, trace elements and organic soil conditioners to the southern African market and through offices in Australia, New Zealand and Brazil and exports products to Europe, Asia and South America
- BME produces and sells electronic delay detonators and shocktube initiating systems and bulk emulsion and blended bulk explosives formulation for opencast mining, has its own range of boosters, and manufactures and sells packaged explosives for underground mining and specialised surface blasting operations
- The Chemicals division's main business, Protea Chemicals, manufactures and distributes speciality, functional and effect chemicals and polymers throughout southern and East Africa.

Revenue from the sale of products is recognised when all of the following conditions have been satisfied:

- The Group has transferred to the customer the significant risks and rewards of ownership of the goods
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transactions will flow to the Group
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of services

- BME earns revenue through the sale of services by adding value to its products through its world-class blasting consultancy service, through which industry experts and experienced mining engineers and geologists advise and support customer operations, particularly in using its unique and proprietary BlastMap™ software solutions combined with the accuracy of the AXXIS® Digital Initiation System.
- Protea Mining Chemicals provides a suite of value-added services to complement a wide range of chemicals that it distributes to the mining industry in Africa mainly for the processing of ore. These include Protea Process®, a comprehensive service that covers the design of equipment, logistics and on-site management and make-up of chemicals.

Revenue from the provision of services is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided, when the following conditions have been satisfied:

- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transactions will flow to the Group
- The stage of completion of the transaction at the balance sheet date can be measured reliably
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Other revenue earned by the Group is recognised on the following basis:

- Dividend income: when the Group's right to receive payment is established
- Interest income: based on the effective interest rate method.

1.5 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

OTHER ACCOUNTING POLICIES

1.6 BASIS OF CONSOLIDATION

Group financial statements include those of Omnia Holdings Limited and its subsidiaries, joint arrangements and associates.

SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable

returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the entity acquired either at fair value or at the non-controlling interest's proportionate share of the entity acquired net assets.

Investments in subsidiaries are accounted for at cost less impairment in the company's separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the aggregate of the amount of any non-controlling interest in the entity acquired and the acquisition-date fair value of any previous equity interest in the entity acquired over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement. Refer to note 1.7 for the accounting treatment of goodwill.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interest as transactions with equity owners of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss, if such amounts are required to be reclassified on disposal.

JOINT ARRANGEMENTS

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined there are joint ventures and joint operations. Joint ventures are accounted for using the equity method and joint operations are proportionally consolidated.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

ASSOCIATES

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition other comprehensive income is recognised via other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless

the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

1.7 INTANGIBLE ASSETS

GOODWILL

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the entity acquired and the acquisition-date fair value of any previous equity interest in the entity acquired over the fair value of the Group's share of the identifiable net assets. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates and is tested for impairment as part of the overall balance. Goodwill is tested annually on 30 September for impairment and whenever events or circumstances indicate that the carrying value may not be recoverable. It is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

OTHER INTANGIBLE ASSETS

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Separately acquired intangible assets are initially recognised at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Thereafter they are amortised using the straight-line method over the asset's estimated useful life. Annually, the estimated remaining useful life is reviewed. Intangible assets are not re-valued.

The estimated useful lives of intangible assets are as follows:

Trademark, trade secrets and patents	5 – 20 years
Distribution contracts	10 years
Software	5 – 10 years

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when all of the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development for use or sale are available
- The expenditure attributable to the software product during its development can be reliably measured.

Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Other development expenditure that does not meet the criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their useful lives of three to five years.

RESEARCH AND DEVELOPMENT

Research expenditure is recognised as an expense when incurred.

1.8 FINANCIAL ASSETS

CLASSIFICATION

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets on initial recognition.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents on the balance sheet.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the right to receive cash flows from the investments has expired or has been transferred and the Group has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Available-for-sale assets are measured at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss category are presented in the income statement within other operating expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payment is established.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity.

The fair values of quoted instruments are based on the current bid prices. At 31 March 2015, the Group had no investments in quoted instruments.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

OFFSETTING

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

IMPAIRMENT

ASSETS CARRIED AT AMORTISED COST

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor
- A breach of contract, such as a default or delinquency in interest or principal payments
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that a lender would not otherwise consider
- The disappearance of an active market for that financial asset because of financial difficulties.

The Group first assesses whether objective evidence of impairment exists.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or

a group of financial assets is impaired. For debt securities, the Group uses the criteria as above. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period, the fair value of a debt instrument classified as available-for-sale increased and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

1.9 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

CURRENT INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Current income tax for current and prior periods is, to the extent to which it is unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

DEFERRED INCOME TAX

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates and tax laws that have been enacted or substantively

enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future. Provision for taxes, mainly withholding taxes which could arise on the remittance of retained earnings, principally in relation to subsidiaries, is only made when there is a current intention to remit such earnings.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

DIVIDENDS TAX

Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the relevant tax authority is included in trade and other payables in the balance sheet.

1.10 INVENTORIES

Inventory is stated at the lower of cost or net realisable value. Dependent on the nature of the inventory, cost is determined on a first-in, first-out (FIFO) basis or weighted average cost and includes transport and handling costs but excludes borrowing costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of production activity. Net realisable value is the estimate of the selling price in the ordinary course of business, less cost of completion and selling costs.

1.11 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is made when there is

objective evidence that the Group will not collect the amount as per the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a trade receivable has been impaired. The provision is the difference between the asset's carrying value and the present value of expected future cash flows, discounted at the effective original interest rate. The carrying amount of an asset is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement, within administrative expenses. When the trade receivable is uncollectable, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against administrative expense in the income statement.

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposit on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.13 STATED CAPITAL

Ordinary shares are classified as equity.

Where the company, its share incentive scheme or its subsidiaries purchase the company's equity share capital, the consideration paid, including any attributable transaction costs are treated as treasury shares until the shares are cancelled or re-issued. The consideration paid is deducted from equity attributable to the company's equity holders until the shares are cancelled or re-issued. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity attributable to the company's equity holders.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.14 EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

The Group operates defined contribution plans, the assets of which are generally held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group companies, taking account of advice from independent qualified actuaries.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

The Group's contributions to defined contribution plans are charged to the income statement and are included in staff costs in the period to which the contributions relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed either to terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

SHORT-TERM EMPLOYEE BENEFITS

ANNUAL LEAVE

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

BONUS PLAN

A liability for employee benefits in the form of bonus plans is recognised in accrued expenses where there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

- There is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements
- Past practice has created a valid expectation by employees that they will receive a bonus and the amount can be determined before the time of issuing the financial statements.

SHARE-BASED COMPENSATION

The Group operates a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted on grant date, excluding the impact of any non-market vesting conditions and non-market performance vesting conditions (for example, profitability and sales growth

targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable costs are credited to stated capital when the options are exercised and new shares are issued.

The Group also operates a share appreciation rights plan, which is cash-settled. For cash-settled share-based payments, a liability is recognised based on the fair value of the amount expected to settle the liability. Subsequent remeasurements at each balance sheet date occurs and any changes in the fair value are then recognised in profit or loss.

1.15 PROVISIONS AND CONTINGENCIES

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to passage of time is recognised in finance expenses.

Contingent assets and liabilities are not recognised.

1.16 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

1.17 DEBT

Debt is recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual provisions. Debt is subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the debt as interest.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Debt is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.18 TRANSLATION OF FOREIGN CURRENCIES

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in SA rand, which is the Group's presentation currency and the company's functional and presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Trading foreign exchange gains or losses are allocated to other operating expenses in the income statement. Foreign exchange gains or losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or expenses. All other foreign exchange gains or losses are presented within operating profit in the income statement.

GROUP COMPANIES

Financial statements of foreign subsidiaries, except those operating in hyperinflationary economies, are translated to the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet
- Income and expenses for each income statement are translated at average exchange rates
- All resulting exchange differences are recognised via other comprehensive income as a separate component of equity in the form of a foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are taken to other comprehensive income. When a foreign entity is partially disposed of or sold and it does not involve loss of control, the Group re-attributes the proportionate share of the foreign currency translation reserve to the non-controlling interests. On a partial or full disposal where the Group loses control, the Group reclassifies the entire foreign currency translation reserve relating to the foreign operation into profit or loss.

Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.19 SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive management who is responsible for making strategic decisions.

1.20 DIVIDENDS

Dividends payable to the company's shareholders are recorded as a liability in the Group's financial statements in the period in which they are approved by the company's directors.

1.21 LEASED ASSETS

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the estimated present value of the minimum lease payment. Each lease payment is allocated between the liability and the finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing borrowings. The interest element of the finance lease is charged to the income statement over the lease period

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

so as to produce a constant periodic rate of interest on the remaining balance of the liability at each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the leased asset and the lease term.

Assets purchased under instalment sale agreements are capitalised and the relevant obligations are recorded as liabilities. Interest incurred in respect of such obligations is brought to account in the period to which it relates.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimation and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ESTIMATED IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. These require the use of estimates. (Refer note 2).

ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. (Refer note 3).

IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

A provision for impairment of trade receivables is made when there is objective evidence that the Group will not collect the amount as per the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a trade receivable has been impaired. The provision is the difference between the asset's carrying value and the present value of future cash flows, discounted at the effective interest rate. This provision requires the use of management judgement. (Refer note 7).

SHARE-BASED PAYMENT

Share-based compensation transactions are subject to significant assumptions and judgements. (Refer note 29). Share-based payments may be settled in cash or equity as determined by the board from time to time. During the year under review, the Nanotron share scheme was settled with the board electing to settle the transaction part cash and part equity. However, the board has determined that, in future, cash settlement will only be permitted in extreme circumstances.

DETERMINATION OF NET REALISABLE VALUE OF INVENTORIES

Net realisable value is the estimate of the selling price of inventories in the ordinary course of business, less the costs of completion and applicable variable selling expenses. Management is required to exercise considerable judgement in the determination of this estimate, specifically relating to the forecasting of demand and gross profit margins. Management is also required to exercise significant judgement in estimating the provision for obsolete inventory. (Refer to note 6).

2 PROPERTY, PLANT AND EQUIPMENT

OWNED ASSETS

At 31 March 2015

	Freehold land and buildings Rm	Plant and machinery Rm	Furniture, equipment and vehicles Rm	Total Rm
Cost	709	4 160	411	5 280
Accumulated depreciation	(106)	(1 025)	(244)	(1 375)
	603	3 135	167	3 905

Year ended 31 March 2015

Opening net book amount	516	2 963	169	3 648
Additions	101	411	62	574
Disposals	(1)	(6)	(5)	(12)
Effect of foreign currency movement	12	–	3	15
Depreciation charge	(25)	(233)	(62)	(320)
Closing net book amount	603	3 135	167	3 905

At 31 March 2014

Cost	600	3 834	368	4 802
Accumulated depreciation	(84)	(871)	(199)	(1 154)
	516	2 963	169	3 648

Year ended 31 March 2014

Opening net book amount	434	2 477	162	3 073
Additions	103	680	55	838
Disposals	(4)	(5)	(3)	(12)
Effect of foreign currency movement	3	2	7	12
Depreciation charge	(20)	(191)	(52)	(263)
Closing net book amount	516	2 963	169	3 648

At 1 April 2013

Cost	497	3 217	316	4 030
Accumulated depreciation	(63)	(740)	(154)	(957)
	434	2 477	162	3 073

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

2 PROPERTY, PLANT AND EQUIPMENT continued

LEASED ASSETS

At 31 March 2015

	Plant and machinery Rm	Furniture, equipment and vehicles Rm	Total Rm
Cost	50	6	56
Accumulated depreciation	(28)	(6)	(34)
	22	–	22

Year ended 31 March 2015

Opening net book amount	24	–	24
Depreciation charge	(2)	–	(2)
Closing net book amount	22	–	22

At 31 March 2014

Cost	50	6	56
Accumulated depreciation	(26)	(6)	(32)
	24	–	24

Year ended 31 March 2014

Opening net book amount	25	1	26
Depreciation charge	(1)	(1)	(2)
Closing net book amount	24	–	24

At 1 April 2013

Cost	50	6	56
Accumulated depreciation	(25)	(6)	(32)
	25	–	24

	Freehold land and buildings Rm	Plant and machinery Rm	Furniture, equipment and vehicles Rm	Total Rm
At 31 March 2015				
Owned assets	603	3 135	167	3 905
Leased assets	–	22	–	22
Net book amount	603	3 157	167	3 927
At 31 March 2014				
Owned assets	516	2 963	169	3 648
Leased assets	–	24	–	24
Net book amount	516	2 987	169	3 672

Depreciation expense of R184 million (2014: R175 million) has been charged to cost of sales, R111 million (2014: R62 million) to distribution expenses and R27 million (2014: R26 million) to administrative expenses.

The value of capital work-in-progress included in property, plant and equipment amounts to R544 million (2014: R459 million).

	2015 Rm	2014 Rm
At 1 April	459	179
Additions	606	815
Freehold land and buildings	6	103
Plant and machinery	566	663
Furniture, equipment and vehicles	34	49
Interest capitalised	16	26
Transfers to	(537)	(561)
Freehold land and buildings	(103)	(105)
Plant and machinery	(399)	(404)
Furniture, equipment and vehicles	(35)	(52)
Closing balance	544	459

During the year, the Group capitalised borrowing costs amounting to R16 million (2014: R26 million) on qualifying assets.

Borrowing costs were capitalised at the weighted average rate of the Group's general borrowings of 7.30% (2014: 6.76%).

The directors are of the opinion that the recoverable amount of each class of property exceeds the carrying value at which it is included in the balance sheet.

Details of freehold land and buildings are contained in registers which are open for inspection by members or their duly authorised agents at the registered office of the company.

	Trademarks, trade secrets and patents				
	Goodwill Rm	patents Rm	Distribution contracts Rm	Software Rm	Total Rm
3 INTANGIBLE ASSETS					
At 31 March 2015					
Cost	333	207	100	135	775
Accumulated amortisation	–	(131)	(72)	(53)	(256)
	333	76	28	82	519
Year ended 31 March 2015					
Opening net book amount	333	86	33	85	537
Additions	–	–	–	13	13
Amortisation charge (refer note 16)	–	(10)	(5)	(16)	(31)
Closing net book amount	333	76	28	82	519
At 31 March 2014					
Cost	333	204	100	157	794
Accumulated amortisation	–	(118)	(67)	(72)	(257)
	333	86	33	85	537
Year ended 31 March 2014					
Opening net book amount	332	95	5	84	516
Additions	–	4	34	13	51
Effect of foreign currency movement	1	–	–	–	1
Amortisation charge (refer note 16)	–	(13)	(6)	(12)	(31)
Closing net book amount	333	86	33	85	537

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

3 INTANGIBLE ASSETS CONTINUED

Other than goodwill, none of the intangible assets included above have an indefinite useful life.

The amortisation expense is included in other operating expenses.

IMPAIRMENT TESTS FOR GOODWILL

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

A segment-level summary of the goodwill allocation is presented below:

CASH-GENERATING UNITS

	2015 Rm	2014 Rm
Mining segment		
Mining cluster	6	6
Chemicals segment		
Protea Chemicals	281	281
Zetachem	43	43
	330	330
Agriculture segment		
Omnia Specialities Australia	3	3
	333	333

Goodwill represents the above cash-generating units' ability to generate future cash flows, which is a direct result of various factors, including the quality of the workforce acquired, possible future synergies and customer and supplier relationships.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated based on the estimated growth rates stated below.

Management believes that any reasonable possible change in the key assumptions on which the above CGUs' carrying amounts are based would not cause the carrying amount of any of the CGUs to exceed their recoverable amount.

KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

	2015 %	2014 %
Annual revenue and other income growth	4 – 9	7 – 21
Gross margin*	11 – 18	10 – 21
Annual increase in expenses	2 – 6	5 – 8
Annual increase in fixed costs	6	6
Discount rate**	9	10

* Budgeted gross margin

** Pre-tax discount rate applied to the cash flow projections

Management determined budgeted gross margin based on past performance and its expectations of the market development. The annual growth rates are determined based on the budget for the forthcoming financial year. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

No impairment charge to goodwill was required based on the above value-in-use calculations.

	2015 Rm	2014 Rm
4 AVAILABLE-FOR-SALE FINANCIAL ASSETS		
At 1 April	34	21
Acquisition of investment	–	21
Forex movement	5	3
Impairment	(39)	(11)
	–	34
Available-for-sale financial assets include the following:		
Unlisted securities	–	22
Loan instrument	–	12
	–	34
During the current year the available-for-sale financial assets were fully impaired.		
5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
The amounts recognised in the balance sheet are as follows:		
Joint ventures	20	17
	20	17
Investment in joint ventures		
At 1 April	17	15
Forex movement	3	2
At 31 March	20	17

NATURE OF INVESTMENT IN JOINT VENTURE

Name of entity	Country of incorporation	% of ownership interest	Measurement method
Acol Chemicals (Pvt) Limited	Zimbabwe	50	Equity

Set out below are the summarised financial information for Acol Chemicals (Pvt) Limited which is accounted for using the equity method.

	2015 Rm	2014 Rm
Summarised balance sheet		
Current		
Cash and cash equivalents	–	1
Other current assets	116	99
Total current assets	116	100
Liabilities	(29)	(21)
Other current liabilities	(49)	(47)
Total current liabilities	(78)	(68)
Non-current		
Assets	2	2
Net assets	40	34

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

	2015 Rm	2014 Rm
5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED		
Summarised income statement		
Revenue	324	302
Depreciation expenses	(1)	(1)
Interest expense	(3)	(2)
Profit from operations	1	1
Income tax expense	(1)	(1)
Profit for the year	–	–
Reconciliation of summarised financial information		
Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture.		
Opening net assets 1 April	34	30
Forex movement	7	4
Closing net assets	40	34
Interest in joint venture @ 50% – carrying value	20	17
6 INVENTORIES		
Raw materials	926	1 008
Finished goods	2 875	2 134
Consumables	85	71
	3 886	3 213
Inventory written-down during the current period	39	3
Included in the inventory balance above are finished goods written down to fair value less costs to sell. The carrying value of these goods is R728 million (2014: R767 million),		
The cost of inventories recognised as an expense and included in cost of sales amounted to R12 644 million (2014: R12 116 million).		
7 TRADE AND OTHER RECEIVABLES		
Trade receivables	2 903	2 483
Less: allowance for impairment of receivables	(154)	(58)
Net trade receivables	2 749	2 425
Receivables from related parties	3	7
Prepayments	97	39
Value added tax	100	78
Forward exchange contract	41	1
Other receivables	128	201
	3 118	2 751

The value of impairment loss recognised during the year is R92 million (2014: R4 million). This impairment loss has been included within administrative expenses in the income statement.

The fair values of trade and other receivables approximate their book values due to their short-term nature. At 31 March 2015, R1 485 million (2014: R1 404 million) of trade receivables was denominated in currencies other than SA rand.

8 STATED CAPITAL

Authorised:

Stated capital

75 000 000 (2014: 75 000 000) ordinary shares of no par value

Issued and fully paid up:

Stated capital

68 293 352 (2014: 67 249 825) ordinary shares of no par value

	2015 Rm	2014 Rm
Authorised:		
Stated capital		
75 000 000 (2014: 75 000 000) ordinary shares of no par value		
Issued and fully paid up:		
Stated capital		
68 293 352 (2014: 67 249 825) ordinary shares of no par value	1 500	1 289

The movement in capital is analysed as follows:

	Number of shares '000	Stated capital Rm	Treasury shares Number of shares '000	Capital value Rm	Net total Rm
Balance at 31 March 2013	67 250	1 289	(707)	(9)	1 280
Treasury shares sold	–	–	135	3	3
Balance at 31 March 2014	67 250	1 289	(572)	(6)	1 283
Ordinary shares issued	1 043	211	–	–	211
Treasury shares purchased	–	–	(360)	(66)	(66)
Treasury shares sold	–	–	110	2	2
Balance at 31 March 2015	68 293	1 500	(822)	(70)	1 430

Refer to note 29 for disclosures in respect of the Omnia Share Incentive Scheme.

9 OTHER RESERVES

	Share-based payment reserve Rm	Foreign currency translation reserve Rm	Other reserves Rm	Total Rm
At 31 March 2013	113	273	3	389
Share-based payment - value of services provided	11	–	–	11
Increase in foreign currency translation reserve	–	255	–	255
At 31 March 2014	124	528	3	655
Share-based payment – value of services provided	14	–	–	14
Share-based payment – ordinary shares issued	(37)	–	–	(37)
Increase in foreign currency translation reserve	–	367	–	367
Change in functional currency of subsidiary	–	11	–	11
Gain on treasury shares sold	–	–	18	18
At 31 March 2015	101	906	21	1 028

The share-based payment reserve is adjusted when the entity revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the income statement, with a corresponding adjustment to this reserve in equity for equity-settled plans. The fair value of share options issued to employees is accounted for in the share-based payment reserve over the vesting period.

The foreign currency translation reserve relates to exchange differences arising from the translation of foreign subsidiaries' and joint ventures' income statements at average rates for the year and their balance sheets at the ruling exchange rates at the balance sheet date. During the current year the entities operating in Zambia changed their functional currency from kwacha to US dollar.

Other reserves consist of non-distributable reserves in respect of the net discount arising in previous years on the acquisition of shares of subsidiaries and gain on treasury shares sold.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

	2015 Rm	2014 Rm
10 RETAINED EARNINGS		
Consolidated retained earnings comprise:		
Company	52	39
Subsidiaries	4 132	3 930
Investments accounted for using the equity method	11	11
	4 195	3 980
11 DEFERRED INCOME TAXES		
Deferred taxation is calculated on all temporary differences under the liability method using a principal tax rate of 28% (2014: 28%).		
Deferred income tax assets	(7)	(10)
Deferred income tax liabilities	502	342
	495	332
Gross movement in the deferred income tax assets account:		
Opening balance at beginning of the year	(10)	(3)
Income statement charge (refer note 18)	3	(7)
Closing balance at end of the year	(7)	(10)
Gross movement in the deferred income tax liabilities account:		
Opening balance at beginning of the year	342	293
Prior year adjustment (refer note 18)	2	(7)
Income statement charge (refer note 18)	158	56
Closing balance at end of the year	502	342
The deferred taxation balance is attributable to the following items:		
Capital allowances	596	490
Provisions and prepayments	(107)	(155)
Taxation losses	6	(3)
	495	332
Portion to be recovered after more than 12 months	602	487
Portion to be recovered within 12 months	(107)	(155)
	495	332
12 DEBT		
Secured	2	3
Unsecured	119	201
	121	204
Portion repayable within one year transferred to current liabilities	(55)	(84)
	66	120
Non-current debt is repayable as follows:		
2016	–	57
2017	43	42
2018	12	11
2019	5	5
2020	5	5
Repayable thereafter	1	–
	66	120

At 31 March 2015, R1 million (2014: R1 million) of debt was denominated in currencies other than SA rand.

DETAILS OF DEBT

		Closing interest rates			
	Years of redemption	2015 %	2014 %	2015 Rm	2014 Rm
Secured					
Mortgage bond	2027	9.0	8.3	1	1
Finance for computer hardware	2017	8.8	8.5	1	2
Unsecured					
Finance for Sakhile 2, tranche 1	2017	9.9	9.0	20	28
Finance for Sakhile 2, tranche 2	2018	9.9	9.0	23	28
Finance for Sakhile 2, tranche 3	2020	9.3	8.4	21	24
Finance for Nanotron		–	8.9	–	30
Finance for chlorine packaging plant	2017	8.0	7.1	54	90
Loan from minority shareholder in Advanced Initiating Systems (Pty) Limited		–	–	1	1
				121	204
Portion repayable within one year				(55)	(84)
				66	120

Long-term debt bears interest at rates linked either to the prime overdraft rate or to the three-month Johannesburg Interbank Agreed Rate (JIBAR).

Average monthly payments amounted to R7 million (2014: R11 million).

In terms of the memorandum of incorporation of the company, the company's borrowings may not exceed the aggregate from time to time of 250% of the issued and paid-up capital together with the aggregate of all reserves and share premium accounts.

The fair value of debt equals the carrying amount, as the impact of discounting is not significant.

	2015 Rm	2014 Rm
13 TRADE AND OTHER PAYABLES		
Trade payables	2 044	1 882
Advances from customers	377	550
Accrued expenses	998	864
Forward exchange contracts	25	32
Value added tax	22	11
Long-term incentive plan liabilities (refer note 29)	56	230
Other payables	18	8
	3 540	3 577
Less: Non-current portion of long-term incentive plan liabilities	37	–
	3 503	3 577
14 REVENUE		
Sales of goods	16 507	16 031
Rendering of services	328	228
	16 835	16 259

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

	2015 Rm	2014 Rm
15 OTHER OPERATING INCOME		
Insurance claim	1	12
Profit on disposal of associate	–	52
Other	59	51
	60	115
Other operating expenses		
Amortisation of intangibles	31	31
Forex losses	59	48
	90	79
16 OPERATING PROFIT		
Operating profit is stated after charging/(crediting):		
Remuneration other than to employees for	3	5
– Managerial services	2	4
– Technical services	1	1
Auditors' remuneration	15	16
– Fees for audit	15	16
– Other services	–	–
Depreciation (refer note 2)	322	264
Buildings and improvements to leasehold properties	25	20
Plant and machinery		
– Owned	233	191
– Leased	2	1
Furniture, vehicles and equipment		
– Owned	62	52
Loss on disposal of property, plant and equipment	3	2
Impairment of available-for-sale financial assets	39	11
Amortisation of intangible assets (refer note 3)	31	31
Rentals under operating leases	106	95
– Land and buildings	89	89
– Plant and machinery	5	4
– Furniture, equipment and vehicles	12	2
Research and development expenditure	7	4
Staff costs	1 435	1 439
– Wages and salaries including cash incentives	1 364	1 195
– Social security costs	5	2
– Equity settled share-based payment expense	14	11
– Cash-settled LTIP expense	6	127
– Cash-settled share appreciation rights expense	(1)	62
– Provident fund costs – defined contribution plans	47	42
Staff costs have been charged to:	1 435	1 439
– Administrative expenses	483	586
– Distribution expenses	682	606
– Cost of sales	270	247
Changes in inventories of finished goods and work in progress	741	369
Raw materials and consumables used	11 903	11 747
Inventory written down during the year	39	3

	2015 Rm	2014 Rm
17 FINANCE EXPENSES		
Interest paid		
Short-term debt	193	149
Long-term debt	15	20
	208	169
Interest capitalised	(16)	(26)
	192	143
18 INCOME TAX EXPENSE		
South African normal taxation		
– Current year	104	165
– Prior year	(5)	3
Foreign taxation		
– Current year	137	124
– Prior year	(2)	3
	234	295
Deferred taxation		
– Current year	161	49
– Prior year	2	(7)
Taxation for the year	397	337
The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:		
Profit before taxation	1 331	1 329
Tax calculated at 28% (2014: 28%)	372	372
Adjusted for:		
Exempt income	(1)	(11)
Non-deductible expenses	16	5
Special allowances	(2)	(12)
Prior year adjustment	(5)	(1)
Different tax rates in countries in which the Group operates	(20)	(37)
Assessable losses not accounted for as deferred tax asset	42	9
Other	(5)	12
Tax charge	397	337
The weighted average applicable tax rate was 29.8% (2014: 25.4%).		
19 EARNINGS PER SHARE AND DIVIDENDS PER SHARE		
Basic and headline earnings		
Basic and headline earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of ordinary shares held by the Share Incentive Scheme and by the Omnia Management Share Trust held as treasury shares.		
Basic earnings per share:		
Profit attributable to the owners of Omnia Holdings Limited	939	996
Divided by the weighted number of shares in issue: ('000) (excluding treasury shares)	66 970	66 592
Basic earnings per share (cents)	1 402	1 496

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

19 EARNINGS PER SHARE AND DIVIDENDS PER SHARE CONTINUED

	2015		2014	
	Gross pre-tax Rm	Net Rm	Gross pre-tax Rm	Net Rm
Headline earnings per share				
Profit attributable to the owners of Omnia Holdings Limited	–	939	–	996
Adjusted for loss on disposal of fixed assets	3	3	2	2
Adjusted for profit on disposal of associate	–	–	(52)	(55)
Adjusted for impairment of available-for-sale financial asset	39	39	11	11
Adjusted for insurance proceeds for replacement of property, plant and equipment	–	–	(4)	(3)
		981		951
Divided by the weighted number of shares in issue: ('000) (excluding treasury shares)		66 970		66 592
Headline earnings per share (cents)		1 465		1 428

DILUTED EARNINGS AND HEADLINE EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of share options.

The weighted average number of ordinary shares for diluted earnings and diluted headline earnings per share is calculated as follows:

	2015	2014
Weighted average number of ordinary shares in issue ('000)	66 970	66 592
Adjustments for:		
Share options in respect of the Share Incentive Scheme	78	101
Shares in respect of Sakhile 1 ('000)	3 604	4 187
Shares in respect of Sakhile 2 ('000)	1 146	1 293
Shares in respect of Nanotron ('000)	–	1 954
	71 798	74 127
Profit attributable to the owners of Omnia Holdings Limited (Rm)	939	996
Diluted earnings per share (cents)	1 308	1 344
Headline earnings (as calculated above)	981	951
Diluted headline earnings per share (cents)	1 366	1 283
Dividends per share		
Final dividend per share declared and paid during the year (cents) in respect of the prior year	290	270
Interim dividend declared and paid in respect of current year (cents)	190	185

	2015 Rm	2014 Rm
20 BANK BORROWINGS		
In terms of the company's memorandum of incorporation, the Group's borrowing powers are limited to 250% of the ordinary shareholders' interest.		
Borrowing capacity in terms of the memorandum of incorporation	16 606	14 780
Total net borrowings	(820)	(335)
Unutilised borrowing capacity	15 786	14 445
The Group has the following undrawn borrowing facilities:		
Floating rate:		
– Expiring within one year	1 134	1 459
	1 134	1 459
The banking facilities of the company are secured by unlimited letters of suretyship from Group companies.		
21 COMMITMENTS		
Capital commitments		
Capital expenditure approved by the directors but not contracted for	96	184
Capital expenditure approved and contracted for but no delivery has taken place	92	143
	188	327
Funds to meet these commitments will be provided from cash flow from operations and facilities negotiated.		
This expenditure relates to property, plant and equipment.		
Operating lease commitments		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	38	36
Later than one year and not later than five years	57	54
	95	90
The Group leases various offices, warehouses, vehicles and office equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The lease expenditure charged to the income statement during the year is disclosed in note 16.		
22 CASH GENERATED FROM OPERATIONS		
Operating profit	1 476	1 416
Adjusted for:		
Depreciation (refer note 2)	322	264
Amortisation of intangible assets (refer note 3)	31	31
Loss on disposal of property, plant and equipment	3	2
Available-for-sale financial assets impaired	39	11
Share-based payment expense	14	11
Nanotron	(229)	–
Foreign currency movements	142	77
Other non-cash items	48	(43)
Cash generated from operations	1 846	1 769
Increase in inventory	(572)	(193)
Increase in trade and other receivables	(192)	(491)
(Decrease)/increase in trade and other payables	(114)	632
	968	1 717

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

	2015 Rm	2014 Rm
23 INCOME TAXES PAID		
Unpaid at beginning of year	(68)	(59)
Charged to the income statement	(397)	(337)
Foreign currency movement	(12)	(3)
Movement in deferred taxation	163	42
Unpaid at end of year	(27)	68
	(341)	(289)
24 DIVIDENDS PAID		
Unpaid at beginning of year	–	–
Ordinary dividend declared and paid during the year	(322)	(301)
Unpaid at end of year	–	–
	(322)	(301)
25 CASH AND CASH EQUIVALENTS		
Bank balances and cash	400	338
Bank overdrafts	(1 099)	(469)
	(699)	(131)
The effective interest rate on borrowings was 7.30% (2014: 6.76%)		
The carrying amounts of the Group's bank overdrafts are denominated in the following currencies:		
Rand	(973)	(346)
US dollar	(79)	(7)
Zambian kwacha	–	(65)
Other currencies	(47)	(51)
	(1 099)	(469)

26 FINANCIAL RISK MANAGEMENT

FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables Rm	Assets at fair value through profit and loss Rm	Total Rm
31 March 2015			
Assets			
Derivative financial instruments	–	41	41
Trade and other receivables excluding prepayments	2 880	–	2 880
Total	2 880	41	2 921

	Liabilities at fair value through profit and loss Rm	Other financial liabilities at amortised cost Rm	Total Rm
31 March 2015			
Liabilities			
Debt	–	1 220	1 220
Derivative financial instruments	25	–	25
Trade and other payables excluding non-financial liabilities	–	3 116	3 116
Total	25	4 336	4 361

	Loans and receivables Rm	Assets at fair value through profit and loss Rm	Available for sale Rm	Total Rm
31 March 2014				
Assets				
Available-for-sale financial asset	–	–	34	34
Derivative financial instruments	–	1	–	1
Trade and other receivables excluding prepayments	2 634	–	–	2 634
Total	2 634	1	34	2 669

	Liabilities at fair value through profit and loss Rm	Other financial liabilities at amortised cost Rm	Total Rm
31 March 2014			
Liabilities			
Debt	–	673	673
Derivative financial instruments	32	–	32
Trade and other payables excluding non-financial liabilities	–	2 993	2 993
Total	32	3 666	3 698

FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as forward exchange contracts and commodity price swaps, to economically hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

The board provides written principles for the overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

26 FINANCIAL RISK MANAGEMENT CONTINUED

The Group audit committee oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Group. Internal audit assists the Group audit committee in its oversight role. Internal audit undertakes both regular and *ad hoc* reviews of financial risk management controls and procedures, the results of which are reported to the audit committee.

MARKET RISK

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, which affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, from cash and cash equivalents and from derivative financial instruments with positive fair values.

The Group has no significant concentration of credit risk, due to its wide spread of customers. The Group has policies to ensure that sales of products and services are made to customers with an appropriate credit history. Where the credit risk is perceived to be higher than appropriate credit history, insurance cover is put in place. Individual risk limits are set based on internal and external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

EXPOSURE TO CREDIT RISK

Trade receivables that are less than one month past due are not considered impaired. As of 31 March 2015, trade receivables of R762 million (2014: R653 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default or for whom credit insurance is in place.

	2015		2014	
	Gross Rm	Impairment Rm	Gross Rm	Impairment Rm
The ageing of trade receivables at the reporting date was:				
Fully performing	1 988	–	1 772	–
Past due 31 – 60 days	197	(1)	233	(2)
Past due 61 – 90 days	247	(1)	175	(1)
Past due 91 – 120 days	93	(8)	84	(1)
More than 120 days	378	(144)	219	(54)
	2 903	(154)	2 483	(58)

The movement in the provision for impairment in respect of trade receivables during the year was as follows:

	2015 Rm	2014 Rm
At 1 April	(58)	(66)
Allowance for receivables impairment	(92)	(4)
Receivables written off during the year as uncollectable	1	2
Unused amounts reversed	1	10
Foreign currency movement	(6)	–
At 31 March	(154)	(58)

As of 31 March 2015, trade receivables of R154 million (2014: R58 million) were impaired and provided for.

The creation and release of provisions for impaired receivables has been included in administrative expenses in the income statement. Amounts charged to the provision accounts are generally written off, when there is no expectation of recovering additional cash. Unwinding of discounts is included in finance costs in the income statement.

The other classes within trade and other receivables do not contain impaired assets.

The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit histories. The Group limits the amount of credit exposure to any one financial institution. In addition, the Group has insurance cover over certain of its receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under credit lines.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity reserves (comprising undrawn borrowing facilities, cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external requirements; and maintaining debt financing plans.

EXPOSURE TO LIQUIDITY RISK

	Less than 1 year Rm	Between 1 and 2 years Rm	Between 2 and 5 years Rm	Over 5 years Rm	Total Rm
At 31 March 2015					
Cash and cash equivalents	(400)	–	–	–	(400)
Trade receivables	(3 043)	–	–	–	(3 043)
Debt	55	44	21	1	121
Bank overdraft	1 099	–	–	–	1 099
Trade and other payables	3 467	32	5	–	3 504
Forward exchange contracts	(16)	–	–	–	(16)
Net liquidity position	1 162	76	26	1	1 265

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

26 FINANCIAL RISK MANAGEMENT CONTINUED

EXPOSURE TO LIQUIDITY RISK continued

	Less than 1 year Rm	Between 1 and 2 years Rm	Between 2 and 5 years Rm	Over 5 years Rm	Total Rm
At 31 March 2014					
Cash and cash equivalents	(338)	–	–	–	(338)
Trade receivables	(2 711)	–	–	–	(2 711)
Debt	85	57	56	6	204
Bank overdraft	469	–	–	–	469
Trade and other payables	3 554	–	–	–	3 554
Forward exchange contracts	31	–	–	–	31
Net liquidity position	1 090	57	56	6	1 209

The Group's liquidity risk consists mainly of the amount borrowed from time to time. The details of undrawn facilities are disclosed in note 20. The liquidity risk is managed by monitoring the daily borrowing levels and by conducting cash flow forecasts at regular intervals in order to maintain sufficient funds to fund the business from cash generated by operations and funds available from committed credit facilities.

FAIR VALUE MEASUREMENT

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Fair value measurement at end of 31 March 2015				
Financial assets/(liabilities) at fair value through profit or loss				
Trading derivatives	–	16	–	16
Total	–	16	–	16

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Fair value measurement at end of 31 March 2014				
Financial assets/(liabilities) at fair value through profit or loss				
Available-for-sale financial assets	–	34	–	34
Trading derivatives	–	(31)	–	(31)
Total	–	3	–	3

FAIR VALUE ESTIMATION

The Group has no financial instruments traded in active markets on its balance sheet.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

CURRENCY RISK

The Group is exposed to foreign exchange risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group companies, primarily with respect to the US dollar. In addition, the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The Group's policy is to consider the net position between commitments for imports and receivables resulting from exports. The Group companies are required to economically hedge their net foreign exchange risk exposure with the Group treasury, which in turn enters into forward contracts with financial institutions. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with Group treasury.

EXPOSURE TO CURRENCY RISK

At the reporting date, if the rand had weakened by 10% (2014: 10%) with all other variables held constant, post-tax profit for the year would have been R48 million (2014: R66 million) higher, mainly as a result of foreign exchange gains on translation of foreign denominated trade receivables and cash and cash equivalents compensated by foreign exchange losses on translation of foreign denominated trade payables and borrowings.

A 10% strengthening of the rand at 31 March 2015, would have had an equal but opposite effect on the basis that all other variables remain constant.

CASH FLOW INTEREST RATE RISK

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's cash flow interest rate risk arises from borrowings.

EXPOSURE TO CASH FLOW INTEREST RATE RISK

An increase of 100 basis points (2014: 100 basis points) in the interest rates at the reporting date would have decreased profit or loss by R6 million (2014: R2 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease of 100 basis points in the interest rates at 31 March 2015 would have had an equal opposite effect.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet) less cash and cash equivalents. Equity is shown as such in the balance sheet.

The Group's strategy is to maintain the gearing ratio within 30 to 40 percent. The Group also has specific financial covenants in place with various financial institutions to govern its debt. The gearing ratios at 31 March were as follows:

	2015 Rm	2014 Rm
Net debt	820	335
Equity	6 642	5 912
Gearing ratio (%)	12	6

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

27 RELATED PARTY TRANSACTIONS

The Group entered into transactions and has balances with a number of related parties, including joint ventures, directors and entities under common control. Transactions that are eliminated on consolidation are not included.

The transactions and balances with related parties are summarised below:

	2015 Rm	2014 Rm
Sales of goods		
Acol Chemicals – joint venture	12	4
Interest received		
Richards Bay Ammonia Partnership - joint operation	2	5
Trade receivables		
Acol Chemicals – joint venture	3	7
Loans classified as available-for-sale financial asset		
Non-controlling interest in Protea Polymers East Africa Limited (refer note 4)	–	12
Key management compensation		
Salaries and other short-term employee benefits	82	85
Nanotron	302	–
Post-employment benefits	2	2
Expenses for long-term incentive plans	1	29
Paid by subsidiaries	387	116
Share options outstanding ('000)	25	112
Share appreciation rights outstanding ('000)	347	552
Allocated trust units ('000)	270	–
Top three earners' compensation (Rm)	119	25
Directors' shareholding		
Directors' shareholding in the company has been disclosed in the directors' report.		
Directors' emoluments		
Executive directors		
Salaries	8	6
Fringe benefits	3	4
Performance bonuses	11	16
Nanotron	131	–
	153	26
Non-executive directors		
Directors' fees	6	6
Other fees	–	–
	6	6
Total	159	32
Paid by subsidiaries	(159)	(32)
	–	–

		Salary/ remune- ration	Bonus accrual ¹	Retirement funding	Medical aid	Car allow- ances	Nanotron ²	Other	Total 2015	Total 2014
Name	R	R	R	R	R	R	R	R	R	R
Executive										
RB Humphris	–	3 302 289	7 100 000	261 206	67 411	204 695	90 194 892	219 344	101 349 837	17 618 444
WG Koonin***	–	2 779 511	1 500 000	–	33 640	142 922	–	–	4 456 073	–
NKH Fitz-Gibbon**	–	1 531 560	2 200 000	141 710	31 452	137 867	40 999 641	1 912 195	46 954 425	8 035 283
Non-executive										
RC Bowen	277 132	–	–	–	–	–	–	–	277 132	286 600
FD Butler	479 632	–	–	–	–	–	–	–	479 632	478 350
NJ Crosse	2 729 500*	–	–	–	–	–	–	–	2 729 500	2 575 197
NKH Fitz-Gibbon**	147 132	–	–	–	–	–	–	–	147 132	–
R Havenstein	300 632	–	–	–	–	–	–	–	300 632	322 800
HH Hickey	459 132	–	–	–	–	–	–	–	459 132	457 600
Prof SS Loubser	405 132	–	–	–	–	–	–	–	405 132	422 300
HP Marais	32 500	–	–	–	–	–	–	–	32 500	–
Dr WT Marais	225 816	–	–	–	–	–	–	–	225 816	286 600
SW Mncwango	277 132	–	–	–	–	–	–	–	277 132	239 050
D Naidoo	454 132	–	–	–	–	–	–	–	454 132	455 600
KP Shongwe	208 132	–	–	–	–	–	–	–	208 132	225 100
Total	5 996 004	7 613 360	10 800 000	402 916	132 503	485 483	131 194 533	2 131 539	158 756 339	31 402 924

The basis of determination of executive bonuses is set out in the remuneration report.

* Fees for services as non-executive chairman.

** Retired 30 September 2014 as Group finance director and became a non-executive director

*** Appointed 1 August 2014 and became an executive director on 1 October 2014.

¹ The annual bonus accrued in March 2015 was paid out in April 2015.

² The executive ownership plan – Nanotron (that was approved by shareholders on 11 December 2009) for the five-year period ended 31 March 2014 was paid in December 2014. Although paid in the current financial year, Nanotron is in respect of the previous five-year period ended 31 March 2014. Nanotron was settled through a 50% cash payment and 50% issued through shares.

PREScribed OFFICERS

	Salary/ remune- ration R	Bonus accrual ¹ R	Retirement funding R	Medical aid R	Car allowances R	Nanotron ² R	Other* R	Total 2015 R	Total 2014 R
Prescribed officer 1	1 944 914	–	174 296	53 520	153 874	40 999 642	6 137 583	49 463 829	9 473 769
Prescribed officer 2	1 502 371	3 500 000	135 214	53 944	202 189	15 376 215	926 250	21 696 183	6 144 414
Prescribed officer 3	1 877 928	3 000 000	169 014	43 407	297 065	40 999 642	1 406 850	47 793 905	8 850 831
Prescribed officer 4	1 504 542	2 700 000	135 409	53 944	189 031	15 376 215	1 123 750	21 082 891	6 361 879
Total	6 829 755	9 200 000	613 933	204 815	842 159	112 751 714	9 594 433	140 036 808	30 830 893

* Share options and share appreciation rights exercised

¹ The annual bonus accrued in March 2015 was paid out in April 2015.

² The executive ownership plan – Nanotron (that was approved by shareholders on 11 December 2009) for the five-year period ended 31 March 2014 was paid in December 2014. Although paid in the current financial year, Nanotron is in respect of the previous five-year period ended 31 March 2014. Nanotron was settled through a 50% cash payment and 50% issued through shares.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

27 RELATED PARTY TRANSACTIONS CONTINUED

PARTICIPATION BY EXECUTIVE DIRECTORS IN SHARE SCHEMES AS AT 31 MARCH 2015

RB Humphris

Long-term Share Incentive Plan

55 000 allocated trust units

These unit trusts will only be transferred after the end of the five-year period, which is March 2019, and is dependent on the achievement of targets. The remuneration report section of this integrated annual report provides full details of the long-term share incentive plan.

Share Incentive Scheme (the Omnia Holdings Share Incentive Trust)

Ordinary shares purchased under the Incentive Scheme with interest-free loans being repaid by dividends

Number of shares (vested)	176 394
Date of allocation	Sep-10
Price per share	R50
Date loan taken	Sep-10
Loan balance at 31 March 2015	R2 018 742

WG Koonin

Long-term Share Incentive Plan

30 000 allocated trust units

These trusts unit will only be transferred after the end of the five-year period, which is March 2019, and is dependent on the achievement of targets. The remuneration report section of this integrated annual report provides full details of the long-term share incentive plan.

28 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by executive management (the Group's chief operating decision maker) that are used to make strategic decisions. In making strategic decisions the Group's chief operating decision maker considers the business both from a product and from a geographical perspective.

Agriculture: through subsidiaries, operations and joint ventures based in Angola, Australia, Brazil, Mauritius, Mozambique, New Zealand, South Africa, Zambia and Zimbabwe, which mainly generate revenue from local customers.

Mining: through subsidiaries, operations and joint ventures based in Angola, Australia, Botswana, Burkina Faso, Democratic Republic of Congo, Indonesia, Mali, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Senegal, Sierra Leone, South Africa, Tanzania, Zambia and Zimbabwe, which mainly generate revenue from local customers.

Chemicals: through subsidiaries, operations and joint ventures based in Angola, Ethiopia, Kenya, Malawi, Mauritius, Namibia, South Africa, Tanzania, Uganda, Zambia and Zimbabwe, which mainly generate revenue from local customers.

The accounting policies applied by the reportable segments are consistent with the accounting policies adopted in the consolidated financial statements as disclosed in note 1.

	Agriculture Rm	Mining Rm	Chemicals Rm	Total Rm
Year ended 31 March 2015				
Revenue – external	7 287	5 351	4 197	16 835
Total revenue	8 829	5 351	4 270	18 450
Inter-segmental	(1 542)	–	(73)	(1 615)
Operating profit	656	720	100	1 476
Segment assets	6 919	2 677	2 308	11 904
Net working capital	1 837	1 090	575	3 502
Inventories	2 553	746	587	3 886
Trade and other receivables	1 395	787	936	3 118
Trade and other payables	(2 111)	(443)	(948)	(3 502)
Year ended 31 March 2014				
Revenue – external	6 680	5 458	4 121	16 259
Total revenue	7 983	5 458	4 191	17 632
Inter-segmental	(1 303)	–	(70)	(1 373)
Operating profit	431	829	156	1 416
Segment assets	5 533	2 604	2 435	10 572
Net working capital	765	1 052	570	2 387
Inventories	1 795	784	634	3 213
Trade and other receivables	1 016	816	919	2 751
Trade and other payables	(2 046)	(548)	(983)	(3 577)

GEOGRAPHICAL SEGMENTS

	Gross revenue	
	2015 Rm	2014 Rm
South Africa	13 328	11 694
Africa (excluding South Africa)	4 831	5 671
Other	291	267
	18 450	17 632

There is no concentration of revenue from specific customers – customers are widely dispersed.

	Total assets	
	2015 Rm	2014 Rm
South Africa	8 562	8 050
Africa (excluding South Africa)	3 201	2 294
Other	141	228
	11 904	10 572

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

29 SHARE INCENTIVE SCHEME

Share options are granted by the Omnia Share Incentive Scheme, at the discretion of the remuneration committee, to employees of the Group. The option offer is made at the price ruling on the JSE Limited on the day prior to the date of award. Share options remain open for acceptance for a ten-year period from the date of issue with the earliest possible delivery being 20% of the issued amount after two years of the date of issue. Thereafter delivery may be taken cumulatively at a rate of 20% per annum for the next two years with the remaining 40% being capable of delivery on the fifth anniversary. Resignation prior to entitlement on this percentage basis terminates an employee's rights to take delivery. The plan is classified as equity-settled.

Movements in terms of the share incentive scheme are as follows:

	31 March 2015		31 March 2014	
	Shares	Weighted average exercise price (R)	Shares	Weighted average exercise price (R)
Outstanding at 1 April	153 548	63.52	256 580	64.69
Exercised	(39 602)	61.29	(103 032)	66.43
Outstanding at 31 March	113 946	64.29	153 548	63.52
Available to be implemented at 31 March	113 946		153 548	

The weighted average fair value for share options granted has been calculated using the Black Scholes option pricing model.

The options exercise prices range from R60.00 to R78.50.

The share price as at 31 March 2015 was R172.50

The remaining contractual life of the options ranges from two to three years.

Share option allocations outstanding and currently available to be implemented at 31 March 2015 by exercise price:

	Number outstanding at 31 March 2015	Weighted average remaining contractual life (years)	Exercisable at 31 March 2015
Exercise price			
at R60.00	75 000	2.00	75 000
at R78.50	36 000	3.00	36 000
Capitalisation shares in respect of the above	2 946	3.00	2 946
	113 946		113 946

SHARE APPRECIATION RIGHTS SCHEME

Share appreciation rights ("SARs") are granted by the Group, at the discretion of the remuneration committee, to employees of the Group. A SAR is granted at the price ruling on the JSE Limited on the day prior to the award. SARs remain open for acceptance for a ten-year period from the date of granting with the earliest possible delivery being 20% of the grant amount after two years of the date of grant. Thereafter delivery may be taken cumulatively at a rate of 20% per annum for the next two years with the remaining 40% being capable of delivery on the fifth anniversary. Resignation prior to entitlement on this percentage basis terminates an employee's rights to take delivery. The plan is classified as cash-settled.

Movements in terms of the SAR plans are as follows:

	31 March 2015		31 March 2014	
		Weighted average exercise price (R)		Weighted average exercise price (R)
	Shares		Shares	
Outstanding at 1 April	1 159 500	91.85	1 227 600	91.10
Granted	–	–	1 200	210.38
Exercised	(287 820)	84.10	(64 800)	76.69
Forfeited	(62 000)	94.00	(4 500)	94.00
Outstanding at 31 March	809 680	94.44	1 159 500	91.85

The weighted average fair value for share appreciation rights granted during the 2014 financial year calculated using the Black Scholes option pricing model, using the following inputs and assumptions:

	2014
Weighted average fair value at measurement date	121.15
Weighted average share price (R)	211.1
Weighted average exercise price (R)	91.8
Weighted average expected volatility (%)*	29.9
Weighted average option life (years)	3.0
Weighted average risk-free interest rate (%)	7.3
Weighted average vesting period (years)	2

* The expected weighted average volatility is determined using historical daily share prices.

The SARs have a range of exercise prices from R94.00 to R211.10.

The remaining contractual life of the SARs range from one to three years.

The share-based payment charge associated with the SARs amounted to an income of R1 million (2014: R61 million expense).

LONG-TERM SHARE INCENTIVE PLAN

The Long-term Share Incentive Plan is a conditional performance-based share plan in that at the commencement of the plan, qualifying employees are awarded allocated trust units (each allocated trust unit is the equivalent of one Omnia share) which indicates the number of Omnia shares that the qualifying employees would earn at the end of the five-year period if the targets set by the board are met. The targets set are 8% compound real growth in earnings per share and an average real return on equity of 11%. The qualifying employees' upfront allocation is weighted 80% to earnings per share and 20% to real return on equity target.

The Omnia Shares that are earned are only transferred after the end of the five-year period and are dependent on the achievement of the targets. The termination of employment prior to vesting will result in a cancellation of the employee's participation in the plan.

The fair value of the trust unit granted is the economic equivalent of awarding an Omnia share at zero strike. Therefore the value of each unit is equal to the share price on the grant date less the present value of future dividends expected over the vesting period.

860 000 unit trusts were allocated in the current year.

The share-based payment charge associated with the Incentive Plan amounted to R4 million.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2015

29 SHARE INCENTIVE SCHEME CONTINUED

SAKHILE SHARE INITIATIVE (SAKHILE 1)

Sakhile 1 allows the permanent employees of the Group, based in South Africa to become part owners in the company and to share in its future growth and development. Employees will receive the benefits of share ownership as a result of the Group facilitating a loan, enabling each employee to acquire shares.

The scheme commenced on 1 April 2007 and has a finite term of 14 years. The Sakhile 1 shareholders are entitled to 100% of their shares after eight years from date of allocation provided that they have been working for the Group during that period. The Sakhile 1 shares will be converted to Omnia Holdings shares in three equal tranches in 2019, 2020 and 2021 when Omnia exercises its call option in year 2019 based on the value of the Sakhile 1 investment in Omnia Group (Pty) Limited.

The plan is classified as equity-settled.

The weighted average fair value for awards granted has been calculated using the Black Scholes option pricing model.

The share-based payment charge associated with the Sakhile 1 amounted to R4 million (2014: R4 million).

SAKHILE SHARE INITIATIVE 2 (SAKHILE 2)

Sakhile 2 allows talented black executives and employees of the Group, based in South Africa to become part owners in the company and to share in its future growth and development. Employees will receive the benefits of share ownership as a result of the Group facilitating a loan, enabling each employee to acquire shares.

Sakhile 2 acquired 2% in Omnia Group (Pty) Limited, referred to as Tranche 1 in January 2010. Each allocation of shares must be held by the shareholder in Tranche 1 for seven years from the allocation date in order to benefit from the shareholding, i.e. around January 2017. Omnia Holdings has a call option to acquire at any time within 18 months after January 2017 the shareholder's shares in Sakhile 2.

In April 2011, Sakhile 2 Tranche 2 commenced by acquiring a further 1% in Omnia Group (Pty) Limited. Each allocation of shares must be held by the shareholder in Tranche 2 for seven years from allocation date in order to benefit from the shareholding, i.e. around April 2018. The process for the participants to realise their shares is the same as that of Tranche 1.

In March 2013, Tranche 3 commenced by acquiring a further 0.5% in Omnia Group (Pty) Limited. Each allocation of shares must be held by the shareholder in Tranche 3 for seven years from allocation date in order to benefit from the shareholding, i.e. around March 2020. The process for the participant to realise their shares is the same as that of Tranche 1 and 2.

The plan is classified as equity-settled.

The weighted average fair value for awards granted has been calculated using the Monte Carlo option pricing model.

The share-based payment charge associated with Sakhile 2 amounted to R7 million (2014: R7 million).

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES – ANNEXURE A

at 31 March 2015

	Country of incorporation	Issued capital Rm	Effective holding	
			2015 %	2014 %
Direct subsidiary				
Omnia Group Investments Limited	South Africa	6	100	100
Direct holding of Omnia Group Investments Limited				
Omnia Group (Pty) Limited	South Africa	3 958	100	100
Direct holdings of Omnia Group (Pty) Limited				
Omnia Group International Limited	Mauritius	7	100	100
Omnia Fertilizer Limited	South Africa	178	100	100
Omnia Projects (Pty) Limited	South Africa	–	100	100
EcoGypsum (Pty) Limited	South Africa	–	100	100
Bulk Mining Explosives Namibia (Pty) Limited	Namibia	–	100	100
Protea Chemicals Namibia (Pty) Ltd	Namibia	–	100	100
Innofert (Pty) Limited	South Africa	–	100	100
Omnia Swaziland Limited	Swaziland	–	100	100
Direct holdings of Omnia Group International Limited				
Banket Blender (Pvt) Limited	Zimbabwe	–	100	100
Omnia Fertilizer Zambia Limited	Zambia	–	100	100
Omnia Fertilizer Zimbabwe (Pvt) Limited	Zimbabwe	–	100	100
Omnia Small Scale Limited	Zambia	–	100	100
Omnia NZ International Limited	New Zealand	–	100	100
Omnia International (Australia) (Pty) Limited	Australia	3	100	100
Omnia Fertilizer Limited	Malawi	–	100	100
Omnia do Brasil Representações Comerciais Limitada	Brazil	24	100	100
Omnia Angola Limitada	Angola	–	100	100
Omnia Mozambique Limitada	Mozambique	–	100	100
Omnia China	China	–	100	100
Bulk Mining Explosives Mali Sarl	Mali	–	100	100
Bulk Mining Explosives Tanzania (Pty) Limited	Tanzania	–	100	100
Bulk Mining Explosives Botswana (Pty) Limited	Botswana	–	100	100
Bulk Mining Explosives Zambia Limited	Zambia	–	100	100
Bulk Mining Explosives Mauritania Sarl	Mauritania	–	100	100
Bulk Mining Explosives Senegal Sarl	Senegal	–	100	100
Bulk Mining Explosives Mauritania Akjoujt Sarl	Mauritania	–	100	100
Bulk Mining Explosives Tabakoto	Mali	–	100	100
Bulk Mining Explosives Sierra Leone Limited	Sierra Leone	–	100	100
Bulk Mining Explosives Burkina Faso Limited	Burkina Faso	–	100	100
Bulk Mining Explosives DRC SPRL	Democratic Republic of Congo	–	100	100
Bulk Mining Explosives Mozambique Limitada	Mozambique	–	95	95
Bulk Mining Explosives Indonesia	Indonesia	–	78	78
Protea Polymers East Africa Limited	Mauritius	–	60	60
Innofert Limited	Mauritius	–	100	100
Direct holding of Omnia International (Australia) (Pty) Ltd				
Omnia Specialities (Australia) (Pty) Limited	Australia	3	100	100
Advanced Initiating Systems (Pty) Limited	Australia	–	65	65
Direct holding of Omnia NZ International Limited				
Omnia Specialities NZ Limited	New Zealand	–	100	100
Various dormant and property owning companies		4	100	100
Joint ventures				
Acol Chemicals (Pvt) Limited	Zimbabwe	2	50	50
Joint operation				
Richard Bay Ammonia Partnership	South Africa	–	25	25

COMPANY BALANCE SHEET

at 31 March 2015

	Notes	2015 Rm	2014 Rm
ASSETS			
Non-current assets			
Investments in subsidiaries	2	753	299
Current Assets		940	1 174
Trade and other receivables		2	5
Loans to subsidiaries	3	938	1 169
Total assets		1 693	1 473
EQUITY AND LIABILITIES			
EQUITY			
Stated capital		1 500	1 289
Treasury shares		(70)	(6)
Other reserves	4	119	124
Retained earnings		52	39
Total equity		1 601	1 446
LIABILITIES			
Current liabilities			
Trade and other payables		3	2
Loans from subsidiaries	3	89	25
Total liabilities		92	27
Total equity and liabilities		1 693	1 473

The Omnia Share Incentive Scheme and Omnia Management Share Trust are consolidated as part of the Omnia Holdings Limited annual financial statements.

COMPANY INCOME STATEMENT

for the year ended 31 March 2015

	2015 Rm	2014 Rm
Dividends received	299	124
Profit before tax	299	124
Income tax expense	(1)	(1)
Profit for the year	298	123
Attributable to:		
Equity holders of the company	298	123
	298	123

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

	2015 Rm	2014 Rm
PROFIT FOR THE YEAR	298	123
Other comprehensive income, net of tax		
Currency differences	–	–
Total comprehensive income for the year	298	123
Attributable to:		
Equity holders of the company	298	123
Total comprehensive income for the year	298	123

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Attributable to the owners of the company				
	Stated capital Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm	Total Rm
At 31 March 2013	1 289	(9)	113	217	1 610
Recognised income and expense for the year					
Net profit for the year ended 31 March 2014	–	–	–	123	123
Transaction with shareholders					
Ordinary dividends paid	–	–	–	(301)	(301)
Treasury shares sold	–	3	–	–	3
Share-based payment - value of services provided	–	–	11	–	11
At 31 March 2014	1 289	(6)	124	39	1 446
Recognised income and expense for the year					
Net profit for the year ended 31 March 2015	–	–	–	298	298
Transaction with shareholders					
Ordinary shares issued	211	–	(37)	37	211
Ordinary dividends paid	–	–	–	(322)	(322)
Treasury shares purchased	–	(66)	–	–	(66)
Treasury shares sold	–	2	18	–	20
Share-based payment – value of services provided	–	–	14	–	14
At 31 March 2015	1 500	(70)	119	52	1 601

COMPANY CASH FLOW STATEMENT

for the year ended 31 March 2015

	Notes	2015 Rm	2014 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	5	303	128
Taxation paid		(1)	(1)
Cash available from operating activities		302	127
Cash flows from investing activities			
Loans repaid by subsidiaries		295	171
Movement in investments		(229)	–
Net cash outflow from financing activities		66	171
Cash flows from financing activities			
Treasury shares		(46)	3
Dividends paid		(322)	(301)
Net cash outflow from financing activities		(368)	(298)
Net decrease in cash and cash equivalents		–	–
Net cash and cash equivalents at beginning of year		–	–
Net cash and cash equivalents at end of year		–	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2015

	2015 Rm	2014 Rm
1 PRINCIPAL ACCOUNTING POLICIES		
The annual financial statements of the company are presented in accordance with and comply with International Financial Reporting Standards (IFRS) issued and effective at the time of preparing the financial statements. The accounting policies of the company are the same as those of the Group, where applicable (refer note 1 of the consolidated financial statements).		
2 INVESTMENTS IN SUBSIDIARIES		
Shares at cost in unlisted subsidiaries	753	299
Investments increased due to the purchase of the 5% shareholding of Nanotron in Omnia Group (Pty) Limited for R440 million and due to the movement in the share-based payment contribution of subsidiaries of R14 million. The grant by the company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings with a corresponding credit to equity in the parent entity's accounts.		
The company's interest in the aggregate profits and year under review amounted to:		
Profits	1 095	1 061
Losses	(161)	(69)
	934	992
Details of the company's investment in subsidiaries are given in Annexure A.		
3 LOANS TO/(FROM) SUBSIDIARIES		
Loans to/(from) Group companies comprise of:		
Omnia Group Investments Limited	905	1 148
Omnia Group (Pty) Limited	25	13
Sakhile Initiative Limited	8	8
	938	1 169
Omnia Group Investments Limited	(25)	(25)
Omnia Group (Pty) Limited	(64)	–
	(89)	(25)
These loans are unsecured, interest-free and with no fixed repayment terms.		
4 OTHER RESERVES		
Share-based payment reserve	101	124
Gain on treasury shares sold	18	–
	119	124

	2015 Rm	2014 Rm
5 CASH GENERATED FROM OPERATIONS		
Operating profit	299	124
Adjustments for :		
Increase in trade and other payables	1	–
Increase in trade and other receivables	3	4
	303	128
6 CONTINGENT LIABILITIES		
Utilisation of banking facilities secured by letters of suretyship from the company. No losses are expected from these arrangements.	1 099	469
7 RELATED PARTY TRANSACTIONS		
Dividends received from Omnia Group Investments Limited	299	124
8 For details regarding share capital, related parties and directors' emoluments refer to notes 8 and 27 of the consolidated financial statements.		
9 The maximum exposure of the company to credit and liquidity risk arising from the issuance of financial guarantees to Group companies as at 31 March 2015 was R4 653 million (2014: R5 891 million).		

SECTION 6

SHAREHOLDER INFORMATION

This report is aimed at our primary providers of capital, or our key shareholders. Not only do we take time to understand who this is, but also schedule regular time when shareholders can interact with the company and its management.



SHAREHOLDER ANALYSIS – ANNEXURE B

At 31 March 2015

	Number of shareholders	% of total shareholders	Number of shares	% of total issued shares
Shareholding				
Analysis of Shareholders				
1 - 5 000	5 157	88.9	3 473 321	5.1
5 001 – 10 000	197	3.4	1 406 660	2.1
10 001 – 100 000	330	5.7	11 226, 172	16.4
100 001 – 1 000 000	107	1.9	31 757 074	46.5
1 000 001 and more	7	0.1	20 430 125	29.9
Total	5 798	100.0	68 293 352	100.0
Shareholder spread				
Non-public				
Directors	4	<0.1	4 481 361	6.6
Share Incentive Scheme	2	<0.1	1 467 203	2.2
The Company	1	<0.1	7 358	<0.1
More than 10% of issued share capital	1	<0.1	8 780 535	12.9
Public	5 790	99.9	53 556 895	78.4
Total	5 798	100.0	68 293 352	100.0

	Shares 31 March 2015	% of total issued shares
Major shareholders >5%		
Government Employees Pension Fund	10 656 401	15.6
Foord Asset Managers	7 309 970	10.7
Coronation Fund Managers	6 574 483	9.6
Prudential Investment Managers	5 141 907	7.5
OMIGSA	3 516 613	5.1
Total	33 199 376	48.6

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	% of total shareholders	Number of shares	% of total issued shares
Individuals	4 412	76.1	6 448 348	9.4
Private companies	123	2.1	2 808 352	4.1
Public companies	72	1.2	7 313 218	10.7
Nominees and trusts	595	10.3	7 768 700	11.4
Closed corporations	70	1.2	689 439	1.0
Other corporate bodies	95	1.6	3 531 268	5.2
Banks	38	0.7	5 568 465	8.2
Insurance companies	31	0.5	3 162 822	4.6
Pension funds and medical aid societies	156	2.7	13 008 972	19.1
Collective investment schemes and mutual funds	206	3.6	17 993 768	26.3
Totals	5 798	100.0	68 293 352	100.0

SHAREHOLDERS' DIARY

Financial year-end	31 March 2015
Audited results announcement	23 June 2015
Integrated annual report	Posted July 2015
Annual general meeting	17 September 2015
Interim results announcement	24 November 2015
Dividend paid	Final FY2015 – July 2015 Interim FY2016 – January 2016



SECTION 7

ADMINISTRATION AND CONTACTS

We welcome feedback on this report. To this end, we have included information on the report as well as contact details for the company.

GLOSSARY OF TERMS AND ACRONYMS

adult basic education and training (ABET): an outcomes-based programme to provide basic learning tools, knowledge and skills to adults, providing participants with nationally recognised qualifications

agronomics: branch of economics that deals specifically with land usage

agromist: application of the various soil and plant sciences to soil management and crop production; scientific agriculture

ammonia: urea ratio - key driver in the cost of manufacturing and in the final selling price of fertilizer products, which may be urea based

annual general meeting (AGM): is regulated by the Companies Act, 2008 (Act 71 of 2008) as amended, and shareholders are informed by notice of meeting documents

Association of Mineworkers and Construction Union (AMCU): trade union in South Africa

AXXIS™: patented electronic detonators

BEE: Black economic empowerment

BlastMap™: patented software

biofuels: liquid fuels derived from materials such as waste plant and animal matter

broad-based black economic empowerment (BBBEE): process by which the government is trying to ensure economic equity amongst race groups, governed by the Broad-based Black Economic Empowerment Act, 2008 (Act 53 of 2003)

Bulk Mining Explosives (BME): together with Protea Mining Chemicals forms the mining division within Omnia

CO₂: carbon dioxide

CO₂-e: carbon dioxide equivalent

carbon emission reduction credits (carbon credits): permit that allows a country or organisation to produce a certain amount of carbon emissions which can be traded if the full allowance is not used

CDP: Carbon Disclosure Project

CDM: Clean development mechanism

CER: Certified emission reductions

Chemical and Allied Industries' Association (CAIA): South African industry body that promotes responsible behaviour, supports education initiatives and facilitates government engagement on behalf of chemicals companies.

Companies Act: Companies Act, 2008 (Act No 71 of 2008) applies to all companies in South Africa

Chemical Energy Paper Printing Wood and Allied Workers Union (CEPPWAWU): trade union in South Africa

COBIT: a leading framework for the governance and management of enterprise information technology

consumer price index (CPI): measures changes in the price level of a market basket of consumer goods and services purchased by households

corporate governance: framework of rules and practices by which a board of directors ensures accountability, fairness and transparency in a company's relationship with its all stakeholders

corporate social investment (CSI): an organisation's philanthropic activities; component of an organisation's greater corporate social responsibility

DAP: diammonium phosphate

debt: equity ratio: measure of a company's financial leverage, calculated by dividing its total liabilities by stockholders' equity; indicates what proportion of equity and debt the company is using to finance its assets

DMR: Department of mineral resources

DOE: Department of Energy

DRC: Democratic Republic of the Congo

DRDLR: Department of Rural Development and Land Reform

DTI: Department of Trade and Industry

DTI BBBEE Codes of Good Practice: basic principles and essential considerations for BBBEE, providing guidance in the form of explanatory material, and applied in the development, evaluation and monitoring of BEE Charters, initiatives, transactions and other implementation mechanisms

earnings per share (EPS): the portion of a company's profit allocated to each outstanding share of common stock; indicator of a company's profitability

employment equity (EE): applies to all employers and employees and protects employees and job seekers from unfair discrimination and also provides a framework for implementing affirmative action; regulated by Employment Equity Act, 1998 (Act 55 of 1998)

enterprise development: the fostering and promotion of entrepreneurship, typically in the form of small businesses

EnviNOx: a catalyst that converts the N₂O and NO_x generated during the production of nitric acid into nitrogen, oxygen and water

equal to earnings before interest, tax, depreciation and amortisation (EBITDA): a measurement of a company's operating profitability, divided by total revenue; provides a clear view of a company's core profitability

ERP: enterprise resource planning

Eskom: is a South African electricity public utility

EVA incentive: economic value add incentive

financial year (FY): refers to the period from 1 April 2014 to 31 March 2015

GLOSSARY OF TERMS AND ACRONYMS CONTINUED

food security: the availability of food and access to it; refers to when all people at all times have physical and economic access to adequate nutritious, safe and culturally appropriate food

Fungimax™: a product offered in Agriculture division that balances the levels of fungi and bacteria in soil

General Industries Workers Union of South Africa (GIWUSA): trade union in South Africa

Global Credit Ratings (GCR): is the largest rating agency in Africa, accounting for over 60% of all ratings accorded on the continent

Global Reporting Initiative (GRI): a reporting standard generally accepted to be the leading international standard for reporting social, environmental and economic performance

global warming: measure of how much a given mass of greenhouse gas is estimated to contribute to global warming

GIBS: Gordon Institute of Business Science

Gigajoules (GJ): measurement unit of energy

greenhouse gases (GHGs): gases in the atmosphere that absorb and emits radiation within the thermal infrared range

HEF: emulsion non-explosive oxidiser in its ungasped state

HIV/Aids: human immunodeficiency virus/acquired immunodeficiency syndrome

IDC: Industrial Development Corporation

IMS: information management system

integrated annual report: provides a reliable, comprehensive and holistic overview of the company, from both a financial and a non-financial perspective, and outlines the impact of the business on the economic, social and environmental spheres within which it operates (triple bottom line)

International Financial Reporting Standards (IFRS): principles-based standards, interpretations and the framework adopted by the International Accounting Standards Board

International Integrated Reporting Council (IIRC): the International Integrated Reporting Framework is used in the adoption of integrated reports globally; the IIRC adopts 'integrated thinking' as a way of improving the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital

International Organization for Standardization (ISO) certification: is the world's largest developer and publisher of International Standards and network of the national standards institutes of 164 countries; certification provides a uniform international standard

IT: information technology

key performance indicator (KPI): measurement of monitoring business performance against the annual operating plan

JSE: Johannesburg Stock Exchange

King III: the abbreviated name for the King Report on Corporate Governance for South Africa published 2009; relates to corporate governance and a company's triple bottom line

K-Humate: a concentrated soil conditioner

LTIP: long-term incentive plan

Lewatit®: Water treatment through ion exchange resins adsorption for thermal power plants, chemical and electronic industry, mining, food, municipal services, etc.

Lewabrane®: Water purification membrane

major hazard installation (MHI): safety procedures used by Omnia that are regulated by Major Hazard Installation Regulations No 692 of 30 July 2001

MAP: monoammonium phosphate

Mine Qualification Authority (MQA): is a sector education and training authority (SETA) responsible for the administration of skills development programmes for the mining and minerals sector in South Africa

MOI: memorandum of incorporation

NAPCOF: North West Air Pollution Control forum

Nanotron: Nanotron Investments (Pty) Limited operated from 1 April 2009 to 31 March 2014 and benefits were paid to participants in December 2014

NBI: National Business Institute

N₂O: nitrous oxide

NOx: nitrogen oxide

NORA-SA: National Oil Recycling Association of South Africa

Nutriology®: is a specialised and patented brand of Omnia's products and services; focused on the 'science of growing'

Occupational Safety and Health Administration (OSHA): United States of America's Department of Labor

OHSAS: Occupational Health and Safety Advisory Services

Omnia/the Group: Omnia Holdings Limited

Omnia Fertilizer: the primary business in the agriculture division

Omnia Specialties: part of the agriculture division, this provides a range of specialised products and services targeted at creating value for farming customers

OmniBio®: One of Omnia's agriculture services, this is an analyse into the life of soil

OmniSAP®: patented technology used to measure crop growth

OmniPrecise™: Omnia's management system that helps farmers to map and manage their land

OmniZone™: an Omnia product that helps farmers to map the yields of their land

OneProtea: restructuring of the Chemicals division into a centralised structure

OPEC: Organization of the Petroleum Exporting Countries

Organoboost™: a value-add product in Omnia's agriculture division that helps to balance enzymes in soil

PGAN: porous ammonium nitrate

potable water: drinking water; pure enough to be consumed with low risk of immediate or long-term harm

preferential procurement: a government affirmative action policy that encourages government departments and agencies to buy goods and services from previously disadvantaged individuals or businesses

Protea Chemicals: Omnia's chemicals division, Protea Chemicals is a well-established manufacturer and distributor of speciality, functional and effect chemicals and polymers

Protea Mining Chemicals: one of the companies in Omnia's mining division, Protea Mining Chemicals is a supplier of an extensive range of speciality and commodity chemicals specifically required by the mining industry in Africa

PSEE: Private sector energy and efficiency project

recordable case rate (RCR): a recordable case is any incident resulting in occupational illness and/or injury which arises out of or during an employee's normal course of duty and the execution of work-related responsibilities and which, as a result, requires medical treatment excluding diagnostics. Medical treatment is defined as treatment above and beyond first aid, administered by a recognised professional medical practitioner such as a medical doctor, paramedic or nurse.

R&D: Research and development

Responsible Care®: Omnia is a voluntary signatory to the International Council of Chemical Associations (ICCA) that promotes the chemical industry's unique global initiative for continuous improvement in health, safety and environmental performance, together with open and transparent communication with stakeholders

return on average equity (ROE): an adjusted version of the return on equity measure of company profitability, in which shareholders' equity is changed to average shareholders' equity

return on investment (ROI): performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments; to calculate it, the benefit (return) of an investment is divided by the cost of the investment, with the result expressed as a percentage or ratio

RI: reportable injuries

ROSE: Recycling Oil Saves the Environment Foundation

Sakhile 1/Sakhile Initiative/Sakhile Initiative Limited: established on 1 April 2007 as a broad-based black economic empowerment vehicle for employees residing in South Africa

Sakhile 2/Sakhile Initiative 2/Sakhile Initiative 2 Limited: established on in January 2009 as an investment vehicle to retain senior black employees as well as attracting and retaining talented employees of colour

SAS: Specialised Agricultural Services

Sector Education and Training Authority (SETA): is a vocational skills training organisation in South Africa

SHE: safety, health and environment

SHEQ: safety, health, environment and quality

stakeholder engagement: process by which a company's stakeholders engage in dialogue to improve its decision-making and accountability toward corporate social responsibility and achieving the triple bottom line

South African Chemical Workers Union (SACWU): trade union in South Africa

South African Institute of Chartered Accountants (SAICA): is a professional accountancy body in South Africa

Stock Exchange News Service (SENS) announcements: company announcements such as mergers, take-overs, rights offers, capital issues and cautionaries that are published by the Johannesburg Stock Exchange

sustainability: with regard to the long-term viability of the organisation or relating to, or being a method of, harvesting or using a resource so that the resource is not depleted or permanently damaged

the board: Omnia board of directors

United Nations (UN): is an intergovernmental organisation established to promote international co-operation

United Nations Children's Fund (UNICEF): is a UN programme headquartered in New York City that provides long-term humanitarian and developmental assistance to children and mothers in developing countries

UNFCCC: United Nations Framework Convention on Climate Change

US: United States

Vrystaat Koöperasie Beperk (VKB): is a long-established co-operative agricultural enterprise in South Africa

wellness programme: voluntary programme that supports employees' physical and mental condition; part of the health and safety programme

Zetachem: a major manufacturer and supplier of specialty chemicals to the water treatment industries and part of the Omnia Group

GRI REPORTING

COMPLIANCE WITH GLOBAL REPORTING GUIDELINES (GRI 3.1)

Under the supervision of the audit committee and the social, ethics and risk committee, Omnia assessed the information disclosed in the 2015 Omnia Holdings Limited Integrated Annual Report for compliance with the Global Reporting Initiative (GRI) 3.1 sustainability reporting guidelines.

For this period we have self-assessed our application of the GRI 3.1 reporting framework to be a Level C. As our sustainability reporting evolves in response to incoming requirements, we will be compliant with G4 guidelines for next year's report. At present our non-financial indicators are not audited.

Omnia is listed on the Main board of the JSE Limited (JSE) and reports in accordance with the JSE Listing Requirements, the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, the South African Companies Act, 2008 (Act No 71 of 2008) (the Companies Act), the Code of and Report on Governance Principles for South Africa (King III).

Our integrated report for the year ended 31 March 2015 provides shareholders with an overview of the context, performance and objectives of the business, the resources and capacity it has at its disposal, and how these are used to deliver value for all of its stakeholders.

DISCLOSURES ON MANAGEMENT APPROACH

The Group utilises a variety of management approaches in addressing the sustainability of our businesses in terms of risks and opportunities. These are addressed throughout the report.

REPORT CONTENT

In determining the content of the report, Omnia has identified certain financial and non-financial issues that are most important to the sustainability of the Group. The report takes into account the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) and G3.1 guidelines of GRI to provide insight into Omnia's resources and relationships that create value.

GRI INDEX	Page number(s)
STRATEGY AND ANALYSIS	
1.1 Statement from the most senior decision maker of the organisation.	13 – 19
1.2 Description of key impacts, risks, and opportunities.	54 – 56
ORGANISATIONAL PROFILE	
2.1 Name of the organisation.	Throughout the report
2.2 Primary brands, products, and/or services.	99 – 129
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	43 – 45, 211
2.4 Location of organisation's headquarters.	1
2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	1, 41 – 42, 211
2.6 Nature of ownership and legal form.	43 – 45

GRI INDEX		Page number(s)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	41 – 42
2.8	Scale of the reporting organisation.	1
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	1
2.10	Awards received in the reporting period.	–
REPORT PARAMETERS		
REPORT PROFILE		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.2	Date of most recent previous report (if any).	1
3.3	Reporting cycle (annual, biennial, etc.)	1
3.4	Contact point for questions regarding the report or its contents.	IBC
3.5	Process for defining report content.	1, 57
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	42 – 45, 211
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Throughout the report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable
3.12	Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found:	224 – 228
3.13	Policy and current practice with regard to seeking external assurance for the report.	1, 85, 164 – 168
GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	74 – 86
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	78
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	78
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	80 – 87
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	77 – 87
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	76
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity,	77 – 79
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	6, 50 – 52, 74, 76

GRI INDEX		Page number(s)
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	74 – 87
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	74 – 87
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	54 – 56
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	1, 47, 49, 74 – 76, 148, 161
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: *Has positions in governance bodies; *Participates in projects or committees: *Provides substantive funding beyond routine membership dues: or *Views membership as strategic.	47, 49, 161
4.14	List of stakeholder Groups engaged by the organisation.	48 – 49
4.15	Basis for identification and selection of stakeholders with whom to engage.	47 – 49
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder Group.	48 – 49
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	47 – 49
ECONOMIC PERFORMANCE		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	3 – 5, 8 – 10, 29 – 39, 53, 58 – 65, 144 – 147
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	99 – 129, 155 – 156, 159
MARKET PRESENCE		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	141 – 142
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	141 – 142
INDIRECT ECONOMIC IMPACTS		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	141 – 147
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	1, 141 – 147
ENVIRONMENTAL		
ENERGY		
EN3	Direct energy consumption by primary energy source.	153
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	58 – 65, 102, 153, 156
WATER		
EN8	Total water withdrawal by source.	152

GRI INDEX	Page number(s)
EMISSIONS, EFFLUENTS, AND WASTE	
EN16 Total direct and indirect greenhouse gas emissions by weight.	158
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	22, 155 – 159
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	154
PRODUCTS AND SERVICES	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	99 – 129
OVERALL	
EN30 Total environmental protection expenditures and investments by type.	144 – 147
HUMAN RIGHTS	
NON-DISCRIMINATION	
HR4 Total number of incidents of discrimination and actions taken.	142
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	142
CHILD LABOUR	
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	142
PREVENTION OF FORCED AND COMPULSORY LABOUR	
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	142
LABOUR PRACTICES AND DECENT WORK	
EMPLOYMENT	
LA1 Total workforce by employment type, employment contract, and region.	130, 141
LABOUR/MANAGEMENT RELATIONS	
LA4 Percentage of employees covered by collective bargaining agreements.	139
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Omnia is regulated by labour legislation in this regard
OCCUPATIONAL HEALTH AND SAFETY	
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	151
LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	130 – 139
TRAINING AND EDUCATION	
LA10 Average hours of training per year per employee by employee category.	130 – 139
LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	130 – 139
DIVERSITY AND EQUAL OPPORTUNITY	
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age Group, minority Group membership, and other indicators of diversity.	74 – 79, 130, 141

GRI INDEX		Page number(s)
SOCIETY		
LOCAL COMMUNITIES		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	100%
SO9	Operations with significant potential or actual negative impacts on local communities.	143 – 147
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	143 – 147
CORRUPTION		
SO2	Percentage and total number of business units analysed for risks related to corruption.	100%
PUBLIC POLICY		
SO5	Public policy positions and participation in public policy development and lobbying.	161
COMPLIANCE		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	155
SOCIAL: PRODUCT RESPONSIBILITY		
CUSTOMER HEALTH AND SAFETY		
PRODUCT AND SERVICE LABELLING		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Omnia is 100% compliant in this regard. 100 – 102, 112, 124
MARKETING COMMUNICATIONS		
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	148, 161

CONTACT DETAILS

REGISTERED OFFICE AND POSTAL ADDRESS

Omnia Holdings Limited (a company registered and domiciled in the Republic of South Africa)

Registration number: 1967/003680/06

JSE code: OMN ISIN: ZAE000005153

2nd Floor, Omnia House

Epsom Downs Office Park

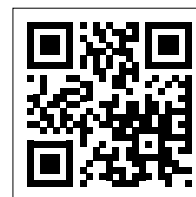
13 Sloane Street, Epsom Downs

Bryanston, 2021

PO Box 69888

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Telephone +27 11 709 8888



www.omnia.co.za

TRANSFER SECRETARIES

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SPONSOR

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Craighall, 2024

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REPORT FEEDBACK

We welcome your feedback on this report, in order to improve our reporting going forward. For further information, this full report and related documents can be downloaded from the web link: www.omnia.co.za. You can also contact Omnia at info@omnia.co.za or Ms. Celeste Appollis (company secretary) on +27 11 709 8888.

FORWARD-LOOKING STATEMENTS

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