

Omnia note issued to support expansion

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SPECIALIST chemicals services group [Omnia](#) said last week it had issued R405m in senior unsecured fixed-rate notes as part of its R1,5bn domestic medium-term note programme, a funding programme that companies normally use to finance their medium-term financing needs.

The issue of the notes would see the group move away from its dependence on short-term bank funds. The group said this was a prudent move, given Omnia's recent growth. In the year to March, Omnia spent R284m on various expansion projects.

The medium-term note programme would allow Omnia access to long-term, alternative capital sources, strengthen its capital structure and enhance its liquidity position. "Omnia will use the net proceeds of the issue to refinance its short-term debt facilities. The medium term note programme will also ensure that Omnia is strongly positioned to capitalise on continued growth and expansion opportunities as and when they arise," the company said.

Omnia's capital expenditure projects in the past financial year included the completion and commissioning of a reactor to reduce greenhouse gas emissions at its Sasolburg plant; the building and commissioning of a nitrophos production plant and the acquisition of Zetachem, a company that produces and markets water treatment products.

Omnia last year completed the erection of its clean development plant at Sasolburg. The facility has been designed to enable Omnia to earn carbon emission reduction credits. The company has announced plans to complete a detailed study to erect a second nitric acid plant and expand nitrate production capacity at the Sasolburg facilities. The new facility would meet growing demand in mining and agricultural markets.

Omnia's share price on Thursday gained 1,56%, closing at R52 a share.