OMNI USA INC
Form 10QSB
February 11, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2004

Commission File Number: 0-17493

OMNI U.S.A., INC.

(Exact name of registrant as specified in its charter)

Nevada	88-0237223
(State of Incorporation)	(IRS Employer Identification No.)

7502 Mesa Road, Houston, Texas 77028

(Address of principal executive offices)

(713) 635-6331

(Issuer's Telephone Number)

Issuer's internet address: www.ousa.com

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ___

At February 10, 2005, there were 1,171,812 shares of common stock $.004995 par value outstanding.

OMNI U.S.A., INC. AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

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OMNI U.S.A., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 2004 (unaudited)
CURRENT ASSETS	
Cash	$ 465,416
Accounts receivable, trade, net	3,289,753
Accounts receivable, related parties	21,225
Inventories, net	4,704,090
Prepaid expenses	393,383
TOTAL CURRENT ASSETS	8,873,867
PROPERTY AND EQUIPMENT, net of Accumulated depreciation and amortization	1,444,720
OTHER ASSETS	
Primarily intangible assets, net	338,872
TOTAL ASSETS	$ 10,657,459

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2004 (unaudited)
CURRENT LIABILITIES	
Accounts payable	$ 2,722,226
Line of credit	2,733,045
Accrued expenses	456,786
Current portion of long-term debt	703,844
TOTAL CURRENT LIABILITIES	6,615,901
LONG-TERM DEBT	843,030
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY	
Common stock (1,227,079 shares issued and 1,171,812 outstanding)	6,129
Additional paid-in capital	5,372,815
Treasury Stock (55,267 shares)	(100,071)
Retained earnings (deficit)	(2,196,229)

Foreign currency translation adjustment	115,884
TOTAL STOCKHOLDERS' EQUITY	3,198,528
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 10,657,459

The accompanying notes are an integral part of the condensed consolidated financial statements.

OMNI U.S.A., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS (UNAUDITED) FOR THE THREE MONTHS AND THE
SIX MONTHS ENDED DECEMBER 31, 2004 AND 2003

	THREE MONTHS ENDED DECEMBER 31, 2004	THREE MONTHS ENDED DECEMBER 31, 2003
NET SALES	$ 4,937,628	$ 5,301,593
COST OF SALES	3,831,082	3,937,653
GROSS PROFIT	1,106,546	1,363,940
OPERATING EXPENSES		
Selling, general and administrative	1,083,553	983,370
OPERATING INCOME	22,993	380,570
OTHER INCOME (EXPENSE)		
Interest expense	(140,375)	(106,529)
Other, net	(28,286)	263
TOTAL OTHER EXPENSE, NET	(168,661)	(106,266)
NET (LOSS) / INCOME	($145,668)	$ 274,304
COMPREHENSIVE INCOME - Foreign Currency Translation Adjustment	4,757	5,919
NET AND COMPREHENSIVE (LOSS) / INCOME	($ 140,911)	$ 280,223
BASIC (LOSS) / EARNINGS PER SHARE	($ 0.12)	$ 0.23
FULLY DILUTED (LOSS) / EARNINGS PER SHARE	($ 0.12)	$ 0.23

The accompanying notes are an integral part of the condensed consolidated financial statements.

OMNI U.S.A., INC. AND SUBSIDIARIES
CONDENDSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the six months ended December 31, 2004	For th De
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) / Income	($ 86,814)	
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation and amortization	181,837	
Changes in operating assets and liabilities:		
Accounts receivable / Notes receivable	(1,243,846)	
Inventories	(690,869)	
Prepaid expenses	(193,342)	
Accounts payable and accrued expenses	492,897	
Total adjustments	(1,453,323)	
Net cash (used) provided by operating activities	(1,540,137)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Intangible assets	(16,460)	
Capital expenditures	(96,384)	
Net cash used by investing activities	(112,844)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on line of credit	12,119,646	
Payments on line of credit	(9,733,642)	
Payments on long-term debt	(811,696)	
Net cash provided (used) by financing activities	1,574,308	
TRANSLATION EFFECT OF FOREIGN CURRENCIES	11,067	
NET DECREASE IN CASH	(67,606)	
CASH AT BEGINNING OF PERIOD	533,022	
CASH AT END OF PERIOD	$ 465,416	

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. As permitted under those rules, certain footnotes or other financial information that are normally required by generally accepted accounting principles in the United States (GAAP) have been condensed or omitted. The Company believes that the disclosures made in this report are adequate to make the information presented not misleading. These condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-KSB.

The Company's management is responsible for the unaudited financial statements included in this document. In the opinion of the Company, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position of Omni U.S.A., Inc. and subsidiaries as of December 31, 2004, and the results of their operations for the three months and six months ended December 31, 2004, and 2003, and cash flows for the six months ended December 31, 2004, and 2003, have been made in accordance with GAAP.

There are significant operations in Mainland China; however, the functional exchange rate for those operations is the U.S. dollar. The foreign currency translation adjustment primarily arises from the translation of amounts from operations in Hong Kong in which the functional currency is that of the foreign location.

Certain reclassifications to the June 30, 2004 and December 31, 2003 statements of operations have been made to conform to the current period presentation with no effect on net income.

2. EARNINGS PER SHARE:

Basic and diluted (loss) / earnings per share is based on the weighted average number of shares of common stock outstanding. For the six month and three month periods ended December 31, 2004 and 2003, the Company's weighted average shares are calculated as follows:

	Quarter Ended December 31, 2004	Quarter Ended December 31, 2003	Six Months Ended December 31, 2004
Weighted average common shares outstanding	1,171,812	1,171,812	1,171,812
Effect of dilution of securities: conversion of stock options	-	-	-
Denominator for dilutive earnings per share	1,171,812	1,171,812	1,171,812

When the Company is in a net loss position, all common stock equivalents are considered anti-dilutive and are therefore not included in the calculation of earnings per share. During the three month and six month period ended December 31, 2004, the Company had a net loss. During the three month and six month period ended December 31, 2003, the Company had a net income; however, the per share exercise price of all stock options exceeded its average per share market value of common stock. Accordingly, all common stock equivalents were considered anti-dilutive during the period and are therefore not included in the calculation of earnings per share.

3. MAJOR CUSTOMERS AND VENDORS:

The Company and its subsidiaries had consolidated sales of $1,918,021 and $2,413,844 to a domestic customer, which accounted for 21% and 27% of consolidated sales for the six months ended December 31, 2004 and 2003, respectively. The Company had sales of $1,321,225 and $2,134,770 to a domestic customer for a total of 27% and 40% of consolidated sales, for the quarters ended December 31, 2004 and 2003, respectively.

During the six months ended December 31, 2004 and December 31, 2003, the Company and its subsidiaries had consolidated purchases of $2,573,351 and $1,826,026 from one vendor for a total of 44% and 34% of consolidated purchases. During the quarters ended December 31, 2004 and December 31, 2003, the Company and its subsidiaries had consolidated purchases of $1,532,057 and $1,217,027 from one vendor for a total of 50% and 36% of consolidated purchases.

4. REVOLVING LINE OF CREDIT AND LONG-TERM DEBT:

The Company previously had a revolving line of credit with a financing company, which provided for maximum borrowings of $4,000,000. The line of credit bore interest at prime plus 1-2% dependent upon certain financial ratios, required maintenance of certain levels of income and tangible net worth and was secured by essentially all of the U.S. assets of the Company. The line of credit matured in June 2003 and the Company was not in compliance with its minimum financial reporting covenants at June 30, 2003. The Company continued to borrow under the line of credit under verbal extensions and waivers from the financing company until the financing company halted borrowings in May 2004. The line of credit was repaid and replaced with a factoring facility and inventory term loan with another financing company. Borrowings under the line of credit at June 30, 2004 and 2003 amounted to $0 and $2,515,461, respectively.

On August 4, 2004, the Company entered into a revolving line of credit agreement with a new financing company with maximum borrowings up to $5,000,000, dependent upon qualifying trade accounts receivable and inventory balances. The line of credit matures August 3, 2007, bears interest a prime plus 1.75% and incurs an unused line of credit fee of .25%. The credit line is subject to certain financial ratio and reporting covenants. The line of credit is secured by all of the assets of the Company and personal guarantees by two officers of the Company of $1,000,000 each. Proceeds received under the line of credit agreement were used to repay any amounts owed under the inventory note payable. Outstanding borrowings amounted to $2,610,691 at December 31, 2004.

The Company also maintains a line of credit with a foreign financial institution, which provides for maximum borrowings of $1,000,000 based on the creditworthiness of the Company's customers serviced by the Company's foreign subsidiary. Outstanding borrowings amounted to $122,354 and

$347,040 at December 31, 2004 and June 30, 2004, respectively. The foreign line of credit matures November 30, 2005 and bears interest at 5.625%.

5. INCOME TAXES

The difference between the expected income tax benefit/(expense) at December 31, 2004 of $29,517 and ($32,079) at December 31, 2003 which would be determined by applying the statutory U.S. income tax rate of 34% to income/(loss) before income tax expense, is primarily due to the decrease/increase in the deferred tax valuation allowance.

6. OPERATING LEASES

The Company leases equipment and office, warehouse and manufacturing space in Houston, TX; Butler, KY; Shanghai, China; Hong Kong, and Tatui, Brazil. The Houston facility is a combination office/warehouse facility of approximately 40,000 square feet, which the Company uses as its headquarters and as an Omni Gear assembly center, inventory warehouse, warranty repair, quality control, testing and inspection, and distribution center. The Houston facility is leased from a real estate investment company located in Houston, Texas, under a long-term lease expiring July 2005, an extension of which is under current consideration. The Butler facility is a 35,000 square feet manufacturing facility. The Shanghai facility leases buildings in a manufacturing complex containing approximately 130,000 square feet.

7. LITIGATION AND CONTINGENCIES

The Company, from time to time, is a party to various legal proceedings that constitute ordinary routine litigation incidental to the Company's business. In the opinion of management, all such matters are either adequately covered by insurance or are not expected to have a material adverse effect on the Company.

8. SEGMENT INFORMATION

The Company and its subsidiaries are engaged in the business of designing, developing and distributing power transmissions and trailer and implement components used for agricultural, construction and industrial equipment.

SEGMENT INFORMATION

THREE MONTHS ENDED DECEMBER 31, 2004	NET SALES	OPERATING INCOME	INTEREST EXPENSE	IDENTIFIABLE ASSETS	CAPITAL EXPENDITURES	D A
Power Transmission Components	4,054,689	78,056	81,893	8,093,626	42,637	
Trailer and Implement Components	882,939	(55,063)	58,482	2,563,833	12,243	
Total Omni, U.S.A., Inc.	4,937,628	22,993	140,375	10,657,459	54,880	

THREE MONTHS ENDED DECEMBER 31, 2004	NET SALES
Domestic Customers	4,451,136
Foreign Customers	486,492
Total Omni, U.S.A., Inc.	4,937,628

DECEMBER 31, 2004	PRO EQUI
Domestic	
Foreign	
Total Omni, U.S.A., Inc.	

THREE MONTHS ENDED DECEMBER 31, 2003	NET SALES	OPERATING INCOME	INTEREST EXPENSE	IDENTIFIABLE ASSETS	CAPITAL EXPENDITURES	D A
Power Transmission Components	$ 4,546,818	$ 303,905	$ 77,784	$8,329,481	$ 14,169	
Trailer and Implement Components	754,775	76,665	28,745	2,661,232	30,769	
Total Omni, U.S.A., Inc.	$ 5,301,593	$ 380,570	$106,529	$10,990,713	$ 44,938	

THREE MONTHS ENDED DECEMBER 31, 2003	NET SALES
Domestic Customers	$ 4,765,842
Foreign Customers	535,751
Total Omni, U.S.A., Inc.	$ 5,301,593

DECEMBER 31, 2003	PRO EQUI
Domestic	
Foreign	
Total Omni, U.S.A., Inc.	

SEGMENT INFORMATION
(CONTINUED)

SIX MONTHS ENDED DECEMBER 31, 2004	NET SALES	INCOME FROM OPERATIONS	INTEREST EXPENSE	IDENTIFIABLE ASSETS	CAPITAL EXPENDITURES	D A
Power Transmission Components	7,498,055	219,123	153,021	8,093,626	94,490	
Trailer and Implement Components	1,811,374	(57,595)	72,746	2,563,833	43,743	
Total Omni, U.S.A., Inc.	9,309,429	161,528	225,767	10,657,459	138,233	

SIX MONTHS ENDED DECEMBER 31, 2004	NET SALES
Domestic customers	1,263,077
Foreign customers	8,046,352
Total Omni, U.S.A., Inc.	9,309,429

DECEMBER 31, 2004	PROPE EQUIPM
Domestic	
Foreign	
Total Omni, U.S.A., Inc.	

SIX MONTHS ENDED DECEMBER 31, 2003	NET SALES	INCOME FROM OPERATIONS	INTEREST EXPENSE	IDENTIFIABLE ASSETS	CAPITAL EXPENDITURES	D A
Power Transmission Components	$7,286,954	$ 288,744	$143,894	$8,329,481	$ 62,702	
Trailer and Implement Components	1,557,872	3,765	58,040	2,661,232	31,513	
Total Omni, U.S.A., Inc.	$8,844,826	$ 292,509	$201,934	$ 10,990,713	$ 94,215	

SIX MONTHS ENDED DECEMBER 31, 2003	NET SALES
Domestic customers	$ 7,859,839
Foreign customers	984,987
Total Omni, U.S.A., Inc.	$ 8,844,826

DECEMBER 31, 2003	PROPE EQUIPM
Domestic	
Foreign	
Total Omni, U.S.A., Inc.	

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. This report should be read in conjunction with the Company's latest Form 10-KSB, a copy of which may be obtained by visiting the Company's home page at www.ousa.com, or by writing to the Investor Relations Department, Omni U.S.A., Inc., 7502 Mesa Road, Houston, Texas 77028.

Liquidity and Capital Resources

The Company's primary capital requirements are for routine working capital needs that are generally met through a combination of internally generated funds, revolving line of credit facilities and credit terms from suppliers. The Company's line of credit facilities had an outstanding balance of $2,733,045 at December 31, 2004. The Company had working capital of $2,257,966 as of December 31, 2004 and working capital of $2,436,127 as of June 30, 2004, a decrease of $178,161 from June 30, 2004. The decrease in working capital from June 30, 2004 was due to increases in accounts payable and accrued expenses, offset by increases in inventories and accounts receivable.

The Company had a cash balance of $465,416 as of December 31, 2004; reflecting a negative cash flow of $67,606 compared to the June 30, 2004 cash balance of $533,022. The Company's cash used by operating activities for the six months ended December 31, 2004 of ($1,540,137) consisted of the net income for the period, increases in accounts payable and accrued expenses and depreciation offset by increases in accounts receivable and inventories.

The Company's cash used in investing activities for the six months ended December 31, 2004 of ($112,844) consisted of net capital and intangible asset expenditures for the period in both operating segments.

Net cash provided by financing activities for the six months ended December 31, 2004 of $1,574,308 consisted primarily of borrowings on the line of credit.

The Company's current ratio was 1.34 as of December 31, 2004, which is a 14% decrease when compared to the June 30, 2004 current ratio of 1.56. This is primarily the result of increases in inventory as well as borrowings on the Company's lines of credit. Additionally this decrease is the result of accounting for the Company's domestic factoring agreement it was operating under as of June 30, 2004 and the domestic line of credit which replaced it in August 31, 2004 and was in effect as of December 31, 2004.

The Company's businesses are working capital intensive and require funding for purchases of production, inventories and capital expenditures. The Company has debt service requirements including payments on notes and monthly interest payments on the Company's bank credit facilities. Management believes that cash generated from operations, together with the Company's bank credit facilities, provides the Company adequate liquidity to meet the Company's operating and debt service requirements. If however, operations do not remain at current levels and the Company is unable to access or renew its line of credit facilities or service its long term debt facilities, the Company will be required to reduce its operations accordingly which may have a negative impact on the Company to meet the needs of it customers, suppliers and credit providers. In addition, the Company believes that it has the ability to raise additional financing in the form of debt to fund additional capital expenditures, if required.

Results for the Quarter ended December 31, 2004 compared with the Quarter ended December 31, 2003

The Company had net sales of $4,937,628 for the three months ended December 31, 2004. This represents a 7% decrease compared to the three months ended December 31, 2003 net sales of $5,301,593. This decrease is partly due product mix and a decrease in sales to a large domestic customer. The following table indicates the Company's net sales comparison and percentage of change for the three months ended December 31, 2004 and 2003:

NET SALES	QUARTER ENDED 12/31/04	% OF TOTAL	QUARTER ENDED 12/31/03	% OF TOTAL	DOLLAR CHANGE
Power Transmission Components	$ 4,054,689	82%	$ 4,546,818	86%	$ (492,12
Trailer and Implement Components	882,939	18%	754,775	14%	128,1
Consolidated	$ 4,937,628	100%	$ 5,301,593	100%	$ (363,96

Gross profit for the three months ended December 31, 2004 decreased $257,394 to $1,106,546, compared to gross profit for the three months ended December 31, 2003 of $1,363,940. Gross profit as a percentage of net sales for the three months ended December 31, 2004 decreased to 22% as compared to 26% for the three months ended December 31, 2003. This decrease in profit margin was primarily due to the product mix in the period.

Selling, general and administrative expenses increased $100,183 to $1,083,553 in the three months ended December 31, 2004 from $983,370 in the three months ended December 31, 2003. Selling, general and administrative expenses increased due to increases in costs incurred in efficiency and quality initiatives undertaken at the Shanghai and Brazil facilities.

Income from operations for the Company decreased $357,577 to $22,993 for the three months ended December 31, 2004, compared to $380,570 for the three months ended December 31, 2003. This decrease is the result of higher operating expenses during the period and decreased revenues and gross profit.

Interest expense increased $33,846 to $140,375 for the three months ended December 31, 2004 from $106,529 for the three months ended December 31, 2003. The increase resulted from increased borrowings and new financing facility fees associated with the Company's domestic line of credit.

Other expense was $28,286 for the three months ended December 31, 2004 compared to other income of $263 for the three months ended December 31, 2003. This change is primarily the result of increases in net commission expenses in the current period.

The Company's net income decreased $419,972 to a loss of ($145,668) or ($0.12) per share, for the three months ended December 31, 2004 compared to income of $274,304 or $0.23 per share, for the three months ended December 31, 2003.

Results for the Six months ended December 31, 2004 compared with the Six months ended December 31, 2003

The Company had net sales of $9,309,429 for the six months ended December 31, 2004. This represents an increase of 5% compared to the six months ended December 31, 2003 net sales of $8,844,826. Sales have increased overall due to a strong first fiscal quarter. The following table indicates the Company's net sales comparison and percentage of change for the six months ended December 31, 2004 and 2003:

NET SALES	SIX MONTHS ENDED 12/31/04	% OF TOTAL	SIX MONTHS ENDED 12/31/03	% OF TOTAL	DOLLAR CHANGE
Power Transmission Components	$7,498,055	81%	$ 7,286,954	82%	$211,101
Trailer and Implement Components	1,811,374	19%	1,557,872	18%	253,502
Consolidated	$9,309,429	100%	$ 8,844,826	100%	$464,603

Gross profit for the six months ended December 31, 2004 increased $163,670 to $2,278,369, compared to gross profit for the six months ended December 31, 2003 of $2,114,699. Gross profit as a percentage of net sales for the six months ended December 31, 2004 remained at 24% as compared to the six months ended December 31, 2003.

Selling, general and administrative expenses increased $294,651 to $2,116,841 in the six months ended December 31, 2004 from $1,822,190 in the six months ended December 31, 2003. Selling, general and administrative expenses increased due to increases in costs incurred in efficiency and quality initiatives undertaken at the Shanghai and Brazil facilities.

Income from operations for the Company decreased $130,981 to $161,528 for the six months ended December 31, 2004, compared to $292,509 for the six months ended December 31, 2003. This decrease is the result of increased operating expenses during the period as described above.

Interest expense increased $23,833, to $225,767 for the six months ended December 31, 2004 from $201,934 for the six months ended December 31, 2003. The increase resulted from increased borrowings and new financing facility fees associated with the Company's domestic line of credit.

Other expense was $22,575 for the six months ended December 31, 2004 compared to other income of $3,774 for the six months ended December 31, 2003. This change is primarily the result of increases in net commission expenses in the current period.

The Company's net income decreased $181,163 to a net loss of ($86,814), or ($0.06) per share, for the six months ended December 31, 2004 compared to net income of $94,349, or $0.08 per share, for the six months ended December 31, 2003.

Cautionary Statement

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

With the exception of historical facts, the statements contained in Item 2 of this form 10-QSB are forward-looking statements. Forward-looking statements discuss future expectations, plans, strategies, activities or events. They often include words such as believe, expect, anticipate, intend or plan, or words with similar meaning or with future or conditional verbs such as will, would, should, or may. The Company does not plan to update these forward-looking statements to reflect events or changes that occur after they are made.

Actual results may differ materially from those contemplated by the forward-looking statements. The Company cannot guarantee that any forward looking statement will be realized, although the Company and its management believe that it has been prudent in its plans and assumptions. Investors are further directed to the Company's documents, such as its Annual Report on Form 10-KSB, Forms 10-QSB's and Forms 8-KSB filed with the Securities and Exchange Commission. Achievement of future results and these forward-looking statements involve risks and uncertainties, including but not limited to, the following:

1) acts or threats of war or terrorism, and the effects of such acts or threats on the Company, its employees, its debtors, customers and vendors as well as the local and international economies in which the Company sells its products,

2) changes in the availability of debt and equity capital resulting in increased costs, shareholder dilution, or reduced liquidity and lack of working capital,

3) cyclical downturns affecting the markets for our products over which we have no control,

4) our lack of ability to generate profitable operations and positive cash flows from those operations,

5) the effects of our failure to timely pay our outstanding debts,

6) substantial increases in interest rates,

7) availability or material increases in the costs of select raw materials,

The Company undertakes no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the applicable cautionary statements.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material changes from the disclosure in the Company's Form 10-KSB for the fiscal year ended June 30, 2004.

Item 6(a). Exhibits

Exhibit 31.1
Exhibit 32.1

Item 6(b). Reports on filed Form 8-K.

None

Item 7. Controls and Procedures.

Evaluation of disclosure controls and procedures. Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Company's Chief Executive Officer concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported to the Company's management within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in internal controls. Subsequent to the date of their evaluation, there were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's disclosure controls and procedures, and there were no corrective actions required with regard to significant deficiencies and material weaknesses based on such evaluation.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 11, 2005 OMNI U.S.A., INC.

By: /s/ Jeffrey K. Daniel

Jeffrey K. Daniel
President and Chief Executive Officer

INDEX TO EXHIBIT

Exhibit No.	Description
31.1	Certification of CEO, President & CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of CEO, President & CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002