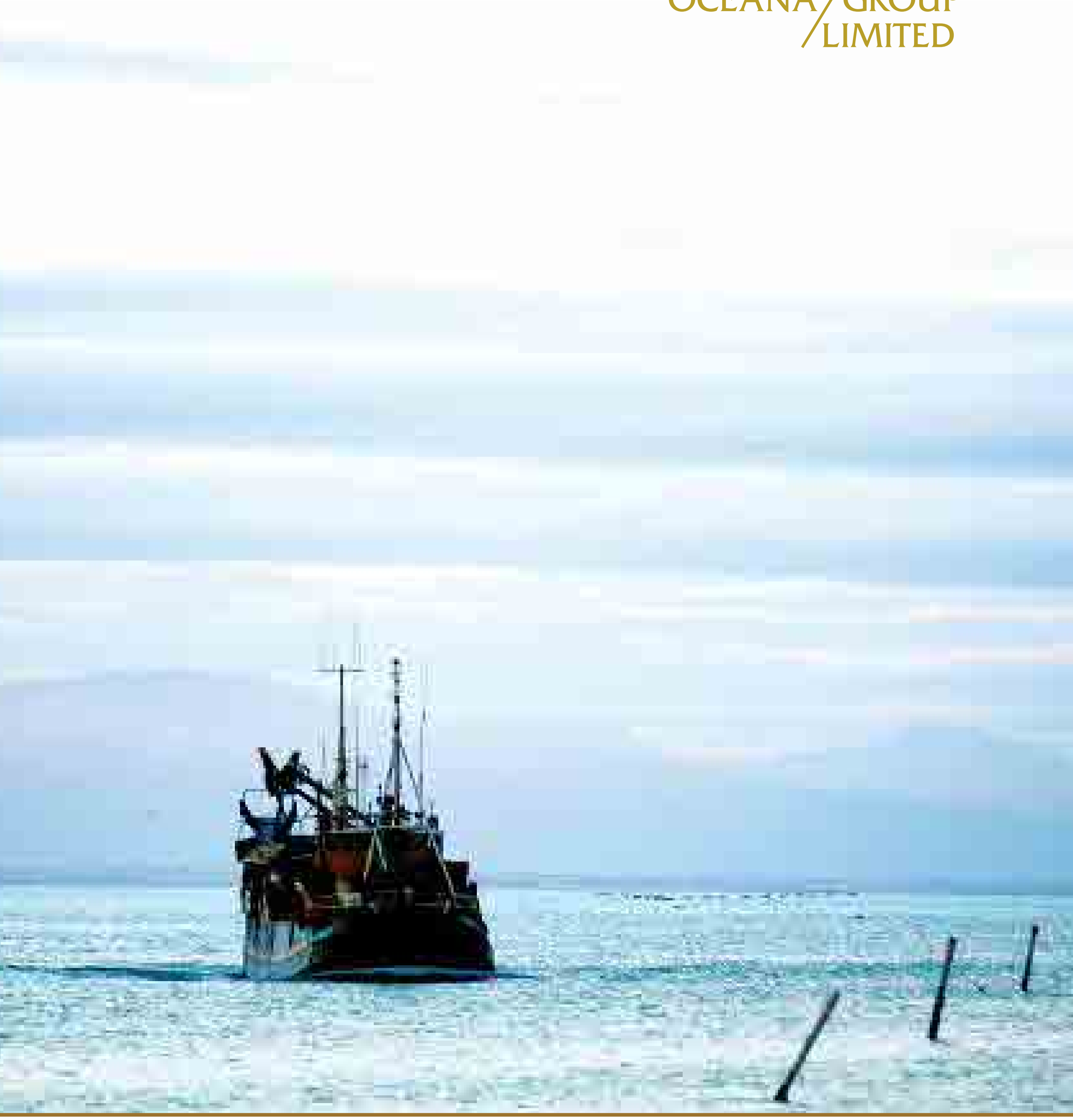
OCEANA GROUP LIMITED



ANNUAL REPORT 2007

contents

Since 1918

Oceana has been committed to the long-term sustainability of its business. Over many decades, and particularly during periods of uncertain political, economic and environmental climates, the group has not faltered in planning and investing in the future.

Andrew Marshall

Oceana CEO

OCEANA GROUP LIMITED

To be the leading fishing and commercial cold storage company in Africa offering:

- a diversified range of fish products
- strong brands
- global sources of supply
- empowerment, transformation and corporate social responsibility credentials

resulting in superior returns to all stakeholders.

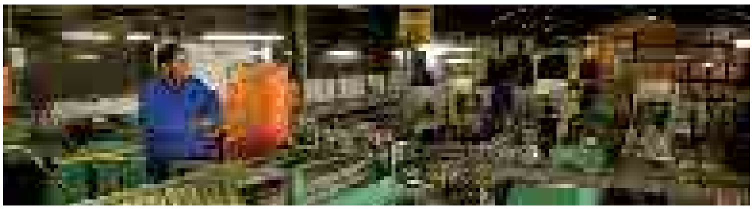
GROUP PROFILE

Oceana Group Limited (Oceana) was incorporated in 1918. Its shares are listed on the JSE Limited (JSE) and the Namibian Stock Exchange (NSX).

Principal shareholders are Tiger Brands Limited, Brimstone Investment Corporation Limited and the Khula Trust (Oceana's black employee share trust).

Oceana is involved in the fishing and allied services sector.

It engages in the **catching, processing and procurement of marine species** including pilchard, anchovy, redeye herring, lobster, horse mackerel, squid, tuna and hake. Products are sold through international and local marketing channels. In addition, Oceana provides extensive **cold storage and fruit handling facilities** in the commercial market.



Oceana employs 1 274 permanent staff and 1 000 seasonal employees, fluctuating during periods of seasonal fishing activities.

KEY GROUP OBJECTIVES




economic sustainability

To position the company for long-term growth and viability with emphasis on:

- SECURING ACCESS RIGHTS TO RESOURCES AND SOURCES OF SUPPLY
- INCREASING MARKET DIVERSIFICATION AND MARKET SHARE
- PRODUCT QUALITY AND INNOVATION
- LOW-COST PRODUCTION AND IMPROVED EFFICIENCIES
- SKILLED AND MOTIVATED STAFF COMPLEMENT, COMPLYING WITH EMPLOYMENT EQUITY, EMPOWERMENT AND TRANSFORMATION OBJECTIVES

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environmental sustainability

To utilise resources on a sustainable and responsible basis and minimise negative impacts on the environment with emphasis on:

- PARTICIPATION IN SUSTAINABLE FISHING SECTORS AND SUPPORT FOR GOVERNMENT RESEARCH AND MANAGEMENT OF MARINE RESOURCES
- STRICT ADHERENCE TO TERMS OF ACCESS RIGHTS, FISHING PERMITS AND OPERATING PROCEDURES BY FLEETS
- EFFICIENT AND MINIMAL USAGE OF RENEWABLE AND NON-RENEWABLE RESOURCES
- MINIMISATION OF EMISSIONS AND WASTE
- DEVELOPING PROCESSES TO MEASURE AND MONITOR ENVIRONMENTAL IMPACTS AGAINST TARGETS AND BENCHMARKS

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social sustainability

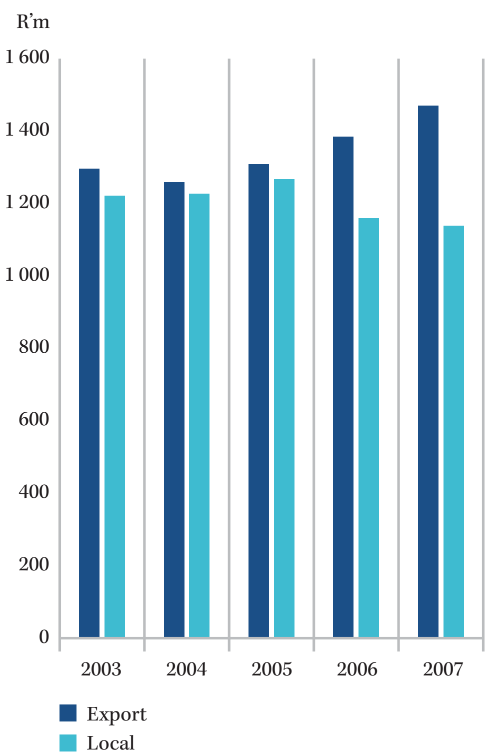
To maintain and develop positive relationships with major stakeholders, and promote social upliftment, including:

- INITIATING AND SUPPORTING CORPORATE SOCIAL INVESTMENT (CSI) PROGRAMMES
- SKILLS TRANSFER AND DEVELOPMENT, TRAINING AND SUPPORT FOR SMALL, MICRO AND MEDIUM ENTERPRISES (SMMES)
- HIV/AIDS AWARENESS TRAINING
- ASSISTANCE TO WELFARE INITIATIVES

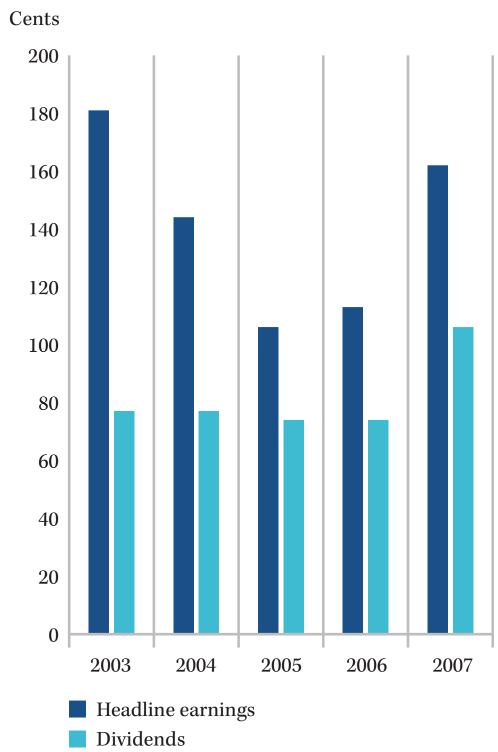
FINANCIAL AND OTHER SIGNIFICANT HIGHLIGHTS

	2007 R'000	2006 R'000	% Change
Operating results			
Revenue	**2 608 894**	2 544 558	3
Operating profit before abnormal items	**236 723**	183 325	29
Headline earnings	**163 836**	127 581	28
Balance sheet			
Total assets	**1 502 379**	1 337 632	12
Net assets	**871 503**	795 010	10
	Cents	Cents	
Performance	**per share**	per share	
Headline earnings	**162.4**	112.8	44
Dividends	**106.0**	74.0	43
Headline dividend cover (times)	**1,5**	1,5	
Net asset value	**869.1**	783.3	11

Revenue analysis



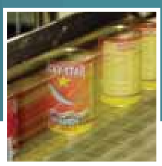
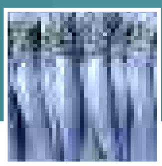
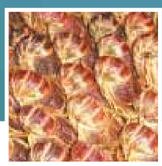
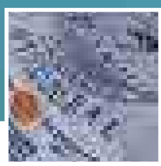
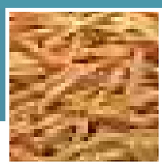
Headline earnings and dividends per share

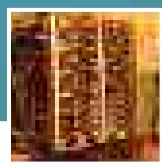


SEGMENTAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007

	2007 R'000	2006 R'000	% Change	2007 R'000	2006 R'000	% Change
Business segment						
		Revenue #			**Operating profit ***	
Inshore fishing	**1 409 041**	1 318 947	7	**105 862**	77 939	36
Midwater and deep-sea fishing	**1 023 667**	1 071 362	(4)	**73 587**	46 705	58
Commercial cold storage	**176 186**	154 247	14	**57 274**	58 681	(2)
Total	**2 608 894**	2 544 558	3	**236 723**	183 325	29
		Total assets			**Total liabilities**	
Inshore fishing	**604 834**	563 887	47	**293 596**	278 909	8
Midwater and deep-sea fishing	**280 829**	264 306	6	**135 320**	90 756	49
Commercial cold storage	**168 407**	177 944	(5)	**35 979**	41 693	(14)
Financing	**437 871**	318 645	(34)	**99 377**	77 570	20
	1 491 941	1 324 782	13	**564 272**	488 928	15
Deferred taxation	**10 438**	12 850	(19)	**32 585**	29 874	9
Total	**1 502 379**	1 337 632	12	**596 857**	518 802	15
		Capital expenditure			**Depreciation and amortisation**	
Inshore fishing	**19 611**	11 448	71	**25 151**	23 014	9
Midwater and deep-sea fishing	**2 220**	15 987	(86)	**19 859**	17 827	11
Commercial cold storage	6 210	66 841	(91)	22 389	16 474	36
Total	**28 041**	94 276	(70)	**67 399**	57 315	18
Geographical segment ¥						
		Revenue #			**Operating profit ***	
South Africa and Namibia	**1 137 432**	1 165 785	(2)	**140 313**	106 541	32
Other Africa	**579 407**	636 269	(9)	**43 526**	34 397	27
Europe	**569 461**	424 899	34	**29 322**	21 501	36
Far East	**271 995**	204 663	33	**21 723**	17 140	27
Other	**50 599**	112 942	(55)	**1 839**	3 746	(51)
Total	**2 608 894**	2 544 558	3	**236 723**	183 325	29

 # Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation amounting to:
Inshore fishing R2,2 million (2006: R1,5 million)
Midwater and deep-sea fishing R26,0 million (2006: R17,6 million)
Commercial cold storage R17,0 million (2006: R13,2 million).
** Operating profit is stated before abnormal items.*
¥ No geographical segment report is presented for assets and liabilities, as these are predominantly in South Africa.



OWNERSHIP PROFILE

38,2% Tiger Brands Limited

12,3% Khula Trust
(formerly The Oceana Group Black Employee Share Trust)

9,9% Brimstone Investment Corporation Limited

39,6% Other

100% Total

inshore fishing

OCEANA BRANDS
Areas of operations:
St Helena Bay, Cape Town, Hout Bay, Mossel Bay, Walvis Bay

MARKETING
- Markets canned fish products to consumers via wholesale and retail customers under the Lucky Star brand in Africa.
- The brand is exported globally.

FLEET
- A versatile fleet of owned and joint venture steel, wooden and fibreglass vessels operate from various ports on the west and south coasts of South Africa.

ST HELENA BAY CANNERY
- Sources fish from the Oceana fleet, joint venture and contract vessels.
- Largest internationally accredited pelagic fish processing facility in Southern Africa.

FISHMEAL AND FISH OIL
- Three plants produce fishmeal from pelagic sources – anchovy, redeye herring and pilchard.
- Fishmeal and fish oil used primarily as components in animal and aqua feeds.

NAMIBIA
- Oceana has a significant shareholding in Etosha Fishing in Walvis Bay, Namibia.
- Three steel pelagic and contract vessels supply the cannery and fishmeal plant.
- Products are marketed by Oceana Brands.

GLENRYCK FOODS
Areas of operations:
Henley, UK

- Markets canned fish products to consumers via wholesale and retail customers under the Glenryck brand in the United Kingdom (UK).
- The brand is exported globally.

OCEANA LOBSTER, SQUID AND FRENCH FRIES
Areas of operations:
Lambert's Bay, St Helena Bay, Hout Bay, Humansdorp, Port Elizabeth

LOBSTER
- Industry leader with over 90 years' experience.
- Operates a fleet of 11 vessels and two HACCP-accredited processing plants.
- Markets lobster to the Far East, Europe and the USA under a range of Oceana brands.
- Alliances with major lobster producers.

SQUID
- Fleet of five freezer vessels; contracts with independent vessel owners.
- Packing and cold storage facility in Port Elizabeth and cold storage facility in Humansdorp.
- Produces squid for export under the Blue Continent brand.

FRENCH FRIES
- Major supplier to South African quick service restaurants and wholesale and retail outlets through the Gold Seal and own brands.
- Potato product producing facility in Lambert's Bay internationally accredited.
- National sales and marketing infrastructure.

midwater and deep-sea fishing

BLUE CONTINENT PRODUCTS
Areas of operations:
Cape Town, Hout Bay, Port Elizabeth, Walvis Bay, Isle of Man

HORSE MACKEREL
- South African vessel lands horse mackerel for export.
- The Namibian-based Erongo Group operates its own fleet of two horse mackerel trawlers and charters additional vessels.
- Trades mainly to African markets, supported by international agents.

HAKE
- Interests in three steel trawlers and two longline vessels.
- Processes fresh and frozen hake for export.
- Packing plant in Hout Bay.
- Brands include Blue Continent and Seamaid.

TUNA
- Trades worldwide supported by international agents.

BLUE ATLANTIC TRADING
Area of operations:
Cape Town

LOCAL TRADING
- Blue Atlantic Trading handles a variety of imported and local marine foods distributed locally to wholesalers and the retail trade under the Blue Atlantic and Ocean Catch brands.

commercial cold storage

COMMERCIAL COLD STORAGE
Areas of operations:
Cape Town, Durban, Johannesburg, Walvis Bay

COMMERCIAL COLD STORAGE
- Owns and manages over 100 000t capacity of cold storage.
- Major commodities include fish, meat, poultry, vegetables, dairy products and fruit.
- Modern facilities comply with European Union (EU) import requirements, eg ISO 9001:2000 and HACCP grading.
- The sterifruit facility in Durban complies with import protocols of Japan and China.

DIRECTORATE

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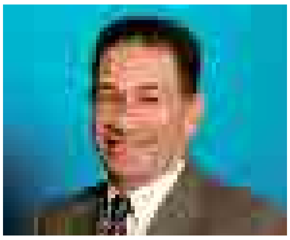
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Chairman

1. MUSTAQ AHMED BREY ◆ (53) CA(SA)
Appointed to the board in 1995
Non-executive director
Chief executive officer of Brimstone Investment Corporation Limited

Vice-chairman

2. ROBERT ALBERT WILLIAMS * ◆ (67) BA, LLB
Appointed to the board in 1988
Independent non-executive director
Director of companies

Chief executive officer

3. ANDREW BRIAN MARSHALL ° ■ Δ (52) BCom (Hons)
Appointed to the board in 1999

Financial director

4. RODNEY GERALD NICOL ° ■ (52) CA(SA)
Appointed to the board in 1991

Executive director

5. ALETHEA BERENICE ANNE CONRAD ° Δ (43) BA LLB
Appointed to the board in 2007

Non-executive directors

6. NICHOLAS DENNIS * ◆ (60) (British) BCom (Hons)
Appointed to the board in 2000
Chief executive officer of Tiger Brands Limited

7. NOEL PATRICK DOYLE * ■ (41) (Irish) FCA, CA(SA)
Appointed to the board in 2006
Chief financial officer of Tiger Brands Limited

8. ZELLAH FUPHE Δ (39) BSocSci
Appointed to the board in 2006
Independent
Managing director of Worldwide African Investment Holdings

9. SAAMSOODEIN PATHER * (57) BBusSc, BCom (Hons), MBA
Appointed to the board in 1996
Independent
Director of companies

10. FREDERICK ROBERTSON (53)
Appointed to the board in 2007
Executive deputy chairman of Brimstone Investment Corporation Limited

* *Audit committee* ° *Executive director* ◆ *Remuneration and nominations committee* ■ *Risk committee* Δ *Transformation committee*

Information status as at 9 November 2007

EXECUTIVE COMMITTEE

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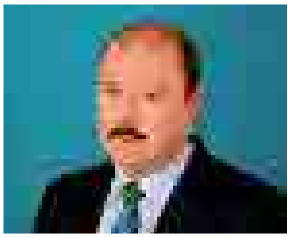

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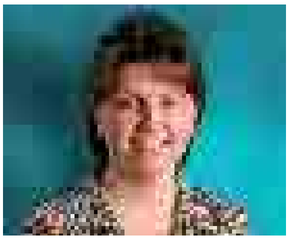


1. ANDREW BRIAN MARSHALL ° ■ Δ (52)
BCom (Hons)
Chief executive officer
Oceana Group Limited
Number of years' service – 9

2. RODNEY GERALD NICOL ° ■ (52)
CA(SA)
Financial director
Oceana Group Limited
Number of years' service – 22

3. NEVILLE DONOVAN BRINK ■ (47)
Managing director
Oceana Lobster, Squid and French Fries
Number of years' service – 19

4. ALETHEA BERENICE ANNE CONRAD ° Δ (43)
BA LLB
Executive director
Oceana Group Limited
Number of years' service – 8

5. SIMON PETER CUMMINGS ■ (39)
BCom
Managing director
Commercial Cold Storage
Number of years' service – 14

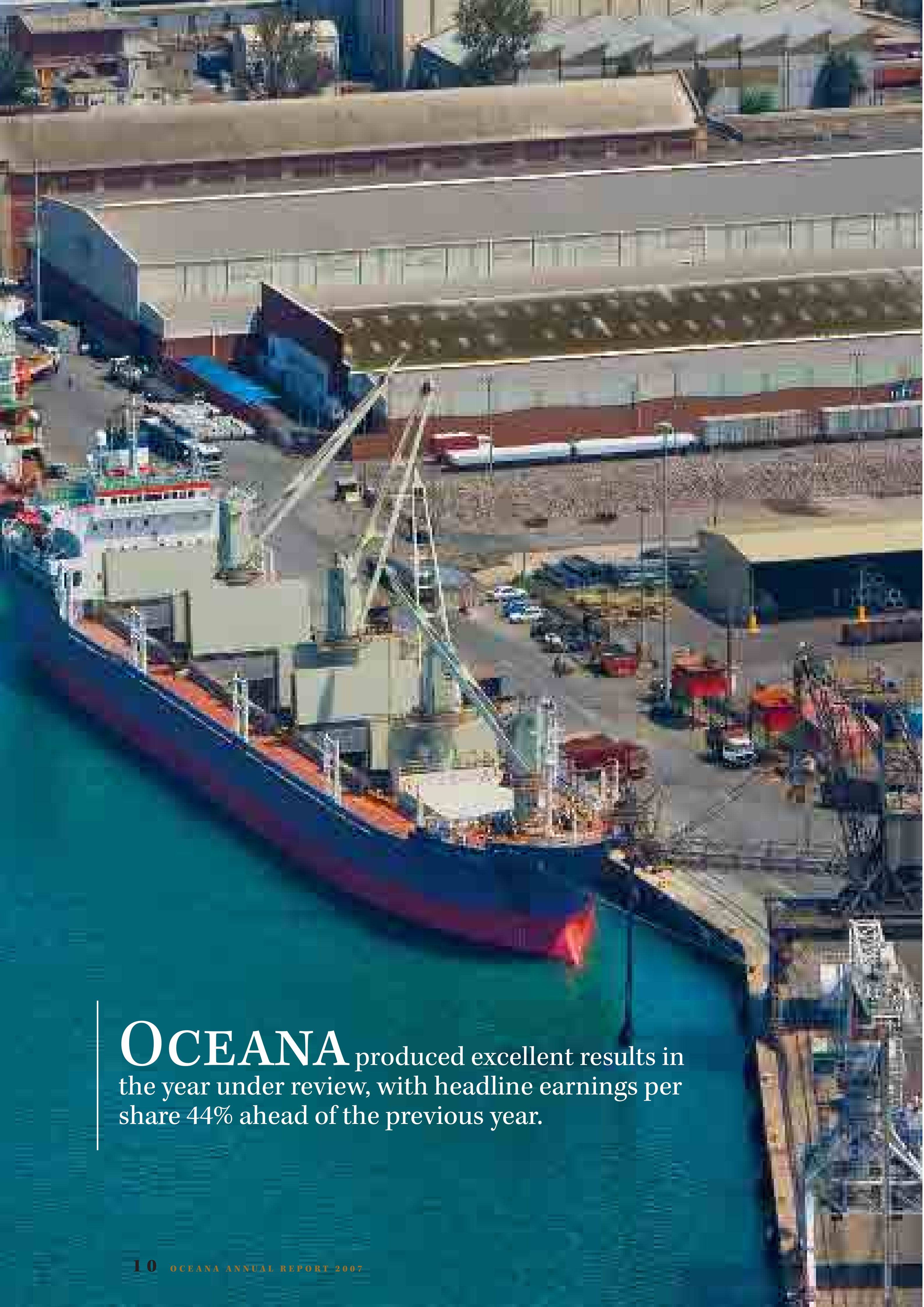
6. BARRIE JAMES KING ■ (56)
CA(SA)
Managing director
Blue Continent Products
Number of years' service – 6

7. GAVIN ANDREW RHODES-HARRISON ■ Δ (54)
BSc Bldg Mgmt
Managing director
Oceana Brands
Number of years' service – 8

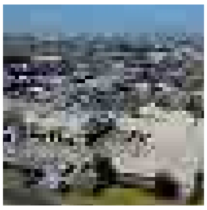
8. JANE LOUISE WILKINSON Δ (38)
BA (Hons) Public Adm, CF-CIPD (UK)
Human resources manager
Oceana Group Limited
Number of years' service – 10

° *Executive director* ■ *Risk committee* Δ *Transformation committee*

Information status as at 9 November 2007



OCEANA produced excellent results in the year under review, with headline earnings per share 44% ahead of the previous year.



MUSTAQ BREY
CHAIRMAN

OVERVIEW

Oceana produced excellent results in the year under review, with headline earnings per share 44% ahead of those of the previous year.

A final dividend of 87.0 cents per share was declared which, together with the interim dividend of 19.0 cents per share, makes a total distribution of 106.0 cents per share for the year (2006: 74.0 cents).

The major contributors to increased profitability were higher landings of horse mackerel, anchovy and lobster and increased prices for most products on both local and export markets, enhanced by a more favourable exchange rate.

The economic benefits of Oceana's diversified activities, in a number of inshore and deep-sea sectors in fishing and in cold storage, were once again demonstrated in the results achieved. While the canned fish business recorded a decline in turnover and margins, performance in horse mackerel, fishmeal and lobster was excellent.

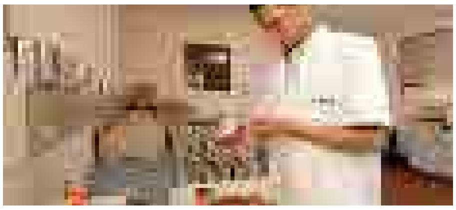
The initiative to augment Oceana's black economic empowerment (BEE) shareholding was finalised in late September 2006, with Brimstone Investment Corporation acquiring a 10% shareholding and the black staff share trust (Khula Trust) acquiring a 12,4% shareholding. The communication programme to employees in early 2007 was received positively, resulting in 1 978 employees (96%) taking up the offer to enjoy economic empowerment through the acquisition mechanism provided.

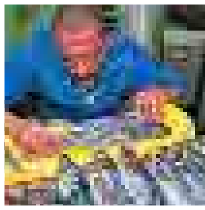
Ownership is but one facet of broad-based BEE and I can report that the company continues to give attention to skills training, procurement and advancement in BEE levels in management. It was very gratifying to receive an AA rating from Empowerdex in December 2006, and to be included in the Financial Mail's 'Top 10 Black Chips' and ranked number four on BEE credentials amongst the JSE's listed companies, in its 2007 survey.

SUSTAINABILITY

The 90th anniversary of Oceana's incorporation occurs in July 2008. It is a great credit to the group that it has produced good results and grown appreciably over such a long period. It is certainly the intention to ensure its sustainability into the future. Sustainability depends on a number of fundamental factors including the availability of fish resources and their responsible management, the quality of and demand for Oceana's products and services, a business model and human resources ready to make a success of the impressive infrastructure and resources and response to new challenges.

Fish resources and Oceana's access to them are of cardinal importance. Oceana fully supports resource management techniques, including total allowable catch (TAC) adjustments from season to season, to allow for sustainable harvesting.



Readers will find commentary on the status of some of the species landed by Oceana on pages 22 to 27. The TACs and Oceana's share are summarised in the table below:

Species	Oceana's % of TAC	2007 TAC (tons)
Pilchard	14,3	162 436
Anchovy	16,7	536 942
Horse mackerel – South Africa	18,8	31 500
Horse mackerel – Namibia	28,0	265 000
Hake – trawl	1,1	112 772
– long line	1,4	8 802
Lobster – west coast	16,6	2 556
– south coast	3,2	382
Squid	4,3	2 423

Management of South Africa's marine living resources is controlled by the Marine and Coastal Management (MCM) branch of the Department of Environmental Affairs and Tourism (DEAT), with input from universities and sectoral working groups to enable the fishing industry to engage in a participative process of sharing knowledge, expertise, catch statistics and seeking agreement on a modus operandi most likely to promote sustainable harvesting. Oceana participates in sectoral working groups each season. In the case of west coast lobster, the group contributes, on a contract basis, a fully crewed vessel to assist with surveys. In South African horse mackerel operations, the group meets the costs of having an independent observer on board its vessel on all trips to collect data for use by MCM, and in Namibia the group has subsidised and contributed, through vessels and observers, to official research into the resource and its distribution.

It is essential that TACs and in particular the commercial part of them, be set at objectively justifiable levels, so as to support the industry which produces a highly important protein for the country, employs a large number of people in the formal sector, is a strong net earner of foreign exchange for South Africa and is a significant participant in international fish markets.

South African fishing resources are not infinite and thus a balance has to be maintained, for long-term sustainability and investment, in their distribution amongst those who would access them, including the formal industry, small scale operators, subsistence fishermen and recreational catchers. There is constant pressure to reduce the effective allocation to the formal industry, including Oceana, in favour of smaller groupings, which are less easy to manage and regulate. There is now significant BEE investment in the fishing industry, particularly in Oceana, looking forward to long-term positive participation in it. It will be a tragedy for them, and the country as a whole, if TACs and access rights of the various sectors are now manipulated, to the detriment of the formal sector, to accommodate other interests. An example would be lobster, where, in the absence of strict adherence to quota limits and rigorous application of control and policing, lawless and destructive elements could destroy the resource, as was allowed to happen with abalone.

Oceana's huge investment in the industry and its consistent performance as measured on the triple bottom line basis justify holding of adequate long-term fishing rights (LTR).

The LTR process began in March 2005 when the Minister of Environmental Affairs and Tourism (Minister) announced the draft general policy applicable to all fisheries as well as 19 draft sector-specific policies, intended to guide the allocation of long-term commercial fishing rights. The final policies were published at the end of May 2005.

The formal process of applying for rights began in June and was completed during September 2005. For Oceana, it was a major logistical exercise which required intense management and staff focus, as well as the support of legal and audit services. Management ensured that compliant, accurate and fully motivated applications were lodged, on time.

DEAT announced decisions on the applications during the period from November 2005 to March 2006. Applicants then had an opportunity to submit appeals. The comparative scoring mechanism adopted by the allocating authority required that applicants were compared to each other, rather than an external benchmark. It was a transparent process and all applicants were entitled to review other applicants' applications and appeals and to comment thereon. Public hearings were held at which several fishing companies were invited to address the Minister on certain issues, mostly relating to the determination of black ownership of applicants. The results of the appeals were announced in August and November last year, since when a number of parties, both holders of LTRs and unsuccessful applicants, have filed applications in the High Court for judicial review of appeal and allocation decisions.

Twenty four such applications for judicial review have been brought in sectors of the industry where Oceana is involved, mostly in lobster, pelagic, squid and hake. The first consolidated hearing in the hake sector is set down for February 2008. Every effort will be made to ensure Oceana's rights and interests are protected. The first review in the pelagic sector was heard recently in the Cape High Court. It is not certain when the remaining reviews will be heard.

Meanwhile Oceana has been seeking and responding to opportunities to increase its share of the TAC through acquisitions of businesses and LTRs. The policy of MCM on transfer of LTRs from third parties is being developed and it is hoped that Oceana's excellent BEE credentials and ability to progress the industry will be recognised as making it a most eligible party to acquire rights from those wishing to dispose of them.

The sustainability of Oceana's business is also dependent on using all landings for products that meet market requirements as to quality, reliability, variants and price. The group is well equipped in terms of fleets, plant, technology and expertise to continue not only with traditional product lines but also to enhance and add to them.

Examples of continuous improvement achieved during the year were:

- reduced energy consumption (diesel and electricity) in vessels and plant through revised operating procedures and technological enhancements; recycling and reusing renewable and non-renewable resources (waste heat, water, packing materials); enhanced control of emissions; all of which reduce the group's carbon footprint and save costs;
- initiatives to develop Oceana's name or brands in products and market share, eg quality improvement to live lobster through upgrades to the closed management system for live exports; adding variants to the Lucky Star range; development of squid product variants.

Labels, trademarks and trade names were protected through vigilance and legal follow-up.

Sustainability of earnings growth from cold store operations is dependent on quantitative factors (volumes of frozen food imports and production, fruit crop volumes, geographical location and technological status of cold stores) and qualitative factors, including service and fitting competitively into the whole logistical chain of moving large volumes of perishables from production to market. Group policy is to keep capacity ahead of demand (based on projections), to upgrade technology in line with leading practice in the industry and to be proactive in increasing throughput of bulk perishable products.

From a corporate social investment viewpoint Oceana is a good corporate citizen in progressing societal objectives within the scope of its resources. It is a major corporate contributor to TSiBA, in terms of funding and lecturers, and has supported a number of local welfare and charitable projects. The 60th anniversary of Oceana's listing on the JSE in July 2007 testifies to its attractiveness to investors over many decades. Oceana is the single largest employer in the local fishing industry, providing competitive remuneration, training and skills development.

Appreciation

I appreciate the support of my fellow directors during the year and the commitment of management and staff to the development of the group. 2007 was a busy and successful year operationally, as well as from a corporate perspective, with restructuring and LTR issues, all of which required constant attention. During the year Mr AWS Visagie, a member of Exco and a former director, who headed the cold storage division, retired after 33 years' service with the group. His contribution is much appreciated. Ms L Ruthilal resigned as a director, and Ms ABA Conrad and Mr F Robertson were welcomed to the board.

Conclusion

Oceana will seek to obtain maximum value from fish and fish products available to it from local and offshore sources. Demand for its products and services is strong and price prospects are positive. The group will continue to look for opportunities to add value to all areas of its business over the long term.

MA Brey
Chairman
9 November 2007

The group's

performance was well ahead of last year reflecting a growth in headline earnings due mainly to the significant improvement in margins in specific sectors.

ANDREW MARSHALL
CHIEF EXECUTIVE OFFICER

The group's performance was well ahead of last year reflecting substantial growth in headline earnings due mainly to the significant improvement in margins in specific sectors, and good progress was made in the rationalisation and consolidation of group operations and structures.

OVERVIEW

Oceana's core capabilities are the catching and processing of fish, procurement and trading of fish and fish products, the marketing of fast-moving consumer goods (canned fish and French fries) and the provision of bulk cold storage facilities in strategic locations.

Volumes of pelagic fish and lobster processed through Oceana's plants, from own quotas and those of parties with whom it contracted, were well ahead of last year. Whilst pilchard landings were similar, industrial fish landings were 30% up and west coast lobster landings were 32% higher which included the carry over from 2006. Total horse mackerel landings in South Africa and Namibia exceeded those of last year by 11%. While market prices for canned fish and horse mackerel increased in line with inflation, those for fishmeal and lobster improved significantly.

Good progress was made in sourcing additional supplies of canned pilchard, jack mackerel and tuna from offshore sources. Demand for canned pilchard continued to exceed supply on the local market, presenting a continuing challenge to increase volumes through own quota levels, supply contracts with other local fishing enterprises, and entrenchment of offshore supply capabilities. Sales of French fries were at an all-time record, as consumption, especially through fast food outlets, remained strong.

Average activity levels in the cold stores were higher than the previous year however product dwell times reduced. Overhead costs, including depreciation, increased due to the expansions and provision for property rental and rates increases. Citrus volumes were higher than the previous year. Profits were marginally lower than in 2006.

The ability to achieve significant rationalisation and consolidation in the past was impossible until the allocation of long-term fishing rights (LTR). Now that the allocation process is largely completed the group was able to advance the process of its internal rationalisation and consolidation during the year. This process, scheduled for completion in 2008, included:

- consolidating LTRs/quotas into a single operating company per specie, eg all pelagic rights into Oceana Brands Limited and all lobster into South African Sea Products Limited subject to formal approval of Marine and Coastal Management (MCM);
- disposal of production facilities no longer economical due to less fish being available to them; the sale of the abalone factory at Hermanus, termination of lobster processing at Doring Bay, closure of the fishmeal plant at Lambert's Bay and discontinuing hake processing at Humansdorp;
- sale of retail outlets at Hout Bay (non-core businesses);
- closure of trading offices in Taiwan and Uruguay;
- sale of hake vessel *eBhayi* pursuant to reduction in quota;
- administrative savings through, eg deregistration of subsidiaries following consolidation, and centralisation of certain group functions, such as training, payroll and information systems.

FINANCIAL PERFORMANCE

Group turnover increased by 3% over last year. Growth was mainly in fishmeal, French fries, tuna trading and in the cold storage division. Offset against this were turnover decreases in canned fish and horse mackerel.

The overall operating margin improved substantially to 9,1% from 7,2% last year and the group produced an operating profit of R236,7 million before abnormal items, which was 29% up on 2006. Significant increases were achieved in fishmeal and lobster (in the inshore segment) and horse mackerel (in the midwater and deep-sea segment). Lower volumes in canned fish impacted negatively on profit. More detailed comment is provided on the operating results of each business unit in the following sections of this report.

The major abnormal items were the profit on disposal of the abalone business offset by impairment provisions on Western Australia lobster rights and hake assets in South Africa.

Net investment income was lower due to lower average net cash balances following the group's contribution of R126,7 million to the funding of its black economic empowerment transaction during September 2006. Net cash balances at year-end amounted to R218,4 million (2006: R126,7 million).

Headline earnings attributable to own shareholders increased by 28% and by 44% on a per share basis. This differential arises as a consequence of the add back of treasury shares held by the Khula Trust. Excluding the direct financial impact of the BEE transaction, being the IFRS 2 (International Financial Reporting Standard 2), cost included in operating profit and the effect on investment income as well as the add back of treasury shares, headline earnings per share would reflect an increase of 40%.

OPERATING REPORT

Oceana Brands

The Oceana Brands division is engaged in fishing for small pelagic species (pilchard and anchovy) and in the production, marketing and distribution of branded canned fish products, fishmeal and fish oil. Canned pilchards are marketed under the Lucky Star label in southern Africa and the Glenryck label in the UK. Canned products required in excess of that produced at Oceana's cannery in St Helena Bay and at Etosha Fishing Corporation in Walvis Bay are sourced from other local and offshore producers.

The fleet performed efficiently, with skippers and crews making every effort to achieve targets.

Canned fish

The South African pilchard total allowable catch (TAC) for 2007 was 162 436t (2006: 204 000t). Oceana's pilchard fleet consists of five steel hulled vessels with chilled or refrigerated holds, with additional capacity from smaller vessels.

Oceana's quotas and those of its pilchard joint venture partners were landed either directly to Oceana's cannery in St Helena Bay or to an external cannery at Gansbaai, or to an off-loading facility in Mossel Bay, and then transported by road to St Helena Bay. The landings mix was characterised by an increased proportion of fish being landed direct to the cannery and reduced volumes of fish being transported from Mossel Bay. Improved quantities of pilchard also became available on the west coast and as pilchards have been absent here in recent years this is a very encouraging sign. The cannery processed a total of 38 952t of fish in the year to 30 September, compared with 39 547t of fish in the prior year. At the end of September Oceana had landed 72% of its pilchard quotas compared with 71% by the industry in total. Based on the recent fishing conditions, landing the balance of the outstanding quotas by close of season on 31 December 2007 may be unlikely. The average fish size was slightly larger than the previous year.

The Namibian pilchard TAC of 15 000t (2006: 25 000t) was determined and announced very late. Landings to the Etosha cannery as at 30 September were 8 261t (2006: 394t), with the balance of quotas unlikely to be caught, since fish disperses from September/October. Most of the fish were caught close to Walvis Bay and canning yields were good. The product was unsold at year-end due to the quality assurance clearance being under way.

Partly driven by the projected reduction in the pilchard TAC and therefore lower availability of product from local canneries, a procurement strategy was developed which resulted in imports comprising 25% of total volumes this year (2006: 2%). Plans are in place to further increase imports in the coming year. Oceana will continue to source fish originating from various global pilchard resources in conjunction with a number of foreign suppliers and processors.

Demand for canned pilchards on the local market was strong, with insufficient supply of products to meet demand. Oceana's Lucky Star brand retained its leading position although lack of supply resulted in a temporary drop in market share. Specific marketing and sales initiatives were pursued to ensure the brand retained customer and consumer loyalty during the short supply period. Lucky Star was awarded sixth place in the Sunday Times/Markinor annual 'food on shelf' survey which was a good indication of brand health.

The shortage of supply resulted in significantly lower sales volumes which impacted on margins and profitability.

Some exciting changes to the division's canned fish marketing strategy are starting to bear fruit. The introduction of canned jack mackerel to the range of quality products has been very well received by the market, and the sales of canned tuna, which was launched late in 2005, have more than doubled. The preference for Oceana's locally produced sardines-in-oil pack is becoming evident in the sales and market share it enjoys. A new range of supreme pet food products was also launched and early indications are very positive.

At Glenryck Foods Limited in the UK, the year was characterised by a shortage of product due to reduced availability from traditional sources of supply. Overall sales volumes were 5% higher than in 2006. Both canned pilchard and canned tuna were adversely affected by lower catches worldwide. The business has a number of sources of supply and is well placed, once tuna availability improves, to benefit from its product range as well as its strategy in the catering and food service market. Glenryck's profits declined in sterling terms but were higher in rand terms.

WE ARE committed to investment in infrastructure to underpin the long-term sustainability of our business.

Fishmeal

Oceana's industrial fishing fleet, consisting of ten vessels, co-owned and managed with joint venture partners (augmented by pilchard vessels where appropriate), operates from St Helena Bay and Hout Bay. All landings of fish are directed to the nearest Oceana processing plant as soon as possible, thereby ensuring good quality and protein levels in the fishmeal produced.

The anchovy TAC in South Africa in 2007 was 536 942t (2006: 362 251t). In the twelve months to 30 September, input to Oceana's fishmeal plants was 131 044t (2006: 101 648t) from Oceana's own quotas plus those of its joint venture partners and including non-quota catches and offal from the cannery. At year-end Oceana had completed 50% of its 'A' season anchovy quotas, which was slightly ahead of the industry total of 47%. The 'A' season is unlikely to be landed in full by close of season. The 'B' season quota, which is allocated for catching mainly from September to December each year and which must be free of pilchard by-catch, is therefore also unlikely to be landed in full this season.

Fishmeal production from Oceana's South African factories was 33% higher at 33 869t (2006: 25 342t).

Industrial fish landings at Etosha (horse mackerel and pilchards) amounted to 21 582t to 30 September (2006: 23 072t). A total of 24 989t was processed (including offal from the canning process in 2007) from which 6 451t of fishmeal (2006: 5 443t) was produced.

The benefits of the improvement strategy adopted some years ago and which is continuing has really become evident this year. This strategy entailed modifying the process technology to enable products to be produced which can be readily absorbed by the exponentially growing aquaculture market. This had to go in hand with significant process control improvements, and whilst there are still challenges in this regard, a steady output of consistent and good export quality products resulted. This has provided a huge competitive advantage to the company enabling it to export 33 271t of fishmeal during the year (2006: 19 098t) at significantly better prices than can be achieved in the local market.

Costs were well managed, with the cost per ton reducing from last year's level mainly as a result of the much higher level of catches and production. International prices were high as a result of strong world demand and a short supply situation in major markets. Operating profit was well ahead of last year.

Oceana Lobster, Squid and French Fries

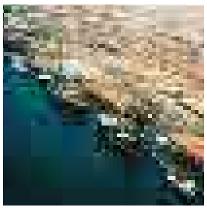
Lobster

Oceana's west coast lobster operations are based in Hout Bay (processing live lobster) and St Helena Bay (frozen products). The season runs from mid-November to 30 September the following year. Oceana currently has a fleet of eleven vessels, equipped and operated so as to maintain all catches in the best possible live condition, for optimum yields and product quality.

The west coast lobster TAC was 2 856t (2006: 3 174t), with Oceana's quotas at 427t (2006: 490t), all of which was landed by close of season (extended to 15 October 2007), including the 124t carried over from 2006.

The south coast lobster TAC was 382t (2006: 382t), with Oceana's quota amounting to 12,3t (2006: 12,3t) being landed in full.

Installation of a sophisticated water purification and quality maintenance plant at Hout Bay's live lobster facility significantly reduced the biological stress and mortality rate when the lobsters were exported live to the main international markets, being China, Japan and Europe. Oceana's factory at Hout Bay is now the country's most technically advanced live lobster facility. The St Helena Bay lobster factory upgraded the processing and tank facilities to allow for enhanced product value adding. Both factories are fully HACCP-approved with EU accreditation.




Demand for lobster was strong, mainly due to reduced output from the major international rock lobster producers as well as the continued growth of consumer demand in China. The margin gap between quality frozen and live products is no longer as significant and allows for flexibility in production and sales planning over the year.

Profit from lobster operations was significantly higher than in the previous year.

Squid
Oceana's squid operations are conducted by subsidiary Calamari Fishing, based in Port Elizabeth. The company owns five vessels equipped to pack and freeze high-quality *Loligo vulgaris* at sea. Own vessel performance, although down on the previous year, outperformed the industry's catch rates. Oceana landed 487t of squid (2006: 527t) during the season that runs from December to October.

Demand and prices on major European markets were excellent and were driven by a worldwide shortage of high-quality squid. Prices in real terms were at record highs, aided by a depreciating rand. The main export markets were Spain and Italy with demand far exceeding supply.

Profits from the squid business were well up on the previous year.

French fries
Lamberts Bay Foods produces French fries at its factory located in Lambert's Bay. It employs over 300 people, making it the largest single employer in the area.

Production reached record levels necessitating a fourth shift, which meant the plant was producing 24 hours a day, seven days a week, to keep pace with demand. Raw material is sourced from the surrounding Sandveld area and the northern regions of South Africa. The safety and quality of both raw materials and finished product are subject to stringent in-house controls and to independent customer-driven audits.

The business produced excellent results, facilitated by strong demand and improvement in cost efficiencies in storage and handling. The majority of the growth was driven by the increase in quick service restaurant store numbers and the resultant increase in consumer demand. The company increased its market share in this sector at the expense of the lower margin wholesaler sector.

Although French fries is not a core business, it provides an important vehicle for alternative employment opportunities given the reduction in fishing along the west coast as well as making a healthy contribution to Oceana's bottom line.

Blue Continent Products (BCP)
The BCP division is engaged in fishing, processing and trading of horse mackerel, hake and tuna. Primary operating subsidiaries in the division are Blue Continent Products, Oceana International, Desert Diamond Fishing and Erongo Marine Enterprises in Namibia. The division achieved an excellent performance with good catches, demand for products and prices.

Horse mackerel
BCP operates a midwater trawl vessel in South Africa, the *Desert Diamond* (7 628 gross tons) and two in Namibia, the *Desert Jewel* (4 407gt) and the *Desert Rose* (4 407gt). Two further vessels were chartered in Namibia to supplement catching capacity. This strategy of catching with own and chartered vessels allows for maximum flexibility in catch capacity to match changes in quota availability, and always maximising the utilisation of own vessels. The vessels fish in their respective national waters and catch, process and pack the catch at sea, ready for dispatch to market. The fleet performed very efficiently, with costs well controlled.

The fleet's conversion to usage of less expensive fuel grades was completed during the year, to give appreciable cost reductions on a continuing basis.

The horse mackerel fishing season in both South Africa and Namibia opens in January and closes in December each year. The Namibian midwater trawl TAC for 2007 was 265 000t (2006: 315 000t). Namibian quotas held by companies associated with Oceana were 74 177t (2006: 78 701t). In addition the group secured an additional 8 000t for catching in 2007 (2006: 2 000t). The latest surveys show a reduction in the Namibian biomass, and it is expected that there will be a reduction in the Namibian horse mackerel TAC for 2008. This will only be known in December 2007. The company is currently in negotiations to secure additional quota for 2008.

In South Africa the horse mackerel TAC was unchanged at 31 500t. Oceana's quota was 5 922t (2006: 5 922t). During the year a contract was concluded to acquire the long-term rights owned by Foodcorp (2,562t or 8,1%). The transfer is subject to the approval of MCM which is yet to be received. This acquisition, along with long-term contracts with other quota holders, has secured on a long-term basis the majority of the company's quota requirements for the South African operation.

It is hoped to complete the quotas by close of season in December.

Demand for South African and Namibian frozen horse mackerel in the major markets in Central and West Africa was strong and at good prices. Oceana International has for some years been promoting brand recognition and developing structured and reliable distribution and logistics channels in its main markets to improve market penetration and margins. A substantial portion of the South African and Namibian product is now sold through these distribution channels.

The offshore horse mackerel trading business will be operated from the Isle of Man going forward. The division's continued growth in African markets has it well placed to further expand its product and service offering to existing customers

Hake

BCP's hake fishing operations are conducted in four separate joint ventures and involve two deep-sea trawl vessels, the *Compass Challenger* (841gt) and *Realeka* (497gt) and two longline vessels, the *Estrella do Mar* and *Barbara W*. These vessels catch and process the company's own quotas, as well as those of rights holders engaged in joint venture agreements.

The deep-sea trawl hake TAC for 2007 was 112 772t (2006: 125 321t), with Oceana's quotas at 1 239t (2006: 1 337t) and joint venture partners at 2 347t (2006: 2 608t). The longline hake TAC was 8 802t (2006: 9 775t), with Oceana's quotas at 125t (2006: 167t) and joint venture partners at 273t (2006: 345t).

There is a dispute in one of the joint ventures and it is likely that the matter will be taken to arbitration, which may impact on the joint venture's operations in the ensuing year. Due to lower LTRs and TACs the hake fishing operation in Port Elizabeth was closed and the vessel, *eBhayi*, was sold during the year.

Good prices were obtained for hake products on international markets as a result of continued growth in consumption worldwide, and lower production of wild caught white fish. Profits were satisfactory.

Tuna

This division is not directly involved in the catching of tuna, but secures fish from local fishing fleets and from offshore fleets for sale to major tuna canneries worldwide. The competitive conditions experienced in tuna trading continued from last year, resulting in reduced profitability.

Blue Atlantic Trading (BAT)

Blue Atlantic Trading is a joint venture with Snoek Wholesalers, selling fish and fish products on the local market from a wide variety of sources, mainly offshore. The business reported an active year with excellent results, in a very competitive market. Overheads and expenses were well controlled, resulting in improved margins. The company increased its range of products on offer.

Commercial Cold Storage (CCS)

This division owns and operates eight commercial cold stores in South Africa and Namibia, of which three (Maydon Wharf Fruit Terminal, CCS Duncan Dock and CCS Walvis Bay) are on the quayside. Total storage capacity available to the market is in excess of 100 000t.

CCS is differentiated from other industry operators by a combination of being national with prime site locations at major ports and in Gauteng; over 90% of pallet capacity is racked for maximised cube utilisation of space, with leading-edge warehouse management and information systems; all stores are ISO 9001:2000 accredited, with HACCP and EU accreditation in place where appropriate; and more than 30 years' experience in the industry with a skilled and motivated workforce.

Activity levels throughout the year were at a higher level than last year, both in fresh fruit and frozen products. In the frozen storage sector, volume increases occurred in poultry, fish, meat, and vegetable products. Dwell times, however, were reduced due to the faster turnaround in customers' product, driven by the increased disposable income levels and resultant strong consumer demand across South Africa. This factor resulted in increased handling income but reduced storage revenues.

Total fresh fruit volumes handled by the company's Cape Town and Durban fruit facilities were above the previous season, driven primarily by the increased citrus volumes of locally produced grapefruit and oranges. However, this was offset somewhat by reduced deciduous fruit volumes this year due to a smaller grape harvest originating from the Orange River region.

Stevedoring services offered at Duncan Dock Cape Town reported a busy year, with its fish handling activity ahead of last year.

Operating costs were well managed. Operating profit was in line with the previous year. The group is focused on driving efficiency improvements via enhancements of its information systems and operational processes.

With environmental matters drawing ever-increasing attention worldwide, evidenced particularly via the group's customers who are exporters of South African products to Europe, the division will also continue its drive to reduce its consumption of environmentally sensitive resources.

Prospects

With lower TACs anticipated in some sectors, for the year ahead, the challenge is to retain and increase volumes of fish and product available to Oceana. This will be done through acquisitions, commercial arrangements with other quota holders, and increased procurement offshore. Demand for most products is expected to increase, with prices remaining firm.

Cold storage revenue should benefit from improved deciduous and citrus fruit volumes following the better rainy season encountered in the fruit growing areas of the Western Cape and Eastern Cape.

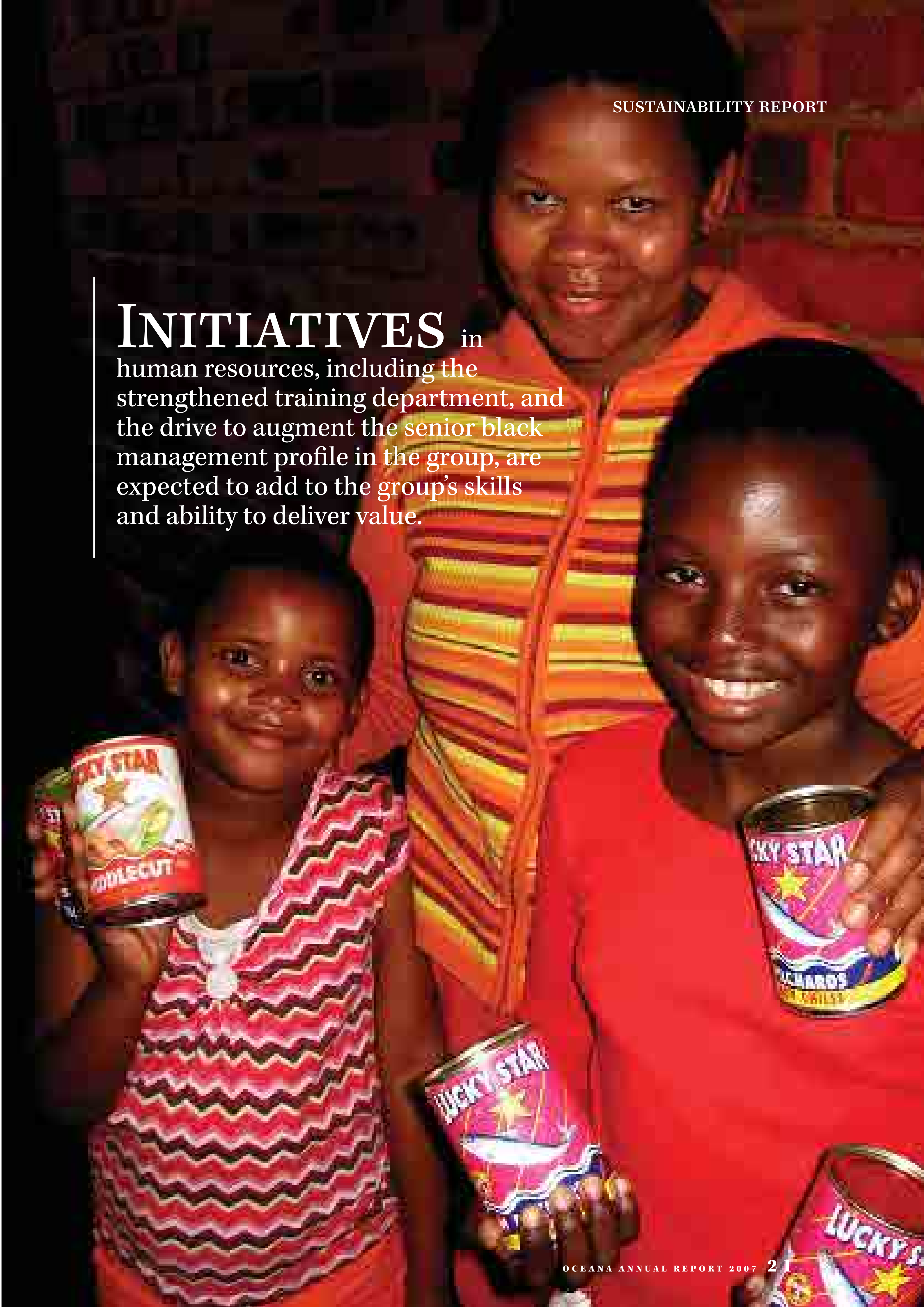
The rationalisation process gives Oceana a singular structure, and provides the opportunity for review of efficiencies in all parts of the business, to ensure assets and resources deliver maximum economic benefit to all stakeholders. This process also adds value and continuous improvement in operating procedures.

The policy of responsible environmental practices continues unchanged. Initiatives in human resources, including the strengthened training department, and the drive to augment the senior black management profile in the group, are expected to add to the group's skills and ability to deliver value.

The recent strengthening of the rand exchange rate and pressure on certain fish resources are expected to limit earnings growth in the year ahead.

Andrew Marshall
Chief Executive Officer

9 November 2007



INITIATIVES in

human resources, including the strengthened training department, and the drive to augment the senior black management profile in the group, are expected to add to the group's skills and ability to deliver value.

Oceana's primary objective is the achievement of financial goals against the triple bottom line objectives of economic, environmental and social sustainability.

Inclusion in the JSE SRI Index

Oceana was included on the JSE's Socially Responsible Investment Index (SRI Index) for the first time in 2005 and in 2006 was placed in the top six of the high environmental impact category of companies on this index. The SRI Index identifies criteria for corporate governance as the foundation on which each of the triple bottom lines rests as good corporate governance plays a major role in ensuring that sustainability issues are identified, managed and resolved.

The JSE completed an extensive strategic review of the SRI Index earlier this year. A stated objective is to make the SRI Index more globally aligned while still remaining relevant within the South African context. Oceana has again been included in the Index in 2007.

Sustainable fisheries

Oceana is committed to the sustainable utilisation of fish resources and participation and support for government research and management of marine resources. Extracts of scientific reports and research statistics relevant to fisheries in which the group is active, and put into the public domain by the relevant authorities, are presented as follows:

Management of the small pelagic fish resources in Southern Africa

Acknowledgements: Thanks are extended to Dr Awie Badenhorst for helpful editing of the article and to the Ministry of Fisheries and Marine Resources (Namibia) and Marine and Coastal Management (South Africa) for the data.

The major purse seine fisheries for small pelagic marine fish species off South Africa and Namibia are those for sardine (*Sardinops sagax*), also known as pilchard, anchovy (*Engraulis encrasicolus*), horse mackerel (*Trachurus trachurus capensis*) and round herring (*Etrumeus whiteheadi*). These species live in the temperate marine waters between Southern Angola and KwaZulu-Natal, but the sardines and anchovies exist as discrete spawning stocks in South African and Namibian waters, separated by an extensive, perennial area of cold, upwelled water off Lüderitz, which effectively bars any intermingling of either species across the border between the two countries. For this reason, the anchovy and sardine stocks in Namibia and South Africa are managed separately.

Small pelagic fish species are characterised by being short-lived and they are prone to large cyclical fluctuations in abundance. Globally where they occur in vast numbers they form the basis of important commercial fisheries. However, they also form a vital link in the oceanic food web as the main conduit in the transfer of energy (through photosynthesis from the capture of sunlight by phytoplankton) from the lower (planktonic) level to virtually all higher predator trophic levels (such as most other fish-eating fish species, as well as marine birds and marine mammals). Consequently, they enjoy special focus from marine scientists who are concerned about the effect that the harvesting of these important components has on the functioning of the marine ecosystem.

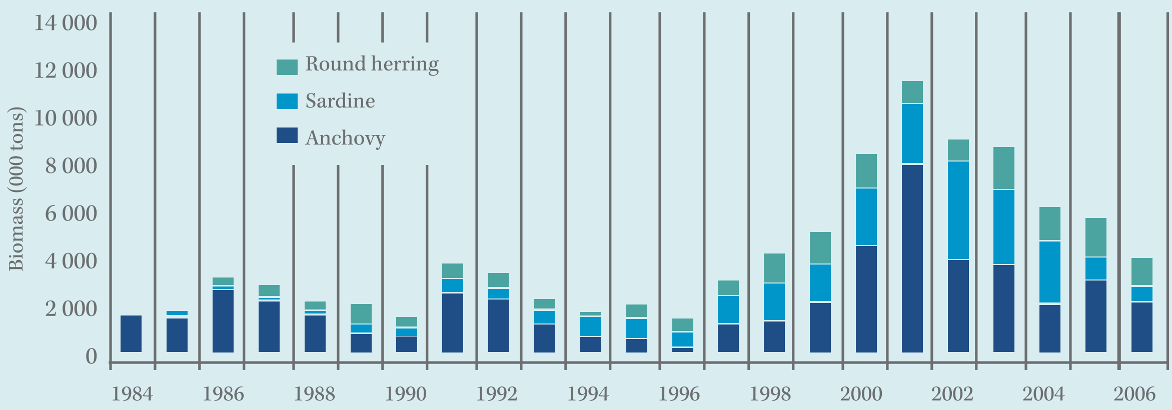
South Africa

Operational management procedures (OMP) for both sardine and anchovy were developed in the 1990s and are continually being improved. The management procedures are governed by the state of the resources, and control measures are in place to ensure a degree of industrial stability. They provide the framework for quantifying annual total allowable catches (TACs) for both species in such a way that acceptable levels of risk to the resources are not exceeded. Computer-simulated mathematical models of both resources, working within predefined harvesting constraints, and using as its input fishery dependent catch information and fishery independent estimates of abundance (from acoustic surveys of spawner biomass and recruitment), generate acceptable TACs for both species.

OCEANA'S primary objective is the achievement of financial goals against the triple bottom-line objectives of economic, environmental and social sustainability.

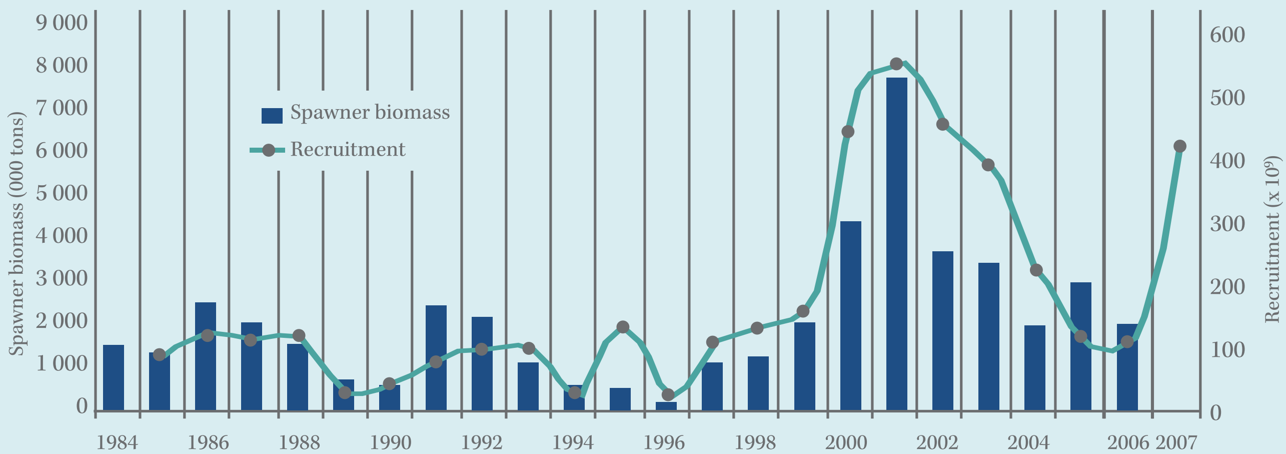
Overall, the combined pelagic biomass of species harvested by the pelagic industry still reflects a healthy state, at just more than 4 million tons.

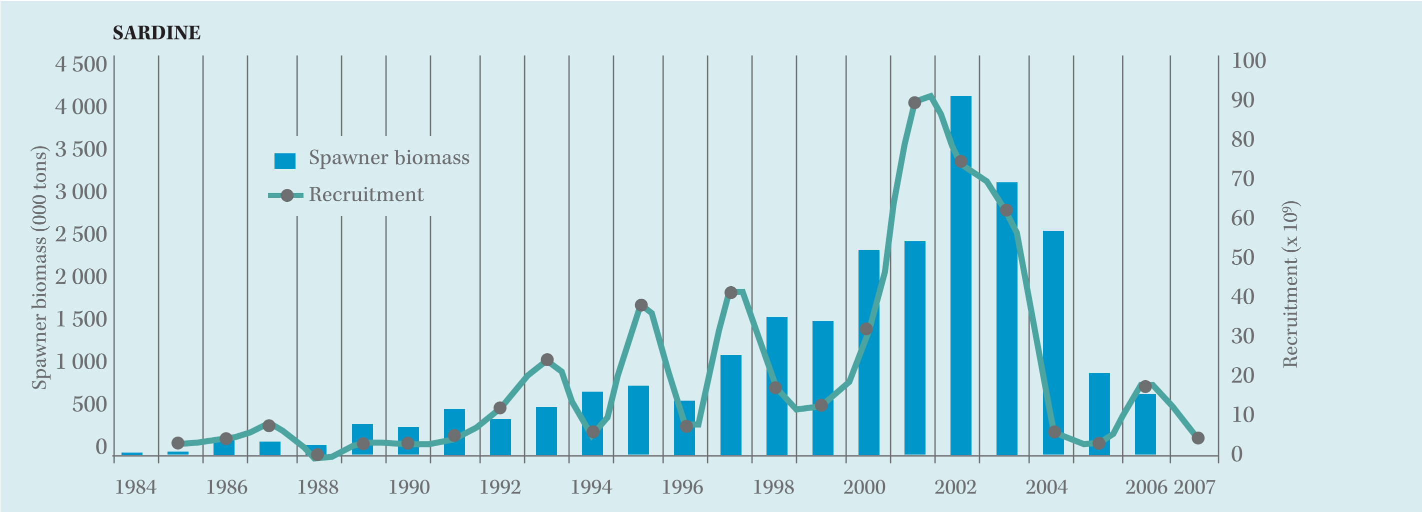
TOTAL PELAGIC BIOMASS



The anchovy spawner biomass measured in 2006 was 2,1 million tons and it was at the level of the long-term average for this species. Given the excellent recruitment measured in 2007, the fourth highest since 1984, we could expect that the anchovy biomass will continue to be at satisfactory levels for the foreseeable future.

ANCHOVY





The sardine spawner biomass on the other hand has shown an inexplicable decline from a peak of more than 4 million tons in 2002 to approximately 0,72 million tons in 2006. The recruitment in 2007 was also reported to be at a low level and therefore we could expect that there will be a decline in the biomass and concomitant reduction in the TAC in 2008.

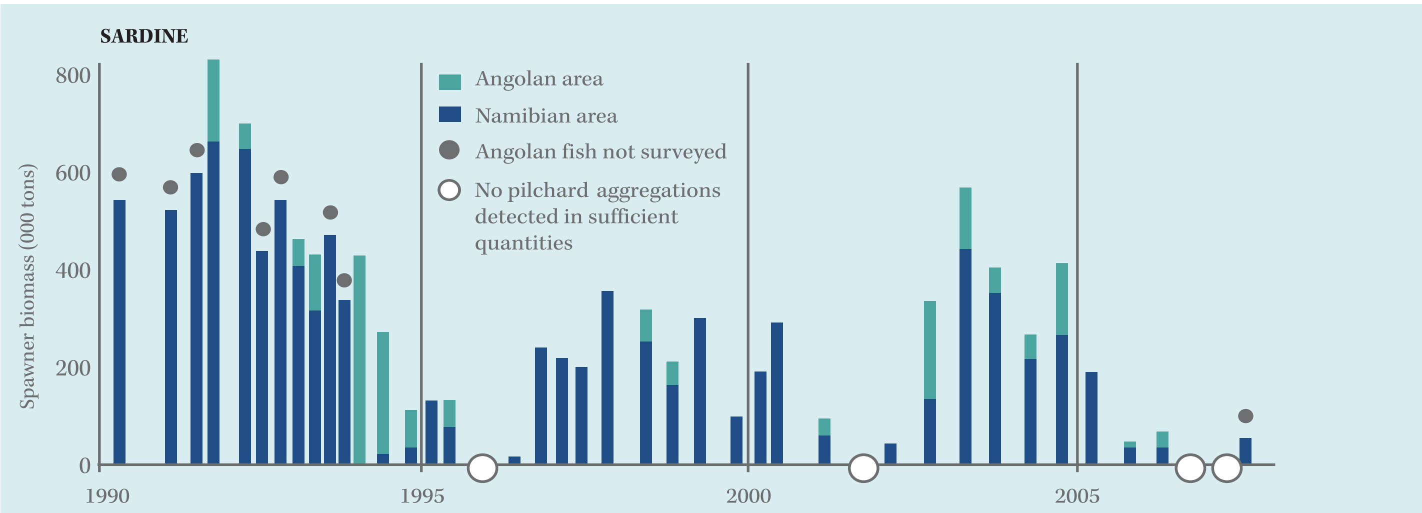
The above charts clearly depict the highly variable nature of the abundance of these species and hence the reason for the intense interest from marine scientists who have to assess not only the state of these species, but also the health of the marine ecosystem as a whole. At the 2002 World Summit on Sustainable Development, South Africa committed itself to having an Ecosystem Approach to Fisheries (EAF) by 2010. As the overall objective of an EAF is to maintain a healthy ecosystem we can expect that EAF considerations will become part of the operational management procedures from as early as 2008. Such ecosystem considerations match our overall commitment to sustainability and enjoy our full support.

Namibia

The control measures for sardine and horse mackerel are TAC restrictions and closed seasons. Horse mackerel and anchovy catches are also limited if the by-catch of juvenile sardine is too high. Recommendations on TACs are based on acoustic biomass surveys conducted by the Namibian research ships *Benguela* and *Welwitschia* and the Norwegian *RV Dr Fridtjof Nansen*.

The pilchard TAC is based on a projected fishing mortality of the fishable stock (ie adult fish). However, in recent times it has become clear that the fishery is almost totally reliant on the incoming cohort and thus only a nominal catch has been granted by the authorities.

Results for the recent acoustic estimates of sardine (pilchard) are depicted below:



OCEANA IS committed to the sustainable utilisation of fish resources and participation and support for government research and management of marine resources.

Biomass information on Namibian horse mackerel abundance surveys from 1999 to 2007

Summary of the biomass and biological data from the Namibian annual horse mackerel abundance surveys, update for 2007

Authors: M Wilhelm and A Kanandjembo. Data source: Namibian Ministry of Fisheries and Marine Resources

Abundance (biomass) of horse mackerel estimated during summer surveys since 1999

Year	Biomass adult '000	Biomass juvenile '000	Biomass total '000	Total allowable catch (TAC) '000	Inshore (pelagic) allocation of TAC '000	Midwater Trawl Industry allocation of TAC '000
1999	1 543	265	1 808	375	50	325
2000	1 022	452	1 474	410	50	360
2001	373	388	861	410	50	360
2002	540	263	803	350	40	310
2003	801	258	1 059	350	40	310
2004	733	642	1 375	350	40	310
2005	962	677	1 639	350	40	310
2006	384	162	546	360	45	315
2007	313	221	534	300	35	265

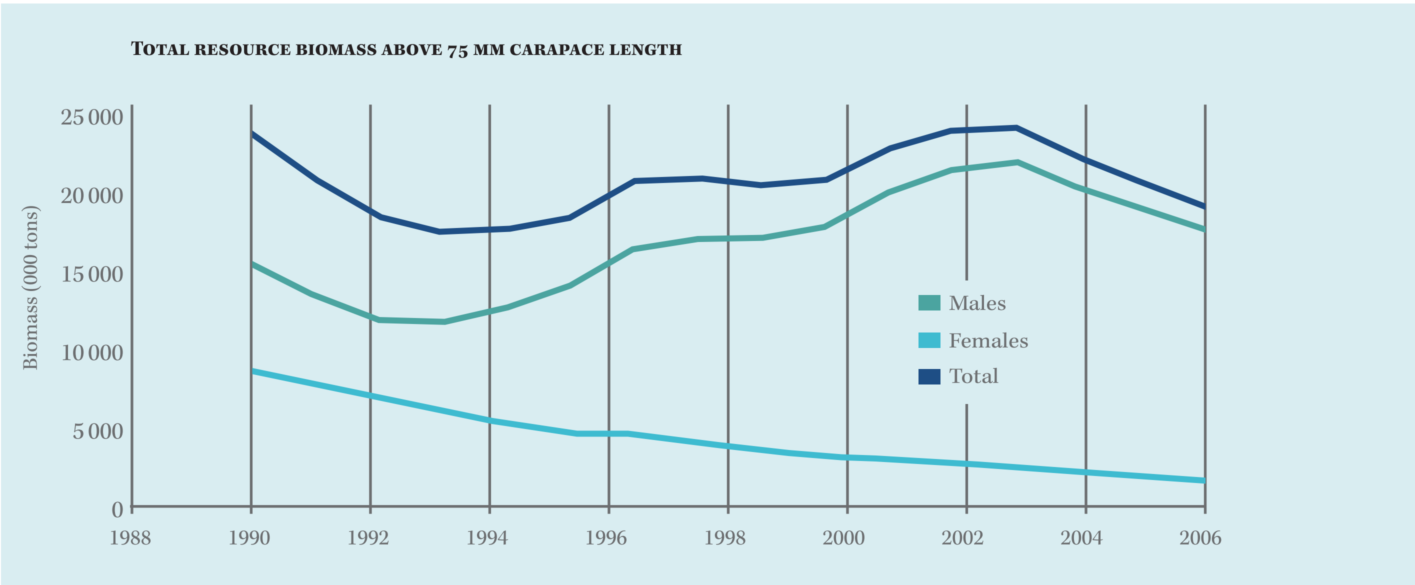
General notes on the biomass surveys

1. The sudden slump in the biomass observed in 2006 was questioned by various observers and stakeholders.
2. As a consequence it was decided that only 300 000t would be allocated in 2007 pending the outcome of the 2007 survey.
3. The 2007 survey reaffirmed the slump in the biomass and the allocation therefore remained at 300 000t.
4. The Midwater Trawl Industry and the Ministry arranged a meeting under the supervision of the Minister of Fisheries and Marine Resources during which measures were discussed to protect the resource.
5. A further significant decrease in the TAC can be expected in 2008.




West coast rock lobster resource

A summary of the status of the South African west coast resource prepared by OLRAC (Ocean and Land Resource Assessment Consultants) for Oceana: 13 August 2007



During the 2006/07 fishing season the scientific process has concentrated on the development of a spatially disaggregated OMP for the resource. This means that the TAC allocated to each area will be based on the merits of the performance of the resource in each area. Previously a global TAC was set, which was divided amongst areas on a similar basis from year to year.

The stock assessments that have been developed in support of that process show (a) that the resource biomass (about 18 000t) is considerably smaller than the ~ 40 000t level thought to be an acceptable estimate a few years back, and (b) at prevailing recruitment and growth rate levels the sustainable yield of the resource is less than the recommended TAC of 2 874t for 2006/07 (including a 320t provision for a recreational component). The models also indicate that there has been a decline in resource biomass over the last three or four years. This is mainly due to declining catch per unit effort (CPUE) levels since about 2002, but also to a persistence of low growth rate levels that has led to a downweighting of planning scenarios in which the growth rate increases in the near future. The longer low growth persists, the less Marine and Coastal Management (MCM) scientists believe that growth rates will eventually increase to historic levels.

As before, in the development of the new OMP an important consideration is how much provision should be made for resource rebuilding. MCM scientists maintain that the resource is heavily depleted and they therefore favour larger rebuilding rates than does the industry. This translates to an average commercial TAC of about 2 245t (included both offshore and nearshore sectors) over the next ten years (current TAC of 2 557t). Industry is motivating that the amount of uncaught tonnage (estimated to be about 600t) in the 2006/07 season should be used to ameliorate any reduction in the TAC for the 2007/08 season, or alternatively to look at average catches over the next ten years of 2 400t or higher, implying a lesser degree of resource rebuilding. Virtually all resource management options tabled thus far suggest a 10% decline in the TAC from 2006/07 to 2007/08.

THE LONG-TERM scenario for the westcoast rock lobster resource for the next ten years is a commercial TAC of between 2 200 tons and 2 400 tons.

The long-term scenario for the next ten years is a commercial TAC of between 2 200t and 2 400t.

The other major concern that faces the industry is the level of poaching that has been increasing over the last few years. Industry has been working with MCM to ensure compliance of the regulated rights holders as well as putting measures in place to police the coastline more effectively. The current levels of poaching are difficult to measure but it is estimated that at least 500t are illegally caught each year.

Environmental policy and principles

In order to identify and manage the impacts on and of the group's activities in a structured manner, the board adopted a formal environmental policy as detailed in the Oceana website. Apart from articulating a policy of environmental responsibility and positivism, the policy includes principles for risk assessment, implementation and management of controls, monitoring, review and reporting.

In setting objectives and targets for managing direct environmental impacts, Oceana's policy is to 'utilise natural resources in a sustainable, efficient and environmentally responsible manner'. Both policy and formal operating procedures for fleets and processing plants stipulate catching, landing and processing of fish in compliance with permit conditions. Oceana does not fish for any threatened or endangered species. Cost management, operating procedures and financial budgets target efficient usage of renewable and non-renewable resources, in terms of volumes and masses, and financially.

The policy for reducing or minimising the negative impacts of products and services, or use of them, on the environment is to 'achieve compliance with environmental laws, best practice and generally accepted standards in the operation of all businesses'. The group has procedures and sound and hygienic facilities to store, handle and distribute its products (eg canned fish, fishmeal, frozen fish and live lobster), with regular monitoring and quality control checks, including the application of the Hazard Analysis Critical Control Point system (HACCP) to appropriate operations. Cold stores likewise have operating procedures for receiving, handling, storing and discharging perishable products to avoid damage or waste. Facilities are inspected by, *inter alia*, the Perishable Products Export Control Board for compliance with regulations and standards.

Fleets, factories and cold stores use all resources as sparingly and efficiently as possible, for cost and efficiency reasons. Business units budget, monitor, report and investigate variances in physical volumes and masses of resources used, including water, electricity, hydrocarbon fuels and gases, ammonia and plastic stretchwrap.

With regard to identifying, assessing and reducing the environmental impact of projects, the group requires compliance with environmental laws. Confirmation is required prior to approval of substantial capital or major maintenance projects that environmental issues associated with the project have been addressed.

Oceana subsidiaries source goods and services from a wide range of suppliers. These include suppliers of vessels, machinery, fish and raw materials. Terms of contract with fishing joint venture partners and Oceana's close involvement enable the group to monitor environmental compliance by the joint ventures.

Oceana's policy favours promotion of research, training and technology cooperation for environmentally friendly solutions. The group participates with MCM in South Africa, the Ministry of Fishing in Namibia and industry associates in research into fish resources through vessel and crew contributions.

Examples of the group's engagement with stakeholders in its business include participation in government sectoral resource management working groups (pelagic, horse mackerel, lobster and squid). Participation involves having senior management in elected and appointed capacities in formal organisations designed to promote sustainable resource usage and communication and cooperation between MCM and industry operators in each sector. Oceana maintains regular contact, through meetings and correspondence with MCM as to conditions and terms of access rights and fishing permits.



IMPACTS ON THE ENVIRONMENT: ACTUAL AND POTENTIAL

Major factors, beyond Oceana's direct control, which can affect performance, are:

Biomass of fish species	– variations due to natural causes, impacting on TACs and quotas
Weather patterns/El Nino/global warming	– impact on activities associated with the marine and agricultural industries, ie fishing, French fries, cold storage of fruit, vegetables, meat
Pollution of the sea	– by others, contaminating living marine resources
Pollution on land	– by others, eg affecting quality of water used
Unsafe practices	– by others, eg suppliers, in quality and safety of raw material; reckless as to marine animals' and birds' welfare
Land use	– rezoning or changes in use of land adjacent to factories and plant

The actual and potential impacts, direct and indirect, of Oceana's activities on the environment are:

Fishing	– catches reduce the total population (biomass) of a particular species – by-catches of other, non-targeted species, so reducing their numbers – pollution of ocean and coastal zone, from vessel fuels and lubricants, and waste material dumped or falling from a vessel – land pollution during off-loading of catches and conveyance to factories for processing
Processing	– utilisation of renewable (fish, vegetable ingredients, water) and non-renewable (electricity, hydro carbons, cans, packaging) resources – pollution of land, sea and air from waste disposal, leakages, emissions
Storing of fish products, ingredients	– pollution of land and air from waste and unusable products – emissions of odours from storage containers or facilities
Distribution and delivery	– deterioration, loss, leakage of product during transportation to stores and outlets – clean-up operations
Product consumption/disposal	– disposal of waste and packaging (plastics and metal)

MONITORING OF DIRECT AND INDIRECT IMPACTS, INCLUDING ON SENSITIVE RESOURCES, SPECIES OR AREAS

The impact of industrial fishing on each species and marine life is regulated by a comprehensive process of regulatory control, industry involvement and engagement, and reporting. TACs are set by the Minister after scientific surveys and studies of the biomass and consultation with major stakeholders. The industrial or commercial part of the TAC is allocated amongst long-term fishing rights (LTR) holders, who obtained such rights as being eligible in terms of various criteria, including performance and legal compliance. Fishing in terms of a right may not commence without a permit issued by the authorities for a season or period, with conditions as to species, size, by-catch, controlled areas, etc. Compliance with the legal framework and permit conditions is facilitated by a system involving independent observers on vessels during fishing trips; monitoring vessel location and movement by MCM in South Africa through satellite and cell phone technology; and landing all catches only at discharge sites specified in permits. Independent monitors, appointed by MCM, must be present during off-loading, to check mass, specie mix and size, presence of by-catch, etc.

OCEANA'S activities do not impact on culture-rich or natural heritage sites, nor on threatened or endemic species of flora and fauna.

Apart from these laws and controls by regulatory authorities, Oceana has in place its own formal operating procedures to promote compliance, with disciplinary follow-up for transgressions.

Oceana's activities do not impact on culture-rich or natural heritage sites, nor on threatened or endemic species of flora and fauna.

Policy and operating procedures require all catches of fish to comply with permit conditions. Catch statistics are supplied to MCM. Oceana is involved directly and indirectly through industry organisations in interacting with MCM concerning management and sustainable use of fish and the marine habitat.

Oceana is a corporate member of SANCCOB (Southern African Foundation for the Conservation of Coastal Birds), which aims to conserve and protect sea birds, especially threatened species.

Use of resources over the last financial year

Use of energy varies annually from division to division depending on, for example, the location of fish and distance to processing plants, weather and factory production runs. Management is constantly seeking ways to reduce consumption of natural resources where reasonably possible and consistent with safety at sea, cost efficient operations, quality of fish landed and product quality and safety.

The hake boats have concentrated on careful management of engine running time and power settings at sea to save fuel. The lobster fleet returns to base at lower speed to save fuel, where possible, and has discontinued the tally system for catch per vessel to allow fewer vessels to land more fish each, in order to reduce the number of vessels going to sea. The pelagic fleet manages vessel speed and catch per vessel to minimise fuel usage, consistent with sea conditions and maintaining quality of fish landed. The commercial cold storage facilities minimise opening of cold rooms to conserve temperatures and reduce electricity usage for cooling compressors.

Group policy and management practice is to use water as sparingly and efficiently as possible in production, cleansing and domestic applications. Usage is monitored on a monthly basis. Coastal factories use seawater instead of fresh water, *inter alia*, for cleaning floors. The Natural Step (TNS) training and follow-up encourages all employees to save water, turn off taps and be proactive in devising and adhering to water saving methods.

Management of emissions, waste disposal and effluents limitation of emission

Limitation of emissions

In terms of Oceana's Environmental Policy, factories and vessels are required to minimise usage of fossil fuels and emissions of gases, particulate materials and odours into the atmosphere. Factories comply with conditions imposed by legislation. There is a continuous drive to achieve reduced energy consumption (diesel and electricity) in vessels and plant through revised operating procedures and technological enhancements; recycling and reusing renewable and non-renewable resources (waste heat, water, packing materials); enhanced control of emissions, all of which reduce the group's carbon footprint and save costs.

Waste disposal and effluents

Oceana's activities do not generate or involve transportation, storage or trade in hazardous waste that requires special treatment. With regard to recycling or reclamation of waste material, offal from the cannery (fish heads, tails and guts) is processed into fishmeal. Stick water in the fishmeal plant is reprocessed to extract all protein and solids.

At the facility in St Helena Bay (cannery, fishmeal and lobster) contracts are in place with specialist contractors to remove and recycle waste oils, plastics, paper cartons and coal ash. Condemned canned fish is destroyed under controlled conditions.

Off-loading of fish for the cannery and fishmeal uses recycled water (fresh and sea water). Fish and waste in the cannery is moved dry, instead of in water. Water for cooling in retorts is filtered and reused. Wastewater is returned to the sea at ambient temperatures in terms of authorised conditions of use.

In fishmeal plants, condensate and steam for heating and drying is returned to the boiler for re-use, and also in a waste vapour heat-recovering system. Extensions to the waste heat evaporator at Hout Bay during the year, to reuse vapour from fishmeal driers, reduced heavy fuel oil (HFO) consumption in the boilers by 10 litres per ton of raw fish processed, budgeted to reduce HFO consumption by 770t in 2008.

International recycle and trashcan logos are featured on wrapping for frozen horse mackerel products.

During the year under review no uncontrolled significant discharge of hydrocarbons, process materials or reagents, chemicals or inadequately treated water or effluents occurred within the group.

Environmental management system

The group does not have a formal, certified environmental management system. All operations are required to maintain up-to-date permits and licenses. Management reviews these regularly. Assurance is obtained through periodic site and permit reviews/audits by risk consultants and by a specialist environment law attorney when appropriate.

All fleets in the group have formal policies, to which skippers are bound, regulating issues such as targeting species, avoiding by-catches of other species, prohibiting dumping of fish, fuels and plastics at sea, and procedures for refueling, handling spills of fuel and oil and cleaning of tanks, and garbage disposal. Professional and Indemnity Insurance cover for environmental damage is in place.

Formal operating procedures are adhered to in all major areas of business, including cold storage, for work to be done by trained and responsible staff, adequate supervision, reporting of failures and omissions and further investigation thereof.

The CEO is the executive ultimately responsible for environmental issues. Each of the four operating divisions maintains its own environmental risk register, with combined assurance and action plans, developed in accordance with independent professional advice, and forming part of the overall enterprise wide risk management system. The environmental risk registers record and analyse the major risks impacting on, or potentially caused by, each division's activities, products and services. Assurance and action plans record measures in place to provide assurance as to sufficiency of control mechanisms, and action plans to respond to and manage the risks and consequences. The risk registers are reviewed and updated quarterly. The group's environmental policy prescribes the system for reporting major environmental incidents to the CEO, risk committee and at divisional meetings. The internal reporting and monitoring system includes immediate reports to the CEO of every major environmental incident. No major environmental incidents occurred during the year.

Independent verification of compliance with legal criteria as to usage of resources and methods of operations is provided by the Department of Environmental Affairs and Tourism (DEAT) – checking landings, inspectors on board fishing vessels, monitoring adherence to fishing zones, checking documentation, issuing permits for vessels and to fish, atmospheric omissions; The South African Maritime Safety Agency (SAMSA) – vessel registration, safety and navigation compliance; and quality control authorities such as the South African Bureau of Standards (SABS), the International Standards Organisation and risk management consultants.

DURING THE YEAR under review no uncontrolled significant discharge of hydrocarbons, process materials or reagents, chemicals or inadequately treated water or effluents occurred within the group.

Documentation pertaining to use, management and control of natural resources is maintained including fishing rights and permits, permits regulating activity in processing plants, product clearances, storage and use of fuels, gases and chemicals.

The group's policy requires executive management to develop skills and awareness concerning environmental issues and responsibility amongst employees in key areas of activities and operations, including most efficient usage of non-renewable resources. The policy is circulated to all employees. Awareness is promoted through a variety of channels including articles on environmental issues in the Oceana Tidings in-house magazine, maintaining environmental risk registers and quarterly reporting, regular fleet meetings that include skippers and crews of vessels, presentations on and follow-up of TNS amongst all employees, resulting in the establishment of environmental awareness and improvement groups in fishing factories.

Factories and cold stores have structures and procedures in place to test higher risk installations (eg oil and ammonia stores) and to react to failures or damage.

Formal structures are in place to address non-compliance with policy and for preventative and corrective action to be taken. The Environmental Policy specifies reporting and follow-up procedures. The risk registers include control systems. The Discipline and Grievance Code and Guidelines prescribe disciplinary action for breach.

Oceana's environmental management systems are subject to review as circumstances require. The Environmental Policy and the Oceana Group Code of Business Conduct and Ethics confirm the principle of legal compliance in group operations, and so far as reasonably possible in the business activities of outside parties supplying fish, goods and services to group companies.

The terms of its supply agreements, with professional advice where appropriate, assist the group in clarifying legal liability in the case of environmental incidents such as fuel leaks or spills, or loss and damage to fish en route to a processing plant. Recovery plans and insurance are in place to cover the consequences where the group has liability or might incur loss.

Oceana's stakeholders

Oceana is committed to broad based economic empowerment, investment in human capital and good corporate citizenship.

Shareholders

Shareholders receive an annual report in December and an interim report in May each year. The company provides website and e-mail communication and attends promptly to enquiries received from shareholders or their advisers. Meetings are held with, and presentations made to, major institutional investors on a regular basis.

Oceana's shares have been listed on the JSE Limited (JSE) since 1947 and on the Namibian Stock Exchange (NSX) since 1998. The highest traded price on the JSE in the year to 30 September was R23.00 per share and the lowest was R15.60 per share.

The share ownership analysis appears on page 90.




Customers and consumers

The group's goods and services are intended to meet the expectations and requirements of customers as to grades, quality, reliability and consistency. Lucky Star canned fish labels carry the logos of the SABS and the Heart Foundation. Each business unit has quality controls and standards to be met for its products. Increases in sales volumes, brand position and customer feedback are included in techniques to measure customer satisfaction.

In South Africa, Oceana has extensive business relationships with major wholesalers and retailers with its major brand, Lucky Star, which has its own customer helpline. Fishmeal is sold to manufacturers of balanced feed in the agricultural sector. International trade in fish and fish products is conducted with customers in the Far East, Europe, United States and Africa, and is transacted in major trading currencies through first-class financial institutions.

Regular personal visits are made locally and abroad to all major customers. The cold stores conduct regular client surveys amongst customers and results are reported at monthly management meetings.

Suppliers

The group purchases goods and services from a wide range of suppliers, with emphasis on quality and reliability of product, price competitiveness and integrity of suppliers, as well as the suppliers' B-BBEE stakes. Oceana is committed to ethical adherence to its contractual obligations with suppliers and the development of relationships to the benefit of both parties. The policy is to promote and increase business with small, micro and medium enterprises (SMMEs) and BEE suppliers of goods and services needed in the group. This includes formal, long-term joint venture agreements and an extensive range of supply, processing and marketing agreements with many SMMEs and fishermen in various sectors of the industry.

Employees

The group strives to be a first-rate corporate employer as detailed later in this report. Communication is encouraged in the workplace between employers and employees and is facilitated by consultative forums and interaction groups. Internal news bulletins and a newsletter are issued periodically. Grievance procedures are in place. Employee involvement in community initiatives is encouraged, eg in sports, education, charitable work and environmental projects.

Government and other regulators

The group is assiduous in cooperative and candid interaction with national, provincial and local authority government in compliance issues and in being proactive in seeking means to satisfy the varying interests of stakeholders. This process involves close liaison and regular meetings with officials and politicians concerning issues such as the status of fish resources, long-term policy development, resource management and harvesting.

Oceana seeks to maintain good relations with quasi government and regulatory bodies, such as stock exchanges and the SABS, through regular meetings and attendance at workshops and seminars.

Local community

The group's subsidiaries maintain strong interaction in communities in which they operate in both South Africa and Namibia as detailed in the CSI report on page 40. Regular contact is made with bodies involved in health and development projects. In addition, Oceana is a member of a number of formal industry working groups serving as forums to discuss issues of common interest on resource status and regulation, fishing and production.

OCEANA'S SHARES have been listed on the JSE Limited (JSE) since 1947 and on the Namibian Stock Exchange (NSX) since 1998. The highest traded price on the JSE in the year to 30 September was R23.00 per share and the lowest was R15.60 per share.

Media

The group has in place prescribed procedures for communication with the media to facilitate adequate responses to enquiries on topical issues. Contributions are made to media investigations or reports on resource, technical, operational, health and employment issues. Journalists are routinely invited to general meetings of shareholders and promotional events. Oceana's objective is to encourage accurate and helpful dissemination of information to its stakeholders and interested parties.

Transformation

During 2004 Oceana adopted a proactive and focused strategy aimed at accelerating broad-based black economic empowerment (B-BBEE) programmes in all seven B-BBEE elements. Oceana recognises that government's B-BBEE objectives cannot properly be achieved through a narrow focus only on ownership and management; but rather through an integrated and coordinated approach, which requires a broad-based approach to transformation.

During the year Oceana achieved some key milestones:

- The successful implementation of the Khula Trust as black employees accepted participatory rights in the Trust
- Improvement of Oceana's previous Empowerdex 'A' rating to achieve an 'AA' rating
- Improvement of the group's overall ranking on the top 200 companies listed on the JSE from 35 to 4 and leading the Food and Beverages Category

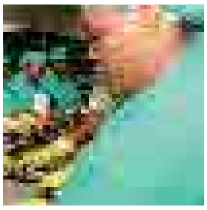
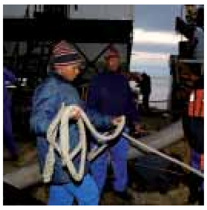
Following the BEE transaction in 2006, a key strategy was attained in securing a significant direct BEE shareholding in Oceana which exceeds the targets set in the Codes of Good Practice on B-BBEE. Simultaneously the transaction represented a milestone as black employees acquired a significant stake in Oceana. An extensive communication roadshow started in November 2006 and was completed in January 2007, aimed at explaining the details of the transaction and its significance to the long-term sustainability of Oceana to all staff. Additional communication and information sessions were held at most sites across Oceana during June 2007 to explain the key aspects in greater detail and to deal with questions from employees.

Empowerdex, an independent BEE rating agency, was commissioned to conduct an intensive BEE audit at the end of the last financial year resulting in an improved AA rating. Oceana was assessed as a Level 3 BEE contributor, with significantly improved scores on ownership and procurement, the latter resulting from a significant focus on increasing procurement from BEE enterprises. The Empowerdex rating affirms the extent to which Oceana's commitment to transformation initiatives is integrated into the business strategy.

The group's internal progress has been measured quarterly since 2004 on the balanced scorecard approach proposed by the Department of Trade and Industry (DTI). The Final Codes of Good Practice on B-BBEE (the Final Codes) were gazetted during February 2007, being the final step in the process of formalising a regulatory framework for implementing and measuring B-BBEE. Oceana has embarked upon a process of analysing its current policies, processes and procedures to realign current practices with the Final Codes.

A key challenge that remains is to ensure that going forward MCM adopts a broad-based approach to measuring transformation as prescribed in the Final Codes rather than a narrow focus, given the overall importance of transformation in the allocation of commercial fishing rights. In view of the extensive efforts of companies to comply with the Final Codes it is hoped that MCM will adopt a more consistent approach in line with Government policy on B-BBEE.

From a governance point of view, there is a transformation committee which reports to the board on progress made by management in implementing the group's transformation strategies. The committee is appointed by the board of directors, is chaired by a non-executive director and includes four members of executive management. Its operation is governed by a formal charter. During the year the committee met twice to review progress.


BEE SCORECARD

BEE SCORECARD PROGRESS AS AT 30 SEPTEMBER 2007					
Core component of BEE	**Weighting**	**Explanation**	**2007**	**2006**	**2005**
Equity ownership	20%		32,4% [1]	33,1% [1]	37,3% [2]
Management and control	10%	Black people as a percentage of the board	44%	44%	40%
		Black women as a percentage of the board	22%	22%	0%
		Black people as a percentage of executive management	13%	13%	22%
Employment equity	10%	Black people in senior management	13%	15%	10%
		Black people in middle management	47%	46%	37%
		Black people in junior management	81%	79%	74%
		Black people as a percentage of total staff	94%	93%	93%
Skills development	20%	Percentage of training spent on black staff stated as a percentage of total payroll	1,8%	1,5%	1,6%
		Number of learnerships in progress or completed stated as a percentage of total staff	2,6%	2,5%	7,5%
Preferential procurement	20%	Discretionary procurement with BEE enterprises stated as a percentage of total procurement	61%	66%	51%
		Non-discretionary procurement with BEE enterprises stated as a percentage of total procurement	3%	5% [3]	34%
		Ongoing assessment of suppliers' details			
Enterprise development	10%	Achievements: 20 joint venture and vessel co-ownership agreements 82 supply partners Infrastructural support to partners: R7,3 million			
Corporate social investment (CSI)	10%	Stated as a percentage of profit after tax	2,2%	3,1%	1,7%

1 BEE ownership percentage calculated on the modified flow through basis as required in terms of the BEE codes.

2 BEE ownership as calculated and included in long-term commercial fishing rights applications.

3 Change in percentage due to expenditure with certain suppliers being reclassified.

DURING 2004 Oceana adopted a proactive and focused strategy aimed at accelerating broad-based black economic empowerment (B-BBEE) programmes in all seven B-BBEE elements.

PROCUREMENT

Oceana has previously indicated its commitment to encourage the growth of BEE enterprises by making BEE enterprises their preferred suppliers. In 2004 a preferential procurement policy was adopted, committing the group, *inter alia*, to setting, monitoring, reporting and auditing compliance in terms of its empowerment targets. In measuring procurement expenditure, the group differentiates between procurement which is discretionary[1] and non-discretionary[2]. This policy is currently under review to align internal reporting and measuring practices with the Final Codes. In view of the redefinition of what constitutes B-BBEE spend in the Final Codes a fresh process of assessing all suppliers will commence in 2008.

An assessment of the procurement spend on the basis used in earlier years, is reflected below:

	2007	2006	2005	Targets
Discretionary procurement with BEE enterprises	61%	66%	51%	2005: 20% 2006: 30%
Non-discretionary procurement with BEE enterprises	3%	5%	34%	2007: 40% 2008: 50%

ENTERPRISE DEVELOPMENT

Oceana focused on developing joint venture relationships with small and medium sized enterprises as long ago as 2000, and this continues. The group currently has 20 joint venture and vessel co-ownership arrangements and 82 processing, marketing and supply arrangements in the pelagic, west coast rock lobster, horse mackerel, south coast rock lobster and hake sectors.

The strategy achieved the following objectives:

- assisted new entrants and existing small and medium-sized enterprises to acquire vessels or shares in vessel owning companies to reflect investment, thereby securing their access rights in the medium term;
- provided access to capital to facilitate this investment, with structured repayments linked to landing of product;
- concluded mutually beneficial joint venture or vessel co-ownership or supply agreements, which ultimately ensured continuity of supply to the group's vessels and processing facilities.

The development of the joint venture, co-ownership and supply arrangements required additional support in the form of informal business mentoring, skills and technological transfer, business networking as well as financial and infrastructural support.

The various joint venture arrangements have resulted in:

- an ongoing skills transfer process – assistance offered by Oceana includes contractual and legal advice; financial management and funding; business structuring; business administration, vessel operations and vessel management;
- joint venture and/or supply arrangements being conducted according to the good governance practices in place within Oceana subsidiaries;
- partners being able to benefit from value adding processes – the commercial risk rests with both partners;
- partners being exposed to industry developments, scientific knowledge of the resource and operational reports during regular management meetings, which increases their knowledge of the industry;
- a high level of transparency in reporting, ensuring that partners appreciate the consequences of all business risks.

1 *Discretionary procurement includes all procurement where there is a choice in procuring from a BEE or non-BEE company.*

2 *Non-discretionary procurement which is less controllable, includes amounts paid to suppliers where there is no choice of procuring from another supplier or it is a specialised industry, eg government or parastatal agencies.*

Employment equity

All operations in South Africa comply with the Employment Equity (EE) Act and Regulations and submit reports each year to the Department of Labour. Suitable employee communication channels are in place to serve the requirements of both the EE Act and the Skills Development Act.

A diversity ability programme was completed within the Commercial Cold Storage division during the year under review. All levels of employees participated and feedback has been positive.

Following the launch of the B-BBEE codes from the DTI the group has revised its five years EE targets to be in line with the DTI targets and threshold requirements detailed in the new codes. The new 2012 targets are contained within the table below.

Equity profile (South African employees)

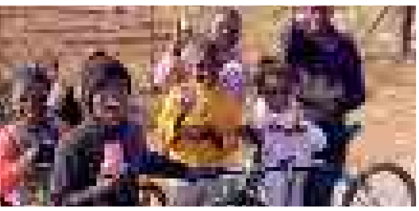
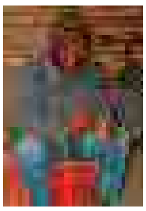
	Target 2012			2007			2006			2001		
	Female	Black female [1]	Black	Female	Black female	Black	Female	Black female	Black	Female	Black female	Black
Executive	25%	13%	20%	25%	13%	13%	25%	13%	13%	Not reported separately		17%
Senior management	25%	20%	32%	13%	4%	13%	4%		15%	Not reported separately		16%
Middle management	52%	35%	64%	19%	6%	47%	17%	4%	46%	Not reported separately		35%
Supervisory	52%	38%	84%	25%	18%	81%	25%	18%	79%	Not reported separately		66%
Clerical and other staff	60%	60%	99%	46%	45%	99%	45%	44%	98%	Not reported separately		98%
Disabled	0,8%			0,2%			Not reported			Not reported		
Total staff	48%	47%	95%	43%	41%	94%	42%	40%	93%			98%

Employment opportunities – 2007

Of the 88 positions graded A-C[2] 89% were filled with candidates from the designated groups[1]
Of the 15 positions graded D-F 80% were filled with candidates from the designated groups.

Applicants from the designated groups are targeted to maximise all employment opportunities arising from new ventures and natural attrition.

As required by the amendments to the employment equity regulations (2006) the group's current employment equity profile by occupational level at 31 August 2007 is as follows:

1 Employment Equity Act 55 of 1998: "designated groups" means black people, women and people with disabilities; "black people" is a generic term which means Africans, Coloureds and Indians

2 Paterson grading system: Grade D-F: Executive, senior and middle managers, Grade A-C: Supervisory, clerical and other employees

Workforce – occupational levels – current (at 31 August)

(Including employees with disabilities)

	Designated							Non-designated			
	Male			Female				White male	Foreign nationals		
Occupational levels	**A**	**C**	**I**	**A**	**C**	**I**	**W**	**W**	**Male**	**Female**	**TOTAL**
Top management					1			6		1	8
Senior management		1	1		1		2	18			23
Professionally qualified and experienced specialists and mid-management	3	42	5		7	1	15	46	1	1	121
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	26	150	10	12	36	5	16	27		1	283
Semi-skilled and discretionary decision making	298	319	23	34	217	17	17	1	1	1	928
Unskilled and defined decision making	321	169	1	267	464						1 222
Total permanent	648	681	40	313	726	23	50	98	2	4	2 585
Non-permanent employees	81	123		32	54	1	2	5	38		336
Grand total	**729**	**804**	**40**	**345**	**780**	**24**	**52**	**103**	**40**	**4**	**2 921**

Employees with disabilities only

	Designated							Non-designated			
	Male			Female				White male	Foreign nationals		
Occupational levels	**A**	**C**	**I**	**A**	**C**	**I**	**W**	**W**	**Male**	**Female**	**TOTAL**
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management								2			2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents		1									1
Semi-skilled and discretionary decision making	2										2
Unskilled and defined decision making											
Total permanent	2	1						2			5
Non-permanent employees											
Grand total	**2**	**1**						**2**			**5**

Skills development

The human resource function plays a key role in driving the values and business philosophy of the group, thereby enabling employees to use their unique talents to drive the achievement of short and long-term strategies and objectives. The function is underpinned by the desire to attract, retain and develop high-potential individuals. The goal is to create and maintain a positive, culturally diverse and healthy working environment and to provide employees with development opportunities and a stimulating work environment.

During the period under review a significant restructure of the human resource function was completed. This resulted in the development of a centralised training and development team whose primary objective will be to develop and implement the group's strategy on learning and development, establish academies in leadership, manufacturing and maritime disciplines and provide enhanced focus overall on the development of all employees across the group.

This focus will assist in the objective of creating an active learning environment within which opportunities exist for all staff to acquire new skills through the provision of high-quality training and education.

In line with the Skills Development Act workplace skills plans and implementation reports are submitted each year to the relevant Sectoral Education and Training Authority (SETA). The recovery of levies via grant rebates is achieved in all divisions. In addition discretionary grants have been received at some sites for specific interventions, eg Adult Basic Education and Training (ABET) programmes and learnerships.

Training expenditure

	2007 Rm	2006 Rm
All employees	**4,9**	4,1
Black employees	**4,3**	3,6

An average of 2% (2006: 1,7%) of the leviable amount of payroll is spent on training. This is in addition to the 1% payroll levy paid to the relevant SETAs.

The group is committed to the development of all employees. Expenditure was incurred on a number of specific projects detailed below and for specific interventions related to divisional strategy and personal training needs arising during performance appraisals.

Expenditure on black staff for ABET, supervisory, leadership and other training

	2007 Rm	2006 Rm
ABET	**0,2**	0,5
Leadership and supervisory training	**0,2**	0,4
Health and safety	**0,5**	0,4
Technical	**1,4**	0,7
Diversity/Equity	**0,2**	0,3
Other	**1,8**	1,3
TOTAL	**4,3**	3,6

MFV Desert Diamond (midwater trawl vessel)

The *Desert Diamond* continues to make positive strides towards the South Africanisation of the vessel. Currently 68 South Africans and 38 Russians are employed on board the vessel. Certain areas of the vessel are manned almost completely by South African crew. Since July 2006, eight South Africans have been appointed to key positions previously held by Russian crew. These moves have resulted from focused training initiatives designed to accelerate the development of key personnel. In quantifiable terms 22 of the crew are currently completing 'formalised' learnerships whilst other crew members are attending developmental programmes relevant to the fishing industry. Application has been made for accreditation of accelerated engineering and deck training programmes.

Learnerships

Learnerships have been created by various SETAs. A number of existing employees have obtained formal national qualifications by completing learnership agreements with various SETAs during the year. Leanerships in progress or completed involve 63 employees. This constitutes 2,6% of total staff.

Mentoring

The mentoring policy and programme launched in December 2003 as an initiative to develop and accelerate diversity within senior management in the group continues to run successfully. High-potential individuals are encouraged to participate in this programme. In 2006 additional mentors were recruited and during 2007 ten mentees participated in the programme.

Succession planning

The restructure of the human resource function also resulted in an increased focus on performance and talent management. The role profiles of all employees are being reviewed and a pilot project at the French fry plant has been completed. On successful review this will be rolled out across the group. Further education and training on the performance management guidelines will be provided to all line managers to ensure improved focus in this area. Succession planning is completed through the development of a group talent pool with separate divisional talent pools. This allows focused development to fast-track the identified employees.

Business conduct and ethics

Oceana is committed to a policy of fair dealing and integrity in the conduct of its business. Compliance by all employees with the group's Code of Business Conduct and Ethics, first published in 1996 and reviewed in 2002, is mandatory, with disciplinary procedures following contravention. The group's Fraud policy was issued in 2003 and its anonymous whistle-blower facility has been in place since 2000. In addition all employment contracts contain a comprehensive confidentiality clause.

Human rights

Oceana adheres to all labour legislation relevant to the countries in which it operates. The group ensures that:

- no child labour will be tolerated;
- no forced and compulsory labour will be instituted;
- employees are educated about human rights.

Industrial relations

The following unions have recognition agreements with different companies in the group. Relationships with these unions are generally positive.

South Africa

FAWU – Food and Allied Workers Union
TALFU – Trawler and Line Fishermen's Union
NCFAWU – National Certificated Fishing and Allied Workers Union
STEMCWU – Steel Mining and Commercial Workers' Union

Namibia

NAFAU – Namibia Food and Allied Workers Union
NATAU – Namibia Transport and Allied Workers Union
NASAWU – Namibia Seamen and Allied Workers Union

Sixty two percent of the group's employees are members of a union. Wages and conditions in two sectors are negotiated via industry bodies: in pelagic and lobster through the SA Pelagic Fish Processors Association and in white fish through the Fishing Industry Bargaining Council, Deep-sea and Inshore Trawling. In other parts of the group there are negotiations with the relevant union at plant level.

Annual wage negotiations were successfully completed in all divisions and there was no strike action.

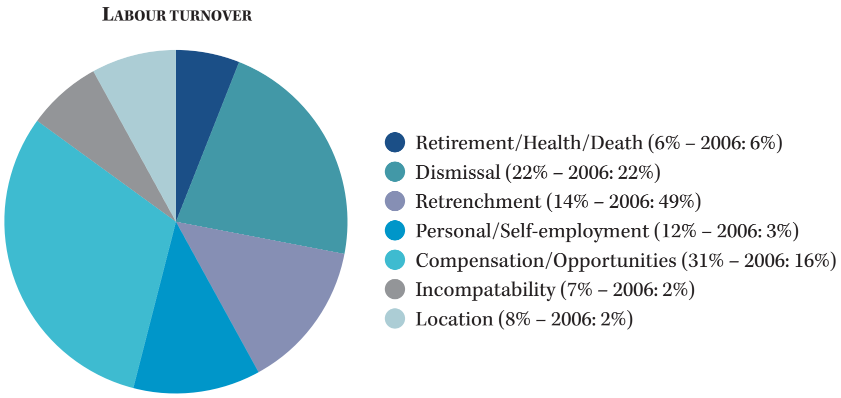
Employee forums are in place at both unionised and non-unionised sites in order to facilitate consultation and communication. During the period under review a number of the forums have been reconstituted following the rationalisation process within parts of the group.

Comprehensive discipline and grievance procedures are in place in the group and are in line with the requirements of the Labour Relations Act. A number of education and training programmes on the procedures were rolled out at various levels during the latter half of the period under review.

The headcount at the end of September indicated 1 274 permanent employees and 1 000 seasonal employees. During the year a number of rationalisation projects resulted in the closure of the abalone factory in Hermanus, the lobster factory in Doring Bay and the sale of the *eBhayi* vessel in Port Elizabeth. Where possible, employees were offered employment elsewhere in the group as an alternative to a retrenchment package.

Labour turnover

The labour turnover figure of 12% for the group is in line with the national average of 12,3% [1].



In the year of retirement, access to additional specific financial and investment advice is available to retirees. Retirement planning workshops are run on request to assist employees with financial and related retirement matters.

Health and safety

All operations in South Africa comply with the Occupational Health and Safety Act and Regulations. Health and safety structures are in place. An independent comprehensive annual risk audit is carried out at the larger sites focusing on compliance with this legislation.

The operational sites provide clinic facilities, managed either in-house or outsourced. The clinics provide both primary health care and occupational health care to employees and strategic advice to management.

Employees involved in production processes participate in an induction training session at the start of each season. This includes health and safety training, hearing conservation and tuberculosis (TB) awareness. Throughout the year ongoing health and safety training also takes place, eg fire fighting, first aid and hazardous chemical handling.

Risk assessments are also conducted at various operations in relation to a number of areas, eg ventilation, illumination, noise, hazardous chemicals and refrigeration. Recommendations from the reports are implemented to ensure a safe working environment is maintained.

HIV/AIDS

An actuarial study preceded a voluntary counselling and testing intervention in 2003. This included awareness training, pre-test counselling, testing and post-test counselling. Peer educators were recruited and trained and condom machines installed in all toilets and cloakrooms. This was in line with the group AIDS Policy developed in March 2003 in consultation with a representative group of employees.

All employees continue to be encouraged to know their status. Ongoing education and training relating to HIV/AIDS is available via the peer educator infrastructure. The personal protection programme and trauma cover from the Lifesense Group introduced in 2004 remains in place. This product provides access to antiretrovirals for employees and their families in the event of trauma resulting in exposure to body fluids which may be infected with HIV/AIDS, eg a motor accident, assault or rape. This forms part of the group's HIV/AIDS prevention strategy. The group continues to remain abreast of latest development in this area and will review the policy to ensure alignment with best practice.

Corporate social investment (CSI)

CSI is an integral element of Oceana's overall transformation effort to promote social upliftment and development within society. All CSI investments are made in terms of a formal policy, which has defined targets and focuses primarily on education and health care. The group's CSI initiatives are aimed at ensuring that investments are made in effective programmes that empower communities and result in long-term partnerships. Some of the key projects are highlighted as follows:

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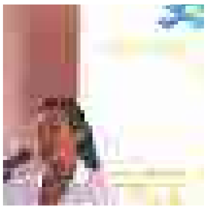
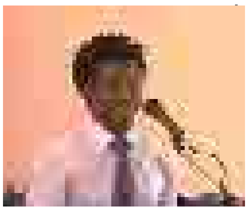
1 Deloitte & Touche Human Capital Corporation






Education

Tertiary School in Business Administration (TSiBA)

During 2005 Oceana announced its intention to support and partner TSiBA in Cape Town for a four-year period – as one of its founding partners. TSiBA is based on the CIDA City Campus established five years ago in Johannesburg as the first 'virtually free' higher university level education institution in South Africa for students from disadvantaged backgrounds. Initially Oceana covered all costs of the rental and services for the premises and since 2006 its contribution was allocated to the establishment and ongoing funding of the TSiBA Student Development Centre. The group continues to be actively involved through senior executives lecturing business-related courses regularly and internships being offered to students during their vacations. Meetings are held quarterly with TSiBA's executive management to review developments and to maintain a high level of involvement.

Lapdesks

Oceana funds the Lapdesk project which addresses the problem of school desk shortages in communities. Almost 30% of learners in South Africa do not have desks and this project enables Oceana to support the education of underprivileged children.

Healthcare

Starfish

The Starfish Greathearts Foundation (Starfish) supports children orphaned or made vulnerable by the HIV/AIDS pandemic. Starfish provides physical, educational and shelter services to over 11 000 children through community-based projects and a further 12 500 children receive nutritional support. Since 2003 Oceana has supplied Lucky Star tinned pilchards to non-governmental organisations in Mpumalanga, Gauteng and KwaZulu-Natal.

Learn to Earn

Since 2003 Oceana has supported Learn to Earn, established in 1989 for the purpose of training unemployed people in disadvantaged communities. All students receive tuition in basic business skills, functional literacy and numeracy and life skills.

Others

The group has also contributed to a number of other community initiatives, including:

- South African Medical Foundation – a donation towards a portable X-ray machine particularly for the diagnosis of TB sufferers;
- Somerset Hospital – a donation for new equipment for the HIV/AIDS clinic and an X-ray machine for the casualty unit. The hospital serves the Cape Metropole and the west coast communities;
- The Wheat Trust – a donation to the Trust, a national fund, which awards grants to women-led community-based organisations to facilitate education and training initiatives.

Community development

Oceana endorses the principle that no business exists in isolation but is part of the communities in which it operates. Oceana's involvement in the coastal communities on the west coast continues to be characterised by a high level of community participation. CSI expenditure is directed towards bursary schemes, study assistance programmes, assisting learners with transportation to and from school, ongoing HIV/AIDS counselling and support via community peer educators, sports development and various environmental initiatives, including beach clean-up projects in Hout Bay and St Helena Bay and an Arbour Day tree planting initiative in St Helena Bay. A donation was made to a school in Atlantis for the refurbishment of the library and towards the purchase of books and learning material.

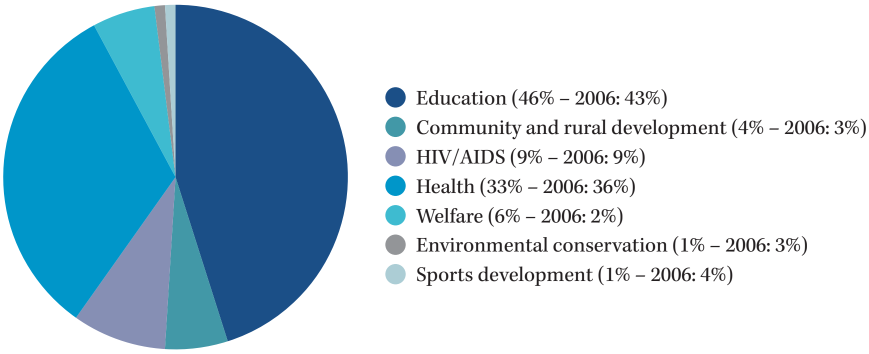
Oceana is a corporate member of the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB), which aims to conserve and protect sea birds, especially threatened species. The group continues to be a gold sponsor of the National Sea Rescue Institute (NSRI).

Annual donations are made to voluntary associations such as Meals on Wheels, St Luke's Hospice, St Giles Association, Fairest Cape Association, Western Cape Council for the Blind, Avril Elizabeth Home, Girls and Boys Towns and Western Cape Foundation. Various shelters for the homeless and feeding schemes in Johannesburg, Cape Town and Port Elizabeth receive ongoing support through donations of canned fish.

Oceana also invests significantly in projects in Namibia. This includes support through the Unity Community Trust and Arechanab Community Trust established for the advancement of the cultural, social and educational needs of various communities. Projects include ongoing support for Arandis Kindergarten; an annual sponsorship for Erongo Regional Science Fair; academic scholarships for previously disadvantaged learners to attend Windhoek High School; bursaries for ex-Kolin Foundation Secondary School learners; ongoing financial support for learners with severe dyslexia; and the purchase of a 16-seater school bus for a junior secondary school.

During the past year, the group invested R4,1 million in a variety of programmes and initiatives. This amount stated as a percentage of profit after tax is 2,3%. The spend allocation is reflected in the pie chart below.

Corporate social investment (CSI) 2007



Introduction

Oceana has a formal and structured enterprise-wide risk identification and management system in place, with the board of directors having responsibility for the total process. Apart from covering risk at corporate level, the process of risk identification and management extends deep into each operating division.

Risk philosophy

The group's business is to be engaged in catching, processing and marketing fish and fish products, cold storage and related services both locally and internationally. The group's risk philosophy is to be involved in such activities only where risks have been adequately identified, measured, evaluated and then subsequently managed so that the risk-reward relationship remains within parameters acceptable to the board.

Risk management responsibility and framework

Board of directors	▪ Responsible for the total process of risk management ▪ Has a formal charter ▪ Receives reports from the audit committee, at least twice each year ▪ Receives copies of all minutes of risk committee meetings ▪ Sets risk strategy policies
Audit committee	▪ See page 44
Risk committee	▪ Appointed by the board of directors ▪ Has a formal charter ▪ Chaired by a non-executive director and comprises seven members, including divisional managing directors ▪ Meets at least twice a year ▪ Reports to the audit committee ▪ Internal auditor (KPMG) attends committee meetings
Risk forum	▪ Has formal terms of reference ▪ Chaired by a member of the risk committee (director) ▪ Members are divisional risk managers who work closely with the executive committee (Exco) ▪ Updates and reviews risk registers, combined assurance plans and risk incident reports at management level, on a regular basis ▪ Evaluates and co-ordinates testing of control systems to ensure effectiveness ▪ Facilitates communication of risk policy to all employees ▪ Submits reports to the risk committee

Application and recording

During the year Ms L Ruthilal, chairperson of the risk committee, resigned as a director and was succeeded by Mr Noel Doyle. All members of the committee attended its two meetings during the year, with the exception of one divisional managing director at the May meeting.

The risk managers appointed in each division facilitate the identification and ranking of the division's major risks, in a structured and interactive process with quarterly reviews and involvement of executive and senior management. It includes promotion of the culture amongst executive and senior management of awareness of the nature and impact of risk – in all its guises and in all facets of planning and operational activity – to ensure the integrity and reliability of the risk reporting and monitoring process, to put in place controls and mitigation plans, to obtain independent assurance as to adequacy and to follow up on incidents where risks result in loss, as to corrective action to avoid recurrence.

The group also maintains functional risk registers, reviewed biannually, covering, *inter alia,* financial, information systems and technical risks.

Issues addressed during the year in terms of the group's risk management process included identifying and managing risks associated with, *inter alia*, availability of fish resources, environmental pressures, product safety and quality, vessel and plant performance and brand development.

There were no significant risk incidents resulting in financial loss during the year under review.

As regards insured risks, the group has comprehensive risk and control procedures in place which are an integral part of the insurance programme. The layered structure of the programme allows the group to obtain competitive rates whilst still protecting it from major losses through appropriate local and offshore reinsurance and a degree of self-insurance.

AUDIT COMMITTEE AND INTERNAL CONTROLS

The company has an audit committee comprised of four non-executive directors appointed by the board. Two of them are independent non-executives, one of whom, Mr S Pather, is chairperson. The company secretary is the secretary of this committee. It met twice during the year, with full attendance by all members. Ms L Ruthilal resigned as a member in February. Attendance at meetings by executive directors and management is by way of invitation.

The external and internal auditors have unrestricted access to this committee and attend committee meetings. The committee reviews detailed reports from both the external and internal auditors. The audit committee also receives reports from the risk committee and reviews the effectiveness of the system of internal control adopted by group companies with reference to the findings of the external and internal auditors.

Issues considered in meetings during the course of the year included the anticipated savings in audit fees and administration costs in a reduced number of subsidiaries as part of the group's rationalisation exercise; the magnitude of annual audit fees; the amounts of and provisions in respect of loans and advances; adoption of an internal audit charter; completion and rendition to the Financial Services Board of surplus distribution schemes for the group's three retirement funds; the adequacy of information systems controls; structures and monitoring systems in place to ensure ethical standards in the conduct of business.

The committee was of the view that risk awareness was embedded in the company and would continue to promote it in all aspects of decision-making. The effectiveness of action plans to address risk areas would be reviewed regularly.

An ethics report is presented biannually, dealing with principles and issues of an ethical nature in the group's business.

The provisions of the Corporate Laws Amendment Act, 2006 insofar as they affect audit committees, were noted, and would be adopted where necessary once the Act was promulgated.

The company believes that the committee satisfied its responsibilities for the year in compliance with its terms of reference. The group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets.

KPMG, the group's internal auditors, operate in terms of the Internal Audit Charter and under the direction of the audit committee which approves the scope of work to be performed. Its scope, agreed with the audit committee, includes providing assurance over internal control systems in terms of compliance reviews and risk-based reviews focusing on key risks. Significant findings are reported to both executive management and the audit committee and corrective action is taken to address identified internal control deficiencies.

Nothing has come to the attention of the directors, or to the attention of the internal or external auditors, to indicate that any material breakdown in the functioning of the group's key internal controls and systems has occurred during the year under review.

The principles of and structures for good corporate governance throughout the group are in place and operating well. The group's commitment to good governance, as articulated in the King 2 Code, is formalised in charters, policies and operating procedures covering all aspects of activity, and in reporting internally and to stakeholders.

Oceana has a unitary board structure, which at year-end consisted of three executive directors and seven non-executives, three of whom are independent. The board has a formal charter setting out, *inter alia*, its composition, meeting frequency, powers and responsibilities, particularly with regard to financial, statutory, administrative, regulatory and human resource matters. The offices of chairman and chief executive officer are separated.

The board met five times during the year. Each director attended each meeting, save for apologies from Messrs S Pather and F Robertson (one meeting each) and Ms Z Fuphe (two meetings). The board has four committees, namely audit, remuneration and nominations, risk and transformation, all of which have their own charters and are chaired by non-executive directors.

Annual strategic plans are compiled at both group and business level, with detailed plans for action and allocated responsibilities. Progress is reviewed regularly.

There are comprehensive management reporting disciplines in place, which include the preparation of annual budgets by all operating units, with the group budget being approved by the board of directors. Monthly results and the financial status of operating units are reported against approved budgets and compared to the prior year. Profit forecasts are updated quarterly whilst working capital is monitored on an ongoing basis.

The nature and extent of Oceana's social, transformation, ethical, safety, health and environmental management policies and practices are reported on in the sustainability report. These complement and enhance its economic performance.

The group has a formal comprehensive environmental policy, which sets out objectives, risks, management and reporting lines across the group, in all its activities.

Directors and employees are required to observe the highest ethical standards ensuring that business practices are conducted in a manner that is beyond reproach. In this regard the group has a formal Code of Business Conduct and Ethics committing the whole group and all directors and staff to fair dealing and integrity in the conduct of its business and to provide guidance for the benefit of all concerned. The directors believe that the contents of the Code are being met. During the year there were neither major instances of non-compliance with this Code or laws, nor prosecutions or fines.

All directors have access to the advice and services of the company secretary and, in appropriate circumstances, may seek independent professional advice concerning the affairs of the company at its expense.

The directors are responsible for the preparation, integrity and objectivity of the annual financial statements and other information contained in the annual report in a manner that fairly presents the state of affairs and results of operations of the group. The 2007 annual financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards).

Remuneration and nominations committee

Remuneration and nominations are combined into a single committee which has been delegated by the board the responsibility of determining the remuneration of executive directors and senior management and recommending to the board the remuneration of non-executive directors. The committee also gives consideration to the composition of the board and organisational succession planning. It operates in terms of a formally approved charter. The committee currently comprises three non-executive directors and is chaired by an independent non-executive chairperson. The chief executive officer attends the committee meetings by invitation and assists with the considerations except when issues relating to his own remuneration are discussed.

Four meetings were held during the year which were attended by all members.

Remuneration philosophy

Oceana's remuneration philosophy is formulated to create a climate that attracts, retains, motivates and rewards high-calibre employees. Remuneration policies encourage high levels of performance that are sustainable and aligned with the strategic direction of the business.

Total reward consists of fixed and variable components. This is reviewed annually to ensure that employees who contribute to the success of the group and who have the potential to enhance group performance are remunerated in line with the market.

Remuneration is benchmarked against appropriate surveys on a regular basis. Remuneration is one of the largest cost components of the group and optimising the remuneration rand remains a core focus area.

Composition of executive remuneration

Executive remuneration consists of:

- A guaranteed package component, determined on a total cost to company basis, including a cash amount and various benefits such as retirement provision, medical aid and a car allowance scheme
- An incentive bonus scheme which is measured on achievement of individual performance criteria and predetermined financial targets
- A long-term incentive scheme in the form of a phantom share option scheme

Guaranteed package

The guaranteed packages of the executive directors are subject to annual review and are benchmarked against market surveys, taking into account, amongst other issues, the size and profitability of the company. Individual performance and overall responsibility are also considered when setting guaranteed package levels. It is the intention to set the guaranteed pay at above median levels as reflected by the external executive remuneration survey.

Retirement and healthcare provision form part of the overall total cost to company package in line with market trends. Executive directors and senior management are eligible for membership of the Oceana Group Executive Provident Fund.

Incentive bonus scheme

An incentive bonus scheme is in place providing the variable component of remuneration. An overriding principle of the scheme is the creation of shareholder value. The scheme offers incentives to executive directors and senior management and is based on the achievement of predetermined short-term performance targets. These targets are reviewed annually by the committee, and are based on financial performance as well as achievement of agreed strategic and individual performance objectives.

Eighty percent of the maximum bonus payable is determined by financial performance. Financial targets at group level are based on growth in headline earnings per share and return on net assets, while at divisional level they are based on operating profit and return on net assets. Non-financial targets, which comprise 20% of the maximum bonus payable, are based on agreed strategic and functional objectives. A significant weighting continues to be placed on transformational objectives as contained in the group's transformation scorecard. This includes employment equity, skills development, preferential procurement, enterprise development and corporate social investment.

The incentive scheme for 2007 was capped at 100% of basic remuneration. (The scheme will be calculated on total cost to company packages for the 2008 financial year.) Bonuses are paid in cash in November following the financial year-end. Payment of the maximum bonus is subject to the achievement of a 40% increase in headline earnings per share.

Share option scheme

Options were last granted to executive directors on 25 November 2004. No further options will be granted in terms of the Oceana Group (1985) Share Option Scheme. Further details of the Oceana Group (1985) Share Option Scheme are contained in notes 20 and 25 of the annual report.

Phantom share option scheme

Annually the committee gives consideration to granting options to executive directors and senior management. In February 2006 the Phantom Share Option Scheme was approved to replace the Oceana Group (1985) Share Option Scheme. The intention of the Phantom Share Option Scheme is to align interests of shareholders and employees. This scheme also forms part of the group's talent retention strategy.

The options in the Phantom Share Option Scheme are 'cash settled' as opposed to 'equity settled'. Options may be exercised in tranches of one-third after three, four and five years from the date of grant. All options must be exercised within six years from date of grant.

The annual value of phantom shares for which options are granted is determined by using a multiple of annual package. This is then further adjusted in line with individual performance. The individual multiples applied range between 0,5 and 1,2 of annual total cost-to-company package.

In terms of the rules, the grant price is equal to the average closing market price of an Oceana Group share on the JSE for the preceding 30 trading days immediately prior to the grant date. The cash settlement amount of an option is the difference between the closing market price of an Oceana Group share on the date of exercise and the grant price.

The committee is currently investigating the adoption of performance-based vesting conditions as an integral part of the company's long-term incentive programme. It is anticipated that performance-based vesting will be introduced effective from the date of the next grant.

Executive directors' service contracts

Directors do not have fixed term contracts. Directors have employment agreements with the company which are subject to a three-month notice period by either party. The company may elect to pay the executive directors a cash sum in lieu of notice of termination. Executive directors retire from their positions at the age of 63.

In the event of an executive director's services being terminated for operational reasons, creating an obligation on the company to pay a severance package, there is no contractually agreed severance package and the rules of the Basic Conditions of Employment Act apply. The normal contractual notice period in respect of termination of the employment contract applies and it is not included in severance compensation calculations.

Succession planning

A succession plan for senior and executive management is reviewed annually in May as part of the group's talent management process. This is discussed and agreed by the remuneration and nominations committee. The purpose of the plan is to ensure that succession is in place, and also to develop potential candidates for future placement. This includes middle, senior and executive management levels.

Executive directors' remuneration

Remuneration of executive directors is set out in Tables 1(a) and 1(b) which follow. The gain on exercise of share options is made in the period during which the directors dispose of shares. The gain is therefore not related to the performance of the company in the 2007 financial year.

Non-executive directors' remuneration

Directors' fees are paid in respect of membership of the Oceana Group Limited board. Non-executive directors serving on board committees are also remunerated for work done in that capacity. These fees are reviewed annually and tabled by the chief executive officer for review by the remuneration and nominations committee. The board then considers the directors' fees and makes a recommendation to shareholders for approval at the annual general meeting.

Non-executive directors do not qualify for share options or phantom share options nor do they participate in the incentive bonus scheme. These fees are detailed in Tables 4(a) and 4(b).

Table 1(a): Executive directors' remuneration: 2007

Name	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Performance bonuses[1] R'000	Gain on exercise of share options R'000	Fringe benefit on low-interest loans R'000	Total emoluments R'000
ABA Conrad[2]	420	99	64	681	218		1 482
AB Marshall	1 890	350	430	1 931	480		5 081
RG Nicol	1 247	170	271	1 311	935		3 934
Total	3 557	619	765	3 923	1 633		10 497

[1] Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.
[2] Appointed 8 February 2007. Remuneration reflected above relates to the period 8 February 2007 to 30 September 2007.

Table 1(b): Executive directors' remuneration: 2006

Name	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Performance bonuses[1] R'000	Gain on exercise of share options R'000	Fringe benefit on low-interest loans R'000	Total emoluments R'000
LT Langeni[2]	379	102	84		592		1 157
AB Marshall	1 678	435	406	831	1 845		5 195
RG Nicol	973	259	235	481	3 584		5 532
Total	3 030	796	725	1 312	6 021		11 884

[1] Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.
[2] Deceased 6 February 2006. Remuneration reflected above relates to the period 1 October 2005 to 6 February 2006.

Table 2(a): Executive directors' share and option details: 2007

Name	Balance as at 30 Sept 2006 Number	Granted Number	Price R	Date of grant	Expiry date	Share options deemed to be exercised during the year[1] Number	Gains on options exercised R'000	Exercise prices R	Deemed exercise dates	Balance as at 30 Sept 2007 Number	Share trust loan as at 30 Sept 2007 R'000
ABA Conrad[2]	86 000					(20 000)	129	11.05	14.11.2006	56 000	
						(1 404)	13	11.05	16.11.2004		
						(8 596)	76	11.05	16.11.2004		
AB Marshall	457 000					(73 100)	398	11.05	14.11.2006	369 000	2 650
						(14 900)	82	11.05	14.11.2006		
RG Nicol	304 194					(32 000)	339	6.90	16.11.2005	187 000	
						(6 410)	68	6.90	16.11.2005		
						(4 269)	45	6.90	16.11.2005		
						(18 515)	178	6.90	16.11.2005		
						(28 000)	153	11.05	16.11.2005		
						(28 000)	152	11.05	14.11.2006		

[1] *Directors are deemed to have exercised share options on the date on which they have ownership of the shares and are entitled to dispose of them.*
[2] *These options were granted to ABA Conrad prior to her being appointed as a director.*

Table 2(b): Executive directors' share and option details: 2006

Name	Balance as at 30 Sept 2005 Number	Granted Number	Price R	Date of grant	Expiry date	Share options deemed to be exercised during the year[1] Number	Gains on options exercised R'000	Exercise prices R	Deemed exercise dates	Balance as at 30 Sept 2006 Number	Share trust loan as at 30 Sept 2006 R'000
LT Langeni[2]	321 000					(33 000)	287	6.90	11.11.2005	221 000	
						(67 000)	305	11.05	11.11.2005		
AB Marshall	711 000					(166 000)	1 445	6.90	11.11.2005	457 000	
						(88 000)	401	11.05	11.11.2005		
RG Nicol	656 000					(40 000)	490	3.75	16.01.2006	304 194	705
						(54 506)	496	6.90	16.01.2006		
						(12 494)	107	6.90	03.02.2006		
						(65,000)	791	3.50	03.02.2006		
						(80,000)	958	3.75	03.02.2006		
						(71 806)	617	6.90	10.02.2006		
						(28 000)	125	11.05	10.02.2006		

[1] *Directors are deemed to have exercised share options on the date on which they have ownership of the shares and are entitled to dispose of them.*
[2] *Deceased 6 February 2006.*

Table 3(a): Executive directors' phantom share and option details: 2007

Name	Balance as at 30 Sept 2006	Granted Number	Price R	Date of grant	Expiry date	Phantom share options exercised during the year Number	Gains on phantom share options exercised R'000	Exercise prices R	Balance as at 30 Sept 2007 Number
ABA Conrad[1]	60 000	40 000	16.91	10.11.2006	10.11.2012				100 000
AB Marshall	194 000	190 000	16.91	10.11.2006	10.11.2012				384 000
RG Nicol	115 000	90 000	16.91	10.11.2006	10.11.2012				205 000

[1] *These options were granted to ABA Conrad prior to her being appointed as a director.*

Table 3(b): Executive directors' phantom share and option details: 2006

Name	Balance as at 30 Sept 2005 Number	Granted Number	Price R	Date of grant	Expiry date	Phantom share options exercised during the year Number	Gains on phantom share options exercised R'000	Exercise prices R	Balance as at 30 Sept 2006 Number
AB Marshall		194 000	15.39	09.02.2006	09.02.2012				194 000
RG Nicol		115 000	15.39	09.02.2006	09.02.2012				115 000

Table 4(a): Non-executive directors' remuneration: 2007

Name	Board fees R'000	Committee fees R'000	Total 2007 R'000
MA Brey	252	30	282
N Dennis[1]	100	70	170
NP Doyle[1]	100	55	155
Z Fuphe	100	40	140
S Pather	100	72	172
F Robertson[2]	39		39
L Ruthilal[1, 3]	36	29	65
RA Williams	100	90	190
Total	827	387	1 213

[1] *Paid to Tiger Brands Limited*
[2] *Appointed at 11 May 2007*
[3] *Resigned at 8 February 2007*

MEMBERS OF BOARD COMMITTEES (2007)

Audit committee:	S Pather (chairman); N Dennis; NP Doyle; RA Williams; (L Ruthilal resigned 8 February 2007)
Remuneration and nominations committee:	RA Williams (chairman); MA Brey; N Dennis
Risk committee:	NP Doyle (chairman) (appointed 11 May 2007); ND Brink; SP Cummings (appointed 30 August 2007); BJ King (appointed 1 October 2007); AB Marshall; RG Nicol; GA Rhodes-Harrison; (GM Vincent resigned 30 September 2007); (AWS Visagie retired 30 June 2007)
Transformation committee:	Z Fuphe (chairperson); ABA Conrad; AB Marshall; GA Rhodes-Harrison; JL Wilkinson

Table 4(b): Non-executive directors' remuneration: 2006

Name	Board fees R'000	Committee fees R'000	Total 2006 R'000
MA Brey[1]	180	29	209
BP Connellan[2]	64	32	96
N Dennis[3]	77	50	127
NP Doyle[3, 4]	31	2	33
Z Fuphe[5]	26	3	29
DMJ Ncube[6]	86	8	94
S Pather	77	70	147
L Ruthilal[3, 4]	31	5	36
RV Smither[3, 7]	38	14	52
RA Williams	77	50	127
Total	687	263	950

[1] Appointed as Chairman 9 February 2006
[2] Resigned at 3 August 2006
[3] Paid to Tiger Brands Limited
[4] Appointed at 10 May 2006
[5] Appointed at 1 June 2006
[6] Resigned at 9 February 2006
[7] Resigned at 31 March 2006

STATISTICAL AND FINANCIAL DATA

	2007 IFRS R'000	2006 IFRS R'000	2005 IFRS R'000	2004 SA GAAP R'000	2003 SA GAAP R'000
Consolidated income statements					
Revenue	**2 608 894**	2 544 558	2 576 513	2 487 502	2 517 418
Operating profit before abnormal items	**236 723**	183 325	180 672	221 483	267 072
Abnormal items	**2 549**	(5 882)	(27 830)	4 949	(180)
Operating profit	**239 272**	177 443	152 842	226 432	266 892
Dividend income	**15 922**	6 151	1	2 976	7 861
Interest received	**19 856**	28 500	29 047	20 900	27 921
Interest paid	**(8 675)**	(5 160)	(2 440)	(4 283)	(6 981)
Profit before taxation	**266 375**	206 934	179 450	246 025	295 693
Taxation	**85 869**	70 088	64 541	78 522	101 393
Profit after taxation	**180 506**	136 846	114 909	167 503	194 300
Attributable to outside shareholders in subsidiaries	**11 701**	7 055	7 418	3 123	5 579
Net profit attributable to shareholders of Oceana Group Limited	**168 805**	129 791	107 491	164 380	188 721
Headline earnings	**163 836**	127 581	118 408	157 557	195 359
Consolidated balance sheets					
Property, plant and equipment	**273 413**	316 457	285 052	310 389	280 189
Goodwill and other intangible assets	**55 512**	62 020	52 839	53 978	20 706
Deferred taxation	**10 438**	12 850	15 256	20 990	20 115
Investments	**121 361**	119 978	42 925	75 139	73 135
Current assets	**1 041 655**	826 327	1 080 990	1 011 406	889 970
Total assets	**1 502 379**	1 337 632	1 477 062	1 471 902	1 284 115
Interest of shareholders of Oceana Group Limited	**871 503**	795 010	895 385	848 613	768 863
Interest of outside shareholders in subsidiaries	**34 019**	23 820	20 959	14 577	14 211
Interest of all shareholders	**905 522**	818 830	916 344	863 190	783 074
Deferred taxation	**32 585**	29 874	25 502	24 287	12 921
Other liabilities	**564 272**	488 928	535 216	584 425	488 120
Total equity and liabilities	**1 502 379**	1 337 632	1 477 062	1 471 902	1 284 115
Consolidated cash flow statements					
Cash generated from operations	**270 671**	294 708	278 559	223 445	238 662
Interest received	**19 856**	28 500	29 047	20 900	27 921
Dividend income	**4 616**	6 151	1	2 976	7 861
Interest paid	**(8 675)**	(5 160)	(2 440)	(4 283)	(6 981)
Taxation paid	**(74 378)**	(46 960)	(62 366)	(104 766)	(100 270)
Dividends paid	**(83 128)**	(86 034)	(83 587)	(86 464)	(78 529)
Net cash flow from operating activities	**128 962**	191 205	159 214	51 808	88 664
Cash flow applied to investing activities	**(700)**	(167 811)	(16 119)	(153 899)	(129 983)
Cash flow (used by)/from financing activities	**(33 286)**	(174 894)	17 822	18 459	3 200
Net increase/(decrease) in cash and cash equivalents	**94 976**	(151 500)	160 917	(83 632)	(38 119)

	Notes	2007 IFRS	2006 IFRS	2005 IFRS	2004 SA GAAP	2003 SA GAAP
Share performance						
Number of shares upon which earnings per share is based ('000)		**100 866**	113 099	111 525	109 530	107 906
Headline earnings per share (cents)		**162.4**	112.8	106.2	143.8	181.0
Earnings per share (cents)		**167.4**	114.8	96.4	150.1	174.9
Dividends per share (cents)	1	**106.0**	74.0	74.0	76.5	76.5
Headline dividend cover (times)		**1,5**	1,5	1,4	1,9	2,4
Net asset value per share (cents)	2	**869.1**	783.3	798.7	771.6	710.1
Profitability		%	%	%	%	%
Operating margin	3	**9,1**	7,2	7,0	8,9	10,6
Return on average shareholders' funds	4	**20**	15	14	20	27
Return on average net assets	5 & 6	**28**	23	21	29	41
Return on average total assets	5 & 7	**19**	16	14	18	25
Finance						
Total borrowings as a percentage of total shareholders' funds	8	**11**	9	11	10	5
Total liabilities as a percentage of total shareholders' funds		**62**	60	58	68	62
Current ratio (:1)		**1,9**	1,7	2,0	1,7	1,8
Number of permanent employees at year-end		**1 274**	1 263	1 325	1 659	1 597
Revenue per employee (R'000)	9	**2 048**	2 015	1 945	1 499	1 576
Assets per employee (R'000)	7	**1 171**	1 049	1 103	875	792

Notes:

1. Dividend declared after reporting date included.

2. Own shareholders' funds divided by the total number of shares in issue.

3. Operating profit before abnormal items expressed as a percentage of revenue.

4. Headline earnings as a percentage of average shareholders' funds.

5. Profit before taxation and abnormal items (but excluding interest paid) expressed as a percentage of average net assets or average total assets.

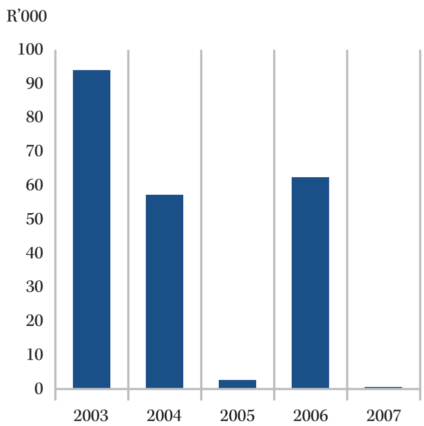
6. Net assets comprise total assets less non-interest-bearing liabilities.

7. Total assets comprise property, plant and equipment, intangibles, investments and current assets.

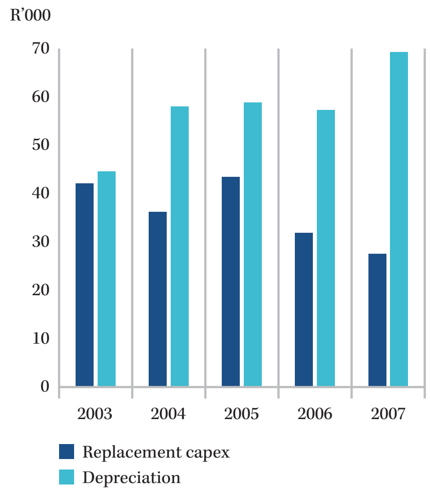
8. Total borrowings comprise long-term interest-bearing loans and bank overdrafts.

9. Revenue divided by the number of permanent employees at year-end.

EXPANSION CAPEX

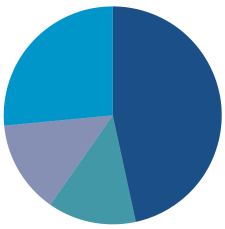


REPLACEMENT CAPEX/DEPRECIATION



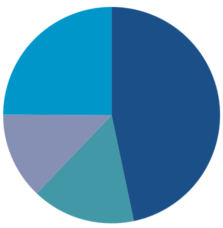
VALUE ADDED STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

VALUE ADDED 2007



- Employees (46,6%)
- Providers of capital (13,1%)
- Government (13,8%)
- Reinvested (26,5%)

VALUE ADDED 2006



- Employees (49,7%)
- Providers of capital (16,4%)
- Government (14,0%)
- Reinvested (19,9%)

	GROUP			
	2007		2006	
	R'000	%	R'000	%
Revenue	2 608 894		2 544 558	
Paid to suppliers for materials and services	1 958 684		2 011 155	
Value added	650 210		533 403	
Income from investments	35 778		34 651	
Total wealth created	685 988		568 054	
Distributed as follows:				
Employees				
Salaries, wages and other benefits	319 888	46,6	282 522	49,7
Providers of capital	89 691	13,1	93 092	16,4
Interest on borrowings	8 675	1,3	5 160	0,9
Dividends to outside shareholders	1 550	0,2	4 194	0,7
Dividends to shareholders of Oceana Group Limited	79 466	11,6	83 738	14,8
Government				
Central and local (Notes 1 and 2)	94 709	13,8	79 393	14,0
Reinvested in the group to maintain and develop operations	181 700	26,5	113 047	19,9
Depreciation, amortisation and impairment loss	77 211	11,3	57 315	10,1
Retained surplus (Note 3)	99 490	14,5	48 914	8,6
Deferred taxation	4 999	0,7	6 818	1,2
Total wealth distributed	685 988	100,0	568 054	100,0
Notes				
1. Central and local government:				
Company taxation	80 870		63 270	
Skills development levy net of refunds	312		220	
Rates and taxes paid to local authorities	4 070		6 190	
Customs duties, import surcharges and excise taxes	9 005		7 423	
Withholding taxes	650			
Training grants and subsidies	(198)		(314)	
Regional Services Council levies			2 604	
	94 709		79 393	
2. The total amount contributed to the central and local government as reflected above excludes the following amounts collected by the group on behalf of the government:				
VAT: Net amount refunded	(65 341)		(62 139)	
PAYE and SITE withheld from remuneration paid	37 338		33 319	
UIF contributions withheld from employees' salaries	2 393		1 991	
Excise duties charged on revenue			58	
	(25 610)		(26 771)	
3. Retained surplus comprises:				
Group profit after taxation	180 506		136 846	
Less: Dividends paid				
Shareholders of Oceana Group Limited	(79 466)		(83 738)	
Outside shareholders	(1 550)		(4 194)	
	99 490		48 914	

ANNUAL FINANCIAL STATEMENTS

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements and group annual financial statements for the year ended 30 September 2007, which appear on page 5 and pages 58 to 89, were approved by the board of directors on 9 November 2007 and signed on its behalf by:

MA Brey
Chairman

AB Marshall
Chief executive officer

REPORT OF THE COMPANY SECRETARY

In terms of section 268 G(d) of the Companies Act 1973, as amended, I certify that the company has lodged with the Registrar all such returns as are required by the Companies Act, and that all such returns are true, correct and up to date.

JD Cole
Company secretary

9 November 2007

We have audited the annual financial statements and group annual financial statements of Oceana Group Limited, which comprise the directors' report, the balance sheet and consolidated balance sheet as at 30 September 2007, the income statement and consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on page 5 and pages 58 to 89.

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 in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

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 respects, the financial position of the company and of the group as at 30 September 2007, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche
Registered auditors

Per RJ Hofmeyr
Partner

30 November 2007

Brookside
11 Lansdowne Road
Claremont
7708

National Executive: GG Gelink (Chief Executive); AE Swiegers (Chief Operating Officer); GM Pinnock (Audit); DL Kennedy (Tax); L Geeringh (Consulting); L Bam (Strategy); CR Beukman (Finance); TJ Brown (Clients & Markets); NT Mtoba (Chairman of the Board); J Rhynes (Deputy Chairman of the Board)

A full list of partners and directors is available on request.

Your directors submit their annual report which forms part of the annual financial statements for the year ended 30 September 2007.

Nature of business and operations

The principal activities of the company and its subsidiaries are detailed in the group profile and the group at a glance sections on pages 2 and 7 of this report. In addition, the group also carries on the business of investing funds surplus to its immediate requirements.

Share capital

During the year under review 1 264 700 shares were allotted in terms of the company's share option scheme increasing the issued share capital by R1 265. Premiums totalling R16 086 035 in respect of these allotments have been credited to the share premium account. A wholly owned subsidiary, Oceana Brands Limited (formerly St Helena Bay Fishing Industries Limited) acquired 2 479 257 shares in Oceana Group Limited through a specific share repurchase for a total consideration of R36 246 737. These shares are held as treasury shares.

Details of the authorised and issued share capital of the company are set out in note 20 to the annual financial statements.

Financial results

The results for the year under review are reflected in the income statements on page 64 of this report.

Dividends

Dividends paid during the year and dividends declared after the reporting date are set out in note 9 to the annual financial statements.

Property, plant and equipment

Capital expenditure during the year amounted to R0,5 million (2006: R62,5 million) on expansion and R27,5 million (2006: R31,8 million) on replacement assets. Further details are disclosed in note 10 to the annual financial statements.

Directors and officers

The names of the present directors appear on page 8 and the name, business and postal address of the secretary appear on page 97.

Directors' shareholding

Details of shares issued to directors during the year are as below. These share issues resulted from the exercise of share options.

	2007	2006
	Number of shares	
LT Langeni		100 000
AB Marshall	**254 000**	254 000
RG Nicol	**28 000**	94 000
	282 000	448 000

The aggregate direct beneficial interest of the directors in the issued share capital of the company at 30 September was as follows:

	2007	2006
	Number of shares	
AB Marshall	**166 000**	
RG Nicol		89 194
	166 000	89 194

No director holds 1% or more of the issued share capital of the company and details of their individual interests in options held in terms of the Oceana Group (1985) Share Option and Share Purchase Schemes are set out in the remuneration report.

No material change has taken place in the extent of the above interests since the year-end.

Subsidiaries and joint ventures

Details of subsidiaries and joint ventures are given in separate schedules on pages 88 and 89 of this report.

During the year the group disposed of its interest in Tuna Marine (Pty) Limited for R7,1 million, realising a profit to the group of R6,9 million.

The interest of the company for the year in the total profits and losses after taxation of its subsidiaries and joint ventures, was as follows:

	2007	2006
	R'000	R'000
Total profit after taxation attributable to shareholders of Oceana Group Limited	**163 441**	128 146
Total losses after taxation attributable to shareholders of Oceana Group Limited	**18 183**	6 499

Going concern

The directors consider both the group and the company to be going concerns.

Post balance sheet event

Subsequent to year-end the company entered into an agreement with Khula Enterprise Finance Limited to repurchase 2 615 093 Oceana Group Limited shares at R20.00 per share, subject to shareholder approval.

The principal accounting policies adopted in the preparation of these annual financial statements and consolidated annual financial statements are set out below and are consistent in all material respects with those applied during the previous year.

1. Basis of preparation

The annual financial statements and group annual financial statements are prepared in accordance with the going concern and historical cost bases except where stated otherwise. The presentation and functional currency of the group and company financial statements is the South African rand and all amounts are rounded to the nearest thousand, except when otherwise indicated.

2. Statement of compliance

The annual financial statements and group annual financial statements have been prepared in compliance with International Financial Reporting Standards ('IFRS').

3. Basis of consolidation

The consolidated financial statements comprise of the annual financial statements of the company and its subsidiaries (including the employee share trusts).

The results of subsidiaries are consolidated from the date control is acquired and cease to be consolidated on the date control ceases. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When there is a disposal or loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the group had control. Any difference between the net proceeds on disposal and the carrying amount of the subsidiary is recognised in the company's income statement.

Minority interest at acquisition date is determined as the minority shareholders' proportionate share of the fair value of the net assets of the subsidiary acquired.

The company carries its investments in subsidiaries at cost, less any accumulated impairment losses. The financial statements of subsidiaries are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those of the group.

Intra-group balances, transactions, income and expenses are eliminated in full.

4. Interests in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The group recognises its interest in joint ventures using proportionate consolidation. The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements.

Any difference between the cost of acquisition and the group's fairly valued share of the identifiable net assets is recognized and treated according to the group's accounting policy for goodwill. The financial statements of the joint venture are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of joint ventures to bring the accounting policies used in line with those of the group.

A joint venture is proportionately consolidated from the date joint control is acquired until the date on which the group ceases to have joint control.

The company carries its investments in joint ventures at cost, less any accumulated impairment losses.

5. Foreign currency translation

The financial results of an entity are accounted for in its functional currency.

Translation of foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction.

Subsequent measurement

Monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences on monetary items are recognised in the income statement when they arise.

Translation of foreign operations

On consolidation, the financial statements of foreign operations are translated into the group's presentation currency. Assets and liabilities are translated at the closing rate on the balance sheet date. Income, expenses and capital transactions (such as dividends) are translated at average exchange rates or at the prevailing rates on the transaction dates, if more appropriate. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated at the closing rate on the balance sheet date.

Exchange differences arising on translation are recognised in the statement of changes in equity in the Foreign Currency Translation Reserve (FCTR). On disposal of part or all of the investment, the proportionate share of the related cumulative gain or loss previously recognised in the FCTR is included in determining the profit or loss on disposal of that investment and recognised in the income statement.

6. Revenue

Revenue comprises the selling value of goods delivered, for which title has passed, and services rendered during the year excluding value added tax, after deducting normal discounts and rebates. In the determination of revenue, transactions within the group are excluded.

Interest received

Interest received is recognised on a time basis using the effective interest rate method implicit in the instrument.

Dividend income

Dividend income is recognised when the group's right to receive the payment is established.

7. Employee benefits

Short-term employee benefits

Remuneration of employees is recognised in the income statement as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs. Provision is made for accumulated leave on the cost to company basis.

Defined contribution plans

The group contributions to the defined contribution funds are determined in terms of the rules governing those funds. Contributions are recognised in the income statement in the period in which the service is rendered by the relevant employees.

Defined benefit plans

The group has an obligation to provide certain post-retirement benefits to its eligible employees and pensioners. The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs and the fair value of plan assets. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Actuarial gains and losses are spread over the average remaining service lives of employees. To the extent that there is uncertainty as to the entitlement to any surplus, no asset is recognised.

Post-retirement medical obligations

The group provides post-retirement health care benefits to certain of its retirees. This practice has been discontinued and this benefit is no longer offered to current or new employees. The potential liability in respect of eligible retirees has been provided for in the financial statements using the projected unit credit method. Independent actuaries carry out annual valuations of these obligations.

8. Share-based payments

Equity-settled compensation benefits

Certain employees, including executive directors of the group, receive remuneration in the form of equity-settled share-based payments, whereby they render services in exchange for rights over the company's listed shares.

Qualifying black employees receive empowerment benefits in the form of equity-settled share-based payments through their participation in the Khula Trust.

The cost of equity-settled share-based payments is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using the Black-Scholes model, further details of which are given in note 25.

The cost of equity-settled share-based payments is recognised, together with a corresponding increase in equity under the share-based payments reserve, over the vesting period. The cumulative expense recognised for share options granted at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest.

The effect of outstanding options is reflected in the computation of diluted earnings per share in note 8.

Cash-settled transactions

The cost of cash settled transactions is measured initially at fair value at the grant date using the Black-Scholes model. This model takes into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the income statement.

9. Leases

Leases are classified as operating leases, where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee. Operating lease rentals are recognised in the income statement on the straight-line basis over the lease term. The resulting difference arising from the straight-line basis and contractual cash flows is recognised as an operating lease obligation or asset.

Contingent rental income and expenses are recognised when incurred.

10. Research and development costs

Expenditure on research and development is charged to operating profit in the year in which it is incurred.

11. Interest paid

Interest paid is accrued and recognised in the income statement at the effective interest rate relating to the relevant financial liability, in the period in which it is incurred.

12. Taxation

The income tax expense consists of current tax, deferred tax, secondary tax on companies and foreign withholding taxes.

Current taxation

The current tax charge is the expected tax payable on the taxable income for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred taxation

The provision for deferred tax assets and liabilities reflects the tax consequences that would follow from the expected manner of recovery of the carrying amount of the group's assets and liabilities.

Deferred taxation is provided using the liability method, for all temporary differences at the balance sheet date between the carrying amounts for financial reporting purposes and the tax bases of assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that the related tax benefit will be realised in the foreseeable future against future taxable profit. The carrying value of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the asset to be utilised, the carrying value of the deferred tax asset is reduced.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if the group has a legally enforceable right to set off current assets against current liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Secondary tax on companies (STC)

STC is recognised as part of the current tax charge in the income statement when the related dividend has been raised as a liability.

Foreign withholding taxes

Foreign withholding taxes are recognised as part of the current tax charge in the income statement when the related dividend receivable has been accrued.

13. Dividends

Dividends payable and the related taxation thereon are recognised as liabilities in the period in which the dividends are declared.

14. Property, plant and equipment

Initial recognition

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Property

Immoveable property owned by the group is classified as owner-occupied property and shown at cost less accumulated depreciation and impairment. Land is shown at cost less impairment and is not depreciated.

Lease premiums and leasehold improvements

Expenditure relating to leased premises is capitalised and depreciated to expected residual value over the remaining period of the lease. Leasehold improvements for leasehold buildings are depreciated over the lease periods or shorter periods as may be appropriate.

Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and impairment. When plant and equipment comprises major components with different useful lives, these components are depreciated as separate items. 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. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. Expenditure incurred to replace or modify a significant component of plant or equipment is capitalised if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured. Any remaining book value of the component replaced is written off in the income statement. All other expenditure is recognised in the income statement.

Depreciation

Items of property, plant and equipment are depreciated to their estimated residual values on the straight-line basis over their expected useful lives. The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date. A change resulting from the review is treated as a change in accounting estimate.

Depreciation commences when an asset is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation ceases temporarily when the residual value exceeds the carrying value. The following depreciation rates apply:

	% per annum
Buildings	2
Plant and equipment	10 – 30
Vehicles	20
Fishing vessels	10 – 20
Fishing nets	33

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use or disposal. Gains or losses which arise on derecognition are included in the income statement in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of disposal.

Impairment

The carrying value of the group's property, plant and equipment is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimated recoverable amount of the asset. That recoverable amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years.

15. Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life.

Initial recognition and measurement

Goodwill is initially measured at cost being the excess of the cost of the business combination over the group's attributable share of the fair value of the net identifiable assets at the date of acquisition. If the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

Subsequent measurement

Goodwill is reflected at cost less any accumulated impairment losses.

If the initial accounting for business combinations has been determined provisionally, then adjustments to these values resulting from the emergence of new information within twelve months after the acquisition date are made against goodwill. In addition, goodwill is adjusted for changes in the estimated value of contingent considerations given in the business combination when they arise.

Impairment

Goodwill is not amortised but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount, which is the higher of fair value less costs to sell and value in use, of the cash-generating unit to which the goodwill relates. The value in use is calculated as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The impairment loss is applied firstly to the carrying amount of goodwill, thereafter any remaining impairment is allocated to the other assets of the unit. Impairment losses on goodwill are not reversed.

Derecognition

Goodwill associated with an operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

16. Intangible assets

Intangible assets consist of trademarks and fishing rights.

Initial recognition and measurement

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

Subsequent measurement

Trademarks and fishing rights which have finite useful lives are amortised over their expected useful lives. Those with indefinite useful lives are not amortised. The useful lives of the intangible assets are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Impairment

Trademarks and fishing rights are tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the trademarks and fishing rights, which is the higher of fair value less costs to sell and value in use. The value in use is calculated as the present value of the future cash flows expected to be derived from the trademarks and fishing rights.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their continued use. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of its disposal.

17. Financial instruments

Financial instruments recognised in the balance sheet include investments and loans, cash and cash equivalents, trade and other receivables, trade and other payables and derivative instruments.

Investments in preference shares consist of preference shares held in Oceana SPV (Pty) Limited which are held at cost. Other investments consist of unlisted equities. They are recorded at original cost, subject to an annual impairment review.

Loans are stated at their nominal values, reduced by provisions for estimated irrecoverable amounts.

Cash and cash equivalents consisting of cash on hand, short-term deposits held with banks and preference shares administered by banks and insurers, all of which are available for use by the group, are measured at fair value. For purposes of the cash flow statement, cash and cash equivalents are stated net of bank overdrafts.

Accounts receivable are recorded at originated cost. Provisions for irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

Accounts payable are initially recorded at cost, and are remeasured to fair value at subsequent reporting dates.

Financial instruments are offset when the group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates. Gains or losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are recognised in the income statement in the year in which the change arises.

When a derivative instrument is designated as a cash flow hedge of an asset, liability or expected future transaction, the effective part of any gain or loss arising in the derivative instrument is classified as a hedging reserve in the statement of changes in equity until the underlying transaction occurs. The ineffective part of any gain or loss is immediately recognised in the income statement. If the expected future transaction results in the recognition of an asset or liability, the associated gain or loss is transferred from the hedging reserve to the underlying asset or liability.

18. Inventories

Inventories are stated at the lower of cost and net realisable value using the specific cost to value goods purchased for resale whilst the first-in first-out and weighted average methods are used to value finished goods and consumable stores.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values.

19. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The asset must be available for immediate sale in its present condition within one year from the date of classification. Non-current assets held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Gains and losses arising upon remeasurement are recognised in the income statement.

20. Share capital and premium

Issued share capital and premium is stated in the statement of changes in equity as the amount of the proceeds received.

21. Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the group's own equity instruments.

22. Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

23. Events after balance sheet date

The financial statements are adjusted to reflect the effect of events that occurred between the balance sheet date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the balance sheet date. Events that are indicative of conditions that arose after the balance sheet date are disclosed, but do not result in an adjustment of the financial statements themselves.

24. IFRS amendments and International Financial Reporting Interpretations Committee ('IFRIC') interpretations that have been issued but are not yet effective

The group has not identified any accounting standards or interpretations that have been issued that are not yet effective that will have a material financial impact on the amounts reported in the group's financial statements in the future.

25. Use of estimates and judgements in the preparation of annual financial statements

In the preparation of the annual financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period. Judgements made by management that could have a significant effect on the amounts recognised in the financial statements include:

- useful lives and residual values used to calculate depreciation of property, plant and equipment;
- future cash flows of cash-generating units used to test for impairment of goodwill, trademarks and fishing rights;
- recoverability of loans and accounts receivable;
- assumptions used in the Black-Scholes model to value share-based payments;
- amounts provided in respect of supplier and other claims and *ex gratia* retirement payments in respect of employees previously excluded from membership of retirement funds.

Further information is provided in the relevant notes to the financial statements.

		GROUP		COMPANY	
		2007	2006	**2007**	2006
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	1	**2 608 894**	2 544 558	**38 913**	25 930
Cost of sales		**1 773 442**	1 805 035		
Gross profit		**835 452**	739 523	**38 913**	25 930
Sales and distribution expenditure		**269 448**	274 465		
Marketing expenditure		**17 515**	14 583		
Overhead expenditure		**311 766**	267 150	**37 142**	26 592
Operating profit/(loss) before abnormal items	2	**236 723**	183 325	**1 771**	(662)
Abnormal items	4	**2 549**	(5 882)	**6 893**	(3 017)
Operating profit/(loss)		**239 272**	177 443	**8 664**	(3 679)
Dividend income	5	**15 922**	6 151	**99 099**	109 794
Interest received	6	**19 856**	28 500	**9 963**	24 896
Interest paid	6	**(8 675)**	(5 160)	**(5 859)**	(13 838)
Profit before taxation		**266 375**	206 934	**111 867**	117 173
Taxation	7	**85 869**	70 088	**5 000**	5 386
Profit after taxation		**180 506**	136 846	**106 867**	111 787
Attributable to:					
Shareholders of Oceana Group Limited		**168 805**	129 791		
Outside shareholders in subsidiaries		**11 701**	7 055		
		180 506	136 846		
Earnings per share (cents)	8				
– Basic		**167.4**	114.8		
– Diluted		**167.1**	114.4		
Dividends per share (cents)	9	**106.0**	74.0		
– Interim paid		**19.0**	15.0		
– Final declared after reporting date		**87.0**	59.0		

BALANCE SHEETS AT 30 SEPTEMBER 2007

	Notes	GROUP 2007 R'000	GROUP 2006 R'000	COMPANY 2007 R'000	COMPANY 2006 R'000
Assets					
Non-current assets		**460 724**	511 305	**226 117**	253 141
Property, plant and equipment	10	**273 413**	316 457	**1 719**	598
Goodwill	11	**22 830**	21 911		
Trademark	11	**21 090**	20 241		
Fishing rights	11	**11 592**	19 868		
Deferred taxation	12	**10 438**	12 850	**860**	267
Investments and loans	13	**121 361**	119 978	**99 931**	88 625
Oceana Group Share Trust	14			**10 330**	4 410
Khula Trust	15			**4 021**	3 519
Interest in subsidiaries and joint ventures	16			**109 256**	155 722
Current assets		**1 041 655**	826 327	**419 712**	342 488
Inventories	17	**312 470**	219 224		
Accounts receivable	18	**412 073**	403 486	**1 858**	1 620
Amounts owing by subsidiaries and joint ventures	16			**163 698**	224 185
Non-current assets held for sale	19	**602**	4 950		
Cash and cash equivalents		**316 510**	198 667	**254 156**	116 683
Total assets		**1 502 379**	1 337 632	**645 829**	595 629
Equity and liabilities					
Capital and reserves		**905 522**	818 830	**591 783**	559 602
Share capital and premium	20	**4 267**	101	**119 633**	103 546
Foreign currency translation reserve		**25 350**	23 018		
Capital redemption reserve		**130**	90		
Share-based payment reserve		**16 818**	11 232	**5 520**	5 135
Distributable reserves		**824 938**	760 569	**466 630**	450 921
Interest of own shareholders		**871 503**	795 010	**591 783**	559 602
Interest of outside shareholders		**34 019**	23 820		
Non-current liabilities		**39 584**	30 961	**2 398**	351
Liability for share-based payments	25.3	**6 999**	1 087	**2 398**	351
Deferred taxation	12	**32 585**	29 874		
Current liabilities		**557 273**	487 841	**51 648**	35 676
Accounts payable	21	**398 506**	361 609	**21 272**	18 550
Amounts owing to subsidiaries and joint ventures	16			**29 358**	16 028
Provisions	22	**26 175**	24 822	**583**	583
Taxation		**34 451**	29 464	**435**	515
Bank overdrafts		**98 141**	71 946		
Total equity and liabilities		**1 502 379**	1 337 632	**645 829**	595 629

	Notes	Share capital and premium R'000	Foreign currency translation reserve R'000	Capital redemption reserve R'000	Share-based payment reserve R'000	Distributable reserves R'000	Interest of own shareholders R'000	Interest of outside shareholders R'000	Total R'000
Group									
Balance at 30 September 2005		55 480	3 878	90	8 619	827 318	895 385	20 959	916 344
Share options exercised		9 377					9 377		9 377
Increase in treasury shares held by share trusts		(64 756)				(113 007)	(177 763)		(177 763)
Movement on foreign currency translation reserve			19 140				19 140		19 140
Recognition of share-based payments	25				2 613		2 613		2 613
Profit after taxation						129 791	129 791	7 055	136 846
Profit on sale of treasury shares						205	205		205
Dividends	9					(83 738)	(83 738)	(4 194)	(87 932)
Balance at 30 September 2006		101	23 018	90	11 232	760 569	795 010	23 820	818 830
Share options exercised		**16 087**					**16 087**		**16 087**
Increase in treasury shares held by share trusts and subsidiary		**(11 921)**				**(24 884)**	**(36 805)**		**(36 805)**
Movement on foreign currency translation reserve			**2 332**				**2 332**		**2 332**
Transfer to capital redemption reserve				**40**		**(40)**			
Recognition of share-based payments	25				**5 586**		**5 586**	**48**	**5 634**
Profit after taxation						**168 805**	**168 805**	**11 701**	**180 506**
Loss on sale of treasury shares						**(46)**	**(46)**		**(46)**
Dividends	9					**(79 466)**	**(79 466)**	**(1 550)**	**(81 016)**
Balance at 30 September 2007		**4 267**	**25 350**	**130**	**16 818**	**824 938**	**871 503**	**34 019**	**905 522**
Company									
Balance at 30 September 2005		56 460			3 888	423 040	483 388		483 388
Shares issued to share trust		37 709					37 709		37 709
Share options exercised		9 377					9 377		9 377
Recognition of share-based payments	25				1 247		1 247		1 247
Profit after taxation						111 787	111 787		111 787
Dividends	9					(83 906)	(83 906)		(83 906)
Balance at 30 September 2006		103 546			5 135	450 921	559 602		559 602
Share options exercised		**16 087**					**16 087**		**16 087**
Recognition of share-based payments	25				**385**		**385**		**385**
Profit after taxation						**106 867**	**106 867**		**106 867**
Dividends	9					**(91 158)**	**(91 158)**		**(91 158)**
Balance at 30 September 2007		**119 633**			**5 520**	**466 630**	**591 783**		**591 783**

		GROUP		COMPANY	
		2007	2006	2007	2006
	Notes	R'000	R'000	R'000	R'000
Cash flow from operating activities					
Operating profit/(loss) before abnormal items		**236 723**	183 325	**1 771**	(662)
Adjustment for non-cash and other items		**78 423**	60 777	**2 872**	1 856
Depreciation		**67 399**	57 315	**438**	290
Share-based payments		**11 546**	3 700	**2 432**	1 598
Net (surplus)/loss on disposal of property, plant and equipment		**(522)**	(235)	**2**	
Other non-cash items			(3)		(32)
Cash operating profit before working capital changes		**315 146**	244 102	**4 643**	1 194
Working capital changes	A	**(44 475)**	50 606	**76 397**	(236 227)
Cash generated from/(utilised in) operations		**270 671**	294 708	**81 040**	(235 033)
Interest received		**19 856**	28 500	**9 963**	24 896
Dividend income		**4 616**	6 151	**87 793**	109 794
Interest paid		**(8 675)**	(5 160)	**(5 859)**	(13 838)
Taxation paid	B	**(74 378)**	(46 960)	**(5 673)**	(7 105)
Dividends paid	C	**(83 128)**	(86 034)	**(91 158)**	(83 906)
Net cash flow from operating activities		**128 962**	191 205	**76 106**	(205 192)
Cash flow (applied to)/generated from investing activities		**(700)**	(167 811)	**45 280**	(93 914)
Replacement capital expenditure		**(27 549)**	(31 820)	**(1 561)**	(492)
Expansion capital expenditure		**(492)**	(62 456)		
Cash-related abnormal items			227		
Disposal of businesses	D	**7 830**			
Proceeds on disposal of property, plant and equipment		**1 854**	1 639		
Proceeds on disposal of fishing rights		**3 366**			
Acquisition of investments			(190)		(190)
Acquisition of Oceana SPV (Pty) Limited preference shares			(88 000)		(88 000)
Proceeds on disposal of investments				**53 263**	
Net contribution to Khula Trust				**(502)**	(3 519)
Net movement on loans and advances		**14 291**	12 789	**(5 920)**	(1 713)
Cash flow (used by)/from financing activities		**(33 286)**	(174 894)	**16 087**	47 086
Proceeds from issue of share capital		**16 087**	9 377	**16 087**	47 086
Proceeds on sale of treasury shares			264		
Acquisition of treasury shares by subsidiary and share trust		**(36 805)**	(177 822)		
Short-term borrowings repaid		**(12 568)**	(6 713)		
Net increase/(decrease) in cash and cash equivalents		**94 976**	(151 500)	**137 473**	(252 020)
Net cash and cash equivalents at the beginning of the year		**126 721**	283 195	**116 683**	368 703
Effect of exchange rate changes		**(3 328)**	(4 974)		
Net cash and cash equivalents at the end of the year	E	**218 369**	126 721	**254 156**	116 683

		GROUP		COMPANY	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
A.	**Working capital changes**				
	Inventories	**(90 725)**	34 426		
	Accounts receivable	**(8 632)**	54 103	**(238)**	475
	Non-current assets held for sale	**4 348**			
	Accounts payable	**53 798**	(31 081)	**2 722**	10 200
	Net amounts owing by subsidiaries and joint ventures			**73 817**	(243 885)
	Effect of non-cash-related abnormal item	**(3 264)**	(6 842)	**96**	(3 017)
	Total working capital changes	**(44 475)**	50 606	**76 397**	(236 227)
B.	**Taxation paid**				
	Amounts unpaid at the beginning of the year, net	**(25 286)**	(8 813)	**(515)**	(2 165)
	Charged to the income statements (Note 7)	**(80 870)**	(63 270)	**(5 593)**	(5 455)
	Exchange rate difference	**(85)**	(163)		
	Amounts unpaid at the end of the year, net	**31 863**	25 286	**435**	515
	Cash amounts paid	**(74 378)**	(46 960)	**(5 673)**	(7 105)
C.	**Dividends paid**				
	Charged to the statements of changes in equity	**(79 466)**	(83 738)	**(91 158)**	(83 906)
	Dividends paid to outside shareholders	**(3 662)**	(2 296)		
	Cash amounts paid	**(83 128)**	(86 034)	**(91 158)**	(83 906)
D.	**Disposal of businesses**				
	Property, plant and equipment and investments	**480**			
	Inventories	**233**			
	Accounts receivable	**7**			
	Cash and cash equivalents	**2**			
	Accounts payable, provisions and minorities	**(810)**			
	Surplus on disposal	**7 920**			
	Cash movement on disposal	**7 832**			
	Less cash and cash equivalents disposed of	**(2)**			
	Net cash movement on disposal of businesses	**7 830**			
E.	**Net cash and cash equivalents**				
	Cash and cash equivalents	**316 510**	198 667	**254 156**	116 683
	Bank overdrafts	**(98 141)**	(71 946)		
		218 369	126 721	**254 156**	116 683

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
1. Revenue				
The main categories of revenue are set out below:				
Sale of goods				
Inshore fishing	**1 409 041**	1 318 949		
Midwater and deep-sea fishing	**1 023 667**	1 071 362		
Rendering of services				
Commercial cold storage	**176 186**	154 247		
Other			**38 913**	25 930
	2 608 894	2 544 558	**38 913**	25 930
2. Operating profit/(loss) before abnormal items is arrived at after taking into account the following items				
Income				
Directors' fees from a joint venture			**5**	5
Management fees from subsidiaries and joint ventures			**38 913**	25 930
Foreign exchange profit	**5 308**	9 838		
Net surplus/(loss) on disposal of property, plant and equipment	**522**	235	**(2)**	139
Expenditure				
Auditor's remuneration				
fees for audit – current year	**5 287**	4 628	**548**	314
fees for audit – prior year under/(over)provision	**309**	696	**(44)**	(29)
expenses	**104**	82		
other services	**2 382**	2 350	**198**	231
	8 082	7 756	**702**	516
Depreciation of property, plant and equipment				
buildings	**9 297**	5 506		
plant, equipment and vehicles	**31 552**	29 158	**438**	290
fishing vessels and nets	**26 550**	22 651		
	67 399	57 315	**438**	290
Administrative, technical and secretarial fees	**928**	1 280		467
Management fees paid to a related party				
Tiger Food Brands Limited	**489**	466	**489**	466
Movement on liability provisions (Note 22)	**5 113**	10 369		(32)
Operating lease expenses				
properties	**17 083**	14 337	**803**	952
equipment and vehicles	**1 125**	3 133	**45**	41
Employment costs	**301 624**	261 656	**21 295**	14 102
Retirement costs	**18 264**	20 866	**1 784**	1 867
Share-based payments – cash settled	**5 912**	1 087	**2 047**	351
Share-based payments – equity settled	**5 634**	2 613	**385**	1 247

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
3. Directors' emoluments				
Executive directors				
Managerial and other services			**8 864**	5 863
Gains on exercise of share options			**1 633**	6 021
			10 497	11 884
Non-executive directors				
Paid by holding company				
Services as directors			**1 213**	950
Detailed information appears in the remuneration report on pages 48 to 51.				
4. Abnormal items				
Net (loss)/surplus on disposal of property, plant and equipment	**(64)**	450		
Profit on change of interest in subsidiaries and joint ventures	**7 920**	283	**7 906**	
Foreign exchange profit on reduction of investment in subsidiary	**1 652**		**1 652**	
Provision in respect of utilisation of pension fund surplus	**(1 514)**	(6 842)	**(670)**	(3 017)
Reversal of prior years' provision for loans in Namibian whitefish business	**5 547**			
Impairment loss on vessels and equipment	**(1 839)**			
Impairment loss on Australian lobster fishing rights	**(6 223)**			
Impairment loss on non-current asset held for sale	**(1 750)**			
Provision for irrecoverable loans	**(1 180)**			
Profit on disposal of fishing rights in Namibia		227		
Impairment loss on investment in subsidiary			**(1 995)**	
	2 549	(5 882)	**6 893**	(3 017)
5. Dividend income				
Subsidiaries			**83 177**	103 643
Unlisted investments	**4 616**	6 151	**4 616**	6 151
Dividends received	**4 616**	6 151	**87 793**	109 794
Preference dividend accrued	**11 306**		**11 306**	
	15 922	6 151	**99 099**	109 794
6. Interest				
Received				
Subsidiaries			**1 509**	5 619
Joint ventures	**141**	632	**809**	1 094
Unlisted investments and short-term deposits	**19 715**	27 868	**7 645**	18 183
	19 856	28 500	**9 963**	24 896
Paid				
Subsidiaries			**(3 955)**	(13 261)
Joint ventures	**(138)**	(91)		
Other	**(8 537)**	(5 069)	**(1 904)**	(577)
	(8 675)	(5 160)	**(5 859)**	(13 838)

		GROUP		COMPANY	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
7.	**Taxation**				
7.1	*South African*				
	Current	**57 586**	45 728	**3 130**	3 872
	Adjustments in respect of previous years	**591**	(988)	**(80)**	(231)
	Abnormal items	**72**	(1 954)	**285**	(875)
	Secondary taxation on companies	**2 225**	11 678	**2 258**	2 563
		60 474	54 464	**5 593**	5 329
7.2	*Foreign*				
	Current	**20 343**	8 680		
	Adjustments in respect of previous years	**(597)**			
	Withholding	**650**	126		126
		80 870	63 270	**5 593**	5 455
7.3	*South African deferred taxation*				
	Current	**5 895**	4 933	**(573)**	(81)
	Adjustments in respect of previous years	**(1 573)**	(218)	**(20)**	12
	Abnormal items	**(1 000)**			
7.4	*Foreign deferred taxation*				
	Current	**1 660**	2 103		
	Adjustments in respect of previous years	**17**			
	Taxation charge per income statements	**85 869**	70 088	**5 000**	5 386
7.5	*The reconciliation of the effective rate of taxation charge with the standard tax rate is as follows*	%	%	%	%
	Effective rate of taxation	**32,2**	33,9	**4,5**	4,6
	Adjustment to rate due to:				
	Dividend income	**1,7**	0,9	**25,7**	27,2
	Net effect of tax losses	**0,2**	1,0		
	Adjustment in respect of previous years	**0,6**	0,6	**0,1**	0,2
	Tax effect of unprovided temporary differences	**(2,6)**	(0,3)		
	Exempt income, expenses not allowable for taxation, taxation rate differentials and withholding taxes	**(2,9)**	(1,6)	**(0,8)**	(0,8)
	Secondary taxation on companies	**(0,8)**	(5,6)	**(2,0)**	(2,2)
	Abnormal items	**0,6**	0,1	**1,5**	
	Rate of South African normal taxation	**29,0**	29,0	**29,0**	29,0
		R'000	R'000		
7.6	*The group's share of tax losses in subsidiaries and joint venture companies available as a deduction from their future taxable incomes amounted to*				
	South African	**5 377**	10 074		
	Foreign	**21 251**	22 153		
	Total	**26 628**	32 227		
	Tax savings effect:				
	before deferred taxation	**8 995**	10 668		
	after deferred taxation	**6 580**	3 532		

	GROUP 2007 R'000	GROUP 2006 R'000	COMPANY 2007 R'000	COMPANY 2006 R'000
8. Earnings per share				
8.1 Calculation of earnings per share				
The calculation of basic earnings per share and basic headline earnings per share is based on 100 865 725 (2006: 113 099 399) shares being the weighted average number in issue during the year net of treasury shares held by a subsidiary and the share trusts. The calculation of fully diluted earnings per share and fully diluted headline earnings per share is based on 101 016 687 (2006: 113 426 038) shares being the adjusted weighted average number in issue during the year.				
The adjustment comprises 150 962 (2006: 326 639) dilutive potential ordinary shares on unexercised share options. There are a further 2 313 600 (2006: 17 587 765) unexercised share options and unallocated treasury shares held by the share trusts which could potentially dilute basic earnings per share and basic headline earnings per share in the future, but were not included in the adjustment because they are antidilutive for the periods presented.				
8.2 Determination of headline earnings				
Profit after taxation attributable to shareholders of Oceana Group Limited	**168 805**	129 791		
Adjusted for:				
Net surplus on disposal of property, plant and equipment	**(349)**	(596)		
Profit on change of interest in subsidiaries and joint ventures	**(7 852)**	(283)		
Foreign exchange profit on reduction of investment in subsidiary	**(1 172)**			
Reversal of prior years' provision for loans in Namibian whitefish business	**(5 547)**			
Impairment loss on vessels and equipment	**2 548**			
Impairment loss on Australian lobster fishing rights	**6 223**			
Provision for irrecoverable loans	**1 180**			
Insurance proceeds for damaged vessel		(1 104)		
Profit on disposal of fishing rights		(227)		
Headline earnings for the year	**163 836**	127 581		
Headline earnings per share (cents)				
– Basic	**162.4**	112.8		
– Diluted	**162.2**	112.5		
9. Dividends				
Final of 59.0 cents per share declared on 10 November 2006, paid 15 January 2007 (2006: 59.0 cents)	**60 418**	66 762	**68 907**	66 896
Interim of 19 cents per share declared on 11 May 2007, paid 2 July 2007 (2006: 15.0 cents)	**19 048**	16 976	**22 251**	17 010
	79 466	83 738	**91 158**	83 906
Final of 87.0 cents (2006: 59.0 cents) per share declared on 9 November 2007, payable on 14 January 2008, based on number of shares in issue at balance sheet date	**87 242**	59 881	**101 917**	68 370

		GROUP		COMPANY	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
10.	**Property, plant and equipment**				
10.1	*Land and buildings – cost*				
	Freehold	**41 379**	42 037		
	Leasehold	**91 487**	94 476		
		132 866	136 513		
	Accumulated depreciation and amortisation	**58 122**	52 881		
	Carrying value	**74 744**	83 632		
10.2	*Plant, equipment and vehicles – cost*	**398 741**	391 228	**4 442**	3 454
	Accumulated depreciation	**280 414**	263 256	**2 723**	2 856
	Impairment loss	**2 542**	2 378		
	Carrying value	**115 785**	125 594	**1 719**	598
10.3	*Fishing vessels and nets – cost*	**238 777**	237 473		
	Accumulated depreciation	**152 980**	129 004		
	Impairment loss	**2 913**	1 238		
	Carrying value	**82 884**	107 231		
10.4	*Total – cost*	**770 384**	765 214	**4 442**	3 454
	Accumulated depreciation and amortisation	**491 516**	445 141	**2 723**	2 856
	Impairment loss	**5 455**	3 616		
	Carrying value	**273 413**	316 457	**1 719**	598

The insured value of the group's property, plant and equipment at 30 September 2007 amounted to R1,8 billion (2006: R1,8 billion).

		Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Fishing vessels and nets R'000	Total R'000
10.	**Property, plant and equipment** *(continued)*					
10.5	*Movement of group property, plant and equipment*					
	2007					
	Carrying value at the beginning of the year	**30 568**	**53 064**	**125 594**	**107 231**	**316 457**
	Additions		**741**	**22 729**	**4 571**	**28 041**
		30 568	**53 805**	**148 323**	**111 802**	**344 498**
	Disposals	**(64)**		**(844)**	**(488)**	**(1 396)**
	Disposal of business	**(268)**		**(7)**	**(205)**	**(480)**
	Depreciation and amortisation	**(829)**	**(8 468)**	**(31 552)**	**(26 550)**	**(67 399)**
	Impairment			**(164)**	**(1 675)**	**(1 839)**
	Translation differences			**29**		**29**
	Carrying value at the end of the year	**29 407**	**45 337**	**115 785**	**82 884**	**273 413**
	2006					
	Carrying value at the beginning of the year	18 267	44 637	104 036	118 112	285 052
	Additions	12 581	13 904	51 312	16 479	94 276
		30 848	58 541	155 348	134 591	379 328
	Disposals	(259)		(682)	(13)	(954)
	Disposal of business				(946)	(946)
	Reclassified as non-current asset held for sale				(3 750)	(3 750)
	Depreciation and amortisation	(29)	(5 477)	(29 158)	(22 651)	(57 315)
	Translation differences	8		86		94
	Carrying value at the end of the year	30 568	53 064	125 594	107 231	316 457

Details of land and buildings mentioned above are included in registers which are available on request for inspection at the registered office of the company. The group holds no investment properties.

		COMPANY 2007 R'000	COMPANY 2006 R'000
10.6	*Movement of company plant and equipment*		
	Carrying value at the beginning of the year	**598**	396
	Additions	**1 561**	492
		2 159	888
	Disposals	**(2)**	
	Depreciation	**(438)**	(290)
	Carrying value at the end of the year	**1 719**	598

	Goodwill (a) R'000	Trademark (b) R'000	Fishing rights (c) R'000	Total R'000
11. Goodwill, trademark and fishing rights – group				
2007				
Cost	**22 830**	**21 090**	**19 715**	**63 635**
Impairment loss			**(8 123)**	**(8 123)**
Carrying value	**22 830**	**21 090**	**11 592**	**55 512**
2006				
Cost	21 911	20 241	21 768	63 920
Impairment loss			(1 900)	(1 900)
Carrying value	21 911	20 241	19 868	62 020
Movement of goodwill, trademark and fishing rights				
2007				
Carrying value at the beginning of the year	**21 911**	**20 241**	**19 868**	**62 020**
Disposals			**(3 366)**	**(3 366)**
Impairment loss			**(6 223)**	**(6 223)**
Exchange differences arising on translation of cost	**919**	**849**	**1 313**	**3 081**
Carrying value at the end of the year	**22 830**	**21 090**	**11 592**	**55 512**
2006				
Carrying value at the beginning of the year	18 302	16 908	17 629	52 839
Exchange differences arising on translation of cost	3 609	3 333	2 239	9 181
Carrying value at the end of the year	21 911	20 241	19 868	62 020

(a) Goodwill arose on the acquisition of Glenryck Foods Limited.
The directors do not consider it necessary to impair this goodwill as Glenryck is earning a satisfactory return on investment, its net asset value has increased in both rand and sterling terms and the company is expected to grow its profits in future.

(b) The trademark relates to the Glenryck brand of canned fish in the United Kingdom.
Key assumptions used to determine the recoverable amount of the trademark by using the value-in-use calculation relate to the sales growth rate. Cash flow projections were based on historical information and financial budgets. A 5% discount rate based on the UK borrowing rate was applied to these projected cash flows.

(c) The value of fishing rights relate to the group's lobster entitlements in Western Australia. This intangible asset is considered to have an indefinite useful life as the rights are owned in perpetuity. The value of these rights has been impaired to adjust the carrying value to the calculated value in use.

	GROUP 2007 R'000	GROUP 2006 R'000	COMPANY 2007 R'000	COMPANY 2006 R'000
12. Deferred taxation				
Net (liability)/asset at the beginning of the year	**(17 024)**	(10 246)	**267**	198
Disposal of business		30		
Exchange rate adjustment	**(124)**	10		
(Charged)/credited to income	**(4 999)**	(6 818)	**593**	69
Net (liability)/asset at the end of the year	**(22 147)**	(17 024)	**860**	267
Arising as a result of:				
Deferred taxation assets				
Property, plant and equipment	**(1 355)**	(2 788)		
Trademarks	**1 274**	2 295		
Taxation loss relief		2 964		
Provisions and other	**10 519**	10 379	**860**	267
Total per balance sheet	**10 438**	12 850	**860**	267
Deferred taxation liabilities				
Property, plant and equipment	**(32 946)**	(30 233)		
Section 14C allowances, prepayments and other	**(2 054)**	(1 514)		
Taxation loss relief	**2 415**	1 873		
Total per balance sheet	**(32 585)**	(29 874)		
Aggregate amount of deductible temporary differences, unused taxation losses and unused taxation credits for which no deferred taxation asset is recognised in the balance sheet	**18 300**	10 109		
13. Investments and loans				
Loans	**41 625**	135 506	**328**	328
Less: Provisions	**19 890**	103 848		
Net loans	**21 735**	31 658	**328**	328
Investments – Preference shares	**99 306**	88 000	**99 306**	88 000
Other	**320**	320	**297**	297
	121 361	119 978	**99 931**	88 625

Loans are secured by marine bonds over vessels and mortgage bonds over fixed property as appropriate. Repayment terms vary depending on the nature of the loan. Interest rates charged are floating and approximate prevailing market rates.

Loans amounting to R76,3 million relating to the discontinued Namibian white fish business were written off against the provision during the year.

The preference shares are cumulative redeemable "B" preference shares in Oceana SPV (Pty) Limited, a wholly-owned subsidiary of Brimstone Investment Corporation Limited, with a coupon rate of 95% of the prime overdraft rate and a 20-year term. Redemption of the preference shares and payment of the preference dividends rank behind the servicing and redemption of "A" preference shares held by Standard Bank of South Africa Limited in Oceana SPV (Pty) Limited.

	GROUP 2007 R'000	GROUP 2006 R'000	COMPANY 2007 R'000	COMPANY 2006 R'000
14. Oceana Group Share Trust				
The Oceana Group Share Trust was formed to finance the purchase of shares in the company by employees of the group. The loans are secured by pledge of the shares purchased in terms of the scheme, and are repayable within 10 years.				
Interest-bearing at 10% per annum (2006: 9%)			**8 993**	5 641
Interest-free			**1 337**	(1 231)
Total			**10 330**	4 410
15. Khula Trust				
Capital contribution			**4 066**	4 066
Less amount withheld to fund establishment costs			**(45)**	(547)
Net balance at the end of the year			**4 021**	3 519
The Khula Trust (formerly The Oceana Group Black Employee Share Trust) was formed in 2006 to hold shares in the company for allocation to qualifying black employees. The trust is funded by capital contributions from the company and participating South African subsidiary companies.				
The capital contribution plus a return of 7,46% will be repaid by Khula Trust from dividends received from the company and from the proceeds of shares realised on behalf of qualifying employees after the 10-year lock-in period.				
16. Interest in subsidiaries and joint ventures				
Shares at cost, less amounts written off			**109 256**	155 722
Amounts owing by			**163 698**	224 185
			272 954	379 907
Amounts owing to			**(29 358)**	(16 028)
			243 596	363 879
Loans to and from subsidiaries and joint ventures are unsecured and have no fixed terms of repayment. Loans to and from wholly-owned South African subsidiaries are interest free. Interest rates on other loans are floating and approximate prevailing market rates.				
Details of subsidiary and joint venture companies are set out in separate schedules on pages 88 and 89 of this report.				
17. Inventories				
Raw materials	**19 396**	16 470		
Work in progress	**7 849**	11 883		
Finished goods	**258 413**	167 047		
Consumable stores	**26 812**	23 824		
	312 470	219 224		

		GROUP		COMPANY	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
18.	**Accounts receivable**				
	Trade receivables	**381 979**	374 017	**745**	
	Loans and advances	**9 459**	15 836		
	Prepayments	**26 846**	26 019	**192**	47
	SARS – VAT and provisional taxation	**28 323**	26 032		
	Accrued income and other	**14 580**	13 339	**921**	1 573
		461 187	455 243	**1 858**	1 620
	Less: Provisions for irrecoverable amounts	**49 114**	51 757		
		412 073	403 486	**1 858**	1 620
19.	**Non-current assets held for sale**				
	Vessel components	**602**			
	Transferred from property, plant and equipment		3 750		
	Acquired in part settlement of a defaulted long-term loan		1 200		
	Carrying value	**602**	4 950		
20.	**Share capital and premium**				
20.1	*Ordinary shares of 0.1 cents each*				
	Authorised share capital:				
	200 000 000 (2006: 200 000 000) shares	**200**	200	**200**	200
	Issued share capital:				
	117 145 557 (2006: 115 880 857) shares	**117**	116	**117**	116
	Share premium	**119 516**	103 430	**119 516**	103 430
		119 633	103 546	**119 633**	103 546
	Less: Treasury shares				
	16 867 222 (2006: 14 387 465) shares	**(115 366)**	(103 445)		
		4 267	101	**119 633**	103 546
20.2	*Unissued shares*	Number of shares		Number of shares	
	Under option in terms of company's share option scheme	**2 557 600**	4 198 300	**2 557 600**	4 198 300
	at R3.50 per share exercisable until 1 March 2009		8 000		8 000
	at R3.75 per share exercisable until 21 September 2009		20 000		20 000
	at R6.90 per share exercisable until 10 October 2010	**72 000**	152 000	**72 000**	152 000
	at R11.05 per share exercisable until 23 October 2011	**137 000**	756 000	**137 000**	756 000
	at R14.40 per share exercisable until 1 February 2012	**35 000**	55 000	**35 000**	55 000
	at R15.60 per share exercisable until 13 November 2012	**787 600**	1 393 300	**787 600**	1 393 300
	at R16.24 per share exercisable until 11 November 2013	**971 000**	1 229 000	**971 000**	1 229 000
	at R16.00 per share exercisable until 24 November 2014	**555 000**	585 000	**555 000**	585 000
	Treasury shares held by subsidiary	**2 479 257**			
	Unissued – other	**80 296 843**	79 920 843	**80 296 843**	79 920 843
		82 776 100	79 920 843	**80 296 843**	79 920 843

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
21. Accounts payable				
Trade payables	**175 151**	168 648	**2 594**	4 555
Payroll-related accruals	**46 331**	35 877	**9 100**	5 142
Short-term loans and advances	**1 236**	13 804		
VAT payable	**3 722**	6 208	**419**	412
Accruals and other payables	**172 066**	137 072	**9 159**	8 441
	398 506	361 609	**21 272**	18 550
22. Provisions				
Supplier and other claims				
Balance at the beginning of the year	**9 988**	2 347		
Net charge to operating profit	**3 356**	8 879		
Utilised during the year	**(2 475)**	(1 238)		
Balance at the end of the year	**10 869**	9 988		
Ex gratia retirement provision				
Balance at the beginning of the year	**5 093**	5 444		
Net (credit)/charge to operating profit	**(189)**	46		
Utilised during the year	**(251)**	(397)		
Balance at the end of the year	**4 653**	5 093		
Leave pay				
Balance at the beginning of the year	**9 741**	9 474	**583**	568
Net charge to operating profit/(loss)	**1 946**	1 721		15
Utilised during the year	**(1 034)**	(1 454)		
Balance at the end of the year	**10 653**	9 741	**583**	583
Post-retirement medical aid				
Balance at the beginning of the year		277		47
Net credit to operating profit		(277)		(47)
Balance at the end of the year				
Total				
Balance at the beginning of the year	**24 822**	17 542	**583**	615
Net charge/(credit) to operating profit/(loss)	**5 113**	10 369		(32)
Utilised during the year	**(3 760)**	(3 089)		
Balance at the end of the year	**26 175**	24 822	**583**	583

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
23. Commitments				
23.1 Capital commitments				
Approved capital expenditure is as follows:				
Contracted	**8 436**	2 124		12
Not contracted	**77 038**	61 020	**3 984**	293
	85 474	63 144	**3 984**	305
Capital expenditure will be financed from the group's cash resources.				
23.2 Operating lease commitments				
The future minimum lease payments under operating leases are as follows:				
Land and buildings				
Not later than one year	**17 262**	16 267	**977**	908
Later than one year but not later than five years	**61 359**	73 240	**2 368**	3 333
Later than five years	**59 971**	65 752		
	138 592	155 259	**3 345**	4 241
Plant, equipment and vehicles				
Not later than one year	**538**	770	**41**	45
Later than one year but not later than five years	**270**	641		8
Later than five years		307		
	808	1 718	**41**	53
Total operating lease commitments				
Not later than one year	**17 800**	17 037	**1 018**	953
Later than one year but not later than five years	**61 629**	73 881	**2 368**	3 341
Later than five years	**59 971**	66 059		
	139 400	156 977	**3 386**	4 294
24. Number of employees				
Permanent employees at year-end	**1 274**	1 263	**38**	32

25. Share-based payment plans

25.1 Equity-settled compensation scheme

The group operates the Oceana Group (1985) Share Option Scheme ('the Scheme'), which is an equity-settled compensation scheme. The provisions of the scheme provide that the aggregate number of unissued shares that may be reserved for the scheme may not exceed 20% of the company's current issued share capital. Share options were granted to executive directors and senior managers by the Board on the recommendation of the remuneration and nominations committee. The last grant of options in terms of the Scheme was on 25 November 2004 and it is not intended to grant any further options. The exercise price of the options is equal to the 30-day average closing market price of the shares prior to the date of grant. Provided the employee remains in service, the options vest in three tranches, one third after a period of three years from the date of grant, a further third after four years and the final third after five years. The contractual life of each option granted is 10 years, after which the option lapses. There are no cash alternatives.

Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death or retirement.

The following table illustrates the number and weighted average exercise prices (WAEP) in rand of, and movements in, share options during the year.

	2007		2006	
	Number	**WAEP**	Number	WAEP
Outstanding at the beginning of the year	**4 198 300**[1]	**14.61**	5 880 000[1]	13.58
Forfeited during the year	**376 000**	**15.46**	616 000	14.82
Exercised during the year	**1 264 700**[3]	**12.72**	1 065 700[2]	8.80
Outstanding at the end of the year	**2 557 600**[1]	**15.42**	4 198 300[1]	14.61
Exercisable at the end of the year	**916 500**		977 000	

Notes:

[1] Included in the end of the year balance are options over 244 000 (2006: 991 000) shares that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002. These options have not been subsequently modified and therefore, in accordance with IFRS 2, do not need to be accounted for.

[2] The weighted average share price at the date of exercise for the options exercised was R15.25.

[3] The weighted average share price at the date of exercise for the options exercised was R17.86.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2007 is 5,8 years (2006: 6,4 years).
The range of exercise prices for the options outstanding at the end of the year is disclosed in note 20.

The share-based payment expense relating to equity-settled options recognised for employee services received during the year to 30 September 2007 is R0,4 million (2006: R2,6 million) for the group and R0,3 million (2006: R1,2 million) for the company.

25.2 BEE scheme – Khula Trust options

The Khula Trust acquired 14 380 465 Oceana shares at a cost of R15.21 per share in 2006 as part of the group's BEE transaction. Options to acquire these shares are allocated to qualifying black employees by the trustees of the Khula Trust. Provided the employee remains in service, the options vest in three tranches, one third after a period of three years from the date of allocation, a further third after four years and the final third after five years. After vesting the employee acquires a right to take up the share, but will only take transfer of the share after a lock-in period of ten years from the date of the initial allocation. Options not exercised will be available for future allocation to other qualifying employees.

25. Share-based payment plans *(continued)*

25.2 BEE scheme (continued)

The initial allocation of 8 360 000 options was made on 15 January 2007 at an option price of R15.21 per share.

The fair value of equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The share-based payment expense relating to Khula Trust options recognised for employee services received during the year to 30 September 2007 is R5,3 million for the group, and R0,1 million for the company.

25.3 Cash-settled (phantom) compensation scheme

Phantom share options are granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the phantom share scheme which was implemented in 2006. The exercise price and vesting rights of the phantom share options are the same as for the share scheme described in 25.1 above, but the contractual life of the options is six years and gains on options are settled in cash.

The fair value of the cash-settled options is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and the liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the income statement.

The share-based payment expense relating to cash-settled options recognised for employee services received during the year to 30 September 2007 is R5,9 million (2006: R1,1 million) for the group and R2,0 million (2006: R0,4 million) for the company. No cash-settled options had vested at 30 September 2007.

26. Retirement benefits

The group provides a total of seven retirement plans that cover all employees. The plans consist of one defined benefit pension fund, one defined contribution pension fund, four defined contribution provident funds and a defined contribution retirement fund to which the group contributes. The assets of the funds are held in independent trustee administered funds, administered in terms of the Pension Funds Act of 1956 (Act 24), as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation. The Oceana Group Pension Fund which is not exempt from valuation must, in terms of the Pension Funds Act, be valued at least every three years. At the date of the last valuation on 30 September 2004, the fund was confirmed to be in a financially sound condition. A valuation as at 30 September 2007 will be completed in 2008. In order to comply with the disclosure requirements of IAS 19, a valuation has been performed by independent actuaries, using the projected unit credit method. A roll-forward projection from the prior completed actuarial valuation was used, taking account of actual subsequent experience.

	GROUP 2007 R'000	2006 R'000	2005 R'000	2004 R'000	2003 R'000
26. Retirement benefits *(continued)*					
Balance at the end of the year					
Present value of funded defined benefit obligations	**(1 858)**	(1 900)	(2 236)	(1 980)	(2 202)
Fair value of plan assets in respect of defined benefit obligations	**18 059**	15 168	14 017	12 361	10 284
Funded status of defined benefit plans	**16 201**	13 268	11 781	10 381	8 082
Unrecognised actuarial (losses)/gains	**(3 220)**	(1 088)	(645)	(238)	1 519
Unrecognised past service cost – non-vested benefits		(379)			
Asset not recognised at balance sheet date	**(12 981)**	(11 801)	(11 136)	(10 143)	(9 601)
Liability at balance sheet date	**–**	–	–	–	–

In respect of those retirement arrangements which disclosed a positive funded status, no assets have been recognised by the group. The disclosure of the funded status is for accounting purposes only, and does not necessarily indicate any assets available to the group. Only once the surplus apportionment exercise is completed and approved by the Financial Services Board (FSB) in terms of the provisions of the Pension Funds Second Amendment Act, 2001, will it be appropriate for the group to recognise any assets in respect of the retirement funds, should a share of such assets be apportioned to the group. A provision has been raised by the group in respect of a claim made by The Oceana Group Pension Fund relating to the utilisation of pension fund surplus which has been disclosed as an abnormal item in note 4.

The surplus apportionment date for The Oceana Group Pension Fund and the Oceana Group Executive Provident Fund is 30 September 2004, and 30 September 2003 for the Oceana Group Provident Fund. The Final Schemes of Apportionment for these funds have been submitted to the FSB for approval. The scheme for the Oceana Group Executive Provident Fund was approved by the FSB on 9 March 2007 and will be effected in the 2008 financial year. Finalisation and approval of the Oceana group pension fund scheme of apportionment may be delayed pending clarification of legal issues.

	2007 R'000	2006 R'000	2005 R'000	2004 R'000	2003 R'000
Movement in the liability recognised in the balance sheet					
Opening balance	**–**	–	–	–	–
Asset not recognised at the beginning of the year	**11 801**	11 136	10 143	9 601	8 713
Balance at the beginning of the year	**11 801**	11 136	10 143	9 601	8 713
Contributions paid	**18 910**	18 040	19 652	17 946	15 428
Other expenses included in staff costs	**(30 711)**	(29 176)	(29 795)	(27 547)	(24 141)
Current service cost	**(18 911)**	(18 049)	(19 646)	(17 924)	(15 439)
Interest cost	**(148)**	(167)	(190)	(224)	(201)
Expected return on plan assets	**1 329**	1 220	1 177	926	1 100
Unrecognised past service cost – non-vested benefits		(379)			
Net actuarial gains recognised during the year			(182)		
Asset not recognised at balance sheet date	**(12 981)**	(11 801)	(11 136)	(10 143)	(9 601)
Balance at the end of the year	**–**	–	–	–	–

	GROUP				
	2007	2006	2005	2004	2003
26. Retirement benefits (continued)					
The principal actuarial assumptions used for accounting purposes relating to the defined-benefit obligations were:					
Discount rate net of tax	**8,50%**	7,75%	7,75%	9,50%	10,00%
Inflation rate	**5,50%**	5,00%	5,00%	5,00%	5,00%
Expected return on plan assets	**9,00%**	8,75%	8,75%	9,50%	9,00%
Future salary increases	**6,25%**	5,75%	5,75%	6,50%	6,50%
Future pension increases	**5,50%**	5,00%	5,00%	3,30%	3,77%

Post-employment medical obligations

The group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the group to current employees or new employees. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independently administered insurance plan. The latest full actuarial valuation was performed at 30 September 2007.

	GROUP	
	2007	2006
	R'000	R'000
Balance at the end of the year		
Present value of obligations	**7 252**	7 293
Less: Fair value of plan assets	**7 498**	7 521
Asset at balance sheet date	**(246)**	(228)
The asset has not been recognised on the balance sheet.		
Movement in the liability recognised in the balance sheet		
Balance at the beginning of the year		277
Reversal of past service cost recognised		(277)
Balance at the end of the year		
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations were:		
Discount rate	**8,50%**	8,50%
Medical inflation	**7,25%**	7,25%

27. Contingent liabilities

The company has given guarantees in support of bank overdraft facilities of certain wholly-owned subsidiaries and has guaranteed the liabilities of Calamari Fishing (Pty) Limited. This has no impact on the group.

28. Financial risk management

Currency risk

The group is exposed to currency risk in its foreign trading operations, foreign subsidiary companies and foreign currency bank accounts held in South Africa and Namibia. Currency risks arising from foreign trading operations are partially hedged by means of forward exchange contracts and the set-off effect of foreign currency denominated assets and liabilities. The group does not enter into derivative contracts for speculative purposes.

		GROUP			
		Foreign currency '000	**2007 R'000**	Foreign currency '000	2006 R'000
Uncovered consolidated foreign currency denominated monetary items					
Assets					
Trade receivables	– US dollar	**2 485**	**17 792**	1 005	7 388
	– Sterling	**3 347**	**48 194**	3 613	49 927
	– Euro	**51**	**495**	39	359
	– Yen	**3 276**	**207**	32 434	2 002
Cash and cash equivalents	– US dollar	**486**	**3 477**	2 604	19 143
	– Euro			8	77
	– Australian dollar	**283**	**1 719**	537	2 966
Other accounts receivable	– US dollar	**184**	**1 314**	894	6 570
	– Sterling	**123**	**1 777**	124	1 712
	– Australian dollar			1	3
			74 975		90 147
Liabilities					
Trade and other accounts payable	– US dollar	**1 629**	**11 665**	1 861	13 689
	– Sterling	**2 724**	**39 223**	3 330	46 020
	– Euro	**157**	**1 558**		
	– Australian dollar	**21**	**131**	26	142
Bank overdrafts	– US dollar			1 012	7 439
	– Sterling	**706**	**10 169**	403	5 576
	– Taiwanese dollar			5 965	1 330
			62 746		74 196

28. Financial risk management *(continued)*

The group holds forward exchange contracts which were entered into to cover foreign currency commitments not yet due and assets not yet receivable which have not been recognised in the balance sheet. The contracts will be utilised for purposes of trade in the 2008 financial year.

Details of these contracts are as follows:

	2007 Foreign currency '000	**2007** Average rate	**2007** Rands '000	2006 Foreign currency '000	2006 Average rate	2006 Rands '000
Foreign currency bought:						
US dollar	**4 672**	**7.21**	**33 666**	2 564	7.44	19 087
Foreign currency sold:						
US dollar	**821**	**7.24**	**5 945**	854	7.19	6 141
Euro	**752**	**10.15**	**7 633**	792	9.45	7 488
Yen	**106 040**	**0.07**	**7 053**			
Australian dollar				225	5.63	1 266

Unrealised profits and losses on these forward exchange contracts are recognised in the income statement.

The company does not have any foreign currency commitments or any foreign currency denominated assets or liabilities.

Liquidity risk

The group manages its liquidity risk by monitoring cash flows on a daily basis and by maintaining adequate borrowing facilities to meet short-term demands. In terms of the company's articles of association, the company's borrowing powers are unlimited.

Interest rate risk management

Financial assets and liabilities affected by interest rate fluctuations include cash and short-term deposits, loans receivable and bank overdrafts. Interest rates applicable to these assets and liabilities are floating except when short-term deposits of up to three months are made at fixed rates. Interest rates approximate prevailing market rates in respect of the financial instrument and country concerned, with the exception of certain loans referred to in note 13 which have been provided for. The group does not use derivative instruments to manage exposure to interest rate movements.

Credit risk management

Potential concentrations of credit risk consist principally of trade receivables, loans and advances and short-term cash investments. Accounts receivable comprise a large, widespread customer base, and group companies perform ongoing credit evaluations of the financial condition of their customers. Loans are secured by marine bonds over vessels and mortgage bonds over fixed property as appropriate. Advances are short-term and usually recoverable within the fishing season to which they relate. The granting of credit is controlled by application and credit vetting procedures which are reviewed by management and updated on an ongoing basis. The group deposits short-term cash surpluses only with major financial institutions of high-quality credit standing. In addition the company is exposed to credit risk through loans to subsidiaries. These loans are monitored and provision is made, where necessary, for any irrecoverable amounts. At 30 September 2007, the directors did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values at year-end.

29. Related party disclosures

During the year the company received fees from some of its subsidiaries and joint ventures for the provision of various administration services.

The company provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly owned group companies in South Africa are interest free. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with, and interests in, subsidiary and joint venture companies are disclosed on pages 88 and 89. Details of treasury shares held by share trusts are disclosed in note 20.

The company has invested in preference shares issued by Oceana SPV (Pty) Limited, a subsidiary of Brimstone Investment Corporation Limited. Further details of this investment are disclosed in note 13.

Transactions between subsidiaries of the company and subsidiaries of Tiger Food Brands Limited (Tiger) are disclosed below.

No expense has been recognised in the income statement for bad or doubtful debts owing by related parties.

	GROUP		COMPANY	
Transactions	**2007 R'000**	2006 R'000	**2007 R'000**	2006 R'000
Transactions with joint ventures				
Administration fees received	**1 660**	454	**389**	155
Net interest received	**594**	2 290	**809**	1 094
Transactions with subsidiaries				
Administration fees received			**38 524**	25 775
Dividends received			**83 177**	103 643
Net interest paid			**2 446**	7 642
Transactions with shareholders				
Administration fees paid to Tiger	**489**	466	**489**	466
Accrued dividends receivable from Oceana SPV (Pty) Limited	**11 306**		**11 306**	
Goods and services sold to Tiger subsidiaries	**7 931**	4 741		
Net amount owed by/(to) Tiger subsidiaries	**1 981**	(3 837)	**(47)**	
Compensation of key management personnel				
Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, including any director of that entity.				
Short-term employee benefits	**17 429**	12 805	**9 670**	7 064
Post-employment benefits	**1 771**	1 763	**982**	985
Other long-term benefits	**2 511**	397	**1 392**	232
Share-based payments	**258**	1 140	**93**	540
Non-executive directors' emoluments	**1 213**	950	**1 213**	950
	23 182	17 055	**13 350**	9 771

The remuneration of directors and key management personnel is determined by the remuneration and nominations committee.

Interest of directors in contracts

The directors of Oceana Group Limited make declarations of interest in terms of section 234 of the Companies Act. These declarations indicate that certain directors hold positions of influence in other entities which are suppliers, customers and/or competitors of the group.

Post-retirement benefit plans

The group is a member of various defined contribution plans as well as a defined benefit plan. Further details are shown in note 26.

INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES AT 30 SEPTEMBER 2007

Name of company	Nature of business	Issued capital	Effective holding		Interest of holding company: Cost of shares		Interest of holding company: Indebtedness (note 2)	
		2007	**2007**	2006	**2007**	2006	**2007**	2006
		R	**%**	%	**R'000**	R'000	**R'000**	R'000
Blue Atlantic Trading (Pty) Limited (note 3)	Trade in fish products	**100**	**50**	50			**6 841**	9 032
Blue Continent Products (Pty) Limited	Horse mackerel, hake, tuna	**1 000**	**100**	100	**1 932**	1 932	**(15 041)**	(14 487)
Calamari Fishing (Pty) Limited	Squid, hake, horse mackerel	**4 000**	**100**	100			**29 179**	22 921
Coast Trading Company (Pty) Limited (note 6)	Rock lobster	**30 024**	**100**	100	**30**	207	**(30)**	(1 070)
Commercial Cold Storage (Pty) Limited	Cold storage	**100**	**100**	100			**(8 074)**	17 088
Commercial Cold Storage Group Limited	Investment holding	**1 000 000**	**100**	100	**6 985**	6 985		
Commercial Cold Storage (Ports) (Pty) Limited	Cold storage	**100**	**70**	70				6 633
Commercial Cold Storage (Namibia) (Pty) Limited – Namibia	Cold storage	**10 000**	**100**	100				
Compass Trawling (Pty) Limited (note 3)	Hake	**1 000**	**31,55**	31,55				
Desert Diamond Fishing (Pty) Limited	Horse mackerel	**120**	**90**	90			**5 520**	40 968
Erongo Marine Enterprises (Pty) Limited – Namibia (note 4)	Horse mackerel	**100**	**100**	100		40 000	**390**	11 142
Erongo Seafoods (Pty) Limited – Namibia	Horse mackerel, hake	**40 000**	**49**	49				
Erongo Sea Products (Pty) Limited – Namibia	Horse mackerel	**100**	**48**	48				
Etosha Fisheries Holding Company (Pty) Limited – Namibia (note 3)	Canned fish, fishmeal/oil	**9 000**	**44,9**	44,9	**10 988**	10 988		
Glenryck Foods Limited – United Kingdom	Canned fish	**6 080 000**	**100**	100	**73 154**	73 154		
Hicksons Fishing Company Limited	Rock lobster, property	**140 000**	**100**	100	**35**	35	**(140)**	2 117
Ikamva Lethu Fishing (Pty) Limited	Rock lobster	**2 001**	**100**	100			**(2)**	2 242
Interfrost Pty Limited – Australia (note 5)	Rock lobster	**16 388 155**	**100**	100	**13 185**	19 413		
Lamberts Bay Fishing Company Limited	Rock lobster, fishmeal/oil, french fries	**52 700**	**100**	100	**22**	22	**14 577**	12 661
Lamberts Bay Foods (Pty) Limited	French fries	**100**	**100**	100				15 415
Namaqua Fishing Company Limited	Rock lobster	**100 000**	**100**	100	**25**	25	**(100)**	2 174
North Bay Fishing Company Limited (note 6)	Rock lobster	**120 000**	**100**	100	**180**	241	**(180)**	4 234
Oceana International Limited – Isle of Man	Horse mackerel	**23**	**100**	100	**23**	23		
MFV Romano Paulo Vessel Company (Pty) Limited (note 3)	Rock lobster	**3 000**	**35**	35				
South African Sea Products Limited	Rock lobster, fishmeal/oil and retail operations	**965 500**	**100**	100	**966**	966	**(4 953)**	5 573
Stephan Rock Lobster Packers Limited	Rock lobster	**200 000**	**51**	51	**25**	25	**(838)**	(472)
Oceana Brands Limited – (formerly St Helena Bay Fishing Industries Limited)	Canned fish, fishmeal/oil and rock lobster	**600 000**	**100**	100	**1 706**	1 706	**107 191**	71 923
Tuna Marine (Pty) Limited	Abalone			100				63
					109 256	155 722	**134 340**	208 157

Notes:

1. Only principal subsidiaries and joint ventures have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary.
2. Included in indebtedness is the company's share of final dividends declared by subsidiaries. These amounts have been offset against intercompany balances for disclosure purposes.
3. Joint venture.
4. Cumulative redeemable preference shares were redeemed during the year (R40 million).
5. Cost of shares is shown net of impairment provision and capital reduction through a share buy back.
6. Cost of shares is shown net of dividends paid out of pre acquisition profits.
7. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

	2007	2006
Effective holding	%	%
The amounts below are included in the group's financial statements as a result of the proportionate consolidation of joint ventures. Significant joint ventures include:		
Blue Atlantic Trading (Pty) Limited	**50,00**	50,00
Realeka JV	**52,00**	52,00
Compass Trawling (Pty) Limited	**31,55**	31,55
Etosha Fisheries Holding Company (Pty) Limited	**44,90**	44,90
MFV Romano Paulo Vessel Company (Pty) Limited	**35,00**	35,00
	R'000	R'000
Income statement		
Revenue	**125 047**	110 218
Expenses	**(106 746)**	(99 672)
Operating profit before abnormal items	**18 301**	10 546
Abnormal items		646
Net interest and dividends paid	**611**	(423)
Profit before taxation	**18 912**	10 769
Taxation	**5 798**	1 577
Profit after taxation	**13 114**	9 192
Balance sheet		
Property, plant and equipment	**13 820**	15 733
Investments	**22**	115
Current assets	**68 914**	71 149
Current liabilities		
– Interest-bearing	**(2 505)**	(104)
– Interest-free	**(24 197)**	(29 076)
Deferred taxation	**(1 514)**	(1 033)
Cash flow statement		
Operating profit	**18 301**	10 546
Adjustments for non-cash items	**3 190**	2 779
Working capital changes	**(24 360)**	15 616
Cash flows from operations	**(2 869)**	28 941
Net interest and dividends paid	**611**	(423)
Taxation paid	**(1 151)**	(1 948)
Net cash flows from operating activities	**(3 409)**	26 570
Cash flows from investing activities	**(1 183)**	(5 291)
Net increase in cash and cash equivalents	**(4 592)**	21 279

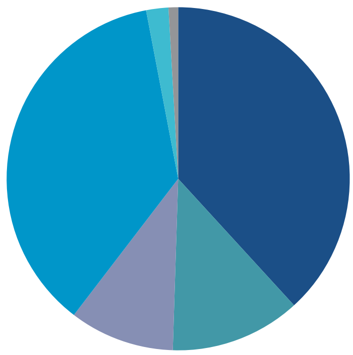
	Notes	2007	2006	2005	2004	2003
Share performance						
Market price per share (cents)						
Year-end		2 260	1 580	1 520	1 575	1 644
Highest		2 300	1 700	1 670	1 750	1 690
Lowest		1 560	1 400	1 190	1 400	1 250
Price earnings ratio	1	13,9	14,0	13,8	11,0	9,0
Number of transactions	2	1 240	1 683	2 216	1 324	1 003
Number of shares traded ('000)	2	9 090	18 252	25 612	14 978	7 698
Value of shares traded (R'000)	2	180 056	280 578	360 207	238 288	118 523
Volume of shares traded as a % of total issued shares	2	7,8	15,7	22,8	13,6	7,1
Market capitalisation (R'000)	3	2 647 490	1 830 918	1 707 506	1 735 302	1 783 327
JSE food producers and processors index (adjusted base 2003 = 100)		306,8	231,3	204,5	131,8	100
JSE industrial index (adjusted base 2003 = 100)		354,7	264,7	216,7	142,0	100
Oceana Group Limited share price index (adjusted base 2003 = 100)		137,5	96,1	92,5	95,8	100

Notes:
1. Market price per share at year-end divided by headline earnings per share.
2. Figures based on JSE transactions only.
3. Value of ordinary shares in issue at year-end price including treasury shares held by share trusts.

Share ownership

	Number of share-holders	%	Number of shares	%
Holdings				
1 – 5 000 shares	726	66,6	933 858	0,8
5 001 – 50 000 shares	240	22,0	4 307 232	3,7
Over 50 000 shares	121	11,1	95 037 245	81,1
	1 087	99,7	100 278 335	85,6
Treasury shares held by share trusts	2	0,2	14 387 965	12,3
Treasury shares held by subsidiary	1	0,1	2 479 257	2,1
	1 090	100,0	117 145 557	100,0
Analysis of holdings				
Tiger Brands Limited	1	0,1	44 699 463	38,2
Directors and employees	262	24,0	1 085 400	0,9
Financial institutions and general public	824	75,5	54 493 472	46,5
	1 087	99,7	100 278 335	85,6
Treasury shares held by share trusts	2	0,2	14 387 965	12,3
Treasury shares held by subsidiary	1	0,1	2 479 257	2,1
	1 090	100,0	117 145 557	100,0

SHARE OWNERSHIP – ANALYSIS OF HOLDINGS



- Tiger Brands Limited (38,2%)
- Treasury shares held by share trusts (12,3%)
- Brimstone Investment Corporation Limited (9,9%)
- Financial institutions and general public (36,6%)
- Treasury shares held by subsidiary (2,1%)
- Directors and employees (0,9%)

Holdings in excess of 5%		
Tiger Brands Limited	44 699 463	38,2%
Khula Trust	14 380 465	12,3%
Brimstone Investment Corporation Limited	11 596 755	9,9%
Coronation – various funds	6 099 368	5,2%

ALL SHAREHOLDERS ARE ENCOURAGED TO ATTEND THE ANNUAL GENERAL MEETING OF OCEANA GROUP LIMITED ("THE COMPANY")

Notice is hereby given that the 90th annual general meeting of the shareholders of the company will be held in the Boardroom, 16th Floor, Metropolitan Centre, 7 Coen Steytler Avenue, Cape Town on Thursday, 7 February 2008 at 14:00 to consider the matters and proposed resolutions (with or without modification) set out in the agenda below.

AGENDA

1. To receive and consider the annual financial statements of the company and the group for the year ended 30 September 2007 and, if deemed fit, pass the following ordinary resolution:

Ordinary resolution number 1

"Resolved that the annual financial statements of the company and the group for the year ended 30 September 2007, as set out in the annual report, are hereby approved."

2. In terms of the articles of association of the company, Mr Mustaq Ahmed Brey, Mrs Alethea Berenice Anne Conrad, Mr Andrew Brian Marshall and Mr Frederick Robertson retire by rotation but, being eligible, offer themselves for re-election. A brief curriculum vitae of each of the aforesaid directors appears on page 94. Accordingly, to consider and, if deemed fit, to re-elect these directors by way of passing the separate ordinary resolutions set out below:

Ordinary resolution number 2.1

"Resolved that Mr Mustaq Ahmed Brey be and is hereby elected as director of the company."

Ordinary resolution number 2.2

"Resolved that Mrs Alethea Berenice Anne Conrad be and is hereby elected as director of the company."

Ordinary resolution number 2.3

"Resolved that Mr Andrew Brian Marshall be and is hereby elected as director of the company."

Ordinary resolution number 2.4

"Resolved that Mr Frederick Robertson be and is hereby elected as director of the company."

3. To consider and, if deemed fit, to approve the fees of the non-executive directors of the company for the year ending 30 September 2008 by passing the following ordinary resolution:

Ordinary resolution number 3

"Resolved that the non-executive directors' fees for the year ending 30 September 2008 be as follows:

	R
▪ As chairman of the board	270 000
▪ As a member of the board	107 000
▪ As chairman of the audit committee	64 250
▪ As a member of the audit committee	42 750
▪ As chairman of the remuneration and nominations committee	53 500
▪ As a member of the remuneration and nominations committee	32 000
▪ As chairman of the risk committee	42 750
▪ As chairman of the transformation committee	42 750"

Explanatory note

The chairman of the board will be remunerated for such position as stated above and will not, in addition, receive remuneration for membership of the board. The chairpersons of the subcommittees will be remunerated for such positions as stated above and will not, in addition, receive remuneration for membership of the subcommittees.

4. To consider and, if deemed fit, to pass the following ordinary resolution:

Ordinary resolution number 4

"Resolved that 2 557 600 (two million five hundred and fifty seven thousand six hundred) unissued authorised shares in the capital of the company, required to meet the company's existing obligations in terms of the options that have been granted in terms of the Oceana Group (l985) Share Option Scheme be and are hereby placed under the control of the directors, subject to the provisions of the Companies Act, 61 of 1973 (as amended) ("the Companies Act"), the articles of association of the company, and the Listings Requirements of JSE Limited ("JSE Listings Requirements"), until the next annual general meeting."

The directors record that they do not intend to grant any new options in terms of the Oceana Group (1985) Share Option Scheme.

5. To consider and, if deemed fit, to pass the following special resolution:

Special resolution number 1

General authority to repurchase company shares

"Resolved that the company hereby approves, as a general approval contemplated in sections 85 and 89 of the Companies Act, the repurchase by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company and the provisions of the Companies Act and if, and for so long as, the shares of the company are listed on JSE Limited ("JSE"), subject also to the JSE Listings Requirements as presently constituted and which may be amended from time to time."

Additional information required by the JSE Listings Requirements

The additional information required by the JSE Listings Requirements and which pertains to special resolution 1 is set forth on Schedule 1 hereto and headed "Information pertaining to Special Resolution Number 1".

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to grant the company a general authority in terms of the Companies Act for the repurchase by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

6. To consider and, if deemed fit, to pass the following ordinary resolution:

Ordinary resolution number 5

Authorisation of directors

"Resolved that each and every director of the company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting."

7. To transact such other business that may be transacted at an annual general meeting.

General

The annual report to which this notice of the annual general meeting is attached provides details of:

- the directors and managers of the company on pages 8 and 9;
- the major shareholders of the company on page 90;
- the directors' shareholding in the company on page 58;
- the share capital of the company in note 20 on page 78.

There are no material changes to the group's financial or trading position nor are there any material, legal or arbitration proceedings that may affect the financial position of the group between 30 September 2007 and the reporting date.

The directors, whose names are given on page 8 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given in this annual report and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contain all information required by law and the JSE Listings Requirements.

Shares in the company ("shares") held by a share trust or scheme will not have their votes at the annual general meeting taken into account in respect of special resolution 1. All other holders of shares are entitled to attend, speak and vote at the annual general meeting. If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an "own name" dematerialised shareholder (i.e. have specifically instructed your Central Security Depository Participant ("CSDP") to hold your shares in your own name on the company's subregister), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the company secretary by no later than 48 (forty eight) hours prior to the time appointed for the holding of the annual general meeting.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate") held through a CSDP or broker (or their nominee)) and are not registered as an "own name" dematerialised shareholder, you are not a shareholder of the company. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker (or their nominee):

- if you wish to attend the annual general meeting you must contact your CSDP or broker (or their nominee) and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker (or their nominee) and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You should not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker (or their nominee) within the time period required by your CSDP or broker (or their nominee).

CSDPs or brokers (or their nominees) recorded in the company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company secretary not less than 48 (forty eight) hours prior to the time appointed for the holding of the annual general meeting.

JD Cole
Company secretary

Cape Town
9 November 2007

Schedule 1 to notice of annual general meeting

"Information pertaining to special resolution number 1"

Terms used in this schedule, unless the context requires otherwise, bear the same meanings as in the Notice of Annual General Meeting to which this schedule is attached.

1. Terms of general repurchase

It is recorded that the company or any of its subsidiaries shall only be authorised to make a general repurchase of shares on such terms and conditions as the board of directors may deem fit, provided that the following requirements of the JSE Listings Requirements, as presently constituted, and which may be amended from time to time, are met:

- any such repurchase of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- any such repurchase of ordinary shares is authorised by the company's articles of association;
- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- a paid press announcement will be published not later than 08:30 on the business day following the day on which the company and/or its subsidiaries has/have repurchased shares constituting, on a cumulative basis, 3% (three percent) of the number of shares of the class of shares repurchased in issue at the time of the granting of this general authority, and each time the company acquires a further 3% (three percent) of such shares thereafter, which announcement shall contain full details of such acquisitions;
- repurchases by the company and its subsidiaries of shares in the capital of the company may not, in the aggregate, exceed in any one financial year 20% (twenty percent) of the company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;
- in determining the price at which the company's shares are repurchased by the company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be repurchased may not be greater than 10% (ten percent) above the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;
- the company may only appoint one agent to effect any repurchase on its behalf;
- after any repurchase, the company still complies with the minimum shareholder spread requirements of the JSE Listings Requirements;
- The company and/or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and the quantities of securities to be traded during the relevant period are fixed (not subject to variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- the company will not make any repurchase until such time as the company's sponsors have provided the JSE with a letter in relation to the working capital statement set out below (as required in terms of the JSE Listings Requirements); and
- in the case of a derivative (as contemplated in the JSE Listings Requirements) the price of the derivative shall be subject to the limits set out in section 5.84(a) of the JSE Listings Requirements.

2. Statements by the board of directors of the company

- Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the company hereby states that:
- it is its intention to utilise the general authority to repurchase shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company and the interests of the company;
- in determining the method by which the company intends to repurchase its shares, the maximum number of shares to be repurchased and the date on which such repurchase will take place, the directors of the company will only make the repurchase if at the time of the repurchase they are of the opinion that:
  - the company and its subsidiaries would, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of this notice of the annual general meeting;
  - the consolidated assets of the company and its subsidiaries, fairly valued in accordance with the accounting policies used in the latest audited financial statements, would, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next 12 (twelve) months after the date of this notice of the annual general meeting;
  - the issued share capital and reserves of the company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the company or any acquiring subsidiary for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting; and
  - the working capital available to the company and its subsidiaries would, after the repurchase, be adequate for ordinary business purposes for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting.

MA BREY (53)
CA(SA)
Mustaq is a co-founder and chief executive officer of Brimstone Investment Corporation Limited. He is a chartered accountant and currently serves on the boards of Sea Harvest Corporation, the Scientific Group, Lion of Africa Insurance Company, Life Healthcare Group, Imperial Bank and Nedbank Group. He was appointed as non-executive chairman of Oceana Group in 2006. He also serves on the audit committees of the SA Revenue Service, Nedbank and Life Healthcare. He was first appointed to the Oceana board in 1995 and serves on the remuneration and nominations committee.

ABA CONRAD (43)
BA LLB
Lea graduated from Rhodes University with a BA degree in economic history and African politics, and an LLB degree. She practised as an attorney in Johannesburg and held various managerial positions at Transnet before joining Oceana Group in January 2000. She is a member of TSiBA Education, a free-to-student tertiary level institution. Lea is also a board member of the Marine Scientists Development Board, established by government to oversee a development programme for marine scientists. She was first appointed to the Oceana board in February 2007 and serves on the transformation committee.

AB MARSHALL (52)
BCom (Hons)
Andrew graduated from the University of Natal, majoring in marketing and financial management. He spent time with AECI, Gundle Plastics and Nampak in various managerial positions before joining Oceana Group in February 1999, and is currently chief executive officer of Oceana. He was first appointed to the Oceana board in 1999 and serves on the risk and the transformation committees.

F ROBERTSON (53)
Fred is a co-founder and executive deputy chairman of Brimstone Investment Corporation. A former teacher who moved into the insurance industry, he remains actively involved in the insurance sector through his chairmanships of Commlife Holdings and its subsidiaries as well as Lion of Africa Insurance Company, both of which he founded. He is chairman of House of Monatic and Lion of Africa Life Assurance Company, as well as a director of Sea Harvest Corporation, Remgro, Arabella SA Holding and Oceana Group. Fred also serves as a trustee on the Business Trust, a business initiative for job creation and human capacity development. He was first appointed to the Oceana board in May 2007.

FORM OF PROXY

Oceana Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1939/001730/06)
(JSE share code: OCE)
(NSX share code: OCG)
(ISIN number ZAE 000025284)
("Oceana" or "the company")

For use at the annual general meeting of the company to be held at the registered office of the company, 16th Floor, Metropolitan Centre, 7 Coen Steytler Avenue, Cape Town at 14:00 on Thursday, 7 February 2008 (the "annual general meeting").

Not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker unless you are recorded on the subregister as an "own name" dematerialised shareholder ("own name dematerialised shareholder"). Generally, you will not be an own name dematerialised shareholder unless you have specifically requested the CSDP to record you as the holder of the shares in your own name in the company's subregister.

Only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's subregister as the holder of dematerialised ordinary shares.

Each shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that member at the annual general meeting.

I/We (full name in block letters) ____________________

(address) ____________________

Telephone: Work ____________________ Telephone: Home ____________________

being the holder/s of ____________________ ordinary shares in the company, hereby appoint (refer note 1)

1. ____________________ or failing him/her,

2. ____________________ or failing him/her,

3. the chairman of the annual general meeting,
as my/our proxy to attend, speak, vote and act for me/us on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the company registered in my/our name/s, in accordance with the following instructions (refer note 2).

		Number of votes (one vote per ordinary share)		
		For	Against	Abstain
Ordinary resolution no. 1:	Adoption of annual financial statements			
Ordinary resolution no. 2.1:	Election of Mr Brey as director			
Ordinary resolution no. 2.2:	Election of Mrs Conrad as director			
Ordinary resolution no. 2.3:	Election of Mr Marshall as director			
Ordinary resolution no. 2.4:	Election of Mr Robertson as director			
Ordinary resolution no. 3:	Approval of non-executive directors' fees for 2008			
Ordinary resolution no. 4:	Placing unissued shares under the control of the directors			
Special resolution no. 1:	General authority to repurchase company shares			
Ordinary resolution no. 5:	Authorisation of directors			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you desire to vote (see note 2).

Signed at ____________________ on ____________________ 2008

Signature ____________________
(Authority of signatory to be attached if applicable – see note 6)
Assisted by me (where applicable) ____________________

Telephone number: ____________________

Please read the notes on the following page.

NOTES

1. A certificated or own name dematerialised shareholder or CSDP or broker (or their nominee) registered in the company's subregister may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy to vote or abstain as the chairperson deems fit.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" for all or the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. Forms of proxy must be lodged at 16th Floor, Metropolitan Centre, 7 Coen Steytler Avenue, Cape Town 8001 or posted to the company secretary, Oceana Group Limited, PO Box 7206, Roggebaai 8012. Forms of proxy must be received or lodged by no later than 48 (forty eight) hours before the annual general meeting, i.e. 14:00 on Tuesday 5 February 2008.
4. Without limitation, the chairperson of the annual general meeting may, in his absolute discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company secretary or waived by the chairman of the annual general meeting. CSDPs or brokers (or their nominees) registered in the company's subregister voting on instructions from owners of shares registered in the company's sub-subregister, are requested to identify the owner in the sub-subregister on whose behalf they are voting and return a copy of the instruction from such owner to the company secretary together with this form of proxy.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies, but may not be accepted by the chairperson.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.
9. If required, additional forms of proxy are available from the company secretary.
10. Shareholders which are a company or body corporate may by resolution of their directors, or other governing body, authorise any person to act as their representative. The representative will be counted in the quorum and will be entitled to vote on a show of hands or on a poll.
11. If you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not an own name dematerialised shareholder, you are not a shareholder of the company; accordingly do NOT fill in this form of proxy, subject to the mandate between yourself and your CSDP or broker (or their nominee):

- if you wish to attend the annual general meeting you must contact your CSDP or broker (or their nominee) and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker (or their nominee) and furnish it with your voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker (or their nominee). You should not complete the attached form of proxy. The instructions must be provided within the time period required by your CSDP or broker (or their nominee).

CSDPs or brokers (or their nominees) recorded in the company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company secretary within the required period prior to the time appointed for the holding of the annual general meeting.

ADMINISTRATION

Registered office and business address
16th Floor Metropolitan Centre
7 Coen Steytler Avenue
Cape Town 8001
PO Box 7206, Roggebaai 8012

Telephone:
National 021 410 1400
International +27 21 410 1400
Facsimile: 021 419 5979
E-mail: info@oceana.co.za
Website: www.oceana.co.za

Secretary
Jeremy David Cole (61)
BCom (Hons) LLM
Appointed in 1984

Company registration number
1939/001730/06

JSE share code
OCE

NSX share code
OCG

Company ISIN number
ZAE000025284

Transfer secretaries
Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107

Telephone: 011 370 5000
Facsimile: 011 688 5216

Bankers
The Standard Bank of South Africa Limited
FirstRand Bank Limited

Auditors
Deloitte & Touche

Sponsors
The Standard Bank of South Africa Limited

SHAREHOLDERS' DIARY

Financial year-end	30 September
Annual general meeting	February

Reports and profit statements

Interim report	Published May
Announcement of annual results	Published November
Annual report	Published December
Dividends	Interim declared May, paid July
	Final declared November, paid January

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