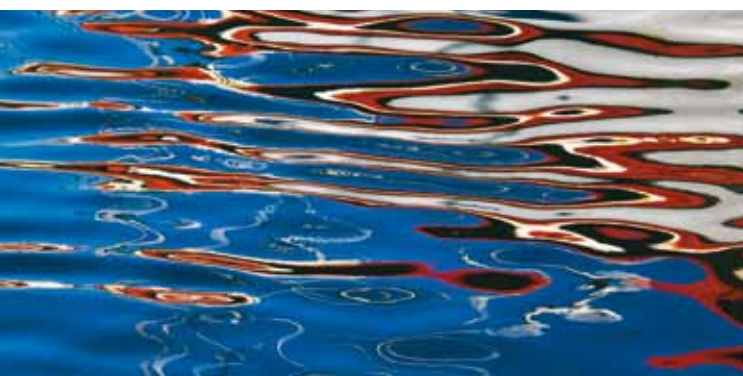




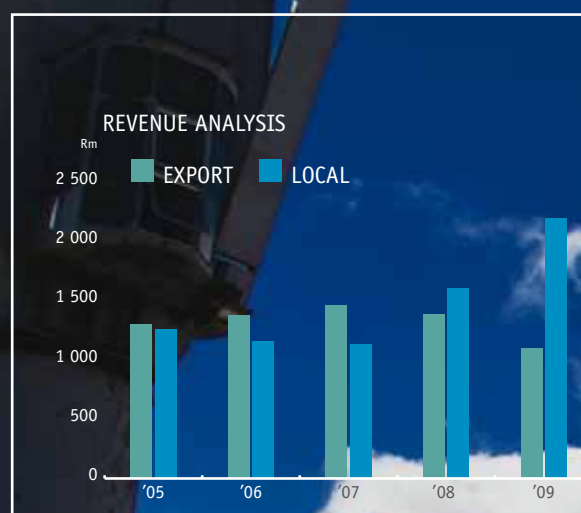
OCEANA / GROUP
/ LIMITED





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FINANCIAL HIGHLIGHTS

	2009 R'000	2008 R'000	% Change
Operating results			
Revenue	3 301 288	3 002 476	10
Operating profit before abnormal items	410 866	317 284	29
Headline earnings	276 764	234 636	18
Balance sheet			
Total assets	1 722 286	1 555 482	11
Net assets	1 091 702	969 926	13
Performance	Cents per share	Cents per share	
Headline earnings	279.4	237.7	18
Dividends	184.0	156.0	18
Headline dividend cover (times)	1,5	1,5	
Net asset value	1 099.7	986.0	12

The Oceana Group is involved
in fishing and commercial
cold storage

SEGMENTAL REPORT for the year ended 30 September 2009

	2009 R'000	2008 R'000	% Change	2009 R'000	2008 R'000	% Change
Business segment						
	Revenue [#]			Operating profit [*]		
Inshore fishing	2 142 497	1 879 711	14	165 451	164 345	1
Midwater and deep-sea fishing	948 267	934 384	1	177 681	94 267	88
Commercial cold storage	210 524	188 381	12	67 734	58 672	15
Total	3 301 288	3 002 476	10	410 866	317 284	29
	Total assets			Total liabilities		
Inshore fishing	926 830	697 947	33	351 170	324 220	8
Midwater and deep-sea fishing	286 029	283 247	1	128 385	102 703	25
Commercial cold storage	174 035	165 557	5	44 437	34 247	30
Financing	329 514	403 345	(18)	22 769	50 021	(54)
	1 716 408	1 550 096	11	546 761	511 191	7
Deferred taxation	5 878	5 386	9	49 829	44 733	11
Total	1 722 286	1 555 482	11	596 590	555 924	7
	Capital expenditure			Depreciation		
Inshore fishing	22 921	28 470	(19)	21 772	25 066	(13)
Midwater and deep-sea fishing	36 480	75 942	(52)	26 753	20 289	32
Commercial cold storage	31 737	23 099	37	23 510	21 900	7
Total	91 138	127 511	(29)	72 035	67 255	7
Geographical segment[¥]						
	Revenue [#]			Operating profit [*]		
South Africa and Namibia	2 200 519	1 611 084	37	228 473	163 808	39
Other Africa	652 129	665 173	(2)	146 760	65 435	124
Europe	294 519	492 988	(40)	8 482	45 570	(81)
Far East	132 419	214 441	(38)	24 558	40 169	(39)
Other	21 702	18 790	15	2 593	2 302	13
Total	3 301 288	3 002 476	10	410 866	317 284	29

[#] Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation amounting to:
Inshore fishing RNil (2008: R7,3 million), Midwater and deep-sea fishing R33,3 million (2008: R15,0 million),
Commercial cold storage R24,7 million (2008: R16,0 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 and Namibia.





GROUP PROFILE

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

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

Oceana is involved in fishing and commercial cold storage. It engages in the catching, processing and procurement of marine species, including pilchard, anchovy, redeye herring, lobster, horse mackerel, squid 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 1 351 permanent staff and 669 (full-time equivalent) seasonal employees, fluctuating during periods of seasonal fishing activities.

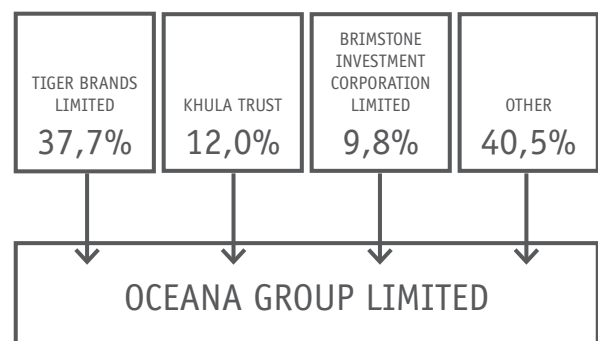
MISSION STATEMENT

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
- transformation, environmental and corporate social responsibility credentials resulting in superior returns to all stakeholders.



OWNERSHIP PROFILE



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; and
- a skilled and motivated staff complement, complying with employment equity, empowerment and transformation objectives.

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 research information 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; and
- measurement of environmental impacts against targets and benchmarks.

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; and
- assistance to welfare initiatives.

OPERATING LOCATIONS



Also: HENLEY, UK; ISLE OF MAN; DAKHLA, MOROCCO



GROUP AT A GLANCE

INSHORE FISHING	OCEANA BRANDS Areas of operations: St Helena Bay Cape Town Hout Bay Mossel Bay Walvis Bay Henley, UK	MARKETING	Markets canned fish and pet food products to consumers via wholesale and retail customers under the Lucky Star brand mainly in Africa. Procures canned fish locally and internationally.
		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 EU-accredited pilchard cannery in South Africa.
		FISHMEAL AND FISH OIL	Plants at St Helena Bay and Hout Bay produce fishmeal from pelagic fish – anchovy, redeye herring and pilchard. Fishmeal and fish oil used primarily as components in animal and aquaculture feeds.
		NAMIBIA	Oceana has a significant shareholding in Etosha Fishing in Walvis Bay, Namibia. Own and contract vessels supply the cannery and fishmeal plant. Fishing under licence in Morocco. Products are marketed by Oceana Brands.
		GLENRYCK FOODS	Markets canned fish products to consumers via food service and retail customers under the Glenryck brand in the UK.
	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 10 vessels and two HACCP-accredited processing plants. Markets lobster to the Far East, Europe and the USA under a range of Oceana brands.
		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 Calamari Fishing brand.
		FRENCH FRIES	Major supplier to South African quick service restaurants. Supplies limited volumes to wholesale and retail outlets through the Gold Seal and house brands. Fries produced in a customer-accredited facility in Lambert's Bay. 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 catches horse mackerel for export. The Namibian-based Erongo Group operates its own fleet of three horse mackerel trawlers and charts additional vessels as required. Exports mainly to African markets, supplemented by international trading and logistics services.
		HAKE	Interests in two steel trawlers and one longline vessel. Processes fresh and frozen hake, mostly for export. Brands include Blue Continent and Seamaid.
	BLUE ATLANTIC TRADING Areas 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	COLD STORAGE FRUIT HANDLING STEVEDORING	Owns and manages public refrigerated warehousing capacity of about 105 000 pallets. Major commodities include fish, meat, poultry, vegetables, dairy products and fruit. Modern facilities comply with EU import requirements, eg ISO 9001:2008 and HACCP grading. The steri-fruit facility in Durban is accredited by the PPECB and complies with import protocols of Japan and China, including JPQ.

DIRECTORATE



FROM LEFT:

Mustaq Brey, Francois Kuttel, Robert Williams, Rodney Nicol, Michael Fleming, Alethea Conrad, Nomahlubi Simamane, Saamsodein Pather, Peter Matlare, Takula Tapela, Peter de Beyer

Chairman

MUSTAQ AHMED BREY ♦ (55) CA(SA)

Appointed to the board in 1995

Non-executive director

Chief executive officer of Brimstone Investment Corporation Limited

Vice-chairman

ROBERT ALBERT WILLIAMS * ♦ (69) BA, LLB (Cape Town)

Appointed to the board in 1988

Independent non-executive director

Director of companies

Chief executive officer

FRANCOIS PAUL KUTTEL ○ ■ ► (41) BAA (San Diego)

Appointed to the board in 2009

Financial director

RODNEY GERALD NICOL ○ ■ (54) CA(SA)

Appointed to the board in 1991

Executive director

ALETHEA BERENICE ANNE CONRAD ○ ■ (45)

BA LLB (Rhodes)

Appointed to the board in 2007

* *Audit committee*

○ *Executive director*

♦ *Remuneration and nominations committee*

■ *Risk committee*

► *Transformation committee*

Information status as at 12 November 2009

NON-EXECUTIVE DIRECTORS

PETER GERARD DE BEYER * ♦ (54) BBusSc (Cape Town), FIA, FASSA

Appointed to the board in 2008

Independent

Director of companies

MICHAEL FLEMING ■ (42) CA(SA)

Appointed to the board in 2008

Chief financial officer of Tiger Brands Limited

PETER BAMBATHA MATLARE ♦ (50) BSc (Hons), MA (Southern African Studies) (York)

Appointed to the board in 2008

Chief executive officer of Tiger Brands Limited

SAAMSOODEIN PATHER * (59) BBusSc, BCom (Hons), MBA (Cape Town)

Appointed to the board in 1996

Independent

Director of companies

NOMAHLUBI VICTORIA SIMAMANE ► (50) BSc (Hons) (UBS)

Appointed to the board in 2009

Independent

Chief Executive officer of Zanusi Brand Solutions (Pty) Limited

TAKULA JENKINS TAPELA ► (41) BCompt (Unisa)

Appointed to the board in 2009

Managing executive of Brimstone Investment Corporation Limited

EXECUTIVE COMMITTEE



FROM LEFT:

Francois Kuttel, Rodney Nicol, Alethea Conrad, Neville Brink, Simon Cummings, Barrie King, Gavin Rhodes-Harrison, Jane Wilkinson

FRANCOIS PAUL KUTTEL [○] ■ ► (41) BAA (SAN DIEGO)
Chief executive officer
Oceana Group Limited

RODNEY GERALD NICOL [○] ■ (54) CA(SA)
Financial director
Oceana Group Limited
Number of years' service – 24

NEVILLE DONOVAN BRINK ■ (49)
Managing director
Oceana Lobster, Squid and French Fries
Number of years' service – 21

ALETHEA BERENICE ANNE CONRAD [○] ■ (45)
BA LLB (RHODES)
Director
Oceana Group Limited
Managing director
Blue Continent Products – Hake
Number of years' service – 10

SIMON PETER CUMMINGS ■ (41) BCOM (UNAM)
Managing director
Commercial Cold Storage
Number of years' service – 16

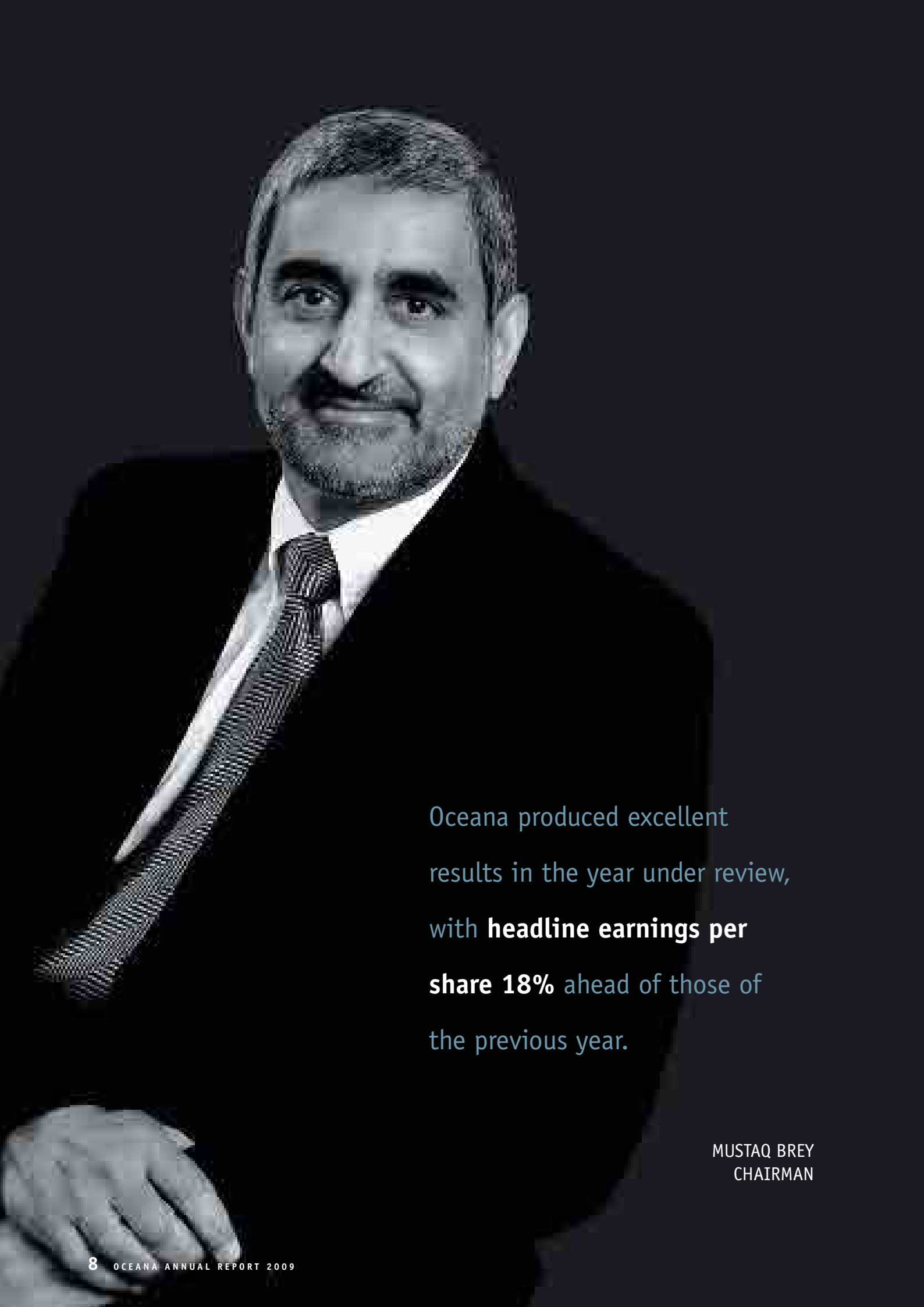
BARRIE JAMES KING ■ (58) CA(SA)
Managing director
Blue Continent Products – Horse Mackerel
Number of years' service – 8

GAVIN ANDREW RHODES-HARRISON ■ ► (56)
BSc Bldg Mgmt (UND)
Managing director
Oceana Brands
Number of years' service – 10

JANE LOUISE WILKINSON ► (40) BA (Hons) Public Adm
(Hallam), CF-CIPD (UK)
Human resources manager
Oceana Group Limited
Number of years' service – 12

- Executive director
- Risk committee
- Transformation committee

Information status as at 12 November 2009



Oceana produced excellent results in the year under review, with **headline earnings per share 18%** ahead of those of the previous year.

MUSTAQ BREY
CHAIRMAN

CHAIRMAN'S STATEMENT

OVERVIEW

Oceana's economic performance in 2009 was very pleasing, surpassing that of last year in real terms, and more particularly because it was achieved in a year of economic turbulence, and uncertainty in all markets. Headline earnings per share at 279.4 cents were 18% ahead of those of the previous year.

A final dividend of 153 cents per share was declared which, with the interim dividend of 31 cents per share, makes a total distribution of 184 cents per share for the year (2008: 156 cents).

The major contributors to increased profitability were higher volumes in horse mackerel and canned fish. Demand for fish in the domestic and other African markets remained firm whilst European and Far Eastern markets were significantly weaker following the global economic crisis.

Once again Oceana's strategy of investment in a range of fishing industry sectors together with its cold storage business proved its worth in producing respectable financial results during what has been a difficult period for most businesses.



SUSTAINABILITY

The board approves the group and divisional strategic plans each year, with clear goals and targets set and reviewed on a continuing basis. Execution of strategy, using the resources of or available to the group, takes place within an effective risk management environment. Sustained growth in earnings in Oceana is dependent on the complementary and mutually supportive functioning of many factors, including availability of fish, secure long-term fishing rights (quotas), efficient catching and processing plants, sought-after products on good markets and the ability to maintain margins in times of escalating costs. The business requires good skills, a sound administrative platform and a strong balance sheet.

FISH RESOURCES, ACCESS RIGHTS AND MANAGEMENT

The integrity and soundness of the biomass of fish species is essential for sustained fishing by Oceana and the industry.

Management of South Africa's marine living resources is controlled by the Marine and Coastal Management (MCM) branch of the Department of Water and Environmental Affairs (DWEA), 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 ensure sustainable harvesting. Oceana participates in sectoral working groups and contributes to research and management by assisting with surveys of a number of species, to contribute to knowledge and understanding of the driving forces behind resource dynamics and availability.

Oceana is fully committed to responsible resource management on a sustainable basis, demonstrated by the terms of its Environmental Policy, ethos of strict compliance with laws and permit conditions and participation in voluntary initiatives to promote this objective, for example through membership of the Responsible Fisheries Alliance (RFA).

Commentary on the status of some of the fish species caught by Oceana is included in the sustainable fisheries report. The group's

share in the total allowable catch (TAC) of various species is summarised in the table below:

Species		Oceana's % of TAC	
		2009	2008
Pilchard	– South Africa	14,4	14,4
Pilchard	– Namibia (Etosha)	9,3	9,3
Anchovy		16,8	16,8
Horse mackerel	– South Africa	18,8	18,8
Horse mackerel	– Namibia	27,4	26,7
Hake	– trawl	1,1	1,1
	– longline	1,4	1,4
Lobster	– west coast (Commercial)	21,3	21,3
	– south coast	3,2	3,2
Squid		4,3	4,3

It is essential that the TAC, and in particular the commercial part thereof, be set at objectively justifiable levels so as to support the industry which generally catches in a lawful and responsible manner, produces an important source of protein for the country, employs a large number of people, and is a net earner of foreign exchange for South Africa. These are significant, quantifiable contributions to environmental responsibility and social well-being and development in the broad sense. The damage to the west coast lobster resource from increasing poaching in recent years is of great concern. Inadequate policing and law enforcement will result in the depletion of the inshore lobster population, as has occurred with abalone. Oceana has supported industry and conservation lobbyists in initiatives to protect the resource.

Oceana's investment in the industry and its consistent performance as measured on the triple bottom line basis justify its holding of adequate long-term fishing rights (LTR). These rights, expressed as a percentage of the TAC, as indicated in the table above, are low when viewed in light of the investment the group has in assets used in the industry, and therefore one of the group's strategic objectives is to increase its share in the South African TAC. In a dynamic

CHAIRMAN'S STATEMENT continued

industry there will always be parties desirous of exiting or of increasing their involvement and Oceana is well placed and qualified to acquire rights from persons who wish to dispose of them.

A number of applications for judicial review of allocations in the lobster and pelagic sectors were settled or withdrawn by the applicants during the year following decisions handed down in the hake sector.

The performance review process by MCM is intended to result in a report which assesses each rights holder's current status *vis-à-vis* other rights holders. This will then enable MCM to assess rights holders' performance since the allocation of rights in 2006.

FLEET

Oceana's fleet and landings summary

Sector	Number of operating vessels		Total landings	
	2009	2008	2009	2008
Oceana Brands				
Pelagic fleet	13	16		
– Pilchard			24 457	12 508
– Industrial			90 752	98 800
Oceana Lobster and Squid				
– West coast lobster	10	11	375	347
– South coast lobster	1	1	53,4 (tail wt)	40,4 (tail wt)
– Squid	5	5	395	603
Blue Continent Products				
– Horse mackerel Namibia	3	3	63 243	43 635
– Horse mackerel South Africa	1	1	24 877	22 614
– Hake	3	4	4 005	4 118

Fleet capacity and vessel utilisation is augmented or reduced according to quota mass available from own quotas and those of contracted parties. General policy is to upgrade vessels and gear to remain economically viable in terms of operating costs and catch efficiency. All vessels are maintained according to sea-worthiness and health and safety regulations and have advanced navigational and fish-finding technology. No additional vessels were acquired during the year. The group spent N\$68 million on refits and upgrading of factories and freezing plant on horse mackerel midwater trawlers for Namibian operations.

PROCESSING PLANTS

Oceana Brands has land-based fish processing plants located at St Helena Bay and Hout Bay.

The cannery at St Helena Bay is capable of processing 400 – 500 tons of pilchard per day (depending on the size of the fish), which is well beyond current volumes. Etosha Fishing has a cannery at Walvis Bay with a capacity of 600 tons per day. The canneries are approved by the international standard for a food safety system, Hazard Analysis of Critical Control Points (HACCP), and are accredited for export to the European Union (EU). It is intended in future to process imported frozen product at these canneries to augment production from local quotas.

The reduction plants at St Helena Bay and Hout Bay can handle 1 800 tons of raw fish per day, and produce indirectly dried fishmeal and fish oil. The fishmeal is of a quality conducive to improved protein digestibility, as required in particular for balanced feeds for aquaculture. Technological upgrades to these plants in recent years have focused on producing higher-quality fishmeal and oil, and reducing emissions to atmosphere and waste streams.

Oceana Lobster has a cooking and freezing plant at St Helena Bay, which includes a liquid nitrogen freezing facility, to achieve enhanced product quality, and a live lobster holding and dispatch operation at Hout Bay. Both facilities are fully HACCP approved with EU accreditation and process not only Oceana's landings but also those of third parties wishing to join Oceana in producing premium products for best markets.

Catches of horse mackerel, hake, squid and south coast lobster are for the most part packed and frozen at sea; some south coast lobster is landed live, and chilled hake packed on land, for export.

The cold stores operated by Commercial Cold Storage are maintained to high standards with modern equipment and technology for handling, storing, accessing and monitoring products held for a diverse range of customers. The steri-fruit facility at Maydon Wharf, Durban, is accredited by the Perishable Products Export Control

Board (PPECB) and complies with the Japan Produce Quarantine (JPQ) fruit protocols for exports to Japan.

Periodic rationalisation and upgrading of facilities to meet the requirements of the International Standards Organisation (ISO), Hazard Analysis of Critical Control Points (HACCP), European Union (EU), United States Food and Drug Administration (FDA) and the National Regulator for Control Standards (NRCS) (formerly the South African Bureau of Standards) is indicative of Oceana's commitment to producing high-quality products and service levels.

PRODUCTS AND MARKETS

Oceana's product range consists mainly of canned fish for human consumption (Lucky Star) and pet food (Lucky Pet), frozen whole round horse mackerel, white fish (hake, monk), lobster (live and frozen), squid (frozen) and French fries, fishmeal for animal and aquaculture feeds, and fish oil for emulsifiers. This range, from a relatively limited number of species and production facilities, gives flexibility in variants and packaging specifications to meet consumer preferences in local and offshore markets. Supplying ethical products and services in terms of source and sustainability of raw materials and inputs, compliance with laws and regulations, and consumer safety and satisfaction, continues to be part of group policy in its operations. Markets served are diverse, in terms of location and the dynamics of disposable income and consumer choice and preference. Consumers and customers are identified as key stakeholders in the business and effective communication with them is highly valued.

Pricing of products in the food sector is invariably a sensitive issue.

Oceana operates in a competitive domestic market (canned fish versus alternative proteins, eg poultry and processed meats) and



international market (usage of fishmeal versus soya; horse mackerel versus freshwater and dried fish, hake versus white fish from aquaculture). At the same time, the company has managed the effects of rising input costs of raw materials (ingredients and cans), energy (electricity and carbon fuels) and skills (technical) so as to ensure sustainability of the business.

SKILLS AND TRAINING

Development of the critical skills base continued to be a priority for the company.

During the year a group of 16 middle management employees successfully completed a customised leadership development programme at the University of Stellenbosch Business School, the first in a planned annual series of similar initiatives.

Oceana employed five graduates in the fields of electrical engineering, chemical engineering, information technology, logistics and project administration, and human resources through its graduate recruitment programme, in which preference is given to black candidates.

Training in technical and business-related skills is provided for employees, from internal resources and through third parties, eg tertiary institutions. Group training is organised through a centralised department. Expenditure on training in 2009 was R5,1 million (2008: R4,4 million). Employee remuneration, based on cost to company, includes initiatives to retain and motivate skilled staff.

FINANCIAL AND ADMINISTRATION

Sustainability and growth of the business requires a sound, reliable and responsive administrative support system, with information, accounting and financial management of like integrity. The objective is to ensure complete and accurate recording, processing and reporting, both internally and to stakeholders. Emphasis is on quality reporting for management purposes, including progress in achieving budgets, targets and goals. A number of group-wide functions are centralised in Cape Town, such as information systems, training and development, payroll, performance, reward and talent.

GOVERNANCE

Oceana is fully committed to conducting all its business and activities in an ethical manner, as is evidenced in its board-approved Code of Business Conduct and Ethics, published on the group's website. During the year the revised Code, printed in four languages, was delivered to each employee, accompanied by presentations on it at all operating sites, supplemented by highly successful industrial theatre at major sites in the Western Cape. The purpose and terms of the Code are emphasised on a continuing basis at induction sessions for new employees, and at training and awareness workshops in the course of each year. An anonymous whistle-blowing service is in place. The Code is included in each employee's terms of employment, with disciplinary action as a consequence for non-compliance.

To assist in group-wide awareness of and compliance with laws and regulations Oceana engages in in-house instruction, consultation with professional advisers, internal audit and other assurance testing, and has its own procedures to integrate this process.

Oceana committed itself to the governance standards in King 2 from the date it became applicable; the process of adapting, where necessary, to meet the criteria in the King 3 Code is under way.

APPRECIATION

Andrew Marshall resigned at the end of February after 10 years as chief executive officer. During his tenure he provided strong leadership in a fluctuating economic climate, and particularly in driving the restructuring of operating business units, the long-term rights process and the development of the group's horse mackerel business. I appreciate his positive and resolute contribution to the growth of the group.

Francois Kuttel succeeded Andrew as chief executive officer from 1 July. Francois brings with him solid experience and a valuable knowledge of the fishing industry. I am confident he will lead the group successfully in achieving new goals.

I wish to pay tribute for his contribution to Mr F Robertson who resigned as a non-executive director, and welcome to the board Mr TJ Tapela and Ms N Simamane as non-executive directors. I would also like to thank Mr JD Cole who retired after 25 years' valuable and dedicated service as group company secretary.

I appreciate the support of my fellow directors during the year and the commitment of management and staff to the development of the group.

PROSPECTS

Oceana's impressive results in what was a difficult year for most businesses give confidence as to its ability to perform consistently in both good and challenging times. In terms of product supply, from fish resources and production capacity in South Africa and Namibia and its offshore supply chains, Oceana has the critical mass to meet continuing demand from major markets. Fishing conditions in the southern African region are expected to remain reasonably stable and the group has opportunities for further organic growth. The cold storage division is well placed to handle increased volumes once an improvement in the domestic economy and international trade in perishables takes place.

MA Brey
Chairman

12 November 2009



FRANCOIS KUTTEL
CHIEF EXECUTIVE OFFICER

Oceana's businesses are well equipped in terms of **assets, skills and experience** for the challenges and opportunities that lie ahead.

CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

Oceana was not immune to the effects of the global economic crisis, particularly as it affected credit facilities in general, trade finance and consumers' disposable incomes. There were significant movements in the oil price and in exchange rates, and appreciable increases in the cost of a number of major input items. Despite these challenges Oceana's businesses continued to perform very well. All divisions were prompt in reacting and adapting to changing conditions and taking advantage of favourable opportunities to improve their real and financial performance.

Sustainability of economic performance is integrated closely with environmental responsibility and good corporate citizenship. The nature and extent of Oceana's activities and initiatives in these areas is reported on in some detail later in this annual report. Important features were progress in understanding and communicating within the group the nature and possible effects of global warming, better management of greenhouse gas (GHG) emissions, and increased focus on water usage and conservation.

In its commitment to contributing to community interests Oceana continued to support various initiatives primarily in the areas of education and health. Oceana is and has been a stable, major employer in coastal communities. Its commitment and sense of responsibility to these communities is evidenced no more clearly than through the establishment many years ago of its potato processing plant at Lambert's Bay (the largest employer in the town) where fishing activities have reduced significantly from the 1970s, 80s and 90s.

FINANCIAL PERFORMANCE

I am pleased to report that both earnings per share and headline earnings per share were 18% above those of the previous year.

Group turnover increased by 10%. Growth was mainly in the canned fish business but also in horse mackerel, fishmeal and cold storage. Export turnover to the Far East and EU was lower.

Margins improved in both the canned fish and horse mackerel businesses, with the group margin increasing to 12,4% from 10,6% last year. The group produced an operating profit of R410,9 million before abnormal items, an increase of 29% on 2008.

The major abnormal items were cash recoveries relating to previously impaired Namibian hake assets and profit on disposal of surplus fixed property in Hout Bay. Profit after abnormal items was up 31%.

Net investment income declined as a result of lower cash balances and interest rates. Cash was lower due to the investment in working capital pursuant to the import of significant canned fish volumes throughout the year. Net cash balances at year-end were R169,0 million (2008: R218,1 million). The balance sheet remains strong.

The group effective tax rate was higher than that of last year. The prior year effective tax rate had benefited from the reversal of certain tax overprovisions. The group effective tax rate is mostly determined by the South African rate of 28%, the Namibian rate of 35% and STC of 10% on dividends.

Earnings attributable to own shareholders increased by 19% and headline earnings by 18%.

This year, Lucky Star celebrated its 50th anniversary. Since it first appeared on shelves, customers have trusted Lucky Star's great taste, consistent quality, convenience and good nutrition. It is this proud and proven track record in the retail and wholesale industries that has made Lucky Star the market leader in most canned fish sectors and one of the country's top ten grocery brands.



OPERATING PERFORMANCE

OCEANA BRANDS

Production from landings of small pelagic fish in South Africa and Namibia, supplemented by offshore sourcing of product, facilitated excellent canned fish sales performance.

The Oceana Brands division is engaged in fishing for small pelagic species (pilchard, anchovy and redeye herring) and in the production, importation, 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 United Kingdom (UK). Canned products required in excess of production from Oceana's cannery at St Helena Bay and Etosha Fishing Corporation at Walvis Bay are sourced from other local and offshore producers. Apart from locally produced variants of canned pilchards, Oceana Brands sells imported canned tuna and jack mackerel under the Lucky Star brand and a range of pet foods under the Lucky Pet label.

Canned fish

The South African pilchard TAC for 2009 was 90 000 tons (2008: 90 776 tons), with Oceana's quota at 12 925 tons (2008: 13 037 tons). Scientific surveys in late 2008 and early 2009, confirmed by landings, indicated that the pilchard biomass was in a stronger condition than was anticipated would be the case from earlier surveys.

Oceana's pilchard fleet consists of four vessels with chilled or refrigerated holds, with additional capacity from smaller vessels, being a suitable combination for the status of the resource and the requirements of canning operations. Oceana's pilchard quota and those of joint ventures in which it was a partner were landed directly to Oceana's cannery at St Helena Bay, to external canneries in St Helena Bay and Gansbaai, or to an offloading facility in Mossel Bay and then transported by road to St Helena Bay for canning. A total of 98% of the pilchard quota was caught by financial year-end with good availability west of Cape Agulhas in the Gansbaai to Cape Point area. The size and quality of fish landed was good, resulting in improved canning yields. The cannery processed a total of 21 382 tons of fish in the year to 30 September (2008: 13 581 tons), on one shift per day, achieving good yields and improved cost controls.

The Namibian pilchard TAC in 2009 remained unchanged, at 15 000 tons plus 2 000 tons for research. There was good availability of fish, close to Walvis Bay. The industry landed its quotas in full, with fish quality and size being good. As a consequence of the reopening of a competitor cannery this year, after many years of closure, the volume of fish landed to Etosha Fishing Corporation's cannery was lower than in 2008, namely, 7 710 tons (2008: 12 477 tons). Yields were excellent, and costs well controlled. Etosha progressed its fishing operations in Morocco together with locally based business associates and will be processing frozen pilchard sourced from this area in the coming year.

Demand for Lucky Star branded canned pilchards on the local market was strong, with insufficient supply of product to fully meet demand. Additional supplies, produced in compliance with NRCS health and safety criteria and Oceana's own product quality specifications, were imported from several established international suppliers. The development of this alternative and additional supply chain was a substantial undertaking in terms of research, logistical, financial, technical and marketing skills, for which the division's management deserves great credit. The Lucky Star brand retained its leading position on the local market and improved its market share compared to a year ago. Margins improved due mainly to better production efficiencies, cost control and the effect of favourable exchange rates in the second half of the year.

At Glenryck Foods, the year was characterised by lower sales volumes, particularly of tuna products. Recessionary conditions in the UK brought significant challenges to the business in terms of market share and margins. Volumes overall were 35% lower than the prior year. In addition, the business was somewhat disrupted due to its restructuring which was undertaken to leverage the synergies that exist with Oceana Brands. The alignment of the Glenryck Foods' and Oceana Brands' management structures and the strengthening of the sales team should benefit the business and augurs well for a recovery in the coming year.

To meet local market demand, additional supplies of Lucky Star canned pilchards were imported from established international suppliers



OPERATING REPORT

Fishmeal

Oceana's industrial fishing fleet, consisting of nine vessels, some of which were co-owned and managed with joint-venture partners, and three contracted privately managed vessels, 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 high protein levels in the fishmeal produced.

The anchovy TAC in South Africa in 2009 was 569 437 tons (2008: 517 500 tons). In the twelve months to 30 September input to Oceana's fishmeal plants was 112 446 tons (2008: 127 761 tons) from Oceana's own quota plus those of its joint-venture and supply partners and including catches of non-quota species (redeye herring) and trimmings from the cannery. Anchovy availability, for catching with purse seine nets, occurred later in the year than usual, and fishing effort was impeded during the winter months by prolonged periods of poor weather which prevented the vessels from fishing. These two factors impacted significantly on landings of industrial fish. At year-end Oceana had completed 42% of the A season quota available to it, which was slightly ahead of the industry total of 36%. The A season quota available to Oceana (136 823 tons) is unlikely to be landed in full by close of season, and even less likely to be landed is the B season quota (36 273 tons), which is allocated for catching from September to December. The fleet performed well under the circumstances, with costs managed closely.

Fishmeal production from Oceana's South African factories was 28 049 tons (2008: 32 037 tons).

Industrial fish landings at Etosha (mostly horse mackerel) plus trimmings from the canning process amounted to 9 145 tons in the twelve months to 30 September (2008: 15 021 tons), from which 2 339 tons of fishmeal (2008: 4 082 tons) was produced.

Demand for fishmeal was strong and prices remained firm during the year. Margins improved slightly due to the high prices and good cost control.

BLUE CONTINENT PRODUCTS

Excellent results, due mainly to improved catch rates and the effect of a third Namibian vessel.

Horse mackerel

Primary operating subsidiaries engaged in fishing, processing and marketing of horse mackerel are Blue Continent Products, Desert Diamond Fishing, Erongo Marine Enterprises in Namibia and Oceana International in the Isle of Man. Once again this business reported an outstanding performance due largely to excellent fishing and vessel performance, and good prices. It benefited further from favourable exchange rates for the first six months of the year.

Blue Continent Products operates one midwater trawl vessel in South Africa, and through Erongo it operates three in Namibia. The vessels fish in their respective national waters and process their catch at sea, ready for dispatch to market. Of the three Namibian vessels, the *Desert Rose* and the *Desert Jewel* underwent extensive refits amounting to N\$29 million each and a major upgrade to their flow-ice plants (N\$11 million) to ensure catches are chilled before freezing to produce a better quality product. The third vessel, the

Desert Ruby, already has this facility. The whole fleet performed very efficiently with costs well controlled.

The horse mackerel fishing season in both Namibia and South Africa opens in January and closes in December each year.

The Namibian midwater trawl TAC for the 2009 season was 195 497 tons (2008: 197 002 tons), of which companies associated with Oceana held quotas of 53 480 tons (2008: 52 556 tons). Landings of the three vessels for the 2009 financial year were 63 243 tons compared to 43 635 tons in 2008, when only two vessels were in Oceana's fleet for the greater part of the year.

In South Africa the midwater trawl TAC was unchanged at 31 500 tons. Oceana's quota was likewise unchanged at 5 922 tons. The *Desert Diamond* landed 24 877 tons of fish in the year to 30 September (2008: 22 614 tons), being Oceana's quotas and those of others which contracted with the company.

Most of the South African and Namibian product is sold in central and southern Africa, mainly to the Democratic Republic of the Congo, Cameroon and Angola, with about 18 000 tons sold on the local South African market. Consumer demand remained good and appeared unaffected by the global economic crisis. Certain customers experienced trading difficulties related to the effect of reduced national income and currency fluctuations in those countries. However, the company was able to adapt its marketing and distribution arrangements appropriately.

Oceana International, the offshore trading business operating from the Isle of Man, sources fish from outside of South Africa and Namibia and has for some years been developing reliable distribution channels in its main markets in West Africa. Volumes were lower compared to last year due to fewer trading opportunities. The business remains well placed to expand its product and service offering to existing and new customers on the continent.

Hake

Blue Continent Products' hake fishing operations are conducted in three separate joint ventures in South Africa. They involve two deep-sea hake trawl vessels, the *Compass Challenger* (841 gross tons) and *Realeka* (497 gross tons), and a longline vessel, the *Estrela do Mar*. These vessels catch and process the company's own quotas, as well as those of rights holders engaged in the joint ventures. All vessels have NRCS certification required for export of product to the EU. Blue Continent Products was awarded a Marine Stewardship Council (MSC) certificate for compliance with the MSC chain of custody requirements for its hake products. The South African hake fishery, which includes both *Merluccius paradoxus* and *Merluccius capensis*, is MSC certified. This confirms compliance with the MSC's rigorous standards concerning responsible and sustainable fishing.

The deep-sea hake trawl TAC for 2009 was 99 078 tons (2008: 109 023 tons), with Oceana's quotas at 1 089 tons (2008: 1 199 tons) and joint-venture partners' at 2 093 tons (2008: 2 270 tons). The longline hake TAC was 7 727 tons (2008: 8 510 tons), with Oceana's quotas at 106 tons (2008: 117 tons) and joint-venture partners' at 180 tons (2008: 256 tons).

The hake resource in South Africa is managed closely and conservatively in a programme of reducing TACs aimed at achieving

a biomass capable of sustaining an industry trawl catch of 150 000 tons per annum from 2011. As a result of this conservative management regime, catches during the year were good, with a significant increase of medium to larger fish being caught, and a reduction in the landings of smaller fish. The fleet performed efficiently, and all joint-venture quotas are expected to be landed in full by the close of the season.

Hake products are frozen headed and gutted, and filleted, and monk by-catch is frozen head on or tails, sold locally and abroad. Longline hake is sold fresh, on export markets. Haddock is sold in Australia under the Seamaid label.

While demand and preference for hake remains strong in major markets in the EU, the effects of the decline in the global economy reduced disposable incomes and impacted materially on prices.

OCEANA LOBSTER, SQUID AND FRENCH FRIES

A satisfactory performance in a situation of lower volumes and pressure on prices.

Lobster

During the year the process of consolidating Oceana's west coast lobster quotas and operations into a single company, Oceana Lobster Limited, was completed.

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 10 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 2 340 tons (2008: 2 571 tons), with Oceana's quota at 348 tons (2008: 373 tons), which was landed in full by close of season. The quality of lobster landed was good.

Landings were directed mainly into live product (75%) and the balance frozen, mainly through the medium of liquid nitrogen, to enhance product quality. The commissioning of Oceana's closed seawater recirculation system for live lobster holding tanks at Hout Bay contributed to the quality of live lobster at its market destination and reduced the, already low, mortality rate for product in transit.

Sales volumes were lower than in 2008, due to a lower carry-over of stock from that year, and the reduced TAC in 2009. Demand in China (Oceana's principal market) was good although prices were softer than in 2008, improving towards the end of the year. Demand and prices in Japan, the USA and EU were softer than in 2008 which, together with the stronger rand exchange rate in the second half year, resulted in lower average rand realisations for lobster.

Cost control was good and operating margins were maintained.

South coast lobster operations are conducted through a shareholding in MFV Romano Paulo Vessel Company (Pty) Limited, based in Port Elizabeth. The TAC was 363 tons (2008: 382 tons), with Oceana's quota 11,4 tons (2008: 12,0 tons), which was landed in full.

Squid

Oceana's squid operations are conducted through subsidiary Calamari Fishing (Pty) Limited, based in Port Elizabeth. Fishing is regulated on an effort basis, ie through limiting the number of vessels and manning levels each year, instead of by a TAC and quota mass system. The total number of licences allocated to the industry in 2009 was unchanged on the previous year, as was the number allocated to Calamari Fishing. The company owns five vessels equipped to pack and freeze high-quality *Loligo vulgaris* at sea during the season. Due to a protracted industry-wide strike lasting from August 2008 to April 2009 over the prime fishing period, catches were well down on those of financial 2008, namely, 395 tons (2008: 603 tons). Demand



OPERATING REPORT

and prices in the major markets in the EU were severely depressed following the global economic crisis and remained so with only some firmness evident towards year-end. Whilst fishing and overhead costs were controlled very closely, the company incurred a loss due to the low volumes and poor selling prices and relatively strong ZAR/EUR exchange rate in the second half of the year.

French fries

Subsidiary Lamberts Bay Foods Limited produces French fries at its Lambert's Bay factory, established in 1992. North of St Helena Bay it is the largest single employer in any coastal town in South Africa. With 274 employees the French fries factory employs more staff than

were previously employed in Oceana's fishing operations at Lambert's Bay. This confirms Oceana's commitment to alternative enterprise development in communities such as this on the west coast.

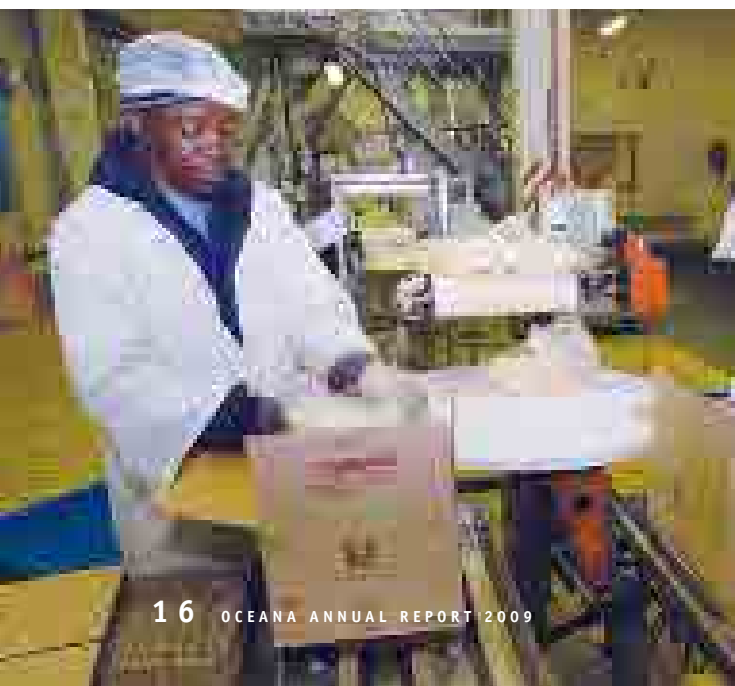
The plant performed well, operating three shifts per day, with good efficiencies. While costs within management's control were controlled closely, prices of potatoes during the year were significantly higher than in 2008 due to strong national demand and a 10% lower planting level, aggravated by frost damage across a wide part of the main growing area in the latter stages of the winter. Coal and electricity prices increased appreciably. Production and sales volumes were lower than those of 2008. The ability to recover cost increases in selling prices was limited by the effect of the depressed economy on demand, resulting in lower margins and profit. The business has a good spread of customers in the quick service restaurant, wholesale and retail sectors and is well placed to show a recovery in 2010.

COMMERCIAL COLD STORAGE (CCS)

Longer product dwell times and higher export volumes of steri-fruit lifted revenue, with results ahead of those of last year.

The public refrigerated warehousing industry continued to be very competitive during the year, especially as some major users experienced unusual pressure on their businesses. Users include producers of foodstuffs, importers, exporters, traders, wholesalers and retailers, who have or utilise varying volumes of space and combinations of facilities and service delivery, and are keenly sensitive to rates. CCS was able to maintain its pre-eminent position in the South African and Namibian commercial sector mainly due to factors which include:

- Eight stores located in key areas of business and economic activity, of which one is in Gauteng and three are at quaysides, namely, Maydon Wharf Fruit Terminal (MFT) in Durban, CCS Duncan Dock in Cape Town and CCS Walvis Bay
- Substantial storage and handling capacity, thus able to offer adequate space to large-scale operators in the food industry. Total storage space is currently about 105 000 pallets, following the commissioning of an additional 5 000 pallet spaces at CCS City Deep in December 2008
- All stores are constructed to a high standard and maintained in first-class condition, using modern technology (eg freezing plant, mobile racking for frozen product and advanced information systems)
- Operations are conducted with attention to compliance with laws, regulations, and operating protocols as well as compliance with voluntary standards where appropriate; eg ISO 9001:2008; EU; HACCP; JPQ steri-fruit-handling protocol; MCM fish processing establishment; customs bond store requirements
- Attention to reliably servicing the needs of a diverse range of customers' needs and market conditions
- An equitable rates/pricing approach matching quality of service with the most cost-effective storage and handling option for customers



Average occupancy of frozen product in 2009 was 78% of available space (2008: 83%), due to reduced frozen imports. Handling activity was about 6% lower than in 2008.

Total fruit volumes handled through all facilities were 19% lower than in 2008. Volumes through Cape Town (stone fruit, citrus, grapes) were significantly lower, as producers using the port switched increasingly to packing product into containers at source. CCS closed its fruit-handling service in Cape Town at year-end and converted the space to store frozen product. Steri-fruit volumes (citrus) through MFT were higher, with longer dwell times in the facility, in a combination of fruit sterilised and packed into containers and in break-bulk format loaded over the quayside into reefer carrier vessels. The volume of "commercial" fruit for export in containers through Maydon Wharf was lower, due to a late start to the citrus season and reduced demand from international markets.

All facilities operated efficiently. Operating costs were well contained in most areas, with two exceptions being electricity and quayside property rentals. The process of converting lighting in all stores to low-energy units was completed at most sites. Voltage smoothing devices are being tested at selected sites, with one such unit installed at CCS Paarden Eiland (consumption savings of 9% are anticipated on the kilowatt-hour usage).

Room E at the Epping facility was re-commissioned in May, 10 months after the fire last year. Financial losses to the company resulting from the fire were covered by business interruption and asset insurance payouts.

Operating margins were maintained at the same level recorded last year, and the profit increase was pleasing.

Stevedoring services offered at Duncan Dock in Cape Town reported an increase in operating profit compared to the prior year, attributed mainly to increased fish-handling activity.

CCS continues to monitor opportunities to develop its business in the broader southern African region.

BLUE ATLANTIC TRADING

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. Challenging trading conditions occasioned by the economic downturn and volatile ZAR/USD exchange rate impacted negatively on volumes and margins. The business has a diversified customer base of food service operations, distributors, wholesalers and retailers in major urban centres in South Africa and is well placed to benefit from an improvement in consumer sentiment and expenditure and increased tourism revenue next year.

CONCLUSION

Oceana enters 2010 in a sound financial condition. Its businesses are well equipped in terms of assets, skills and experience for the challenges and opportunities that lie ahead. Being a low-cost and efficient operator are important factors when leveraging off increasing

volumes. The ability to increase prices to offset increases in costs of an enduring nature is limited by competition and consumer choice. Achievement of improved efficiencies and production yields will continue to receive close attention as will the management of major cost items. Increased local employment costs must be accompanied by measurable improvements in output and efficiency, and motivations for capital expenditure include quantification of the same objective.

Demand for canned pilchard products is expected to remain firm in 2010. Under the Lucky Star label Oceana Brands is determined to continue to be the leading supplier of canned pilchards to the market in South Africa and other selected regions in Africa, and will pursue opportunities in canned tuna and pet food.

Supplies of fishmeal to international markets in 2010 are expected to be insufficient to satisfy demand. The current condition of the anchovy biomass in South Africa allows for optimism as to the mass of next year's TAC. Assuming the fish is available and the weather is less intrusive on fishing effort than in 2009, landings and sales volumes in 2010 should be ahead of the past year.

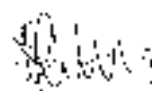
The main conditions for another good performance in horse mackerel are in place. The biomass in South Africa and Namibia appears to be sound. Upgrading of on-board freezing technology in 2009 has resulted in enhanced product quality which has been well received in the market. Being a low-cost, high-volume producer will continue to be a priority, to retain the competitive edge which Oceana's products have in major African markets.

Hake fishing conditions appear favourable; however, markets will need to recover before improved results can be expected.

Economic conditions in China, currently the principal market for Oceana's lobster products, are expected to favour continued exports to that destination, at good prices. The profitability of the squid business will be heavily dependent on the pace of recovery in demand and prices in Spain and Italy. Demand for French fries in 2010 is expected to be good.

With its widespread, quality service base CCS is well placed to meet customers' demand, assuming signs of economic recovery result in increased output by food producers and increased volumes from importers and exporters.

Overall performance in 2010 will be affected by significant variables, including the achievement of forecast landings of fish both locally and by foreign suppliers, international commodity prices, foreign currency exchange rate movements and the resilience of customers and major trading partners in countering economic and financial challenges.



Francois Kuttel
Chief Executive Officer

12 November 2009

SUSTAINABILITY REPORT

INCLUSION IN THE JSE SRI INDEX

For the fifth consecutive year, Oceana was included on the JSE's Socially Responsible Investment (SRI) Index. Admission to and maintaining a listing is awarded to companies which fulfil certain criteria set by the JSE in relation to the triple bottom line, namely, economic, environment and social sustainability.

Oceana has performed exceptionally well in all these elements in working towards the group's defined key objectives: to position the company for long-term growth and viability; to utilise resources on a responsible basis; to maintain positive relationships with major stakeholders; and to promote social upliftment.

INTRODUCTION

Oceana has identified the individuals and organisations affected directly or indirectly by its activities as being mainly those included in the table below, which outlines their relationship with the group, their perceived expectations, and how the interaction is managed.

TABLE OF KEY STAKEHOLDERS

Stakeholder	Relationship with Oceana	Expectations of stakeholder	
<ul style="list-style-type: none"> Shareholders, current and prospective (analysed on page 90) 	<ul style="list-style-type: none"> Owners and providers of capital 	<ul style="list-style-type: none"> Security of investment Optimal earnings and distributions Ethical operations on a sustainable basis, with long-term real growth in performance 	
<ul style="list-style-type: none"> Customers and consumers, including individuals, retailers, wholesalers, importers, exporters, restaurants, makers of food products, balanced-feed manufacturers, pet owners 	<ul style="list-style-type: none"> Human consumers of finished food products (including Lucky Star canned fish), horse mackerel, hake, lobster, squid; buyers of fishmeal and fish oil for balanced animal feeds Owners of pets fed on Lucky Pet products Cold storage and stevedoring 	<ul style="list-style-type: none"> Ethical products and services in terms of safety, quality, origin of ingredients, grading, consistency, reliability Competitive prices, continuity in supply, product information 	
<ul style="list-style-type: none"> Suppliers of goods and services, including vessels and gear, fish and fish products, plant and machinery, ingredients, cans and packaging, transport, banks, suppliers of financial and advisory services, independent contractors 	<ul style="list-style-type: none"> Purchaser of goods and services from them 	<ul style="list-style-type: none"> Integrity in business relationship Continuity of positive business relationship Commitment to and progress in furthering B-BBEE procurement 	
<ul style="list-style-type: none"> Employees <ul style="list-style-type: none"> 1 351 permanent 669 (full-time equivalent) seasonal 	<ul style="list-style-type: none"> Employment and service agreements 	<ul style="list-style-type: none"> Safe, healthy and congenial working conditions Market-related terms of employment and remuneration Job security, satisfaction and recognition Opportunities for skills acquisition, career development and empowerment Staff benefits, superannuation funds, health awareness, life skills 	
<ul style="list-style-type: none"> Local communities, particularly in west coast towns, eg Walvis Bay, Lambert's Bay, St Helena Bay, Hout Bay Other operators in same sector of fishing industry in South Africa and Namibia 	<ul style="list-style-type: none"> Significant dependence on presence and performance of Oceana activities Impact on local environment and resources of Oceana activities 	<ul style="list-style-type: none"> Operations will be conducted in a safe and lawful manner Management will be attentive in identifying and responding to issues of legitimate local concern Consultation with local community 	
<ul style="list-style-type: none"> Regulators, including MCM, JSE, NSX, NRCS, SAMSA, SARB Accreditation by ISO 9001-2008, EU, HACCP, JPQ, FDA, MSC, Beth Din, Halaal, Heart and Stroke Foundation, Diabetes SA 	<ul style="list-style-type: none"> Obligation or election to comply with laws and rules 	<ul style="list-style-type: none"> Full compliance with laws and rules of regulator or accreditor 	
<ul style="list-style-type: none"> Media 	<ul style="list-style-type: none"> Reporting on group activities and performance 	<ul style="list-style-type: none"> Receipt of quality information of interest to stakeholders and general public Integrity and promptness in responding to queries and controversy 	
<ul style="list-style-type: none"> State, provinces, local authorities <ul style="list-style-type: none"> Company taxation to central and local government was R 138,9 million Total rates paid to local authorities for 2009 was R5,7 million 	<ul style="list-style-type: none"> Law makers Monitors of compliance with their laws and regulations Receivers of taxes, levies, rates 	<ul style="list-style-type: none"> Compliance with laws, submission of returns, payment of taxes Consultation and communication on issues of public interest and concern Generator of employment 	
<ul style="list-style-type: none"> Trade unions including South Africa FAWU, TALFU, NCFAWU, STEMCWU Namibia NAFU, NATAWU, NASAWU 	<ul style="list-style-type: none"> Represents groups of employees in negotiating employment terms 	<ul style="list-style-type: none"> Willingness to negotiate 	
<ul style="list-style-type: none"> Environment <ul style="list-style-type: none"> Society's desire for clean, safe, sustainable planet 	<ul style="list-style-type: none"> Business activity as it affects or is affected by the natural environment 	<ul style="list-style-type: none"> Environmental awareness and responsibility in interactive process with the natural world and usage of resources 	



	How managed by Oceana
	<ul style="list-style-type: none"> • Strong board leadership • Good corporate governance • Quality reporting via SENS, website, hard copy and presentations
	<ul style="list-style-type: none"> • Integrity, implementation, monitoring of fishing, manufacturing, distribution and sales policies and procedures • Compliance with laws, regulatory protocols (MCM, Inspectorate Division of Ministry of Fisheries and Marine Resources (Namibia), NRCS, MSC, ISO, SAMSA) • Enterprise-wide risk identification and management system • Independent audit and checking of processes and quality; market and customer surveys; group and divisional websites with product information, contact us and helpline numbers • Prompt attention to and follow-up of enquiries and complaints • Regular direct contact with major customers, locally and abroad
	<ul style="list-style-type: none"> • Group-wide Code of Business Conduct and Ethics, with supplementary policies • Qualified and experienced management with appropriate skills to negotiate, conclude and manage contracts and relationships • Achieving B-BBEE procurement targets • Regular direct communication with major suppliers • Formal procedures in place for handling of queries and complaints • Preference for expeditious and practical dispute resolution
	<ul style="list-style-type: none"> • Oceana Group Code of Business Conduct and Ethics, and board-approved Employment Policy and B-BBEE targets • Compliance with employment legislation and B-BBEE codes • Skills training and development • HIV/AIDS awareness and well-being initiatives • Regular reporting to board on progress in achieving B-BBEE targets • Formal employer/employee consultative forums and grievance procedures in place • Disciplinary procedures for, inter alia, contravening terms of Code and group policies • Reporting through staff associations and <i>Oceana Tidings</i>
	<ul style="list-style-type: none"> • Consultation and communication with local community through formal and informal processes • Responding to media interest and enquiries, to facilitate wider communication • Prompt attention to dispute resolution
	<ul style="list-style-type: none"> • Clear designation and appointment of executive and management responsibility for ensuring compliance • Continuing training and education of those tasked with ensuring compliance • Implementation of internal formal compliance and reporting procedures, to board level where appropriate • Immediate response to and resolution of queries or instances of non-compliance • Independent audit, checking and verification in critical areas • Meeting with representatives of regulators, submitting prescribed returns, participation in industry technical working groups
	<ul style="list-style-type: none"> • Terms of the Oceana Group Code of Business Conduct and Ethics • Compliance with JSE and NSX reporting rules • Informative, updated websites including JSE SENS announcements • Invitation to media to attend events, press releases • Development of positive relationships with media representatives
	<ul style="list-style-type: none"> • Terms of Code of Business Conduct and Ethics • Formal policies and operating procedures, with audits, to facilitate compliance • Improving skills and ability of employees to secure compliance • Prompt response in instances of non-compliance • Disciplinary action for non-compliance • Reporting at senior management and board level on non-compliance and/or penalties
	<ul style="list-style-type: none"> • Recognition agreements • Wages and conditions negotiated via industry bodies and/or relevant unions at plant level • Regular communication through employee forums • Discipline and grievance procedures
	<ul style="list-style-type: none"> • Adoption of formal policy, strategies and management to achieve policy and targets; transparent and informative reporting



Pilchard (*Sardinops sagax*)

SUSTAINABLE FISHERIES

It is self-evident that the availability on a sustainable basis of the marine species harvested by Oceana is fundamental for continuity of the business, good performance and delivery to stakeholders. Management has always maintained a close interest in the body of knowledge and research concerning marine resources and reasons for the changes in the biomass and availability of species. Equally important is the management of them, in particular determination of the total allowable catches (TACs) and the process of allocating quotas. The success of these processes depends on the availability of reliable factual data and honesty of purpose in deliberation and decision making.

Consultation and communication with Marine and Coastal Management (MCM), Ministry of Fisheries and Marine Resources (Namibia), universities and industrial technical working groups enable Oceana to contribute to and benefit from a wide source of knowledge and experience, supplemented by reference to published material concerning marine life and factors affecting it.

Current independent research, data and conclusions concerning the status of species of interest to Oceana is summarised below:

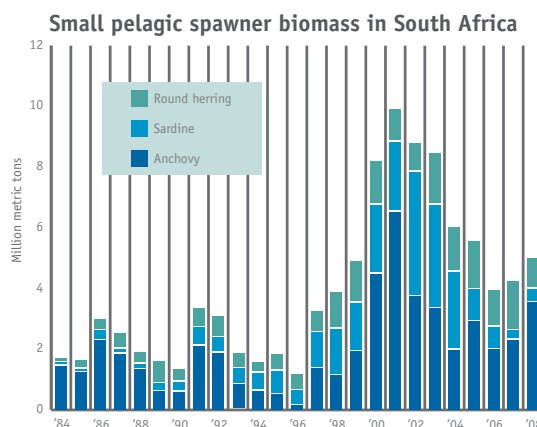
SMALL PELAGIC FISH IN THE SOUTHERN AFRICAN FISHERIES

Acknowledgement: Thanks are extended to Marine and Coastal Management (South Africa) and the Ministry of Fisheries and Marine Resources (Namibia) for providing the data for the graphs.

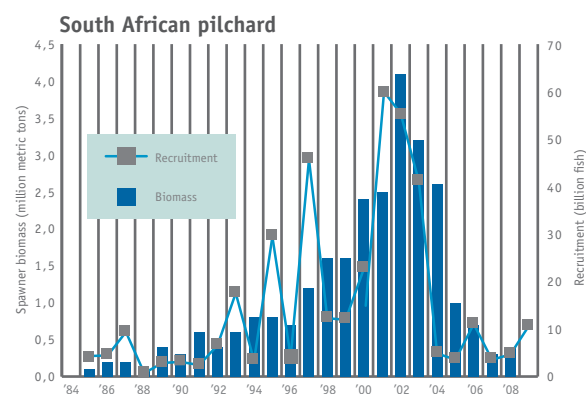
Small pelagic fish are vital components in marine ecosystems as they provide the conduit for the transfer of energy from the planktonic states to the higher trophic levels and consequently they are carefully managed in commercial fisheries where they exist. Generally they are short-lived species that exhibit large natural fluctuations in abundance. Where they do exist, however, they do so in large numbers and this, together with the surface shoaling behaviour of the fish, forms the basis of important commercial purse seine fisheries.

In South Africa and Namibia the target species are pilchard (also known as sardine), anchovy and round herring. The spawner biomass of

these species in South Africa over the last 10 years has remained at healthy levels and is currently in excess of 5,3 million metric tons.

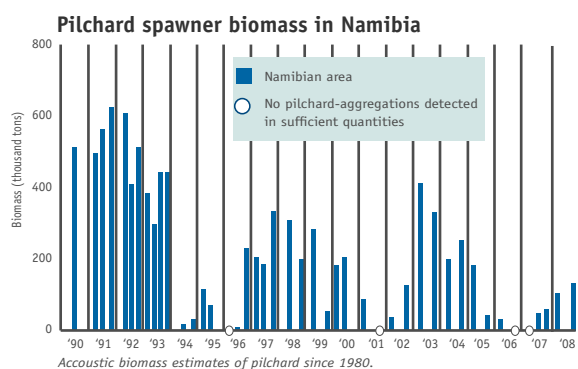


In southern Africa the bulk of the pilchard landings are directed to the canning factories. In South Africa the primary control measure for pilchard is the monitoring of catches against quota rights within a TAC. Operational management procedures (OMPs) are used to manage the resource. The OMPs have a defined set of rules and, to a large extent, fishery independent estimates of fish abundance established from scientific acoustic surveys are plugged into formulas to determine the sustainable TAC.

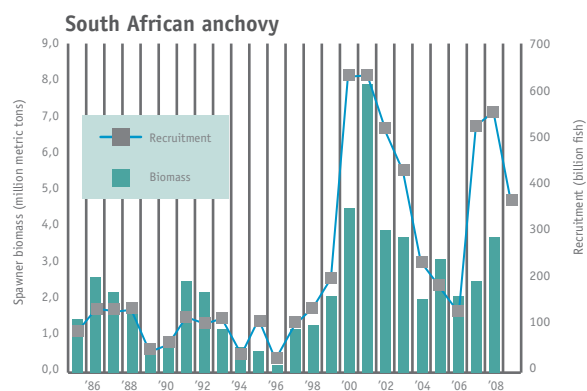


Whilst the latest available data still indicates relatively low levels, the growth trend is positive.

In Namibia the pilchard fishery is also a rights-based fishery and annual TACs are set using survey data providing information on biomass estimates, recruitment and other biological characteristics of the stock. The stock in Namibia is still in a recovery phase and, similar to the situation in the southern Benguela system, the trend is positive.



Anchovy is landed predominantly in the winter months on the west coast of South Africa and is reduced to fishmeal and fish oil.



The survey results of anchovy abundance and recruitment strength indicate that the resource continues to be in a healthy state.

HORSE MACKEREL IN THE SOUTH AFRICAN AND NAMIBIAN FISHERIES

Prepared by Dave Japp: CapFish and Fisheries and Oceanographic Support Services (FOSS) cc: August 2009

Horse mackerel belong to the family Carangidae, and are abundant and widespread throughout the world's oceans. There is a single stock in southern African (*Trachurus capensis*) extending from the Agulhas current ecosystem into the Benguela ecosystem as far north as the Namibia-Angola boundary. Adult fish are found mainly near the continental shelf break where they are targeted by the midwater trawl fleets in South Africa and Namibia. Juveniles, on the other hand, occur inshore where they are also harvested by the purse seine fisheries in both Namibia and South Africa. In the Benguela system the purse seine fleets in Namibia and South Africa catch juvenile horse mackerel as a by-catch when targeting sardine and anchovy. In South Africa and Namibia adult horse mackerel are taken as a by-catch by the hake trawl fleets. They are also targeted by a midwater trawl fleet in Namibia and on the south coast in South Africa.

Stock status and the ecosystem approach to fisheries

Both Namibia and South Africa have committed to adopting the ecosystem approach to fisheries. Horse mackerel is an important transboundary resource and is one of the primary species considered for research and management by the newly established Benguela Current Commission (BCC). In South Africa resource managers have adopted a conservative approach and only permit targeted exploitation of the adult stock on the southeast coast as it is thought that the juveniles on the west coast provide the recruitment for this stock. The 2009 biomass estimates (Fairweather, 2009) for the South African resource suggest the South African part of the stock remains stable (Figure 1 on page 22). In 2009 the precautionary maximum catch limit (PMCL) of 44 000 tons for adults and a 5 000 tons catch limit of juveniles on the west coast has been retained.





Horse mackerel (*Trachurus capensis*)

In Namibia the state of the horse mackerel stock is less clear. Fishery-independent data from research surveys and fishery-dependent data from commercial sampling and monitoring are used to assess the horse mackerel resource. The annual assessment of the Namibian fishery uses a fleet-disaggregated age-structured production model from which a combined TAC is set for the horse mackerel resource with apportionment between the pelagic and midwater fisheries. The stock biomass was estimated to be at 33% of the 1990 level with an estimated maximum sustainable yield of between 250 000 and 300 000 tons (2006 estimates – no more recent estimates given). Namibian landings of horse mackerel were 255 000 tons and 210 000 tons in 2007 and 2008 respectively. Of these landings, 29 000 tons and 10 000 tons respectively were caught in the pelagic sector (C. Kirchner, NatMirc. pers com.). Total landings of horse mackerel in Namibia is given in Figure 2.

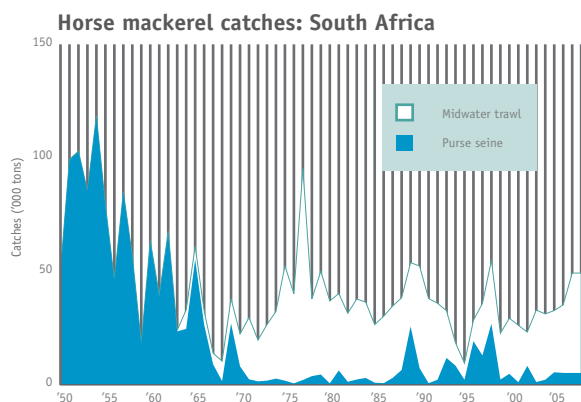


Figure 1. Historical commercial catches in South Africa
Reference: Fairweather, T. 2009 – Abundance estimates and raised length frequencies for pelagic species. Pelagic Working Group Document (Unpub.) MCM/2009/JUN/SWG-PEL/21.

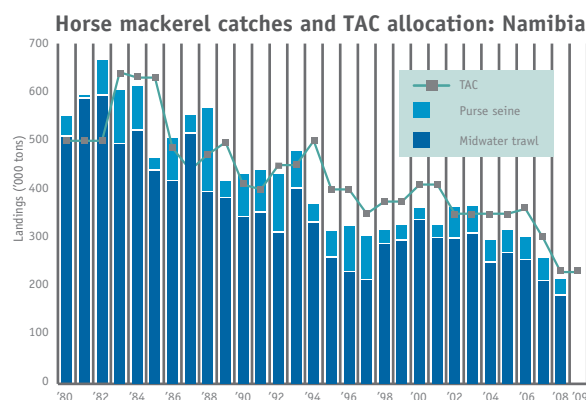


Figure 2. The total Namibian midwater trawl and purse seine landings and TAC allocation for 1980 – 2008*.

* (Preliminary data) Note: 2009 data not available

Reference: 2008 Namibian State of Stocks review

WEST AND SOUTH COAST ROCK LOBSTER RESOURCES

Report on the status, total allowable catch and prospects
Compiled by Mike Bergh of OLRAC (Ocean and Land Resource Assessment Consultants) for Oceana: August 2009

WEST COAST ROCK LOBSTER

The management of the resource is via a TAC-setting formula, or OMP, which is based on information for five so-called 'super areas'. The five super areas are: Areas 1 and 2 (Port Nolloth and Hondeklipbaai); Areas 3 and 4 (Lambert's Bay and Elandsbaai); Areas 5 and 6 (Saldanha Bay area); Area 7 (Dassen Island); and Area 8 (Cape Point). Key indicators on the health of the stock in each of these super areas are the commercial catch per unit effort (CPUE), separately for hoopnet and trap fishing, the fisheries independent monitoring survey (FIMS) index, and the somatic growth rates. The super area information is combined into resource-wide indices in order to calculate the global TAC (which is then divided up by a pre-agreed formula for allocation to super areas). The resource-wide indices show the following trends over the last two years:



- Trap CPUE – a slight increase in 2008/09 compared to 2007/08 (~ 4%)
- Hoopnet CPUE – an increase in 2008/09 compared to 2007/08 of 20 – 25%
- Somatic growth – a sharp increase in 2008/09 (~ 1,37 mm per annum)
- FIMS – the level in 2008/09 is very similar to its level in 2007/08

The decline in lobster growth rates seen in the moult of circa November 2007 has been followed by a sharp increase in the moult centred on November 2008, as noted above.

OLRAC's application of the publicly known OMP formula to the available data leads to a forecast of an increase in the global TAC for the 2009/10 season (estimate increase of 3,1%).

The main reason for the projected increase in the global TAC has been the positive result for somatic growth rates for male lobsters.

SOUTH COAST ROCK LOBSTER

The south coast resource is presently assessed by two models which produce somewhat conflicting results. Both these models incorporate the following new features:

- Time-varying selectivities
- Treatment of the resource in a spatially disaggregated manner, in three newly defined areas

The status of the resource using these methods is assessed to lie between 34% and 57% of pristine. There is thus no immediate biological concern about the size of the resource in relation to pristine. However, there is a concern in some quarters that the resource biomass has declined over the last eight years, as indicated by the stock assessment results. This result is largely a reflection, via the mathematical models, of a decline in the CPUE over the last few years, particularly a sharp decline between the 2005/06 and 2006/07 fishing seasons.

The annual catch is also estimated to represent a substantial proportion of the exploitable biomass (~ 20% – 30%). As a result, the resource biomass is likely to be quite sensitive to errors in the determination of the sustainable catch level.

This is the second year that a TAC-setting formula has been applied in the management of the resource. Known as an OMP, this formula sets the TAC on the basis of trends in the CPUE over the last five years. A feature of the particular formula adopted for the 2008/09 and 2009/10 TACs is that it is designed to result in a 20% increase in the resource biomass over the next 20 years. In addition, following close consultation with the industry, the formula puts a 5% cap on the extent to which the TAC can change from one year to the next. The sharp decline in the CPUE in the 2006/07 fishing season has been followed by a moderate increase in the 2007/08 CPUE index relative to 2006/07, in all areas. Nevertheless, application of the TAC-setting formula suggests that the moderate reversal of declines



West coast lobster (*Jasus lalandii*)

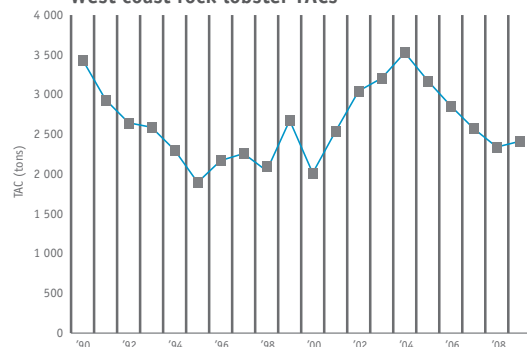
in the CPUE are not enough to reverse declines in the TAC. The OLRAC projection for the TAC for the 2009/10 fishing season is for a further 5% reduction down to a level of 345 tons tail weight.

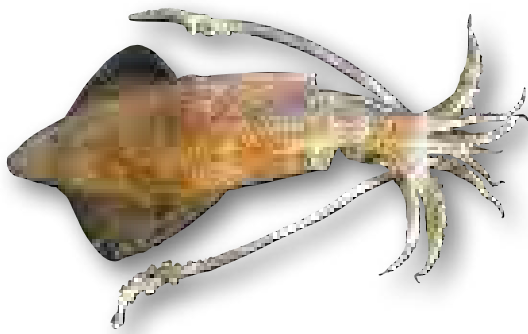
A further new feature of the management of the resource is modification of the total allowable effort (TAE), previously expressed in terms of sea days. A change to the determination of the TAE was recommended for the 2008/09 fishing season and beyond. The TAE was previously based on the sea day concept. The new method replaces the sea day concept by a fishing day concept. This method puts operators running short and long trips on an equal footing. It retains the TAE as a secondary control, but allows some flexibility so that operators are not needlessly prevented from landing the TAC. The TAE formula suggests that the number of fishing days that will be allocated per kilogram of quota for the 2009/10 fishing season will increase by about 7%. However, in view of the 5% reduction in the TAC, the total number of fishing days that will be allocated will only increase by 2%.

South coast rock lobster TACs



West coast rock lobster TACs





Squid (*Loligo vulgaris reynaudii*)

SQUID JIGGING INDUSTRY

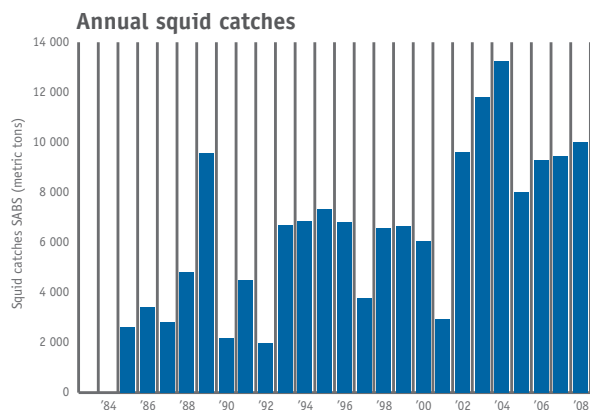
Compiled by Mike Bergh of OLRAC (Ocean and Land Resource Assessment Consultants) for Oceana: August 2009

The squid (*Loligo vulgaris reynaudii*) jigging industry is regulated by a TAE. The TAE consists of a maximum number of persons on board a vessel for which permits are issued and the catching season that runs from 23 November to 18 October the following year. The season is broken up by three closed periods of a total of 12 weeks. Currently there are a fixed number of 2 423 permits issued.

This last year has seen extensive revision of the data underlying the management of the resource. Numerous inconsistencies have been detected between company catch records submitted for the long-term rights allocation process, and the records that MCM produces for scientific calculations. In addition there are very substantial differences in the number of fishing days per vessel, industry records compared with MCM records. This is despite significant efforts to improve the data recording process via the replacement of the 'blue books' by the new 'yellow books'. The number of fishing days per vessel is a critical input into discussions of closed seasons which was based on a desire to curtail latent effort in the fishery. MCM estimates of fishing days per vessel have been in the order of

130 days per vessel, indicating a latent fishing effort of almost 100% of what is actually expended, and hence the additional closed seasons included in the 2008 season. Industry has maintained their argument that vessels are fishing the maximum amount of days that the weather will permit and therefore there is limited latent effort.

Given the investigation into the data discrepancies it seems unlikely that additional closed seasons will be proposed for 2010.



The integrity and soundness
of the biomass of fish species
is essential for sustained
fishing by Oceana and
the industry.



THE MANAGEMENT AND SUSTAINABILITY OF THE SOUTH AFRICAN HAKE FISHERY

Prepared by Dave Japp: CapFish and Fisheries and Oceanographic Support Services (FOSS) cc: August 2009

In 2009, both input (effort) and output (TAC) controls were applied to the management of the hake (*Merluccius spp*) fishery in South Africa. As in 2008, the assessment of the hake stocks separated the two species using as the basis for the split an algorithm of the depth distribution of the two species and the depths of the reported commercial catches (Figure 1). The deep-water hake (*M. paradoxus*) remains the mainstay of the hake trawl fishery although a relatively greater proportion of the longline and handline catches comprise the shallow-water hake (*M. capensis*).

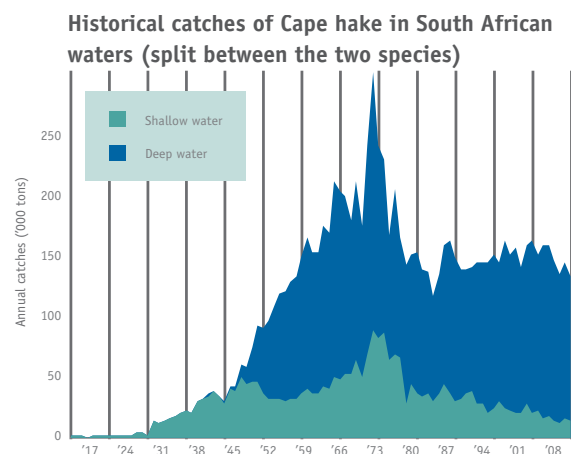


Figure 1. Annual catches for South African (west and south coast combined) hake for the period 1917 – 2008

The TAC for the two species combined was decreased further in 2009 to 118 500 tons. This was a lower reduction than anticipated in the 2008 OMP with an apparent improvement in the state of the deep-water hake.

The most recent baseline stock assessment (Rademeyer & Butterworth, 2008), however, still suggests that the deep-water hake spawner biomass remains at a relatively low level. *M. paradoxus* stock is estimated to be at about 19% of pristine stock size (K) and shallow-water hake (*M. capensis*) is in a somewhat healthier state at about 60% of pristine stock size (Figure 2).

The South African Deep Sea Trawling Industry Association (SADSTIA) is in process of applying for re-certification of the Marine Stewardship Council (MSC) hake trawl certificate. In fulfilment of one of the conditions of certification the deep-sea hake industry commissioned research to effectively identify historical and existing trawling grounds. This 'ringfencing' aims at limiting the expansion of trawling and reducing the impact of trawl gear on sea bottom substrates (Figure 3).

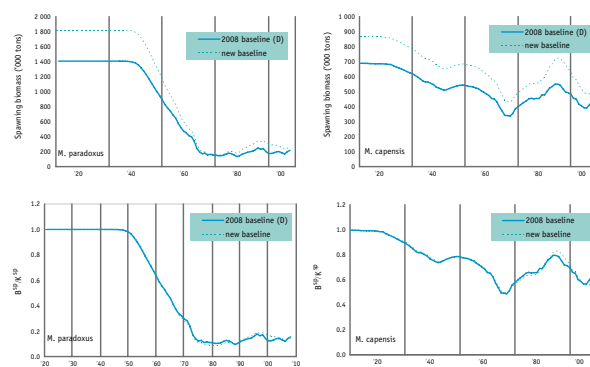


Figure 2. *M. paradoxus* and *M. capensis* spawning biomass trajectories for the 2008 baseline and proposed new baseline assessments (After Rademeyer & Butterworth, 2008)

Reference:

Rademeyer, R.A. & D.S. Butterworth. 2008 – Development of a new Baseline Assessment for the South African Hake Resource, incorporating catch-at-length information. MCM/2008/ OCT/ SWGDEM/60 (Marine Resource Assessment and Management Group, Department of Mathematics and Applied Mathematics, University of Cape Town, Rondebosch 7701, South Africa).

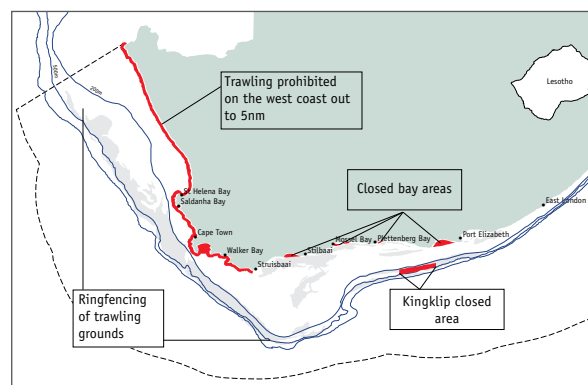
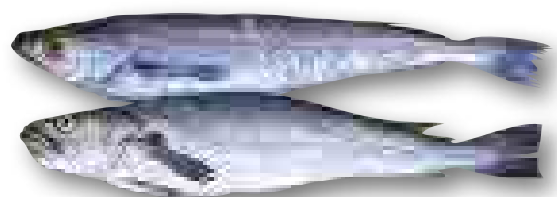


Figure 3. Ringfencing of hake trawl grounds being implemented by SADSTIA in fulfilment of MSC conditions (Note: existing areas closed to trawling are also shown)

('Ringfencing' referred to is not yet implemented and is expected to be official/finalised by December 2009.)



Cape hake (*Merluccius paradoxus*)

ENVIRONMENTAL RESPONSIBILITY

Oceana has a comprehensive and holistic approach to environmental responsibility in all its business activities, of whatever nature and wherever situated, in terms of policy and strategy, management and performance, and reporting.

POLICY AND STRATEGY

The group's Environmental Policy, approved by the board and reviewed annually, is available to the public and published on the website. Strategy to give effect to the policy is reviewed and updated regularly, at executive and senior management level. The CEO is responsible at board level for implementation of the policy, while divisional managing directors are responsible at operating level. Policy and strategy are outlined in the table below.

Policy	Strategy
Utilise natural resources in a sustainable, efficient and environmentally responsible manner	Develop knowledge of and training in new technology, recycling, global warming effects, and best practices Progressive, affordable upgrading of vessels, plant and equipment and operating systems Implement improvement targets on usage of resources and KPIs; monitoring and reporting on progress/achievement
Achieve compliance with laws, best practices and standards in business operations	Institution of best practices and training for all employees on law and practice in all operations Develop knowledge of best practices and improvement in other fisheries and relevant processes Independent monitoring, audits, risk reviews to enhance process of achieving compliance
Contribute to research and knowledge on resource usage and effects, in fishing; broaden environmental knowledge	Participation in data capture, research with MCM, universities, technical working groups, seminars and workshops Assist conservation groups, eg SANCCOB Subsidise educational initiatives, eg visits to aquariums Training of employees Public reporting of performance and data research; reports in in-house magazine <i>Oceana Tidings</i>
Assist upgrading of and improvement to operating environment	Approve and implement policies and operating procedures to keep ocean and workplaces clean and safe Focused training for skippers and crew on marine environmental responsibility Participation in community interventions for cleaning coastal areas, tree planting, water conservation
Comply with procedures to prevent significant pollution or degradation	Frame operating procedures towards this objective, including waste stream management Establish procedures, train and equip formal reaction units to react to spills, leaks and accidents, with restoration Progressive migration to improved technology in processing plants



COMMUNICATION AND TRAINING

The group's Environmental 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 (eg to new employees in induction programmes), initiatives and competitions amongst employees, resulting in the establishment of environmental awareness and improvement groups at operating level.

During the year training, which included environmental issues, was arranged for sea-going personnel, factory and cold store workers, clerical and administration staff and management. Compliance with the Environmental Policy, along with Oceana's other formal policies, is a condition of employment, with the possible consequence of disciplinary proceedings for non-compliance.

MANAGEMENT AND PERFORMANCE

Factors and conditions of the natural environment impact on Oceana, as Oceana's activities do or can impact on the environment.

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

Biomass of fish species	– variations due to natural causes, impacting on total allowable catches (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, 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	<ul style="list-style-type: none"> – 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 – emissions into the atmosphere from vessel engine exhausts – land pollution during offloading of catches and conveyance to factory for processing
Processing	<ul style="list-style-type: none"> – utilisation of renewable (fish, vegetable ingredients, water) and non-renewable (electricity, hydrocarbons, cans, packaging) resources – pollution of land, sea and air from waste disposal, leakages, emissions, including greenhouse gas (GHG)
Storing of fish products, ingredients	<ul style="list-style-type: none"> – 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
Product consumption/disposal	<ul style="list-style-type: none"> – clean-up operations – disposal of waste and packaging (plastics and metal)



Oceana CEO Francois Kuttel said he was delighted to pledge support for the Responsible Fisheries Alliance through Oceana's membership of WWF South Africa.

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

The impact of industrial fishing on each species and marine life is managed by a comprehensive process of regulatory control, industry involvement and engagement, and company-specific (in Oceana's case) management procedures. Catch controls are set by the Minister of Water and Environmental Affairs after scientific surveys and study of the biomass and consultation with major stakeholders.

Oceana is involved directly and indirectly through industry organisations in interacting with MCM concerning management and sustainable use of fish and the marine habitat. The industrial or commercial part of the allowable catch 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 cellphone technology; and landing all catches only at discharge sites specified in permits. Independent monitors, appointed by MCM, must be present during offloading, to check mass, species mix and size, presence of by-catch, etc. 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, or on threatened or endemic species of flora and fauna.

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.

RESPONSIBLE FISHERIES ALLIANCE (RFA)

The World Wide Fund for Nature (WWF) in South Africa, together with four major fishing industry players, namely, Oceana Group Limited, Irvin & Johnson Limited, Sea Harvest Corporation Limited and Viking Fishing Group, launched the RFA on 2 September 2009. This is the first alliance of its kind in the history of South African marine conservation. The alliance is a bid to achieve the common goal of ensuring that all stakeholders understand and support the implementation of an ecosystem approach to fisheries management in South Africa's fisheries.

ENVIRONMENTAL MANAGEMENT SYSTEM

Oceana manages environmental impacts through its CEO, who has ultimate responsibility to the board, the executive committee (exco) and an environmental committee, who engage with divisional management to facilitate implementation and management of policy.

The primary objectives of the group's environmental committee, comprising senior operational management from Oceana's business divisions, are promoting understanding of environmental issues requiring attention, identifying disciplines where initiatives would make most impact, and making recommendations on strategies, targets, projects and efforts. It met six times during the year, paying major attention to climate change, GHG emissions, efficient use of non-renewable resources, water conservation, reduction of electricity usage in cold stores, and recycling. All operations are required to maintain up-to-date permits and licences. Management reviews these regularly. Assurance is obtained through periodic site and permit reviews/audits by professional consultants.

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 refuelling, handling spills of fuel and oil and cleaning of tanks, and garbage disposal. Professional and indemnity insurance cover for environmental damage is in place.

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.

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

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.

USE OF RESOURCES OVER THE LAST FINANCIAL YEAR

Use of energy varies annually from division to division depending on, for example, TAC and 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.

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.



DIRECT USAGE OF RESOURCES AND GHG EMISSIONS

* The data and conversion factors incorporated in the table below have been verified independently.

Type and measure		*2009		2008	
		Usage	CO ₂ emission (tons)	Usage	CO ₂ emission (tons)
Ammonia	(kg)	12 884		21 208	
Coal	(tons)	12 583	30 930	13 304	32 701
Petrol – company vehicles	(litres)	268 938	627	309 693	722
Diesel – marine gas oil	(litres)	7 835 733	20 917	8 441 058	22 532
Electricity	(kWh)	64 703 747	66 645	65 336 307	67 296
Freon	(kg)	16 745	30 308	22 064	39 936
Liquid petroleum gas	(kg)	43 883	66	52 132	78
International fuel oil	(litres)	22 743 775	68 004	19 063 857	57 001
Heavy fuel oil	(litres)	3 444 350	11 086	4 175 845	13 440
Potable water	(kilolitres)	708 274		781 704	
Total			228 583		233 706

MANAGEMENT OF WASTE STREAMS AND THEIR EFFECT

LIMITATION OF EMISSIONS

In terms of Oceana's Environmental Policy, factories and vessels are required to minimise usage of fossil fuels and emission 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.

Offloading of fish for the cannery and fishmeal uses recycled water (fresh and seawater). Fish and waste in the cannery is moved dry, instead of in water. Water for cooling in retorts is filtered and reused. Waste water 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 are returned to the boiler for reuse, and also in a waste vapour heat recovering system.

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

During the year under review there was one significant discharge of hydrocarbon material in the group. Some time during the night on 15 January 2009 an unknown person opened the heavy fuel oil (HFO) drain valve at the Hout Bay processing plant. By the time this discharge was detected some of the HFO had run into the stormwater system. The entire spillage was immediately cleaned up and the drain valve outlet modified to ensure that potential future spillages will be contained.





CO₂ emissions kg/unit volume of activity

	2009	2008
Oceana Brands	876	904
Blue Continent Products	2 254	3 204
Oceana Lobster, Squid and French Fries	646	650
Commercial Cold Storage	81	71
Total	3 857	4 829

There has been a 2,2% decrease in reported CO₂ emissions. The usage of these resources is recorded monthly and reported on at the monthly board meetings of each division. In addition, a normalised reduction (ie based on throughput volumes) target of 2,5% was also set for each division. These targets were recommended by the group environmental committee and were incorporated into the remuneration packages of each executive as part of their individual non-financial objectives. The group achieved a satisfactory normalised reduction in CO₂ emissions per unit volume of throughput compared to the previous year mainly as a result of excellent efficiencies achieved at Blue Continent Products.

REPORTING

Each of the four operating divisions maintains its own environmental risk register, with combined assurance and action plans, which form 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 procedure 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.

Independent environmental risk assessments were performed at the following sites during the year under review: Epping Cold Store, Oceana Brands (St Helena Bay), Ocean Brands (Hout Bay), Oceana Lobster, Squid and French Fries (Hout Bay) and Oceana Lobster, Squid and French Fries (Lambert's Bay).

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

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.



Group support for community development included a solar power project for a school in Namibia.

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.

During the year there were neither major instances of non-compliance with environmental regulations nor prosecutions or fines.

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, as far as reasonably possible, in the business activities of outside parties supplying fish, goods and services to group companies.

TRANSFORMATION

Oceana continues to see black economic empowerment (BEE) as both a social and a business imperative in South Africa.

As part of this commitment to the process of transformation, Oceana has implemented policies and procedures to successfully manage its BEE process and ensure all BEE targets are achieved.

The group has a significant empowerment shareholding and a transformation strategy aimed at addressing both the economic and social elements of empowerment as it relates to sustainability.

Focus areas are: skills development and employment equity at all levels, facilitating increasing levels of procurement of goods and services from exempted micro enterprises and qualifying micro enterprises and promoting the development of black- and women-owned enterprises.

The group's internal progress continues to be measured, based on the new Codes of Good Practice.

Oceana's internal assessment as at 30 September is indicated in the BEE scorecard (overleaf). During the year Empowerdex, an accredited rating agency, awarded a level four contributor status to Oceana having scored 68.96 as at 30 June.

Transformation committee

The primary role of the transformation committee is to monitor the group's transformation strategies, projects and efforts and report to the board on the transformation initiatives undertaken and the extent of progress made by management to address areas identified.

The committee consists of six members comprising two non-executive directors, one of whom is the independent chairperson of the committee, and four members from executive management. The committee met twice during the year to review progress on various transformation issues.

Oceana Group within the JSE food and beverages sector

Every year, the Financial Mail, in partnership with Empowerdex, conducts a "Top Empowerment Companies" survey measuring the BEE credentials of companies listed on the securities exchange operated by JSE Limited (the JSE).

Last year the group achieved a rating of seventh overall with a score of 70,93 – one of only a few companies in the fishing industry to be ranked as such.

More importantly, in terms of companies listed in the food and beverages sector of the JSE, Oceana Group was ranked second in this sector as the second most empowered JSE-listed group.

In terms of this year's (2008/09) assessment, Oceana has improved on its score, having scored 71,26.

PREFERENTIAL PROCUREMENT

The group has reviewed its policy on preferential procurement to be aligned with the final codes of good practice. The policy was adopted, committing the group, inter alia, to setting, monitoring, reporting and auditing compliance in terms of its empowerment targets.

Making BEE enterprises preferred suppliers has created opportunities for BEE suppliers to compete for the provision of goods or services to the group.

In the year under review, Oceana continued to make a significant contribution towards the achievement of the objectives of broad-based black economic empowerment (B-BBEE) policies and the transformation of the fishing industry.

Given the importance of preferential procurement as an element of B-BBEE, Oceana has assessed the B-BBEE ratings of all its suppliers and will be further improving its procedures to effectively manage preferential procurement. These systems have assisted the group with supplier accreditation and internal supplier verification processes.

Oceana has increased its focus on the change of spend significantly, which is reflected in the increased spend with BEE suppliers, as compared to 2008.

The group increased its spend with BEE suppliers to R1 042 million. A number of key suppliers improved their BEE credentials notably over the last year which impacted on the overall percentage.

The Oceana Group BEE scorecard reflects the current status as at 30 September 2009 in respect of all elements of the scorecard.

ENTERPRISE DEVELOPMENT

This is a key area in which Oceana contributes significantly to B-BBEE. Oceana embarked on a proactive strategy of entering into joint ventures (and other forms of alliances) with small, medium and micro enterprises (SMMEs) in the various commercial fishing sectors, as long ago as 2000, way ahead of the Codes of Good Practice being promulgated in February 2007.

The group currently has 13 joint ventures, which mostly involve vessel co-ownership agreements, and 77 processing, marketing and supply arrangements in the various sectors in which it operates.

Oceana continues to provide the following assistance to its partners:

- Assistance to SMMEs to acquire vessels or shares in vessels or shares in vessel-owning companies, thereby securing its access rights in the medium term

SUSTAINABILITY REPORT continued

BEE SCORECARD PROGRESS AS AT 30 SEPTEMBER 2009						
Element	Category	Indicator	Weighting points	Oceana points	Compliance targets	
OWNERSHIP	Voting rights	Exercisable voting rights in the enterprise in the hands of black people Exercisable voting rights in the enterprise in the hands of black women	3 2	3,0 0,0		25% + 1 vote 10%
Ownership of companies by black people	Economic interest	Economic interest of black people in the enterprise Economic interest of black women in the enterprise Economic interest of the following black natural people in the enterprise: <ul style="list-style-type: none">• black designated groups• black participants in employee ownership schemes• black beneficiaries of broad-based ownership schemes or• black participants in co-operatives	4 2 1	4,0 0,0 1,0		25% 10% 2,5%
Code 100	Realisation points	Ownership fulfilment Net value	1 7	0,0 7,0		No restrictions 25%
	Bonus points	Involvement in the ownership of the enterprise of black new entrants Involvement in the ownership of the enterprise of black participants: <ul style="list-style-type: none">• in employee ownership schemes• of broad-based ownership schemes or• in co-operatives	2 1	0,0 1,0		10% 10%
Total points = 20						
	Score			16,0		
MANAGEMENT CONTROL	Board participation	Exercisable voting rights of board members who are black adjusted using the adjusted recognition for gender	3	2,7		50%
Measures effective control by black people	Top management	Black executive directors adjusted using the adjusted recognition for gender Black senior top management adjusted using the adjusted recognition for gender Black other top management adjusted using the adjusted recognition for gender	2 3 2	2,0 2,3 1,0		50% 40% 40%
Code 200	Bonus points	Black independent non-executive board members	1			40%
Total points = 10						
	Score			8,1		
EMPLOYMENT EQUITY	Disabled	Black disabled employees as a percentage of all employees using the adjusted recognition for gender	2	0,0	2%	3%
Measures initiatives intended to achieve equity in the workplace	Senior	Black employees in senior management as a percentage of all such employees using the adjusted recognition for gender	5	0,0	43%	60%
Code 300	Middle	Black employees in middle management as a percentage of all such employees using the adjusted recognition for gender	4	2,3	63%	75%
Total points = 15	Junior	Black employees in junior management as a percentage of all such employees using the adjusted recognition for gender	4	3,3	68%	80%
	Bonus point	For meeting or exceeding the EAP ¹ targets in each category above	3	0,0		
	Score			5,6		
SKILLS DEVELOPMENT	Skills expenditure	Skills development expenditure on learning programmes for black employees as a percentage of leviabale amount using adjusted recognition for gender	6	3,1		3%
Measures extent to which employers develop the competencies of black employees	Learnerships	Skills development expenditure on learning programmes specified in the LPM ² for black employees with disabilities as a percentage of leviabale amount using adjusted recognition for gender	3	0,0		0,30%
Code 400		Number of black employees participating in learnerships or category B, C and D programmes as a percentage of total employees using the adjusted recognition for gender	6	1,1		5%
Total points = 15						
	Score			4,2		
PREFERENTIAL PROCUREMENT		B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	12	12,0	50%	70%
Measures the extent to which companies buy goods and services from BEE entities and black-owned entities		B-BBEE procurement spend from QSE ³ or EME ⁴ based on applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	3	3,0	10%	15%
		B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend: <ul style="list-style-type: none">• suppliers that are more than 50% black owned or• suppliers that are more than 30% black women owned	5	1,6 0,3	15%	20%
Total points = 20						
	Score			16,9		
ENTERPRISE DEVELOPMENT		Average annual value of all enterprise development contributions and sector-specific programmes made by the measured entity as a percentage of the target	15	15,0		3% of NPAT ⁶
Measures the extent to which companies carry out initiatives contributing to enterprise development						
Code 600						
Total points = 15						
	Score			15,0		
SOCIO-ECONOMIC DEVELOPMENT		Average annual value of all SED ⁵ contributions made by the measured entity as a percentage of the target	5	5,0		1% of NPAT ⁶
Measures the extent to which companies support socio-economic development						
Code 700						
Total points = 5						
	Score			5,0		
Overall score				70,7		

1 EAP – Economically active population

4 EME – Exempted micro enterprises

2 LPM – Learning programme matrix

5 SED – Socio-economic development

3 QSE – Qualifying small enterprises

6 NPAT – Net profit after tax



Enterprise development is a key area in which Oceana contributes to B-BBEE.

- Providing access to capital to facilitate this investment, with structured repayments linked to landing of product
- Concluding mutually beneficial joint-venture, vessel co-ownership or supply agreements, which ultimately ensure continuity of supply to the group's vessels and processing facilities

Joint-venture, co-ownership and supply agreements continue to require support in the form of informal business networking as well as financial and infrastructural support.

The various joint-venture arrangements result in the following:

- An ongoing skills transfer process. Assistance offered by Oceana includes contractual and legal advice, financial management, funding, business administration, vessel operations and vessel management.
- Joint-venture and/or supply arrangements are conducted according to good governance practices.
- Partners benefit from the sale of product marketed globally, taking advantage of marketing infrastructure established over many decades as well as benefit from value adding.
- Partners are exposed to industry developments and scientific knowledge of industry resources.
- Transparent reporting. Partners appreciate the consequences of all business risks.

HUMAN RESOURCES

The human resource (HR) function plays a key role in driving the values and business philosophy of the group, thereby enabling employees to use their unique talents towards achieving short-term 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.

HR PURPOSE

To provide the expertise and tools to enable the people management philosophy and strategy to be delivered and thereby positively impact the bottom line.

People management philosophy and principles:

- Executive management is committed to people management philosophy/principles and strategy.
- Employees need to understand how their role contributes to the organisation (meaningful work).
- All employees need to be equipped to do their jobs.
- There is corporate commitment to learning, growth and development of individuals.
- Everyone in the organisation is well informed.
- Oceana's working environment fosters healthy relationships.
- Policy is to recognise and reward employees in line with their performance and the market.
- Talent is attracted and retained (and a pipeline created) to deliver benefit to business strategies.
- Oceana acknowledges and responds to the reality of the social and economic environment within which it operates.
- Oceana seeks to anticipate, acknowledge and respond to external trends that impact on its people management practices.

The top people management priorities remain as:

- Leadership development
- Performance management
- Talent and skills pipeline
- Reward strategy
- Communication strategy

These priorities continue to drive the strategies and actions within both the central and site-based HR teams and will continue to do so.

HEADCOUNT

The headcount at the end of September indicated 1 351 permanent employees and 669 (full-time equivalent) seasonal employees. There were no rationalisation projects resulting in retrenchments during the period under review.

HUMAN RIGHTS

As a responsible employer, Oceana adheres to all labour legislation relevant to the countries in which it operates. In South Africa this includes the Constitution, Labour Relations, Employment Equity, Skills Development Act and Levies, Basic Conditions of Employment, Occupational Health and Safety acts. Accordingly, Oceana's policy is that:

- no child labour be permitted;
- no forced and compulsory labour be permitted;
- employees be educated on human rights as contained in the above legislation.

No litigation pertaining to discrimination, anti-union practices or alleged human rights violations occurred during the year under review.

INDUSTRIAL RELATIONS

Various unions have recognition agreements with different companies in the group. Relationships with these unions were 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

NATAWU – Namibia Transport and Allied Workers Union

NASAWU – Namibia Seamen and Allied Workers Union

Fifty four percent (2008: 58%) 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 the squid industry there is a statutory council and Calamari Fishing (Pty) Ltd is an active member of the Employers Organisation for the Cephalopod and Associated Fisheries which is the squid industry employers' association and is involved in this council. In other parts of the group there are negotiations with the relevant union at plant level.

A strike in the squid industry, which commenced prior to the reporting period and lasted eight months, cost the business R4,2 million as a result of lost fishing opportunities, the cost of training replacement labour and reduced catch rates due to lower-skilled labour on the vessels. The dispute arose during industry negotiations and was specifically related to payment terms (basic guaranteed minimum pay demanded instead of commission-based

pay) remaining unresolved. Settlement was achieved following the agreement of a minimum daily rate per fishing day, implemented across the industry.

In addition, a strike lasting 35 working days took place at the City Deep cold store in Johannesburg. The strike occurred following a dispute arising during the site-based annual wage negotiation process with FAWU. The company's settlement offer of 8% tabled prior to the start of the strike was finally accepted by the union and the strike ended. There was no cost to the business as workers were unpaid whilst on strike, replacement labour was paid at the same rate and business was uninterrupted.

Annual wage negotiations were completed in all other divisions successfully and again there was no strike action, despite the prevailing economic climate. This reconfirms the positive working relationships that are in place with the trade unions that are involved in the group.

Employee forums are in place at both unionised and non-unionised sites in order to facilitate consultation and communication, and there remains ongoing focus in the area of employee communication.

Comprehensive discipline and grievance procedures are in place in the group which are in line with the requirements of the Code of Good Practice: Dismissal (Schedule 8, Labour Relations Act 66 of 1995). The procedures are communicated to employees on joining, and ongoing education and training programmes take place at various levels in the structure and with shop stewards.

HUMAN CAPITAL DEVELOPMENT

The central training and development team, reporting to the group HR manager, continues to implement the group's Training and Development Policy. This policy supports the philosophy of encouraging the learning, growth and development of all employees and ensures a uniform and fair approach to the management of training and development.

The leadership academy, launched just prior to the start of the reporting period, is fully operational. Programmes are available for managers at senior and junior levels run by reputable local institutions. The first leadership management development programme was completed with a 100% success rate (16 Grade D delegates from across all divisions in the group completed this programme). In addition, the senior management development programme, sponsored by the FoodBev SETA, was in progress at the end of the reporting period. Three senior managers in the group are participating. Seventeen delegates at the junior management level will complete the emerging leaders programme. The manufacturing academy will be the next academy launch.

A continuing focus on the development of all employees across the group continues. A total of 55% of non-bargaining unit employees completed a personal development plan during the period under review. This process allows development needs to be identified and action plans agreed upon.



Workshops for new employees were held to introduce those appointed after 15 January 2007 to the opportunity of taking up shares in Oceana Group through the Khula Trust.



In line with the Skills Development Act 1999, workplace skills plans and implementation reports are submitted each year to the relevant Sectoral Education and Training Authority (SETA). The workplace skills plans are developed to ensure that both the strategic needs of the business and the personal development needs of all employees are incorporated and implementation planned and budgeted for during the year.

TRAINING EXPENDITURE

	2009 Rm	2008 Rm
All employees	5,1	4,4
Black employees	4,0	3,7

An average of 1,8% (2008: 1,8%) of the leviable amount of payroll was spent on training. This was in addition to the 1% payroll levy paid to the relevant SETAs. A target of 3% of the leviable amount of payroll is in place in line with the B-BBEE legislation. A further R0,7 million was spent on administrative costs incurred by the group in facilitating and managing the training function.

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

EXPENDITURE ON ABET, SUPERVISORY, LEADERSHIP AND OTHER TRAINING

	2009 Rm	2008 Rm
Adult basic education and training (ABET)	–	0,2
Leadership and supervisory training	1,2	0,2
Health and safety	0,6	0,3
Technical	1,0	1,6
Diversity/Equity	0,3	0,1
Other	2,0	2,0
Total	5,1	4,4

Performance and talent management

Two of the group's four divisions have completed the review of their role profiles. The project plan is in place to complete the rest of the group by mid 2010. A separate exercise to review job grades continued during the year. The performance management guidelines require that all non-bargaining unit employees have an individual performance agreement (IPA) in place. In 2009, 69% of non-bargaining unit employees had an IPA.

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. The remuneration and nomination committee reviews the group succession plan on an annual basis.

Retention of key employees continued to receive significant focus during the period under review, particularly in the engineering and technical disciplines which are critical to the optimal functioning of factories and vessels. Appropriate retention mechanisms are considered on an ongoing basis.

In addition, in order to ensure a supply of engineers into the technical skills pipeline of the business, a graduate recruitment campaign was completed targeting tertiary institutions mainly in the Western Cape. Three graduates commenced employment in 2009 and two graduates in non-technical disciplines also joined the group.

During 2009, a campaign targeting engineers, supply chain and finance was repeated with an intake of six graduates in total to commence in January 2010. A bursary recruitment campaign was also implemented and five bursaries granted (one engineering, two food technology, one finance and one marketing).

Employment equity

All operations in South Africa comply with the Employment Equity (EE) Act 1998 and Employment Equity Regulations of 1996, 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 1999.

The group's Employment Equity Policy reaffirms the commitment to equal opportunities and all initiatives relating to affirmative action and the achievement of employment equity.



In partnership with the University of Stellenbosch, Oceana ran its first leadership development programme.

SUSTAINABILITY REPORT continued

EQUITY PROFILE (SOUTH AFRICAN DIVISIONS)

	Target 2012			2009			2008			2001		
	Female	Black ¹ female	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%	18%	4%	21%	19%	4%	19%			16%
Middle management	52%	35%	64%	21%	10%	50%	20%	8%	47%			35%
Supervisory	52%	38%	84%	25%	16%	79%	21%	15%	78%			66%
Clerical and other staff	60%	60%	99%	45%	44%	99%	45%	44%	99%			98%
Disabled	0,8%			0,2%			0,2%			Not reported		
Total staff	48%	47%	95%	40%	37%	92%	41%	38%	92%			98%

1 Employment Equity Act 55 of 1998

'black people' is a generic term which means Africans, Coloureds and Indians

EMPLOYMENT OPPORTUNITIES – 2009

Of the 102 positions graded A-C¹ 87% was filled with candidates from the designated groups² (2008: 265 positions, 96% designated candidates).

Of the 16 positions graded D-F¹ 44% was filled with candidates from the designated groups² (2008: 13 positions, 38% designated candidates).

1 Paterson grading system: grade D-F: executive, senior and middle managers, grade A-C: supervisory, clerical and other employees

2 Employment Equity Act 55 of 1998

'designated groups' means black people, women and people with disabilities

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 2009 is as follows:

WORKFORCE – OCCUPATIONAL LEVELS – SOUTH AFRICAN OPERATIONS ONLY

(Including employees with disabilities)

Occupational levels	Designated				Designated				Foreign Nationals		Total
	Male				Female				Male	Female	
	A	C	I		W	A	C	I			
Top management	0	0	0	6	0	1	0	0	0	1	8
Senior management	1	1	3	19	0	1	0	3	0	1	29
Professionally qualified and experienced specialists and mid-management	1	42	4	45	1	9	2	12	1	1	118
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	19	117	14	27	6	31	3	15	0	2	234
Semi-skilled and discretionary decision making	235	273	9	2	35	175	7	14	1	0	751
Unskilled and defined decision making	268	103	0	0	87	189	0	0	1	0	748
Total permanent	524	536	30	99	229	406	12	44	3	5	1 888
Non-permanent employees	203	123	5	8	30	62	5	1	38	0	475
Grand total	727	659	35	107	259	468	17	45	41	5	2 363

EMPLOYEES WITH DISABILITIES ONLY

Occupational levels ¹	Designated				Designated				Foreign Nationals		Total
	Male				Female						
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	1	0	0	1	0	0	0	0	0	2
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	1	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total permanent	2	1	0	2	1	0	0	1	0	0	7
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2	1	0	2	1	0	0	1	0	0	7

1 A – Africans; C – Coloureds; I – Indians; W – Whites

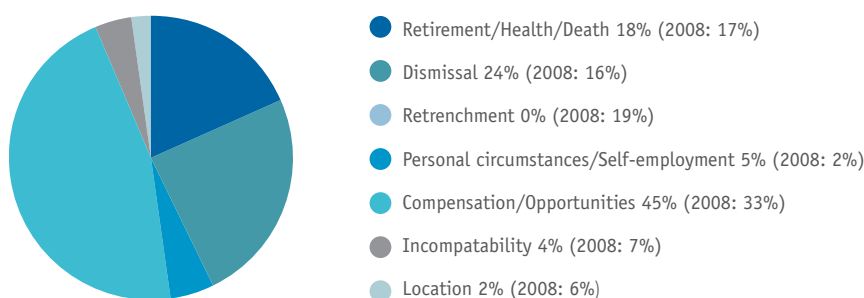
A founding sponsor of TSiBA since its inception in 2005, Oceana celebrated the graduation this year of the first intake of students who achieved their Bachelor of Administration degrees.



LABOUR TURNOVER

The labour turnover figure of 9% for the group is below the national average of 16% (as per Deloitte Human Capital Corporation).

Labour turnover



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

OCCUPATIONAL HEALTH AND SAFETY

All operations in South Africa comply with the Occupational Health and Safety Act and Regulations 1993. Managing directors of all the operating divisions are responsible for ensuring the implementation of this legislation and the required structures are in place. An independent consultant completes a comprehensive annual risk audit at the larger sites focusing on compliance with this legislation and insurance-related requirements. An annual report-back on this process is presented to the risk committee.

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. Specific areas of focus include hearing loss prevention programmes within factory environments. Additional programmes are implemented relevant to concerns arising from annual medical examinations. The clinics also provide treatment for injuries sustained on duty. All workplace injuries and illnesses are reported to the Compensation Commissioner within the stipulated time frames.

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 awareness. Throughout the year ongoing health and safety training also takes place, eg fire fighting, first aid, hazardous chemical handling and SAMSA-accredited training for all sea-going employees. Personal protective clothing is issued to employees in accordance with legislative requirements.

Risk assessments are regularly conducted in relation to a number of areas, eg ventilation, illumination, noise, hazardous chemicals, refrigeration. Recommendations from the reports are implemented to promote a safe working environment.

During the year under review there has been an increased focus on fire fighting with employees attending relevant firefighting and advanced firefighting training. A number of teams entered the Mutual Risk Group fire team competition for the Cape region with one team from Commercial Cold Storage in Epping proceeding to the national finals.

The group's disabling injury frequency rate (DIFR) for 2009 was 2,8 (2008: 2,5). The increase in the DIFR is an area of management concern and focus. Detailed analysis of injury incidents has been undertaken resulting in the re-emphasis of preventative controls and operating processes. In particular, an internal risk assessment was made of the operating procedures for the use of forklifts in the cold storage business. Absenteeism as a result of both normal sick leave and injuries on duty was 1,4% (2008: 1,2%).

HIV/AIDS

The AIDS Policy, developed in March 2003 in consultation with a representative group of employees, remains in place. An actuarial study preceded a voluntary counselling and testing intervention. 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.

Across the entire Oceana Group, including Namibia, 2 065 employees were tested. Of those, 1 948 were negative and 117 employees tested positive, which represents 5,6% of the total sample. All employees continue to be encouraged to know their status. Ongoing education and training relating to HIV and AIDS is available via the peer educator



infrastructure. The personal protection programme and trauma cover from the Lifesense Group introduced in 2004 also remains in place. This product provides access to antiretrovirals (ARV) in the event of trauma resulting in exposure to body fluids which may be infected with HIV/AIDS (eg a vehicle accident, assault or rape) for employees and their families. 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.

SOCIO-ECONOMIC DEVELOPMENT (SED)

As a value-driven organisation, Oceana embraces the responsibility that business has to society. The group's focus is on the upliftment of communities through support for education, health and environmental initiatives. Oceana is therefore committed to using its skills, experience and resources, both financial and human, to make a sustainable impact on society.

SED is an integral part of the group's corporate policies, and initiatives are aimed at ensuring that investments are made in effective programmes that empower communities and result in long-term partnerships.

Each year the group makes material donations to charities, welfare organisations, hospitals and schools across South Africa and Namibia.

Some of the key projects are:

EDUCATION

Tertiary School in Business Administration (TSiBA)

TSiBA is a South African higher-education provider based in Cape Town. It is focused on developing future leaders out of South Africa's talented historically disadvantaged youth. It operates as a non-profit educational institution where all students in the Bachelor of Business Administration degree programme are on a full tuition scholarship.

Oceana is proud to be one of the founding sponsors of TSiBA since its inception five years ago. During 2008, Oceana announced its intention to support and partner TSiBA for another two years as one of its flagship projects. Oceana will continue with its programme of funding the TSiBA Student Development Centre as well as active involvement through senior executives who regularly lecture business-related courses and by offering internships to students during their vacations.

Lapdesks

The Lapdesk Company was born out of the need to address the difficulties faced by underprivileged children attempting to learn in less than adequate conditions. Oceana is honoured to be associated with this project which seeks to improve the learning conditions of children who do not have access to a desk in their classrooms and gives these children the opportunity to create a better life for themselves through improved academic performance. In the current year, Oceana budgeted for 2 500 Lucky Star branded lapdesks to be distributed to schools in Limpopo and the Eastern Cape province at the start of the new school term in January 2010.



HEALTH CARE

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 28 000 children through community-based projects. Oceana's partnership with Starfish started in 2003. The group donates tins of pilchard, which are included in the food parcels that children receive from Starfish each month, contributing to meeting their basic nutritional needs. Through Starfish, Oceana has linked up with child-focused NGOs donating Lucky Star canned pilchards to the food relief component of their community-based programmes. The three NGO partners – Heartbeat in Gauteng, the Masoyi home-based care project in Mpumalanga, and God's Golden Acre in the impoverished Valley of a Thousand Hills area in KwaZulu-Natal – all satisfy the criteria of the Starfish Care Intervention Model which advocates a community-based approach to the holistic care and support of these children.

Other

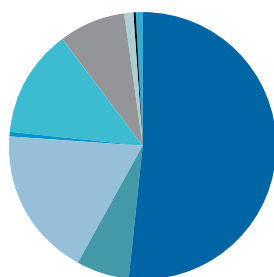
The group has contributed to a number of other community initiatives, including:

- Somerset Hospital – a donation towards the CT (computed tomography) scanner for the emergency unit
- South African Medical Foundation – a donation towards building an ARV clinic at Vanguard Community Health Centre
- OneVoice South Africa – a donation for the HIV/AIDS prevention and awareness programmes being implemented in schools

During the past year, the group invested R3,4 million (2008: R3,0 million) in a variety of programmes and initiatives. This amounts to 1,6% (2008: 1,2%) of profit after tax.

The spend allocation is reflected in the pie chart below.

Total socio-economic development spend



- Education 51,9%
- Community and rural development 6,3%
- HIV/AIDS 18,1%
- Health (excluding medical-aid contributions) 0,5%
- Welfare 13,0%
- Environmental conservation 8,0%
- Sports development 1,3%
- Arts and culture 0,1%
- Other 0,8%

The French fries plant is the largest single employer in the Lambert's Bay area.

COMMUNITY DEVELOPMENT

Oceana endorses the principle that no business exists in isolation but is undeniably part of the communities in which it operates. Corporate social investment expenditure had been directed towards bursary schemes, study assistance programmes, transportation for learners to and from schools, ongoing HIV/AIDS counselling and support for community peer educators, sports development and environmental initiatives.

Oceana supports various voluntary associations such as the National Sea Rescue Institute, the Southern African Foundation for the Conservation of Coastal Birds, Wild Life and Environment Society of South Africa, OneVoice South Africa, Zenzele Training and Development, St Giles, St Joseph's Home and animal rescue organisations. Various shelters for the homeless and feeding schemes in Johannesburg, KwaZulu-Natal, Cape Town and Port Elizabeth receive ongoing support through the donation of canned fish.

Oceana also invests significantly in projects in Namibia. This includes support through the Arechanab Community Trust which was established for the advancement of cultural, social and educational needs of various communities. Major projects in 2009 included bursaries for disadvantaged students and financial support for building and educational programmes in local and rural schools. The beneficiaries include the Kolin Foundation Secondary School, Arandis Kindergarten, Arandis Town Council, Catholic Aids Action, Tjimuhiva Combined School, Swakopmund Primary School, Sun Community Trust, Arandis Primary School, Urbanis Dax Primary School and many more.



RISK MANAGEMENT REPORT

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. The process of risk identification and management extends from corporate level to 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 managed so that the risk-reward relationship remains within parameters acceptable to the board.

APPLICATION AND RECORDING

All members of the risk committee attended its two meetings held during the year. Its agendas included review of the group's top ten risks, those of the holding company and the operating divisions, incident reports and planning for external assurance reviews.

The risk managers appointed in each division facilitate the identification, analysis, categorisation and ranking of the division's major risks, in a structured, continuous 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 vigilance and awareness of the nature and impact of risk – in all its guises 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, covering, inter alia, environmental, financial, commercial, information systems and technical risks. These registers are developed by senior management with responsibility in functional areas. The perceived top ten risks are identified, analysed and balanced with management processes and interventions. The registers are reviewed thoroughly twice a year; examples of changes were in the area of risks flowing from the global recession, as it might affect Oceana.

Issues addressed during the year in terms of the group's risk management process included a review of the adequacy of insurance cover, attention to workplace safety conditions, tax risk assessments in certain divisions, and a review of the extent and impact of information systems risks on a stand-alone basis and as integrated into operations.

During the year the independent internal audit process and professional consultants reviewed the adequacy and integrity of the risk management process in fire protection, workplace safety, fraud prevention, and issues of an environmental nature; reports were presented and followed up to a proper conclusion by management. Certain risk management issues were included in individual performance agreements (IPAs) in incentive bonus criteria.

During the year under review there were no risk incidents resulting in significant financial loss to the company or which negatively affected the economic life of the community in which the group operates.

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.

RISK MANAGEMENT RESPONSIBILITY AND FRAMEWORK

Board of directors	<ul style="list-style-type: none"> – Responsible for total process of risk management – Has a formal charter – Receives reports from audit committee, at least twice each year – Receives copies of all minutes of risk committee meetings – Sets risk strategy policies
Audit committee	<ul style="list-style-type: none"> – See page 56
Risk committee	<ul style="list-style-type: none"> – Appointed by the board of directors – Has a formal charter – Chaired by a non-executive director (not independent) and comprises nine members, including the group chief executive officer and divisional managing directors – Meets at least twice a year – Reports to the audit committee – Internal auditor (KPMG) attends committee meetings
Risk forum	<ul style="list-style-type: none"> – 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 and action plans and risk incident reports at management level, on a regular basis – Evaluates and coordinates testing of control systems to ensure effectiveness – Facilitates communication of risk policy to all employees – Submits reports to the risk committee

CORPORATE GOVERNANCE

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, wherever situated, and in reporting internally and to stakeholders.

Oceana has a unitary board structure. It has a formal charter setting out, inter alia, its composition, meeting frequency, powers and responsibilities of the board, 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 Z Fuphe, PB Matlare, F Robertson and ABA Conrad in respect of one meeting each. The board currently has 11 members, of whom three are executive directors. Of the eight non-executives, four are independent. The chairman is a non-executive, though not independent. The board has four separate committees, namely, audit, remuneration and nominations, risk and transformation, all of which have their own charters and are chaired by independent non-executive directors, except for the risk committee.

Annual strategic plans are compiled at both group and business level and 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. It will be noted that indirect impacts of the group's activities have been identified and assessed in material instances, such as data on usage of scarce natural resources, greenhouse gas comparative data and initiatives to reduce them; the economic benefit to the wider community from activity in Lambert's Bay, St Helena Bay and Hout Bay; voluntary accession to the Responsible Fisheries Alliance initiative and logos on packaging to encourage responsible disposal of it.

Directors and employees are required to observe the highest ethical standards ensuring that business practices are conducted in a manner which is beyond reproach. In this regard the group has a formal Code of Business Conduct and Ethics. Having been revised and updated in 2008, the Code was re-published on the group's website and handed to all employees in the early part of 2009, accompanied by presentation workshops and industrial theatre at major sites. The Code prescribes mandatory compliance with all laws and regulations and commits the whole group and all directors and staff to fair dealing and integrity in the conduct of its business at home and abroad, and provides guidance for the benefit of all concerned. Compliance is monitored at senior management level, and the directors believe that the contents of the Code are being met. A secure and anonymous 'whistle blowing' facility has been in place for many years; its purpose and anonymity are accentuated at staff induction and training sessions. During the year there were neither major instances of non-compliance with this Code or laws, nor prosecutions or fines.

All directors of the company and its subsidiaries, and senior management, are requested to submit, at least annually, a list of all their directorships and interests in contracts with Oceana. They 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.

No formal annual performance appraisals are conducted by or amongst non-executive directors; incentive bonuses for executive directors are based on the achievement of objectives beyond economic targets and these are set by the remuneration and nominations committee and are contained in the individual performance agreements.

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 annual financial statements have been prepared in accordance with International Financial Reporting Standards.

REMUNERATION REPORT

REMUNERATION AND NOMINATIONS COMMITTEE

The board has delegated the responsibility of determining the remuneration of executive directors and senior management to the remuneration and nominations committee. The committee recommends to the board the remuneration of non-executive directors. The committee also gives consideration to the composition of the board as well as organisational succession planning. It operates in terms of a charter formally approved by the board. The committee currently comprises four non-executive directors and is chaired by an independent non-executive director who reports to the board on the committee's deliberations and decisions. The chief executive officer attends the committee meetings by invitation and assists with the issues under consideration, save those relating to his own remuneration.

Four meetings were held during the year, three of which were attended by all members. An apology was received from Mr PB Matlare for one meeting.

REMUNERATION PHILOSOPHY

Oceana's remuneration philosophy is formulated to attract, retain, motivate and reward high-calibre employees. Remuneration policies encourage high levels of performance that are sustainable and aligned with the strategic direction of the business. This is measured through the performance management system in place in 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.

COMPOSITION OF EXECUTIVE REMUNERATION

The remuneration (guaranteed package) of executives is determined on a total cost to company basis and includes a cash amount and various benefits such as retirement benefits, medical aid and a car allowance scheme.

Guaranteed packages are subject to annual review and are benchmarked to appropriate 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 relevant survey.

Retirement and health-care 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.

The group has in place both a short-term incentive scheme (incentive bonus) which requires achievement of individual performance criteria and predetermined financial targets, and a long-term incentive scheme in the form of a phantom share option scheme.

INCENTIVE BONUS SCHEME

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.

In accordance with the principle of creating shareholder value, 80% 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 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 2009 was capped at 75% of total cost to company remuneration. Bonuses are paid in cash in November following the financial year-end. Payment of the maximum bonus was subject to the achievement of a 25% increase in headline earnings per share.

PHANTOM SHARE OPTION SCHEME

The committee gives consideration to granting options to executive directors and senior management on an annual basis. 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.

REMUNERATION REPORT continued

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 preceding the date of exercise and the grant price.

Phantom share option grants 1 and 2 have only time-based vesting attached to them. From grant 3 onward, performance conditions have been attached to the options granted. The performance condition (hurdle rate) attached to 50% of grants 3 and 4 is that the company's headline earnings per share should increase by 3% per annum above inflation over a three-year performance period. The committee will allow re-testing of the performance condition on the first and second anniversary of the end of the performance period. The target has been set with regard to the cumulative headline earnings per share over the performance period.

SHARE OPTION SCHEME

Options were last granted on 25 November 2004. The board has resolved not to grant any further options to anyone in terms of the Oceana Group (1985) Share Option Scheme. Further details of the Oceana Group (1985) Share Option Scheme are contained in notes 19 and 24 to the annual financial statements.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Directors do not have fixed term contracts. They 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 provisions 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 executives, senior management and critical skill positions is reviewed annually as part of the group's talent management process. This is reviewed 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 potentially suitable candidates for future placement. There is continuing focus on retention of key and critical skills in the business.

As part of long-term succession planning, the group continued with a graduate recruitment campaign targeting tertiary institutions. A bursary scheme has also been introduced. Further details can be found on page 35 of the annual report.

EXECUTIVE DIRECTORS' REMUNERATION

Remuneration of executive directors is set out in tables 1(a) and 1(b). 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 2009 financial year.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors' fees are paid in respect of membership of the Oceana Group Limited board, and those serving on board committees are also remunerated for work done in that capacity. These fees are reviewed annually and proposed adjustments tabled by the chief executive officer for review by the remuneration and nominations committee. The board then considers the fees and makes a recommendation to shareholders for approval at the annual general meeting. The non-executive directors' fees are detailed in table 4.

Non-executive directors do not qualify for share options nor do they participate in the incentive bonus scheme.

TABLE 1(A): EXECUTIVE DIRECTORS' REMUNERATION: 2009

Name	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Performance bonuses* R'000	Gain on exercise of share options R'000	Gain on exercise of phantom share options R'000	Total emoluments R'000
ABA Conrad	959	145	208	333		177	1 822
FP Kuttel ¹	621	45	112	1 292			2 070
AB Marshall ²	963	131	210	500	2 298	573	4 675
RG Nicol	1 688	109	344	1 199			3 340
Total	4 231	430	874	3 324	2 298	750	11 907

1 Appointed 1 July 2009. Remuneration reflected above relates to the period 1 July 2009 to 30 September 2009. Included in performance bonuses is a sign-on bonus amounting to R1 million.

2 Resigned 28 February 2009. Remuneration reflected above relates to the period 1 October 2008 to 28 February 2009.

* Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.

TABLE 1(B): EXECUTIVE DIRECTORS' REMUNERATION: 2008

Name	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Performance bonuses* R'000	Gain on exercise of share options R'000	Gain on exercise of phantom share options R'000	Total emoluments R'000
ABA Conrad	776	148	174	802			1 900
AB Marshall	2 113	274	458	2 082			4 927
RG Nicol	1 535	101	312	1 434			3 382
Total	4 424	523	944	4 318			10 209

* Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.

REMUNERATION REPORT continued

TABLE 2: EXECUTIVE DIRECTORS' PHANTOM SHARE OPTION DETAILS

Name	Options as at 30 Sept 2008	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Lapsed options	Options as at 30 Sept 2009	Expiry date
ABA Conrad	60 000	1539	92 000	20 000	2425		40 000	08.02.2012
	40 000	1691					40 000	10.11.2012
	45 000	1926					45 000	07.02.2014
		2265					92 000	05.02.2015
							217 000	
FP Kuttel ¹		2506	500 000				500 000	01.07.2015
AB Marshall ²	194 000	1539		64 667	2425	129 533		
	190 000	1691				190 000		
	177 000	1926				177 000		
RG Nicol	115 000	1539	188 000				115 000	08.02.2012
	90 000	1691					90 000	10.11.2012
	100 000	1926					100 000	07.02.2014
		2265					188 000	05.02.2015
							493 000	

¹ Appointed 1 July 2009

² Resigned 28 February 2009

TABLE 3(A): EXECUTIVE DIRECTORS' SHARE OPTION DETAILS: 2009

Name	Balance as at 30 Sept 2008 Number	Share options deemed to be exercised during the year ¹ Number	Gains on options exercised R'000	Exercise prices R	Deemed exercise dates	Lapsed options	Balance as at 30 Sept 2009 Number	Share trust loan as at 30 Sept 2009 R'000
ABA Conrad	56 000						56 000	
AB Marshall ²	369 000	(137 000)	945	15.60	21.05.2007	(25 000)		
		(29 000)	181	16.24	21.05.2007			
		(69 000)	476	15.60	10.12.2007			
		(9 000)	56	16.24	10.12.2007			
		(20 000)	126	16.24	10.12.2007			
		(25 000)	163	16.00	10.12.2007			
		(30 000)	188	16.24	25.11.2008			
		(25 000)	163	16.00	25.11.2008			
RG Nicol	187 000						187 000	2 295

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 Resigned 28 February 2009

TABLE 3(B): EXECUTIVE DIRECTORS' SHARE OPTION DETAILS: 2008

Name	Balance as at 30 Sept 2007 Number	Share options deemed to be exercised during the year ¹ Number	Gains on options exercised R'000	Exercise prices R	Deemed exercise dates	Lapsed options	Balance as at 30 Sept 2008 Number	Share trust loan as at 30 Sept 2008 R'000
ABA Conrad	56 000						56 000	
AB Marshall	369 000						369 000	2 650
RG Nicol	187 000						187 000	

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.

REMUNERATION REPORT continued

TABLE 4: NON-EXECUTIVE DIRECTORS' REMUNERATION: 2009 AND 2008

Name	2009			2008		
	Board fees R'000	Committee fees R'000	Total R'000	Board fees R'000	Committee fees R'000	Total R'000
MA Brey	300	36	336	270	32	302
PG de Beyer ⁷	120	70	190	42	17	59
M Fleming ^{1, 9}	120	47	167	42	12	54
Z Fuphe ²	35	14	49	107	43	150
PB Matlare ^{1, 8}	120	36	156	42	16	58
S Pather	120	92	212	107	64	171
F Robertson ³	107		107	107		107
NV Simamane ⁵	10		10			
TJ Tapela ⁴	12		12			
RA Williams	120	107	227	107	96	203
N Dennis ^{1, 6}				41	29	70
NP Doyle ^{1, 10}				54	42	96
Total	1 064	402	1 466	919	351	1 270

¹ Paid to Tiger Brands Limited

² Resigned 16 January 2009

³ Resigned 20 August 2009

⁴ Appointed 27 August 2009

⁵ Appointed 10 September 2009

⁶ Resigned 19 February 2008

⁷ Appointed 9 May 2008

⁸ Appointed 9 May 2008

⁹ Appointed 31 May 2008

¹⁰ Resigned 31 May 2008

COMPOSITION OF BOARD COMMITTEES 2009

Audit committee:

S Pather (chairman); PG de Beyer; RA Williams

Remuneration and nominations committee:

RA Williams (chairman); MA Brey; PG de Beyer (appointed 5 February 2009); PB Matlare

Risk committee:

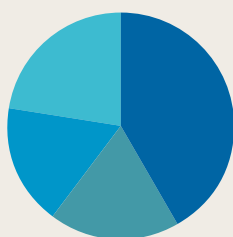
M Fleming (chairman); ND Brink; ABA Conrad; MD Copeland; SP Cummings;
BJ King; FP Kuttel (appointed 1 July 2009); RG Nicol; GA Rhodes-Harrison;
(AB Marshall resigned 28 February 2009)

Transformation committee:

NV Simamane (chairperson) (appointed 10 September 2009);
FP Kuttel (appointed 1 July 2009); M Mtsheketshe; GA Rhodes-Harrison;
TJ Tapela (appointed 27 August 2009); JL Wilkinson;
(Z Fuphe resigned 16 January 2009);
(AB Marshall resigned 28 February 2009)

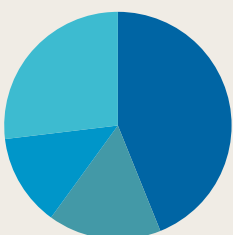
VALUE ADDED STATEMENT

Value added 2009



- Employees (41,7%)
- Providers of capital (18,3%)
- Government (17,8%)
- Reinvested (22,2%)

Value added 2008



- Employees (43,9%)
- Providers of capital (16,2%)
- Government (13,1%)
- Reinvested (26,8%)

		Group			
		2009		2008	
		R'000	%	R'000	%
Revenue		3 301 288		3 002 476	
Paid to suppliers for materials and services		2 367 540		2 232 170	
Value added		933 748		769 306	
Income from investments		31 561		35 878	
Total wealth created		965 309		805 184	
Distributed as follows:					
Employees					
Salaries, wages and other benefits		402 732	41,7	353 673	43,9
Providers of capital		176 584	18,3	130 104	16,2
Interest on borrowings		5 600	0,6	6 464	0,8
Dividends to outside shareholders		11 439	1,2	12 651	1,6
Dividends to shareholders of Oceana Group Limited		159 545	16,5	110 989	13,8
Government					
Central and local (Notes 1 and 2)		171 531	17,8	105 260	13,1
Reinvested in the group to maintain and develop operations		214 462	22,2	216 147	26,8
Depreciation and impairment charge		72 748	7,5	68 731	8,5
Retained surplus (Note 3)		136 949	14,2	130 630	16,2
Deferred taxation		4 765	0,5	16 786	2,1
Total wealth distributed		965 309	100,0	805 184	100,0
Notes					
1. Central and local government:					
Company taxation		138 910		87 117	
Skills development levy net of refunds		1 429		729	
Rates and taxes paid to local authorities		5 697		5 320	
Customs duties, import surcharges and excise taxes		20 780		11 844	
Withholding taxes		4 715		250	
		171 531		105 260	
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		(67 550)		(31 863)	
PAYE withheld from remuneration paid		50 260		39 944	
UIF contributions withheld from employees' salaries		2 458		2 343	
		(14 832)		10 424	
3. Retained surplus comprises:					
Group profit after taxation		307 933		254 270	
Less: Dividends paid					
Shareholders of Oceana Group Limited		(159 545)		(110 989)	
Outside shareholders		(11 439)		(12 651)	
		136 949		130 630	

STATISTICAL AND FINANCIAL DATA

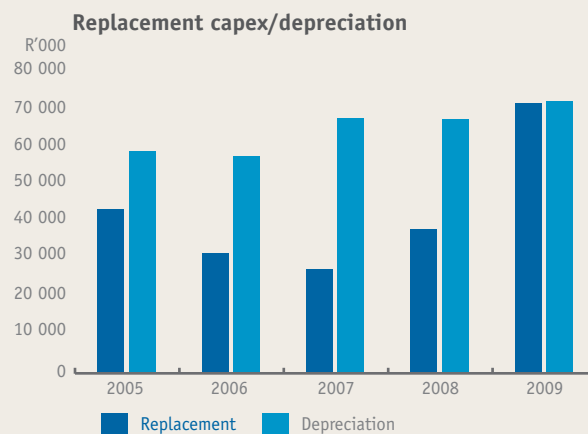
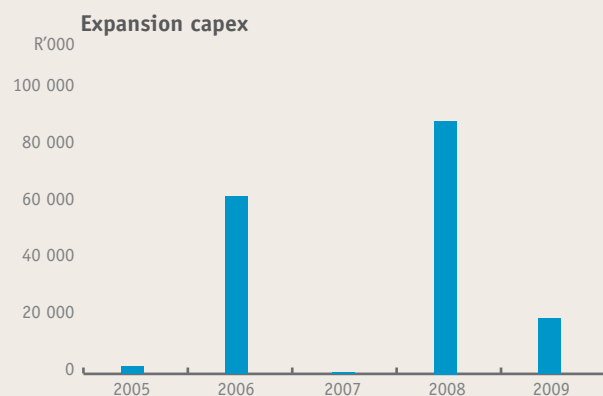
	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 R'000
Consolidated income statements					
Revenue	3 301 288	3 002 476	2 608 894	2 544 558	2 576 513
Operating profit before abnormal items	410 866	317 284	236 723	183 325	180 672
Abnormal items	19 329	11 725	2 549	(5 882)	(27 830)
Operating profit	430 195	329 009	239 272	177 443	152 842
Dividend income	18 731	19 103	15 922	6 151	1
Interest received	12 830	16 775	19 856	28 500	29 047
Interest paid	(5 600)	(6 464)	(8 675)	(5 160)	(2 440)
Profit before taxation	456 156	358 423	266 375	206 934	179 450
Taxation	148 223	104 153	85 869	70 088	64 541
Profit after taxation	307 933	254 270	180 506	136 846	114 909
Attributable to outside shareholders in subsidiaries	15 734	8 197	11 701	7 055	7 418
Net profit attributable to shareholders of Oceana Group Limited	292 199	246 073	168 805	129 791	107 491
Headline earnings	276 764	234 636	163 836	127 581	118 408
Consolidated balance sheets					
Property, plant and equipment	352 170	334 147	273 413	316 457	285 052
Goodwill and other intangible assets	36 117	45 293	55 512	62 020	52 839
Deferred taxation	5 878	5 386	10 438	12 850	15 256
Investments	140 111	131 258	121 361	119 978	42 925
Current assets	1 188 010	1 039 398	1 041 655	826 327	1 080 990
Total assets	1 722 286	1 555 482	1 502 379	1 337 632	1 477 062
Interest of shareholders of Oceana Group Limited	1 091 702	969 926	871 503	795 010	895 385
Interest of outside shareholders in subsidiaries	33 994	29 632	34 019	23 820	20 959
Interest of all shareholders	1 125 696	999 558	905 522	818 830	916 344
Deferred taxation	49 829	44 733	32 585	29 874	25 502
Other liabilities	546 761	511 191	564 272	488 928	535 216
Total equity and liabilities	1 722 286	1 555 482	1 502 379	1 337 632	1 477 062
Consolidated cash flow statements					
Cash generated from operations	293 650	320 833	270 671	294 708	278 559
Interest received	12 830	16 775	19 856	28 500	29 047
Dividend income	3 679	4 223	4 616	6 151	1
Interest paid	(5 600)	(6 464)	(8 675)	(5 160)	(2 440)
Taxation paid	(138 822)	(84 623)	(74 378)	(46 960)	(62 366)
Dividends paid	(170 984)	(123 640)	(83 128)	(86 034)	(83 587)
Net cash (outflow)/inflow from operating activities	(5 247)	127 104	128 962	191 205	159 214
Cash outflow from investing activities	(62 429)	(87 526)	(700)	(167 811)	(16 119)
Cash inflow/(outflow) from financing activities	15 670	(41 583)	(33 286)	(174 894)	17 822
Net (decrease)/increase in cash and cash equivalents	(52 006)	(2 005)	94 976	(151 500)	160 917

STATISTICAL AND FINANCIAL DATA

	Notes	2009	2008	2007	2006	2005
Share performance						
Number of shares upon which earnings per share is based ('000)		99 041	98 721	100 866	113 099	111 525
Headline earnings per share (cents)		279.4	237.7	162.4	112.8	106.2
Earnings per share (cents)		295.0	249.3	167.4	114.8	96.4
Dividends per share (cents)	1	184.0	156.0	106.0	74.0	74.0
Headline dividend cover (times)		1,5	1,5	1,5	1,5	1,4
Net asset value per share (cents)	2	1 099.7	986.0	869.1	783.3	798.7
Profitability						
		%	%	%	%	%
Operating margin	3	12,4	10,6	9,1	7,2	7,0
Return on average shareholders' funds	4	27	25	20	15	14
Return on average net assets	5 & 6	37	35	28	23	21
Return on average total assets	5 & 7	26	25	19	16	14
Finance						
Total borrowings as a percentage of total shareholders' funds	8	2	5	11	9	11
Total liabilities as a percentage of total shareholders' funds		49	51	62	60	58
Current ratio (:1)		2,3	2,1	1,9	1,7	2,0
Number of permanent employees at year-end		1 351	1 359	1 274	1 263	1 325
Revenue per employee (R'000)	9	2 444	2 209	2 048	2 015	1 945
Assets per employee (R'000)	7	1 270	1 141	1 171	1 049	1 103

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.





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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements and group annual financial statements for the year ended 30 September 2009, which appear on page 2 and pages 55 to 90, were approved by the board of directors on 12 November 2009 and signed on its behalf by:



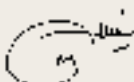
MA Brey
Chairman



FP Kuttel
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.



M Allie
Company secretary

12 November 2009

INDEPENDENT AUDITOR'S REPORT to the shareholders of Oceana Group Limited

We have audited the annual financial statements and group annual financial statements of Oceana Group Limited, which comprise the report of the directors, the report of the audit committee, the balance sheet and consolidated balance sheet as at 30 September 2009, 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 2 and pages 55 to 90.

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

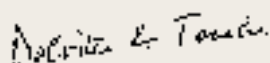
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 2009, 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
Registered auditors

Per RJ Hofmeyr
Partner

12 November 2009

1st Floor
The Square
Cape Quarter
27 Somerset Road
Green Point
8005

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

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

REPORT OF THE DIRECTORS

The directors submit their annual report which forms part of the annual financial statements for the year ended 30 September 2009.

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 3 and 5 of this report. In addition, the company also carries on the business of investing funds surplus to its immediate requirements.

Share capital

During the year under review 819 600 shares were allotted in terms of the company's share option scheme, increasing the issued share capital by R820. Premiums totalling R12 977 700 in respect of these allotments have been credited to the share premium account.

Details of the authorised and issued share capital of the company are set out in note 19 to the annual financial statements.

Financial results

The results for the year under review are reflected in the income statements on page 62 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 R19,6 million on expansion (2008: R89,4 million) and R71,5 million on replacement assets (2008: R38,1 million). Replacement assets included R34,1 million on refits and upgrading of freezing plant on horse mackerel midwater trawlers for Namibian operations. Further details are disclosed in note 10 to the annual financial statements.

Directors and officers

The names of the present directors appear on page 6 and the name, business and postal address of the company 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.

	2009	2008
	Number of shares	
AB Marshall	55 000	123 000
RG Nicol	147 000	–
	202 000	123 000

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

	2009	2008
	Number of shares	
AB Marshall	–	289 000
RG Nicol	147 000	–
	147 000	289 000

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.

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:

	2009	2008
	R'000	R'000
Total profit after taxation attributable to shareholders of Oceana Group Limited	277 418	231 836
Total losses after taxation attributable to shareholders of Oceana Group Limited	2 032	1 026

Going concern

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

REPORT OF THE AUDIT COMMITTEE

The audit committee has a charter, approved by the board, dealing with membership, authority and duties.

The committee comprises three non-executive directors, who act independently, appointed by the board. The chairman is Mr S Pather, who attended the company's annual general meeting in February. The company secretary is secretary of this committee. It met twice during the year, with full attendance by all members. Attendance at meetings by other directors and management is by way of invitation.

The committee has formal rules regulating the services and conditions of usage of non-audit services provided by the external auditors, governing, inter alia, compliance issues, taxation, valuations and information systems. The committee is satisfied that the external auditor was independent of the company. The committee considered and determined the fees and terms of engagement of the external auditors.

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. The committee considers the accounting policies, practices and financial statements to be appropriate.

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 the work to be performed. Significant findings are reported to both executive management and the audit committee and corrective action is taken to address identified internal control deficiencies. The committee approved a three-year internal audit plan, compiled using a risk-based approach and extensive consultation between the internal auditors and Oceana management, taking into consideration the entire audit universe affecting Oceana. The 2009 plan scheduled 46 audits, of which 25 covered reviews in group and divisional activities and 21 were follow-ups and attending to ancillary matters. Included in the review process were tests on journal entries and reconciliations, compliance with JSE listings rules and with the group's Environmental Policy, human resource processes, including remuneration, and controls around inventories and production. The coverage of the three-year plan is reviewable annually.

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 and the chairman of the committee reports on the findings of the internal and external auditors at board meetings. The committee reviews the effectiveness of the system of internal control adopted by group companies, with reference to the findings of the external and internal auditors.

Amongst other issues considered in meetings during the course of the year were review of the draft annual and interim reports, progress in streamlining the group company structure, risk management issues, and the nature of legal actions in which the group is involved.

The committee receives formal reports from the chairman of the risk committee and is of the view that Oceana's process of generating group-wide risk awareness, and identifying, categorising and managing risk is robust and dynamic. The internal auditors attend all meetings of the risk committee.

An ethics report was presented at both meetings during the year, dealing with principles and issues of an ethical nature in the group's business. These reports outline initiatives and processes to maintain a high level of compliance with the ever increasing and complex range of statutes regulating business, adherence to the provisions of the group's Code of Business Conduct and Ethics, and conducting business in a changing society at home and abroad.

The provisions of the Corporate Laws Amendment Act, 2006, as they affect audit committees, have been implemented. The committee acts as such for all Oceana's South African subsidiaries.

Nothing has come to the attention of the audit committee, 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 board of directors believes that the committee satisfied its responsibilities for the year in compliance with its terms of reference.

ACCOUNTING POLICIES

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, except where indicated otherwise.

1. Basis of preparation

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

3. Basis of consolidation

The consolidated financial statements comprise 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 recognised 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 into 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 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.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Interest received

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

ACCOUNTING POLICIES

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 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 using the Black-Scholes model, further details of which are given in the note on share-based payment plans.

The cost of equity-settled share-based payments is recognised, together with a corresponding increase in equity under the share-based payment 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 the note on earnings per share.

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 number of options that are expected to vest are revised at each balance sheet date and the liability is remeasured 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 at 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 balance sheet 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

ACCOUNTING POLICIES

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.

Freehold land and buildings

Immovable 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.

Leasehold land and buildings

Improvements to leasehold property is capitalised and depreciated to expected residual value over the remaining period of the lease.

Plant, equipment, motor vehicles and fishing vessels and nets

Plant, equipment, motor vehicles and fishing vessels and nets are carried at cost less accumulated depreciation and impairment. When plant and equipment comprise major components with different useful lives, these components are depreciated as separate items. In the case of fishing vessel refits, these costs are depreciated over the period between each vessel refit. 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.

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 which is accounted for on a prospective basis.

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 range of depreciation rates apply on initial recognition:

	% per annum
Buildings – Freehold	5
– Leasehold	5 – 10
Plant and equipment	10 – 20
Motor vehicles	20 – 25
Office equipment	10 – 50
Fishing vessels and nets	10 – 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.

ACCOUNTING POLICIES

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 assets

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

Investments in preference shares consist of preference shares held in Oceana SPV (Pty) Limited which are held at cost plus preference dividends accrued but not yet declared. 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 less allowance for credit notes to be issued. Provisions for irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. Amounts considered irrecoverable are written off against the provision, and subsequent recovery of amounts written off are recognised in the income statement.

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.

Financial assets are derecognised when substantially all the risks and rewards of ownership are transferred to another entity.

Impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

ACCOUNTING POLICIES

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Issued share capital and premium is recorded at the amount of the proceeds received.

Other financial liabilities

Other financial liabilities are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Financial liabilities are derecognised when the obligations are discharged, cancelled or they expire.

Derivative financial instruments

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. 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.

21. 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.

22. 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.

23. 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;
- revenue from the sale of goods which is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. Due to economic uncertainties in certain geographic regions, this can only be determined using a measure of judgement. Management estimate the portion of revenue for which it is uncertain that the economic benefits related to the transaction will flow to the entity. This revenue is not recognised until the amounts associated with the transaction have been collected.

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

ADOPTION OF NEW AND REVISED STANDARDS, INTERPRETATIONS AND CIRCULARS

Standards, Interpretations and Circulars adopted in the current financial year

During the current year, the group has adopted Circular 3/2009: Headline Earnings. The group has not been required to adopt any other new standards, interpretations or circulars.

Accounting Standards and Interpretations issued but not yet effective

The group has not identified any accounting standards or interpretations that have been issued, but are not yet effective, that will have a material financial impact on the amounts reported in the group's financial statements in the future. IAS 1: *Presentation of Financial Statements* will require presentational changes to be made to the group's annual financial statements in the future. The group has decided not to early adopt any of the new standards.

INCOME STATEMENTS for the year ended 30 September 2009

	Notes	GROUP		COMPANY	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
Revenue	1	3 301 288	3 002 476	48 705	44 125
Cost of sales		2 231 648	2 131 946		
Gross profit		1 069 640	870 530	48 705	44 125
Sales and distribution expenditure		246 473	203 459		
Marketing expenditure		29 641	24 373		
Overhead expenditure		382 660	325 414	46 147	43 735
Operating profit before abnormal items	2	410 866	317 284	2 558	390
Abnormal items	4	19 329	11 725	(113)	(3 297)
Operating profit/(loss)		430 195	329 009	2 445	(2 907)
Dividend income	5	18 731	19 103	232 065	153 358
Interest received	6	12 830	16 775	7 056	12 649
Interest paid	6	(5 600)	(6 464)	(4 456)	(1 720)
Profit before taxation		456 156	358 423	237 110	161 380
Taxation	7	148 223	104 153	6 963	12 160
Profit after taxation		307 933	254 270	230 147	149 220
Attributable to:					
Shareholders of Oceana Group Limited		292 199	246 073		
Outside shareholders in subsidiaries		15 734	8 197		
		307 933	254 270		
Earnings per share (cents)	8				
– Basic		295.0	249.3		
– Diluted		286.6	245.7		
Dividends per share (cents)	9	184.0	156.0		
– Interim paid		31.0	26.0		
– Final declared after reporting date		153.0	130.0		

BALANCE SHEETS at 30 September 2009

		GROUP		COMPANY	
	Notes	2009 R'000	2008 R'000	2009 R'000	2008 R'000
Assets					
Non-current assets		534 276	516 084	245 902	233 452
Property, plant and equipment	10	352 170	334 147	6 966	3 954
Goodwill	11	18 774	23 544		
Trademark	11	17 343	21 749		
Deferred taxation	12	5 878	5 386	2 174	1 673
Investments and loans	13	140 111	131 258	129 655	114 603
Oceana Group Share Trust	14			7 264	13 085
Khula Trust	15			4 042	4 066
Interest in subsidiaries and joint ventures	16			95 801	96 071
Current assets		1 188 010	1 039 398	471 385	430 937
Inventories	17	589 814	344 458		
Accounts receivable	18	408 793	424 405	2 596	2 117
Amounts owing by subsidiaries and joint ventures	16			393 333	268 551
Cash and cash equivalents		189 403	270 535	75 456	160 269
Total assets		1 722 286	1 555 482	717 287	664 389
Equity and liabilities					
Capital and reserves		1 125 696	999 558	670 594	617 970
Share capital and premium	19	16 536	2 370	142 200	129 221
Foreign currency translation reserve		(2 518)	22 376		
Capital redemption reserve		130	130		
Cash flow hedging reserve		(7 856)			
Share-based payment reserve		32 015	24 616	6 066	5 901
Distributable reserve		1 053 395	920 434	522 328	482 848
Interest of own shareholders		1 091 702	969 926	670 594	617 970
Interest of outside shareholders		33 994	29 632		
Non-current liabilities		76 291	59 690	6 822	5 345
Liability for share-based payments	24.3	26 462	14 957	6 822	5 345
Deferred taxation	12	49 829	44 733		
Current liabilities		520 299	496 234	39 871	41 074
Accounts payable	20	426 094	366 817	10 639	17 556
Amounts owing to subsidiaries and joint ventures	16			28 345	20 807
Provisions	21	23 945	37 214	887	626
Taxation		49 827	39 801		2 085
Bank overdrafts		20 433	52 402		
Total equity and liabilities		1 722 286	1 555 482	717 287	664 389

STATEMENTS OF CHANGES IN EQUITY for the year ended 30 September 2009

	Notes	Share capital and premium R'000	Foreign currency translation reserve R'000	Capital redemption reserve R'000	Cash flow hedging reserve R'000	Share-based payment reserve R'000	Distributable reserve R'000	Interest of own share-holders R'000	Interest of outside share-holders R'000	Total R'000
Group										
Balance at 30 Sept 2007		4 267	25 350	130		16 818	824 938	871 503	34 019	905 522
Share options exercised		9 588						9 588		9 588
Increase in treasury shares held by subsidiary		(12 767)					(39 535)	(52 302)		(52 302)
Decrease in treasury shares held by share trusts		1 282						1 282		1 282
Movement on foreign currency translation reserve			(2 974)					(2 974)		(2 974)
Recognition of share-based payments	24					7 798		7 798	67	7 865
Profit after taxation							246 073	246 073	8 197	254 270
Loss on sale of treasury shares							(53)	(53)		(53)
Dividends	9						(110 989)	(110 989)	(12 651)	(123 640)
Balance at 30 Sept 2008		2 370	22 376	130		24 616	920 434	969 926	29 632	999 558
Share options exercised		12 979						12 979		12 979
Decrease in treasury shares held by share trusts		1 187						1 187		1 187
Movement on foreign currency translation reserve			(24 894)					(24 894)		(24 894)
Loss recognised on cash flow hedge					(4 703)			(4 703)		(4 703)
Transferred to profit or loss					(2 562)			(2 562)		(2 562)
Transferred to initial carrying amount of hedged item					(591)			(591)		(591)
Recognition of share-based payments	24					7 399		7 399	67	7 466
Profit after taxation							292 199	292 199	15 734	307 933
Profit on sale of treasury shares							307	307		307
Dividends	9						(159 545)	(159 545)	(11 439)	(170 984)
Balance at 30 Sept 2009		16 536	(2 518)	130	(7 856)	32 015	1 053 395	1 091 702	33 994	1 125 696
Company										
Balance at 30 Sept 2007		119 633				5 520	466 630	591 783		591 783
Share options exercised		9 588						9 588		9 588
Recognition of share-based payments	24					381		381		381
Profit after taxation							149 220	149 220		149 220
Dividends	9						(133 002)	(133 002)		(133 002)
Balance at 30 Sept 2008		129 221				5 901	482 848	617 970		617 970
Share options exercised		12 979						12 979		12 979
Recognition of share-based payments	24					165		165		165
Profit after taxation							230 147	230 147		230 147
Dividends	9						(190 667)	(190 667)		(190 667)
Balance at 30 Sept 2009		142 200				6 066	522 328	670 594		670 594

CASH FLOW STATEMENTS for the year ended 30 September 2009

	Notes	GROUP		COMPANY	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
Cash flow from operating activities					
Operating profit before abnormal items		410 866	317 284	2 558	390
Adjustment for non-cash and other items		89 659	83 045	4 115	4 486
Depreciation		72 035	67 255	2 183	1 158
Share-based payment expense		23 169	15 823	3 421	3 328
Cash-settled share-based payment		(4 065)		(1 489)	
Net surplus on disposal of property, plant and equipment		(1 480)	(33)		
Cash operating profit before working capital changes		500 525	400 329	6 673	4 876
Working capital changes	A	(206 875)	(79 496)	(6 187)	(3 817)
Cash generated from operations		293 650	320 833	486	1 059
Interest received		12 830	16 775	7 056	12 649
Dividend income		3 679	4 223	217 013	138 478
Interest paid		(5 600)	(6 464)	(4 456)	(1 720)
Taxation paid	B	(138 822)	(84 623)	(10 874)	(11 323)
Dividends paid	C	(170 984)	(123 640)	(190 667)	(133 002)
Net cash (outflow)/inflow from operating activities		(5 247)	127 104	18 558	6 141
Cash outflow from investing activities		(62 429)	(87 526)	(123 680)	(101 065)
Replacement capital expenditure		(71 520)	(38 127)	(5 195)	(3 393)
Expansion capital expenditure		(19 618)	(89 384)		
Proceeds on disposal of property, plant and equipment		10 275	2 478		
Net movement on loans and advances		14 221	3 470	5 845	(2 755)
Net disposal and acquisition of businesses	D		21 312		
Proceeds on disposal of fishing rights			7 728		
Proceeds on disposal of investments			451		451
Cash-related abnormal items		4 213	4 546		
Proceeds on disposal of investments in subsidiary					9 530
Net contribution to Khula Trust					(45)
Movement on amounts owing by subsidiaries and joint ventures				(124 330)	(104 853)
Cash inflow/(outflow) from financing activities		15 670	(41 583)	20 309	1 037
Proceeds from issue of share capital		14 472	10 817	12 979	9 588
Acquisition of treasury shares by subsidiary			(52 302)		
Short-term borrowings raised/(repaid)		1 198	(98)		
Movement on amounts owing to subsidiaries and joint ventures				7 330	(8 551)
Net decrease in cash and cash equivalents		(52 006)	(2 005)	(84 813)	(93 887)
Net cash and cash equivalents at the beginning of the year		218 133	218 369	160 269	254 156
Effect of exchange rate changes		2 843	1 769		
Net cash and cash equivalents at the end of the year	E	168 970	218 133	75 456	160 269

NOTES TO THE CASH FLOW STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
A. Working capital changes				
Inventories	(260 896)	(49 423)		
Accounts receivable	9 181	(9 692)	764	(259)
Non-current assets held for sale		602		
Accounts payable and provisions	53 362	(21 947)	(6 656)	(3 673)
Effect of non-cash-related abnormal item	(8 522)	964	(295)	115
Total working capital changes	(206 875)	(79 496)	(6 187)	(3 817)
B. Taxation paid				
Net amount unpaid at the beginning of the year	(34 494)	(31 863)	(2 085)	(435)
Charged to the income statements (Note 7)	(143 625)	(87 367)	(7 546)	(12 973)
Adjustment in respect of businesses acquired		(81)		
Exchange rate difference	(54)	194		
Net amount unpaid at the end of the year	39 351	34 494	(1 243)	2 085
Cash amounts paid	(138 822)	(84 623)	(10 874)	(11 323)
C. Dividends paid				
Charged to the statements of changes in equity	(159 545)	(110 989)	(190 667)	(133 002)
Dividends paid to outside shareholders	(11 439)	(12 651)		
Cash amounts paid	(170 984)	(123 640)	(190 667)	(133 002)
D. Net disposal and acquisition of businesses				
Property, plant and equipment		(1 229)		
Investments and loans		1 809		
Inventories		18 276		
Accounts receivable		2 006		
Deferred tax liability		414		
Accounts payable, provisions and minorities		(739)		
Taxation		81		
Surplus on disposal		694		
Net cash movement on disposal and acquisition of businesses		21 312		
E. Net cash and cash equivalents				
Cash and cash equivalents	189 403	270 535	75 456	160 269
Bank overdrafts	(20 433)	(52 402)		
	168 970	218 133	75 456	160 269

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
1. Revenue				
The main categories of revenue are set out below:				
Sale of goods				
Inshore fishing	2 142 497	1 879 711		
Midwater and deep-sea fishing	948 267	934 384		
Rendering of services				
Commercial cold storage	210 524	188 381		
Other			48 705	44 125
	3 301 288	3 002 476	48 705	44 125
2. Operating profit before abnormal items is arrived at after taking into account the following items				
Income				
Directors' fees from a joint venture			12	6
Management fees from subsidiaries and joint ventures			48 705	44 125
Net surplus on disposal of property, plant and equipment	1 480	33		
Expenditure				
Auditor's remuneration				
fees for audit – current year	4 215	3 743	532	408
fees for audit – prior year under/(over)provision	201	412	(41)	
expenses	139	49	1	
other services	1 177	1 639	74	98
	5 732	5 843	566	506
Depreciation of property, plant and equipment				
buildings	9 567	10 169		
plant, equipment and motor vehicles	30 744	31 823	2 183	1 158
fishing vessels and nets	31 724	25 263		
	72 035	67 255	2 183	1 158
Administrative, technical and secretarial fees	1 444	1 314	354	
Management fees paid to a related party				
Tiger Brands Limited		516		516
Operating lease expenses				
properties	21 330	16 298	1 107	1 184
equipment and vehicles	2 909	2 578		61
Foreign exchange loss/(profit)	4 900	(15 769)		
Employment costs	381 465	334 187	26 319	25 573
Retirement costs	21 267	19 486	2 246	2 131
Share-based payments – cash-settled compensation scheme	15 703	7 958	3 256	2 947
Share-based payments – equity-settled compensation scheme	42	441	27	243
Share-based payments – Khula Trust	7 424	7 424	138	138

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
3. Directors' emoluments				
Executive directors				
Managerial and other services			9 609	10 209
Gains on exercise of share options			2 298	
			11 907	10 209
Non-executive directors				
Services as directors			1 466	1 270
Detailed information appears in the remuneration report on pages 43 to 48.				
4. Abnormal items				
Net surplus on disposal of property	8 474	1 684		
Reversal of provision for loans in Namibian whitefish business	7 422	5 395		
Insurance proceeds	2 799			
Profit on disposal of investment	1 413	243	182	243
Reversal of provision for irrecoverable loans	600	505		
Impairment charge on vessels and equipment	(713)			
Utilisation of pension fund surplus	(666)		(295)	
Impairment loss on Western Australia lobster fishing rights		(1 476)		
Profit on disposal of Western Australia lobster fishing rights		4 565		
Profit/(loss) on change of interest in business		809		(3 540)
	19 329	11 725	(113)	(3 297)
5. Dividend income				
Subsidiaries			213 334	134 255
Unlisted investments	3 679	4 223	3 679	4 223
Dividends received	3 679	4 223	217 013	138 478
Preference dividend accrued	15 052	14 880	15 052	14 880
	18 731	19 103	232 065	153 358
6. Interest				
Received				
Subsidiaries			2 641	6 557
Bank and short-term deposits	7 885	10 514	3 618	5 133
Unlisted investments	3 663	4 350		
Other	1 282	1 911	797	959
	12 830	16 775	7 056	12 649
Paid				
Subsidiaries			(4 137)	(1 705)
Bank	(4 588)	(5 918)	(304)	
Other	(1 012)	(546)	(15)	(15)
	(5 600)	(6 464)	(4 456)	(1 720)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
7. Taxation				
7.1 South African				
Current year	75 770	64 830	2 249	4 553
Adjustments in respect of previous years	(1 107)	(7 257)	(955)	
Secondary taxation on companies	21 023	17 016	6 162	8 420
	95 686	74 589	7 456	12 973
7.2 Foreign				
Current year	41 822	15 382		
Adjustments in respect of previous years	1 402	(2 854)		
Withholding tax	4 715	250	90	
	143 625	87 367	7 546	12 973
7.3 South African deferred taxation				
Current year	2 950	4 055	(583)	(842)
Adjustments in respect of previous years	(603)	2 517		
Adjustment in respect of change in tax rate		(688)		29
7.4 Foreign deferred taxation				
Current year	3 494	10 902		
Adjustments in respect of previous years	(1 243)			
Taxation charge per income statements	148 223	104 153	6 963	12 160
7.5 The reconciliation of the effective rate of taxation charge with the South African company income tax rate is as follows:				
	%	%	%	%
Effective rate of taxation	32,5	29,1	2,9	7,5
Adjustment to rate due to:				
Dividend income	1,1	1,5	27,4	26,6
Net effect of tax losses	0,4	0,3		
Adjustment in respect of previous years	0,3	2,1	0,4	
Adjustment in respect of change in tax rate		0,2		
Tax effect of unprovided temporary differences		0,1		
Foreign taxation differentials and withholding taxes	(1,7)	(0,1)		
Secondary taxation on companies	(4,6)	(4,7)	(2,6)	(5,2)
Abnormal items	0,7	0,8		(0,6)
Expenses not allowable for taxation and other	(0,7)	(1,3)	(0,1)	(0,3)
South African company income tax rate	28,0	28,0	28,0	28,0
	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:				
Foreign	23 759	17 396		
Tax savings effect:				
before deferred taxation	8 316	6 089		
after deferred taxation	1 792	3 512		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

		GROUP			
		2009	2008		
		Number of shares			
<hr/>					
8.	Earnings per share				
8.1	Calculation of weighted average number of ordinary shares				
	Weighted average number of ordinary shares	118 386 396	117 610 425		
	Less:				
	Treasury shares held by Khula Trust	(14 236 739)	(14 364 122)		
	Treasury shares held by Oceana Brands Ltd	(5 094 350)	(4 514 014)		
	Treasury shares held by Oceana Group Share Trust	(14 250)	(11 000)		
	Weighted average number of ordinary shares used in the calculation of basic earnings per share	99 041 057	98 721 289		
	Shares deemed to be issued for no consideration in respect of unexercised share options	2 909 418	1 422 914		
	Weighted average number of ordinary shares used in the calculation of diluted earnings per share	101 950 475	100 144 203		
				GROUP	
		Gross of tax	Net of tax	Gross of tax	Net of tax
		2009	2009	2008	2008
		R'000	R'000	R'000	R'000
<hr/>					
8.2	Determination of headline earnings				
	Profit after taxation attributable to shareholders of Oceana Group Limited		292 199		246 073
	Adjusted for:				
	Net surplus on disposal of property, plant and equipment	(9 954)	(9 482)	(1 684)	(1 590)
	Reversal of provision for loans in Namibian whitefish business	(7 422)	(5 086)	(5 395)	(5 395)
	Impairment charge on vessels and equipment	713	546		
	Profit on disposal of investment	(1 413)	(1 413)	(243)	(243)
	Impairment loss on Western Australia lobster fishing rights			1 476	1 476
	Profit on disposal of Western Australia lobster fishing rights			(4 598)	(4 565)
	Profit on change of interest in business			(809)	(615)
	Reversal of provision for irrecoverable loans			(505)	(505)
	Headline earnings for the year		276 764		234 636
	Headline earnings per share (cents)				
	– Basic		279.4		237.7
	– Diluted		271.5		234.3
		GROUP		COMPANY	
		2009	2008	2009	2008
		R'000	R'000	R'000	R'000
<hr/>					
9.	Dividends				
	Final of 130 cents per share declared on 13 November 2008, paid 12 January 2009 (2008: 87 cents)	128 490	85 442	153 619	102 390
	Interim of 31 cents per share declared on 7 May 2009, paid 6 July 2009 (2008: 26 cents)	31 055	25 547	37 048	30 612
	Dividends paid during the year	159 545	110 989	190 667	133 002
	Final of 153 cents (2008: 130 cents) per share declared on 12 November 2009, payable on 11 January 2010, based on number of shares in issue at balance sheet date				
	Dividend declared after balance sheet date	151 881	127 883	181 441	153 100

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP				
	Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and motor vehicles R'000	Fishing vessels and nets R'000	Total R'000
10. Property, plant and equipment					
At 1 October 2008					
Cost	39 895	95 427	426 364	317 328	879 014
Accumulated depreciation and impairment	(11 561)	(54 673)	(305 699)	(172 934)	(544 867)
Carrying value at beginning of year	28 334	40 754	120 665	144 394	334 147
Year ended 30 September 2009					
Carrying value at beginning of year	28 334	40 754	120 665	144 394	334 147
Additions	2 328	2 039	49 618	37 153	91 138
Disposals	(2)		(173)	(145)	(320)
Depreciation	(1 362)	(8 205)	(30 744)	(31 724)	(72 035)
Impairment charge			(115)	(598)	(713)
Translation differences			(47)		(47)
Carrying value at end of year	29 298	34 588	139 204	149 080	352 170
At 30 September 2009					
Cost	41 999	97 281	469 544	335 239	944 063
Accumulated depreciation and impairment	(12 701)	(62 693)	(330 340)	(186 159)	(591 893)
Carrying value at end of year	29 298	34 588	139 204	149 080	352 170
At 1 October 2007					
Cost	41 379	91 487	398 741	238 777	770 384
Accumulated depreciation and impairment	(11 972)	(46 150)	(282 956)	(155 893)	(496 971)
Carrying value at beginning of year	29 407	45 337	115 785	82 884	273 413
Year ended 30 September 2008					
Carrying value at beginning of year	29 407	45 337	115 785	82 884	273 413
Additions	159	4 570	36 942	85 840	127 511
Acquisition of business				1 230	1 230
Disposals	(166)	(50)	(249)	(297)	(762)
Depreciation	(1 066)	(9 103)	(31 823)	(25 263)	(67 255)
Translation differences			10		
Carrying value at end of year	28 334	40 754	120 665	144 394	334 137
At 30 September 2008					
Cost	39 895	95 427	426 364	317 328	879 014
Accumulated depreciation and impairment	(11 561)	(54 673)	(305 699)	(172 934)	(544 867)
Carrying value at beginning of year	28 334	40 754	120 665	144 394	334 147

The insured value of the group's property, plant and equipment at 30 September 2009 amounted to R2,5 billion (2008: R2,0 billion).

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	COMPANY	
	2009 R'000	2008 R'000
10. Property, plant and equipment (<i>continued</i>)		
<i>Plant, equipment and motor vehicles</i>		
At 1 October		
Cost	7 835	4 442
Accumulated depreciation	(3 881)	(2 723)
Carrying value at beginning of year	3 954	1 719
Year ended 30 September		
Carrying value at beginning of year	3 954	1 719
Additions	5 195	3 393
Depreciation	(2 183)	(1 158)
Carrying value at end of year	6 966	3 954
At 30 September		
Cost	13 030	7 835
Accumulated depreciation	(6 064)	(3 881)
Carrying value at end of year	6 966	3 954

	GROUP			
	Goodwill R'000	Trademark R'000	Fishing rights R'000	Total R'000
11. Goodwill, trademark and fishing rights				
At 30 September 2009				
Carrying value at beginning of year	23 544	21 749		45 293
Exchange difference arising on the translation of cost	(4 770)	(4 406)		(9 176)
Carrying value at end of year	18 774	17 343		36 117
At 1 October 2007				
Cost	22 830	21 090	19 715	63 635
Impairment charge			(8 123)	(8 123)
Carrying value at beginning of year	22 830	21 090	11 592	55 512
Year ended 30 September 2008				
Carrying value at beginning of year	22 830	21 090	11 592	55 512
Disposals			(12 098)	(12 098)
Impairment charge			(1 476)	(1 476)
Exchange difference arising on the translation of cost	714	659	1 982	3 355
Carrying value at end of year	23 544	21 749		45 293
At 30 September 2008				
Cost and carrying value at end of year	23 544	21 749		45 293

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

11. Goodwill, trademark and fishing rights (*continued*)

Goodwill arose on the acquisition of Glenryck Foods Limited. The directors do not consider it necessary to impair this goodwill based on forecast information and financial budgets. A discount rate, calculated using the group's weighted average cost of capital and the UK base borrowing rate, was applied to these projected cash flows.

The **trademark** relates to the Glenryck brand of canned fish in the UK. 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 discount rate, weighted using the group's weighted average cost of capital and the UK base borrowing rate, was applied to these projected cash flows.

The value of **fishing rights** relating to the group's lobster entitlements in Western Australia, were disposed of for a profit during the prior financial year.

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
12. Deferred taxation				
Deferred tax assets	5 878	5 386	2 174	1 673
Deferred tax liabilities	(49 829)	(44 733)		
Net deferred taxation (liability)/asset	(43 951)	(39 347)	2 174	1 673
Net (liability)/asset at the beginning of the year	(39 347)	(22 147)	1 673	860
Disposal of business		(414)		
Adjustment in respect of change in tax rate		688		(29)
Exchange rate adjustment	(6)			
Transferred to subsidiary			(82)	
(Charged)/credited to income	(4 598)	(17 474)	583	842
Net (liability)/asset at the end of the year	(43 951)	(39 347)	2 174	1 673
Comprising:				
Property, plant and equipment	(47 667)	(41 289)		
Trademark		250		
Taxation loss relief	6 524	2 577		
Provisions and other credit balances	10 076	11 151	2 174	1 673
Section 14(1)(c) allowances, prepayments and other	(12 884)	(12 036)		
	(43 951)	(39 347)	2 174	1 673
Aggregate amount of unused taxation losses for which no deferred taxation asset is recognised in the balance sheet	5 119	10 033		
13. Investments and loans				
Gross loans	18 310	33 062	219	219
Less: Provisions for irrecoverable loans	(7 658)	(16 211)		
Loans	10 652	16 851	219	219
Preference shares	129 238	114 186	129 238	114 186
Other shares	221	221	198	198
	140 111	131 258	129 655	114 603

Group 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. Interest amounting to R791 348 (2008: R866 629) was recognised in respect of impaired loans.

Company loans consist of an unsecured, interest-free loan with no fixed terms of repayment to a company in which the group holds a 4% (2008: 4%) equity share. No impairment provision is required in respect of this loan.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
13. Investments and loans (continued)				
Movement on loans				
Balance at beginning of the year	16 851	21 735	219	328
Advances	13 869	10 390		
Interest charged	1 635	5 477		
Loans repaid	(26 214)	(24 430)		(109)
Transferred to short-term loans and advances	(4 042)			
Movement on provisions for irrecoverable loans	8 553	3 679		
Balance at end of the year	10 652	16 851	219	219
Movement on provisions for irrecoverable loans				
Balance at beginning of the year	16 211	19 890		
Irrecoverable amounts written off against the provision	(10)	(60)		
Recovery of amounts previously written off		(1 861)		
Impairment losses reversed	(4 743)	(1 758)		
Transferred to short-term loans and advances	(3 800)			
Balance at end of the year	7 658	16 211		

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. Carrying value includes preference dividends accrued but not yet declared. 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.

	COMPANY	
	2009 R'000	2008 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 8% per annum (2008: 12%)	7 009	12 645
Interest-free	255	440
	7 264	13 085
15. Khula Trust		
Capital contribution	4 042	4 066

Khula 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 or on behalf of the beneficiaries of deceased qualifying employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
16. Interest in subsidiaries and joint ventures				
Shares at cost, less amounts written off			95 801	96 071
Amounts owing by			393 333	268 551
			489 134	364 622
Amounts owing to			(28 345)	(20 807)
			460 789	343 815
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	88 754	23 442		
Finished goods	460 093	278 478		
Consumable stores and work in progress	40 967	42 538		
	589 814	344 458		
18. Accounts receivable				
Trade receivables	329 153	344 026	51	43
Gross trade receivables	340 389	356 325	51	43
Less: Allowance for credit notes	(5 181)	(4 855)		
Less: Provisions for irrecoverable trade receivables	(6 055)	(7 444)		
Short-term loans and advances	1 508	9 817		
Gross short-term loans and advances	7 623	17 325		
Less: Provisions for irrecoverable loans and advances	(6 115)	(7 508)		
Prepayments	26 209	26 380	367	1 448
SARS – VAT and company taxation	43 194	27 381	1 243	
Accrued income and other	8 729	16 801	935	626
	408 793	424 405	2 596	2 117

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		GROUP	
	Trade	Trade	Other	Other
	receivables	receivables	receivables	receivables
	2009	2008	2009	2008
	R'000	R'000	R'000	R'000
18. Accounts receivable (continued)				
The analysis of group trade and other receivables is as follows:				
Not past due	281 071	304 004	79 208	80 379
Ageing of trade and other receivables which are past due and not impaired				
30 days	25 279	27 273		
60 days	9 740	10 674		
90 days	11 789	1 253		
120 days	1 037	450		
150 days and over	237	372	432	
	329 153	344 026	79 640	80 379

Company trade receivables consist mainly of amounts receivable from group companies which are neither past due nor impaired. These accounts are monitored and a provision is created, when necessary, for any irrecoverable amounts.

The granting of credit is controlled by application and credit-vetting procedures which are reviewed and updated on an ongoing basis. Credit risk is reduced by other measures depending on the nature of the customer and market. Credit exposure relating to the domestic fast-moving consumer goods (FMCG) and retail market, other than blue-chip customers, is covered by credit guarantee insurance. Exports are normally on letter of credit and in some cases are on a prepaid basis. Exports to African countries in which satisfactory credit guarantee insurance or letter of credit facilities are not available are on open account, subject to strict credit limits. Cold storage trade receivables are covered by a lien over customer's product held in storage. Individual customer default risks as well as country risks are closely monitored and provisions adjusted accordingly.

In determining the recoverability of a trade receivable, management considers any change in the credit quality of the account from the date credit was initially granted up to the reporting date, taking into account credit guarantee cover, lien over customer's product or other collateral held.

	GROUP	
	2009	2008
	R'000	R'000
Movement in provisions for irrecoverable trade receivables		
Balance at beginning of the year	7 444	14 259
Irrecoverable amounts written off against the provision	(1 567)	(917)
Impairment losses recognised/(reversed)	192	(5 899)
Exchange rate adjustment	(14)	1
Balance at end of the year	6 055	7 444
Concentration of credit risk in trade receivables		
<i>By geographical region</i>		
South Africa and Namibia	256 124	202 986
Other Africa	30 398	48 139
Europe	25 985	73 127
Far East and other	16 646	19 774
Trade receivables	329 153	344 026

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP	
	2009 R'000	2008 R'000
18. Accounts receivable (continued)		
<i>By customer sector</i>		
Domestic FMCG, wholesale, retail (blue-chip or insured)	255 402	224 596
Cold storage (secured by lien)	29 568	28 933
Exports on letter of credit/cash with documents	16 614	44 232
Open account	27 569	46 265
Trade receivables	329 153	344 026
There were no customers (2008: one customer) with a balance in excess of 10% of the total trade receivables.		
Short-term loans and advances are provided to joint venture partners and quota holders to assist in acquiring fishing vessels or to provide working capital. Interest is charged at rates which vary between prime interest rate charged by banks and prime plus 2%.		
Provisions are raised for all trade receivables and short-term loans and advances which are considered irrecoverable.		
Movement in provisions for irrecoverable loans and advances		
Balance at beginning of the year	7 508	4 888
Impairment losses (reversed)/recognised	(5 193)	2 620
Transferred from investments and loans	3 800	
Balance at end of the year	6 115	7 508

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
19. Share capital and premium				
19.1 Ordinary shares of 0.1 cents each				
Authorised share capital:				
200 000 000 (2008: 200 000 000) shares	200	200	200	200
Issued share capital:				
118 589 157 (2008: 117 769 557) shares	119	118	119	118
Share premium	142 081	129 103	142 081	129 103
	142 200	129 221	142 200	129 221
Less: Treasury shares				
19 320 315 (2008: 19 398 315) shares	(125 664)	(126 851)		
	16 536	2 370	142 200	129 221
	Number of shares		Number of shares	
Treasury shares comprise of shares held by:				
Khula Trust	14 210 465	14 292 965		
Oceana Brands Limited	5 094 350	5 094 350		
Oceana Group Share Trust	15 500	11 000		
	19 320 315	19 398 315		
19.2 Unissued shares				
Authorised			200 000 000	200 000 000
Issued			118 589 157	117 769 557
Unissued			81 410 843	82 230 443
Under option in terms of company's share scheme			987 000	1 886 600
Balance of unissued shares			80 423 843	80 343 843

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
20. Accounts payable				
Trade payables	204 136	168 620	283	481
Payroll-related accruals	35 802	45 575	5 324	8 763
Short-term loans and advances	2 336	1 138		
VAT payable	4 717	3 754	443	241
Accruals and other payables	179 103	147 730	4 589	8 071
	426 094	366 817	10 639	17 556
No interest is charged on trade payables. The group has financial risk management processes to ensure that all payables are paid within the credit time frame. The carrying value of current accounts payable approximates their fair value.				
21. Provisions				
<i>Supplier and other claims</i>				
Balance at the beginning of the year	21 836	10 869		
Net (credit)/charge to operating profit	(6 212)	11 930		
Utilised during the year	(8 458)	(963)		
Balance at the end of the year	7 166	21 836		
<i>Ex gratia retirement provision</i>				
Balance at the beginning of the year	4 310	4 653		
Net charge to operating profit	615	310		
Utilised during the year	(614)	(653)		
Balance at the end of the year	4 311	4 310		
<i>Leave pay</i>				
Balance at the beginning of the year	11 068	10 653	626	583
Net charge to operating profit	9 575	3 965	1 579	43
Utilised during the year	(8 176)	(3 550)	(1 318)	
Balance at the end of the year	12 467	11 068	887	626
<i>Total</i>				
Balance at the beginning of the year	37 214	26 175	626	583
Net charge to operating profit	3 978	16 205	1 579	43
Utilised during the year	(17 247)	(5 166)	(1 318)	
Balance at the end of the year	23 945	37 214	887	626

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
22. Commitments				
22.1 Capital commitments				
Budgeted capital expenditure is as follows:				
Contracted	9 449	27 769		
Not contracted	95 815	98 009	2 284	4 312
	105 264	125 778	2 284	4 312
Capital expenditure will be financed from the group's cash resources.				
22.2 Operating lease commitments				
The future minimum lease payments under operating leases are as follows:				
<i>Land and buildings</i>				
Not later than one year	20 423	17 931	1 128	1 050
Later than one year but not later than five years	72 112	51 606	190	1 319
Later than five years	113 973	83 215		
	206 508	152 752	1 318	2 369
<i>Plant, equipment and vehicles</i>				
Not later than one year	175	155		
Later than one year but not later than five years	23	29		
	198	184		
<i>Total operating lease commitments</i>				
Not later than one year	20 598	18 086	1 128	1 050
Later than one year but not later than five years	72 135	51 635	190	1 319
Later than five years	113 973	83 215		
	206 706	152 936	1 318	2 369
	Number		Number	
23. Number of employees				
Permanent employees at year-end	1 351	1 359	41	39

24. Share-based payment plans

24.1 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 ten 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

24. Share-based payment plans (continued)

24.1 Equity-settled compensation scheme (continued)

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

	2009		2008	
	Number of share options	WAEP Rand	Number of share options	WAEP Rand
Outstanding at the beginning of the year	1 886 600 ¹	15.43	2 557 600 ¹	15.42
Forfeited during the year	80 000	16.09	47 000	16.15
Exercised during the year	819 600 ²	15.84	624 000 ³	15.37
Outstanding at the end of the year	987 000 ¹	15.03	1 886 600 ¹	15.43
Exercisable at the end of the year	842 333		1 276 800	

Notes:

1. Included in the end of the year balance are options over 147 000 (2008: 175 000) 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 R22.86.
3. The weighted average share price at the date of exercise for the options exercised was R20.98.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2009 is 3,9 years (2008: 4,9 years).

The range of exercise prices for the options outstanding at the end of the year is as follows:

	2009	2008
	Number of share options	
R6.90 per share exercisable until 10 October 2010	60 000	60 000
R11.05 per share exercisable until 23 October 2011	87 000	107 000
R14.40 per share exercisable until 1 February 2012		8 000
R15.60 per share exercisable until 13 November 2012	154 000	460 600
R16.24 per share exercisable until 11 November 2013	348 000	792 000
R16.00 per share exercisable until 24 November 2014	338 000	459 000
	987 000	1 886 600

The fair value of equity-settled share options 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 equity-settled options is disclosed in note 2.

24.2 Black Economic Empowerment scheme – Khula Trust

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 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. Earlier vesting and transfer of benefits is allowed in the event of the death of the employee. Options not exercised will be available for future allocation to other qualifying employees.

An allocation of 8 360 000 options was made on 15 January 2007 at an option price of R15.21 per share. No further allocations have been made. During the year 39 167 options (2008: 87 500) were realised on behalf of beneficiaries of deceased employees.

The fair value of equity-settled share options 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 is disclosed in note 2.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

24. Share-based payment plans (continued)

24.3 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 note 24.1, but the contractual life of the options is six years and gains on options are settled in cash. Phantom share options granted in 2008 and 2009 have an additional performance-related hurdle rate, linked to growth in headline earnings per share, which applies to half of the options granted.

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

	2009		2008	
	Number of share options	WAEP Rand	Number of share options	WAEP Rand
Outstanding at the beginning of the year	4 755 000	17.11	3 386 000	16.05
Granted during the year	2 760 000	23.09	1 567 000	19.26
Forfeited during the year	687 333	17.37	198 000	16.07
Exercised during the year	454 439 ¹	15.39		
Outstanding at the end of the year	6 373 228	19.65	4 755 000	17.11
Exercisable at the end of the year	148 567			

Notes:

1. The weighted average share price at the date of exercise for the options exercised was R24.31.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2009 is 4,2 years (2008: 4,2 years).

The range of exercise prices for the options outstanding at the end of the year is as follows:

	2009	2008
	Number of share options	
R15.39 per share exercisable until 9 February 2012	1 101 895	1 764 000
R15.20 per share exercisable until 10 May 2012	23 333	35 000
R16.91 per share exercisable until 10 November 2012	1 175 000	1 389 000
R19.26 per share exercisable until 7 February 2014	1 329 000	1 567 000
R22.65 per share exercisable until 4 February 2015	2 244 000	
R25.06 per share exercisable until 30 June 2015	500 000	
	6 373 228	4 755 000

The significant inputs into the valuation model are the spot share price of R26.50 (2008: R21.70), an expected option life of six years and expected dividend yield of 5,4% (2008: 5,3%). The risk-free rate ranged from 6,9% to 8,7% (2008: 11,9% to 12,4%) during the year. Expected volatility of 33% (2008: 27%) is based on historical share price volatility over the financial year.

The share-based payment expense relating to cash-settled options is disclosed in note 2.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

25. Retirement benefits

The group provides a total of seven retirement plans that cover all employees. The plans consist of one defined-contribution pension fund, four defined-contribution provident funds and one defined-contribution retirement fund. There is also a defined-benefit pension fund with one member. 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 2007, the fund was confirmed to be in a financially sound condition. 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 actuarial valuation was used, taking account of actual subsequent experience.

	GROUP				
	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 R'000
Balance at the end of the year					
Present value of funded defined-benefit obligations	(9 495)	(1 941)	(1 858)	(1 900)	(2 236)
Fair value of plan assets in respect of defined-benefit obligations	13 702	15 983	18 059	15 168	14 017
Funded status of defined-benefit plans	4 207	14 042	16 201	13 268	11 781
Unrecognised actuarial (losses)/gains	(3 056)	924	(3 220)	(1 088)	(645)
Unrecognised past-service cost – non-vested benefits				(379)	
Asset not recognised at balance sheet date	(1 151)	(14 966)	(12 981)	(11 801)	(11 136)
Liability at balance sheet date	–	–	–	–	–

In respect of those retirement arrangements which disclosed a positive fund 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.

The surplus apportionment date for the Oceana Group Pension Fund and the Oceana Group Executive Provident Fund was 30 September 2004, and 30 September 2003 for the Oceana Group Provident Fund. The Final Schemes of Apportionment for these funds have all been approved by the Financial Services Board.

During the year, the company settled the claim made by the Oceana Group Pension Fund relating to the utilisation of the pension fund surplus. The surplus attributable to the company in terms of the Oceana Group Executive Provident Fund Scheme was utilised as part settlement of the company liability to the Oceana Group Pension Fund. The Fund has commenced with distributions to former members in terms of its Scheme.

The Oceana Group Provident Fund commenced distributions to former and active members in terms of the Scheme during the prior year. The Oceana Group Executive Provident Fund made and completed distributions to former and active members in terms of its scheme during the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP				
	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 R'000
25. Retirement benefits (continued)					
<i>Movement in the liability recognised in the balance sheet</i>					
Opening balance	–	–	–	–	–
Asset not recognised at the beginning of the year	14 966	12 981	11 801	11 136	10 143
Balance at the beginning of the year	14 966	12 981	11 801	11 136	10 143
Contributions paid	20 400	18 411	18 910	18 040	19 652
Other expenses included in staff costs	(35 366)	(31 392)	(30 711)	(29 176)	(29 795)
Current service cost	(20 389)	(17 410)	(18 911)	(18 049)	(19 646)
Interest income/(cost)	160	(144)	(148)	(167)	(190)
Expected return on plan assets	1 227	1 626	1 329	1 220	1 177
Surplus allocation – former members and related reserves	(15 213)				
Unrecognised past-service cost – non-vested benefits				(379)	
Net actuarial gains recognised during the year		(498)			(182)
Asset not recognised at balance sheet date	(1 151)	(14 966)	(12 981)	(11 801)	(11 136)
Balance at the end of the year	–	–	–	–	–
The principal actuarial assumptions used for accounting purposes relating to the defined-benefit obligations were:					
Discount rate net of tax	8,50%	9,00%	8,50%	7,75%	7,75%
Inflation rate	6,00%	6,50%	5,50%	5,00%	5,00%
Expected return on plan assets	9,50%	10,00%	9,00%	8,75%	8,75%
Future salary increases	6,75%	7,25%	6,25%	5,75%	5,75%
Future pension increases	6,00%	6,50%	5,50%	5,00%	5,00%

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 2009.

	GROUP	
	2009 R'000	2008 R'000
Balance at the end of the year		
Present value of obligations	6 771	6 519
Less: Fair value of plan assets	7 643	7 664
Asset at balance sheet date	(872)	(1 145)
The asset has not been recognised on the balance sheet.		
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Discount rate	9,00%	9,50%
Medical inflation	7,50%	8,50%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

26. Contingent liabilities

The company has given guarantees in support of bank overdraft facilities of certain wholly owned subsidiaries and has subordinated its loan to Blue Atlantic Trading (Pty) Limited. In the prior year, the company guaranteed the liabilities of Calamari Fishing (Pty) Limited.

27. Financial risk management

The group's activities expose it to a variety of financial risks: capital risk, market risk (including currency, interest rate and price risk), liquidity risk and credit risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Capital risk

Capital is managed to ensure that operations continue as a going concern and that expansion opportunities can be funded when they arise. The group's and company's capital management strategy has remained consistent with the prior year. Capital comprises equity, as disclosed in the statement of changes in equity, and overdrafts supplemented when required by adequate short-term borrowing facilities.

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.

Foreign currency balances and exposure (Group)

	US dollar '000	Euro '000	Yen '000	Australian dollar '000
2009				
Trade receivables	3 313	1 299	3 556	293
Other accounts receivable	726			
Cash and cash equivalents	3 533			
Accounts payable	(4 597)	(200)		
Bank overdrafts		(478)		
Balance sheet exposure	2 975	621	3 556	293
Year-end exchange rate	7,44	10,81	0,08	6,46
2008				
Trade receivables	7 717	1 796	115 445	307
Other accounts receivable	413			
Cash and cash equivalents	709			
Accounts payable	(3 502)	(755)		
Bank overdrafts	(1 090)	(636)		
Balance sheet exposure	4 247	405	115 455	307
Year-end exchange rate	8,11	11,83	0,08	6,72

Currency risks arising from foreign trading operations are partially hedged by means of forward exchange contracts (FECs) and the set-off effect of foreign currency denominated assets and liabilities. The group does not enter into derivative contracts for speculative purposes. Currency risk management is carried out in close cooperation between the group's operating units and the group treasury department in terms of approved policies.

The group holds FECs which have been marked to market in the balance sheet. For FECs designated as cash flow hedges, the gains and losses transferred from equity into profit or loss are included in cost of sales. Those which relate to foreign currency commitments not yet due and assets not yet receivable (therefore not yet recognised in the balance sheet) are shown in the following table. The contracts will be utilised for purposes of trade in the 2010 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	US dollar '000	Euro '000	Sterling '000	Yen '000
27. Financial risk management (continued)				
2009				
Foreign currency bought	24 183	688	21	
Foreign currency sold	738			
Average exchange rate	7,40	10,95	11,81	
2008				
Foreign currency bought	18 686	228	18	
Foreign currency sold	666			20 595
Average exchange rate	8,04	12,29	14,85	0,08

Foreign currency sensitivity analysis

The following table shows the group's sensitivity to a 10% weakening in the rand against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at financial year-end for a 10% weaker rand, with all other variables held constant. For a 10% stronger rand there would be an equal and opposite impact on profit before taxation. The table excludes foreign subsidiaries.

	2009 R'000	2008 R'000
Increase in profit before taxation		
US dollar	2 212	3 444
Euro	672	479
Yen	29	882
Australian dollar	189	206

The following table shows the group's sensitivity to a 10% weaker rand on the translation of foreign subsidiaries, with all other variables held constant. For a 10% stronger rand there would be an equal and opposite impact on the FCTR.

	2009 R'000	2008 R'000
Increase in FCTR		
US dollar	919	1 019
Sterling	4 057	5 575
Australian dollar		23

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

27. Financial risk management (*continued*)

Interest rate risk and liquidity risk

Financial assets and liabilities affected by interest rate fluctuations include cash and short-term deposits, preference shares, 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. The group does not use derivative instruments to manage exposure to interest rate movements.

The group and company manage their liquidity risk by monitoring and forecasting cash flows 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 sensitivity analysis

For the group, based on the interest-bearing net assets and interest rates ruling at balance sheet date, net interest earned would amount to R23,7 million (2008: R51,9 million). A 100 basis points change in the interest rate would result in an increase or decrease of R3,1 million (2008: R3,6 million). The group's sensitivity to interest rates has decreased since the previous year.

For the company, based on the interest-bearing net assets and interest rates ruling at balance sheet date, net interest earned would amount to R17,8 million (2008: R37,6 million). A 100 basis points change in the interest rate would result in an increase or decrease of R2,0 million (2008: R2,7 million). The company's sensitivity to interest rates has decreased since the previous year.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group or company.

Potential concentrations of credit risk consist principally of trade receivables, loans and advances and short-term cash investments. Long-term 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 group and company deposit short-term cash surpluses only with major financial institutions of high-quality credit standing. At 30 September 2009, the directors did not consider there to be any significant concentration of credit risk which had not been adequately provided for. Details are disclosed in note 18 of how credit risk relating to accounts receivables is managed.

Fair values

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

28. 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 19.

The company owns 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.

No amounts have been recognised (2008: R2,6 million) in the income statement for irrecoverable amounts owing by related parties.

Details of the transactions between the group and the company with related parties follow.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
28. Related-party disclosures (continued)				
Transactions				
Transactions with joint ventures				
Administration fees received	2 184	1 970	830	685
Net interest received	398	483	797	959
Transactions with subsidiaries				
Administration fees received			47 875	43 440
Dividends received			213 334	134 255
Net interest (paid)/received			(1 496)	4 825
Transactions with shareholders				
Accrued dividends receivable from Oceana SPV (Pty) Limited	15 052	14 880	15 052	14 880
Goods and services sold to Tiger Brands Limited subsidiaries	10 886	19 768		
Administration fees paid to Tiger Brands Limited		516		516
Net amount owed by/(to) Tiger Brands Limited subsidiaries	396	2 339		(49)
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	19 274	18 987	10 394	10 869
Post-employment benefits	2 062	1 967	1 062	1 104
Other long-term benefits	2 811	3 184	628	2 035
Share-based payments	99	78	82	101
Non-executive directors' emoluments	1 466	1 277	1 466	1 277
Total compensation of key management	25 712	25 493	13 632	15 386

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 25.

INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES at 30 September 2009

Name of company	Notes	Nature of business	Issued capital	Effective holding		Interest of holding company			
			2009 R	2009 %	2008 %	Cost of shares		Indebtedness	
						2009 R'000	2008 R'000	2009 R'000	2008 R'000
Blue Atlantic Trading (Pty) Limited	2	Fish trading	100	50	50			5 671	6 040
Blue Continent Products (Pty) Limited		Horse mackerel, hake	1 000	100	100	1 932	1 932	5 273	8 082
Calamari Fishing (Pty) Limited		Squid	4 000	100	100			11 666	38 022
Commercial Cold Storage (Pty) Limited		Cold storage	100	100	100			(20 892)	(3 146)
Commercial Cold Storage Group Limited		Holding company	1 000 000	100	100	6 985	6 985		
Commercial Cold Storage (Ports) (Pty) Limited		Cold storage	100	70	70				
Commercial Cold Storage (Namibia) (Pty) Limited – Namibia		Cold storage	10 000	100	100				
Compass Trawling (Pty) Limited	2	Hake	1 000	42,05	42,05				
Desert Diamond Fishing (Pty) Limited		Horse mackerel	120	90	90			16 924	(3 345)
Erongo Marine Enterprises (Pty) Limited – Namibia		Horse mackerel	100	100	100			31 912	34 041
Erongo Seafoods (Pty) Limited – Namibia		Horse mackerel	40 000	49	49				
Erongo Sea Products (Pty) Limited – Namibia		Horse mackerel	100	48	48				
Etosha Fisheries Holding Company (Pty) Limited – Namibia	2	Canned fish, fishmeal/oil	9 085	44,9	44,9	10 988	10 988		
Glenryck Foods Limited – United Kingdom		Canned fish	6 080 000	100	100	73 154	73 154		
Lamberts Bay Foods Limited		French fries	52 700	100	100	22	22	6 879	10 805
MFV Romano Paulo Vessel Company (Pty) Limited	2	Rock lobster	3 000	35	35				
Oceana Brands Limited		Canned fish, fishmeal/oil	600 000	100	100	1 706	1 706	298 034	157 226
Oceana International Limited – Isle of Man		Horse mackerel	23	100	100	23	23		
Oceana Lobster Limited		Rock lobster	965 500	100	100	966	966	9 191	1 663
Stephan Rock Lobster Packers Limited		Rock lobster	200 000	51	51	25	25	330	(1 192)
Coast Trading Company (Pty) Limited	4				100		30		(30)
Hicksons Fishing Company Limited	4				100		35		(140)
Ikamva Lethu Fishing (Pty) Limited	4				100				(2)
Interfrost Pty Limited – Australia	4				100				
Lamberts Bay Foods (Pty) Limited	4				100				
Namaqua Fishing Company Limited	4				100		25		(100)
North Bay Fishing Company Limited	4				100		180		(180)
						95 801	96 071	364 988	247 744

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. Joint venture.
3. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.
4. Deregistered.

INTEREST IN JOINT VENTURES at 30 September 2009

	2009	2008
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	42,05	42,05
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	149 435	152 448
Expenses	(120 797)	(120 359)
Operating profit before abnormal items	28 638	32 089
Abnormal items		382
Net interest	(1 487)	(1 155)
Profit before taxation	27 151	31 316
Taxation	4 190	4 649
Profit after taxation	22 961	26 667
Balance sheet		
Property, plant and equipment	18 229	21 338
Investments	22	22
Current assets	74 282	82 438
Current liabilities		
– Interest-bearing	(11 302)	(12 799)
– Interest-free	(25 591)	(35 580)
Deferred taxation	(2 372)	(2 212)
Cash flow statement		
Operating profit	28 638	32 089
Adjustments for non-cash items	3 758	3 575
Working capital changes	(1 744)	(11 856)
Cash flows from operations	30 652	23 808
Net interest	(1 487)	(1 155)
Taxation paid	(5 508)	(5 496)
Net cash flows from operating activities	23 657	17 157
Cash flows from investing activities	(649)	(9 862)
Net increase in cash and cash equivalents	23 008	7 295

SHARE ANALYSIS at 30 September 2009

	Notes	2009	2008	2007	2006	2005
Share performance						
Market price per share (cents)						
Year-end		2 625	2 105	2 260	1 580	1 520
Highest		2 800	2 619	2 300	1 700	1 670
Lowest		1 950	1 601	1 560	1 400	1 190
Price earnings ratio	1	9,4	8,9	13,9	14,0	13,8
Number of transactions	2	2 170	1 896	1 240	1 683	2 216
Number of shares traded ('000)	2	22 236	18 078	9 090	18 252	25 612
Value of shares traded (R'000)	2	520 990	372 452	180 056	280 578	360 207
Volume of shares traded as a percentage of total issued shares	2	18,8	15,4	7,8	15,7	22,8
Market capitalisation (R'000)	3	3 112 965	2 479 049	2 647 490	1 830 918	1 707 506
JSE food producers and processors index	4	159,15	136,48	150,02	113,09	100,00
JSE industrial index	4	162,54	144,64	166,64	123,33	100,00
Oceana Group Limited share price index	4	172,70	138,49	148,68	103,95	100,00

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 and subsidiary company.
4. Adjusted base 2005 = 100.

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	484	47,4	187 543	0,2
1 001 – 10 000 shares	314	30,7	1 301 640	1,1
10 001 – 100 000 shares	147	14,4	5 100 719	4,3
100 001 – 1 000 000 shares	63	6,1	16 823 072	14,2
1 000 001 shares and over	14	1,4	95 176 183	80,3
	1 022	100,0	118 589 157	100,0

Distribution of shareholders

Banks	7	0,7	3 188 800	2,7
Brokers	6	0,6	289 661	0,2
Close corporations	13	1,3	25 132	0,0
Empowerment	1	0,1	11 596 755	9,8
Individuals	687	67,2	2 396 413	2,0
Insurance companies	16	1,6	1 346 391	1,1
Investment companies	6	0,6	1 143 676	1,0
Medical aid schemes	2	0,2	72 845	0,1
Mutual funds	71	6,9	15 942 333	13,4
Nominees and trusts	68	6,6	744 536	0,6
Other corporate bodies	11	1,1	485 025	0,4
Pension funds	100	9,8	16 959 882	14,3
Private companies	25	2,4	328 920	0,3
Public companies	6	0,6	44 748 473	37,7
Treasury shares held by share trusts	2	0,2	14 225 965	12,0
Treasury shares held by subsidiary	1	0,1	5 094 350	4,3
	1 022	100,0	118 589 157	100,0

Shareholder type

Non-public shareholders	181	17,7	76 273 033	64,3
Directors and employees	176	17,2	656 500	0,5
Treasury shares held by share trusts	2	0,2	14 225 965	12,0
Treasury shares held by subsidiary	1	0,1	5 094 350	4,3
Empowerment	1	0,1	11 596 755	9,8
Holdings greater than 10%	1	0,1	44 699 463	37,7
Public shareholders	841	82,3	42 316 124	35,7
	1 022	100,0	118 589 157	100,0

Shareholders holding in excess of 5%

Tiger Brands Limited	44 699 463	37,7
Khula Trust	14 210 465	12,0
Brimstone Investment Corporation Limited	11 596 755	9,8
Investec Asset Management (Pty) Limited	6 144 014	5,2

NOTICE OF ANNUAL GENERAL MEETING

all shareholders are encouraged to attend the annual general meeting of Oceana Group Limited ("the company")

Notice is hereby given that the 92nd 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 11 February 2010 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 2009 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 2009, as set out in the annual report, are hereby approved."

2. In terms of the articles of association of the company, Mr FP Kuttel, Mr RG Nicol, Ms NV Simamane and Mr TJ Tapela 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 Francois Paul Kuttel be and is hereby elected as director of the company."

Ordinary resolution number 2.2

"Resolved that Mr Rodney Gerald Nicol be and is hereby elected as director of the company."

Ordinary resolution number 2.3

"Resolved that Ms Nomahlubi Victoria Simamane be and is hereby elected as director of the company."

Ordinary resolution number 2.4

"Resolved that Mr Takula Jenkins Tapela 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 2010 by passing the following ordinary resolution:

Ordinary resolution number 3

"Resolved that the non-executive directors' fees for the year ending 30 September 2010 be as follows:

	R
• As chairman of the board	350 000
• As a member of the board	140 000
• As chairman of the audit committee	90 000
• As a member of the audit committee	55 000
• As chairman of the remuneration and nominations committee	75 000

	R
• As a member of the remuneration and nominations committee	45 000
• As chairman of the risk committee	60 000
• As a member of the risk committee	35 000
• As chairman of the transformation committee	60 000
• As a member of the transformation committee	35 000

and in addition that non-executive directors be paid an amount of R2 000 per hour in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the remuneration and nominations committee and the chief executive officer."

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 987 000 (nine hundred and eighty seven thousand) 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 (1985) 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 Listing Requirements of the JSE Limited ("JSE Listings Requirements"), until the next annual general meeting."

The directors record that notwithstanding the granting of the aforesaid authority, they do not intend to grant any new options in terms of the Oceana Group (1985) Share Option Scheme. In addition to the foregoing, the directors remind shareholders that the aforesaid authority does not constitute a general authority to issue shares in the capital of the company, and is limited by the specific objectives and parameters set forth in 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

NOTICE OF ANNUAL GENERAL MEETING continued

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

General

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

- the directors and managers of the company on pages 6 and 7;
- the major shareholders of the company on page 90;
- the directors' shareholding in the company on page 55;
- the share capital of the company in note 19 on page 77

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 2009 and the reporting date.

The directors, whose names are given on page 6 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 number 1. All other holders of shares are entitled to attend, speak and vote on all matters at the annual general meeting. If you hold certificated shares (ie have not dematerialised your shares in the company) or are registered as an "own name" dematerialised shareholder (ie have specifically instructed your Central Security Depository

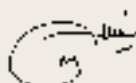
Participant ("CSDP") to hold your shares in your own name on the company's subregister), then:

- 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 (ie 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.



M Allie
Company secretary

Cape Town
12 November 2009

Schedule 1 to the Notice of Annual General Meeting

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.

“Information pertaining to special resolution number 1”

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 subsidiaries 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.

CURRICULA VITAE

Francois Paul Kuttel (41)

BAA (San Diego)

Francois graduated from the University of San Diego in 1991 with a Bachelor in Accountancy, whereafter he joined his family's USA-based fishing operations.

He returned to South Africa in 1995 as managing director of Namibian Sea Products. He was appointed as chief executive officer of Irvin & Johnson in 2006.

Francois was appointed to the Oceana board as chief executive officer in 2009 and serves on the risk and transformation committees.

Rodney Gerald Nicol (54)

CA(SA)

Rod studied through the University of South Africa and qualified as a chartered accountant in 1981.

He spent four years in the outdoor advertising industry before joining Oceana in 1985. Since then he has held various financial positions in the group.

Rod was first appointed to the Oceana board in 1991 as group financial director and serves on the risk committee.

Nomahlubi Victoria Simamane (50)

BSc (Hons) (UBS)

Nomahlubi is chief executive officer of Zanusi Brand Solutions. She graduated as a biochemist and worked for Unilever for 12 years, becoming the first black marketing manager for Unilever in 1994. She spent a further five years at British American Tobacco as marketing director, including two years in the USA. In 1999 she was appointed managing director of BLGK Bates.

Nomahlubi sits on several boards including JSE-listed Cashbuild and Foschini Group. She is a guest lecturer at Wits Postgraduate School, University of Johannesburg, Vega School of Brand Communication and the University of Texas, USA.

Nomahlubi was appointed to the Oceana board in 2009 and chairs the transformation committee.

Takula Jenkins Tapela (41)

BCompt (Unisa)

Takula is managing executive at Brimstone Investment Corporation and co-ordinates and directs the operational activities of the executive team in deal origination, transacting and investment monitoring.

He joined Brimstone in June 2005 from Old Mutual SA where he was executive assistant to the managing director. Prior to this Takula worked in OMSA's Corporate Finance team for two years. He joined Old Mutual from African Harvest and was executive director of strategic and regional investment subsidiaries, prior to which he worked for Delta Corporation (SAB) and the JSE's Inspectorate division.

Takula was appointed to the Oceana board in 2009 and serves on the transformation committee.

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 ZAE000025284)
("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 11 February 2010 (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 Kuttel as director			
Ordinary resolution no. 2.2: Election of Mr Nicol as director			
Ordinary resolution no. 2.3: Election of Ms Simamane as director			
Ordinary resolution no. 2.4: Election of Mr Tapela as director			
Ordinary resolution no. 3: Approval of non-executive directors' fees for 2010			
Ordinary resolution no. 4: Placing unissued shares under the control of the directors for the purposes of the Oceana Group (1985) Share Option Scheme ¹			
Special resolution no. 1: General authority to repurchase company shares			

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 _____ 2010

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.

¹ Unissued shares placed under the control of the directors pursuant to ordinary resolution number 4 will only be used to fulfil the obligations of the company (if any) to issue shares to employees pursuant to the Oceana Group (1985) Share Option Scheme.

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 Computershare, 70 Marshall Street, Johannesburg 2001 or posted to PO Box 61051, Marshalltown 2107 or emailed to proxy@computershare.co.za. Forms of proxy must be received or lodged by no later than 48 (forty eight) hours before the annual general meeting, ie by 14:00 on Tuesday 9 February 2010.
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).
12. 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

Masood Allie (34)
BA LLB
Appointed in 2009

Company registration number

1939/001730/06

JSE share code

OCE

NSX share code

OCG

Company ISIN number

ZAE000025284

Transfer secretaries

Computershare Investor Services (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
Nedbank Limited

Auditors

Deloitte & Touche

JSE sponsor

The Standard Bank of South Africa Limited

NSX sponsor

Old Mutual Investment Services (Namibia) (Pty) Limited

SHAREHOLDERS' DIARY

Financial year-end
Annual general meeting

30 September
February

Reports and announcements

Interim report
Announcement of annual results
Annual report
Dividends

Published May
Published November
Published December
Interim declared May, paid July
Final declared November, paid January

