



Oceana

GROWTH, SUSTAINABILITY, EFFICIENCY

INTEGRATED REPORT 2014



South Africa's
MOST
empowered
listed company



Fuzile Malanga



Khuthazwa Besuthu



Malungisa Sukutu



Jennifer Cloete



Gregory Boyce

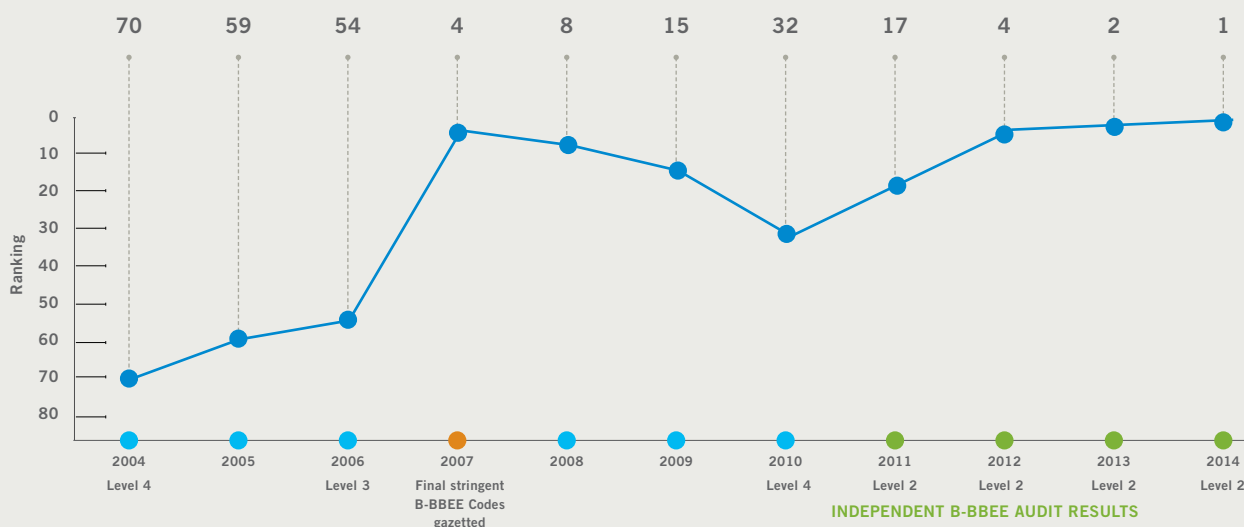


SOUTH AFRICA'S MOST EMPOWERED LISTED COMPANY

98,39
2014 B-BBEE Score

From empowerment ranking of 70th in 2004, 17th in 2011, 2nd in 2013 and 1st in 2014

TOP EMPOWERMENT COMPANY RANKING



Oceana Empowerment Trust

holds

11,6%

shares in Oceana

2 630 = 13,9 million

eligible employee
beneficiaries

shares in Oceana

Market value of shares
owned by the Trust is
just over

R1,0 billion



R292 million

pay-out to employee
beneficiaries of the Trust

45%
female

79%
under the
age of 50

161
above the
age of 60

Payout average =
R100 000
after tax per
employee beneficiary

R79
million
paid to SARS
in respect of
personal
tax due

Dividends
received by
the trust
R230,9
million

INVESTOR TOOLS

The following investor tools will help you navigate better throughout this report:



Cross-reference to relevant sections within this report



View more information on our website:
www.oceana.co.za



Terms are explained in the glossary on page 126



Will take you to information that is suitable to view on your smartphone

CONTENTS

| | |
|--|-----|
| 1. OVERVIEW | |
| Value added statement | 4 |
| Group profile | 7 |
| Our strategic objectives | 9 |
| What we do | 10 |
| About this report | 12 |
| Chief executive officer's report | 14 |
| The Oceana group at a glance | 22 |
| 2. BUSINESS MODEL AND OPERATING CONTEXT | |
| How we create value: Our business model | 26 |
| The business context: Issues impacting our strategy | 28 |
| Understanding our stakeholders' interests | 30 |
| Our material risks | 34 |
| 3. GROUP PERFORMANCE AGAINST STRATEGY | |
| Group financial director's report | 38 |
| Statistical and financial data | 43 |
| Operating segment report | 45 |
| Driving transformation and localisation | 46 |
| Impact of corporate social responsibility initiative | 51 |
| Optimising our operations | 52 |
| Leading stewardship of marine resources | 56 |
| Building trusted relationships | 60 |
| 4. DIVISIONAL PERFORMANCE REVIEWS | |
| Lucky Star | 66 |
| Horse mackerel and hake | 72 |
| Oceana lobster, squid and French fries | 76 |
| CCS Logistics | 78 |
| 5. GOVERNANCE | |
| Chairman's report | 82 |
| Directorate | 86 |
| Executive committee | 88 |
| Corporate governance | 90 |
| Risk management | 96 |
| Remuneration | 98 |
| Social, ethics and transformation | 102 |
| 6. CONDENSED GROUP FINANCIAL STATEMENTS | |
| Statement of comprehensive income | 106 |
| Statement of financial position | 107 |
| Statement of changes in equity | 108 |
| Statement of cash flows | 109 |
| Notes to the condensed group financial statements | 110 |
| 7. SHAREHOLDER INFORMATION | |
| Shareholder analysis | 114 |
| Notice of annual general meeting | 115 |
| Form of proxy | 121 |
| Corporate information and advisors | 125 |
| Glossary | 126 |
| Administration | IBC |
| Shareholders' diary | IBC |



Oceana Group Limited
Incorporated in the Republic of South Africa
(Registration number 1939/001730/06)
(Oceana or the company or the group)

VALUE ADDED STATEMENT AT 30 SEPTEMBER 2014

| | 2014 | | Restated 2013 | |
|---|------------------|-------|------------------|-------|
| | R'000 | % | R'000 | % |
| Revenue | 5 039 134 | | 4 701 224 | |
| Paid to suppliers for materials and services | 3 295 336 | | 3 062 962 | |
| Value added | 1 743 798 | | 1 638 262 | |
| Income from investments | 13 273 | | 16 451 | |
| Total wealth created | 1 757 071 | | 1 654 713 | |
| Wealth unlocked (Oceana Empowerment Trust) | 291 524 | | | |
| Total wealth distributed | 2 048 595 | | 1 654 713 | |
| Distributed as follows: | | | | |
| Employees | | | | |
| Salaries, wages and other benefits | 725 339 | 35,4 | 767 782 | 46,4 |
| Providers of capital | 674 506 | 32,9 | 388 417 | 23,5 |
| Interest on borrowings | 17 102 | 0,8 | 7 485 | 0,5 |
| Dividends to non-controlling interests | 26 223 | 1,3 | 21 251 | 1,3 |
| Dividends to Oceana Empowerment Trust beneficiaries | 10 176 | 0,5 | 2 711 | 0,2 |
| Distribution to Oceana Empowerment Trust beneficiaries | 291 524 | 14,2 | | |
| Dividends to shareholders of Oceana Group Limited | 329 481 | 16,1 | 356 970 | 21,5 |
| Government | | | | |
| Central and local (Notes 1 and 2) | 266 176 | 13,0 | 263 024 | 15,9 |
| Reinvested in the group to maintain and develop operations | 382 574 | 18,7 | 235 490 | 14,2 |
| Depreciation, amortisation and impairment loss | 113 623 | 5,5 | 102 368 | 6,2 |
| Retained surplus (Note 3) | 243 039 | 11,9 | 143 458 | 8,6 |
| Deferred taxation | 25 912 | 1,3 | (10 336) | (0,6) |
| Total wealth distributed | 2 048 595 | 100,0 | 1 654 713 | 100,0 |
| Notes | | | | |
| 1. Central and local government: | | | | |
| Company taxation | 231 620 | | 234 661 | |
| Skills development levy net of refunds | 7 255 | | 2 809 | |
| Rates and taxes paid to local authorities | 6 659 | | 7 068 | |
| Customs duties, import surcharges and excise taxes | 11 356 | | 14 676 | |
| Withholding taxes | 9 286 | | 3 810 | |
| | 266 176 | | 263 024 | |
| 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 | (117 598) | | (113 709) | |
| PAYE and SITE withheld from remuneration paid | 185 132 | | 122 232 | |
| UIF contributions withheld from employees' salaries | 2 950 | | 2 667 | |
| | 70 484 | | 11 190 | |
| 3. Retained surplus comprises: | | | | |
| Group profit after taxation | 608 919 | | 524 390 | |
| Less: Dividends paid to: | | | | |
| Shareholders of Oceana Group Limited | (329 481) | | (356 970) | |
| Oceana Empowerment Trust beneficiaries | (10 176) | | (2 711) | |
| Non-controlling interests | (26 223) | | (21 251) | |
| | 243 039 | | 143 458 | |

GROUP PROFILE

Incorporated in 1918, Oceana Group is the largest fishing company in South Africa, and an important participant in Namibia's fishing industry. We are listed on both the Johannesburg (JSE) and Namibian (NSX) stock exchanges. We are a black-owned company and a level 2 B-BBEE contributor. We provide employment opportunities for 3 940 employees, of whom 3 191 are directly employed and 749 indirectly employed. In 2014, Oceana was rated as the most empowered listed company in South Africa (*Mail & Guardian's* Most Empowered Companies ranking).

Our core purpose is to be Africa's most efficient converter of fishing rights into value.

Our fishing business is the catching, processing, marketing and distribution of canned fish, fishmeal and fish oil, horse mackerel and hake, lobster and squid. The business includes mid-water fishing (horse mackerel), deep-sea trawling (hake), as well as inshore fishing for pelagic fish (anchovy, redeye herring and pilchard).

Our core purpose

To be Africa's
most efficient
converter of
fishing rights
into value

Incorporated in

1918

We supply fish and fish products to consumers across the consumer spectrum, in many African countries, Asia, Europe, the USA and Australia. While the group's principal market for fish is the lower-end consumer (canned fish and horse mackerel), we also sell product aimed at the upper-end consumer (lobster, hake and certain canned fish). The majority of sales revenue comes from South Africa and Namibia, followed by markets in Southern and West Africa, Europe and the Far East.

Oceana's fishing activities are conducted primarily through three operating divisions: Lucky Star; Blue Continent Products; and Oceana lobster, squid and French fries. A fourth division, CCS Logistics, provides refrigerated warehouse facilities with operations in Cape Town, Durban, Johannesburg and Walvis Bay. This structure creates value through economies of scale and efficiencies in terms of raw material and product volumes, use of vessels and production resources, market focus, risk management and growth opportunities.

We are committed to and support responsible fishing practices. Oceana is a founder member of the Responsible Fisheries Alliance (RFA), and has partnered with WWF and competitors in the RFA to enhance an ecosystems approach to fisheries management.

The group has a strong board and an experienced management team that maintains a culture of good governance informed by effective risk management and compliance practices, supported by a stable and experienced employee base.

Oceana is a black-
owned company and
a level 2 B-BBEE
contributor.

3 940
employees

MISSION STATEMENT

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

- responsibly harvesting a diverse range of marine resources
- efficiently producing relevant products for global markets
- actively developing the potential of all employees
- positively assisting less privileged communities in which the company operates

thereby consistently providing superior returns to all stakeholders.

VALUES

- Oceana's people and their performance are important to the group
- Oceana is an integral part of the communities in which it operates
- The planet is Oceana's home and the responsible management of the marine environment is critical to its future
- Oceana's reputation is an asset
- Oceana's customers and suppliers are its partners
- Oceana's performance rewards its shareholders' expectations

| OCEANA SHAREHOLDER | TIGER BRANDS | BRIMSTONE | OCEANA EMPOWERMENT TRUST | OTHER |
|--|--------------|------------|--------------------------|------------|
| PERCENTAGE OF TOTAL ISSUED SHARES HELD | 41,9% | 16,8% | 11,6% | 29,7% |
| NUMBER OF SHARES HELD | 50 098 877 | 20 096 755 | 13 902 935 | 35 427 590 |

TOTAL NUMBER OF SHARES **119 526 157**



OUR STRATEGIC OBJECTIVES

OUR CORE PURPOSE

is to be Africa's most
efficient converter of fishing
rights into value

Delivery on this core purpose is underpinned by five strategic objectives



1

GENERATING SUSTAINED FINANCIAL RETURNS BY ANTICIPATING MARKET TRENDS

- Identifying opportunities for acquisitive and organic growth of the group
- Achieving growth in headline earnings
- Delivering superior returns to shareholders



2

DRIVING TRANSFORMATION AND LOCALISATION

- Being a sector leader in terms of our transformation and localisation credentials
- Maintaining an independently accredited B-BBEE level 2 rating in South Africa
- Promoting and protecting the ongoing transformation of the group's equity profile



3

OPTIMISING OUR OPERATIONS

- Driving effectiveness and efficiency in our fleet and operations throughout the value chain
- Actively evaluating and mitigating risk, and maintaining effective governance systems
- Attracting, developing and retaining the best available talent throughout the group



4

LEADING STEWARDSHIP OF MARINE RESOURCES

- Harvesting our marine resource allocations responsibly
- Partnering with others to promote responsible fisheries management
- Monitoring and managing the group's impact on the environment

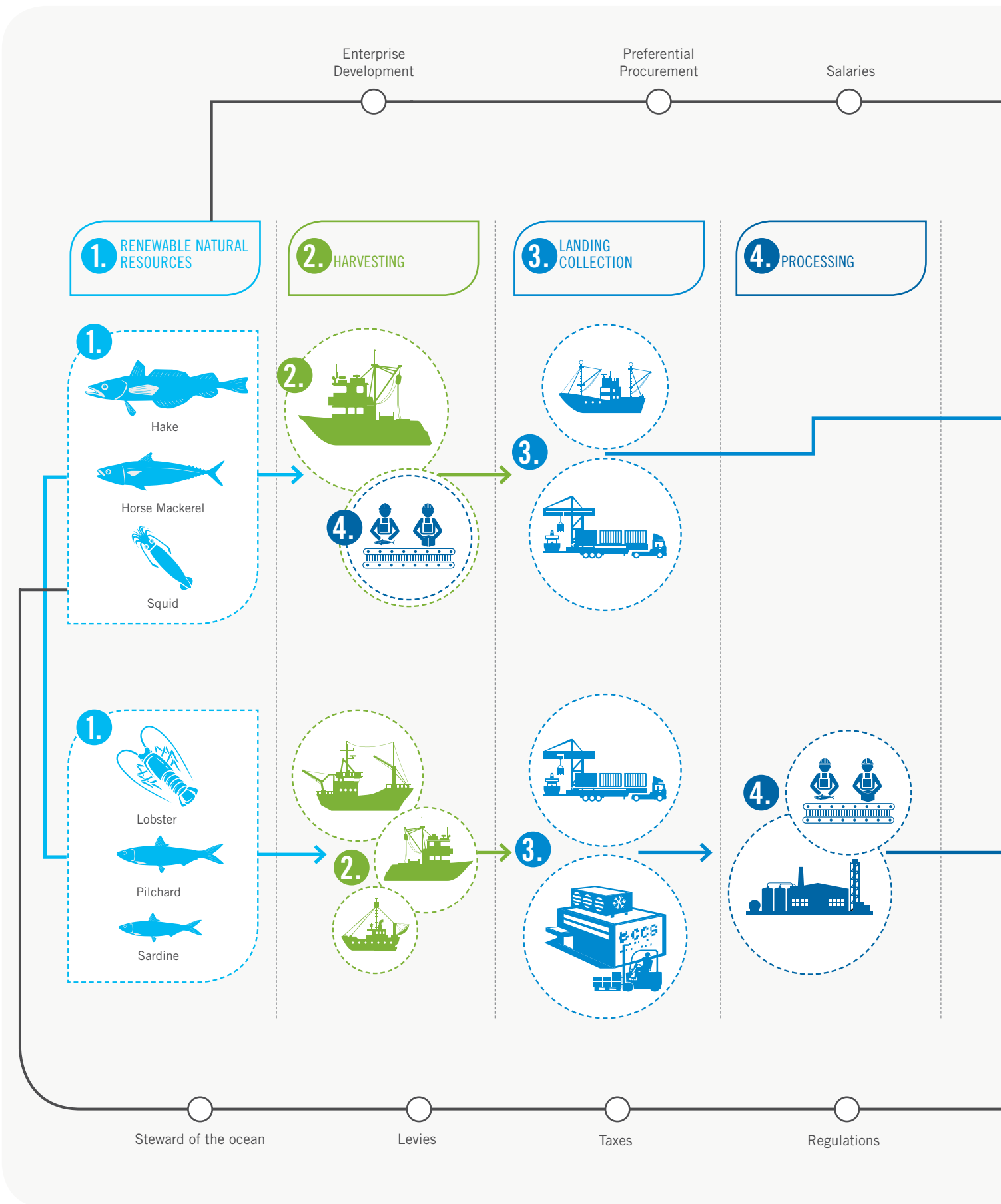


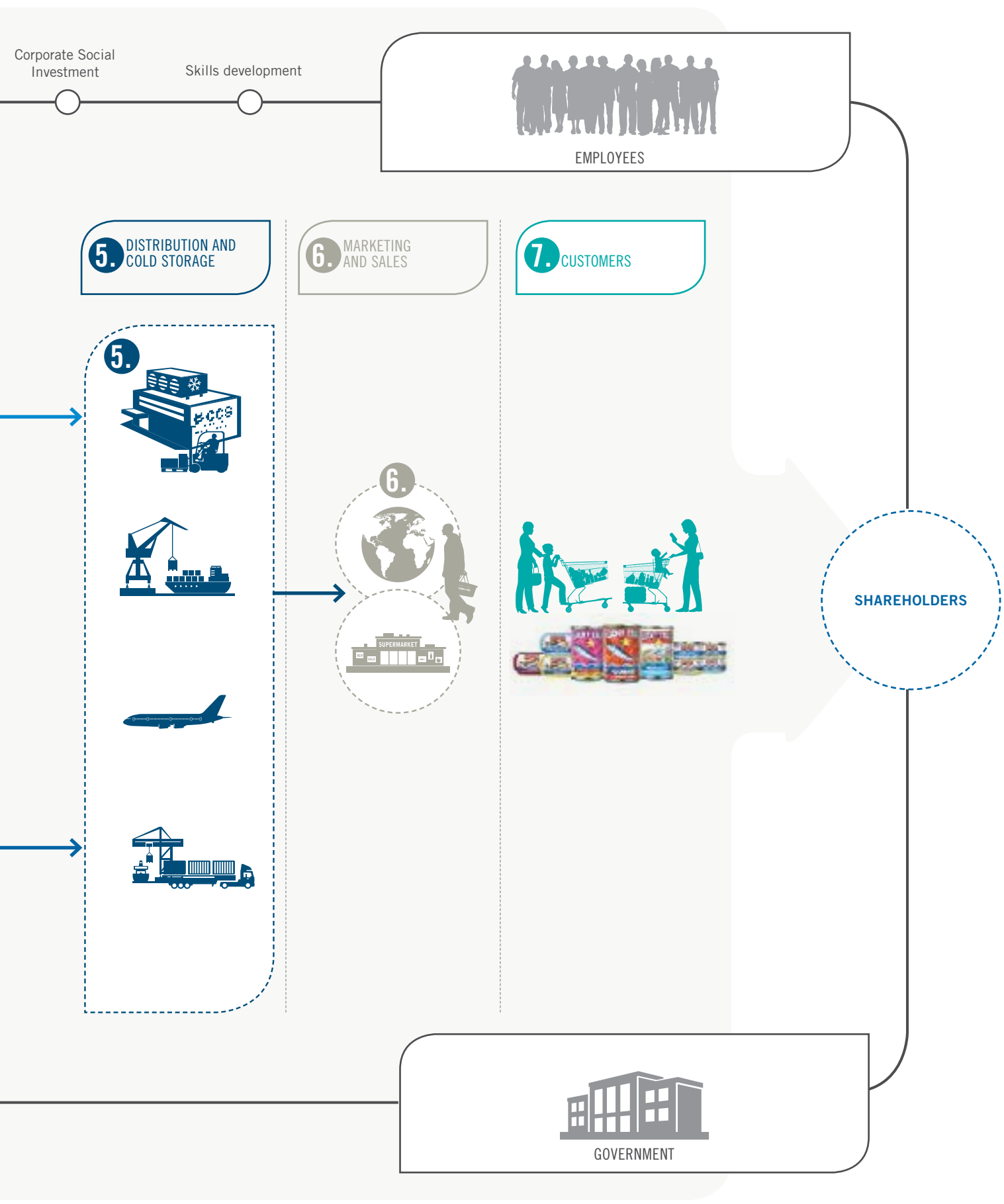
5

BUILDING TRUSTED RELATIONSHIPS

- Encouraging proactive engagement with key stakeholders
- Adhering to strict food safety standards and exceeding customers' product quality expectations
- Delivering value for local communities

WHAT WE DO





ABOUT THIS REPORT

SCOPE, BOUNDARY AND REPORTING CYCLE

Oceana Group Limited's 2014 integrated report provides material information relating to the group's strategy, governance practices and performance for the financial year ended 30 September 2014. The report covers the full business operations of the group, which comprises subsidiaries in the fishing, commercial cold storage and logistics industries in South Africa and Namibia.

This is Oceana's fourth integrated report. Although targeted primarily at the group's shareholders, analysts and investors, the report will be of interest to all stakeholders who wish to make an informed assessment of the group's ability to create value, over the short, medium and long term. This report is supplemented by our separate 2014 annual financial statements and our 2014 sustainable development report, both of which are available on our website.

The report focuses primarily on the main operations and activities that contribute to Oceana's performance, namely canned fish and fishmeal; horse mackerel and hake; lobster, squid and French fries; and commercial cold storage and logistics (see page 64). Unless otherwise stated, all performance data is for the 12-month period ended 30 September 2014, and relates to all of the group's South African and Namibian operations, including Etosha Fisheries. The B-BBEE assessment, as well as the employment equity statistics excludes non-South African companies. There has been no significant change to the group's organisational structure since 2013. During the year the group adopted IFRS 11 which resulted in the restatement of certain financial statement line items for the prior period disclosed. Details of the restatement can be found on page 13 of the annual financial statements (AFS).

REPORTING PRINCIPLES

In preparing this report, Oceana applied the principles contained in the King Report on Governance for South Africa, 2009 (King III), the JSE Listings Requirements, the International Financial Reporting Standards and the Companies Act, 71 of 2008. The report also draws on the International

<IR> Framework of the International Integrated Reporting Council (IIRC). Commentary has been provided to explain the reasons for certain principles in King III not being complied with fully.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for two key audiences: current and prospective investors (to support their financial capital allocation assessments); and representatives from government and regulatory authorities in South Africa and Namibia (to inform their assessments of our performance). The report seeks to provide concise information that is material to assess Oceana's ability to create value in the short, medium and long term, and to judge our performance against our stated core purpose. The report focuses on our performance and prospects in terms of our strategic objectives. The objectives (page 9) have been identified on the basis of an assessment of how we create value (page 26), the issues that have an impact on value (page 28), the views of our stakeholders (page 30), and the principal risks the group faces (page 34). Our strategic objectives focus explicitly on those issues that we see as being most material to our capacity to create value, and to delivering on our core purpose. The "sustainability" issues that relate to our strategic objectives have been included within this report; a more detailed review is provided in our separate sustainable development report 2014.

EXTERNAL AUDIT AND ASSURANCE

An independent audit of the group's AFS was performed by Deloitte & Touche. The B-BBEE scorecard information was verified independently by Empowerdex. The rest of this integrated report has not been subjected to independent audit or review. Information reported, other than that mentioned above, is derived from the group's own internal records and from information available in the public domain.

We welcome your feedback on this report. Please address any queries or comments to our company secretary at companysecretary@oceana.co.za or call +27 21 410 1400.

STATEMENT OF THE BOARD OF DIRECTORS OF OCEANA GROUP LIMITED

The board acknowledges its responsibility to ensure the integrity of the integrated report. In the board's opinion, this report provides a fair and balanced account of the group's performance on those material issues that we believe have a bearing on the group's capacity to create value over the short, medium and long term. The 2014 integrated report has been prepared in line with internationally recognised best practice and complies with the recommendations of King III, principle 9.1. The report, including the annual financial

statements of the group for the year ended 30 September 2014, were approved by the board of directors on 4 December 2014 and signed on its behalf by



Mustaq Brey
Chairman



Francois Kuttel
Chief executive officer

CHIEF EXECUTIVE OFFICER'S REPORT



CHIEF EXECUTIVE OFFICER
FRANCOIS KUTTEL



OCEANA'S CORE
PURPOSE IS TO BE
AFRICA'S MOST
EFFICIENT
CONVERTER OF
FISHING RIGHTS
INTO VALUE
FOR OUR
SHAREHOLDERS
AND EMPLOYEES,
CUSTOMERS
AND SUPPLIERS,
AND THE
COMMUNITIES
WITHIN WHICH
WE OPERATE.

It is pleasing to report that we have once again delivered on our core purpose by providing value growth for all our main stakeholders. This growth has been underpinned by a 16% increase in earnings, driven by improved catches of industrial fish landed to our fishmeal plants compared to 2013, sustained market demand, which resulted in muted volume growth and improved pricing in most of our divisions. This significant increase in earnings was achieved despite the continuing tough market conditions for consumers, and the unexpectedly poor landings this year of horse mackerel, one of the primary drivers of revenue growth in 2013.

Our commitment to delivering and sustaining stakeholder value was epitomised this year by the success we had in driving broad-based black economic empowerment (B-BBEE) across our activities. This is reflected in Oceana being ranked number one in this year's *Mail & Guardian* Most Empowered Companies ranking, up from 70th in 2004 and 17th in 2011. A particularly significant highlight this year, reviewed in more detail later in my report, has been the approval of the extension to the lock in period by the 2 647 employee beneficiaries of the Oceana Empowerment Trust in November last year. The longevity of the black ownership of the Trust has been extended to January 2021, thus assisting Oceana in being able to retaining its black ownership credentials and maintaining our ability to deliver value. At the same time we have unlocked significant value for our black employees through the payment this year of R292 million to Trust beneficiaries.

In this, our fourth integrated report, we seek to provide interested stakeholders with a candid and concise review of how Oceana creates value, and of how we are performing in terms of delivering on our core purpose and our five strategic objectives. Aimed primarily at investors and government, this report should be of interest to any stakeholder seeking to make an informed assessment of how we generate and share value.

DELIVERING VALUE THROUGH SOLID PERFORMANCE IN OUR OPERATIONS

While we experienced mixed levels of performance this year across our four main divisions, collectively they have continued to deliver positive growth in net revenue and earnings.

Canned fish and fishmeal

Although it was the largest contributor to group profits, it did not quite achieve what we believe to be its full potential. Within this context, and taking into account the growth and expansion plans of the division, the organisational structure of the Lucky Star business has been reviewed to ensure business continuity and alignment of strategy. As from the beginning of the new financial year, this business will be managed as two separate reporting divisions: Sales and Operations.

In the tough South African market conditions, we saw a 2,5% increase in sales volume, and an increase in market share, with operating margins remaining much the same as the year before. While this is reasonable within the current operating context, we believe that there is scope to do even better. After the continual growth experienced over previous years, we are beginning to see

STRATEGIC FOCUS

GROWTH

Increased canned fish presence in Eastern and Southern Africa and fishmeal operation in Angola.

LOOKING BEYOND SOUTH AFRICA, WE SEE SIGNIFICANT POTENTIAL FOR GROWTH IN SALES VOLUMES IN SOUTHERN AND EAST AFRICAN MARKETS

a flattening in conventional growth opportunities in our domestic market. I believe that there is valuable potential, however, to improve internal efficiencies and reduce the costs of capital through additional improvements to our stock management and procurement practices. We are also identifying opportunities to enhance our local sales and distribution performance, and to further push the value proposition of canned fish over alternative protein options such as chicken.

Looking beyond South Africa, we see significant potential for growth in sales volumes in Southern and East African markets, where the per capita consumption of canned fish remains substantially lower than in South Africa. In these markets, we will be seeking an increase in sales volume, through a low-risk strategy that focuses primarily on identifying and securing the route to market. While our initial efforts this year to enter these canned fish markets proved disappointing, the lessons we have learnt from this process will serve us well as our restructured team takes this strategy forward.

We saw a positive rebound this year in industrial fish resources, after the disappointing performance of last year. The international market for fishmeal and fish oil remained buoyant, and is likely to remain so given the continuing growth in global aquaculture and continued constraints in supply. The average selling prices were generally favourable as a result of high dollar prices and a weaker rand exchange rate. On the operational side, we have identified valuable opportunities to reduce the fixed and variable costs of our fishmeal plants and canneries. We expect to see these cost reductions during the next financial year.

Given the importance of canned fish as a key staple protein choice of Southern African consumers, the strength of our iconic Lucky Star brand, and the strong demand and pricing for fishmeal and fish oil, I am confident that we will deliver sustained positive results, both through our focus on improved efficiencies in the South African market and our expansion into new markets in Africa.

EFFICIENCY

Focus on maximum vessel utilisation and reducing fixed and variable costs in plants.

SUSTAINABILITY

Improved empowerment and localisation credentials.

Horse mackerel and hake

The horse mackerel business had a particularly difficult year, in which it faced three principal challenges: the nature of the fishing quota regime in Namibia, a scarcity of the horse mackerel resource in South Africa, and an oversupply of stock in some African markets.

- In Namibia, the quota reallocation that commenced in January 2012 was followed by increases to the proportion of the TAC allocated to new rights holders in the 2013 and 2014 calendar years. The resulting lower direct quota allocation continues to have significant cost implications for the group, arising from the need to contract quota from new rights holders and the increased competition from international operators. We are disappointed with the reduction in the portion of the TAC allocated to Oceana, particularly given the contribution we have been making to the Namibian economy and surrounding communities through our localisation and job-creation activities. The change in relative allocation proportions continues to place a strain on the utilisation of our assets, and our ability to maintain the current levels of employment. In seeking to address these concerns we have maintained a constructive and proactive engagement with the Namibian government. In support of their desire to create land-based employment, following a pilot project we are now canning horse mackerel locally under the Efuta brand, which is being marketed in Namibia and neighbouring SADC countries. Given the difficult context it was encouraging that all our vessels performed well in terms of landings, efficiencies, product quality and cost management. To ensure continued maximum vessel utilisation, we are looking to develop long-term partnerships with new horse mackerel rights holders, and we have also been exploring fishing, processing and distribution opportunities in Angola.
- The horse mackerel business in South Africa was materially affected by a scarcity of horse mackerel in our preferred fishing area on the Cape South East Coast, compared to prior years. This resulted in markedly lower revenue and affected our ability to recover costs. We are working with the Department of Agriculture, Forestry and Fisheries (DAFF) demersal scientific working group to understand the cause of the decline in catch volumes, and to extend the normal fishing ground westwards. A third challenge facing the business was a general oversupply of horse mackerel in our traditional markets primarily as a result of import restrictions in Nigeria and Russia. This resulted in a lower than average selling price in US dollars, which was partially offset by the weaker rand exchange rate. However, the demand for South African horse mackerel remains strong and we are confident that with a return to normal landings we will recapture the positive performance of recent years.



1st MATE DESERT DIAMOND
BLUE CONTINENT PRODUCTS

EUGENE BERGENS

When I was at high school I wanted to join the Navy. Today, I am the 1st Mate of the *Desert Diamond*, Oceana helped me to fulfil the dream of being at sea and wearing a uniform.

I was recruited in 2004 to join the "South Africanisation" training programme on board the *Desert Diamond*. The programme was initiated by Oceana in collaboration with the Sector Education and Training Authority. I had completed matric and had no further education. Together with other recruits, we received extensive training in Saldanha Bay. The programme was aimed at transferring skills from the predominantly Russian crew on the vessel and it certainly marked the beginning of a fulfilling journey on board the "Diamond", as we affectionately refer to the *Desert Diamond*.

Oceana offered me the opportunity to provide for my family as I am the breadwinner at home. All the training I received in the ten years I have been with Oceana has been paid for by the company, for that I am grateful. This certainly proves to me that Oceana is a great company to work for and takes pride in developing all employees whether land or sea based.

In 2005, I was nominated for the Department of Transport's Best Marine Technical Award. I am on track to achieve a Class 3 certificate – which will allow me to pursue my biggest dream of not just being a sea captain, but captain of the *Desert Diamond* – taking command of the largest fishing trawler in South Africa.

Spending days at sea behind the deck of the "Diamond" requires sacrifice from my side as we can be out at sea for up to 30 days at a time, with little time spent with family and friends. Conditions at sea are not always conducive, they can be very dangerous. Oceana helped me unleash the passion I have for my job and these challenges do not deter me from wearing my uniform when duty calls.

My journey has always been fulfilling and filled with proud moments from what I have achieved. Oceana invested in my development when they spotted my potential. I made a silent commitment to give back to Oceana by navigating the sea and steering the "Diamond" in the right direction.



10 YEARS' SERVICE AT OCEANA



SUPERVISOR OCEANA
LOBSTER, ST HELENA BAY

TUKUSE JAMA

It was in 1973 when I started working here. I was 20 years old then but it seems like yesterday. I have two children who are also employed by this company – one at Oceana Lobster and the other one at the Lucky Star plant.

9 November 2014 will mark 41 years of service with this company and I will be retiring in the next two years.

In my earlier years, I drove around with the truck collecting lobster from various parts of the West Coast. Later I became a driver. I was later promoted to a supervisory role – a position I still hold. I supervise 10 people who work on the lobster tanks – pick lobster tails and ensure that lobster is kept alive while in the tanks.

Being illiterate has disadvantages as I could not attend a formal training course to learn about managing people. Despite this I still received the necessary training through coaching. My manager sat me down and gave me one-on-one training on what the role entailed, how to manage and treat people. When I encounter difficult personalities within the team I always reference back to the knowledge that was shared with me.

Oceana does not offer learning opportunities to the educated employees only. People like me have been offered a learning opportunity through ABET, though I declined this opportunity because I felt it was too late in life and given my age at the time, it wouldn't have been easy. The company goes an extra mile in finding ways of teaching us new things and sharing information though some of us are illiterate.

I would never have allowed my children to work here if this was not a great company that looked well after its employees.

Oceana has showed us that they truly believe in empowerment. The early payout empowered us and the company provided us with information on how best to invest or spend the money. The scheme will help me when I retire too as I will still be a beneficiary and entitled to any payout and distribution made.

Oceana empowers not only employees, but also communities because we can see the contribution they are making in the local communities by supporting schools. This makes me proud.



41 YEARS' SERVICE AT OCEANA

CHIEF EXECUTIVE OFFICER'S REPORT *continued*

3,3%

INCREASE IN SALES VOLUME OF
LUCKY STAR

Given the difficult context in Namibia it was encouraging that all our vessels performed well in terms of landings, efficiencies, product quality and cost management

Our hake division once again had a generally positive year

Our hake division once again had a generally positive year, yielding good value for their comparatively limited quota. We continued to experience good catch levels supported by a slightly higher selling price and a favourable exchange rate that made our product attractive to export markets. Although there was an unexpected reduction of available sea-days due to the state of the vessels purchased in the Lusitania deal, we used the opportunity of dry-docking the vessels to implement valuable enhancements to the vessels and on-board factories. This will pay dividends for the year ahead. Looking to the future, we are hoping for a positive ruling by the Competition Commission Appeal Court relating to our purchase of Foodcorp's fishing division. The resulting acquisition of three hake deep-sea trawlers, two on-shore processing facilities and various fishing rights, would result in our hake business unit becoming the third largest in South Africa in terms of volume, allowing us to capitalise on synergy and to build materially on our current positive performance.

Lobster, squid and French fries

Our lobster business continues to deliver reasonable results, given the tough operating context of reduced resource availability, and the further reductions in total allowable catch (TAC) for west coast rock lobster. Although we only landed 83% of our own and contracted quota this year (down from 100% last year), overall volumes increased by 7%. We expect that the commercial TAC will be further reduced in the next season. To manage against this declining volume, we are looking to procure additional volumes by engaging with artisanal fishermen and communities, as well as catching, packing and marketing other commercial rights holders' fishing rights. We support the reduction in TAC, in the hope that this will contribute to the sustainable rebuilding of the biomass. We remain concerned, however, regarding the capacity for effective monitoring and policing of poaching

activities and seek to partner with government in seeking effective ways to tighten controls and improve compliance in this fishery. Without a significant strengthening of compliance mechanisms the biomass may not be rebuilt.

The squid division had a disappointing year, with further financial losses being reported following a continuing decline in squid landings. There are some positive signs of a recovery in resource recruitment, with catch volumes after the end of the April to June closed season suggesting an improvement in catch levels for next year. In seeking a return to profitability, we have successfully reduced fixed costs through the closure of factories and the rightsizing of administration functions. We are continuing to investigate other opportunities for our squid vessels. With our revised cost structure, the possible improvement in catch levels and the potential realisation of these new opportunities, I am hopeful that we will return to profitability next year.

The French fries business has had a good year. Its return to profitability has been driven mainly by consistently strong demand from our Quick Service Restaurant (QSR) customers, improvements in the quality and pricing of raw material, and the efficient operation of our Lamberts Bay plant, which continues to run at full capacity. We welcome the imposition of the safeguard duty of 40,92% on frozen potato chips. This will be in place until July 2015, after which it will be reduced to 20,45% until June 2016. Due to the good relationships we have with the QSR market, which sees us as a reliable, quality producer, we are confident of sustained demand into the future.

18,7m

INVESTED IN SKILLS
DEVELOPMENT FOR OUR
BLACK EMPLOYEES

CCS Logistics has
continued to show the
benefits of an effective
growth strategy
underpinned by a strong
customer-centric focus

13,9m

SHARES HELD BY THE OCEANA
EMPOWERMENT TRUST

CCS Logistics

This has been another positive year for CCS Logistics, which has continued to show the benefits of an effective growth strategy underpinned by a strong customer-centric focus. Revenue growth was secured mainly by increased occupancy in volume throughout, improved mix of fruit handled and additional long-term contracts with new customers. Revenue from our transport services has grown significantly since last year, albeit off a low base and at lower margins than those achieved from storage. This positive performance was further strengthened by the successful expansion of capacity at our strategically positioned facility in Walvis Bay and by improved operational efficiencies through a more streamlined structure. There are exciting opportunities for further revenue growth associated with expanding our menu of services, developing further strategic alignment with our customers, expanding our infrastructure in South Africa and Namibia and establishing and consolidating cost-effective route-to-market solutions elsewhere in Africa. We are looking to develop and source the required supply chain skills and tools to build further on this positive growth.

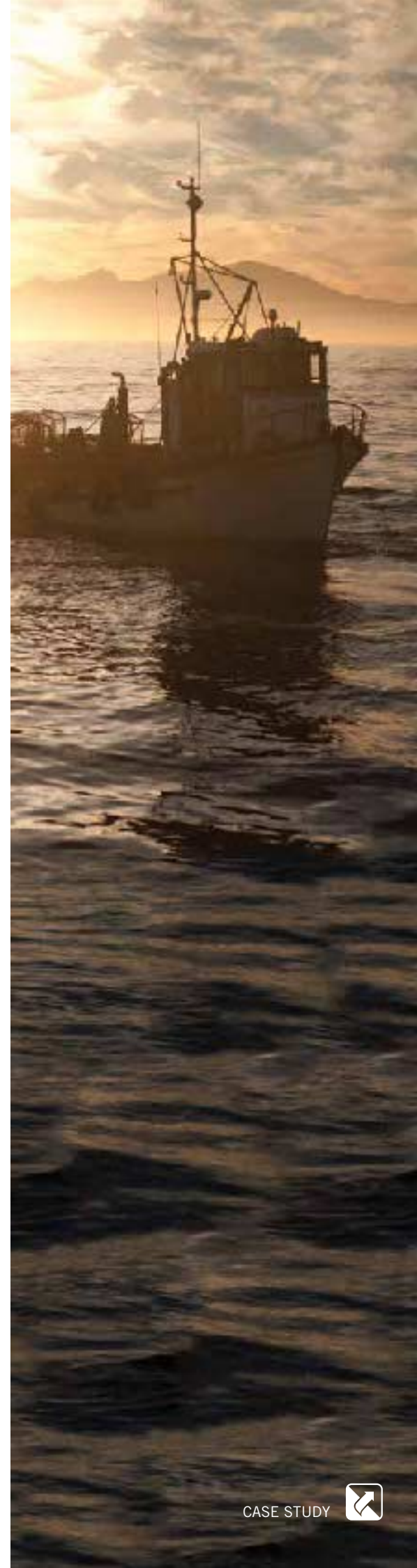
DELIVERING ON OUR STRATEGY ACROSS THE GROUP

Elsewhere in this report we review the group's performance specifically against our five strategic objectives. As outlined in the report, we have continued to deliver significant value for our stakeholders through effective implementation of our strategy. There is one area in particular that I wish to single out, and that is the leadership that Oceana has demonstrated in driving transformation in South Africa and localisation in Namibia, two issues that have a critical bearing on our long-term success and that are fundamental to achieving our core purpose.

Showing leadership on transformation and localisation

In South Africa, we have once again retained our Level 2 B-BBEE rating, with a score of 98,39 points out of 100 in terms of the Department of Trade and Industry's B-BBEE scorecard. This is the fourth consecutive year that we have achieved an independent level 2 ranking. We retained maximum points for ownership, enterprise development and socio-economic development, and saw further improvements in our management control, preferential procurement and employment equity performance. We maintained our black-owned and black-controlled shareholding. During the year, black representation at the top management category increased from 8,3% in 2013 to 40%. We increased our expenditure on skills development for our black employees to R18,7 million, from R17,0 million in 2013. Over the last three years, we have been able to achieve an improvement in black representation in the junior, middle and senior management categories.

As noted earlier, one of our most meaningful initiatives for providing broad-based empowerment in South Africa, and for delivering genuine social value from our fishing activities, is through the Oceana Empowerment Trust. Established in 2006, the Trust has 2 630 black beneficiaries as at 30 September 2014, holding almost 14 million shares, representing 11,6% of Oceana's total issued shares. The Trust has enjoyed a steady increase in value creation since its establishment, providing a solid foundation for broad-based empowerment and wealth creation to be delivered directly to our employees and their communities. A significant development this year was the payment of R292 million from the Oceana Empowerment Trust to employee beneficiaries of the Trust. Accompanied by the provision of financial literacy programmes,



CHIEF EXECUTIVE OFFICER'S REPORT *continued*



ADMIN MANAGER
CCS LOGISTICS

MANDISA PAKAMISA

I have always known I wanted to study accounting. Graduating with a national Diploma in Cost and Management Accounting from the Cape Peninsula University of technology led me to joining CCs Logistics, an Oceana Group company in 2009, as a Debtor's Clerk. The development opportunities, coaching and mentoring opportunities offered by the group saw me move through the ranks to Admin Manager. To be where I am today, I had to manage my career path. When I felt boredom setting in due to my work becoming routine, I spoke with my manager and when an opportunity arose, I was given the opportunity to act as admin supervisor.

This made me feel valued and trusted. Supervising staff was intimidating in the beginning as I had to know where to draw the line. I had to learn to be firm and the additional training and mentorship offered to me went a long way in acquiring new skills.

In October after returning from maternity leave, I left my comfort zone and took up a new position as Admin manager, changing company premises – from Paarden Island to V&A - and working with a new team, but I am embracing the challenges.

I have been nominated for the EMDP Programme for 2015. This will certainly help me hone my leadership skills. This nomination showed me that my potential has been acknowledged and that the company is willing to invest in me. Oceana looks after its employees well. The company contributed towards my BTech and the Oceana Empowerment Trust payout was just another way of showing this.



5 YEARS' SERVICE AT OCEANA



MARINE SUPERINTENDENT
BLUE CONTINENT PRODUCTS

UNATHI BOTA

I grew up wanting to be a pilot and later realised that I was cut out for engineering. After graduating with a BTech in Mechanical Engineering from Cape Peninsula University of Technology in 2009, I joined Oceana Group as a graduate trainee in 2010 within the Blue Continent Products Division. Through the programme I gained exposure in the marine environment and the real working world. My first project required that I assist the technical manager in the refit of *Desert Ruby* and I spent time with the crew on board a fishing vessel. This helped me to understand the entire operation and the relevance of my role in ensuring continued operations while the vessel is at sea. Working in a fishing vessel with massive engines, climbing ladders, inspecting tanks located in confined spaces was not what I had envisaged. This marked the beginning of a fulfilling journey where I spend most of my time wearing overalls and safety boots in a male dominated work environment.

In 2012, I was appointed Assistant Marine Superintendent and I embraced the responsibilities assigned to me. I realised that I had to be accountable and this required dedication, commitment, attention to detail and sometimes long working hours in order to ensure that the company does not lose money as a result of a vessel not at sea due to my inefficiencies.

Being promoted to Marine Superintendent, this year, was a career-defining moment for me, realising I was going to be the first female to occupy this role within the company. This proved Oceana's commitment to empowering women in a previously male dominated environment. I saw this as a growth opportunity and it encouraged me to work even harder and exceed expectations. Along with four men, I am in charge of keeping a fleet of eight vessels – including the *Desert Diamond*, South Africa's largest commercial fishing trawler – operational and at sea in line with South African Maritime Safety Authority requirements.

I have been offered training opportunities, which helped me gain more knowledge and acquire new skills. I received support from technical managers and superintendents – this was critical during the training programme. Dirk Burger, Fleet Technical Manager, also played a great mentorship role, being patient and supportive as he imparted knowledge. I want to encourage other employees to seize the additional training and studying opportunities offered by Oceana and make the most out of them.

"The sky is the limit!"



4 YEARS' SERVICE AT OCEANA



and the opportunity for personal financial advice from certified financial advisors, this initiative provides a tangible example of the sharing of value created through harvesting fishing rights. The positive impact of this initiative is reviewed in more detail in an insert to this report.

During the year, we continued regular formal and informal engagement with the Ministry of Fisheries and Marine Resources in Namibia. An important focus of these meetings was aimed at securing additional horse mackerel quota to ensure our vessels can continue operating and to protect jobs. Our localisation strategy in Namibia, which aims to increase the number of Namibians employed in our horse mackerel operations, has been negatively affected by the reduction in allocated quota. Given the reduction in allocated quota we were forced to remove a vessel from the Namibian fishery, resulting in the reduction of 100 jobs.

Maintaining positive relationships with our stakeholders

We recognise the importance of engaging regularly with our key stakeholders, to understand and respond appropriately to their specific interests. We place a particular priority on those stakeholders who have a material influence on our activities, namely our employees and unions, government and regulators, investors, customers and suppliers, and the communities in which we operate.

It is encouraging to report that we have developed and maintained positive relationships with almost all of these stakeholders. Despite the tough economic climate and increased industrial action across South Africa, we were able to successfully conclude wage negotiations throughout the group. We have continued to place a strong emphasis on engaging with representatives from government, parliament and regulatory bodies at all levels, both at a personal individual level, as well as through channels such as Fish SA and the National Business Initiative (NBI). Following the changes in leadership within DAFF after the recent election, we have placed particular emphasis on developing constructive relationships with new appointees. At a community level we have continued to build on the recent consolidation of our corporate social investment activities, through the work of the Oceana Foundation. Our engagements with school principals, teachers, members of school governing bodies and departmental officials has resulted in valuable relationships being established, most of whom now regard Oceana as a key partner. We have included comments from some of our key stakeholders and partners at pages 32 and 33.

16%

ANNUAL INCREASE
IN BASIC HEPS

R487m

CASH GENERATIVE TO THE
EXTENT OF

7%

GROUP REVENUE INCREASED

A continuing challenge that we faced is the need to respond appropriately to concerns from certain stakeholders regarding odour emissions from our fishmeal plant in Hout Bay. In response to various complaints we have held several meetings with concerned residents where we sought to explain the operation, the level of compliance with legislation, our international certification, and the fact that the factory has the most advanced odour abatement technology of fishmeal factories in Southern Africa. Over the past 10 years, we continued to invest in new technology and maintenance at the plant to a value in excess of R72 million. We continue to engage with all relevant authorities, community and other stakeholders about our operations, to ensure that any concerns are understood and appropriately responded to.

CONCLUSION AND OUTLOOK

Looking back at the past year and to our plans for the years ahead, I am confident that we are well placed to continue delivering on our core purpose. Through the scale and diversity of our business, the efficiency of our operations, and the nature of our investments, we have the capacity to most effectively convert fishing rights – a critical national and global resource – into sustained value for our various stakeholders. This is demonstrated by being the largest employer and most empowered listed company, the most progressive in the provision of employee benefits, and the sector's most significant contributor of investment into local economies. We consistently deliver superior returns to shareholders, provide consumers with access to one of the most affordable forms of animal protein, and show leadership in driving and supporting responsible fishing practice, all of which is underpinned by our commitment to transformation and localisation.

We have a strong history of creating value through growth and acquisition primarily in South Africa. Looking to the future, there is seen to be increasing merit in exploring opportunities for growth beyond our borders. I believe that we have the strength in our balance sheet, the appetite in our management team, and the understanding of our investors for us to do so. As we prepare for the year ahead, I am confident that we have the people, the strategy and the growth plan to manage the material risks that we have identified and to realise the exciting opportunities that will enable us to continue to deliver successfully on our core purpose.

In closing, I would like to thank all our stakeholders – our shareholders, employees, customers, suppliers, government officials and community members – who are integral to our business, and with whom we will continue to work in delivering shared value.

My thanks also goes to our board of directors for their contributions to our debates and discussions during this year in which we have delivered value growth.



FRANCOIS KUTTEL
Chief executive officer

4 December 2014

THE OCEANA GROUP AT A GLANCE



THE OCEANA GROUP AT A GLANCE

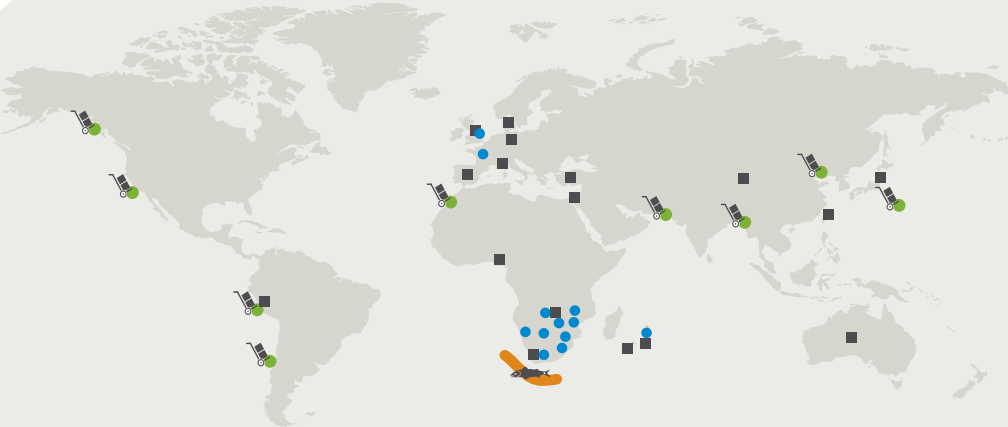
CANNED FISH AND FISHMEAL



KEY TO MAPS

CATCH

PROCUREMENT MARKET



MARKET

- CANNED FISH:** Botswana, France, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, United Kingdom, Zambia and Zimbabwe
- FISHMEAL AND FISH OIL:** Australia, China, Denmark, Germany, Greece, Israel, Japan, Mauritius, Nigeria, Peru, Reunion, South Africa, Spain, Taiwan, Turkey, United Kingdom and Zambia



LUCKY STAR

- PRODUCTS
- Canned fish: Lucky Star and Lucky Pet products
 - Fishmeal and fish oil

REVENUE

R3,1 billion

2013: R2,6 billion

OPERATING PROFIT before abnormal items

R380,9 million

2013: R214,9 million

CANNED FISH

- Canned fish, mainly pilchards and canned and dry petfood
- Operates largest EU-accredited canneries in South Africa and Namibia
- Canned fish is a key protein choice of Southern African consumers, consumed in more than 3 million meals daily
- Two canneries – one in St Helena Bay and one in Walvis Bay, Namibia
- Own fleet consists of four steel refrigerated seawater vessels and one glass reinforced plastic vessel in South Africa, and three steel refrigerated seawater vessels in Namibia, plus 5 supply vessels

FISHMEAL AND FISH OIL

- Anchovy, redeye herring and associated by-catch and cannery offcuts reduced to fishmeal and oil
- Fishmeal is used for aquaculture and animal feeds
- Products are sold into the local and global export markets
- Three fishmeal plants – one in St Helena Bay, one in Hout Bay and one in Walvis Bay, Namibia
- Five purse seiner trawlers in South Africa and three in Walvis Bay, Namibia
- Two IFFO RS-certified fishmeal plants in St Helena Bay and Hout Bay



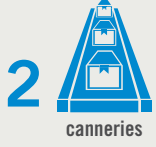
steel refrigerated seawater vessels in South Africa



steel refrigerated seawater vessels in Namibia



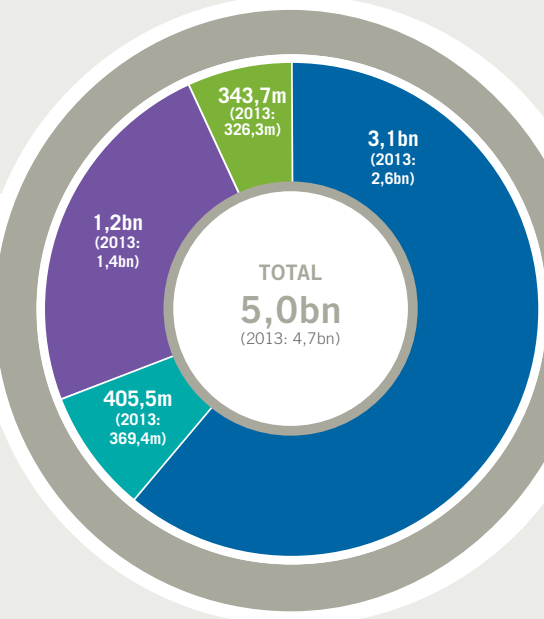
vessels, wholly owned, co-owned or joint ventures



canneries



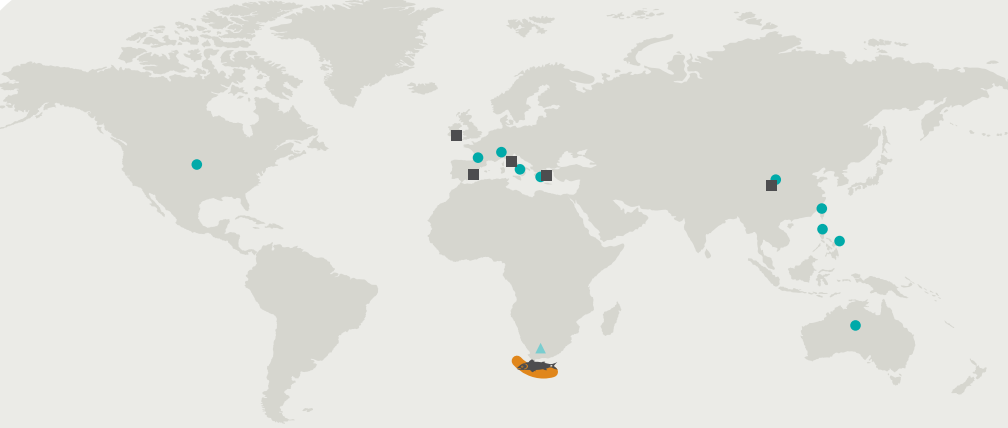
fishmeal plants



LOBSTER, SQUID AND FRENCH FRIES



REVENUE PER BUSINESS SEGMENT (R)



MARKET

- LOBSTER:** Australia, China, France, Greece, Hong Kong, Italy, Japan, Switzerland, Taiwan, USA
- SQUID:** Greece, Ireland, Italy, Japan, Spain
- FRENCH FRIES:** South Africa



OCEANA LOBSTER; CALAMARI FISHING; LAMBERTS BAY FOODS

- PRODUCTS
- West and south coast rock lobster
 - Squid
 - French fries

REVENUE

R405,5 million

2013: R369,4 million

OPERATING PROFIT before abnormal items

R44,9 million

2013: R23,3 million

LOBSTER

- Major supplier of live and frozen west coast rock lobster to Far Eastern and European markets
- Supplier of live and tailed south coast lobster to European and US markets
- Stable demand for lobster in Asia, especially China
- Only supplier in South Africa to develop nitrogen-frozen sashimi grade lobster for the Japanese market
- Operates nine west coast vessels and one on the south coast
- Two dedicated live and frozen lobster facilities
- Contracts with independent rights holders
- Vessels equipped for trap fishing method
- Vessels and factories HACCP accredited

SQUID

- Fleet of five freezer vessels, and contracts with independent vessel owners
- Producer of sea-frozen South African squid
- Packing and cold storage facilities in Port Elizabeth
- Operates individual quick-freeze packing facilities on board vessels
- Produces squid for export, mainly to Spain and Italy
- HACCP accreditation

FRENCH FRIES

- Factory situated in Lambert's Bay – one of only three French fries factories in South Africa
- Largest single employer on the west coast north of St Helena Bay
- Supplies quick service restaurants (QSR)
- Marketed under Gold Seal brand and supplied to retail sector through various house brands and the QSR brands
- National sales and marketing infrastructure



west coast lobster vessels



south coast lobster vessel



lobster facilities



freezer vessels for squid



French fries processing plant



HORSE MACKEREL AND HAKE

HORSE MACKEREL

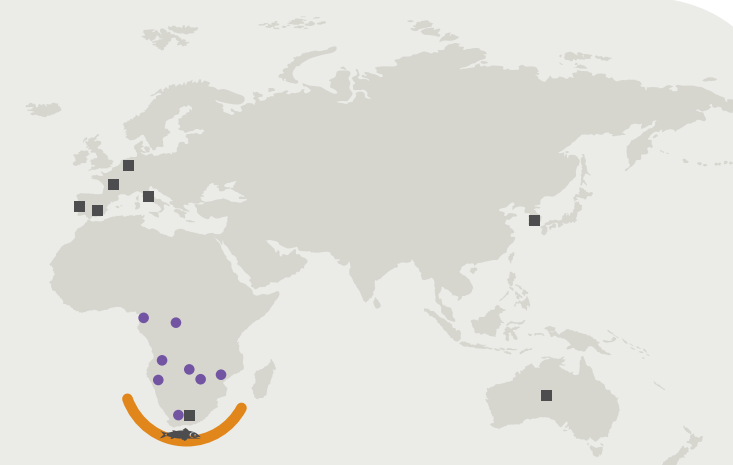
- Horse mackerel is a pelagic species, caught by a mid-water trawl net using large factory vessels.
- Resource is mainly caught on the East Coast of South Africa and the West Coast of Namibia and Angola.
- Horse mackerel is produced in whole form, block frozen on board, within 12 hours of being caught to maximise frozen quality.
- Horse mackerel is in high demand in Africa as a traditional whole fish, high in protein.
- Sold to consumers for both in home consumption as well as traditional lunch time take away street vendors.
- Oceana produces and sells over 80 000 tons of horse mackerel per annum.
- All product is processed and frozen on board.

HAKE

- The two Cape hakes are the target species but the by catch includes species such as monk, kingklip, snoek, ribbon fish, horse mackerel, john dory and others.
- Resource stocks are healthy, and the fishery is accredited by Marine Stewardship Council.
- Resource is fished mainly off the southern and eastern coasts of South Africa.
- Product is sold locally as well as on the international market.
- The hake is produced headed and gutted specifically for the European and South African food service markets who then convert the product according to their own needs.
- All product is processed and frozen on board.
- All vessels are HACCP accredited.

MARKET

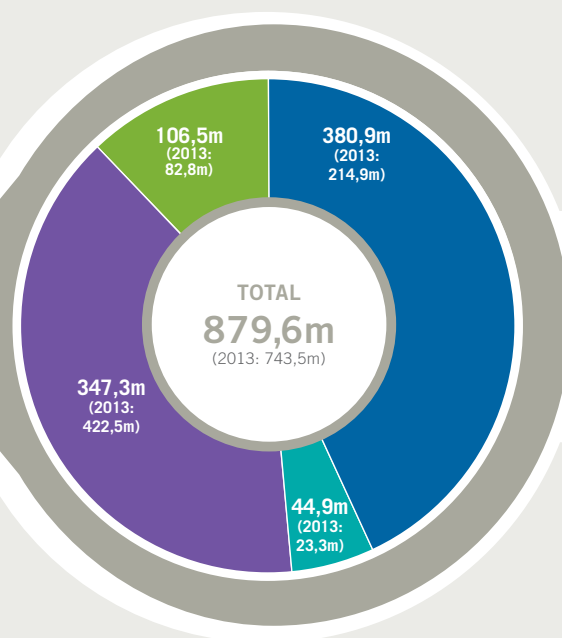
- **HORSE MACKEREL:** Markets mainly in Southern Africa and include Angola, Cameroon, Democratic Republic of Congo, Mozambique, Namibia, South Africa, Zambia and Zimbabwe
- **HAKE:** Australia, France, Italy, Korea, Netherlands, Portugal, Spain, South Africa



BLUE CONTINENT PRODUCTS

PRODUCTS

- Horse mackerel
- Haddock
- Hake
- Kingklip
- Monk



1 horse mackerel trawler in South Africa

3 horse mackerel trawlers in Namibia

4 hake freezer trawlers



72

REVENUE

R1,2 billion

2013: R1,4 billion

OPERATING PROFIT before abnormal items

R347,3 million

2013: R422,5 million



OPERATING PROFIT PER BUSINESS SEGMENT (R)

COLD STORAGE AND FRUIT HANDLING FACILITIES

- As the largest cold store operator in Africa, CCS Logistics owns and operates 10 refrigerated warehouse facilities in the major centres and harbours of South Africa and Namibia.
- CCS Logistics offers primary storage for both the in and outbound supply chains of manufacturers, importers, exporters and retailers.
- Long-term customer storage reservations have proven to be mutually beneficial for both CCS Logistics and its customers as it not only ensures constant service levels, but also increased customer value.
- ISO 9001 accredited.

FACILITY

- **COLD STORAGE:** Namibia, South Africa
- **COLD STORAGE SITES IN DEVELOPMENT:** Angola, South Africa



78

REVENUE

R343,7 million

2013: R326,3 million

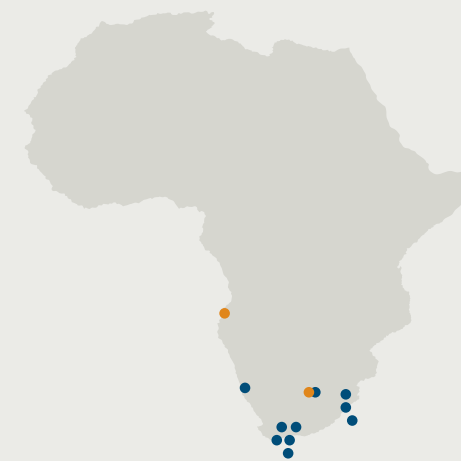
OPERATING PROFIT before abnormal items

R106,5 million

2013: R82,8 million



CCS LOGISTICS



CCS LOGISTICS

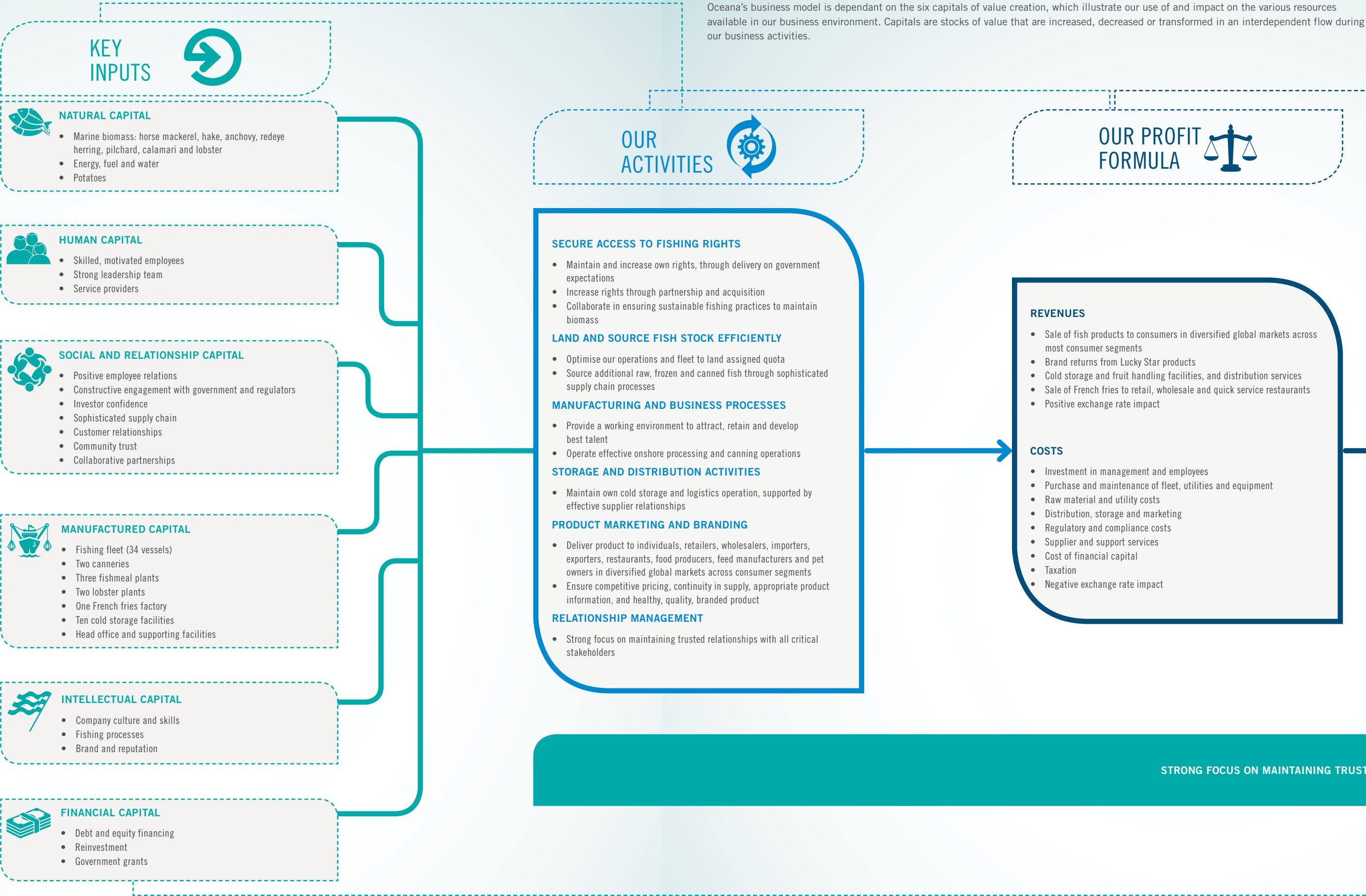
SERVICES

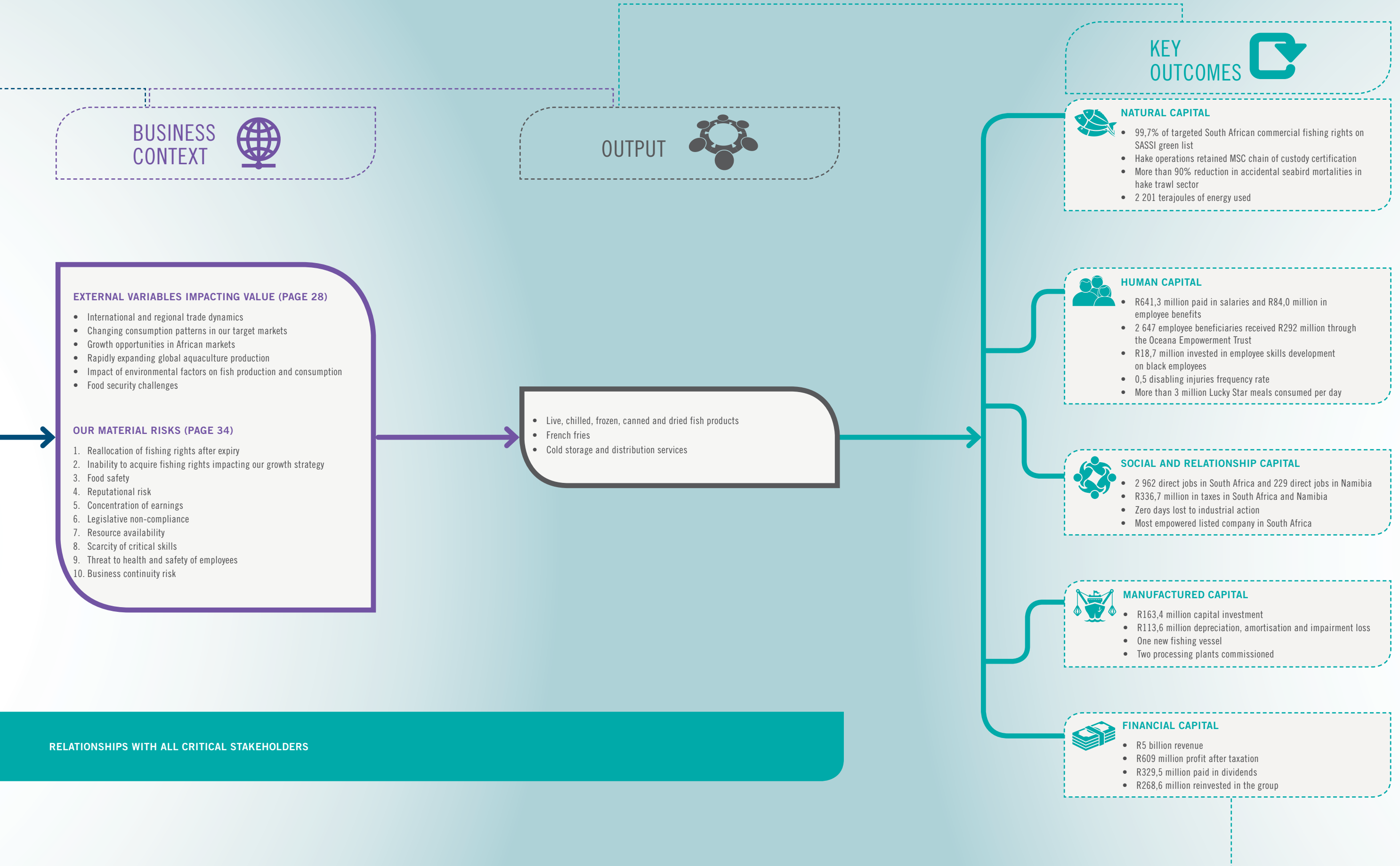
- Cold storage
- Fruit handling
- Blast freezing
- Transport

10 stores in South Africa and Namibia

110 000 pallets for cold storage

HOW WE CREATE VALUE: OUR BUSINESS MODEL







THE BUSINESS CONTEXT: ISSUES IMPACTING OUR STRATEGY

International and regional trade dynamics

38%

OF GLOBAL FISH PRODUCTION IS TRADED INTERNATIONALLY

BY 2030 CHINA COULD ACCOUNT FOR 37% OF TOTAL FISH PRODUCTION AND 38% OF GLOBAL CONSUMPTION

As a commodity business, we are significantly impacted by the global supply and demand dynamics and trade regimes relating to fish and substitute protein sources (such as chicken). According to the Food and Agriculture Organization (FAO) (2012), 38% of global fish production was traded internationally during 2010. This presents significant business challenges in terms of understanding and anticipating global and regional drivers and linkages in fish production and consumption, including in particular the influence of a rapidly growing Chinese economy on global fish markets.

As a highly traded product, we are particularly susceptible to the impact of trade measures on fish, as well as competing protein sources. Recent developments affecting the supply of fish into our markets include the restrictions on importing frozen fish into Nigeria, and the Russian trade restrictions on European produce (including fish) following disputes in Ukraine. We monitor and respond to any potential unfair trade practices, relating for example to export dumping and import tariffs. Where we believe this to be appropriate and justified, we support government measures (such as the recent anti-dumping duties on potatoes) to protect local business from unfair trade practices. We seek to minimise our exposure to uncertainty in markets and trade regimes by diversifying our product portfolio and extending our geographic reach.

Changing consumption patterns in our target markets

6,5%

OF ALL PROTEIN SUPPLIED FOR HUMAN CONSUMPTION IS FROM FISH

Consumers' choice of fish as a protein source is a function of many variables, including levels of disposable income, comparative pricing with alternative protein (such as chicken) and other food, personal dietary preferences, cultural eating patterns, and consumer concerns over health, environmental and ethical issues. Fish currently represents 16,6% of animal protein supply, and 6,5% of all protein for human consumption (FAO 2012). We believe that there is significant potential to increase the uptake of fish, as a low-cost, low-impact, healthy source of protein. While the group's principal market for fish is the lower-income consumer (through sales of canned fish and horse mackerel), we sell our fish products across all consumer segments. To minimise the potential for earnings volatility resulting from concentration of earnings in a particular consumer segment, we have identified opportunities to further diversify our product and consumer base, for example by expanding into upper-income markets through growing the hake business and the Lucky Star blue can range. We aim to grow the market for fish as the chosen protein source, through product advertising and marketing the benefits of consuming fish. We are also maintaining a clear focus on developing and maintaining a strong brand presence in our markets, particularly with our Lucky Star brand.

Growth opportunities in African markets

77%

INCREASE IN GDP PER CAPITA IN AFRICA BY 2030

57%

INCREASE IN POPULATION OF AFRICA BY 2030

With significant projected increases in both population and per capita income in sub-Saharan Africa, the region is seen to offer particular potential for business growth. World Bank projections suggest that total fish food consumption in the region will grow by 30% in the next 20 years, driven mainly by increasing population. Currently the majority of our sale revenues is generated in South Africa and Namibia, followed by markets in Southern and West Africa, Europe and the Far East. We are seeking to realise the growth opportunities in Africa by expanding our product offerings into these new markets, primarily in East and Southern Africa. We are building brand awareness of our Lucky Star products, and where there is less potential for brand differentiation (such as horse mackerel) we are opening up market access through strong relationships with existing distribution networks.

Rapidly expanding global aquaculture production

GLOBAL AQUACULTURE PRODUCTION TO MATCH CAPTURE FISHERIES BY 2030

In the last 30 years, global production of capture fisheries has grown from 69 million to 93 million tons, while world aquaculture production has increased twelvefold from 5 million to 63 million tons. This rapid growth in aquaculture is anticipated to continue, matching the production of capture fisheries by 2030. This growth has important potential business implications: it affects the global supply of certain fish resources, with implications for product pricing and consumption patterns; it can assist in reducing pressure on wild capture fisheries; and it increases demand for fishmeal and fish oil, which are key input for aquaculture production. Given the resulting strong demand for fishmeal, and the comparatively slow growth in global capture fisheries, we anticipate a material increase in the pricing of fishmeal and fish oil (one of our core revenue streams), notwithstanding significant anticipated increases in aquaculture efficiencies, and possible substitution to the production of fish species that require less fish-based feed. Due to the nature of current and anticipated focus of aquaculture products and markets, we do not foresee a significant consumer shift from our captured product in favour of farmed product.

Impact of environmental factors on fish production and consumption

SCIENTISTS ARE LINKING CHANGES IN OCEAN TEMPERATURES TO SHIFTING FISH STOCK DISTRIBUTIONS AND ABUNDANCE IN MANY MARINE ECOSYSTEMS

Our business is susceptible to various environmental pressures that impact both the production and consumption of our products. While these currently have a marginal direct impact on our business, uncertainty remains regarding the nature of their potential longer-term impact. Relevant factors include:

- Uncertainties in the distribution and availability of certain fish resources, due among other things to stocks changes in ocean variables (such as temperature, currents and acidity), increased distribution of alien species, and unregulated and unsustainable harvesting practices
- Adverse weather conditions affecting the landing of certain inshore and coastal stocks
- Growing consumer and retail pressure in certain markets for certified sustainable fish product
- The impact of El-Niño events on quotas and fishing in Peru, affecting global supply and market dynamics
- Weather conditions, water availability and/or disease affecting the location, price and quality of our potato crop, and the nature and volume of produce to our cold storage facilities

We seek to mitigate any such risks by diversifying our raw material supply and product offerings, assisting government and scientists in ensuring responsible fishing practice, maintaining investment in state-of-the-art fleet and equipment, and developing strong relationships with suppliers and partners that allow flexibility in response to any external changes.

Food security challenges

9 billion
GLOBAL POPULATION BY 2050 WITH A RAPIDLY GROWING MIDDLE CLASS IN EMERGING ECONOMIES

With global population expected to increase to 9 billion by 2050, and with a rapidly growing middle class in emerging economies such as China and India, there will be increasing pressure globally on the production and distribution of food. This presents both risks and opportunities. Being generally low in saturated fats, carbohydrates and cholesterol, fish provides high-value protein as well as various essential micronutrients, including vitamins, minerals and polyunsaturated omega-3 fatty acids (FAO 2012). We believe that the provision of a low-cost, low-footprint, healthy source of protein has an important role to play in addressing food security among the poor and vulnerable populations around the globe, and offers significant opportunities for sustained value creation.

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS

Understanding and being responsive to the interests of our stakeholders is critical to delivering on our core purpose.

Government and regulatory authorities

- Full compliance with permit, licensing and related requirements
- Contribution to developmental priorities such as transformation/localisation, job creation, skills development, and food security
- Contribution to tax and trade balance
- Clear designation and appointment of executive and management responsibility for engagement and compliance
- Regular direct engagement with authorities e.g. DAFF
- Strong focus on transformation/localisation, and on appropriate distribution of value generated
- Formal policies and operating procedures, with internal audits, training and reporting, to facilitate compliance
- Prompt response in instances of non-compliance, with disciplinary action as required

"We (DAFF) saw that Oceana is responsive to the interests of communities such as Hout Bay and that the Foundation's key focus areas are education and food security. Therefore, the Department developed a concept of renovating the centre (called the Noluthando Day Care in Imizamo Yethu, Hout Bay), supplying educational materials and providing food for the children fitting perfectly into this theme and coinciding with Oceana Group values." – DAFF

Shareholders and investors

- Sustainable growth in shareholder value through consistent earnings improvements, clear growth and capital expansion strategy
- Responsible corporate governance
- Strong board and executive leadership
- Sound corporate governance practices
- Succinct reporting through SENS, website, reports and presentations
- Enhanced communication via advertising, face-to-face engagement, events and increased media coverage
- Regular communication with OET beneficiaries

"The donation meant a lot to Steenberg's Cove Primary School as we have always had a problem with transport to sport and cultural events. Our school is situated in a poor community and travel by taxi is very expensive and children are not always able to pay the fare so they often have to lose out on events. The SGB and staff assisted as far as possible but could not always meet the needs. Most parents are seasonal workers and do not have their own transport, which made private transport for learners impossible. We often had to supply transport to parents as well to accompany their children. Now all our transport problems have been solved, thanks to Oceana's generous donation. Staff, parents and learners are all equally proud of and thankful for our great bestowment!" – Steenberg Cove Primary School

Employees

- Market-related terms of employment
- Job security, satisfaction and recognition
- Safe, healthy and congenial working conditions
- Opportunities for career development
- Employee benefits, superannuation funds, health awareness, life skills
- Competitive remuneration and employment conditions
- Group code of business conduct and ethics, and board-approved employment equity targets
- Compliance with employment and B-BBEE legislation
- Skills training and development initiatives
- Active employee reporting and engagement

"We have been appealing for assistance for the past 20 years but, this was unsuccessful. Your donation is a dream come true for our school and has greatly improved its image in the eyes of the community. We are extremely grateful to your company for making that positive difference at our school. May you grow from strength to strength." – Papenkuil Primary School

Trade unions

- Willingness to negotiate in good faith
- Market-related terms of employment
- Job security, satisfaction and recognition
- Safe, healthy and congenial working conditions
- Opportunities for skills and career development
- Employee benefits, superannuation funds, health awareness, life skills
- Recognition agreements
- Wages and conditions negotiated through industry bodies and/or relevant unions at plant level
- Regular communication through employee forums
- Disciplinary and grievance procedures
- Competitive remuneration and employment conditions
- Skills training and development initiatives

South Africa: FAWU, TALFU, NCFAWU, UDF and CWU

Namibia: NAFU and NATAW

"Weston High School would like to record our appreciation to the Oceana Group for the generous gesture of donating a fully equipped kitchen to the schools feeding scheme. We are excited about this new facility and we can assure you that it will have a positive impact on the preparation of the food for our School Nutritional programme. This remarkable initiative will surely improve the lives of our learners and will enhance the educational opportunities for the underprivileged youth." – Weston High School

"The schooling community of Masiphathisane Primary School is indebted to the Oceana Foundation for their generosity and support to ensure that our learners have access to all the opportunities available to them." – Masiphathisane Primary School

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS *continued*

Customers and consumers

- Providing safe, essential and quality products at competitive prices
- Continuity of supply
- Product information
- Commitment to external accreditations and sound B-BBEE credentials
- Regular contact with major customers
- Independent audit and checking of processes and quality; market and customer surveys; group and divisional websites with product information, contact details and helpline numbers
- Prompt follow-up of enquiries and complaints
- Sustainable and responsible fishing practices, for example RFA, MSC certification for trawl hake

Suppliers and service providers

- Promoting joint growth opportunities in a responsive and mutually respectful manner
- Timely payment and favourable contract terms
- Commitment to and progress in furthering B-BBEE procurement
- Positive relationships with joint venture partners
- Regular direct communication with major suppliers
- 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
- Monitoring B-BBEE procurement levels of suppliers and partners
- Prompt follow-up of enquiries and complaints
- Preference for expeditious and practical dispute resolution

"A historical win-win partnership that has stood the test of time."
– Mr Harry Mentor, Owner, Cape Fish Processors Proprietary Limited

Joint venture partner

"Noordbaai doen al verskeie jare besigheid met Lucky Star. Hulle diens en samewerking was altyd onberispelik. Betalings was korrek en betyds, en hulle het ons verskeie kere finansieel bygestaan wanneer ons 'n kontant vloei probleem gehad het" – S. Phillips – Noordbaai Vissers Beperk

Joint venture partner

"Success has not been easy, especially since I was allocated a small tonnage of hake deep sea trawl rights as a black new entrant. It has only been possible as a result of my commitment to the industry and the strong relationship of trust, support and mutual benefit that exists between BCP and Bhana Coastal Fishing."

– Lynweth Bhana, Bhana Coastal Fishing

Joint venture partner

Local communities, and NGOs

- Operations conducted in a safe and lawful manner
- Access to job and supplier opportunities
- Investment in community infrastructure and projects
- Responsive to concerns and impacts (e.g. odour)
- Contributing responsibly and transparently to broader societal interests
- Strengthened consultation and communication with local communities, schools and local government
- Effective co-ordination of our CSI initiatives with the aim of improving the socio-economic conditions within neighbouring coastal communities
- Prompt attention to dispute resolution

"BirdLife South Africa has been working with Oceana to ensure that the vessels in their trawl fleet have up to date Bird Mitigation Plans. Management has been fantastic at informing us of vessel schedules and the skippers and crew have been more than willing to assist our team during each assessment. It really has been a pleasure to have the cooperation and buy-in of such a large company and being able to work together to save seabirds."

– Bronwyn Maree Seabird Conservation Programme

Other businesses and business bodies

- Contributing responsibly and credibly to the collective business voice
- Fishing industry body, FishSA, created collectively to address and respond to issues of mutual concern
- Participation in and membership of relevant industry bodies and associations, for example, Responsible Fishing Alliance (RFA); FishSA, IFFO, NBI
- Signatory to the UNGC

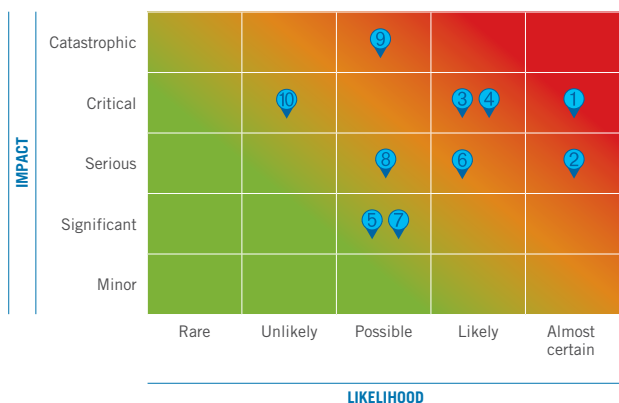
Media

- Receipt of quality information of interest to stakeholders and public
- Integrity and promptness in responding to queries
- Accessibility in engaging with media
- Improved proactive communication through face-to-face engagement
- Updated websites, including JSE SENS announcements
- Invitation to media to attend events, press releases
- Responding to media queries in a timely and appropriate manner

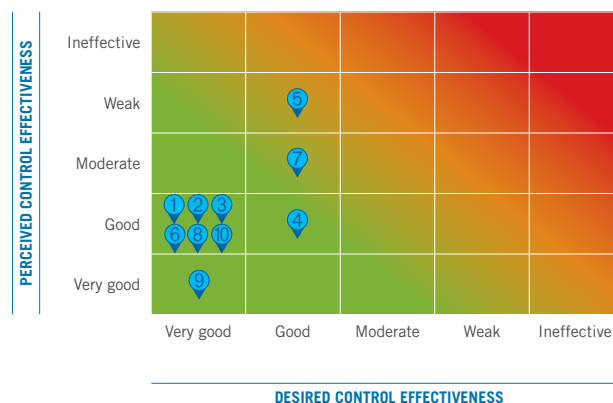
OUR MATERIAL RISKS

The principal risks that have a material impact on Oceana's ability to create value are described below. These risks have been identified as part of the enterprise-wide risk identification and management system, described in the governance section of this report (page 96).

INHERENT RISK EXPOSURE



RESIDUAL RISK EXPOSURE



1. Reallocation of fishing rights after expiry

Our risk context

- Our west coast rock lobster, horse mackerel and hake inshore long-term fishing rights expire in 2015 and in other sectors within the next six years
- Material changes to government directives and policy
- Possible reallocation of fishing rights in certain sectors to small-scale fishers

Our response measures

- Monitor proposed policy and legislative changes
- Engage actively with Department of Agriculture, Forestry and Fisheries (DAFF), Ministry of Fisheries and Marine Resources (MFMR), and parliament on proposed policy and legislative changes
- Participate in consultation and policy development processes with government, business and labour bodies
- Ensure policy direction is communicated to operations and appropriate plans developed to ensure full compliance

3. Food safety

Our risk context

- Potential non-adherence to quality or safety standards locally and in our sourcing geographies
- Possible negative publicity, including through social media

Our response measures

- Implement best practice systems to maintain quality and safety
- Engage third-party auditors to ensure imported products comply with relevant standards
- Product recall processes and insurance cover in place
- Best practices in place as regards hygiene and quality in catching and manufacturing (HACCP accreditation at certain plants and on vessels)
- Proactive media monitoring and engagement strategy in place

2. Inability to acquire fishing rights impacting growth strategy

Our risk context

- Changes to government rights policy requirements, that are not aligned with existing B-BBEE legislation
- Growth of business or perceived negatively by regulators, competitors and interested parties in the industry
- Not obtaining Competition Commission approval for acquisitions (where applicable due to size)
- Implications of new B-BBEE codes

Our response measures

- Engage actively with DAFF and Department of Trade and Industry (dti) to ensure policies are aligned with B-BBEE Act and Codes of Good Practice
- Maintain and develop joint venture and supply partnership to increase volumes
- Monitor proposed policy and legislative changes and engage actively with government
- Continue to evaluate and monitor internal efficiencies and implement necessary changes to improve where necessary
- Develop and implement strategy to align internal practices with revised B-BBEE codes
- Ensure compliance with applicable legislation, regulations and permit conditions

4. Reputational risk

Our risk context

- Potential reputational risk associated with perceptions (valid or otherwise) relating to market size, level of transformation and localisation, and impacts neighbouring communities and on the sustainability of marine resources.
- Continuing need to maintain current very strong brand recognition and loyalty in Lucky Star and related brands

Our response measures

- Prioritised engagement strategy in place, confirming Oceana as a black-owned, black controlled company with sound values, a solid track record of compliance, and demonstrated commitment to social and environmental responsibility
- Effective communication on activities relating to sustainable fishing, and contribution of fish in addressing food security as a low-cost, low-footprint, healthy source of protein
- Strategic social investment programme delivering benefits to neighbouring communities
- Maintain positive relations with investors through consistent dividends and returns, a smooth earnings profile, and clear growth and capital expansion strategy
- Active monitoring programme in place to maintain strong brand value, consumer and customer loyalty

5. Concentration of earnings

Our risk context

- Concentration of earnings in a particular business unit exposes the group to increased earnings volatility

Our response measures

- Focus on acquisitive and organic growth to diversify the portfolio, building on recent acquisitions that have bolstered the smaller business units, and maintaining efficient operation of existing business activities

6. Legislative non-compliance

Risk context

- As a highly regulated industry, the group needs to maintain systems and skills to track, interpret and ensure compliance with legislative requirements

Mitigation measures

- Engage with regulators through industry associations and personally by exco members
- Comprehensive internal legislative compliance management systems in place
- Monitor and respond to recent legal developments
- Engage with external assurance providers

7. Resource availability

Our risk context

- Possible over fishing of resource, from incorrect marine research and poor scientific data analysis by regulatory authorities and/or lack of enforcement of permit requirements
- Target species mixed with non-target species (by catch)
- Changes in eco-system from external environmental events
- Impact of mining on fishing resource

Our response measures

- Contribute to resource management initiatives with industry, government and scientific working groups (in Namibia and South Africa)
- Obtain independent research reports to monitor resource status
- Ensure full compliance with regulatory framework and responsible fishing practices
- Utilise our capacity to support research where appropriate
- Maintain independent observers on vessels

Residual risk (ranked in order of risk) - 2014

- 1 Reallocation of fishing rights after expiry
- 2 Inability to acquire fishing rights impacting growth strategy
- 3 Food safety
- 4 Reputational risk
- 5 Concentration of earnings
- 6 Legislative non-compliance
- 7 Resource availability
- 8 Scarcity of critical skills
- 9 Threat to health and safety of employees
- 10 Business continuity risk

8. Scarcity of critical skills

Our risk context

- Capacity to ensure continued growth is impacted by the availability of skills in the market, and the ability to attract, develop and retain talent within the context to lead new business opportunities, and support the current business operation

Our response measures

- Policies and guidelines in place for talent management, recruitment selection, remuneration, training and skills development, and graduate recruitment
- Succession planning process in place
- Human rights policy in place aimed at promoting equality of opportunity and combating discrimination
- Oceana Empowerment Trust in place

9. Threat to health and safety of employees

Our risk context

- Inherent safety risks associated with activities on board fishing vessels and in factories

Our response measures

- External and internal audits on all sites and vessels
- Effective safety monitoring, training and enforcement programmes
- Provision of appropriate equipment

10. Business continuity risk

Our risk context

Specific risks include:

- Potential loss of vessels
- Impaired performance in group factories and cold store
- Loss of head office operations and IT infrastructure
- Volatility in cost and access of utility supplies, particularly energy and water

Our response measures

- Contingency plans in place to manage potential loss of factory or cold store
- Development of comprehensive business continuity plan for group head office operations
- Maintain IT disaster recovery plan and insurance policy
- Testing of IT disaster recovery plan

Residual risk (ranked in order of risk) – 2013 (showing 2014 movement)

- | | | |
|---|----|--|
| ↓ | 1 | Inability to acquire fishing rights impacting growth strategy |
| ↑ | 2 | Reallocation of fishing rights after expiry |
| ← | 3 | Food safety |
| ← | 4 | Reputational risk |
| ← | 5 | Concentration of earnings |
| ↓ | 6 | Business continuity risk operations |
| ↑ | 7 | Legislative non-compliance |
| ↓ | 8 | Exposure to market and exchange rate volatility |
| ↑ | 9 | Inadequate quality and quantity of talent and skills (Scarcity of critical skills) |
| ↑ | 10 | Risks to the health and safety of staff |

GROUP FINANCIAL DIRECTOR'S REPORT



Mildred Saunders and Imraan Soomra



GROUP FINANCIAL DIRECTOR
IMRAAN SOOMRA





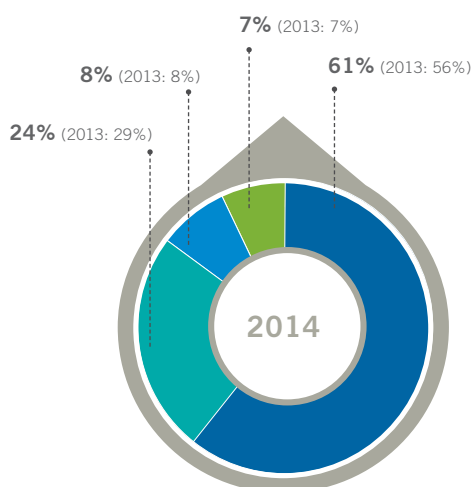
1

GENERATING SUSTAINED
FINANCIAL RETURNS BY
ANTICIPATING MARKET
TRENDS

FINANCIAL PERFORMANCE

The financial performance of the group has been pleasing in light of tough operating conditions. Group revenue is up by 7% to R5 039 million in 2014. Growth has been achieved through improvements in three of our four operating segments, but primarily driven by growth in our canned fish and fishmeal division, as illustrated below.

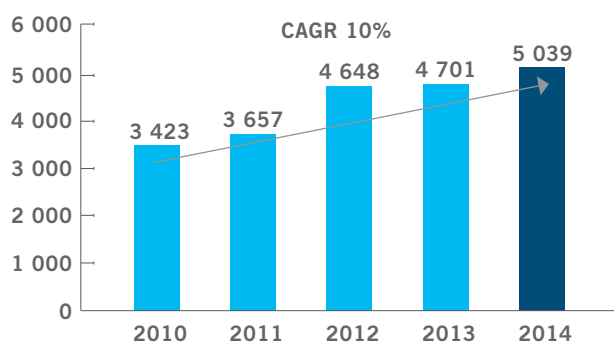
REVENUE BY SEGMENT



- Canned fish and fishmeal
- Lobster, squid and French fries
- Horse mackerel and hake
- Commercial cold storage

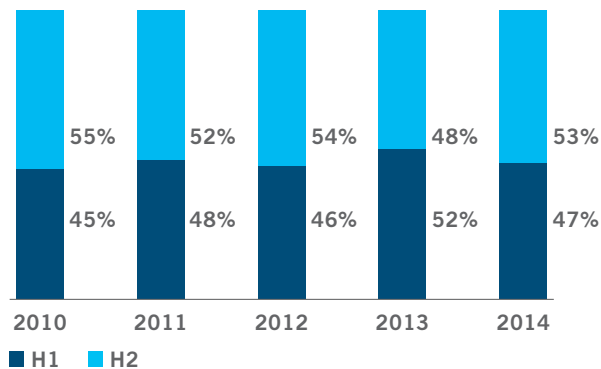
Revenue growth in 2014 has been achieved through a combination of volume growth and improved pricing in most divisions, further bolstered by the effect of weakening rand on our export businesses. However, revenue has been negatively offset by a significant decline in horse mackerel landings in South Africa, particularly in the second half of the year. (This is explained in detail in the horse mackerel and hake report on page 72.)

GROUP REVENUE (R'm)



GROUP FINANCIAL DIRECTOR'S REPORT *continued*

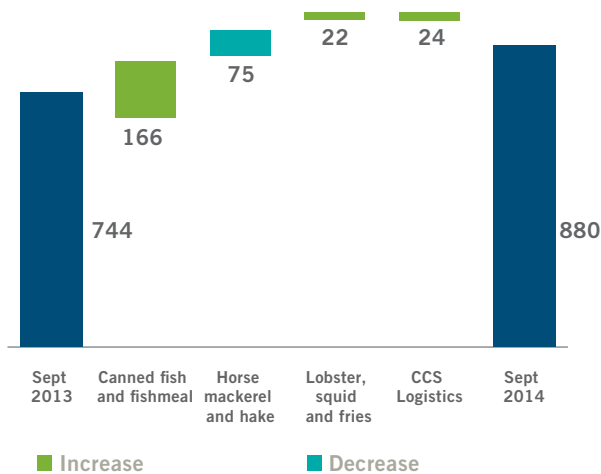
FIVE-YEAR REVENUE CONTRIBUTION LEVELS FOR H1 AND H2



We have continued reviewing operating costs in a drive to improve efficiency and our cost base for this year reflects this. Included in these costs is a charge to the statement of comprehensive income of R21,6 million, compared to R152,5 million in 2013, arising from the estimated fair value of share-based payment options. The movement in this cost is directly correlated to the overall movement in the share price during the financial period under review.

Operating profit is R879,6 million, increasing by 18% on 2013. This represents an operating margin of 17,5% compared to 15,8% in the prior period.

OPERATING PROFIT DIVISION CONTRIBUTION ANALYSIS (RM)



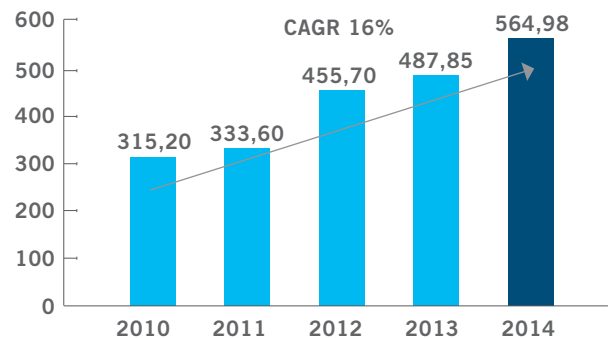
Net investment income includes accrued preference share dividends and net interest received. The preference share dividends, which were in line with the prior year, were earned through Oceana's investment in Oceana SPV Proprietary Limited. The details of this investment can be found in note 13 of the annual financial statements (AFS).

Net interest paid has increased over the prior year due to the long-term loan raised during the year. The details of the long-term loan can be found in note 21 of the AFS.

The group's effective tax rate was in line with the prior year. The effective tax rate is influenced by the mix of profits taxable at the South African rate of 28%, and the Namibian rate of 33%. A reconciliation of the group's effective rate to the South African company income tax rate can be found in note 7 of the AFS.

Basic headline earnings per share of 565 cents are 16% above those of 2013, representing a four-year compounded annual growth of 16% as reflected below.

HEADLINE EARNINGS PER SHARE (cents)



FINANCIAL POSITION

Our financial position has improved over the period primarily due to a substantial decrease in working capital requirements. Inventory levels have decreased significantly during the period as a result of a planned reduction in the procurement of canned fish to address the overstocked position of 2013.

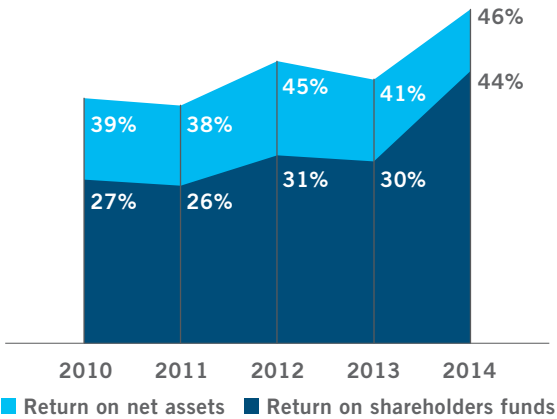
Net cash balances at 30 September 2014 of R344 million represent an improvement of R490 million over the period.

Our strong financial position allows us to access long-term debt or equity capital to pursue growth opportunities when they arise, as well as deal with emerging economic pressures. Overall, our capital structure is suitable and sufficient for current and expected requirements.

DELIVERING VALUE TO STAKEHOLDERS

We return value to our shareholders in the form of both dividends and share price appreciation. In addition, we have a strong record of strong returns on net asset value.

RETURN ON NET ASSETS



Our dividend declaration has been preceded by consideration of anticipated operational and financial requirements and after applying the solvency and liquidity tests. We remain comfortable with a cover of 1,5 times on headline earnings and have declared a final dividend per share of 271 cents, which brings the total for the year to 377 cents, representing an improvement of 17% on 2013.

ISSUES GOING FORWARD

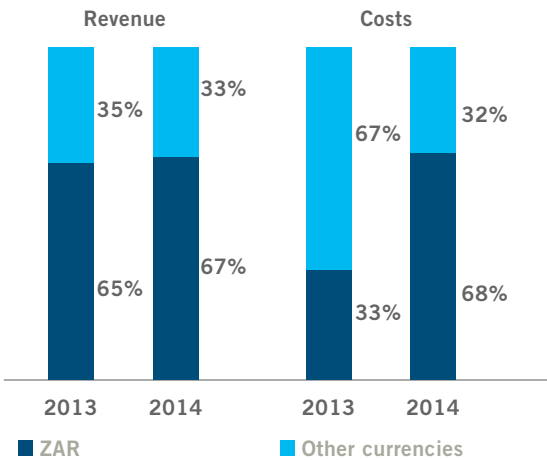
We remain cognisant of the need to deliver continually improving operational performance, and each of our divisions will place focus on efficiency of operations and maximised deployment of fishing resources. In addition, from a group perspective, we will implement structures that achieve synergy and efficiency. To this end, a finance shared services centre and group procurement function have already been approved by the board and will be implemented in the 2015 financial year.

Oceana's acquisition of Foodcorp's fishing business, if approved, will be funded from long-term loan facilities. This will have an impact on our debt levels in the short term. We remain in a strong position to leverage our balance sheet for further acquisitions if necessary.

KEY FINANCIAL RISKS

Oceana has significant volumes of imports and exports. Exchange rate risk is managed through awareness of currency risk related to foreign transactions. The group has a formal foreign exchange policy approved by the board, which guides currency risk management carried out by the business units in conjunction with the central treasury department. Currency risks are partially hedged by means of forward exchange contracts and the set-off effect of foreign currency assets and liabilities. The group does not enter into derivative contracts for speculative purposes. The graph below illustrates the set-off effect of foreign currencies within the group.

FOREIGN CURRENCY



GROUP FINANCIAL DIRECTOR'S REPORT *continued*



ACCOUNTANT
OCEANA GROUP
GADIJA BOWMAN


I was born to a fisherman father and grew up in the fishing community of Ocean View, so it should come as no surprise that I have spent most of my career within one of South Africa's largest fishing companies.

When I finished school I wanted to study Cost and Management accounting but due to lack of funds I had to use a state subsidy and study teaching. When the Education Department retrenched me, I was interviewed at Blue Continent Products and in 1998 was appointed as a general office administrator – delivering mail and doing typing. Three years later I was given an opportunity to study towards BComm Accounting and gained entry into the Finance department at BCP, working as a PA while studying. It was an encouraging sign that the company was willing to invest in me and I worked hard to produce quality work. This paid off and in 2005 I was appointed as an Accounting Assistant in Blue Atlantic Trading.

I completed my BComm in 2011 through Unisa and HR was extremely supportive during this time. I started a family while I was studying – it was a bumpy road but through determination to succeed I adjusted.

In 2014, I registered for CIMA (management accounting qualification), influenced by the idea I had of where (Oceana CEO) Francois Kuttel wanted to take the business. I wanted to align my expertise with this vision and remain relevant for Oceana's future. There have been challenges along the way, juggling work, a family and studies, but I have had strong support from my manager and family. I made sure that my studies did not impact on the quality of the work that was expected from me. Oceana is the company that I would like to retire from and I want to give back by sharing and applying the knowledge I have gained through the studies the company has afforded me.

My message is that dedication and hard work pays off. Find a moment to understand where the company is going and how you fit in. Thank you Oceana for caring about the development of employees.

 16 YEARS' SERVICE AT OCEANA



WASTE HEAT EVAPORATOR
SPECIALIST, LUCKY STAR
TOMALO NTOMBINI

I was born in Cofimvaba, a small rural town in the Eastern Cape. At school, maths and science were my favourite subjects so after finishing matric I studied Chemical Engineering.

In 2003, I did a year's in-service training at the Lucky Star fishmeal plant in St Helena Bay, returning to Pentech complete my diploma. In 2004, I returned to Lucky Star on a six-month contract as an evaporator plant operator. My work here saw me being appointed in the role permanently, tasked with ensuring that machinery operations met standards, tested products and met specifications, among others. I was still young and had a lot to learn but received support from senior operators and supervisors.


Three years later, I was promoted to shift supervisor. It was a challenge to be a young female in a role requiring me to supervise men – some of whom undermined you because you were young enough to be their daughter. However, I was mentored by Titania Stefanus-Zincke, who emphasised that being a woman should not limit the potential and growth of women in a male-dominated environment. Training opportunities were offered, and these helped me to manage the new role as supervisor with ease. I felt the need to work hard, under pressure with no room for errors. Being the first female shift supervisor to work in a fishmeal plant on the West Coast makes me proud.

In 2009 a promotion to assistant fishmeal plant manager saw me moving to Hout Bay, where my responsibilities increased. I was sent to University of Stellenbosch to do an EMDP. This programme played a huge role in shaping my thinking and management skills.

Two years ago I became a waste heat evaporator specialist, since my skills and experience with evaporators made me the ideal person to manage this new technology.

In my 11 years of working at Oceana I have been exposed to so many areas of the business. I am regularly consulted when there are new projects and giving my input makes me feel valued. I have also been privileged to have various learning opportunities to grow.

It also confirms Oceana's position as a transformed company, empowering women in the process. Being female in a male-dominated engineering environment makes me proud of what I have achieved and of the role Oceana had in this journey.

 11 YEARS' SERVICE AT OCEANA

Note 29 of the AFS provides information on the group's foreign currency balances and exposures at year-end.

Note 18 of the AFS provides information on the concentration of the group's trade receivables at year-end.

ACCOUNTING STANDARDS

The group complies with International Financial Reporting Standards (IFRS). With effect from October 2013, the group was required to adopt IFRS 11: Joint Arrangements. As a result, joint ventures are consolidated on an equity basis rather than on a proportional consolidated basis. The adoption of IFRS 11 has resulted in the restatement of certain financial statement line items for the prior period, which was not considered to have material effect to the group results or net asset value. No other accounting standards or interpretations that have been issued but are not yet effective were identified that would have a material financial impact on the group's financial statements in future.

IMRAAN SOOMRA
Group financial director

4 December 2014

STATISTICAL AND FINANCIAL DATA

| | Notes | 2014 R'000 | RESTATED 2013 R'000 | 2012 R'000 | 2011 R'000 | 2010 R'000 |
|---|-------|---------------|---------------------------|---------------|---------------|---------------|
| Consolidated statements of comprehensive income | | | | | | |
| Revenue | | 5 039 134 | 4 701 224 | 4 647 951 | 3 657 196 | 3 423 219 |
| Operating profit before abnormal items | | 879 566 | 743 559 | 711 025 | 512 689 | 484 474 |
| Abnormal items | | | | (47 955) | | (19 697) |
| Operating profit | | 879 566 | 743 559 | 663 070 | 512 689 | 464 777 |
| Investment income | | 13 273 | 16 451 | 36 279 | 25 826 | 19 750 |
| Interest paid | | (17 102) | (7 485) | (3 108) | (2 872) | (5 497) |
| Profit before taxation | | 875 737 | 752 525 | 696 241 | 535 643 | 479 030 |
| Taxation | | 266 818 | 228 135 | 232 315 | 189 426 | 175 515 |
| Profit after taxation | | 608 919 | 524 390 | 463 926 | 346 217 | 303 515 |
| Attributable to non-controlling interests | | 34 988 | 33 374 | 20 136 | 13 047 | 9 091 |
| Net profit attributable to shareholders of Oceana Group Limited | | 573 931 | 491 016 | 443 790 | 333 170 | 294 424 |
| Headline earnings | | 567 238 | 489 325 | 456 158 | 333 210 | 313 908 |
| Consolidated statements of financial position | | | | | | |
| Property, plant and equipment | | 512 342 | 458 200 | 435 850 | 415 623 | 364 538 |
| Intangible assets | | 97 625 | 102 802 | 88 638 | 18 101 | 16 183 |
| Deferred taxation | | 24 119 | 28 502 | 23 187 | 13 204 | 8 528 |
| Investments and loans | | 225 554 | 224 773 | 142 940 | 153 445 | 151 897 |
| Current assets | | 2 115 657 | 2 019 292 | 1 878 113 | 1 422 623 | 1 302 083 |
| Total assets | | 2 975 297 | 2 833 569 | 2 568 728 | 2 022 996 | 1 843 229 |
| Interest of shareholders of Oceana Group Limited | | 1 677 370 | 1 728 610 | 1 584 540 | 1 358 428 | 1 212 130 |
| Interest of non-controlling interests in subsidiaries | | 69 536 | 60 761 | 48 702 | 40 923 | 34 340 |
| Interest of all shareholders | | 1 746 906 | 1 789 371 | 1 633 242 | 1 399 351 | 1 246 470 |
| Deferred taxation | | 58 215 | 36 686 | 41 843 | 41 669 | 46 900 |
| Other liabilities | | 1 170 176 | 1 007 512 | 893 643 | 581 976 | 549 859 |
| Total equity and liabilities | | 2 975 297 | 2 833 569 | 2 568 728 | 2 022 996 | 1 843 229 |
| Consolidated statements of cash flows | | | | | | |
| Cash generated from operations | | 1 238 377 | 393 473 | 456 562 | 729 211 | 416 596 |
| Investment income received | | 24 476 | 9 886 | 25 312 | 14 320 | 6 639 |
| Interest paid | | (17 102) | (7 485) | (3 108) | (2 872) | (5 497) |
| Taxation paid | | (264 090) | (317 873) | (242 588) | (169 132) | (166 234) |
| Dividends paid | | (365 880) | (380 932) | (242 222) | (219 993) | (193 840) |
| Distribution to Oceana Empowerment Trust beneficiaries | | (291 524) | | | | |
| Net cash inflow/(outflow) from operating activities | | 324 257 | (302 931) | (6 044) | 351 534 | 57 664 |
| Cash outflow from investing activities | | (147 383) | (128 265) | (153 331) | (115 827) | (87 937) |
| Cash inflow from financing activities | | 310 471 | 10 908 | 7 987 | 4 902 | 6 753 |
| Net increase/(decrease) in cash and cash equivalents | | 487 345 | (420 288) | (151 388) | 240 609 | (23 520) |
| Performance per share | | | | | | |
| Number of shares upon which earnings per share is based ('000) | | 100 400 | 100 302 | 100 100 | 99 868 | 99 580 |
| Headline earnings per share – basic (cents) | | 565,0 | 487,9 | 455,7 | 333,7 | 315,2 |
| Headline earnings per share – diluted (cents) | | 511,0 | 443,2 | 419,8 | 419,8 | 419,8 |
| Earnings per share – basic (cents) | | 571,6 | 489,5 | 443,3 | 333,6 | 295,7 |
| Earnings per share – diluted (cents) | | 517,0 | 444,8 | 408,4 | 312,7 | 280,6 |
| Dividends per share (cents) | 1 | 377,0 | 322,0 | 301,0 | 220,0 | 208,0 |
| Headline dividend cover (times) | | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 |
| Net asset value per share (cents) | 2 | 1 668,8 | 1 721,4 | 1 581,1 | 1 359,3 | 1 215,9 |

STATISTICAL AND FINANCIAL DATA *continued*

| | Notes | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|---------|-----------|------------|-----------|-----------|-----------|
| Profitability | | % | % | % | % | % |
| Operating margin | 3 | 17,5 | 15,8 | 15,3 | 14,0 | 14,2 |
| Return on average shareholders' funds | 4 | 44,4 | 29,5 | 31 | 26 | 27 |
| Return on average net assets | 5 and 6 | 44,2 | 41,4 | 45 | 38 | 39 |
| Return on average total assets | 5 and 7 | 31,0 | 28,4 | 35 | 30 | 31 |
| Finance | | | | | | |
| Total borrowings as a percentage of total shareholders' funds | 8 | 17 | 14 | 3 | 1 | 3 |
| Total liabilities as a percentage of total shareholders' funds | 9 | 67 | 56 | 55 | 42 | 44 |
| Current ratio (:1) | | 2,7 | 2,3 | 2,4 | 2,7 | 2,6 |
| Number of permanent employees at year-end | | 1 817 | 1 794 | 1 849 | 1 711 | 1 434 |
| Revenue per employee (R'000) | 10 | 2 773 | 2 621 | 2 514 | 2 138 | 2 387 |
| Assets per employee (R'000) | 7 | 1 637 | 1 580 | 1 377 | 1 175 | 1 279 |
| Share performance | | | | | | |
| Market price per share (cents) | | | | | | |
| Year-end | | 7 400 | 8 424 | 5 400 | 3 745 | 3 200 |
| Highest | | 9 200 | 9 876 | 5 999 | 4 050 | 3 425 |
| Lowest | | 7 050 | 5 250 | 3 700 | 3 100 | 2 600 |
| Price earnings ratio | 11 | 13,1 | 17,3 | 11,8 | 11,2 | 10,2 |
| Number of transactions | 12 | 33 403 | 22 620 | 3 080 | 2 756 | 3 746 |
| Number of shares traded ('000) | 12 | 16 423 | 23 169 | 14 785 | 7 653 | 31 797 |
| Value of shares traded (R'000) | 12 | 1 360 682 | 1 727 682 | 673 300 | 280 453 | 923 954 |
| Volume of shares traded as a percentage of total issued shares | 12 | 13,7 | 19,4 | 12,4 | 6,4 | 26,7 |
| Market capitalisation (R'000) | 13 | 8 844 936 | 10 060 712 | 6 449 174 | 4 464 271 | 3 808 037 |
| JSE food producers and processors index | 14 | 181,07 | 158,59 | 143,46 | 108,32 | 100,00 |
| JSE industrial index | 14 | 160,31 | 151,11 | 123,55 | 94,27 | 100,00 |
| Oceana Group share price index | 14 | 231,25 | 263,25 | 168,75 | 117,03 | 100,00 |

Notes:

1. Dividend declared after reporting date included.
2. Own shareholders' funds divided by the net 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. Total liabilities exclude deferred taxation.
10. Revenue divided by the number of permanent employees at year-end.
11. Market price per share at year-end divided by headline earnings per share.
12. Figures based on JSE transactions only.
13. Value of ordinary shares in issue at year-end price including treasury shares held by share trusts and subsidiary company.
14. Adjusted base 2010 = 100.
15. 2013 numbers has been restated due to adoption of IFRS 11, prior years have not been restated.

OPERATING SEGMENT REPORT

| | 2014 R'000 | 2013 R'000 | % Change | 2014 R'000 | 2013 ⁴ R'000 | % Change |
|---------------------------------------|----------------------------|---------------|-------------|-------------------------------------|----------------------------|-------------|
| Business segment | | | | | | |
| | Revenue¹ | | | Operating profit² | | |
| Canned fish and fishmeal | 3 086 476 | 2 631 686 | 17 | 380 931 | 214 914 | 77 |
| Horse mackerel and hake | 1 203 470 | 1 373 824 | (12) | 347 251 | 422 504 | (18) |
| Lobster, squid and French fries | 405 497 | 369 394 | 10 | 44 870 | 23 343 | 92 |
| CCS Logistics | 343 691 | 326 320 | 5 | 106 514 | 82 798 | 29 |
| Total | 5 039 134 | 4 701 224 | 7 | 879 566 | 743 559 | 18 |
| | Total assets | | | Total liabilities | | |
| Canned fish and fishmeal | 1 550 944 | 1 774 724 | (13) | 556 434 | 476 028 | 17 |
| Horse mackerel and hake | 588 916 | 462 955 | 27 | 183 108 | 149 596 | 22 |
| Lobster, squid and French fries | 112 746 | 100 257 | 12 | 49 402 | 41 460 | 19 |
| CCS Logistics | 240 610 | 235 608 | 2 | 55 747 | 67 129 | (17) |
| Financing | 457 962 | 231 523 | 98 | 325 485 | 273 299 | 19 |
| | 2 951 178 | 2 805 067 | 5 | 1 170 176 | 1 007 512 | 16 |
| Deferred taxation | 24 119 | 28 502 | (15) | 58 215 | 36 686 | 59 |
| Total | 2 975 297 | 2 833 569 | 5 | 1 228 391 | 1 044 198 | 18 |
| | Capital expenditure | | | Depreciation | | |
| Canned fish and fishmeal | 23 084 | 75 957 | (70) | 26 950 | 21 451 | 26 |
| Horse mackerel and hake | 97 516 | 31 890 | 206 | 33 092 | 29 414 | 13 |
| Lobster, squid and French fries | 6 781 | 5 847 | 16 | 4 574 | 5 843 | (22) |
| CCS Logistics | 36 005 | 13 478 | 167 | 26 586 | 30 485 | (13) |
| Total | 163 386 | 127 172 | 28 | 91 202 | 87 193 | 5 |
| Revenue per region³ | | | | | | |
| | Revenue¹ | | | | | |
| South Africa and Namibia | 3 765 211 | 3 315 628 | 14 | | | |
| Other Africa | 499 418 | 821 066 | (39) | | | |
| Europe | 436 522 | 327 104 | 33 | | | |
| Far East | 291 834 | 205 114 | 42 | | | |
| Other | 46 149 | 32 312 | 43 | | | |
| Total | 5 039 134 | 4 701 224 | 7 | | | |

1. Revenue excludes inter-segmental revenues in South Africa and Namibia, which are eliminated on consolidation amounting to: Canned fish and fishmeal R0,1 million (2013: R5,4 million), horse mackerel and hake R27,7 million (2013: R29,1 million) and CCS Logistics R49,3 million (2013: R30,4 million).
2. Operating profit is stated before abnormal items.
3. Revenue per region discloses the region in which product is sold.
4. 2013 numbers have been restated due to the adoption of IFRS 11.

DRIVING TRANSFORMATION AND LOCALISATION



- Being a sector leader in terms of our transformation and localisation credentials
- Maintaining an independently accredited B-BBEE level 2 rating in South Africa
- Promoting and protecting the ongoing transformation of the group's equity profile

2014 PERFORMANCE SUMMARY

- Most empowered JSE-listed company
- Retained independently accredited **level 2 B-BBEE** status in line with strategic objective
- Maximum points achieved for **six** out of seven elements (ownership, management control, preferential procurement, enterprise development, skills development and socio-economic development), and increased score in employment equity
- Historic early payout of **R292 million** to **2 647** black beneficiaries
- **50%** black representation at executive management level
- **25%** black female representation at executive management level
- **89,1%** of total measured spend spent on B-BBEE suppliers
- **R18,7 million** spent on skills development on black employees

BEING A SECTOR LEADER ON TRANSFORMATION AND LOCALISATION

By driving transformation and localisation strategies, we are able to deliver value to a broad grouping of stakeholders, and thereby contribute to our goal of being the most efficient convertor of fishing rights into value in Africa. Stakeholders that benefit from these strategies include in particular our shareholders, employees, the communities in which we operate, and the suppliers and small and medium-sized enterprises with whom we develop relationships.

Before the South African codes on broad-based black economic empowerment (B-BBEE) were promulgated, and before much of the present policy framework was in place, we developed a proactive and focused transformation strategy. Our guiding principle was to benefit the right people for the right reasons.

We have retained our status as a black-owned and black-controlled company and our performance on all elements of the B-BBEE scorecard has resulted in a level 2 rating, with a score of 98,39 points out of 100 (2013: 95,17). We also have a recognition rating of 125% for procurement in terms of the dti B-BBEE Scorecard and we are rated as a value adding enterprise. The full scorecard is provided in our online sustainable development report.

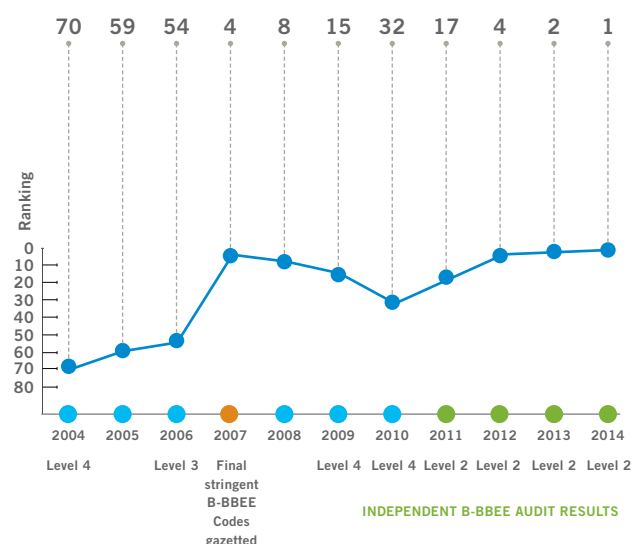
Our score has improved due to tangible improvements in our management control, skills development, preferential procurement and employment equity performance. We also retained maximum points for ownership, enterprise development and socio-economic development. For the first time, we scored maximum points in all elements save for employment equity. These results were achieved through a group-wide implementation of our transformation strategy.



Our commitment to implementing B-BBEE policies was recognised this year through our ranking as the most empowered JSE-listed company in the 2014 *Mail & Guardian's* Most Empowered Companies. This is the fourth consecutive year that we have achieved an independent level 2 ranking. The table below reflects some key measures on our transformation journey.

KEY MEASURES ON OUR TRANSFORMATION JOURNEY

TOP EMPOWERMENT COMPANY RANKING



OUR B-BBEE PERFORMANCE

At Oceana our focus on empowerment is both strategic and operational. Ensuring credible empowerment credentials is a strategic imperative that has an impact on our ability to retain and grow our commercial fishing rights. It is part of how we do business at all levels, throughout the company.

Employment equity

| | Target 2016 | | 2014 | | 2013 | |
|------------------------------|-------------|--------------|--------|--------------|--------|--------------|
| | Female | Black Female | Female | Black female | Female | Black female |
| Executive | 25 | 25 | 22 | 11 | 22 | 11 |
| Senior management | 29 | 18 | 29 | 16 | 24 | 12 |
| Middle management | 22 | 17 | 20 | 12 | 18 | 13 |
| Supervisory | 22 | 20 | 22 | 16 | 22 | 19 |
| Clerical and other employees | 41 | 40 | 23 | 42 | 41 | 41 |
| Disabled | | 2,7 | | 3,0 | | 2,5 |

Ownership

We maintained our black-owned and black-controlled shareholding. Our three major shareholders that contributed to this are Tiger Brands Limited, Brimstone Investment Corporation and the Oceana Empowerment Trust.

Management control

At the executive committee, black representation increased through the appointment of Zani Mashinini as group human resources executive. Points achieved increased to 11,00 (2013: 9,42), the maximum for this element. Targets at both board and management levels were met, which is an impressive achievement.

Employment equity

The continued internal focus on improving our performance on employment equity has yielded positive results, with improvement in black representation reflected at junior, middle and senior management levels. This translated into an increase in points in each management category, resulting in an improved overall score of 10,39 (2013: 9,56). We made two black female appointments in senior management roles, and also appointed the group's first African female marine superintendent.

The changes to our employment equity legislation have given further impetus to how we drive diversity within the Oceana Group. While numerical targets and goals are important for its success and fairness, consistent labour practices are becoming more and more important. Through driving human rights as well as other initiatives it has become more important to make this a priority for the group. Performance over the years has improved with further opportunities for the upcoming financial year.

DRIVING TRANSFORMATION AND LOCALISATION *continued*

Skills development

Given the scarcity of skills in our sector, and our focus on developing our employees, we continue to invest significantly in employee skills. During the year, recognised training expenditure on all black employees increased to R18,7 million (2013: R17,0 million), equating to 2,0% (2013: 2,82%) of the leviable payroll. A total of 1 339 employees were trained in a wide variety of specialities, including on-the-job training. Of these employees 93,0% were black and 29,3% were black females. In total, 108 black employees participated in learnership programmes across the group. The graduate development programme within CCS Logistics included a new logistics graduate programme. This has resulted in graduates progressing from trainee level to permanent employee status. Apprenticeships are ongoing at Lamberts Bay Foods to ensure we build a pipeline of qualified artisans. At the group head office, managers received practical hands-on training, covering management issues such as coaching, delegating, feedback, discipline, planning, time management, organising and leading, as well as relevant technical training.

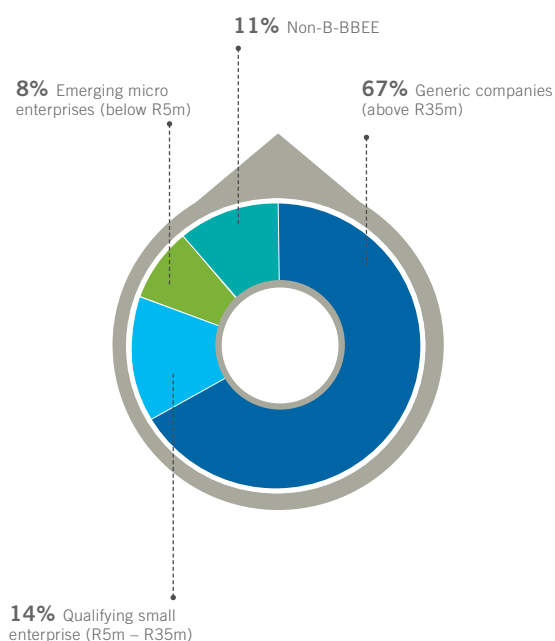
Preferential procurement

We recognise that ensuring that goods and services are procured from suppliers that meet B-BBEE requirements will ultimately result in greater participation of black people in the economy. Our focus on maximising purchases from compliant B-BBEE companies, qualifying small enterprises (QSEs), black-owned and black-women-owned companies, has resulted in 89,1% of our total measured spend being procured from B-BBEE enterprises, exceeding the dti's target of 70%. We improved our procurement score and achieved the maximum score of 20,00 points compared to a score of 19,68 in 2013. Expenditure with black woman-owned suppliers increased to R146,7 million in 2014, from R98,7 million in 2013. The graph alongside reflects the split in the total measured spend for 2014.

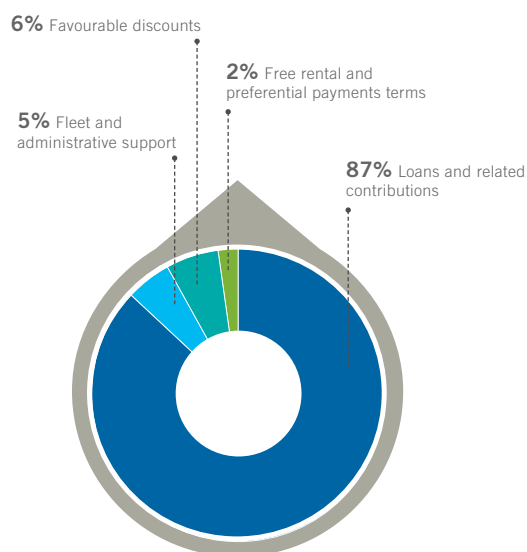
Enterprise development

Our main contribution to enterprise development has been through joint ventures (JVs) with other smaller fishing operators and supply arrangements. The group currently has 8 joint ventures and 5 vessel co-ownership arrangements in which 17 commercial fishing rights holders are involved as partners. In addition we have 162 processing, marketing and supply arrangements in the pelagic, west coast rock lobster, horse mackerel, south coast rock lobster and hake and squid sectors. During 2014, Oceana spent R44,5 million on enterprise development initiatives, compared to R29,9 million in 2013. This resulted in a performance of 11,21% net profit after tax. The initiatives included loans, advances, favourable discounts, free rental and administration support to black-owned entities. The graph alongside reflects the split into categories by value.

PREFERENTIAL PROCUREMENT



ENTERPRISE DEVELOPMENT INITIATIVES



Socio-economic development

During the 2014 financial period, 1,3% of the group's net profit after tax was distributed to beneficiaries that have a black base of at least 75%.

Further details regarding our B-BBEE compliance, our performance by category and our management practices, are provided in our online sustainable development report.



FOCUSING ON OWNERSHIP

Ensuring the retention of our fishing rights after expiry is a top risk for the group. Our fishing rights in the horse mackerel, west coast rock lobster and inshore hake trawl sectors expire during 2015, while our rights in the small pelagic and hake deep-sea trawl sectors expire at the end of 2020. Since DAFF consistently assesses transformation within the fishing industry on a narrow measure of ownership and management only, the retention of our black-owned and black-controlled status in the longer term is vital. A board subcommittee was constituted during 2013 comprising executive and non-executive directors to consider mechanisms and options to ensure this is achieved. The committee met during the year to debate strategies that management could embark on, possible targets and initiatives that could be employed to achieve the targets.

DELIVERING VALUE THROUGH THE OCEANA EMPOWERMENT TRUST

The Oceana Empowerment Trust, established in 2006 to advance Oceana's transformation strategy, has 2 630 black beneficiaries holding 13,9 million shares in Oceana through the Trust as at the end of September; this represents 11,6% of Oceana's total issued shares. The Trust provides an important mechanism for our employees to grow with the company and to enjoy the fruits of success from the efforts of their hard work. It allows real broad-based empowerment to be delivered not only directly to our employees, but also to the communities in which they live, and in which we operate.

The Trust, which has three company-appointed trustees and three employee-elected trustees (including an independent trustee), met three times during the year. The advocacy programme implemented in 2013 has been successful. Seven champions were identified from different locations and at different levels

within the group; they represent beneficiaries' views in their engagements with the company and external stakeholders. These champions have quarterly meetings with the group chief executive officer and the executive directors. All of these meetings have been characterised by a very positive rapport. This engagement enables meaningful and regular communication with beneficiaries, and ensures that the management team is aware of the beneficiaries' interests and concerns.

Since its establishment, the Trust has enjoyed a steady increase in value creation, providing a valuable basis for wealth creation for its beneficiaries. Given the current tough economic climate and the feedback from Trust champions that some beneficiaries were in challenging personal circumstances, and recognising the need to ensure the longevity of the black ownership of the Trust, we proposed an early distribution payout along with increased and more regular distribution payments. This would also result in an extension of the lock-in period to January 2021, thus assisting Oceana in retaining its fishing rights.

The proposal to extend the lock-in period, and pay an early distribution and increased future annual distributions to employee beneficiaries, was approved by the group's board of directors and the Oceana Empowerment Trust's board of trustees before being tabled at the group's annual general meeting in February 2013 for approval by shareholders. The proposal was also approved by employee beneficiaries during November 2013, following the proposal being put to a vote among its 2 647 members. In April 2014, the Trust received an amount of R292 million from the Oceana Group for distribution to employee beneficiaries of the Trust, representing the unlocking of tangible value created through harvesting fishing rights and its conversion into shared broad-based value. Further detail is included in the Oceana Empowerment Trust magazine, included as an insert in this integrated report.

Employee beneficiaries were invited to attend financial programmes offered by Old Mutual with the aim of promoting good savings and debt management habits. This was followed by talks from our employee wellness partner, Kaelo, as well as the opportunity of receiving individual financial advice from certified financial advisors at an "investor day" hosted at all sites across the group. These programmes were offered as a precursor to the Oceana Empowerment Trust payout.

DRIVING TRANSFORMATION AND LOCALISATION *continued*

ENGAGING WITH GOVERNMENT ON TRANSFORMATION IN SOUTH AFRICA

During the year, the Broad-based Black Economic Empowerment (B-BBEE) Amendment Act and the associated Codes of Good Practice were amended, following extensive engagement with stakeholders. Oceana made presentations during 2013 at the public hearings held by the parliamentary committees, with the aim of ensuring greater consistency in the measure of transformation. In particular we supported the inclusion of the trumping provision, which would ensure that the B-BBEE Act would take precedence over other legislation. In recent meetings between FishSA (the industry association) and the new Minister of Agriculture, Forestry and Fisheries, the measures to assess transformation for the fishing industry were discussed, within the context of the industry already being a highly transformed sector. Further engagement is planned, particularly ahead of the next commercial fishing rights application process.

B-BBEE legislation

To ensure that we are best placed to respond to the legislative changes regarding B-BBEE, we have reviewed our status regarding the revised codes. We have developed a gap analysis for the group and each division, and have presented these to the group and divisional executive and management teams to ensure a clear understanding of the required changes to strategy and reporting for all elements of the scorecard. Retaining our B-BBEE credentials requires that all managers understand the codes, as any decisions taken in respect of training, employee appointments and promotions, and expenditure on procurement and corporate social investment, each have a direct impact on the group's B-BBEE rating. Customised training and awareness sessions on the revised codes have been provided to the executive committee and for all divisional employees involved in reporting on B-BBEE.

Employment equity legislation

As a responsible employer, we have ensured that the implications of the New Employment Equity Act Amendments and Regulations have been understood and measured. Following an impact assessment of the legislative revisions, our HR strategy has been revised to provide for the necessary initiatives. Various measures have been taken to ensure that we are prepared for further changes to the Labour Relations Amendment Act. The management and use of our temporary labour force remains an important focus. During the year, 32 employees moved from fixed-term to seasonal within one of our divisions. We are working with the union to ensure the further conversion of employees so as to minimise the use of labour brokers.

ENGAGING WITH THE NAMIBIAN GOVERNMENT ON LOCALISATION

The Namibian government is currently developing the Namibian Equitable Economic Empowerment Framework (NEEEF) to base its measurement of transformation. Still in draft format, this policy document will not have similar legislative backing to the South African B-BBEE Act. The key measures that will be assessed relate to ownership, management control and employment equity, training and skills development, entrepreneurship development, and community investments.

During the year, we continued regular, formal and informal engagements with the Ministry of Fisheries and Marine Resources (MFMR) in Namibia. An important focus of these engagements is on securing additional quota so as to ensure that our vessels can continue operating and that jobs are protected. We were also pleased to secure a meeting with the ruling party to share details with them regarding Oceana's footprint in Namibia, and particularly regarding the value both created and shared. Within Namibia, all companies that hold rights are majority Namibian owned.

Our localisation strategy in Namibia, which seeks to increase the number of Namibians employed, particularly within the horse mackerel fishery, has unfortunately been impacted by the significant reduction in allocated quota. Although we were able to limit retrenchments and redeploy Namibian employees within our other operations, we were compelled to withdraw a vessel from the Namibian fishery, resulting in the reduction of 100 jobs. Unfortunately, nine Namibian employees were retrenched. Within the horse mackerel operations, 63% (2014: 64%) are Namibian, of whom 92% (2013: 90%) are land-based. We are continuing our long-term training programme to improve the skills of local Namibians in the navigation and marine engineering fields. In the interim; however, we are employing foreigners to ensure that the requisite competence is on board the vessels, given the specific requirements for vessels above 5 500 gross registered tonnage.

In September 2013, Oceana was invited to be one of the keynote speakers at a transformation conference in Namibia, to share our experiences in achieving second place on the most empowered listed companies ranking in 2013. In line with the MFMR requirements to reflag our vessels under the Namibian flag, we are pleased to report that the vessel, the *Desert Rose* will be reflagged within the next six months.

IMPACT OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

The Oceana Foundation supports the Sentinel Primary School in Hout Bay. The Foundation Phase learners at the school provided these illustrations of their perceptions of Oceana.



OPTIMISING OUR OPERATIONS



3

OPTIMISING OUR OPERATIONS

- Attracting, developing and retaining the best available talent throughout the group
- Driving effectiveness and efficiency in our fleet and operations throughout the value chain
- Actively evaluating and mitigating risk, and maintaining effective governance systems

2014 PERFORMANCE SUMMARY

- **2 962** direct jobs in South Africa and **229** direct jobs in Namibia
- **3,1%** absenteeism
- **2,1%** voluntary labour turnover
- **R19,5 million** invested in employee skills development in South Africa and Namibia
- **0,5** disabling injuries frequency rate
- **10** cases related to discipline referred to the CCMA
- **97%** of non-bargaining employees have IPAs in place

ATTRACTING, RETAINING AND DEVELOPING THE BEST AVAILABLE TALENT THROUGHOUT THE GROUP

During the year, our human resources (HR) function began a process of internal transformation with the aim of delivering results-driven services as a credible and valued business partner. Through our new operating model, we strive to build a climate that enables high performance, and that supports the group's growth capabilities by attracting, retaining and developing the best available talent.

With the aim of improving our performance, the HR function undertook a functional maturity diagnostic in which we assessed our performance across a broad set of functional activities. The diagnostic is rooted in objective, peer-based standards and covers 40 functional activities across seven key objectives. Following the diagnostic, the operational support structure has been

streamlined to maximise efficiency; this has included centralising our reporting and transactional activities. We have also begun partnering with the operational divisions to assess whether the HR organisational design supports the group's efficiency objectives. We have created centres of expertise in talent and performance management, change management, earning and development and reward and benefits.

A new HR services centre has been established to streamline our transactional and reporting activities. New appointments have also been made to bolster the specialist capability offerings in areas such as talent and performance, learning and development and resourcing. We have introduced focused and consistent reporting through our automated HR dashboard, and have made significant progress in improving the integrity of our HR data. This enables us to gauge our performance on key HR indicators more accurately, and identify focused areas for improvement.

Following a managers' skills self-assessment process, we have begun delivery of an in-house customised leadership essentials programme. Our training portfolio has been reviewed to introduce specialists that support development in critical areas such as logistics, manufacturing and maritime skill sets. We have begun to revise our existing talent initiatives; this has included:

- strengthening our technical skills pool by appointing additional marine engineers;
- introducing the principle of rotational relief engineers to ensure that our engineers have greater versatility and knowledge to work on all our vessels; and
- improving line managers' ability to manage performance effectively.

As part of our drive to develop strong leadership capacity across the group, we have continued with our various leadership development offerings:

- We partner with the University of Stellenbosch Business School (USB) in offering the Oceana Emerging Manager's Development programme (EMDP). For the first time, we have implemented a coaching process to support delegates during the period. Employees who had previously successfully completed the Oceana Leader as Coach programme volunteered to coach the delegates on the EMDP, thus enabling the EMDP delegates to receive support, while the coaches developed their coaching skills.
- Regular "power hour" breakfast talks are held for our executives and senior managers on topics of strategic interest; this year these included, for example, issues such as managing climate risk in unchartered waters and understanding the implications of expanding our footprint into Africa.

- We participate in various other management development programmes both at supervisory and middle management level. These have been achieved through partnering with 200 best management skills – a hands-on training programme for first-time managers covering the essential elements a first-time manager should be familiar with (coaching, delegating, feedback, discipline, planning, time management, organising and leading), to relevant technical training in all areas (IT, commercial, finance and support staff).

We recognise the importance of having an appropriate reward and benefits structure. A key milestone this year has been the completion of our long-term incentive programme, with the first offer being made to executives. To further support best practice in the area of reward, new partners have been identified, as well as the purchase of additional and new benchmark data. An anchor job analysis exercise has also been underway to ensure that we maintain robust job evaluation methodologies. This job analysis exercise enables us to be able to align to relevant legislation regarding equal pay for work of equal value.

During the year, more than 97% of our non-bargaining unit employees completed individual performance agreements, compared to 78% in 2013.

We continue offering our employees onsite occupational health practitioners and medical insurance, as well as an employee assistance programme. Employees responded positively to on-site counselling. This was a pilot project at various sites to ensure that we provide an appropriate and adequate employee assistance programme. Subsequent rollouts are currently taking place in more of our divisions.

Tables below reflect a breakdown of the number of employees by division, the training expenditure split across race and gender, labour turnover, training expenditure on adult education and training, supervisory, leadership and other training and statistics on the disabling injury frequency rate.

Number of employees

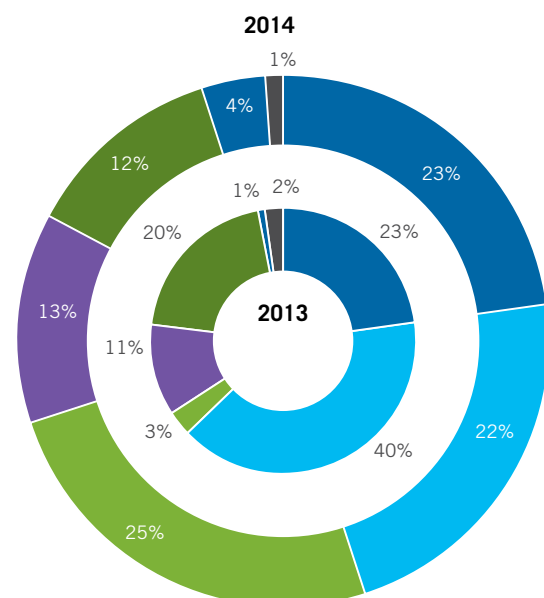
| Divisions | 2014 | | | 2013 | | |
|---------------------------------|--------|----------|-------|--------|----------|-------|
| | Direct | Indirect | Total | Direct | Indirect | Total |
| Lucky Star | 1 420 | 402 | 1 822 | 1 446 | 85 | 1 531 |
| Horse mackerel and hake | 766 | 27 | 793 | 810 | 26 | 836 |
| Lobster, squid and French fries | 555 | 23 | 578 | 609 | 23 | 632 |
| CCS Logistics | 354 | 292 | 646 | 332 | 297 | 629 |
| Oceana corporate office | 96 | 5 | 101 | 78 | | 78 |
| Grand total | 3 191 | 749 | 3 940 | 3 275 | 431 | 3 706 |

Total spend split by race and gender

| Divisions | 2014 | | | 2013 | | |
|-----------|---------|-----------|----------|---------|-----------|----------|
| | Male Rm | Female Rm | Total Rm | Male Rm | Female Rm | Total Rm |
| Black | 6,9 | 5,1 | 12,0 | 7,0 | 4,3 | 11,3 |
| White | 0,5 | 0,4 | 0,9 | 1,1 | 0,4 | 1,5 |
| Total | 7,4 | 5,5 | 12,9 | 8,1 | 4,7 | 12,8 |

OPTIMISING OUR OPERATIONS *continued*

LABOUR TURNOVER (%)



| % | 2014 | 2013 |
|---|------|------|
| Retirement/Health/Death | 23 | 23 |
| Dismissal | 22 | 40 |
| Retrenchment | 25 | 3 |
| Personal circumstance/self-employment | 13 | 11 |
| Dissatisfaction with pay/benefits/opportunities | 12 | 20 |
| Incompatibility | 4 | 1 |
| Location | 1 | 2 |

EXPENDITURE ON AET, SUPERVISORY, LEADERSHIP AND OTHER TRAINING

| Division | 2014 Rm | 2013 Rm |
|-------------------------------------|------------|------------|
| Adult education and training (AET) | 1,6 | 1,4 |
| Leadership and supervisory training | 1,7 | 1,8 |
| Maritime | 0,6 | 1,0 |
| Health and safety | 0,9 | 1,8 |
| Technical | 5,6 | 4,7 |
| Diversity/equity | 0,1 | 0,1 |
| Other | 2,1 | 2,0 |
| Total | 12,6 | 12,8 |

DISABLING INJURY FREQUENCY RATE (DIFR) BY DIVISION

| Division | 2014 | 2013 |
|---------------------------------|------|------|
| Lucky Star | 1,3 | 0,8 |
| Horse mackerel and hake | 0,4 | 0,2 |
| Lobster, squid and French fries | 0,3 | 0,4 |
| CCS Logistics | 1,0 | 1,0 |
| Oceana corporate office | 0,0 | 0,5 |

DRIVING EFFECTIVENESS AND EFFICIENCY IN OUR OPERATIONS AND THROUGHOUT OUR VALUE CHAIN

In the 2013 financial year, we centralised the commercial function within the Group Strategic Services (GSS) corporate division. This centralised function has enabled us to ensure more efficient management of costs, improve the turnaround time in the delivery of professional services, reduce the duplication of activities, and improve our internal governance measures.

These improved efficiencies are evident in various forms:

- We have achieved material cost savings by developing internal centres of excellence within the commercial function, and through the provision of centralised training, including for example on our environmental control systems.
- Having a centralised in-house legal team has reduced the outsourcing of legal instructions, resulting in lower costs and improved protection for our brand and reputation through proactive, centralised trademark and intellectual property management. In-house specialists offer advice and guidance on mergers and acquisitions, government engagement, transformation, sustainability, corporate communications, trademark, contracts and property matters.
- The establishment of the Oceana Foundation in 2012 to manage our corporate social investment expenditure centrally has reduced duplication across the group. Currently, 88% of the CSI budget is channelled through the Foundation and managed centrally by GSS, allowing divisions to focus on their core activities.
- A B-BBEE reporting tool, Transformationtrak, is being developed to improve efficiency and reduce pressure on divisions to produce the required reports. Once implemented, it will enable improved analysis rather than only data collection and consolidation.

ACTIVELY EVALUATING AND MITIGATING RISK, AND MAINTAINING EFFECTIVE GOVERNANCE SYSTEMS

Each of the four operating divisions maintains their own risk register, with combined assurance and action plans. These form part of the overall enterprise-wide risk management system. In addition, risk registers are in place for the following functional areas: environmental management, commercial, human resources and information systems.

All registers record the major risks that have an impact on, or are potentially caused by, each division's activities, products and services. The consequence rating is chosen based on the most likely impact of the plausible worst case scenario of the various risks on the company and our stakeholders, and takes possible financial, health and safety, environment, reputation, legal and compliance, and management impact into consideration. The risk registers record detailed actions and assurance plans regarding our ability to respond to, and manage, the risks identified and their possible consequences and any emerging risks. All risk registers are reviewed and updated quarterly. The reviews take place both at the operational level and at a group level, during a quarterly risk forum meeting attended by all the risk managers, functional heads, and the group financial director, group strategic services director and managing directors of the operating divisions. Further detail regarding our enterprise-wide risk management system is provided in the risk management report on page 96.

Internal governance structures are in place through the various forum meetings that take place on a quarterly basis. These structures ensure that the operations are directly involved, while responsibility for the overall management of functions remains at the group level. These group forums include the risk forum, transformation forum, sustainability forum, CSI forum, information systems steering committee and regular human resource and financial director's meetings. Policy is determined at a group level, while operations are generally responsible for implementation, except for the Oceana Foundation, which is managed centrally. Since 1 September 2014, management of the compliance, risk and insurance portfolios falls with the strategic services division managed through central forums. Further details regarding our governance and reporting structures may be found in the corporate governance report on page 90.

Respecting human rights

As a signatory to the United Nations Global Compact (UNGC), we indicated our commitment to integrating the 10 principles of the UNGC into our culture and day-to-day operations. In operationalising this commitment, investment has been made to enhance the levels of understanding within the group of the practical implications of demonstrating respect for human rights. In March and April 2014, we undertook a human rights self-assessment exercise. The aim of this assessment was to establish a baseline to inform the focus areas for human rights within the group, and to align current policies, procedures and practices with our commitment to human rights. While we anticipate that our employment practices are in full compliance, we recognise that special attention and focus may be required in the supply chain management category. Appointing a head of procurement to ensure our supply chain human rights compliance, has been one of our strategic responses to compliance against the human rights standards.

DURING THE
YEAR, MORE
THAN 97% OF
OUR NON-
BARGAINING
UNIT
EMPLOYEES
COMPLETED
INDIVIDUAL
PERFORMANCE
AGREEMENTS,
COMPARED TO
78% IN 2013.

LEADING STEWARDSHIP OF MARINE RESOURCES



- Harvesting our marine resource allocations responsibly
- Partnering with others to promote responsible fisheries management
- Monitoring and managing the group's impact on the environment

2014 PERFORMANCE SUMMARY

- **99.7%** of our targeted South African commercial fishing rights are on the SASSI green list
- Highest disclosure score on CDP in consumer staple sector
- **10th** consecutive year on the SRI Index
- Founding and active member of the Responsible Fisheries Alliance
- Hake deep-sea trawl fishery MSC-accredited
- Hake operations retained MSC chain of custody certification

PROMOTING A RESPONSIBLE ECOSYSTEMS APPROACH TO FISHING

Delivering on our core purpose of being Africa's most efficient converter of fishing rights into shared value requires a strong focus on upholding responsible fishing practices and supporting an ecosystem approach to fisheries management. We strive to be a leading steward of the marine resource by harvesting our marine resource allocations responsibly, partnering with others to promote an ecosystem approach to fisheries management, promoting research to ensure the sustainability of our marine resources, and enforcing a zero-tolerance approach to illegal and unregulated fishing. We also monitor and manage our operational impact on the environment.

We commission and publish annual independent scientific studies relating to the marine resources that we harvest. The latest reports are available in our online sustainable development report. We participate in scientific working groups led by

government regarding the methodology used in determining the total allowable catch (TAC) and total allowable effort (TAE). We have also directly contributed to the success of these processes by providing the *Compass Challenger* – a vessel jointly owned with our JV partners, Bhana Coastal Fishing and Azanian Fishing – to be used by DAFF in their pelagic research surveys.

We strive to ensure that all commercial rights harvested are on the South Africa Sustainable Seafood Initiative (SASSI)'s green list. All but two of our South African commercial fishing rights fall within the green category of the updated SASSI list (see table on page 57). Our rights relating to sole fishery were acquired with the acquisition of Lusitania in 2012; none of these rights were harvested in 2014. The west coast rock lobster fishery has remained on the orange list due to the stock level of this resource. The TAC has been reduced to ensure recovery of the resource.

| South African commercial fishing right | SASSI ¹ category |
|--|-----------------------------|
| Anchovy | Green |
| Pilchard | Green |
| Squid | Green |
| South coast rock lobster | Green |
| Horse mackerel | Green |
| Deep-sea hake | Green |
| Sole | Orange |
| West coast rock lobster | Orange |

Ensuring that responsible fisheries practices are followed is essential for the sustainability of the marine resources that we harvest. We require that all seagoing employees attend responsible fisheries training to develop a clear understanding of the policies, regulations and management measures in place. Within Oceana, we have trained 238 employees, representing 41,5% of our seagoing employees. We are a founding member of the Responsible Fisheries Alliance (RFA), a partnership with WWF-South Africa, BirdLife South Africa and three other fishing companies. Good progress is being made within the RFA in implementing an ecosystems approach to fisheries management and promoting responsible fishing practices. During 2014, the RFA completed a generic code of conduct for responsible fisheries in South Africa, which all members have signed. The code was based on the UN Food and Agriculture Organisation's principles for responsible fishery and outlines the approach to pollution, bycatch, discarding of waste and over fishing. These issues have to be considered to encourage a ecosystems approach to fishing. Since the inception of the responsible fisheries training programme by the RFA in 2010, more than 650 seagoing and prospective seagoing employees have attended this training. Further detail regarding the activities of the RFA is included in our online sustainable development report.

Maintaining certification for responsible fishing practices

At Oceana, we follow the requirements of two key certification initiatives: the Marine Stewardship Council (MSC) and the International Fishmeal and Fish Oil organisation (IFFO). The South African hake trawl fishery still performs in line with the rigorous environmental standards of the MSC certification requirements. Oceana's hake operation has the MSC custody of chain certification. In line with our commitment to the responsible sourcing of raw materials and the safe production of fishmeal and fish oil, Lucky Star's fishmeal plants have been certified as "responsible supply" plants in terms of the IFFO requirements since 2012. During August 2014, Feed Materials Assurance Scheme (FEMAS) audits were conducted at both our fishmeal factories, a prerequisite for IFFO certification.

¹ The species on the list are assessed based on the health of the fisheries and are then allocated into a colour category. Green represents the most sustainable choice, orange indicates reasons for concern and red represents unsustainable fish populations that are illegal to buy and sell.



BIRD SCARING LINES

"The use of the bird scaring lines by the trawl sector has changed a situation where thousands of albatrosses were dying every year, to what we see today, where fewer than 100 accidental deaths occur each year. This is a great conservation success story that all of South Africa should be proud of," says Dr Ross Wanless, seabird conservation programme manager at BirdLife South Africa.

LEADING STEWARDSHIP OF MARINE RESOURCES *continued*

Participation in sector-specific projects

A key performance criterion for each division included participation in a sector-specific project. Within the lobster division, two vessels were used to conduct surveys that assist scientists in understanding the health of the lobster resource. Lucky Star and Blue Continent Products have started a joint initiative to investigate the viability of trawling for redeye using mid-water trawling.

MONITORING AND MANAGING OUR IMPACT ON THE ENVIRONMENT

In fulfilling our commitment to reducing our environmental impact and use natural resources more sustainably, we have undertaken various initiatives throughout the year:

Improving energy efficiency and reducing consumption of non-renewable energy

- This year all divisions undertook a review of their energy usage and presented a comprehensive list of options and corresponding cost implications for mitigation measures; these include the installation of energy measurement systems, implementation of energy reduction projects and energy training for technical employees and employee energy awareness.
- A group-wide energy reduction plan – with short, medium and long-term targets linked to energy efficiency projects and renewable energy projects – will be developed to ensure that the targets set can be met. Each division's targets differ as the utilisation of energy varies by division.

Responsible management of odour and stack emissions

- We remain committed to minimising the impact of our processing operations on the neighbouring communities. We obtained the final atmospheric emission licence (AEL) for Lucky Star Hout Bay and a provisional AEL for Lucky Star St Helena Bay. During 2014, a chemical scrubber was installed at the Lucky Star St Helena Bay facility to reduce the odour emissions, as well as a boiler grit arrestor to reduce the particulate matter from the boiler stacks. The Hout Bay facility installed newer technology on the boilers. Several stakeholder meetings were held with the communities of Hout Bay and St Helena Bay.

Responsible use and disposal of water

- During 2014, all divisional operations submitted waste-water discharge permit applications to the Department of Environmental Affairs.

Minimising waste generation and responsible disposal of waste

- Our objective is to ensure that all fish produce not fit for human consumption or converted into fishmeal or oil, is treated as hazardous waste, and is appropriately destroyed and disposed of in approved landfills. All products produced and declared fit for human or animal consumption are not sent to a landfill, but rather are used appropriately with written permission of the National Regulator for Compulsory Specifications, where necessary.

Maintaining our position on the Carbon Disclosure Leadership Index

- This was the fifth year in which we participated in the CDP (formerly known as the Carbon Disclosure Project). This investor-driven initiative encourages companies to measure and disclose their GHG emissions. We improved our score to 97% (2013: 95%). In 2010 and 2012, we received a gold award for being placed within the Top 10 companies on the Carbon Disclosure Leadership Index. To ensure that a high level of disclosure is maintained in the CDP, quarterly reporting on energy costs, environmental expenditure and cost savings from environmental initiatives has been introduced.

Climate change awareness and adaptation measures

- A train-the-trainer course was developed on climate change issues, which allowed employees to provide climate change awareness training.
- A climate change risk and vulnerability study was completed to establish the risks we face, assess our vulnerability to those risks, and identify the measures needed to manage these risks. The results were presented to executive and senior management.

Reducing our Freon consumption

- Freon consumption has reduced significantly, mainly due to an increased awareness of the impact of Freon on the environment.

Additional information on these initiatives is available on the group website, our online sustainable development report, and in our 2014 carbon footprint report.



OUR ENERGY AND WATER TARGETS

| KEY PERFORMANCE AREA | TARGET | TARGET DATE | BASE YEAR |
|-----------------------------|--|------------------------|-----------|
| Reporting | Annual public reporting against targets | December 2014 | |
| GHG Emissions (Scope 1 & 2) | 5% product GHG emission intensity reduction from base year | Sept 2016 | Sept 2013 |
| | Further 2,5% product GHG emission intensity reduction year on year from 2016 to 2018 | Sept 2017 Sept 2018 | Sept 2016 |
| Energy | 5% product energy intensity reduction from base year | Sept 2016 | Sept 2013 |
| | Further 2,5% product energy intensity reduction year on year | Sept 2017 Sept 2018 | Sept 2016 |
| | 5% electricity per unit area intensity reduction from base year by Oceana Group Corporate Office | Sept 2016 | Sept 2013 |
| | Further 2,5% electricity per unit area intensity reduction year on year by Oceana Group Corporate Office | Sept 2017 Sept 2018 | Sept 2016 |
| Water usage and disposal | 2,5% product water usage intensity reduction from base year | Sept 2016 | Sept 2013 |
| | Measurement and reporting of quantity and quality of effluent | Sept 2015 | |
| Waste disposal | Ensure that no food that is fit to eat (by humans or animals) is sent to landfills. | Annual | Sept 2014 |
| | Measurement and reporting of quantity and quality of waste | Sept 2015 | |

BUILDING TRUSTED RELATIONSHIPS



5

BUILDING TRUSTED RELATIONSHIPS

- Encouraging proactive engagement with key stakeholders
- Adhering to strict food safety standards and exceeding customers' product quality expectations
- Delivering value for local communities

2014 PERFORMANCE SUMMARY

- No industrial action experienced at our operations
- **R5,9 million** CSI investment in South Africa
- **214** jobs provided in Lambert's Bay, paying **R25,7 million** in wages
- **N\$2,7 million** CSI investment in Namibia

ENSURING PROACTIVE ENGAGEMENT WITH OUR STAKEHOLDERS

We recognise the importance of engaging regularly with our key stakeholders so that we are better positioned to understand and respond appropriately to their specific interests. We place a particular priority on those stakeholders who have a material influence on our activities, namely our employees, government and regulators, investors, customers and suppliers, and the communities in which we operate.

Positive employee relations

We have continued engaging effectively with our employees and their union representatives at all levels. We have clear structures in place to facilitate the relationships between management and our shop stewards. Our forums take place on a continuous basis. Various themes are tackled at these consultative forums. These themes include addressing initiatives to support diversity and inclusion, monitoring progress against our workplace skills plans and annual training reports, supporting wellness solutions, ensuring communication of relevant human resources policies, and providing education on relevant legislative developments.

Despite the tough economic climate and increased industrial action in the unionised environment across South Africa, we have been able to successfully conclude wage negotiations throughout the group. This year the expectations from labour were extremely high, which made for a challenging set of negotiations. In South Africa, Oceana's employees are members of Food and Allied Workers Union (FAWU); the Trawler and Line Fishermen's Union (TALFU); the National Certificated Fishing and Allied Workers Union (NCFAWU); and the United Democratic Food & Combined Workers Union (UDF&CWU). The Namibian unions are the Namibia Food and Allied Workers Union (NAFAU) and the Namibia Transport and Allied Workers Union (NATAWU).

Wages and conditions are negotiated through industry bodies. In the pelagic and lobster sectors, negotiations are conducted through the South African Pelagic Fish Processors Association, and in the demersal and midwater trawl through the Fishing Industry Bargaining Council, which consists of Deep-sea, Midwater and Inshore Trawling Chambers. Calamari Fishing Proprietary Limited is involved in the squid industry's statutory council and is an active member of the Employers Organisation for the Cephalopod and Associated Fisheries, which is an

employers' association for the industry. In line with the strategy to become self-regulated through the formation of an employer's association, the constitution of the Amalgamated Fishing Employers Organisation (AFEO) was finalised, submitted and later approved by the Department of Labour.

We placed an important focus on the Oceana Empowerment Trust (the Trust) beneficiaries this year. Seven Trust champions were identified and trained to fulfil the role of advocates for the Trust. These champions hold quarterly meetings with the chief executive officer and executive directors to review key issues the Trust faces. We increased engagement with the Trust beneficiaries regarding the extension of the lock-in period, and we held the first annual general meeting for beneficiaries. Key messages relating to the Trust are included in an insert in all issues of our internal *Tidings* magazine. Further detail regarding the Trust is included in the magazine included as an insert.

During the year, we designed a seven-step process to guide the engagement with our employees to understand their perceptions about the Oceana Group as an employer of choice. Our seven steps to employee value proposition (EVP) advantage includes identifying the EVP attributes that matter most to attract potential. This work will feed into our employer branding initiative, which kicks off in the new financial year.

Engaging with government and regulatory officials

Developing an informed and trusted relationship with government is one of our top priorities. This year, we continued focusing on engaging with representatives from government, parliament and regulatory bodies, with the aim of raising the Oceana profile and addressing any possible misperceptions.

In South Africa, we engaged with the following key parties during the year:

- The Department of Trade and Industry (dti) on the B-BBEE Amendment Bill and Codes of Good Practice, where we provided commentary at various stages during the finalisation of the Bill.
- The Department of Agriculture Forestry and Fisheries (DAFF) on legislative and policy changes on an amendment to the Marine Living Resources Act, small-scale fishing policy implementation and the 2013 long-term rights allocation process (LTRAP).
- Members of the Portfolio Committee on Agriculture, Forestry and Fisheries, and the National Council of Provinces on recent regulatory and policy developments.
- National Treasury on the applicability of the carbon tax in the fishing industry.
- Department of Environmental Affairs on climate mitigation policy.

- Department of Labour on employment equity legislation.
- Department of Basic Education in the Western Cape regarding the Oceana Foundation School Feeding Kitchens Project and food security initiatives.

In Namibia, we engaged with the following key parties during the year:

- The Minister of Fisheries and Marine Resources, and officials within the ministry, on various policy and regulatory requirements, and on the introduction of canned horse mackerel products, a new product development in which both Erongo Marine and Etosha were involved.
- The Directorate of Maritime Affairs with the aim of obtaining Namibian flagging status for our horse mackerel trawlers.
- The NatMIRC (Scientific Research section of Ministry of Fisheries and Marine Resources) in horse mackerel resource assessments and discussions pertaining to conditions of experimental quotas (such as Club Mackerel and other species).
- Ministry of Labour and Social Welfare, the Polytechnic of Namibia, and Namibia Maritime Fisheries Institute with the aim of identifying and training marine engineers.

Through our positive engagement activities, government officials have demonstrated a greater willingness to engage positively and constructively with Oceana, informed by an increasing appreciation of the value that Oceana is providing for our various stakeholders.

Promoting positive community relations

In December 2013, we engaged with a group of concerned Hout Bay residents through a community forum meeting. The meeting was attended by residents who had registered complaints with the regulating authority and our operations, particularly regarding the odour from our fishmeal plant, which is situated within an industrial zone, in a proclaimed fishing harbour. By meeting with the community we sought to demystify the operation, address any possible misconceptions and answer their questions. The meeting, which included a tour of the facility, was positively received with residents expressing their appreciation of the opportunity to engage directly. Not all meeting attendees were unhappy about the fishmeal operations or the odour emitted, with some local residents being complimentary about the positive economic contribution provided by Oceana in Hout Bay.

In response to letters from concerned residents regarding the Hout Bay facility, during April 2014, we published a detailed open letter through the local newspaper, the *Sentinel*. The letter contextualised Oceana's history in Hout Bay, which began in 1958 soon after Hout Bay was connected to the national electricity grid, at a time when Hout Bay was a small fishing and

BUILDING TRUSTED RELATIONSHIPS *continued*

rural agricultural village. We sought to explain the operation, the level of compliance with legislation, its international certification, and importantly that the factory has the most advanced odour abatement technology of any fishmeal factory in Southern Africa. In August 2014, following a number of complaints by a group of residents, we held another meeting to address community questions and to develop a programme to work with community representatives.

In addition to the focus on Hout Bay, numerous meetings were held with CSI beneficiaries in all geographic locations. These included handover events at local schools within host communities, as well as meetings with communities from Ocean View, Khayelitsha, and Hout Bay on small-scale fishing initiatives. Stakeholders from government and labour were invited to attend the various Oceana Foundation events to expose them to our activities aimed at addressing community needs.

We remain committed to engaging with our communities on a regular basis. In 2013, we undertook to meet with the Hout Bay community annually at the end of our production season. This will allow the community to tour the facility and to raise any concerns or questions they may have regarding our operations.

ADHERING TO STRICT FOOD SAFETY STANDARDS AND EXCEEDING CUSTOMERS' PRODUCT QUALITY EXPECTATIONS

Our consumers rely on us to safeguard the integrity, quality and wholesomeness of the products we produce and sell. We strive to fulfil our customers' quality expectations, by providing products that are safe and produced to the highest quality. We subscribe to a simple food safety philosophy wherein our processes are underpinned by protecting people and animals from illness or injury, when handling or consuming our food products. Our food safety processes extend all along our vast supply chain, from procurement to production, to sales and distribution (harvest to fork) right up to consumption.

Since we touch the global food supply chain in so many ways and in so many countries, it is important that we implement a broad, comprehensive approach to ensuring the safety and integrity of all of our food products. Our food safety system is founded on internationally recognised technical regulations and standards that improve public health. We meet the requirements of the compulsory specifications administered in South Africa, as well as standards and principles of Codex Alimentarius and ISO. We use the World Organisation for Animal Health principles as the basis for animal health systems. This approach is designed to address allergens and biological, chemical and physical hazards, which can occur if not controlled. To ensure this, we conduct audits, inspections, surveillance and examinations of product designs, products, services, processes and processing plants to determine their conformity with specific or general requirements. We have an annual documented audit and inspection activity

programme, devised on a risk-based analysis and scientific approach. All canned fish sold in South Africa is subject to approval by the NRCS before it can be sold.

DELIVERING VALUE FOR LOCAL COMMUNITIES

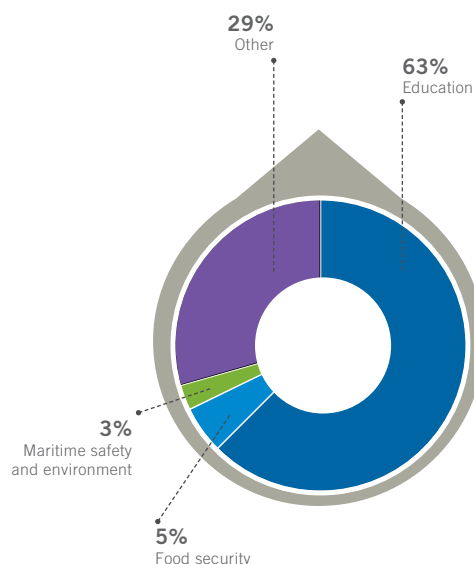
During the year, we continued our efforts to improve the socio-economic conditions of the coastal communities in which we operate, both through our core business activities and by our corporate social investment (CSI) initiatives. Our CSI initiatives are co-ordinated through the Oceana Foundation, which also provides the platform for engaging with community stakeholders, and the opportunity to develop partnerships to improve the environment and facilities available to our host communities.

While we continued focusing on improving infrastructure, this year we placed emphasis on a school in Port Elizabeth. We assessed various schools' kitchen infrastructure and identified schools that could benefit from a brand new feeding kitchen. We also investigated a need for a new computer lab at a school, which resulted in a complete upgrade with new equipment. Our contribution to alleviating food security was bolstered through the donation of Lucky Star product to 59 529 beneficiaries at 155 schools and organisations in St Helena Bay, Lambert's Bay, Hout Bay, as well as schools across Cape Town.

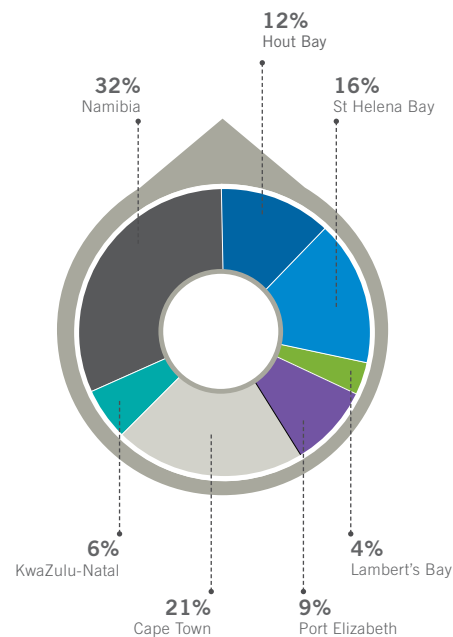
CSI projects undertaken

CSI expenditure for the year under review amounted to R8,7 million. The expenditure per CSI category and geographical area can be seen below:

CATEGORY



GEOGRAPHY



| Category | |
|-----------------------------------|---------------------|
| • Education | R5,44 million (63%) |
| • Food security | R0,44 million (5%) |
| • Maritime safety and environment | R0,24 million (3%) |
| • Other | R2,55 million (29%) |

| Geography | |
|------------------|---------------------|
| • Namibia | R2,74 million (32%) |
| • Cape Town | R1,85 million (21%) |
| • St Helena Bay | R1,39 million (16%) |
| • Hout Bay | R1,08 million (12%) |
| • Port Elizabeth | R0,81 million (9%) |
| • KwaZulu-Natal | R0,49 million (6%) |
| • Lambert's Bay | R0,31 million (4%) |

Investing in host communities in our Namibian operations

Oceana is a large employer in Walvis Bay, Namibia and invests significantly in projects in various communities within the area. Our projects are aimed at advancing cultural, social and educational needs of various communities.

This year our education projects in Namibia included:

- Spending N\$440 000 on donations in the form of school funds, to schools benefiting 4 359 learners; the Arandis Kindergarten, which has 250 learners, received support in the form of school funds and financial contributions to pay for water and electricity costs.
- Providing student bursaries to the value of N\$420 000.
- Donating N\$150 000 to the Oshela Senior Secondary School as part of a project that started in 2013 which includes the construction and fit-out of the girls dormitory and ablution facilities.
- Providing N\$80 000 to the annual Erongo Science Fair, which showcases science projects and promote interest in science and mathematics; this year nine secondary and 13 primary schools participated.
- Donating N\$140 000 to a welfare organisation, the Walvis Bay Church Benevolent Board.

Our food security projects included:

- Providing product to the value of N\$117 000 to various schools.

Other projects included:

- A donation to the Davin Sport Trust that sponsors underprivileged children in various sports.
- Supporting a project to refurbish a community house and cultural festivity area for the impoverished Hoachanas community, following a request by the Minister of Fisheries, Mineral and Resources.



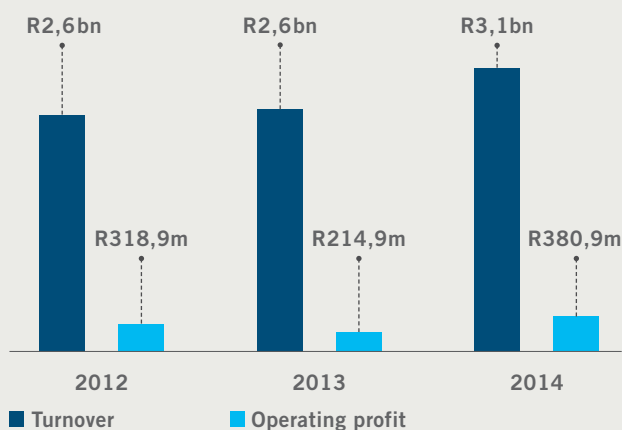
- **School Minibuses:** Through engagement with Steenberg's Cove Primary in St Helena Bay and Masiphathisane Primary in Vredenburg, one of the major priorities and needs identified was transport. Both schools participate in a number of extra mural activities for which transport is required. The picture above shows the bus and the children who will be using the minibus to get to various extramural activities.
- **The Oceana Hout Bay Seafood Festival:** In September 2014, we supported the Hout Bay Seafood Festival. The aim of the festival was to position Hout Bay as South Africa's seafood capital, and to establish the festival as a platform for local talent by stimulating local pride and building community bridges to create short-term and long-term jobs.
- **Refurbishment of Port Elizabeth School phase 2:** During the 2013 financial year, the refurbishment of Papenkuil Primary School was identified as the Oceana Foundation's first project in the Eastern Cape. This school had not been refurbished in 25 years. Due to the size of the school, the refurbishment was divided into two phases. The first phase, which was completed in September 2013, included the fencing of the school, the cleaning of the roof and upgrading the ablution facilities. The second phase of the refurbishment commenced in December 2013 and included the painting of the external school buildings and repair to the windows.

LUCKY STAR

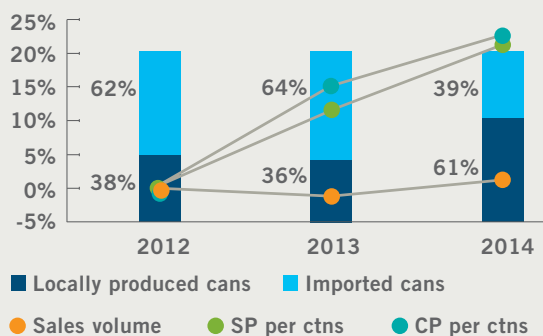
Lucky Star is involved in the harvesting and procuring of small pelagic species and in the marketing and selling of the products derived therefrom.

Lucky Star predominantly markets canned fish, particularly pilchard but also tuna, sardine, mackerel and mussels, under the Lucky Star brand. The division also markets Glenryck in the UK and pet food in South Africa under the Lucky Pet brand. Lucky Star is the market leader in the canned fish category across South Africa and several other African markets. Canned fish is a key staple protein choice for Southern African consumers and is eaten in over 3 million meals every day. Lucky Star also markets fishmeal and oil both locally and internationally, primarily into the aqua feed and animal feed sectors.

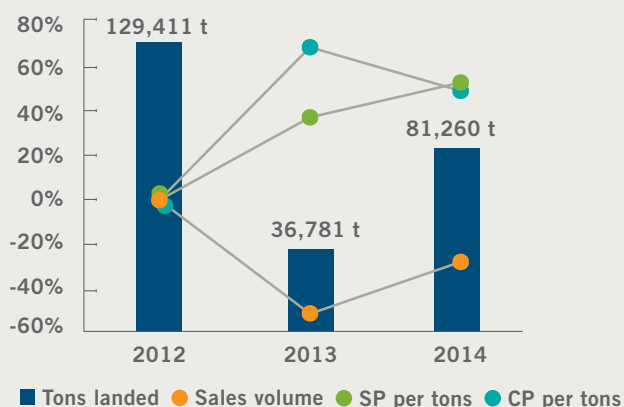
LUCKY STAR



CANNED FISH – KEY PERFORMANCE INDICATOR*



FISHMEAL – KEY PERFORMANCE INDICATOR*



Material risks affecting value

Canned fish

- Possible inefficiencies in supply chain process and management thereof
- Global supply volatility due to variable resource available
- Erosion of margins due to the impact of increased costs and exchange rates
- Loss of brand equity due to a food safety incident
- Increasing strength of modern retail and house brands resulting in more competition across protein
- Loss of contracted quota and/or increasing quota usage fees

Fishmeal

- Insufficient fleet and fishmeal processing capacity
- Not catching full anchovy quota
- Variable nature of fish resources
- Impact of fishmeal plants located near communities

Strategic focus areas

- Development of canned fish category and Lucky Star brand in Southern and East African markets.
- Sustaining local market demand and competitive edge
- Retaining and maximising local procurement contracts
- Driving efficiencies and effectiveness along full value chain
- Focus on supply chain, stock management and working capital
- Increasing Lucky Star's share of the total protein basket in our target markets
- Increase raw fish procurement for local production
- Drive efficiencies and effectiveness in fishing and processing operations
- Expand fleet and processing capacity

* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.

● SP – sales price.
● CP – cost price.



View more about Lucky Star
on our website: www.oceana.co.za



CANNED FISH

In 2014, a total of 8,8 million cartons of canned product were sold (2013: 8,6 million). Despite very tough South African trading conditions, local sales volume for the full year grew 3,3% in volume.

In the key staple food category, pilchard, Lucky Star grew market share. Nielsen reports that the brand increased its penetration to 80% of South African homes (2013: 77%) and volume per buyer increased to 4,0 kg per year (2013: 3,5 kg). This growth in household penetration was experienced across all the LSM clusters. These results are most encouraging, particularly when compared with other key food categories in the retail sector. For the year ending September 2014, Nielsen reports supermarket sales values for Lucky Star up 7,9% versus 7,7% for IQF chicken, 1,6% for bread, 1,2% decline for cooking oil, and 6,3% for baked beans, while other pilchards are down 0,4%. For the fourth consecutive year, the brand featured in the Top 10 in the overall favourite brand category in the *Sunday Times* TNS Top Brands survey; this year we were rated seventh, up from eighth in 2013.

International business

During the first half of the financial year, there were several setbacks to the African business outside of the South African Customs Union markets. The West African markets are highly commoditised and are already large canned fish markets. As Lucky Star was not able to offer a competitive advantage in the supply of the product on a sustainable basis, we reached the conclusion that it was not economically viable to compete with existing players in those markets in the medium term.

However, we are committed to our strategy seeking to expand into other African markets, with particular focus on Southern and Eastern Africa. During the second half of the year, category development marketing and distribution initiatives commenced in several Southern African markets delivering key learnings.

South African and Namibian operations

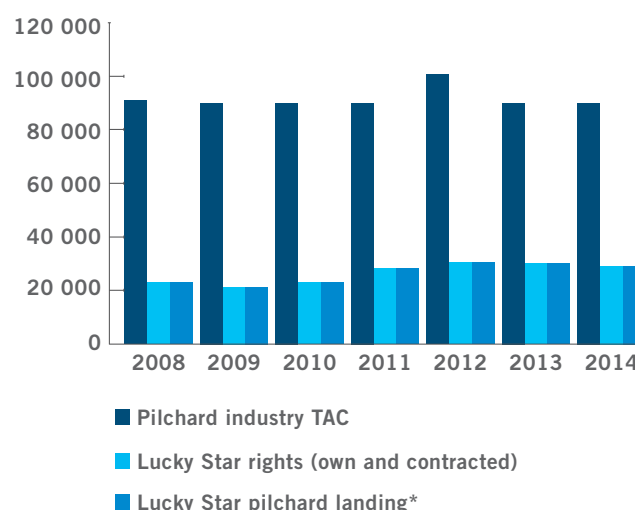
The construction of a fifth RSW vessel in South Africa, the *Oceana Neptune*, for the pilchard fleet was completed in 2013. The vessel was put into operation at the start of the 2014 fishing season and has been performing well.

The 2014 RSA pilchard TAC, ratified by the Minister of Agriculture, Forestry and Fisheries, as recommended by the DAFF scientists, was 90 000 tons (2013: 90 000 tons). In terms of

our 15% share of the TAC (2013: 15%), Oceana was permitted to catch 13 525 tons. Landing of this allocation was partially completed by 30 September 2014, with the balance anticipated to be caught by close of season on 31 December 2014. The fleet performed well in terms of pilchard landings, and the availability, size and mix of fish during the financial year were all good. The map on page 22 indicates our current main pilchard catching areas.

Both the South African and Namibian canneries are in an excellent condition and performed well in terms of yield and quality, with limited capital investments to maintain current production levels.

LUCKY STAR SHARE OF RSA PILCHARD TAC (TONNAGE)



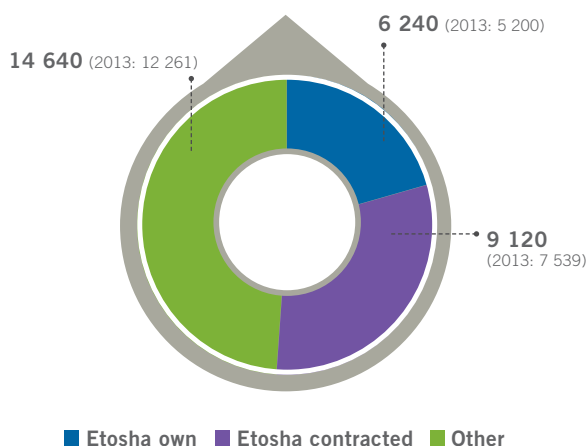
* Landings to all factories included

The quota of the Namibian operation, Etosha Fisheries (Etosha), in which Oceana has a 44,9% share, was 6 240 tons (2013: 5 200 tons) of the total Namibian TAC of 30 000 tons (2013: 25 000 tons). The resource has been conservatively managed within a relatively low TAC for a number of years. Additional volumes of 9 120 tons (2013: 7 539 tons) of pilchard were also secured and processed through the Etosha cannery during this season. The full quota available to us was landed, with the bulk of the fish being caught in the west and south of Walvis Bay and canned under the Lucky Star brand.

LUCKY STAR *continued*

ETOSHA SHARE OF NAMIBIAN PILCHARD

TAC 30 000 (ton)



Global sourcing

The volume of pilchard required to support sales of Lucky Star products exceeds that available from landings of fish in South Africa and Namibia with our own quotas. This necessitates securing additional raw fish and canned product from other sources. The local demand of the canned fish range is sourced from over 11 canneries around the world.

In addition, we procured raw fish in Mexico, USA, Canada, Morocco, Mauritania and Japan for canning in factories in Thailand and China, with increasing volumes of frozen fish being sent to our own plants in South Africa and Namibia. This requires an intricate logistics and planning process, and forms part of our supply chain improvement initiatives, including the realignment of warehousing and distribution networks. Through the success of these processes we have managed to drive sales growth in the last five years due to increased and more stable inventory levels. High stock cover in some variants at the beginning of the year was brought in line by slowing offshore procurement enabling us to realign our stock levels once again. The additional imported frozen pilchard volumes, processed through our own canneries, has a positive impact on overhead recoveries.

Ensuring consumer safety and satisfaction

Formal and strict policies and processes complying with legislation and our own Quality Management System requirements are in place to ensure that all Lucky Star products comply with all the necessary food safety and quality requirements in line with consumer's expectations and needs. Manufacturers, raw material, ingredients and final canned products are subjected to rigorous quality control regimes, including independent, approved third-party testing to guarantee

compliance. Prior to distribution in South Africa, all products, whether produced locally or internationally, are inspected and released for sale by the National Regulator for Compulsory Specifications. The Lucky Star brand is protected through vigilant and immediate legal action for infringements. Customer service includes a helpline and personal service to respond to and follow up on all product enquiries, concerns or complaints.

FISHMEAL AND FISH OIL

This year, we sold a total of 32 279 tons of fishmeal and fish oil. This is significantly more than the 20 958 tons, due to the improved availability of fish, particularly during the first half of the year. The average fishmeal and fish oil selling prices achieved were very favourable as a result of high dollar prices and a weaker rand exchange rate.

The international market was buoyant for the majority of the year mainly as a result of concerns regarding the impact that the El-Niño event could have had on quotas and fishing in Peru. The potential reduction in availability of fishmeal and improved conditions for aquaculture in China resulted in strong demand and favourable pricing for both fishmeal and fish oil. These positive market conditions prevailed, despite increased production by the major global fishmeal and oil producing regions during the first half of 2014. The high international pricing is likely to continue as Peru is expected to have a low quota allocation for their November to January season.

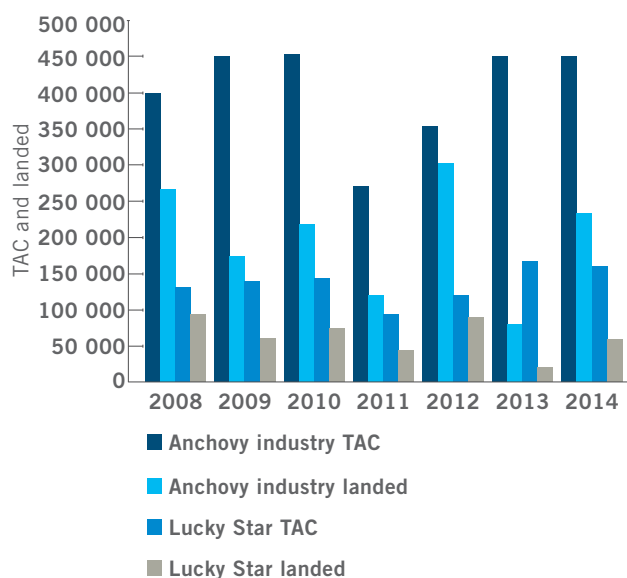
Reduced landings of industrial fish in South Africa

Lucky Star has three fishmeal plants with two located in South Africa, in St Helena Bay and Hout Bay respectively, and the other located in Namibia, in Walvis Bay. The South African plants are serviced with a centralised fleet that targets industrial fish, particularly anchovy and redeye. While both fishmeal plants are in a sound condition, the short-term strategy for the St Helena Bay facility is to invest in assets that will increase the plant performance and align it with its design capacity. The 2014 financial year saw a substantial increase in fish landings in South Africa when compared to 2013. The Namibian plant is used mainly for production of fishmeal and fish oil from cannery offcuts.

Similar to 2013, the 2014 South Africa TAC remained at 450 000 tons for anchovy. The annual anchovy TAC is ratified by the Minister of Agriculture, Forestry and Fisheries based on recommendations by the DAFF scientists. It is determined by the scientists based on the magnitude of the adult spawner biomass plus the recruitment to the anchovy fishery. Surveys are conducted biannually to determine recruit and adult populations.

Despite an encouraging start to the industrial season, the performance of the vessels was negatively impacted by poor winter landings of anchovy. Good anchovy recruitment was reported by government scientists from the May recruit survey but the fish proved difficult to catch with purse seine gear as it remained predominantly spread out in scattered layers close to the sea bottom.

LOCAL FRESH FISH AVAILABILITY AND PRODUCTION



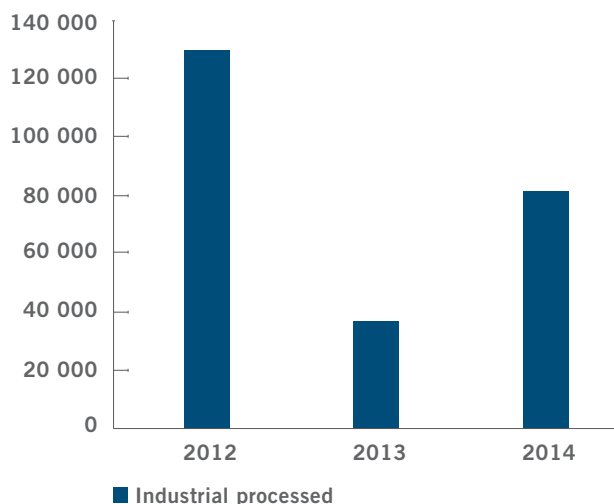
Lucky Star's 17,3% share of the TAC was 77 767 tons (2013: 17,3% at 77 767 tons, and 2012: 16,8% at 59 100 tons). Lucky Star's landings of anchovy of 59 627 tons in the 12 months to 30 September 2014 was an increase of 168% on the previous year (2013: 22 217 tons).

The redeye herring resource, which has a precautionary upper catch limit of 100 000 tons, saw reduced landings. Industry catches mirrored the measured biomass. We landed 16 851 tons, which was 25% more than in 2013; however, much lower than the 20 537 tons landed in 2012.

Improved fish landings

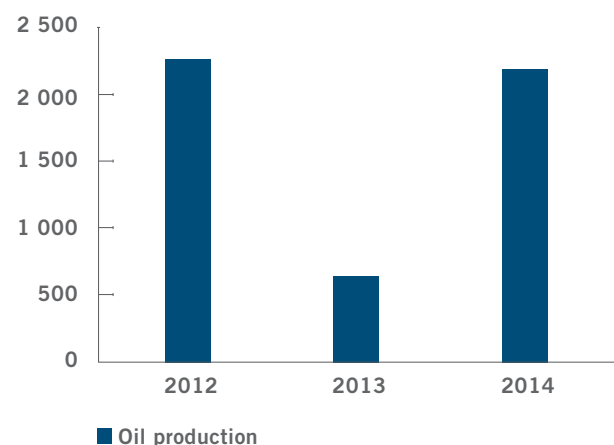
The commissioning of the *Oceana Neptune*, has proven to be very successful; encouraging further investment in similar vessels to be implemented in the next financial year. Lucky Star's fleet of seven industrial purse-seining vessels, many of which include JV partners, performed well compared to previous years. The fleet and vessels under supply agreements delivered a total of 81 260 tons of industrial fish to the two reduction plants for processing into fishmeal and oil, which was an increase of 120% over 2013.

INDUSTRIAL PROCESSED



The higher input volume had a positive impact on efficiency, energy use and variable costs per unit of product produced, and resulted in improved recovery of fixed costs on the vessels and fishmeal plants. Fish oil production of 2 194 tons was significantly higher than in 2013.

OIL PRODUCTION



LUCKY STAR *continued*

Strict licence requirements are monitored continuously. The plant has invested in meaningful improvements that aim to mitigate production and fugitive emissions. In 2014, a chemical scrubber was installed in the St Helena Bay plant. This significantly improves the level of odorous emissions by oxidising non-condensable compounds. Both plants are audited annually by DAFF and are approved facilities for supplying both the local and international markets. In addition, the plants are certified by the regulatory agencies of China, the EU, Australia and Middle Eastern countries to enable fishmeal and oil produced to enter the markets of those countries.

Both South African fishmeal factories have been Feed Materials Assurance Scheme (FEMAS) certified since 2012. In order to comply, a thorough audit and inspection by an independent certification body must take place, showing compliance with both hazard analysis (HACCP) and good operating practice procedures. The FEMAS scheme is owned by the Agricultural Industries

Confederation (AIC) and provides accredited assurance of feed ingredients. The principles of FEMAS were developed by AIC to provide assurance to purchasers of feed ingredients that the feed ingredients they buy are safe and will meet the quality criteria specified.

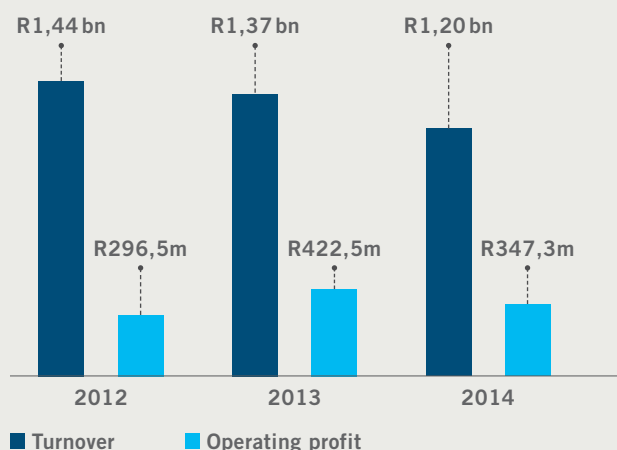
To demonstrate commitment to responsible practices in the areas of food safety, raw material procurement and delivery, the International Fishmeal and fish oil Organisation (IFFO) has developed a global standard and certification programme for the responsible supply of fishmeal and fish oil. Lucky Star is a member of IFFO, and our plants have been certified as IFFO responsible supply (RS) plants since 2012.

To ensure more continuous supply of industrial fish to the fishmeal plants, we commenced with an initial phase of a midwater trawl experiment. These trials should give us an idea of the potential catching success of our industrial species by trawling.

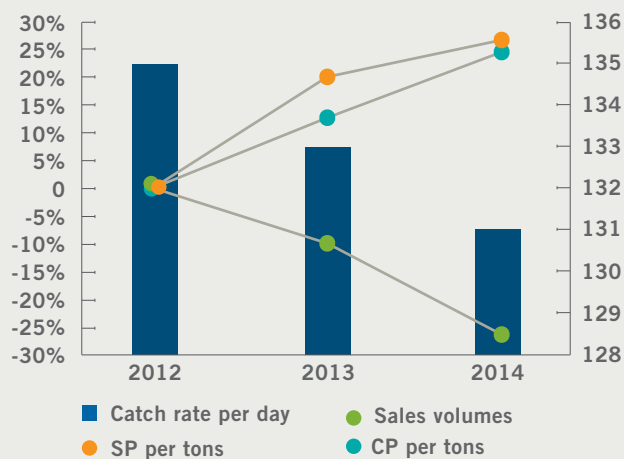
HORSE MACKEREL AND HAKE

This business division specialises in midwater fishing and deep-sea trawling. Our main products are horse mackerel, hake, monk and kingklip. Horse mackerel is in demand as a primary source of protein in our target markets, mainly in Southern Africa. Our hake product is sold to food service clients in Europe, Australia, Korea and South Africa.

HORSE MACKEREL AND HAKE



HORSE MACKEREL – KEY PERFORMANCE INDICATOR*



* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.

● SP – sales price.

● CP – cost price.

Material risks impacting value

- Uncertain availability of fishing resource
- Reallocation of fishing rights in Namibia
- Level of precautionary maximum catch limit for horse mackerel in South Africa
- Managing vessel catch-capacity to match available quota
- Maintaining business continuity through effective management of fleet

Strategic focus areas

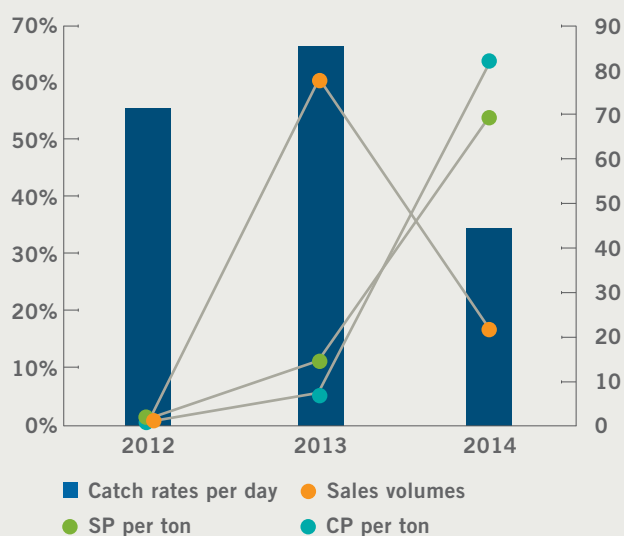
- Maintaining proactive engagement with South African and Namibian government
- Developing a permanent fishing base in Angola
- Promoting localisation and job creation in our Namibian operations
- Securing retention of current fishing rights due for renewal
- Building long-term relationships with other rights holders through joint ventures
- Seeking to increase allocation of total allowable catch (TAC) over the longer term



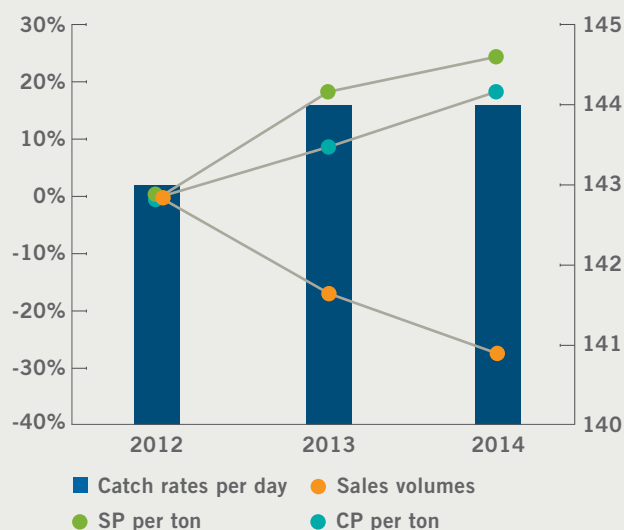
View more about horse mackerel and hake on our website: www.oceana.co.za



HORSE MACKEREL (SA) – KEY PERFORMANCE INDICATOR*



HORSE MACKEREL (NAM) – KEY PERFORMANCE INDICATOR*



* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.

● SP – sales price.

● CP – cost price.

HORSE MACKEREL

Oceana's horse mackerel fishing business is conducted through subsidiaries Blue Continent Products (BCP) in South Africa and Erongo Marine Enterprises (Erongo) in Namibia. Oceana is also a JV partner in Oceana International in the Isle of Man, which predominately trades horse mackerel.

Horse mackerel is a pelagic species, usually found to a depth of 100 to 200 meters. They are mostly found over the continental shelf, often over sandy bottoms. The shoals rise to feed in surface waters at night, but can be found close to the bottom during the day. Horse mackerel is in high demand, as an important source of affordable protein in Southern, Central and West Africa. We operate three horse mackerel vessels in Namibia and one in South Africa. Landings are processed at sea into frozen packs in the format required by targeted markets. Product quality controllers are on board each of our fishing trips.

Training of local marine engineers and technical employees continues. Where possible, they are supported by graduate recruitment programmes. Oceana continues working to add value through reinvesting in our assets, our employees and the surrounding communities.

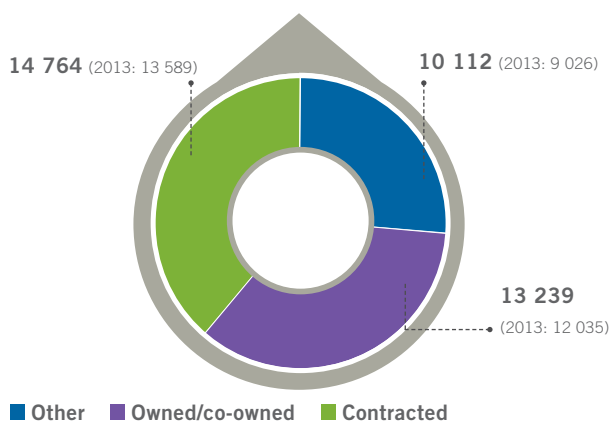
BCP (South Africa)

The South African horse mackerel fishery is managed by a precautionary maximum catch limit (PMCL). The PMCL is calculated annually using catch rate data as well as data from research surveys. The 2014, PMCL for South Africa is 38 115 tons per annum (2013: 34 650 tons) for the dedicated midwater trawl effort.

The South African quota is caught by the *Desert Diamond*. The vessel has scientific observers on board for every trip; these scientists collect data for research purposes, and they perform compliance duties. Catches in the 2014 financial year are well below 2013 levels due to abnormal environmental factors on the Cape Southeast Coast.

HORSE MACKEREL SOUTH AFRICA

TAC 38 115 (ton)



HORSE MACKEREL AND HAKE *continued*

Oceana is working with scientists at DAFF to improve our understanding of the cause for the sporadic catches experienced in our traditional fishing grounds. The recent scarcity of horse mackerel on the Cape South East Coast is of a concern to all parties. Within the context of an absence in research surveys over the last few years, Oceana and the DAFF scientific working group are investigating extending the normal catching grounds west of the existing 20 degrees east latitude line to ascertain if the horse mackerel resource has moved further south and/or west.

Desert Diamond caught and processed a total of 10 750 tons of own and contracted quota in the 2014 financial year (2013: 21 700 tons) and 4 207 (15%) of the 2014 quota has been caught and processed by the end of September. The 2014 quota is unlikely to be caught in full by the end of the quota year.

The lower volumes, coupled with the additional fuel consumed while searching for fish and higher foreign denominated costs due to the weaker rand exchange rate, resulted in a higher vessel cost per ton than the prior year.

South African horse mackerel is sold predominately into the Angolan and Cameroonian markets, which prefer larger sized fish with a higher fat content. Despite the strong demand for South African horse mackerel, the general oversupply in our traditional markets, following importation restrictions implemented in Nigeria, led to a lower average selling price in US dollars, which was partially offset by the weaker rand exchange rate.

Erongo (Namibia)

The horse mackerel resource in Namibia is reported to be strong and remains well managed through measures implemented by the Ministry of Fisheries and Marine Resources. These measures include an annual review of the TAC and limitation of fishing to areas deeper than 200 metres. The vessels carry two fisheries inspectors who act as compliance observers. The Namibian quota is caught by our three midwater trawlers: the *Desert Rose*, the *Desert Jewel* and the *Desert Ruby*.

The 2014, Namibian horse mackerel TAC remained the same as 2013 at 350 000 tons; however, the Ministry of Fisheries and Marine Resources continued allocating a further portion of this quota to new rights holders. The effects of the lower direct quota allocation in the 2013 and 2014 calendar year have been felt during the 2014 financial year. As a result of the lower direct quota allocation, together with competition from international vessel operators, the cost to secure quota increased significantly.

All vessels in the fleet performed well in terms of landings, efficiency, product quality and cost management. The vessel performances continue benefiting from strict maintenance regimes. While catch rates in Namibia were in line with the prior year, the vessel costs per ton were higher due to higher quota costs as well as higher foreign denominated costs as a result of the weaker exchange rate. Erongo caught and processed a total of 73 316 tons of own and contracted quota in the 2014 financial year (2013: 87 709 tons) and 55 480 (75%) of the 2014 quota was caught and processed by the end of September.

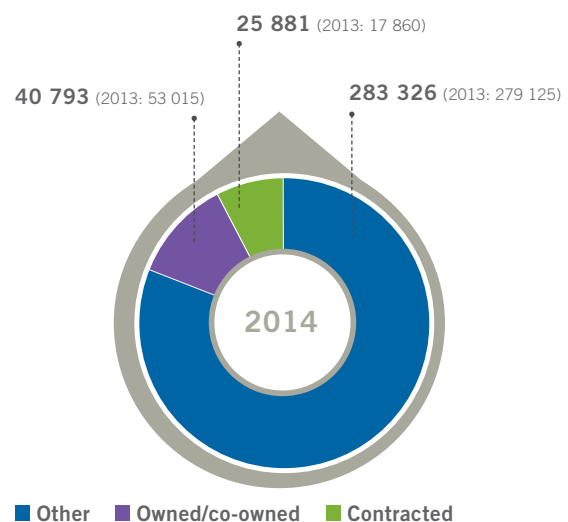
The Namibian species is generally a slightly smaller sized fish than those caught in South Africa. It is sold predominantly into

the Democratic Republic of the Congo, South Africa, Mozambique, Angola, Namibia, Zambia and Zimbabwe. Despite strong demand, the same factors experienced in the South African market led to a lower average selling price.

With a clear focus from the Namibian government on adding value to horse mackerel, primarily through the creation of land-based employment, Erongo entered into a project with Etosha to test the catching and canning of horse mackerel. The project has proved to be a success and Etosha is now canning horse mackerel under the Efuta brand. The brand is readily available in leading Namibian retailers and is expected to be exported to neighbouring Southern African Development Community members. Our focus in future will be on developing long-term partnerships with new horse mackerel rights holders to ensure continued maximum vessel utilisation.

HORSE MACKEREL NAMIBIA

TAC 350 000 (ton)



Oceana International (OI)

OI is a joint venture between Oceana and Falcon Foods International (Falcon) that specialises in the procurement of primarily frozen horse mackerel and sardinella from a variety of third-party fishing companies. This frozen fish, sourced from South America, North Africa, New Zealand, Southeast Asia, Europe and Southern Africa, is supplied by OI via refrigerated container or reefer vessels for distribution in Cameroon and Angola.

OI has experienced a difficult year, struggling to replace the lost *Desert Diamond* horse mackerel volumes, which have a strong brand presence in both Angola and Cameroon and that command a price premium. Replacement product is being sourced from other suppliers, but this is still developing consumer acceptance. Despite these difficulties the joint venture is operating efficiently and will continue operating.

During the year, OI facilitated the experimental fishing operation in Angola using the *Desert Jewel* as a processing vessel, which was supplied by two purse seine fishing vessels. The frozen fish, being predominately sardinella and horse mackerel, was then sold through traditional distribution channels.

HAKE

Oceana's hake business is conducted through BCP. In 2014 Oceana's total rights available for deep sea hake trawl fishing, including that of its partners was 7 783 tons (2013: 7 826 tons). Four deep-sea trawlers are operated in South African waters: *Compass Challenger*, *Realeka*, *Sandile* and *Toralla*. The *Compass Challenger* is operated in conjunction with two outside shareholders Bhana Coastal Fishing CC and Azanian Fishing CC, while the *Realeka* is operated via an unincorporated joint venture with Premier Fishing. Both joint ventures have been in place for more than 12 years. The last two vessels were acquired from Lusitania in September 2012 and are 100%-owned by BCP.

All four hake trawlers performed reasonably well during the financial year when fishing, resulting in good catches of hake and other species (by-catch). All hake and by-catch are produced and frozen at sea, improving freshness and quality and increasing the added value. During the year, both the *Sandile* and *Toralla* underwent statutory dry-dock refits. This gave the operational team an opportunity to get a complete understanding of these vessels, as well as implementing certain vessel and factory enhancements. However, this affected the number of sea-days for the period, and suggests a potential improvement in profitability for the year ahead.

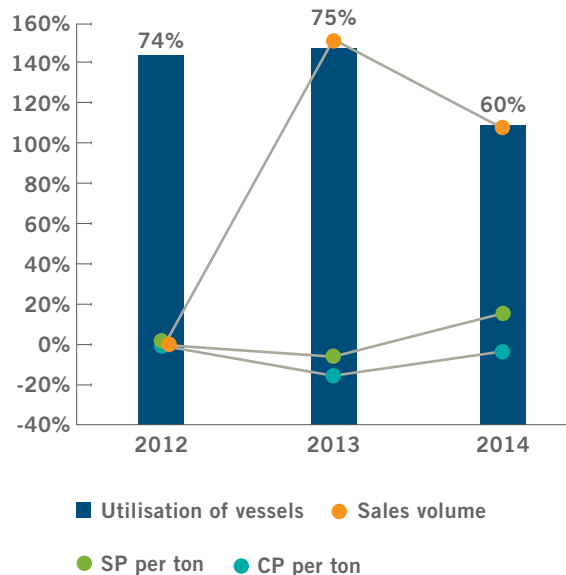
All four vessels have also undergone an upgrade process to ensure production output matches maximum catch capacity, as well as improved product quality systems. This should allow improved utilisation without affecting product quality.

Hake products are sold in both local and export markets with a focus on Spain, Portugal, Italy, Australia and Korea. The favourable rand/euro exchange rate made Oceana's product very attractive to its export markets, and as a result the prices achieved locally and abroad in 2014 were considerably better than 2013.

BCP holds a Marine Stewardship Council (MSC) certificate for compliance with the MSC chain of custody requirements for its hake products. The South African hake fishery is MSC-certified, which confirms compliance with the MSC's rigorous standards concerning responsible and sustainable fishing.

South Africa's hake resource is reported to be in a stable condition and continues being managed on a conservative basis.

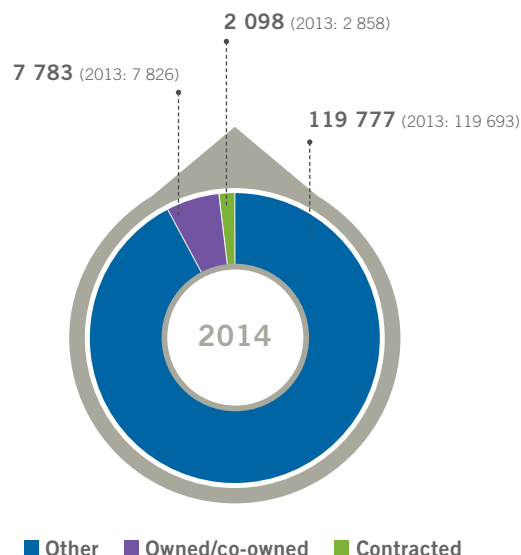
HAKE – KEY PERFORMANCE INDICATOR *



* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.
● SP – sales price.
● CP – cost price.

HAKE

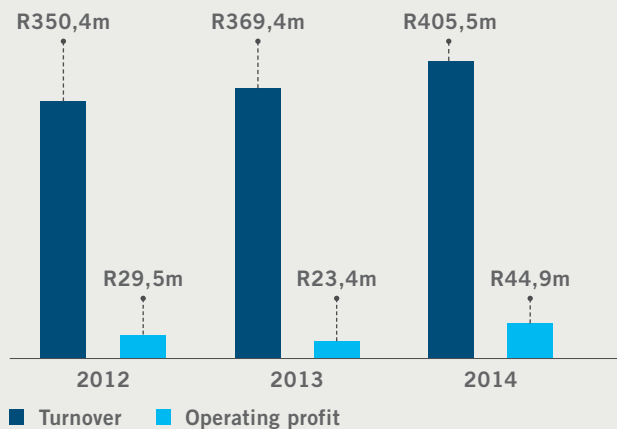
TAC 129 658 (ton)



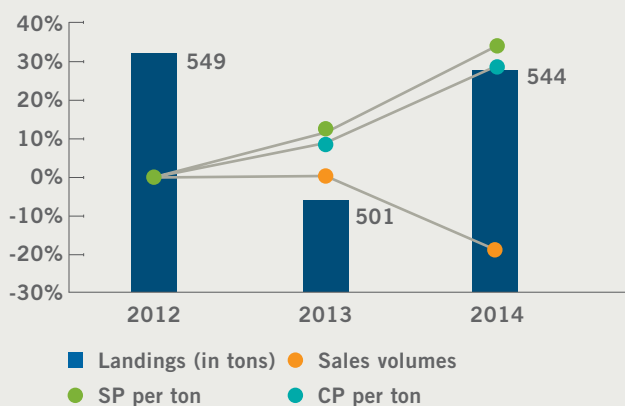
OCEANA LOBSTER, SQUID AND FRENCH FRIES

This division has three separate business units that are involved in the catching, processing and marketing of west and south coast rock lobster and squid, and the processing and marketing of French fries.

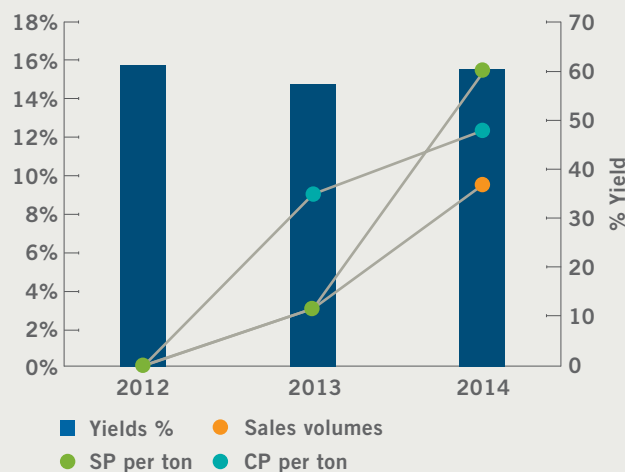
LOBSTER, SQUID AND FRIES



LOBSTER – KEY PERFORMANCE INDICATOR*



FRIES – KEY PERFORMANCE INDICATOR*



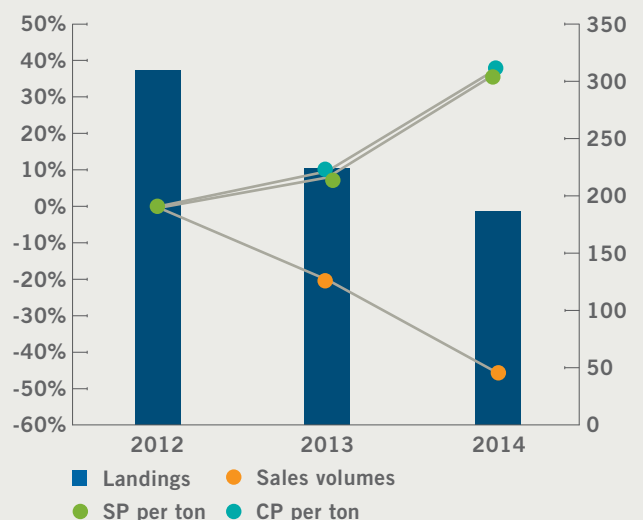
Material risks impacting value

- Fluctuations in the seasonal availability of lobster and squid
- Uncertainty in lobster rights renewal; limited resource for small-scale fishing policy implementation
- Availability and quality of potatoes (French fries business)

Strategic focus areas

- Lobster: Maximise retention of quota for west coast rock lobster.
- Lobster: Increase procurement of lobster through engagement with local quota holders and small-scale fishers, as well as from possible new geographies.
- Squid: Maximise catch performance, coupled with continued focus to reduce fixed costs.
- French fries: Continue to reduce unit costs through enhanced processing and logistics efficiencies and local sourcing of raw potatoes.

SQUID – KEY PERFORMANCE INDICATOR*



* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.

● SP – sales price.
● CP – cost price.



View more about Oceana lobster, squid and French fries on our website: www.oceana.co.za



LOBSTER

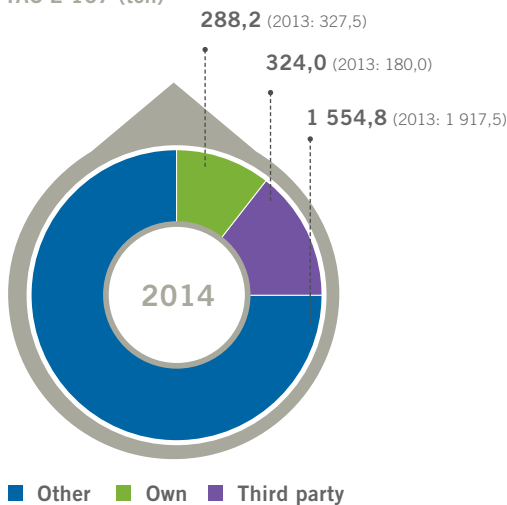
The total allowable catch (TAC) for west coast rock lobster was reduced by 10,6% for the 2013/2014 season to 2 167 tons (2013: 2 425 tons). Oceana Lobster's 13,3% share was 288 tons. Raw material sourced, processed and marketed from other quota holders increased by 128 tons, resulting in a total of 589 tons of lobster quota available.

Adverse weather conditions and lower catch rates resulted in only 83% of Oceana Lobster's own quota being landed. Overall volumes through the business increased by 7% compared to prior year. Oceana Lobster landed its full allocation of south coast rock lobster.

With the sustainability objective being to rebuild the biomass to 2006 levels by 2021, the TAC has been reduced for the 2014/2015 season by 17%. As a defensive strategy against declining volumes, we will continue developing sourcing opportunities from other commercial quota holders and local small-scale fishers. In addition, projects are in place to augment lobster supply from Ghana and Mozambique.

LOBSTER

TAC 2 167 (ton)



SQUID

Lower landings of squid compared to the previous year resulted in further losses being reported for the financial year. Squid landings were 13% lower than prior year.

The squid peak fishing season (November to February) delivered catch volumes below expectations. However, DAFF introduced an additional fishery management measure in the form of a three-month closed season from April to June. Catch volumes after the closed season were encouraging, with a 40% increase in catches recorded for the second half of the financial year, compared to the corresponding period last year. These initial signs of a recovery of the resource point to a possible improvement in catches over the upcoming peak season (November 2014 to February 2015).

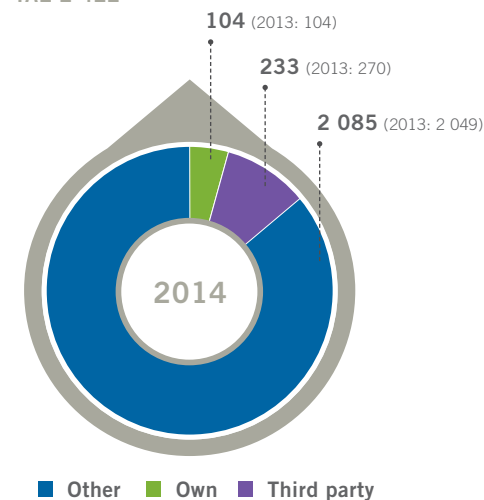
Long-term fishing rights for squid were successfully renewed at the end of 2013, and are in place until 2020. While some aspects of the rights allocation process of 2013 are being

challenged, legal opinion indicates that the rights allocated to Calamari Fishing are valid for the seven-year period. During the year, two vessels were deployed in Angola on exploratory squid fishing trips. However, these were unsuccessful.

Fixed costs in this business have been reduced through the closure of factories and the rightsizing of the administration functions. It is expected that the revised cost structure will enable the business to be profitable on a sustainable basis, despite the cyclical nature of the squid fishery.

SQUID

TAE 2 422



FRENCH FRIES

The French fries business returned to profitability, driven largely by strong and consistent demand from key QSR customers, and an overall good supply of raw material for the year. Margins improved to acceptable levels through improved pricing and efficiency. The plant continues running at full capacity to satisfy demand.

The Department of Trade and Industry (dti) approved the International Trade Administration Commission's (ITAC) recommendations at the end of July for a safeguard duty of 40,92% on frozen potato chips. This safeguard remains in place until 5 July 2015, when it will be reduced to 20,45% until 5 June 2016. As a result, imported product is more competitively priced relative to local production costs.

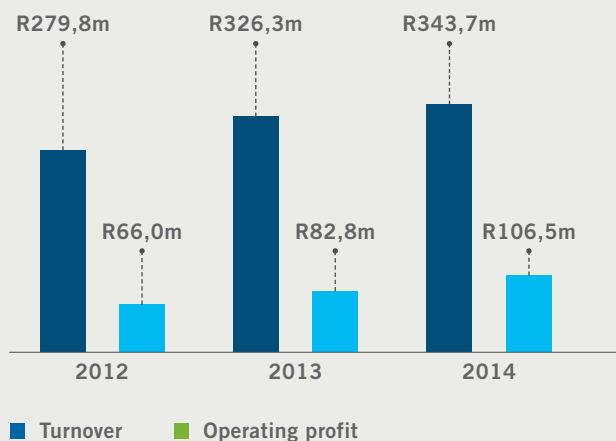
The dti has also approved antidumping duties, ranging from 26% to 31%, that would apply only to frozen potato chips imported from Belgium and the Netherlands when the safeguard duties expire in June 2016. The antidumping duties will remain in place for five years.

A key focus remains to grow the supply of potatoes from the Western Cape region, to reduce costs and ensure quality that conforms consistently to our customers' requirements. A further drive to improve efficiencies, particularly in the logistics and transport areas, is expected to contribute to improved margins.

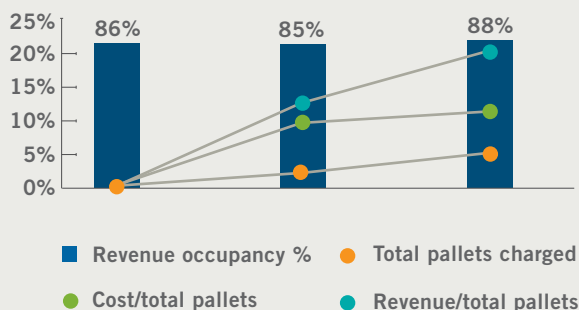
CCS LOGISTICS

CCS Logistics has a long-standing and sound reputation in the primary storage and handling of mainly perishable products on behalf of major manufacturers, exporters and importers. The location of cold stores, the range of services offered and the ability to integrate these services cost-effectively into the full outbound supply chain of customers are key drivers in achieving sustained support and storage occupancies in the cold storage industry.

CCS LOGISTICS



CCS LOGISTICS – KEY PERFORMANCE INDICATOR*



* 2013 and 2014 KPIs are calculated as percentage of 2012, using 2012 as the base year.

● SP – sales price.
● CP – cost price.

Material risks impacting value

- Failing to ensure sufficient market differentiation through range of services provided
- Accessing the required skills for new growth opportunities
- Exchange rate fluctuation and nature of South African import/export balance
- Ensuring reliable and affordable availability of energy and water

Strategic focus areas

- Consolidate and further expand the menu of services
- Further develop long-term and strategically aligned partnerships with customers
- Enhance customer key account management service integration
- Mitigate lease expiration and the related cost risks
- Continued investment in appropriate supply chain skills
- Maintain the high business continuity focus
- Expanding the infrastructure footprint in existing geographies (South Africa and Namibia)
- Establishing and consolidating cost-effective route to market solutions for rest of Africa
- Growing market share in the chilled and ambient product category
- Step changing the new transport service
- Maintain the cost focus
- Facilitate Oceana Group logistics optimisation



View more about CCS Logistics
on our website: www.oceana.co.za



EXPANDING OUR FOOTPRINT AND SERVICES

CCS Logistics operates 10 refrigerated warehouse facilities in the major centres and harbours of South Africa and Namibia. These cold stores are located in Cape Town, Durban, Johannesburg and Walvis Bay. Collectively, they offer customers over 110 000 tons in refrigerated storage. These stores are capable of storing and handling product at temperatures from ambient to well below zero, with the Duncan Dock store in Cape Town reaching as low as -60 °C. Our facilities are suitable for poultry, fish, meat, vegetables, dairy, margarine and fruit. Fruit activity is in commercial (un-sterilised fruit) and sterilised fruit. Sterilised fruit is handled through a specialised low-temperature sterilising system offered at the purpose-built Maydon Wharf Fruit Terminal in Durban. Two new facilities will be commissioned during the first quarter of the new financial year. The new Angolan facility will be strategically located in the fishing port of Luanda and the new Gauteng facility in the fast developing Midrand region of South Africa. These new facilities will increase the CCS Logistics storage capacity to 125 000 tons.

Despite the slowdown in frozen imports into the country, local producers' inventories remained high, to the benefit of the cold storage industry. CCS Logistics was the major beneficiary of the higher storage demand by actively securing the majority of the market demand in the country with exception of frozen product facility in Durban, which was negatively impacted by the introduction of high import duties on poultry and fries. In Namibia, the further increased horse mackerel catch allocation, and the increase in the number of quota holders, drove up the demand for frozen storage to the benefit of the strategically positioned CCS Logistics facility in Walvis Bay. Additional capacity was introduced at the Walvis Bay facility during the year to meet the growth in storage demand. The expanded Walvis Bay facility was fully occupied in the first month of commissioning of the new section. The foreign fishing fleet use of the Cape Town port remained depressed. However, improved local hake catches as well as additional demand for frozen poultry had a positive impact on storage occupancy and throughput at the two quayside facilities in Cape Town.

The continued marketing drive to promote fruit handling of the more profitable sterilised citrus fruit through the Durban port was achieved. Overall fruit volumes declined versus the prior year, but the substantial increase in the handling of sterilised fruit had a positive impact on the value mix and thus the margin performance of the fruit business. The major growth contributor to the increased sterilised fruit participation was the share achieved in citrus exports to Japan and China.

Operating margins in the frozen product category were maintained, but remained under pressure with the impact offset by achieving consistent storage occupancy throughout the year and delivering on cost-reduction initiatives. Additional customer services and revenue streams were introduced during the year. The transport revenue has grown substantially since last year, albeit at lower margins than what was achieved from the more established storage and handling services.

DRIVING EFFICIENCIES AND ENSURING BEST PRACTICE

Overheads were well managed with the significant increases in mainly electricity tariffs partly offset by the continued focus on efficiencies. The security and service integrity of customers' products will remain based on a platform of modern store design, optimum refrigeration technology, up-to-date information systems, and compliance with both local and internationally recognised quality control protocols.

Independent service providers and regulatory agencies continue conducting regular reviews of operating processes and safety measures. No significant health, safety or product quality incidents were experienced during the year, and benchmarks for risk audits were exceeded at all facilities. To further enhance service levels and create more flexibility for our customers, we have expanded our operating hours at all facilities. This initiative, together with the expansion in the number of facilities, translated into an increase in permanent employment for the year. Longer-term strategic planning caters for a further expansion in the menu of services, more service flexibility, better leveraging of information systems, guaranteed space contracts for customers and further footprint expansion in South Africa and Africa. The required supply chain skills are being developed and tools sourced to deliver against the strategic plan.

CHAIRMAN'S REPORT



CHAIRMAN
MUSTAQ BREY



OUR POSITIVE
PERFORMANCE
HAS BEEN
UNDERPINNED,
IN PARTICULAR, BY
THE SIGNIFICANT
IMPROVEMENTS
IN REVENUE
GROWTH IN
FISHMEAL AND
CANNED FISH,
SUPPORTED BY
CONTINUING
STRONG GROWTH
IN THE
COMMERCIAL
COLD STORAGE
AND LOGISTICS
DIVISION.

OVERVIEW

Despite the tough operating environment, we have once again delivered a commendable performance. Group revenue is up by 7% and operating profit before abnormal items has increased by 18%. This solid performance provided the basis for us to deliver value to all our key stakeholders, including: R329,5 million in dividends to shareholders; R336,7 million in tax revenues for government in South Africa and Namibia; R725,3 million in salaries and benefits to our employees; affordable protein for our primary customer base; and continued investment in enterprise development, job creation opportunities, education and other initiatives in our host communities.

Our positive performance has been underpinned, in particular, by the significant improvements in revenue growth in canned fish and fishmeal, supported by continuing strong growth in the CCS Logistics division. We have also seen a very pleasing return to profitability in our French fries division. These improvements have been achieved despite the loss of fishing quota in Namibia, the unusually poor availability of horse mackerel in our traditional fishing area in South Africa, and the generally sluggish economy.

In terms of shared value creation, a significant highlight this year has been the payment of R292 million to employees who are beneficiaries of the Oceana Empowerment Trust. This payment was accompanied by the provision of financial awareness raising and financial planning services to all beneficiaries, with the aim of encouraging a strong savings culture. Since its establishment in 2006, the Trust has created close to R1,0 billion in value. I am proud to have been part of this initiative. I believe it provides a compelling example of how Oceana's access to fishing rights is being used to deliver tangible long-term benefits, and to facilitate genuine transformation and empowerment.

Our continuing ability to deliver value to all our stakeholders reflects the effective implementation of our strategic objectives, as well as the scale and diversified nature of our fishing portfolio. It is only by being a large player in the sector that we have the necessary economies of scale to operate the capital-intensive fleet needed to harvest marine resources efficiently and sustainably. The diversity of our operations and markets within a larger group ensures that we have greater ability to withstand cyclical fishing patterns and market volatility, thus enabling the sustained provision of benefits to shareholders, employees, service providers and neighbouring communities.

ENSURING COMPLIANCE AND GOOD GOVERNANCE PRACTICE

We operate in a highly regulated sector in which access to fishing rights, a core value driver, is managed through a competitive and strictly regulated application process. Given this context, it is critical that we maintain a strong focus on ensuring compliance and good governance practices. The group's position is very clear: we operate responsibly and ethically in strict accordance with the law and the King III principles of good corporate governance. The social, ethics and transformation committee is responsible for ensuring effective monitoring of and reporting on the group's compliance on transformation, sustainability, health and public safety, corporate social investment and human resources. We implement various training and education initiatives to ensure that employees understand the legal parameters within which they need to execute their duties.

CHAIRMAN'S REPORT *continued*

We place an emphasis on ensuring an effective remuneration policy designed to attract, retain, motivate and reward high-calibre employees. An important objective of our remuneration philosophy is to encourage high levels of team and individual performance that are aligned with the strategic objectives of the business and contribute to the achievement of our core purposes over the short, medium and long term. Following shareholder approval in February 2014, we have implemented a new hybrid long-term incentive scheme that provides for a weighted combination of three elements – share appreciation rights, full value performance shares, and full value restricted shares – offered on an annual basis. This scheme is intended to incentivise and reward appropriate long-term performance by combining a growth element (appreciation right), rewarding both company performance (performance share) and individual performance (restricted share), and ensuring the retention of talent (restricted share). Further details of our approach to remuneration are provided in the group remuneration report.

Transparency and accountability are critical components of good governance. In line with the expectations of King III, and the recently published International <IR> Framework, our annual integrated report seeks to provide a concise account of the group's business model and value drivers, our strategic approach to addressing key risks and opportunities, and our performance in delivering on our commitment to sharing value. The report also seeks to provide assurance about the application of good governance principles.

Following feedback from certain stakeholders, and with consideration of local best practice, this is the second year in which we will not be posting a full set of annual financial statements to shareholders. We have chosen instead to include a summarised financial report in this report, and to make the full AFS available on our website or on request from our group company secretary. I hope that the concise, frank account of our strategy, performance and prospects provided in this report provides you with a sound basis on which to make an informed assessment of the total economic value of the company.

INVESTING IN TRANSFORMATION AND LOCALISATION

One of the group's top strategic imperatives is the delivery of transformation in South Africa and localisation in Namibia. Our performance on these critically important social issues has a fundamental bearing on our ability to maintain existing fishing rights and to acquire potential additional rights. Given their significance, it is pleasing to see the group's continuing positive performance on these issues.

In South Africa, we achieved a level 2 B-BBEE contributor rating for the fourth consecutive year, with an enhanced score this year of 98,39. We have once again retained maximum points for ownership, enterprise development and socio-economic

development, while making further tangible improvements in reaching the maximum score for skills development, management control and preferential procurement for the first time, and improving our employment equity performance. In Namibia, as part of a concerted effort to stimulate land-based employment opportunities, we are now catching and canning horse mackerel under the Efuta brand. This is currently being marketed in Namibia, and we expect will soon be exported to neighbouring SADC countries. Unfortunately, this positive development in our Namibian localisation strategy has been offset by the significant reduction in allocated quota. We were therefore compelled to withdraw a vessel from the Namibian fishery which resulted in job losses. We enjoy constructive relations with the Namibian government, and are engaging with them in the hope of securing additional quota so that our vessels can continue operating and jobs can be protected.

We have similarly continued to engage with the South African government with the aim of ensuring a clear, consistent assessment of transformation across government departments. Our strong preference remains for the Department of Agriculture, Forestry and Fisheries to move away from its narrow measure of ownership and management only, towards the broader government policy, which favours a broad-based measure of transformation. We are able to prove that creating shared value for a broad-based group of stakeholders serves to empower a greater number of black South Africans than focusing only on ownership and management levels. While the group retains its focus on promoting empowerment across all measures, we recognise the need to at least maintain our current level of black ownership.

Our commitment and leadership in promoting empowerment and transformation – epitomised, in particular, by the significant value generated and distributed through the Oceana Empowerment Trust – has been recognised by our peers, as reflected in our ranking by the *Mail & Guardian* as the Most Empowered Company on the JSE. I am confident that, in fulfilment of our goal of being the most efficient converter of fishing rights into value in Africa, we will continue to demonstrate such leadership and commitment into the future.

SUSTAINABLE USE OF NATURAL CAPITAL

Our business model centres primarily on creating value from a renewable natural resource: wild fish resources. Our ability to generate value into the future depends fundamentally on ensuring the sustainable utilisation of these stocks. As the largest fishing company in Africa, we recognise that the Oceana Group has a particular role to play in promoting responsible and sustainable fishing practices.

As outlined elsewhere in this report, and in our accompanying online sustainable development report, in addition to driving responsible fishing practices across the business, we play a

leading role in various industry-wide partnerships aimed at promoting an ecosystems approach to fishing. We support and commission scientific research on the health of local marine resources, and engage proactively with government on the methodology used in determining the total allowable catch (TAC). We continue to make a vessel available to government scientists to enable them to undertake the required pelagic surveys. We are working with government to inform their development of a pragmatic fisheries policy that will not undermine the long-term viability of the resource. We recognise the importance of allocating rights for deserving traditional, small-scale fishers. However, it is critical that this is done without undermining the long-term viability of the affected marine resources.

APPRECIATION

I wish to thank the Oceana board of directors and executive team for their diligence, commitment and expertise in delivering on their fiduciary responsibilities and ensuring good

governance across the group. I would like to extend particular thanks to Barrie King, who retired from the executive committee towards the end of this year. He has done a sterling job in managing compliance and governance issues, and recently bore the brunt of much of the work relating to the competition issues. I wish him well in his retirement. My appreciation is extended also to the full Oceana management team and employees for their contribution to the group's efforts in delivering on its core purpose.

I am looking forward to exciting developments in the year ahead and to expand our activities into growing markets elsewhere in Southern and East Africa.

MUSTAQ BREIJ
Chairman

4 December 2014



QUALITY MANAGER, LUCKY
STAR, ST HELENA BLUE

NOMAROMA MAXHANTI

After matriculating in 1997 I had to choose between remaining in the village or packing my bags and heading for Cape Town, with the hope of finding employment that will help me save money for furthering my studies.

Little did I know that the choice I made, was going to lead to a fulfilling journey at one of Oceana Group's divisions on the West Coast.

My journey started in 1998 as a fish packer at Oceana Brands, now Lucky Star. I knew I was not going to get a glamorous job armed with matric only. Three years later I was promoted to quality controller and was sent to attend a quality control short course at Cape Technikon. Through this course I got to know about food technology and its relevance in the nature of the job I was doing then. I applied for a bursary to study towards a National Diploma in Food Technology and in 2003 I became a full time student at Peninsula Technikon and I was still allowed to work during school holidays. The bursary covered tuition fees, study material, campus accommodation and study leave – which meant I was paid weekly while studying.

I had to leave my two year old with relatives at the time while I stayed at the Technikon's residence pursuing my studies. This taught me that life is all about making choices and sacrifices. I focused on ensuring that I completed my diploma within the set time as I felt that the company had given me an opportunity of a lifetime.

I have had several promotions since completing my diploma and my recent promotion to Quality Manager made me realise the commitment Oceana has towards developing its employees.

There have been other training opportunities offered to me and the New Manager Development Programme (NMDP) through USB equipped me with the necessary skills to be an asset for the company

I also received support from managers and colleagues – this has had a positive impact in my journey.

Thank you Oceana for giving me an opportunity to further my studies and for all the confidence you had in me through the 16 years with the company.



16 YEARS' SERVICE AT OCEANA



CHECKER, CCS LOGISTICS,
EPPING

JAMES NCAPAYI

My late older brother worked for Commercial Cold Storage, now known as CCS Logistics. He convinced me to leave Lady Frere for Cape Town as he was going to help secure a job for me at CCS. He kept his word and I started working at CCS in January 1974 at the age of 22.

This was my first job and I have been loyal to the company for the past 40 years. I will be retiring in March 2015. I will leave with a smile as the company has treated me well all these years. The company has gone a long way to transform itself and we are reaping the rewards. I have maintained the same work ethic throughout the years. This is how I want to be remembered.

I started as a general worker loading and offloading boxes from trucks, among others, as our customers keep their products with us in cold storage. This required me to be trustworthy – not once did I think of stealing because I did not want to embarrass myself and lose my job as a result of theft nor for any transgression. This worked to my advantage as I was later promoted to Checker, a position I still hold today. This position requires more discipline and attention to detail as I must ensure that customer goods are recorded correctly prior to being stored – signing off that the total number of goods received or despatched is correct.

I was given an opportunity to attend courses in customer care and work ethics. I also attended a business related course which helped me to understand how the business operates and how businesses in general operate. This helped me a lot as it made me realise that how we behave has an impact in the success of the business.

The early payout showed me that this company is committed to empowering employees. Knowing that I will be a beneficiary when I retire puts a smile on face, let alone knowing that should I die, my family will still benefit.

Thank you to CCS Logistics and Oceana for making my journey worthwhile. My late brother gave me an opportunity to work for a great company which looks well after its people.



40 YEARS' SERVICE AT OCEANA



DIRECTORATE



FROM LEFT:
1. MUSTAQ AHMED BREY
2. FRANCOIS PAUL KUTTEL
3. IMRAAN SOOMRA



FROM LEFT:
4. ALETHEA BERENICE ANNE CONRAD
5. SAAMSOODEIN PATHER
6. ZARINA BIBI MAHOMED BASSA



FROM LEFT:
7. PETER GERARD DE BEYER
8. NOEL PATRICK DOYLE
9. PETER BAMBATHA MATLARE



FROM LEFT:
10. NOMAHLUBI VICTORIA SIMAMANE
11. TAKULA JENKINS TAPELA



CHAIRMAN**1. Mustaq Ahmed Brey* (60)**

CA(SA)

Appointed to the board in 1995

Non-executive director

Chief executive officer of Brimstone Investment Corporation Limited

Mustaq qualified as a chartered accountant in 1978 and started his own practice, M Brey & Associates, which became the largest black auditing practice in the country and later merged with Ernst & Young. He serves on a number of listed and unlisted companies' boards and on several audit committees. Mustaq is active in his community and has set up various community development structures.

CHIEF EXECUTIVE OFFICER**2. Francois Paul Kuttel^{oo}* (46)**

BAA (University of San Diego)

Appointed to the board in 2009

On graduation, Francois joined his family's US-based fishing operations. He returned to South Africa in 1995 as managing director of Namibian Sea Products. He was chief executive officer of I&J for three years prior to being appointed to the Oceana board as chief executive officer in 2009.

GROUP FINANCIAL DIRECTOR**3. Imraan Soomra^{oo} (39)**

BCompt (Hons) (Wits), CA(SA),

PLD Harvard Business School

Appointed to the board in 2013

Imraan is an experienced chartered accountant who has worked in a diverse set of industries during the course of this career. He held the position of financial director of Netcare Limited's Hospital Division from 2010 to 2013 and was previously with MultiChoice from 2003 until 2010, as head of channels at SuperSport International as well as financial director of M-Net and SuperSport.

GROUP STRATEGIC SERVICES DIRECTOR**4. Alethea Berenice Anne Conrad^{oo}* (50)**

BA LLB (Rhodes)

Appointed to the board in 2007

Alethea was admitted as an attorney in 1989 and practised as an attorney before joining Transnet as a legal advisor in 1993. She joined Blue Continent Products in 1998, and served as commercial manager and commercial director before being appointed commercial manager of Oceana in 2001. In 2004, she was appointed group transformation manager and a member of the Oceana executive. In 2007 she was appointed to the Oceana board. In April 2008, she was appointed managing director of Blue Continent Products' Hake Division.

NON-EXECUTIVE DIRECTORS**LEAD INDEPENDENT DIRECTOR****5. Saamsodein Pather^{tt}* (64)**

BBusSc, BCom (Hons), MBA (Cape Town)

Appointed to the board in 1996

Independent

Director of companies

Since graduating from the University of Cape Town in 1973, Shams has been actively involved in investment management, which has included senior executive functions at Colonial Mutual Assurance Company, Southern Life and Real Africa Holdings. He is currently a director of Coronation Fund Managers and Lungisa Investment Holdings.

6. Zarina Bibi Mahomed Bassa^{oo} (50)

BAcc and Dip Acc (UDW), CA(SA)

Appointed to the board in 2011

Independent

Executive chairman of Songhai Capital Proprietary Limited

Zarina sits on several boards including Kumba Iron Ore, Vodacom South Africa, Sun International, Investec, Senwes, the Financial Services Board and Woolworths Holdings. Zarina was executive director responsible for private banking at Absa and was a partner at Ernst & Young prior to that. Zarina was named Top Woman in Business at the Top Women in Business and Government awards in 2007 and Top Business Personality in Financial Services: Banking in 2008.

7. Peter Gerard de Beyer^{tt} (59)

BBusSc (Cape Town), FASSA

Appointed to the board in 2008

Independent

Director of companies

Peter joined Old Mutual in 1978, was appointed deputy managing director of Old Mutual Life Assurance Company (South Africa) in 2000, and retired in November 2008. He sits on a number of boards, including Real People Investment Holdings and certain Old Mutual group subsidiary companies. Peter is a Fellow of the Actuarial Society of South Africa.

8. Noel Patrick Doyle^o (48)

FCS, CA(SA)

Appointed to the board in 2013

Noel qualified as an accountant in Ireland in 1988 before joining Price Waterhouse in Johannesburg in 1989 where he worked for six years serving clients predominantly in the hotel and financial services sector. In 1995, he joined Southern Sun in a financial role and when he left Southern Sun in 1998 to join Tiger Brands he was corporate financial services director. He was appointed to Tiger Board in 2006 and in addition to his role as chief financial officer he was responsible for IT, investor relations as well as Tiger's fishing interests. Noel left Tiger in 2008. After serving as chief executive officer of diversified Motor Group Bluespec Holdings for a year, Noel joined Nando's as chief executive officer of the Southern African business in 2009. He rejoined Tiger Brands in July 2012 as business executive responsible for the grains portfolio.

9. Peter Bambatha Matlare[†] (55)

BSc (Hons), MA (Southern African Studies) (York)

Appointed to the board in 2008

Chief executive officer of Tiger Brands Limited

Peter joined Tiger Brands in April 2008 as chief executive officer. His career spans executive positions with the Urban Foundation, Citibank, the Chamber of Mines, the Primedia group, the South African Broadcasting Corporation and the Vodacom group. He is a past chairman of the National Association of Broadcasters, a director of the Association of Advertisers, and a founding director of the National Electronic Media Institute of South Africa.

10. Nomahlubi Victoria Simamane^{tt} (55)

BSc (Hons) (UBS – Botswana)

Appointed to the board in 2009

Independent

Chief executive officer of Zanusi Brand Solutions Proprietary Limited

Nomahlubi graduated as a biochemist and worked for Unilever for 12 years and for British American Tobacco as marketing director for five years. In 1999, she was appointed managing director of BLGK Bates. Nomahlubi sits on several boards including JSE-listed Cashbuild and Foschini Group. She was the 2009 winner of the Top Businesswoman of the Year Award in the National Business Awards run by Topco Media and named the Businesswoman of the Year at the 2009 Black Business Awards run by BBQ.

11. Takula Jenkins Tapela^{*} (46)

BCompt (Unisa)

Appointed to the board in 2009

Managing executive of Brimstone Investment Corporation Limited

TJ joined Brimstone Investment Corporation in 2005. Prior to this, he was executive assistant to the managing director at Old Mutual South Africa, having worked in Old Mutual's Corporate Finance team for two years. He has served as an executive director within the African Harvest group and worked for Delta Corporation (SAB) and the JSE's Inspectorate division.

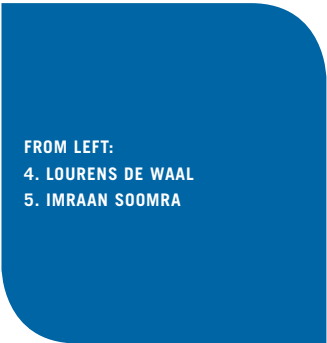
* Audit committee

^o Risk committee[†] Remuneration and nominations committee^{oo} Executive director

• Social, ethics and transformation committee

Information as at 4 December 2014

EXECUTIVE COMMITTEE



1. Francois Paul Kuttel^{◊◊} (46)

BAA (University of San Diego)
Chief executive officer
Oceana Group
Number of years' service – 5

On graduation, Francois joined his family's US-based fishing operations. He returned to South Africa in 1995 as managing director of Namibian Sea Products. He was chief executive officer of I&J for three years prior to being appointed to the Oceana board as chief executive officer in 2009.

2. Neville Donovan Brink[◊] (54)

Managing director
Blue Continent Products
Number of years' service – 16

Neville obtained his marketing qualifications with the Institute of Marketing Management in Johannesburg. He worked in various marketing and sales positions at Adcock Ingram, before moving to Federal Marine, and then Oceana as marketing director of the Oceana Fishing Division. Neville was appointed managing director of Oceana Lobster, Calamari Fishing and Lamberts Bay Foods in 2005 and assumed the position of managing director of Blue Continent Products from 1 February 2011.

3. Alethea Berenice Anne Conrad^{◊◊} (50)

BA LLB (Rhodes University)
Strategic services director
Oceana Group
Number of years' service – 15

Alethea was admitted as an attorney in 1989 and practiced as an attorney before joining Transnet as a legal advisor in 1993. She joined Blue Continent Products in 1998, and served as commercial manager and commercial director, before being appointed commercial manager of Oceana in 2001, and in 2007, a member of the board. In 2004, she was appointed group transformation manager and a member of the Oceana executive. In 2007 she was appointed to the Oceana board. In April 2008, she was appointed managing director of Blue Continent Products' Hake Division.

4. Lourens de Waal[◊] (48)

HND in Cost & Management Accounting (CapeTech)
Managing director
CCS Logistics
Number of years' service – 3

Lourens worked for I&J from 1994 to 2000 as the administration manager and then national and export distribution manager. He joined Vector in 2000, holding the position of general manager for sales and distribution while it was part of the I&J business and was then appointed as customer and supply chain director at Vector Logistics in 2007. Lourens attended the Executive Development Programme of UCT and Michigan University and is a member of several international industry bodies. He joined Oceana on 1 December 2011.

5. Imraan Soomra^{◊◊} (39)

BCompt (Hons) (Wits), CA(SA), PLD Harvard Business School
Financial director
Oceana Group
Number of years' service – 1

Imraan is an experienced chartered accountant who has worked in a diverse set of industries during the course of this career. He held the position of financial director of Netcare Limited's Hospital Division from 2010 to 2013 and was previously with MultiChoice from 2003 until 2010, as head of channels at SuperSport International as well as financial director of M-Net and SuperSport.

6. Gavin Andrew Rhodes-Harrison[◊] (61)

BSc Bldg Mgmt (UND)
Managing director
Lucky Star
Number of years' service – 15

On graduation, Gavin held various managerial and senior leadership positions in project management, specialised engineering and construction and general management. Gavin joined the Oceana Fishing Division in 1999 and was appointed managing director of Oceana Operations in 2002 and of Lucky Star in 2005.

7. Suleiman Salie[◊] (47)

BSc Mech Eng (UCT)
Managing director
Oceana Lobster, Calamari Fishing and Lamberts Bay Foods
Number of years' service – 4

Suleiman graduated in 1989 and joined I&J in 1990 as a graduate engineer. After progressing into management positions in the engineering and production disciplines of I&J's processing plants, he was appointed operations director in 2004. In this position, which he held until 2010, he provided strategic leadership to I&J's fishing operations. He represents Oceana on a number of fishing industry associations.

8. Zani Mashinini[◊] (36)

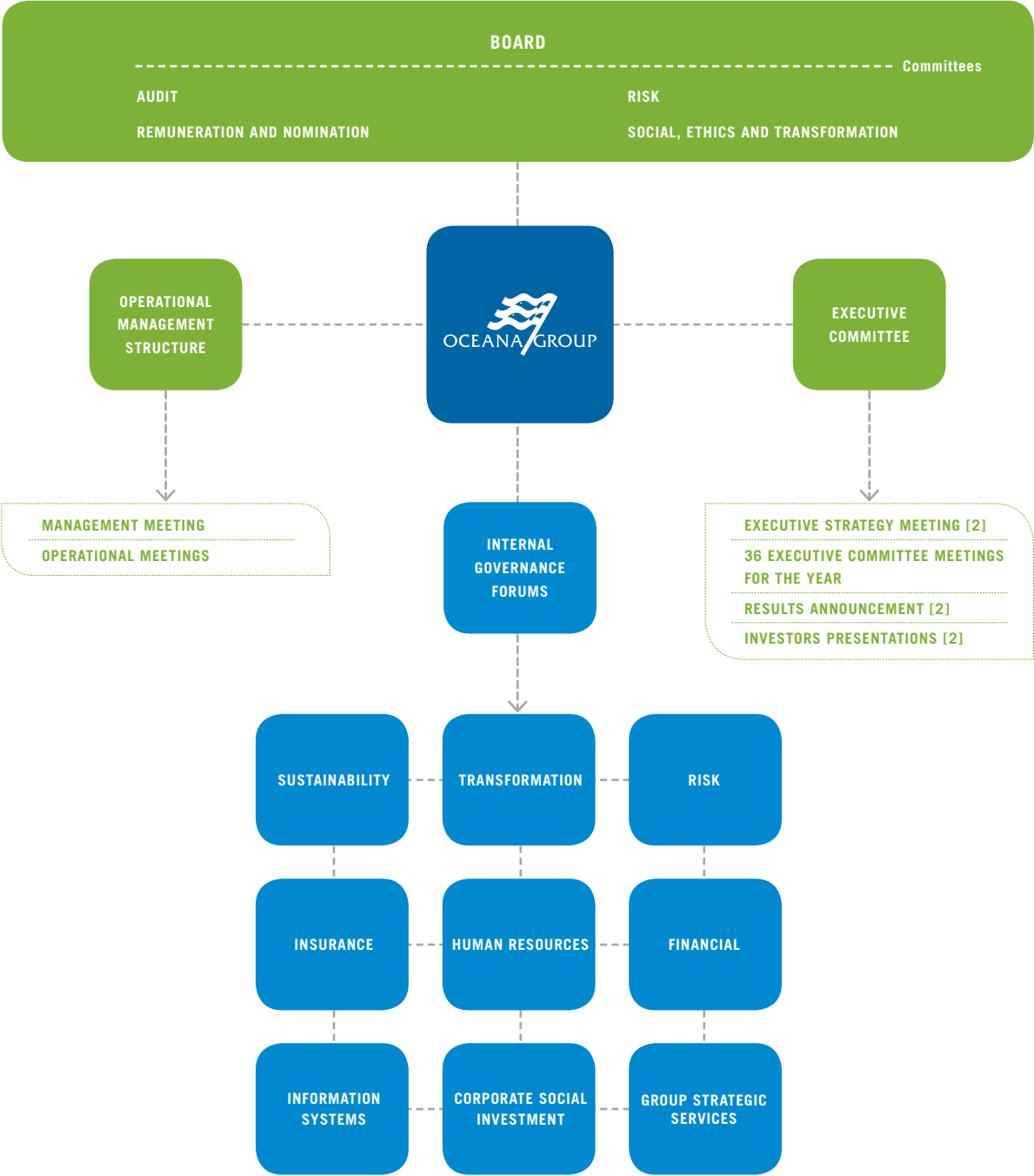
BSocSci (Hons) (Rhodes University), Postgraduate Dip Global Human Resources (University of Liverpool, UK)
Human resources executive
Oceana Group

Zani has been working as a human resources generalist and specialist for various industries both in South Africa and the United Kingdom. Companies she has worked for since 2001 include Unilever SA, Unilever UK and the National Treasury of South Africa. She was a human resources executive at the South African Breweries from 2011 until 2014 before joining Oceana.

-
- ◊ Risk committee
 - ◊ Executive director
 - Social, ethics and transformation committee

Information as at 4 December 2014

CORPORATE GOVERNANCE



Good corporate governance is a keystone of Oceana's operations and workplace culture.

Oceana's board has led the company in an ethical and responsible manner and remain committed to the principles of accountability, fairness and transparency.

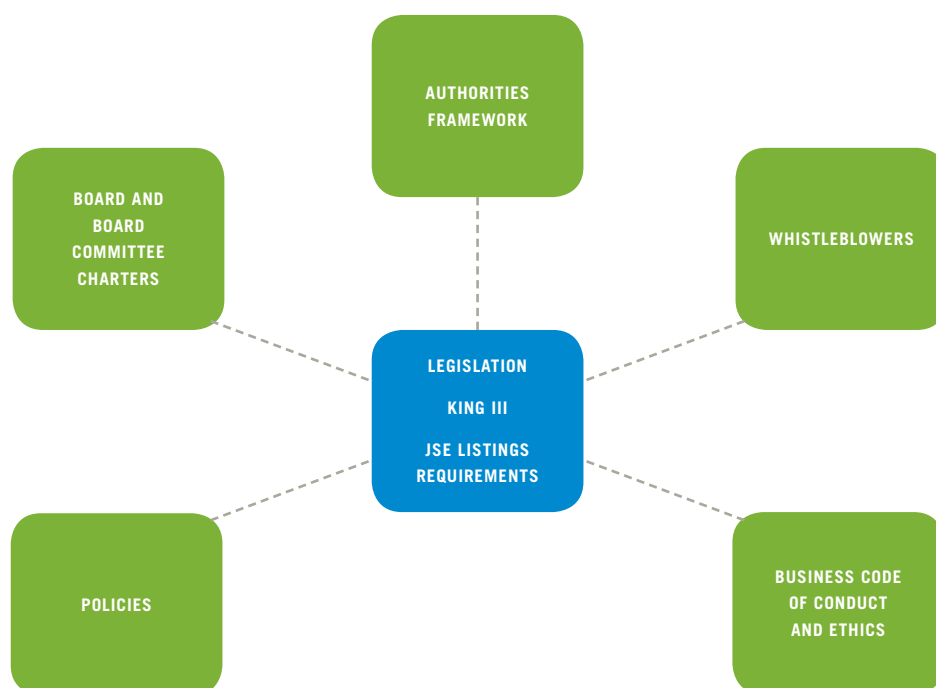
GROUP AND SUBSIDIARY GOVERNANCE FRAMEWORK

A disciplined reporting structure ensures that the Oceana board remains fully apprised of the activities of its subsidiaries as well of risks and opportunities within its operating environment. All controlled entities in the group are required to subscribe to the relevant principles of King III. Business and governance structures have clear approval frameworks. The process to address the principles of King III has been a top-down and bottom-up approach.

The board appreciates that strategy, risk, performance and sustainability are inseparable. Briefings on changes in risks, policy, legislation and the environment are made to the board both directly and indirectly. This would include developments in and the changing impact of laws regulating competition, black economic empowerment, employment equity, skills development, marine resources and environmental management.

Annual strategic plans are compiled and formally approved at both group and business level, and progress is reviewed regularly. The board approves the long-term and short-term strategies for the business of the company and monitors the implementation by management. Comprehensive management reporting disciplines are in place. These include the preparation of annual budgets by all operating units, and the group budget is approved by the board of directors. Monthly results and the financial status of operating units are reported against budgets and compared to the prior year. Management updates profit forecasts quarterly, while working capital is monitored on an ongoing basis. The board is satisfied that an effective risk-based internal audit was carried out during the year and that the company's system of internal controls is effective. The board reviews and approves an authorities framework on an annual basis, which provides a clear and transparent delegation of authority across the group.

The directors are responsible for the preparation, integrity and objectivity of the annual financial statements (AFS) and other information contained in the integrated report in a manner that fairly presents the state of affairs and results of operations of the group. The AFS have been prepared in accordance with IFRS. They include the report of the audit committee on pages 4 and 5.



CORPORATE GOVERNANCE *continued*

COMPLIANCE WITH KING III

In recognition of the need to conduct the affairs of the group according to the highest standards of corporate governance and in the interests of investor protection, the group's commitment to good governance is formalised in charters, policies and operating procedures. These are intended to cover all aspects of the organisation's activities wherever situated, and in reporting internally and to stakeholders. The board is committed to achieving high standards of corporate governance, business integrity and ethics across all its activities.

The principles and structures for good corporate governance are in place throughout the group and are operating well. The directors are satisfied that the group complies substantially with the principles and spirit of King III. The group has elected not to apply the following recommendations contained in King III:

- The chairperson of the board, while being a non-executive director, is not independent. A full explanation is provided under the heading "Independence of chairperson" on page 93.
- While both the chairperson of the board and the lead independent director are members of the remuneration and nominations committee, neither chair the committee. A full explanation is provided under the heading "Board committees" on page 94.
- While the social, ethics and transformation committee is comprised of only board members and is chaired by an independent non-executive director, it does not have a majority of non-executive directors. A full explanation is provided under the heading "Board committees".
- Non-executive director fees are not based on an attendance fee per meeting. Attendance at meetings has generally been very good and where directors are unable to attend a meeting, they have nevertheless contributed to matters to be considered at meetings.

COMPLIANCE WITH THE LISTINGS REQUIREMENTS

The company is fully compliant with the Listings Requirements, as amended.

COMPLIANCE WITH LAWS AND REGULATIONS

King III prescribes mandatory compliance with all laws and regulations and commits the whole group, its employees and all directors to fair dealing and integrity in the conduct of business. The compliance portfolio is managed by the group strategic services director. A compliance report is provided at each of the quarterly board meetings.

Regulatory penalties amounting to R10 000 were paid in respect of customs and excise documentation.

CODE OF BUSINESS CONDUCT AND ETHICS

Directors and employees are required to observe the highest ethical standards in conducting the group's business. In this regard, the group has a formal code of business conduct and ethics, which was reviewed and confirmed during the year.

CONFLICT OF INTEREST

All directors of the company and its subsidiaries, and senior management, are reminded of the requirement 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 group company secretary and, in appropriate circumstances, may seek independent professional advice concerning the affairs of the company and group.

WHISTLEBLOWERS

An anonymous and secure whistleblowing facility has been in place for many years. Its purpose and anonymity are emphasised at employee induction and training sessions. The facility is also available in Namibia.

POLICY ON TRADING IN COMPANY SECURITIES

The company has a policy on trading in company securities. Directors and employees are prohibited from trading in company securities during closed periods.

BOARD CHARTER

The board has a formal charter setting out, inter alia, its composition, meeting frequency, and powers and responsibilities, particularly with regard to financial, statutory, administrative, regulatory and human resource matters. The charter sets out a clear division of responsibilities at board level to ensure a balance of power and authority. The board charter includes a formal schedule of the matters it oversees, including reviewing and guiding corporate strategy, risk policies, annual budgets and business plans and monitoring corporate performance. The charter is reviewed annually.

COMPOSITION OF THE BOARD

The board currently has 11 members, three of whom are executive directors. Of the eight non-executives, four are independent. The board is comfortable with the conclusion of the remuneration and nominations committee that as eight out of eleven directors are non-executive, and having a lead independent director, this is sufficient to meet the recommendation that the majority of non-executives be independent.

There is a formal, transparent board nomination process in terms of the policy detailing the procedures for appointment to the board. Directors are appointed, subject to re-election by the shareholders and to the Companies Act provisions relating to removal, and retire by rotation every three years or as required by the Companies Act and the memorandum of incorporation. Candidates for directorship are carefully scrutinised by the remuneration and nominations committee. Shareholders are informed of the names of the candidates submitted for re-election as directors. In order to enable shareholders to make informed decisions regarding election, the candidate's biographical data, the term of office currently served and any other particulars required by law are made available to shareholders. Reappointment of directors is not automatic.

There were no changes to the board during the year.

INDEPENDENCE OF CHAIRPERSON

Oceana has a unitary board structure. The offices of chairperson and chief executive officer are separate with segregated duties. The chairperson is non-executive but not independent in terms of

the King III definition. After due consideration of MA Brey's qualifications, experience, attributes and interaction with the board, his fellow directors are of the view that it is in all circumstances satisfactory and appropriate for him to chair the board. This is notwithstanding the fact that he does not fulfil the strict criteria of "independence" as set out in King III.

In line with international corporate governance best practice and the JSE Listings Requirements, S Pather has fulfilled the role of lead independent director.

Details of the directors of the board appear on page 86.

BOARD MEETINGS

The board meets quarterly with one further meeting during the year to review and approve the strategic plans. In addition, the board attended a risk analysis workshop during the year. The board met six times during the year.

Continuing professional development (CPD) of individual directors is encouraged. The company does not provide specific in-house programmes for this. Directors are expected to attend to

| DIRECTOR | 711/2013 Final dividend approval | 13/02/2014 Q1 | 08/05/2014 Interim dividend approval | 26/06/2014 Board Strategic planning meeting | 14/08/2014 Budget approval | 14/08/2014 Risk analysis workshop |
|-------------------------------------|---|------------------|---|---|----------------------------------|--|
| | | | | | | |
| INDEPENDENT NON-EXECUTIVE | | | | | | |
| ZBM Bassa | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| PG de Beyer | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| S Pather | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| NV Simamane | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| NON-EXECUTIVE | | | | | | |
| MA Brey (Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| NP Doyle | ✓ | A | ✓ | ✓ | ✓ | ✓ |
| PB Matlare | ✓ | A | ✓ | ✓ | ✓ | ✓ |
| TJ Tapela | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| EXECUTIVE | | | | | | |
| FP Kuttel (Chief executive officer) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| I Soomra (Group financial director) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| ABA Conrad | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

✓ indicates attendance

A indicates apologies tendered

AN ANONYMOUS AND SECURE WHISTLEBLOWING FACILITY HAS BEEN IN PLACE FOR MANY YEARS.

this requirement according to their profession's prescriptions, through attendance at seminars, presentations and workshops, and by following business reporting in the media.

BOARD COMMITTEES

Subject to those matters reserved for its decision, the board delegates certain responsibilities to four committees, namely audit, remuneration and nominations, risk and social, ethics and transformation, all of which have their own charters, published on our website. Each of these committees is chaired by an independent non-executive director.



The board is satisfied that it has an effective and independent audit committee. One of the tasks the board assigns to the audit committee was to ensure that the company has an appropriate information technology governance framework in place. Based on reports received from the audit committee, the board has satisfied itself that an appropriate information technology governance framework exists and is functioning effectively. The board reviewed and approved the audit committee charter, which was updated during the year. The committee met twice during the year.

The board, while having assigned the oversight of the company's risk management function to the risk committee, has dealt with the governance of risk comprehensively during the year under review. It had done so through consideration of biannual reports from the risk committee and audit committee chairpersons and review of the self-assessment results of both these committees. The board reviewed and approved the risk committee charter, which was updated during the year. JL Wilkinson resigned from the committee in February 2014 and was replaced with KM Mashinini. B King resigned as a member of the risk committee with effect from 31 August 2014.

The composition of the remuneration and nominations committee comprises five non-executive directors, three of whom, are independent. Both the chairman of the board and the lead independent director are members of the remuneration and nominations committee but do not chair the committee. The remuneration and nominations committee is chaired by PG de Beyer who is an independent non-executive director. The board is of the view that PG de Beyer's background and qualifications are appropriate for him to chair this committee. The committee has assisted the board with ensuring that the company remunerates its directors and executives fairly and responsibly and also with ensuring that appropriate succession planning is in place at a board, executive and senior management level. The board is satisfied that the committee has fully performed in accordance with its charter. The board reviewed and approved the remuneration and nomination committee charter, which was updated during the year. The committee met four times during the year.

Members of committees at year-end are contained in the table below:

| | | |
|--|---|--|
| AUDIT COMMITTEE | S Pather (chairman); ZBM Bassa; PG de Beyer | Full attendance at all meetings |
| REMUNERATION AND NOMINATIONS COMMITTEE | PG de Beyer (chairman); MA Brey; PB Matlare; S Pather; NV Simamane | PB Matlare was unable to attend the February meeting. |
| RISK COMMITTEE | ZBM Bassa (chairman); ND Brink; ABA Conrad; LJ de Waal; N Doyle; FP Kuttel; KM Mashinini; I Soomra; GA Rhodes-Harrison; S Salie | JL Wilkinson, who resigned from the committee in February 2014, was unable to attend the November meeting. |
| SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE | NV Simamane (chairman); ABA Conrad; FP Kuttel; TJ Tapela | Full attendance at all meetings |

The social, ethics and transformation committee comprises one non-executive director, two executive directors and one independent non-executive director who chairs the committee. The group compliance and risk manager, and group human resources executive, attend committee meetings as subject matter experts. The board is satisfied that the current members of the social, ethics and transformation committee have sufficient expertise and knowledge on matters to be considered by the committee in performance of its duties under the Companies Act. The committee met twice during the year.

INDUCTION OF DIRECTORS

Oceana recognises that an induction programme enables a new director to make a positive contribution swiftly to the board. Its induction programme is designed to familiarise incoming directors with the group's operations, business environment and sustainability issues relevant to its business. It includes guidance regarding the responsibilities, powers and potential liabilities of a director, as well as operational aspects specific to the group. The group company secretary assists in this process where appropriate. There were no changes made to the board during the year under review.

BOARD EVALUATION

Formal evaluations of the performance of the board, its committees and individual directors were carried out during the year. The evaluation process included an appraisal of the chairperson of the board. The performance of the chief executive officer was also formally evaluated. The directors are aware of the need to convey to the chairperson of the board any concerns that they may have in respect of the performance of the conduct of their peers or the board as a whole. The results of this year's assessments were reviewed by the board and considered to be satisfactory. Performance evaluations are taken into account prior to directors being nominated for re-election.

The board concluded after due assessment, following enquiry of and among themselves, and after discussion, that Oceana's four independent non-executive directors should be considered to be independent.

The independence of non-executive director S Pather, who has served a term of greater than nine years, has been confirmed after an independence assessment by the board. The assessment confirmed that his independence of character and judgement was not in any way affected or impaired by his length of service.

COMPANY SECRETARY EVALUATION

The group company secretary guides and advises the individual directors and the board collectively on discharging their responsibilities and duties and on matters of good governance.

The board concluded after due assessment, following a review by the remuneration and nomination committee of the group company secretary's qualifications, experience and performance, and due enquiry of and among themselves, that the group company secretary has the necessary qualification, competence and expertise and that she has maintained an arm's length relationship with the board and its directors.

RISK MANAGEMENT

Our ability to deliver on Oceana's business strategy depends on us being able to take calculated risks in a manner that does not jeopardise the interests of our stakeholders. We have to anticipate and respond to changes in the business environment and take informed decisions under conditions of uncertainty with the aim of mitigating risk exposure and optimising the potential opportunities.

Oceana has established a culture of managing existing, emerging or unpredictable risks. Various embedded processes, resources and structures are in place to address our risk management needs. These include internal audits, insurance management, information system security, compliance processes, quality management systems and a range of other line management interventions. We focus on compliance with relevant legislation to fulfil the expectations of employees, communities, shareholders and other stakeholders in terms of due care and corporate governance.

We have adopted an enterprise-wide approach to risk management, with every identified material risk included in a structured and systematic process of risk management. These are managed within a unitary framework that is aligned with the company's corporate governance responsibilities.

ROLE OF THE BOARD

The Oceana board is responsible for the governance of risk. The board charter outlines the directors' responsibilities for ensuring that an appropriate system and process of risk management is implemented and maintained. Each member of the Oceana board understands his/her accountability for risk management.

The board provides stakeholders with the assurance that material risks are properly identified, assessed, mitigated and monitored. The board maintains a formal risk policy and framework for Oceana. Recognising that stakeholders need to understand the board's standpoint on risk, this is formally reflected in the Oceana Group Risk Management Policy and Framework.

The board is responsible for overseeing the development and implementation of a risk management implementation plan aimed at the evaluation and improvement of risk management within Oceana. The board formally evaluates the effectiveness of Oceana's risk management process at year-end for disclosure purposes and to provide a basis for updating the risk management plan.

ROLE OF THE RISK COMMITTEE

While the board is responsible for the overall governance of risk, it has appointed and is assisted by the risk committee in discharging this responsibility. The committee operates in terms of a formal charter, which expresses its responsibility for the risk management process. Its duties and activities include considering the risk management policy and plan, reviewing the effectiveness of the risk management activities, identifying the key risks facing the group, and ensuring appropriate responses to address these key risks.

The committee has 10 members, as indicated on page 95. Committee members include the chief executive officer and the group's executive committee. It is chaired by an independent non-executive director. The committee meets at least twice per annum in terms of its charter. Each member of the risk committee attended the two meetings held during the year. The group's internal auditors also attend the meetings. Nothing came to the attention of the auditors which would indicate that the internal control environment within the company was not operating satisfactorily. Minutes of the proceedings of committee meetings are included in board meeting packs.

The risk committee is assisted in its duties by the risk forum, which is appointed by the chief executive officer. The forum has its own terms of reference and comprises divisional managing directors, divisional risk managers, the group strategic services director, the group human resources executive, the group financial director, and the group compliance and risk manager.

RISK MANAGEMENT PLAN

Risk committee and forum meeting agendas include a review of the group's top 10 risks for the holding company and the operating divisions, incident reports, compliance matrices and a status update on the implementation of the risk management plan.

A professionally developed risk matrix is used to determine risk appetite and risk tolerance using data and information assembled in an objective manner according to impact rating tables and likelihood criteria. The matrix determines and confirms the relative magnitude of inherent risks, as well as relevant controls to derive residual risks. These are ranked by division into top 10 and are recorded in divisional and functional risk registers, which are reviewed and interrogated quarterly by the risk forum, and biannually by the risk committee.

The group's top 10 risks are taken into consideration at the directors' annual strategic planning meeting and quarterly board meetings. Risk management issues are included in the incentive bonus criteria, where appropriate.

REPORTING MECHANISMS

The board's reporting responsibilities include reporting on the following:

- The results of the independent risk management effectiveness review conducted by the group's internal auditors.
- Progress against the risk management plan, including recommended amendments.
- The material risks facing Oceana, which include the strategic risks, the material risks per division and function, as well as potentially material emerging issues.
- Remedial actions taken and their effectiveness.
- Material incidents and associated losses, together with analyses of their causes.

The principal risks that have a material impact on Oceana's ability to create value have been identified as part of the enterprise-wide risk identification and management system. These are outlined in detail on pages 34 to 35. During the year under review, there were no specific risk incidents resulting in significant financial loss to the group or that negatively affected our stakeholders or the economic life of the communities in which we operate.

During the year the directors participated in a Risk Analysis workshop where the Board reflected on key risks facing the group and concluded that the risk register presents an accurate assessment of the risk context. The non-executive directors expressed their confidence in the group's risk management process, and their belief that the Board has applied due process in considering the risk context.

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

The board has satisfied itself that the committee's performance in terms of its composition, mandate and effectiveness was satisfactory, and that the group's risk management processes are effective. The committee's charter was reviewed and approved in June 2014.

OUR ABILITY TO
DELIVER ON
OCEANA'S
BUSINESS
STRATEGY DEPENDS
ON US BEING
ABLE TO TAKE
CALCULATED RISKS
IN A MANNER THAT
DOES NOT
JEOPARDISE THE
INTERESTS OF OUR
STAKEHOLDERS.

REMUNERATION

REMUNERATION AND NOMINATIONS COMMITTEE

The responsibility for determining the group's remuneration philosophy and policy, as well as the remuneration of executive directors and senior management has been delegated by the board, to the remuneration and nominations committee in terms of a formally approved charter. This charter is reviewed annually. The committee recommends the remuneration of non-executive directors to the board. It also considers the composition and performance of the board, as well as succession planning for the organisation, particularly in respect of the chief executive officer, executive committee and chairman of the board.

COMPOSITION

The committee comprises five non-executive directors, three of whom are independent. It is chaired by an independent 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. Three meetings were held during the year, with one apology received from Mr PB Matlare.

REMUNERATION PHILOSOPHY AND POLICY

The remuneration policy supports the company's HR and business strategies with the objective of aligning its reward practices to create sustainable shareholder value.

Oceana's remuneration policy is formulated to attract, retain, motivate and reward high-calibre employees. The aim is to encourage high levels of team and individual performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. It is envisaged that this policy will also apply for 2015 and subsequent years, subject to ongoing review as required. Remuneration is not a standalone management process but is fully integrated into other human resource processes such as performance management and talent management.

Total reward 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 and their individual performance. Remuneration is regularly benchmarked against appropriate surveys.

It is a condition of employment for all employees to be a member of one of the group's retirement funds. Contributions to the funds are used primarily for retirement funding, and the balance for risk benefits (such as death, disability and funeral cover). Investment choice options are provided to members of the Oceana Group Pension Fund and Oceana Group Executive Provident Fund. The retirement funding contributions to the Oceana Group provident Fund are invested in a conservative balanced fund.

In the previous financial year, the group converted membership of its standalone funds (Oceana Group Pension Fund and Oceana Group Provident Fund) to an umbrella fund agreement. This reduced administration costs for members with the benefits (investment choice, group life, disability and funeral cover) generally remaining the same as they were on the in-house funds. The in-house funds are in the process of being wound down. It was anticipated that this would have been concluded during the 2014 financial year; however, it is likely that during the 2015 financial year this will be finalised.

COMPOSITION OF EXECUTIVE REMUNERATION

The remuneration (guaranteed package) of executives is determined on a total cost to company basis. This comprises a cash amount and various benefits such as retirement funding, medical aid and car allowance. Guaranteed packages are subject to annual review and are benchmarked to appropriate market data, taking into account, among other issues, the size, complexity and profitability of the company.

Individual performance and overall responsibility are also considered when setting guaranteed package levels. It is the committee's intention to target the guaranteed pay at above median levels as reflected by the relevant survey in order to attract and retain talent.

In addition to guaranteed packages, the group has 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.

SHORT-TERM INCENTIVE

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. These are measured through the group's performance management system.

The incentive scheme for 2014 was designed with a sliding scale of weighting determined by financial performance, with the more senior executives having a higher weighting (80%) towards financial performance and the remaining 20% based on non-financial targets.

The financial performance indicator for the short-term incentive scheme is determined with reference to a scale from 5% to 15% increase in HEPS with a stretch target set at 25% increase in HEPS. At 15% increase in HEPS the maximum bonus at executive level is 75% of total cost to company; this increases to 112,5% at the stretch target of a 25% increase in HEPS. Financial targets at group level are based on growth in HEPS and

return on net assets, while at divisional level they are based on operating profit and return on net assets. Short-term incentives are paid in cash in November following the financial year-end.

The individual performance indicator is driven through the company performance management system. This includes key strategic performance objectives, such as sustainability and transformation objectives as well as key operational and personal performance objectives.

For 2015, the incentive scheme structure is likely to be the same as the 2014 scheme.

LONG-TERM INCENTIVES

Following shareholder approval in February 2014, a new hybrid long-term incentive scheme was implemented. The purpose of this scheme is to retain, motivate and reward those senior managers who are able to influence the performance of the company and align their interests with those of the company's shareholders. A weighted combination of three elements were offered in February 2014 and would be offered on an annual basis, namely:

- Share appreciation rights
- Full value performance shares
- Full value restricted shares

The implementation of this scheme will provide better focus on, and align rewards, with performance. The three elements achieve this through combining a growth element (appreciation right), rewarding company performance (performance share) and individual performance and retention of talent (restricted share).

Share appreciation right

The share appreciation right element is in essence similar to the Phantom Share Option Scheme. This element is similarly cash-settled. Allocations are based on a (reduced) multiple of package to accommodate the offer of the other two elements. The full allocation is subject to performance criteria which stipulates the number of share appreciation rights that will vest in relation to the achievement of the financial performance targets.

The value that will be delivered to an individual on exercise will be the growth of the underlying share price above its strike price.

Vesting occurs on the third, fourth and fifth anniversary of the date of allocation, to the extent that the performance condition has been met, but exercise may be delayed until the seventh anniversary.

The other two elements of the long-term incentive are equity-settled by way of full value shares. Full value shares do not have a strike price; the full value will accrue to the individual on vesting.

Performance shares

Performance shares reward the future financial performance of the company and its share and targets were set in comparative terms. This award's vesting will be governed by Oceana's TSR (total shareholder return) performance in relation to the members of the JSE Industrial Index.

Performance shares are awarded to those individuals who can influence long-term strategic performance. They will vest on the third anniversary of their award, the number vesting being tied to the extent to which the company has met the performance criteria over the three-year period.

- If Oceana's TSR over the three-year period places it in 45th position (approx. median), then the targeted number (one third of the maximum number) of performance shares awarded will vest.
- If Oceana's TSR over the three-year period places it in 15th position (approx. upper quartile) or better, then the maximum number (three times the targeted number) of performance shares awarded will vest.
- If Oceana's TSR over the three-year period places it in 75th position (approx. lower quartile) or worse, then all performance shares awarded will be forfeited.

If Oceana's performance over the three-year period lies between any of the above points, then a prorated number of performance shares will vest. No retesting will be allowed, if any shares do not vest at the end of the three-year period, they are forfeited.

Restricted shares

Share-based retention and an opportunity to co-invest is delivered through the granting of restricted shares.

The quantum of grant is calculated with reference to the short-term incentive, ensuring a strong link to individual performance on an annual basis. A standard matching ratio based on an "on target" bonus has been defined; however, this will be applied to the actual bonus earned.

The executive committee will also be able to electively co-invest a portion of their short-term incentive in Oceana shares, which upon vesting would be matched by the company with additional shares. This co-investment is made prior to year-end, and its value once determined is converted into restricted shares and matched by the company with additional restricted shares.

All restricted shares will vest at the end of the three-year period. Although the primary link to performance of this element is driven by the short-term incentive (and the performance criteria therein), their grant may still be subject to claw-back should any unacceptable performance be subsequently identified.

REMUNERATION *continued*

Phantom Share Option Scheme

In light of the new scheme detailed above, no new grants under the Phantom Share Option Scheme have been made (the grant made in 2013 was the final grant under this scheme). The intention is that the options previously granted under this scheme will continue to vest (in line with time and performance conditions) until all options have vested and the scheme is wound down.

The options in the Phantom Share Option Scheme are “cash-settled”. Options may be exercised in tranches of one-third after three, four and five years from the date of grant and must be exercised within six years from date of grant. The cash settlement amount of an option is the difference between the volume weighted average price of an Oceana Group share on the JSE for the 30 trading days immediately prior to the exercise date, and the grant price.

All options from Grants 1 to 3 have either been exercised, or forfeited. Performance conditions were attached to the options granted from Grant 3 onwards. The performance condition (hurdle rate) attached to 50% of these grants is that the company's HEPS should increase by 3% per annum above inflation over the three-year performance period. The committee will allow retesting 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 HEPS over the performance period. Grants 4, 5, 6 and 7 have met their performance condition and are now subject to time-based vesting. Grants 8 and 8b have not yet reached the performance period conclusion.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive 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 relevant provisions of the Labour Relations Act, 66 of 1995, and Basic Conditions of Employment Act, 75 of 1997, 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. Included in this process is the succession discussion for the chairman of the board. This is reviewed and agreed by the 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.

REMUNERATION DISCLOSURE

Remuneration of executive directors is set out in the full AFS. The gain on exercise of share options is made in the period during which the directors dispose of shares. Therefore, the gain is not related to the performance of the company in the 2014 financial year.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors' fees are paid in respect of membership of the Oceana Group board, and those serving on board committees are also remunerated for work done in that capacity. Remuneration is paid on an annual retainer basis to account for the responsibilities borne by the directors throughout the year. An attendance fee for formal meetings is not considered necessary, as the attendance record at meetings is considered satisfactory. An hourly rate for extraordinary work is in place (none paid in 2014) and ad hoc expenses are reimbursed as required. These fees are reviewed annually and proposed adjustments are tabled by the chief executive officer for review by the 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 the full AFS. Non-executive directors do not qualify for share options nor do they participate in the incentive bonus scheme.

SOCIAL, ETHICS AND TRANSFORMATION

REPORT TO SHAREHOLDERS

The social, ethics and transformation committee (the “committee”) has in the three years since its establishment diligently carried out its mandate and statutory obligation to direct and oversee the company’s activities as they relate to social and economic development; good corporate citizenship; the environment, health and safety; and labour and employment. The committee’s charter requires a minimum of two meetings per year, which were duly held and fully attended by all members.

COMPOSITION OF THE COMMITTEE

The committee is chaired by NV Simamane, who is an independent non-executive director. Committee members are as follows:

COMMITTEE MEMBERS

| | |
|------------------------|---|
| NV Simamane (Chairman) | Independent non-executive director |
| ABA Conrad | Executive director (Group Strategic Services) |
| F Kuttel | Chief executive officer |
| TJ Tapela | Non-executive director |

The group company secretary acts as the secretary of the committee.

THE COMMITTEE CHARTER AND WORK PLAN

The board approved the committee charter and work plan, which details the role, responsibilities and mandate of the committee.

COMMITTEE SELF-ASSESSMENT

The committee assessed its performance and effectiveness and reported the results of this self-assessment to the board for its consideration. The board reviewed the self-assessment results in November 2014 and found the results to be satisfactory. The committee chairman updates the board bi-annually on the work done by the committee.

THE COMMITTEE'S ROLE AND RESPONSIBILITIES

Role

The committee has an independent role with accountability to the board. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The overall role of the committee is to assist the board with the oversight of social, ethical and transformation matters relating to the company.

Responsibilities

The committee performs all the functions as is necessary to fulfil its role as stated above, including its statutory duties.

In fulfilling its statutory duties and performing its functions as delegated by the board, the committee considers and evaluates the sustainability of the group with reference to the company’s:

- ethical culture and values;
- approach to compliance;
- commitment to transformation and B-BBEE;
- safety record and environmental policy;
- labour relations; and
- corporate citizenship.

In fulfilling its functions, the committee has received and reviewed reports on:

- Human Rights practices within the company

There have been no incidents of human rights abuses declared against the company in the year under review.

- Labour and employment practices.

The committee reviewed the employee headcount with a focus on fixed-term contractors and temporary labour, progress of employment initiatives undertaken during the year, developments regarding wage negotiations, employment equity reporting, skills development reporting and legislative updates.

- Transformation

The committee reviewed the company’s performance against the dti’s B-BBEE scorecard relating to ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development, as well as the results of the annual independent B-BBEE audit. The committee also received reports on the Oceana Empowerment Trust (“the Trust”) early payout project and the Trust’s advocacy programme.

- Corporate Social Investment (“CSI”)

The company’s CSI expenditure and its progress against planned initiatives during the year was assessed and found to be satisfactory.

- Anti-corruption, ethics and compliance

During the year the committee received various reports on ethics and compliance. All eligible new employees continue to undergo comprehensive training on Competition Law. Additionally all eligible employees received and completed training on the Anti-bribery and corruption policy and related legislation, as well as training on Oceana's Code of Business Conduct and Ethics and the Compliance Policy.

- Environment, Health and Public Safety

The environmental policy was reviewed and recommended to the board for approval. Annual progress against agreed targets for key environmental initiatives, the company's participation in external accreditation surveys and the results of health and safety and environmental audits of company sites and vessels were reviewed and found to be satisfactory. The committee also received an update on product stewardship and public safety issues.

- Customer Relationships

The committee received and reviewed reports on the company's advertising and public relations activities and stakeholder relations.

The company's Sustainable Development Report which reflects more detail relating to the company's activities can be found on the company's website.



REPORT TO SHAREHOLDERS

The committee has reviewed and was satisfied with the content in the integrated report that is relevant to the activities and responsibilities of the committee.

The agenda for the company's annual general meeting to be held on 12 February 2015 includes a report by the committee chairman to shareholders.



CONDENSED GROUP FINANCIAL STATEMENTS

| | |
|---|-----|
| Statement of comprehensive income | 106 |
| Statement of financial position | 107 |
| Statement of changes in equity | 108 |
| Statement of cash flows | 109 |
| Notes to the condensed financial statements | 110 |



STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2014

| | Notes | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 | Change % |
|--|-------|---|--|-------------|
| REVENUE | | 5 039 134 | 4 701 224 | 7 |
| Cost of sales | | 3 062 606 | 2 833 604 | 8 |
| Gross profit | | 1 976 528 | 1 867 620 | 6 |
| Sales and distribution expenditure | | 500 320 | 458 384 | 9 |
| Marketing expenditure | | 57 804 | 63 489 | (9) |
| Overhead expenditure | | 599 358 | 675 526 | (11) |
| Net foreign exchange gain | | (37 196) | (43 292) | (14) |
| OPERATING PROFIT BEFORE JOINT VENTURE INCOME | | 856 242 | 713 513 | 20 |
| Joint venture income | | 23 324 | 30 046 | (22) |
| OPERATING PROFIT | | 879 566 | 743 559 | 18 |
| Investment income | | 13 273 | 16 451 | (19) |
| Interest paid | | (17 102) | (7 485) | 128 |
| PROFIT BEFORE TAXATION | | 875 737 | 752 525 | 16 |
| Taxation | | 266 818 | 228 135 | 17 |
| PROFIT AFTER TAXATION | | 608 919 | 524 390 | 16 |
| OTHER COMPREHENSIVE INCOME | | | | |
| <i>Items that may be re-classified subsequently to profit or loss</i> | | | | |
| Movement on foreign currency translation reserve | | 6 205 | 6 223 | |
| Movement on cash flow hedging reserve | | (7 346) | 8 787 | |
| OTHER COMPREHENSIVE INCOME, NET OF TAXATION | | (1 141) | 15 010 | |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 607 778 | 539 400 | 13 |
| PROFIT AFTER TAXATION ATTRIBUTABLE TO: | | | | |
| Shareholders of Oceana Group Limited | | 573 931 | 491 016 | 17 |
| Non-controlling interests | | 34 988 | 33 374 | 5 |
| | | 608 919 | 524 390 | 16 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Shareholders of Oceana Group Limited | | 572 790 | 506 026 | 13 |
| Non-controlling interests | | 34 988 | 33 374 | 5 |
| | | 607 778 | 539 400 | 13 |
| Weighted average number of shares on which earnings per share is based ('000) | 7 | 100 400 | 100 302 | |
| Adjusted weighted average number of shares on which diluted earnings per share is based ('000) | | 111 009 | 110 402 | |
| EARNINGS PER SHARE (CENTS) | | | | |
| – Basic | | 571,6 | 489,5 | 17 |
| – Diluted | | 517,0 | 444,8 | 16 |
| DIVIDENDS PER SHARE (CENTS) | | 377,0 | 322,0 | 17 |
| HEADLINE EARNINGS PER SHARE (CENTS) | | | | |
| – Basic | | 565,0 | 487,9 | 16 |
| – Diluted | | 511,0 | 443,2 | 15 |

STATEMENT OF FINANCIAL POSITION

at 30 September 2014

| | Audited 30 Sept 2014 R'000 | Audited* 30 Sept 2013 R'000 | Audited* 30 Sept 2012 R'000 |
|---|--|---|--------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | 859 640 | 814 277 | 753 728 |
| Property, plant and equipment | 512 342 | 458 200 | 422 105 |
| Intangible assets | 97 625 | 102 802 | 88 638 |
| Deferred taxation | 24 119 | 28 502 | 21 849 |
| Investments and loans | 225 554 | 224 773 | 221 136 |
| CURRENT ASSETS | 2 115 657 | 2 019 292 | 1 766 292 |
| Inventories | 838 615 | 1 213 169 | 703 127 |
| Accounts receivable | 933 039 | 694 920 | 790 293 |
| Cash and cash equivalents | 344 003 | 111 203 | 272 872 |
| TOTAL ASSETS | 2 975 297 | 2 833 569 | 2 520 020 |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | 1 746 906 | 1 789 371 | 1 633 242 |
| Share capital and premium | 35 245 | 33 770 | 30 692 |
| Foreign currency translation reserve | 11 708 | 5 503 | (720) |
| Capital redemption reserve | 130 | 130 | 130 |
| Cash flow hedging reserve | 1 842 | 9 188 | 401 |
| Share-based payment reserve | 65 202 | 59 337 | 57 144 |
| Distributable reserves | 1 563 243 | 1 620 682 | 1 496 893 |
| Interest of own shareholders | 1 677 370 | 1 728 610 | 1 584 540 |
| Non-controlling interests | 69 536 | 60 761 | 48 702 |
| NON-CURRENT LIABILITIES | 439 403 | 180 577 | 137 796 |
| Liability for share-based payments | 81 888 | 143 891 | 97 427 |
| Long-term loan | 300 000 | | |
| Deferred taxation | 58 215 | 36 686 | 40 369 |
| CURRENT LIABILITIES | 788 988 | 863 621 | 748 982 |
| Accounts payable and provisions | 788 988 | 606 621 | 748 982 |
| Bank overdrafts | | 257 000 | |
| TOTAL EQUITY AND LIABILITIES | 2 975 297 | 2 833 569 | 2 520 020 |
| Number of shares in issue net of treasury shares ('000) | 100 512 | 100 416 | |
| Net asset value per ordinary share (cents) | 1 669 | 1 721 | |
| Total liabilities excluding deferred taxation: Total equity (%) | 67 | 56 | |
| Total borrowings: Total equity (%) | 17 | 14 | |

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2014

| | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 |
|--|---|--|
| Balance at the beginning of the year | 1 789 371 | 1 633 242 |
| Total comprehensive income for the year | 607 778 | 539 400 |
| Profit after taxation | 608 919 | 524 390 |
| Movement on foreign currency translation reserve | 6 205 | 6 223 |
| Movement on cash flow hedging reserve | (7 346) | 8 787 |
| Shares issued | 195 | 1 365 |
| Movement in treasury shares held by share trusts | 1 280 | 1 713 |
| Recognition of share-based payments | 5 875 | 2 211 |
| Loss on sale of treasury shares | (189) | (470) |
| Acquisition of additional shares in subsidiary | | (7 158) |
| Distribution to Oceana Empowerment Trust beneficiaries | (291 524) | |
| Dividends paid | (365 880) | (380 932) |
| BALANCE AT THE END OF THE YEAR | 1 746 906 | 1 789 371 |
| Comprising: | | |
| Share capital and premium | 35 245 | 33 770 |
| Foreign currency translation reserve | 11 708 | 5 503 |
| Capital redemption reserve | 130 | 130 |
| Cash flow hedging reserve | 1 842 | 9 188 |
| Share-based payment reserve | 65 202 | 59 337 |
| Distributable reserve | 1 563 243 | 1 620 682 |
| Non-controlling interests | 69 536 | 60 761 |
| BALANCE AT THE END OF THE YEAR | 1 746 906 | 1 789 371 |

STATEMENT OF CASH FLOWS
for the year ended 30 September 2014

| | | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 |
|---|-------|---|--|
| | Notes | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating profit before joint venture income | | 856 242 | 713 513 |
| Adjustment for non-cash and other items | | 56 335 | 148 692 |
| CASH OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 912 577 | 862 205 |
| Working capital changes | | 325 800 | (468 732) |
| CASH GENERATED FROM OPERATIONS | | 1 238 377 | 393 473 |
| Investment income received | | 24 476 | 9 886 |
| Interest paid | | (17 102) | (7 485) |
| Taxation paid | | (264 090) | (317 873) |
| Distribution to Oceana Empowerment Trust beneficiaries | | (291 524) | |
| Dividends paid | | (365 880) | (380 932) |
| CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | 324 257 | (302 931) |
| CASH OUTFLOW FROM INVESTING ACTIVITIES | | (147 383) | (128 265) |
| Capital expenditure | | (163 386) | (127 172) |
| Proceeds on disposal of property, plant and equipment | | 990 | 3 800 |
| Acquisition of businesses | 7 | | (10 450) |
| Acquisition of additional shares in subsidiary | | | (7 158) |
| Acquisition of fishing rights | | | (26 695) |
| Repayment received on preference shares | | 8 573 | 39 377 |
| Net movement on loans and advances | | 6 172 | (5 848) |
| Loss of control over subsidiary | 8 | | 3 490 |
| Disposal/(acquisition) of joint venture | | 268 | (27) |
| Proceeds on disposal of fishing right | | | 2 418 |
| CASH INFLOW FROM FINANCING ACTIVITIES | | 310 471 | 10 908 |
| Proceeds from issue of share capital | | 1 286 | 2 608 |
| Long-term loan raised | | 300 000 | |
| Short-term borrowings raised | | 9 185 | 8 300 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 487 345 | (420 288) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | (145 797) | 272 872 |
| Effect of exchange rate changes | | 2 455 | 1 619 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | 344 003 | (145 797) |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the year ended 30 September 2014

1. BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements except for the adoption of IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, IAS 27 – Separate Financial Statements and IAS 28 – Investment in Associates and Joint Ventures during the period under review. The group previously accounted for joint ventures using the proportionate consolidation method. The group has applied IFRS 11 retrospectively in accordance with the transitional provisions and the 2013 results and 2012 statement of financial position have been restated accordingly.

The summarised financial information was prepared under the supervision of the group financial director, I Soomra CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2014. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. These preliminary summarised financial statements have been audited by the company's auditors who have issued an unmodified opinion. Copies of the audit reports are available for inspection at the company's registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the company's website or from the registered office of the company.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

2. EFFECT OF RESTATEMENT OF PRIOR PERIODS

The adoption of IFRS 11 has resulted in the restatement of certain financial statement line items for the prior periods disclosed. This restatement did not have a material impact on the net asset value of the group.

3. SEGMENTAL RESULTS

An operating segment report is included on page 45.

| | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 |
|--|---|--|
| 4. DETERMINATION OF HEADLINE EARNINGS | | |
| Profit after taxation attributable to shareholders of Oceana Group Limited | 573 931 | 491 016 |
| ADJUSTED FOR: | | |
| Compensation from third party for property, plant and equipment impaired | (11 370) | |
| Headline earnings adjustments – joint ventures | 2 141 | |
| Net surplus on disposal of property, plant and equipment and intangible assets | (192) | (2 351) |
| Surplus on disposal of joint venture | (268) | |
| Total tax effect of adjustments | 2 996 | 660 |
| Headline earnings for the year | 567 238 | 489 325 |

| | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 |
|---|---|--|
| 5. DIVIDENDS | | |
| Estimated dividend declared after reporting date | 272 389 | 222 951 |
| Dividend on shares issued prior to last day to trade | | |
| Actual dividend declared after reporting date | | 222 951 |
| 6. SUPPLEMENTARY INFORMATION | | |
| Amortisation | 22 421 | 15 175 |
| Depreciation | 91 202 | 87 193 |
| Operating lease charges | 54 454 | 53 226 |
| Share-based expenses | 25 100 | 154 734 |
| Cash-settled compensation scheme | 19 225 | 152 523 |
| Equity-settled compensation scheme | 2 379 | |
| Oceana Empowerment Trust | 3 496 | 2 211 |
| Capital expenditure | 163 386 | 127 172 |
| Expansion | 24 592 | 23 182 |
| Replacement | 138 794 | 103 990 |
| Budgeted capital commitments | 327 397 | 212 870 |
| Contracted | 22 479 | 40 809 |
| Not contracted | 304 918 | 172 061 |
| | | |
| | Number of shares '000 | Number of shares '000 |
| 7. ELIMINATION OF TREASURY SHARES | | |
| Weighted average number of shares in issue | 119 526 | 119 451 |
| Less: Weighted average treasury shares held by share trusts | (14 032) | (14 055) |
| Less: Weighted average treasury shares held by subsidiary company | (5 094) | (5 094) |
| Weighted average number of shares on which earnings per share and headline earnings per share are based | 100 400 | 100 302 |
| | | |
| | Audited Year ended 30 Sept 2014 R'000 | Audited* Year ended 30 Sept 2013 R'000 |
| 8. ACQUISITION OF BUSINESSES | | |
| Contingent purchase consideration | | (10 450) |
| Cash movement on acquisition of businesses | | (10 450) |

Note

* Prior period disclosure has been restated to account for the adoption of new and revised accounting standards.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2014

9. REDUCTION OF INTEREST IN SUBSIDIARY

With effect from 31 January 2013, the group's interest in Oceana International Limited reduced from 100% to 50% through the issue of new shares to an outside party. Oceana International has been equity accounted since the change in shareholding.

10. FOODCORP ACQUISITION

Further to the announcement released on the Stock Exchange News Service of the JSE on 8 May 2014 in respect of Oceana's acquisition of the fishing interests of Foodcorp Proprietary Limited ("Foodcorp"), as at 6 November 2014 a decision by the Competition Appeal Court was still pending.

11. EVENTS AFTER THE REPORTING DATE

No events occurred subsequent to the reporting date that may have an impact on the group's and company's reported financial position at 30 September 2014, or that require separate disclosure.

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 142. A gross final dividend amounting to 271 cents per share, in respect of the year ended 30 September 2014, was declared on Thursday, 6 November 2014, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 15% will result in a net dividend amounting to 230,35 cents per share.

The company has no credits available in respect of secondary tax on companies.

The number of ordinary shares in issue at the date of this declaration is 119 526 157. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

| | |
|--------------------------------|-------------------------|
| Last day to trade cum dividend | Friday, 9 January 2015 |
| Commence trading ex dividend | Monday, 12 January 2015 |
| Record date | Friday, 16 January 2015 |
| Dividend payable | Monday, 19 January 2015 |

Share certificates may not be dematerialised or rematerialised between Monday, 12 January 2015 and Friday, 16 January 2015, both dates inclusive.

SHAREHOLDER ANALYSIS

at 30 September 2014

| SHAREHOLDER SPREAD | Number of shareholders | % | Number of shares | % |
|----------------------------|---------------------------|-------|---------------------|-------|
| 1 – 1 000 shares | 1 118 | 62,1 | 476 644 | 0,4 |
| 1 001 – 10 000 shares | 499 | 27,7 | 1 714 709 | 1,4 |
| 10 001 – 100 000 shares | 131 | 7,3 | 4 541 024 | 3,8 |
| 100 001 – 1 000 000 shares | 43 | 2,4 | 13 982 124 | 11,7 |
| 1 000 001 shares and over | 9 | 0,5 | 98 811 656 | 82,7 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

DISTRIBUTION OF SHAREHOLDERS

| | | | | |
|--------------------------------------|-------|-------|-------------|-------|
| Banks | 25 | 1,4 | 4 817 847 | 4,0 |
| Brokers | 20 | 1,1 | 433 679 | 0,4 |
| Close corporations | 21 | 1,2 | 40 414 | 0,0 |
| Empowerment | 1 | 0,1 | 20 096 755 | 16,8 |
| Individuals | 1 321 | 73,4 | 2 684 626 | 2,3 |
| Insurance companies | 8 | 0,4 | 672 472 | 0,6 |
| Investment companies | 10 | 0,6 | 373 414 | 0,3 |
| Mutual funds | 72 | 4,0 | 11 037 330 | 9,2 |
| Nominees and trusts | 202 | 11,2 | 509 083 | 0,4 |
| Other corporate bodies | 14 | 0,8 | 175 214 | 0,2 |
| Pension funds | 53 | 2,9 | 9 152 207 | 7,7 |
| Private companies | 47 | 2,6 | 403 444 | 0,3 |
| Public companies | 3 | 0,2 | 50 115 887 | 41,9 |
| Treasury shares held by share trusts | 2 | 0,1 | 13 919 435 | 11,6 |
| Treasury shares held by subsidiary | 1 | 0,0 | 5 094 350 | 4,3 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

SHAREHOLDER TYPE

| | | | | |
|--------------------------------------|-------|-------|-------------|-------|
| Non-public shareholders | 49 | 2,8 | 89 543 917 | 74,9 |
| Directors and employees | 44 | 2,4 | 334 500 | 0,3 |
| Treasury shares held by share trusts | 2 | 0,1 | 13 919 435 | 11,6 |
| Treasury shares held by subsidiary | 1 | 0,1 | 5 094 350 | 4,3 |
| Empowerment | 1 | 0,1 | 20 096 755 | 16,8 |
| Other holdings greater than 10% | 1 | 0,1 | 50 098 877 | 41,9 |
| Public shareholders | 1 751 | 97,2 | 29 982 240 | 25,1 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

SHAREHOLDERS HOLDING IN EXCESS OF 5%

| | | |
|--|------------|------|
| Tiger Brands Limited | 50 098 877 | 41,9 |
| Brimstone Investment Corporation Limited | 20 096 755 | 16,8 |
| Oceana Empowerment Trust | 13 902 935 | 11,6 |
| Government Employees Pension Fund | 6 702 690 | 5,6 |

NOTICE OF ANNUAL GENERAL MEETING

Oceana Group Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1939/001730/06)

JSE Share code: OCE

NSX Share code: OCG

ISIN: ZAE000025284

("the Company")

Notice is hereby given that the 97th annual general meeting ("Annual General Meeting") of the shareholders of the Company ("Shareholders") for the year ended 30 September 2014 will be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, on Thursday, 12 February 2015, at 14:00 to consider the matters, and proposed resolutions (with or without modification), set out below. Registration will start at 13:15. This notice of Annual General Meeting ("Notice") is available in English at the registered office of the Company at the 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

The Company intends to make provision for Shareholders or their proxies, to participate in the Annual General Meeting by way of electronic communication. In this regard, the Company intends making telephonic facilities available at the office of Commercial Cold Storage Proprietary Limited, 10 Merino Avenue, City Deep, Extension 1, Johannesburg, which will be linked by telephonic access to the venue of the Annual General Meeting in Cape Town at the above address.

Should you wish to participate in the Annual General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to attend at the abovementioned location arranged by the Company in Johannesburg at the time and on the date of the Annual General Meeting. The Johannesburg location will be linked to the venue in Cape Town by telephonic access on the date of, and from the time of commencement of, the Annual General Meeting. Telephonic access will enable all persons who are present at either of these venues to participate electronically in the Annual General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the Annual General Meeting.

The cost of the telephone facilities described will be for the account of the Company.

IDENTIFICATION

Section 63(1) of the Companies Act, 71 of 2008, as amended (the "Companies Act") requires that a person wishing to participate in the Annual General Meeting (including any representative or proxy) must provide satisfactory identification (such as identity documents, driver's licences or passports) before they may attend or participate in the Annual General Meeting.

MEMORANDUM OF INCORPORATION

Any reference in this Notice to the term "MOI" refers to the Company's existing memorandum of incorporation approved at the annual general meeting held on 14 February 2013.

The board of directors of the Company ("the Board" or "Directors") has determined that the record date for the purpose of determining which Shareholders are entitled to receive the Notice is Friday, 5 December 2014, and the record date for purposes of determining which Shareholders are entitled to participate in and vote at the Annual General Meeting is Friday, 6 February 2015. Accordingly, only Shareholders who are registered in the register of members of the Company on Friday, 6 February 2015, will be entitled to participate in and vote at the Annual General Meeting.

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification, at the Annual General Meeting or at any postponement or adjournment of the Annual General Meeting.

The purpose of the Annual General Meeting is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions set out below:

1. To present the audited consolidated annual financial statements of the Company and its subsidiaries ("the Group") (referred to below as the "AFS"), the directors' report, the audit committee report and the social, ethics and transformation committee report of the Company and the Group for the year ended 30 September 2014.

The AFS, directors' report and the audit committee report form part of the Oceana Group Limited Annual Financial Statements 2014 which can be viewed on the Company's website. A Shareholder who wishes to receive a printed copy of the AFS should contact the Company's transfer secretaries. A copy of the complete AFS will be presented at the Annual General Meeting.

In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the audit committee report, the directors' report and the social, ethics and transformation committee report at the Annual General Meeting. The directors' report and the audit committee report are set out on pages 4 to 5 of the AFS, available at <http://oceana-integratedreport.co.za/group-financialstatements>. The social, ethics and transformation committee report is set out on page 102 of the integrated report of which this Notice forms part.

2. In terms of article 20.3 of the Company's MOI the following Directors of the Company, namely ZBM Bassa, MA Brey, S Pather and NV Simamane retire by rotation and, being eligible, offer themselves for re-election.

Ordinary resolution numbers 1.1 to 1.4: Re-election of Directors

Accordingly, Shareholders are requested to consider and, if deemed fit, to elect the Directors named above by way of passing the separate ordinary resolutions set out below:

2.1. Ordinary resolution number 1.1: Election of Zarina Bibi Mahomed Bassa as Director

"Resolved that ZBM Bassa who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."



NOTICE OF ANNUAL GENERAL MEETING *continued*

2.2. Ordinary resolution number 1.2: Election of Mustaq Ahmed Brey as Director

"Resolved that MA Brey who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

2.3. Ordinary resolution number 1.3: Election of Saamsodein Pather as Director

"Resolved that S Pather who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

2.4. Ordinary resolution number 1.4: Election of Nomahlubi Victoria Simamane as Director

"Resolved that NV Simamane who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

Reason for and effect of ordinary resolutions numbers 1.1 to 1.4

Each Director who retires by rotation is eligible for re-election at the Annual General Meeting in terms of section 61(8)(b) of the Companies Act, read with article 20.3 of the Company's MOI. The re-election will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for re-election as Directors are presented on page 86 and 87 of the integrated report which accompanies this Notice. The effect of passing the above ordinary resolutions will be to elect the persons concerned to the Board with effect from the date of the Annual General Meeting.

3. To re-appoint Deloitte & Touche as the independent auditor of the Company for the ensuing financial year.

Ordinary resolution number 2: To reappoint Deloitte & Touche as auditor

"Resolved that Deloitte & Touche is hereby reappointed as the auditor of the Company for the ensuing financial year until the date of the next annual general meeting, with Mr Geoffrey Fortuin, a registered auditor and member of the firm as the partner responsible for the supervision and direction of the audit."

Reason for and effect of ordinary resolution number 2

In compliance with section 90(1) of the Companies Act, a public company must each year, at its annual general meeting, appoint an auditor. The audit committee has recommended the reappointment of Deloitte & Touche as auditor of the Company. Section 94(9) of the Companies Act entitles a company to appoint an auditor at its annual general meeting, other than one nominated by the audit committee, but if such an auditor is appointed, the appointment is valid only if the audit committee is satisfied that the proposed auditor is independent of the Company.

The effect of passing of this resolution will be to appoint Deloitte & Touche as the Company's auditor until the date of the next annual general meeting.

4. To elect an audit committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Ordinary resolution numbers 3.1 to 3.3: Election of audit committee

4.1 Ordinary resolution number 3.1: Election of Zarina Bibi Mahomed Bassa as a member of the audit committee

"Resolved that ZBM Bassa be and is hereby elected as a member of the audit committee of the Company, subject to her being re-elected as a director of the Company."

4.2 Ordinary resolution number 3.2: Election of Peter Gerard de Beyer as a member of the audit committee

"Resolved that PG de Beyer be and is hereby elected as a member of the audit committee of the Company."

4.3 Ordinary resolution number 3.3: Election of Saamsodein Pather as a member of the audit committee

"Resolved that S Pather be and is hereby elected as a member of the audit committee of the Company, subject to him being re-elected as a director of the Company."

Reason for and effect of ordinary resolutions numbers 3.1 to 3.3

Section 94(2) of the Companies Act requires a public company, at each annual general meeting, to elect an audit committee comprising at least three members unless (i) the company is a subsidiary of another company that has an audit committee and (ii) the audit committee of that other company will perform the functions required under section 94 on behalf of the subsidiary company.

Section 94(4)(a) of the Companies Act requires, among other things, that each member of the audit committee must be a director of the Company. Brief curricula vitae of the candidates for election to the audit committee are presented on page 86 and 87 of the integrated report which accompanies this Notice.

The effect of passing these resolutions will be to elect the above persons as members of the Company's audit committee.

5. Non-binding advisory vote on the remuneration policy of the Company:

Non-binding advisory vote: Approval of remuneration policy

"Resolved as a non-binding advisory vote that the remuneration policy of the Company, as set out on page 98 of the integrated report accompanying this Notice, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King Code of Governance for South Africa 2009."

Reason for and effect of non-binding advisory vote

In terms of principle 2.27 of the King Code of Governance for South Africa 2009, the Company's remuneration policy should be tabled to the Shareholders for a non-binding advisory vote at the Annual General Meeting. Accordingly, the Shareholders are requested to endorse the Company's remuneration policy by way of a non-binding advisory vote in the same manner as an ordinary resolution.

6. Financial assistance to related or inter-related companies and others

Special resolution number 1: Financial assistance to related or inter-related companies and others

"In terms of, and subject to, the provisions of section 45 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the requirements of the Company's MOI, the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") from time to time), and subject to compliance with section 45 of the Companies Act, at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the Company of any direct or indirect financial assistance contemplated in the Companies Act to a director or prescribed officer of the Company or of a related or inter-related company, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related company or corporation and/or to any persons related or inter-related to any such companies, corporations, directors, prescribed officers or members, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the Board, or any 1 (one) or more persons authorised by the Board from time to time for such purpose, may determine from time to time."

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 1 is that the Company will have the necessary authority to provide such financial assistance to a director or prescribed officer of the Company or of a related or inter-related company, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related or inter-related company or corporation and/or to any persons related to any such companies, corporations, directors, prescribed officers or members, as contemplated in special resolution number 1 as and when required to do so. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

7. Non-executive directors' remuneration

Special resolution number 2: Remuneration of non-executive Directors

"Resolved that the annual remuneration of the non-executive Directors of the Company in their capacity as Directors for the period 1 October 2014 to 30 September 2015 as reflected below, be and is hereby approved.

| | R |
|--|---------|
| As chairman of the Board | 553 500 |
| As lead independent Director | 261 500 |
| As a member of the Board | 194 250 |
| As chairman of the audit committee | 153 250 |
| As a member of the audit committee | 76 500 |
| As chairman of the remuneration and nominations committee | 104 750 |
| As a member of the remuneration and nominations committee | 63 250 |
| As chairman of the risk committee | 104 750 |
| As a member of the risk committee | 63 250 |
| As chairman of the social, ethics and transformation committee | 104 750 |
| As a member of the social, ethics and transformation committee | 63 250 |

and in addition that non-executive Directors be paid an amount of R2 000 (two thousand rand) 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 Company's remuneration and nominations committee and the chief executive officer."

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to approve the annual remuneration of the non-executive Directors of the Company to be paid for their services in their capacity as Directors only and their rate of remuneration for ad hoc services in extraordinary circumstances, in accordance with section 66(9) of the Companies Act, for the year ending 30 September 2015.

8. General authority to repurchase shares

Special resolution number 3: General authority to repurchase shares

"Resolved that the Company hereby approves, as a general approval for purposes of section 48 of the Companies Act, the acquisition 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 may from time to time determine, but subject to the Company's MOI, the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that the Company and its subsidiaries shall only be authorised to make a general repurchase of shares on such terms and conditions as the Board may deem fit, provided that the following JSE Listings Requirements (as they may be amended from time to time) are met:

- 8.1 any such acquisition 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;

NOTICE OF ANNUAL GENERAL MEETING *continued*

- 8.2 any such repurchase of ordinary shares is authorised by the Company's MOI;
- 8.3 at any point in time, the Company may only appoint one agent to effect any repurchase(s) on its behalf;
- 8.4 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;
- 8.5 a paid press announcement containing full details of the acquisitions will be published not later than 08:30 on the business day following the date on which the Company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% (three per cent) in aggregate of the initial number of that class acquired thereafter;
- 8.6 acquisitions by the Company of shares in the share capital of the Company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) of the Company's issued share capital or where such acquisitions relate to acquisition/s of shares in the share capital of the Company by a subsidiary/ies not more than 10% (ten per cent) of the Company's issued share capital, in aggregate, held by or for the benefit of the Company's subsidiaries;
- 8.7 in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the Company or its subsidiaries;
- 8.8 the Company and/or its subsidiaries are not acquiring shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- 8.9 any acquisitions are subject to exchange control approval at that point in time."

Reason for and effect of special resolution number 3

The reason for this special resolution is to grant the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the acquisition 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 effect of the passing of this special resolution will be to authorise the Company or any of its subsidiaries to acquire shares issued by the Company.

The Directors are of the opinion that it would be in the best interests of the Company to extend the current authority for the repurchase of shares by the Company or its subsidiaries, allowing the Company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the Company through the order book of the JSE, should the market conditions and price, as well as the financial position of the Company, justify such action, as determined by the Directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the Directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the Company and its Shareholders.

Statement by the Board regarding special resolution number 3 Pursuant to and in terms of the JSE Listings Requirements, the Board hereby states that:

- a) the intention of the Directors is to utilise the general authority to acquire 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;
- b) in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the Directors will only make the acquisition if at the time of the acquisition:
 - the general repurchase has been authorised by the Board by resolution;
 - it reasonably appears that the Company and the Group will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the general repurchase;
 - the Board has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the Company and the Group will satisfy the solvency and liquidity test immediately after completing the general repurchase;
 - the Company and the Group will 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 the general repurchase;

- the assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the Company and the Group for the next 12 (twelve) months after the date of the general repurchase;
- the issued share capital and reserves of the Company and the Group will be adequate for ordinary business purposes of the Company or any acquiring subsidiary for the next 12 (twelve) months after the date of the general repurchase; and
- the working capital available to the Company and the Group will be sufficient for ordinary business purposes for the next 12 (twelve) months after the date of the general repurchase.

For purposes of considering special resolution number 3 and in compliance with paragraph 11.26(b) of the JSE Listings Requirements:

- the integrated report accompanying this Notice provides details of
 - the major Shareholders of the Company on page 114;
 - the share capital of the Company in note 19 on pages 33 and 34 of the AFS, and an analysis of Shareholders (including beneficial Shareholders who hold 5% or more of the issued share capital of the Company – and of which the Company is aware, but who are not registered Shareholders) on page 114.

Material changes (paragraph 11.26(b)(iii) of the JSE Listings Requirements):

There have been no material changes to the Company and the Group's financial or trading position (other than as disclosed in the accompanying integrated report and AFS) since 30 September 2014.

Directors' responsibility statement

For purposes of special resolution number 3, the Directors, whose names are given on pages 86 to 89 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information given 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 statement by the Board above contains all information required by law and the JSE Listings Requirements.

9. Issue of shares or granting of options to directors and prescribed officers

Special resolution number 4: Issue of shares or granting of options to directors and prescribed officers

"Resolved that, in terms of section 41(1) of the Companies Act that Shareholders hereby approve the issue of shares or securities convertible into shares, the granting of options for the allotment of subscription of shares or other securities and/or the granting of any other rights exercisable for securities to be issued or granted in terms of the Oceana

2013 Share Incentive Plan to directors, future directors, prescribed officers or future prescribed officers of the Company or to persons related or inter-related to the Company or to a director or prescribed officer of the Company, or to nominees of such persons insofar as same is permitted under the Oceana 2013 Share Incentive Plan, on the terms and conditions as set out therein."

Reason for and effect of special resolution number 4

The reason for special resolution number 4 is to obtain approval from Shareholders so as to enable the Company to issue shares and grant options to directors, future directors, prescribed officers or future prescribed officers of the Company or persons related or inter-related to the Company or to directors or prescribed officers of the Company or nominees thereof. The effect of special resolution number 4 is that the Company will have the necessary authority to issue such shares and grant such options to the persons contemplated in special resolution number 4 in accordance with the Oceana 2013 Share Incentive Plan

10. To authorise the Directors to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this Notice:

Ordinary resolution number 4: Authorisation of Directors

"Resolved that any Director of the Company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1 to 3 and special resolutions 1 to 4 which are passed by the Shareholders."

11. To present the social, ethics and transformation committee report, referred to under item 1 above, of the Company and the Group for the year ended 30 September 2014.

In terms of regulation 43(5)(c) of the Companies Act, the Company must present the social, ethics and transformation committee report at the Annual General Meeting of the Company. The social, ethics and transformation report is set out on page 102 of the integrated report of which this Notice forms part.

12. To transact such other business as may be transacted at an annual general meeting.

The percentage of voting rights of the votes, present in person, represented or by proxy at the Annual General Meeting, required for the passing of each special resolution proposed above is at least 75% (seventy five per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

As the approval of the remuneration report is not a matter that is required to be resolved or approved by Shareholders, no minimum voting threshold is required for the non-binding advisory vote. Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the remuneration report is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

NOTICE OF ANNUAL GENERAL MEETING *continued*

General instructions and information

All Shareholders are encouraged to attend, speak and vote at the Annual General Meeting and are entitled to appoint a proxy to attend, participate in and vote at the Annual General Meeting in the place of the Shareholder, or to appoint two or more proxies concurrently. The proxy duly appointed to act on behalf of a Shareholder need not also be a Shareholder. On a show of hands, every Shareholder present in person or represented shall have 1 (one) vote only. On a poll, every Shareholder present in person, by proxy or represented shall have 1 (one) vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own-name dematerialised Shareholder (i.e. have specifically instructed your Central Securities 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 (who need not also be a Shareholder) to represent you at the Annual General Meeting by completing the attached form of proxy and, for administrative reasons, returning it to the office of the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the transfer secretaries in South Africa at the addresses on the inside back cover of the integrated report (see Administration) less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting). Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act.

Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited (Strate)), held through a CSDP or broker and are not registered as an "own name" dematerialised Shareholder, you are not a registered Shareholder of the Company, but appear on the subregister of the

Company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the Annual General Meeting but wish to be represented at the Annual General Meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, 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 owner on behalf of whom they hold dematerialised shares in the Company, may 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, for administrative reasons, returning it to the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the Company's transfer secretaries in South Africa at the addresses on the inside back cover of the integrated report (see "Administration") less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting).

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them.

Shareholders which are companies and wish to participate in the Annual General Meeting may authorise any person to act as their representative at the Annual General Meeting.

By order of the Board

OCEANA GROUP LIMITED

per: JC Marais
Company secretary

4 December 2014

FORM OF PROXY



Annual General Meeting Thursday, 12 February 2015

Oceana Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1939/001730/06)
JSE Share code: OCE
NSX Share code: OCG
ISIN: ZAE000025284
("the Company")

For use at the Annual General Meeting of shareholders of the Company ("Shareholders") to be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 on Thursday, 12 February 2015, at 14:00 ("Annual General Meeting") and at any adjournment or postponement thereof.

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, as the case may be, unless they are recorded on the subregister as "own-name" dematerialised Shareholders ("own-name dematerialised Shareholders"). Generally, a Shareholder will not be an own name dematerialised Shareholder unless the Shareholder has specifically requested the CSDP to record the Shareholder as the holder of the shares in the Shareholder's 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 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) to attend, speak and vote in place of that Shareholder at the Annual General Meeting and any adjournment or postponement thereof.

Please note the following:

- the appointment of a proxy will be suspended at any time and to the extent that a Shareholder chooses to act directly and in person in the exercise his/her rights as a Shareholder at the Annual General Meeting;
- the appointment of the proxy is revocable; and
- a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company; and
- unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

Please note that any Shareholder of the Company which is a company may authorise any person to act as its representative at the Annual General Meeting. Please also note that section 63(1) of the Companies Act, 71 of 2008, as amended ("Companies Act") requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my behalf at the Annual General Meeting, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the Annual General Meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the Annual General Meeting by no later than 14:00 on Wednesday, 11 February 2015, being 24 hours before the Annual General Meeting to be held at 14:00 on Thursday, 12 February 2015; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my behalf at the Annual General Meeting.

Refer to notes that follow the resolutions.

To be returned to the transfer secretaries of Oceana Group Limited, namely

Computershare Investor Services Proprietary Limited
70 Marshall Street Johannesburg 2001
PO Box 61051 Marshalltown 2107

as soon as possible to be received, for administrative reasons, not later than 24 hours before the Annual General Meeting.

FORM OF PROXY *continued*

I/we (full names) _____

of (address) _____

Telephone: Work _____ Cell _____ Home _____

being a shareholder(s) of the Company, holding _____ shares in the Company

hereby appoint (refer note 1): _____ or failing him/her

_____ or failing him/her

or failing him/her the chairman of the Annual General Meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned Annual General Meeting of Shareholders which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the Annual General Meeting 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:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of shares in respect of which you desire to vote (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

Votes

| Resolution | For | Against | Abstain |
|---|-----|---------|---------|
| 1.1 Ordinary resolution number 1.1: Re-election of ZBM Bassa as director | | | |
| 1.2 Ordinary resolution number 1.2: Re-election of MA Brey as director | | | |
| 1.3 Ordinary resolution number 1.3: Re-election of S Pather as director | | | |
| 1.4 Ordinary resolution number 1.4: Re-election of NV Simamane as director | | | |
| 2. Ordinary resolution number 2: Appointment of Deloitte & Touche as auditor | | | |
| 3.1 Ordinary resolution number 3.1: Election of ZBM Bassa as audit committee member | | | |
| 3.2 Ordinary resolution number 3.2: Election of PG de Beyer as audit committee member | | | |
| 3.3 Ordinary resolution number 3.3: Election of S Pather as audit committee member | | | |
| 4. Non-binding advisory vote: Approve the Company's remuneration policy | | | |
| 5. Special resolution number 1: Approve and authorise the provision of financial assistance by the Company as contemplated in section 45 of the Companies Act | | | |
| 6. Special resolution number 2: Approve the non-executive directors' remuneration in their capacity as directors only | | | |
| 7. Special resolution number 3: General approval and authorisation for the repurchase of shares by the Company or its subsidiaries | | | |
| 8. Special resolution number 4: Approve the issue of shares or granting of options to directors and prescribed officers in terms of section 41(1) of the Companies Act. | | | |
| 9. Ordinary resolution number 4: Authorisation for the Directors to do all such things, sign all such documents and to do all such things as may be necessary for or incidental to the implementation of the special and ordinary resolutions contemplated herein | | | |

Signed at _____ on this _____ day of _____ 2015

Signature _____

assisted by (where applicable) signature _____

Name of signatory _____ Name of assistant _____

Capacity _____ Capacity _____

(Authority of signatory to be attached if applicable – see note 6)

Summary of Shareholder's rights in respect of proxy appointments as contained in section 58 of the Companies Act.

Please note that in terms of section 58 of the Companies Act:

- this proxy form must be dated and signed by the Shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a Shareholder, to participate in and speak and vote at the Annual General Meeting on your behalf and may appoint more than one proxy to exercise voting rights attached to shares held by you;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the Company (at the venue of the Annual General Meeting), or (by the time specified in this proxy form) to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- if this proxy form has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the Annual General Meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then on the basis set out above.

The proxy form shall be valid and shall apply to any adjournment or postponement of the Annual General Meeting to which it relates and shall apply to any resolution proposed at the Annual General Meeting to which it relates and to such resolution as modified or amendment including any such modified or amended resolution to be voted on at any adjourned or postponed meeting of the Annual General Meeting to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

Please also read the notes overleaf.

FORM OF PROXY *continued*

Notes relating to form of proxy

1. A certificated or own-name dematerialised Shareholder or nominee of a CSDP or broker registered as a Shareholder 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 proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy.
2. A Shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised 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, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the Shareholder.
3. Proxy forms should be lodged with the Company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, or posted to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy should, for administrative reasons, be received by or lodged with the Company's transfer secretaries by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the Annual General Meeting (i.e. by 14:00 on Wednesday, 11 February 2015) but may be furnished to the chairman of the Annual General Meeting or his nominee at the time and venue of the Annual General Meeting (or any postponement or adjournment thereof) before your proxy exercises any of your Shareholder rights at such Annual General Meeting.
4. The completion and lodging of this proxy form will not preclude the relevant Shareholder from attending the Annual General Meeting (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.
5. 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 Shareholders, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's transfer secretaries or waived by the chairman of the Annual General Meeting if he is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered as Shareholders 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's transfer secretaries together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but will only be validly made if such alteration or correction is accepted by the chairman of the Annual General Meeting.
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's transfer secretaries.
9. Certificated Shareholders which are a Company or body corporate may by resolution of their directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
10. The chairman of the Annual General Meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the Company's transfer secretaries or the registered office of the Company.
12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised Shareholder, then you are not a Shareholder of the Company, but appear as the holder of a beneficial interest on the relevant subregister of the Company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
 - if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; 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, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, 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 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's transfer secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

CORPORATE INFORMATION AND ADVISORS

Company secretary and address

JC Marais
9th Floor, Oceana House
26 Jan Smuts Street
Foreshore
Cape Town, 8001
(PO Box 7206, Roggebaai, 8012)

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Corporate law advisor

Edward Nathan Sonnenbergs Inc
(Registration Number: 2006/018200/21)
1 North Wharf Square
Loop Street
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Sponsor

The Standard Bank of South Africa Limited
3rd Floor, East Wing
30 Baker Street
Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Sponsor in Namibia

Old Mutual Investment Services (Namibia) Proprietary Limited
Member of the Namibian Stock Exchange
(Registration number: 2004/081)
5th Floor, Mutual Platz
Post Street Mall
Windhoek, Namibia
(PO Box 25549, Windhoek, Namibia)

Receiving office in Namibia

Transfer Secretaries Proprietary Limited
Shop 8 Kaiser Krone Centre
Post Street Mall
Windhoek, Namibia
Fax number: (061 248531)

Date of Incorporation: 30 July 1918

Place of Incorporation: South Africa

Sponsor



Corporate Law Advisor



Transfer secretaries



Sponsor in Namibia



Old Mutual Investment Services
(Namibia)

Receiving office in Namibia

Transfer Secretaries Proprietary Limited

GLOSSARY

ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

| | |
|--------------|---|
| AFS | Annual financial statements |
| Aids | Acquired immune deficiency syndrome |
| B-BBEE | Broad-based black economic empowerment |
| BCP | Blue Continent Products Proprietary Limited |
| CAGR | Compound annual growth rate |
| CCS | Commercial Cold Storage Group Limited |
| CEO | Chief Executive Officer |
| CSI | Corporate social investment |
| DAFF | Department of Agriculture, Forestry and Fisheries |
| DIFR | disabling injury frequency rate |
| dti | Department of Trade and Industry |
| EU | European Union |
| FAWU | Food and Allied Workers Union |
| GHG | Greenhouse gas |
| grt | gross registered tons |
| GSS | Group Strategic Services |
| HEPS | Headline earnings per share |
| HIV | Human immunodeficiency virus |
| HR | Human resources |
| IFFO RS | The International Fishmeal and Fish Oil Organisation Responsible Supply |
| IFRS | International Financial Reporting Standards |
| IQF | Individually quick frozen |
| IS | Information System |
| IT | Information technology |
| JSE | Johannesburg Stock Exchange |
| LBF | Lamberts Bay Foods Limited |
| LSM | Living standards measure |
| MFMR | Ministry of Fisheries and Marine Resources |
| MSC | Marine Stewardship Council |
| NGO | Non-governmental organisation |
| NSX | Namibian Stock Exchange |
| Oceana Group | Oceana Group Limited and subsidiaries |
| PMCL | Precautionary maximum catch limit |
| QSR | Quick service restaurant |
| RFA | Responsible Fisheries Alliance |
| RSW | Refrigerated sea water |
| SAMSA | South African Maritime Safety Association |
| SASSI | Southern African Sustainable Seafood Initiative |
| SENS | Stock Exchange News Service |
| TAC | Total allowable catch |
| TAE | Total allowable effort |
| TALFU | Trawler and Line Fishermen's Union |
| USA | United States of America |
| WWF | World Wide Fund for Nature |
| ZAR | South African rand |

People featuring on the inside cover

Xolile Somaxama
Charl Jones
Jenifer Cloete
Khuthazwa Besuthu
Siyakudumisa Ngesi
Monde Nokhemane
Thembinkosi Magxidolo
Wendy Coetzee
Sandy Coetzee
Jason Pharo
Geraldne Arendse
Jan Klaasen
Jerome Kuilers
Jenene Manus
Medan-Lee Poggenpoel
Thozama Holose
Angelo van Wyk
Gregory Boyce
Thandisizwe Mase
Julio Phillips
Anele Matu
Mandlenkosi Phephu
Melikhaya Mkhungeki
Charoll Coetzee
Mzwamadodoa Gwilikana
Muhktaar Wilson
Elizabeth Linde
Lucinda Engelbrecht
Christel Gyster
Glendon Achilles
A Groenwald
Wayne Taylor
Polene Pillay
Michann Blaauw
Thimity Koozen
Anna Groenwald
Manzana Spondo
Azola Ngesi
Lorette Smeda
Liezel Faro
Ellen Cleophas
Magaret Farmer
Zikhona Magadule
Anlodia Lategan
Mildred Saunders
Khutala Jeremiah
Letitia Snyders
Azola Ngesi
Elenore Louber

ADMINISTRATION

Registered office and business address

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town 8001
PO Box 7206, Roggebaai 8012
Telephone: National 021 410 1400
International +27 21 410 1400
Facsimile: +27 21 419 5979
E-mail: companysecretary@oceana.co.za
Website: www.oceana.co.za

Secretary

JC Marais (42)
BA LLB
Appointed in 2011

Company registration number

1939/001730/06

JSE share code

OCE

NSX share code

OCG

Company ISIN

ZAE000025284

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107
Telephone: +27 11 370 5000
Facsimile: +27 11 688 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) Proprietary Limited

SHAREHOLDERS' DIARY

Financial year-end
Annual general meeting

Reports and profit statements
Interim report
Announcement of annual results
Integrated report
Dividends

30 September
February

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



Oceana

GROWTH, SUSTAINABILITY, EFFICIENCY

GROUP AUDITED ANNUAL FINANCIAL STATEMENTS 2014



CONTENTS

| | |
|-----|---|
| 1 | Approval of annual financial statements |
| 1 | Preparation of annual financial statements |
| 1 | Report of the company secretary |
| 2 | Independent auditor's report |
| 3 | Report of the directors |
| 4 | Report of the audit committee |
| 6 | Accounting policies |
| 14 | Statements of comprehensive income |
| 15 | Statements of financial position |
| 16 | Statements of changes in equity |
| 18 | Statements of cash flows |
| 19 | Notes to the statements of cash flows |
| 20 | Notes to the annual financial statements |
| 50 | Interest in principal subsidiaries and joint ventures |
| 51 | Interest in joint operations |
| 52 | Quantitative effects of adopting IFRS 11 |
| 54 | Shareholder analyses |
| IBC | Administration |



Oceana Group Limited
Incorporated in the Republic of South Africa
(Registration Number 1939/001730/06)
(Oceana or the company or the group)

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and the company annual financial statements for the year ended 30 September 2014, which appear on pages 3 to 54, were approved by the board of directors on 6 November 2014 and signed on its behalf by:



MA Brey
Chairman



FP Kuttel
Chief executive officer

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and the company annual financial statements were prepared under the supervision of the group financial director, I Soomra CA(SA). These annual financial statements have been audited in compliance with the Companies Act, 71 of 2008 (the Companies Act).

REPORT OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that the company has lodged with the Commissioner all such returns as are required by the Companies Act, and that all such returns are true, correct and up to date.



JC Marais
Company secretary
6 November 2014

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

We have audited the consolidated and separate financial statements of Oceana Group Limited set out on pages 6 to 53, which comprise the statements of financial position as at 30 September 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Oceana Group Limited as at 30 September 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2014, we have read the report of the directors, the report of the audit committee and the report of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



Deloitte & Touche

Registered auditors
Per GG Fortuin
Partner
6 November 2014

National Executive: LL Bam (Chief Executive); AE Swiegers (Chief Operating Officer);
GM Pinnock (Audit); DL Kennedy (Risk Advisory); NB Kader (Tax); TP Pillay (Consulting);
K Black (Clients & Industries); JK Mazzocco (Talent & Transformation); MJ Jarvis (Finance); M Jordan (Strategy);
S Gwala (Managed Services); TJ Brown (Chairman of the Board); MJ Comber (Deputy Chairman of the Board);
Regional Leader: MN Alberts

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

REPORT OF THE DIRECTORS

The directors submit their report which forms part of the annual financial statements for the year ended 30 September 2014.

Nature of business and operations

The group consists of a number of operating subsidiaries and joint ventures in the fishing and commercial cold storage industries. The group engages in the catching, processing and procurement of various marine species, including pilchard, anchovy, redeye herring, tuna, lobster, squid, horse mackerel and hake. In addition, the company also carries on the business of investing funds surplus to its immediate requirements and providing funding and management services to subsidiaries.

Share capital

During the year under review 12 000 shares (2013: 85 000 shares) were allotted in terms of the company's share option scheme, increasing the issued share capital by R12 (2013: R85). Premiums totalling R0,2 million (2013: R1,4 million) 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.

The company's shares are listed on the JSE Limited (JSE share code: OCE) and the Namibian Stock Exchange (NSX share code: OCG).

Financial results

The results for the year under review are reflected in the statements of comprehensive income on page 14.

Special resolutions

During the year the company's shareholders passed five special resolutions: to approve and authorise the provision of financial assistance by the company as contemplated in section 45 of the Companies Act; to approve the non-executive directors' remuneration in their capacity as directors only; to grant general approval and authorisation to repurchase the issued shares by the company or its subsidiaries; to approve the adoption of the Oceana 2013 Share Incentive Scheme for executive directors and senior managers and to approve and authorise the issue of shares or granting of options to directors and prescribed officers of the company.

Dividends

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

Property, plant and equipment

Capital expenditure during the year amounted to R24,6 million on expansion (2013: R23,2 million) and R134,4 million on replacement assets (2013: R104,0 million). During the year there was no major change in the nature of the assets nor in the policy relating to their use. Further details are disclosed in note 10.

Directors

The names of the present directors can be found on the inside back cover of the annual financial statements, along with the name, business and postal address of the company secretary.

Directors' interests in shares

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

| 2014 | Number of shares | | Aggregate |
|-------------|-------------------|---------------------|-----------|
| | Direct beneficial | Indirect beneficial | |
| ABA Conrad | 500 | 145 600 | 146 100 |
| PG de Beyer | 3 000 | | 3 000 |
| FP Kuttel | | 78 000 | 78 000 |
| I Soomra | | 62 200 | 62 200 |

2013

| | | | |
|-------------|-------|---------|---------|
| ABA Conrad | 500 | 123 500 | 124 000 |
| PG de Beyer | 3 000 | | 3 000 |

There have been no changes in the above interest since the year-end. No director holds 1% or more of the issued share capital of the company. Details of directors' individual interests in options held in terms of the Oceana Group (1985) Share Option and Share Purchase Schemes are set out in note 31.

Subsidiaries and joint ventures

Details of subsidiaries, joint ventures and joint operations are given in separate schedules on pages 50 and 51.

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:

| | 2014 R'000 | 2013 R'000 |
|--|---------------|---------------|
| Total profit after taxation attributable to shareholders of Oceana Group Limited | 564 320 | 491 016 |
| Total losses after taxation attributable to shareholders of Oceana Group Limited | 3 279 | 6 050 |

Going concern

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

Foodcorp acquisition

Further to the announcement released on the Stock Exchange News Service of the JSE on 8 May 2014 in respect of Oceana's acquisition of the fishing interests of Foodcorp Proprietary Limited ("Foodcorp"), as at 6 November 2014 a decision by the Competition Appeal Court was still pending.

Events subsequent to the reporting date

No events occurred subsequent to the reporting date that may have an impact on the group's and company's reported financial position at 30 September 2014, or that require separate disclosure.

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE COMMITTEE

The audit committee appointed by the shareholders on 13 February 2014 to hold office until the conclusion of the next annual general meeting (AGM) scheduled for 12 February 2015, comprises three independent non-executive directors of the company, being Mr S Pather (Chairman) [BBusSc; BCom (Hons); MBA (Cape Town)], Ms ZBM Bassa [BAcc (UDW); CA(SA)] and Mr PG de Beyer [BBusSc (Cape Town); FASSA]. The members possess the necessary expertise to perform the functions of an audit committee.

The agenda for the company's forthcoming AGM includes resolutions to be proposed to shareholders for the election of three of its independent non-executive directors to comprise the audit committee from that date.

CHARTER

The audit committee has a charter, approved by the board. The charter is reviewed annually and was updated this year.

The committee's responsibilities are detailed in the charter which can be viewed on our website. The committee's charter allows it to consult with specialists to assist it in the performance of its functions, subject to a board-approved process.

WORK PLAN AND MEETINGS

The committee adopted a formal work plan designed to structure execution of responsibilities over the year. The audit committee acts as such for Oceana's South African public company subsidiaries. It met twice during the year, with full attendance by all members. Attendance at meetings by directors who are not members of the committee and management is by way of invitation.

The committee provides a forum through which the external and internal auditors report to the board. The external and internal auditors attend committee meetings and have unrestricted access to the committee and its chairman at all times, ensuring that their independence is not impaired. Both the external and internal auditors have the opportunity of addressing the committee and its chairman at each of the meetings without management being present.

The committee reviews detailed reports from both the external and internal auditors. The chairman of the committee reports on the findings of the external and internal auditors at board meetings.

APPOINTMENT OF EXTERNAL AND INTERNAL AUDITORS

In terms of section 94 of the Companies Act the committee is required to nominate an independent registered external auditor, for appointment by the shareholders at the company's AGM. The committee has nominated Deloitte & Touche with Mr GG Fortuin as the designated partner for such appointment at the AGM scheduled for 12 February 2015.

Additionally, in terms of its charter, it is responsible for the appointment of the company's internal auditors. KPMG performed this function for the past year and were reappointed as internal auditors for the 2015 financial year.

The committee approves the fees of external and internal auditors and the scope of external non-audit services and internal audit services.

It is responsible for the maintenance of a professional relationship with both the external and internal auditors and oversees co-operation between these parties.

INDEPENDENCE OF EXTERNAL AUDITORS

The committee has formal rules regulating the services and conditions of use of non-audit services provided by the external auditors, governing, inter alia, compliance issues, taxation, company structure, information systems, organisational structure, remuneration structure, risk management services, audit certificates in relation to fishing rights, due diligence investigations and such other services as the committee may approve and permitted by legislation and regulations. The company's independent external auditors do not assist in the performance of any internal audit assignments. The nature and extent of all non-audit services provided by the external auditors are pre-approved and reviewed by the committee to ensure compliance with the company's policy. The committee is satisfied that the external auditors are independent of the company. The committee and management maintained a positive, objective and professional relationship with the partner responsible for the supervision and direction of the audit. The committee considered and determined the fees and terms of engagement of the external auditors.

INTERNAL AUDIT

The internal audit function is conducted by a professional firm of registered accountants and auditors, KPMG. They operate in terms of the internal audit charter, which was reviewed during the year, 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 by management to address identified internal control deficiencies.

In addition, the internal auditors followed up on all previously reported findings, and where progress against previously agreed management action is deemed insufficient, such findings are escalated to the audit committee in accordance with the reporting framework.

COMPLAINTS AND/OR CONCERNS

No complaints or concerns were received by the committee on any matters relating to the accounting practices and internal audit of the company, the content or auditing of the company's financial statements, the internal financial controls of the company or on any other related matter during the year under review.

GOING CONCERN

The committee reviewed the going concern assumptions as well as the solvency and liquidity tests required to be performed before payments of dividends and provision of financial assistance to related or inter-related parties as required by the Companies Act.

ASSURANCE

Each year the committee reviews, updates and approves an internal audit plan. The plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and Oceana management, taking into consideration the entire risk universe affecting Oceana. The internal audit plan approved for 2014 included reviews covering, in various entities, compliance with the Marine Living Resources Act No 18 of 1998, combined assurance, bonus incentive and phantom share option scheme, raw fish procurement, human resources processes, wages, rebates, customs and excise, reconciliations and journals, revenue and receivables, inventory and production, the disaster recovery process and review of the risk management process.

IS GOVERNANCE

Oceana's information systems (IS) are governed by a collection of documented policies and procedures. The IS charter, approved by the board, sets the overall purpose of the function, its management and security. Strategic planning for IS has a three-year time horizon. The IS department presents an annual governance report to the audit committee, covering, inter alia, policy, strategy, disaster recovery plans, security management and technical architecture. A new CIO, Joy Hilton, was appointed and took up her position on 1 June 2014.

INTERNAL CONTROLS

Oceana maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of accounting records and the financial statements and to adequately safeguard, verify and maintain accountability for its assets. The committee reviews the effectiveness of the procedures, policies and system of internal control adopted by group companies with reference to the findings of the external and internal auditors. In particular, the committee receives an opinion from the internal auditors on the design, implementation and effectiveness of the group's system of internal financial controls. Based on the overall ratings assigned, and in accordance with the assessment approach followed in terms of Oceana's rating framework, the group's system of internal control is assessed to be effective.

RISK MANAGEMENT

The committee has oversight of fraud and information technology risks. The committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as they relate to financial reporting.

COMPLIANCE AND ETHICS

An ethics report was provided to the committee during the year under review. The report dealt with principles and issues of a compliance and ethical nature in the group's business. Three incidents of fraud were identified. These matters were thoroughly investigated. Disciplinary action is underway against those employees implicated in the fraudulent activity. Criminal charges have been laid in all three cases.

The provisions of the King III code, as they pertain to audit committees, were adhered to. The committee has considered the expertise and experience of the group financial director in terms of the Listings Requirements of the JSE and concluded that the financial director's expertise and experience meet the appropriate requirements. The committee is satisfied that the expertise, resources and experience of the company's finance function is satisfactory.

Nothing has come to the attention of the directors, or to the attention of the external or internal 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.

STATUTORY DUTIES

The committee has complied with its statutory obligations and discharged its duties in accordance with its mandate and charter.

The committee has performed the following specific statutory duties:

- considered and nominated the external auditors for appointment at the AGM;
- determined the fees to be paid to the auditors and the auditors' terms of engagement;
- determined the nature and extent of non-audit services;
- pre-approved any proposed agreement with the auditors for the provision of non-audit services;
- prepared this report, which is included in the annual financial statements;
- received and dealt appropriately with concerns and complaints as required;
- made submissions to the board on matters concerning the company's accounting policies, financial controls, records and reporting; and
- performed oversight functions as determined by the board.

CONCLUSION

In signing this report on behalf of the audit committee, I would like to thank my fellow committee members, the external and internal auditors and management for their contributions to the committee during the year.



S Pather

Audit committee chairman

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these group and company annual financial statements (AFS) are set out below and are consistent in all material respects with those applied during the previous year with the exception of the application of IFRS 11 Joint Arrangements.

1. BASIS OF PREPARATION

The group and company AFS 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 South African rand and all amounts are rounded to the nearest thousand, except when otherwise indicated.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF CONSOLIDATION

The group AFS incorporates the AFS of the company and entities (including structured entities) controlled by the company and its subsidiaries.

Control is achieved when the company has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the AFS of subsidiaries to bring their accounting policies into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the previous carrying amount at the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable the cost on initial recognition of an investment in an associate or a joint venture.

4. INTERESTS IN JOINT VENTURES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity

method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the joint venture. When the group's share of losses of a joint venture exceeds the group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investment becomes a joint venture. On acquisition of the investment in an joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 Financial Instruments: Recognition and Measurement are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former joint venture and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that joint

venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the group reduces its ownership interest in an joint venture but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an a joint venture of the group, profits and losses resulting from the transactions with the joint venture are recognised in the group's consolidated AFS only to the extent of interests in the joint venture that are not related to the group.

5. INTERESTS IN JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's consolidated AFS only to the extent of other parties' interests in the joint operation.

ACCOUNTING POLICIES CONTINUED

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells the assets to a third party.

6. FOREIGN CURRENCY TRANSLATION

The financial results of entities in the group 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 reporting 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 statement of comprehensive income 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 reporting date. Income, expenses and equity 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 operation are translated at the closing rate on the reporting 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 statement of comprehensive income.

7. 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 implicit in the instrument.

Dividend income

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

8. EMPLOYEE BENEFITS

Short-term employee benefits

Remuneration of employees is recognised in the statement of comprehensive income 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 statement of comprehensive income 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.

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.

9. 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 to the company's listed shares.

Qualifying black employees receive empowerment benefits in the form of equity-settled share-based

payments through their participation in the Oceana Empowerment 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 in the share-based payment reserve, over the vesting period. The cumulative expense recognised for share options granted at each reporting 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 charge or credit recognised in the statement of comprehensive income for a period represents the movement in the 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 reporting date and the liability is remeasured up to and including the settlement date with changes in fair value recognised in the statement of comprehensive income.

10. 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 statement of comprehensive income 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.

11. RESEARCH AND DEVELOPMENT COSTS

Expenditure on research and development is recognised in the statement of comprehensive income in the year in which it is incurred.

12. INTEREST PAID

Interest paid is accrued and recognised in the statement of comprehensive income at the effective interest rate

relating to the relevant financial liability, in the period in which it is incurred.

13. TAXATION

The income tax expense consists of current tax, deferred tax 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 reporting 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 for all temporary differences at the reporting 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 reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part, or all, of the asset to be utilised, the carrying value of the deferred tax asset is reduced.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting date.

Deferred tax assets and liabilities are off-set 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.

Foreign withholding taxes

Foreign withholding taxes are recognised as part of the current tax charge in the statement of comprehensive income when the related dividend receivable has been declared and when directors' fees are receivable.

14. DIVIDENDS

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

15. 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.

ACCOUNTING POLICIES CONTINUED

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 are 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 statement of comprehensive income 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 statement of comprehensive income.

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 ranges of depreciation rates apply on initial recognition:

| | % per annum |
|--------------------------|-------------|
| Buildings – freehold | 5 |
| Buildings – leasehold | 5 – 10 |
| Plant and equipment | 10 – 20 |
| Office equipment | 10 – 50 |
| Motor vehicles | 20 – 25 |
| 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 statement of comprehensive income 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 periods.

16. 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 statement of comprehensive income.

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 12 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.

17. INTANGIBLE ASSETS

Intangible assets consist of goodwill (see note 16), trademarks, computer software 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.

Costs associated with developing or maintaining software are recognised as an expense when incurred. Costs that are directly associated with the development of identifiable and unique software controlled by the Group, and that will probably generate future economic benefits beyond one year, are recognised as intangible assets.

Subsequent measurement

Intangible assets 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

Intangible assets are 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 of the intangible assets, 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 intangible assets.

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.

18. FINANCIAL INSTRUMENTS

Financial assets

Financial assets recognised in the statement of financial position 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 Proprietary Limited which are held at cost plus preference dividends accrued, but not yet declared, less repayments received. Other investments consist of unlisted equities. They are recorded at original cost, subject to an annual impairment review.

Loans are stated at their amortised costs, 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 statement of cash flows, 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 statement of comprehensive income when there is objective evidence that the asset is impaired. Amounts considered irrecoverable are written off against the provision, and recovery of amounts subsequently written off are recognised in the statement of comprehensive income.

Financial instruments are off-set when the group has a legally enforceable right to off-set 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.

ACCOUNTING POLICIES CONTINUED

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.

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.

Financial liabilities

Financial liabilities are initially recorded at cost and subsequently measured at amortised cost.

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 statement of comprehensive income in the period 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 statement of comprehensive income. 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.

19. 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.

20. 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 statement of comprehensive income.

21. TREASURY SHARES

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

22. PROVISIONS

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

23. EVENTS AFTER REPORTING DATE

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

24. USE OF ESTIMATES AND JUDGEMENTS IN THE PREPARATION OF ANNUAL FINANCIAL STATEMENTS

In the preparation of the AFS, 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 are 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 and the trademark;
- 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; and
- 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.
- in the determination of unanimous consent in relation to parties sharing control, used for the classification between joint venture or joint operation.

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

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Accounting Standards and Interpretations issued but not yet effective

At the date of approval of these financial statements, the following relevant new or revised standards and interpretations were in issue, but not yet effective:

Standards and Interpretation applicable to Oceana for the year ending September 2015:

- IAS 32 Financial Instruments: Presentation (amendments)
- IAS 36 Impairment of Assets (amendments)
- IFRIC 21 Levies
- IFRS 2 Share-based payments (amendments)
- IFRS 3 Business combinations (amendments)
- IFRS 8 Operating segments (amendments)
- IFRS 10 Consolidated Financial Statements (amendments)
- IFRS 13 Fair Value Measurement (amendments)
- IAS 19 Employee Benefits (amendments)
- IAS 38 Intangible Assets (amendments)
- IAS 39 Financial Instruments (amendments)

Standards applicable to Oceana for the year ending September 2016:

- IFRS 7 Financial Instruments: Disclosures (amendments)
- IAS 16 Property, Plant and Equipment (amendments)

Standards applicable to Oceana for the year ending September 2017:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (amendments)
- IFRS 11 Joint Arrangements (amendments)
- IAS 28 Investments in Associates and Joint Ventures (amendments)
- IAS 34 Interim Financial Reporting (amendments)

Standard applicable to Oceana for the year ending September 2018;

- IFRS 15 Revenue from Contracts with Customers

Standard applicable to Oceana for the year ending September 2019;

- IFRS 9 Financial Instruments

The group has decided not to early adopt any of these new or revised standards.

Adoption of new and revised standards

During the year the group adopted the following revised standards:

- IFRS 7 Financial Instruments: Disclosures (amendments)
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Financial Statements (amendments)
- IAS 16 Property, Plant and Equipment (amendments)
- IAS 19 Employee Benefits (amendments)
- IAS 27 Separate Financial Statements (amendments)
- IAS 28 Investments in Associates and Joint Ventures
- IAS 32 Financial Instruments: Presentation (amendments)
- IAS 34 Interim Financial Reporting (amendments)

EFFECT OF RESTATEMENT OF PRIOR PERIODS

The adoption of IFRS 11 resulted in the restatement of certain financial statement line items for the prior periods disclosed. The group previously accounted for joint ventures using the proportionate consolidation method. IFRS 11 requires joint ventures to be accounted for using the equity method of accounting. The group has applied IFRS 11 retrospectively in accordance with the transitional provisions contained within IFRS 11. The 2013 results and the 2012 statement of financial position have been restated accordingly.

The restatements had no impact on the net asset value of the group, refer to pages 52 and 53 for the quantitative effect.

The application of the standard did not impact the basic and diluted earnings per share previously reported.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2014

| | | Group | | Company | |
|---|-------|------------------|-------------------|----------------|----------|
| | | 2014 | Restated* 2013 | 2014 | 2013 |
| | Notes | R'000 | R'000 | R'000 | R'000 |
| Revenue | 1 | 5 039 134 | 4 701 224 | 129 983 | 157 544 |
| Cost of sales | | 3 062 606 | 2 833 604 | | |
| Gross profit | | 1 976 528 | 1 867 620 | 129 983 | 157 544 |
| Sales and distribution expenditure | | 500 320 | 458 384 | | |
| Marketing expenditure | | 57 804 | 63 489 | | |
| Overhead expenditure | | 599 358 | 675 526 | 122 564 | 148 034 |
| Net foreign exchange gain | | (37 196) | (43 292) | | |
| Operating profit before joint venture income | 2 | 856 242 | 713 513 | 7 419 | 9 510 |
| Joint venture income | 14 | 23 324 | 30 046 | | |
| Operating profit before abnormal items | | 879 566 | 743 559 | 7 419 | 9 510 |
| Abnormal items | 4 | | | (276) | (635) |
| Operating profit | | 879 566 | 743 559 | 7 143 | 8 875 |
| Investment income | 5 | 13 273 | 16 451 | 420 278 | 242 285 |
| Interest paid | 6 | (17 102) | (7 485) | (9 573) | (12 623) |
| Profit before taxation | | 875 737 | 752 525 | 417 848 | 238 537 |
| Taxation | 7 | 266 818 | 228 135 | 3 129 | 3 071 |
| Profit after taxation | | 608 919 | 524 390 | 414 719 | 235 466 |
| Other comprehensive income | | | | | |
| <i>Items that may be re-classified subsequently to profit or loss</i> | | | | | |
| Movement on foreign currency translation reserve | | 6 205 | 6 223 | | |
| Movement on cash flow hedging reserve | | (7 346) | 8 787 | | |
| Other comprehensive income, net of taxation | | (1 141) | 15 010 | | |
| Total comprehensive income for the year | | 607 778 | 539 400 | | |
| Profit after taxation attributable to: | | | | | |
| Shareholders of Oceana Group Limited | | 573 931 | 491 016 | | |
| Non-controlling interests | | 34 988 | 33 374 | | |
| | | 608 919 | 524 390 | | |
| Total comprehensive income attributable to: | | | | | |
| Shareholders of Oceana Group Limited | | 572 790 | 506 026 | | |
| Non-controlling interests | | 34 988 | 33 374 | | |
| | | 607 778 | 539 400 | | |
| Earnings per share (cents) | 8 | | | | |
| – Basic | | 571,6 | 489,5 | | |
| – Diluted | | 517,0 | 444,8 | | |
| Dividends per share (cents) | 9 | 377,0 | 322,0 | | |
| – Interim paid | | 106,0 | 100,0 | | |
| – Final declared after reporting date | | 271,0 | 222,0 | | |

* Restated due to the adoption of IFRS 11, refer to page 13.

STATEMENTS OF FINANCIAL POSITION

at 30 September 2014

| | Notes | Group | | Company | |
|--|-------|------------------|----------------------------|----------------|---------------|
| | | 2014 R'000 | Restated* 2013 R'000 | 2014 R'000 | 2013 R'000 |
| ASSETS | | | | | |
| Non-current assets | | 859 640 | 814 277 | 182 756 | 171 474 |
| Property, plant and equipment | 10 | 512 342 | 458 200 | 4 446 | 10 722 |
| Intangible assets | 11 | 97 625 | 102 802 | 2 289 | |
| Deferred taxation | 12 | 24 119 | 28 502 | 17 158 | 19 357 |
| Investments and loans | 13 | 113 965 | 120 325 | 100 424 | 100 611 |
| Interest in subsidiaries and joint ventures | 14 | 111 589 | 104 448 | 35 361 | 35 361 |
| Oceana Group Share Trust | 15 | | | 1 733 | 2 820 |
| Oceana Empowerment Trust | 16 | | | 21 345 | 2 603 |
| Current assets | | 2 115 657 | 2 019 292 | 493 368 | 822 060 |
| Inventories | 17 | 838 615 | 1 213 169 | | |
| Accounts receivable | 18 | 900 818 | 681 872 | 10 044 | 5 674 |
| Taxation | | 32 221 | 13 048 | 4 205 | 268 |
| Amounts owing by subsidiaries and joint ventures | 14 | | | 381 660 | 798 798 |
| Cash and cash equivalents | | 344 003 | 111 203 | 97 459 | 17 320 |
| Total assets | | 2 975 297 | 2 833 569 | 676 124 | 993 534 |
| EQUITY AND LIABILITIES | | | | | |
| Capital and reserves | | 1 746 906 | 1 789 371 | 555 800 | 531 458 |
| Share capital and premium | 19 | 35 245 | 33 770 | 156 237 | 156 042 |
| Foreign currency translation reserve | | 11 708 | 5 503 | | (720) |
| Capital redemption reserve | | 130 | 130 | | 130 |
| Cash flow hedging reserve | 20 | 1 842 | 9 188 | | 401 |
| Share-based payment reserve | 26 | 65 202 | 59 337 | 8 072 | 6 599 |
| Distributable reserve | | 1 563 243 | 1 620 682 | 391 491 | 368 817 |
| Interest of own shareholders | | 1 677 370 | 1 728 610 | 555 800 | 531 458 |
| Non-controlling interests | | 69 536 | 60 761 | | 48 702 |
| Non-current liabilities | | 439 403 | 180 577 | 34 439 | 59 045 |
| Liability for share-based payments | 26 | 81 188 | 143 891 | 34 439 | 59 045 |
| Long-term loan | 21 | 300 000 | | | |
| Deferred taxation | 12 | 58 215 | 36 686 | | 40 369 |
| Current liabilities | | 788 988 | 863 621 | 85 885 | 403 031 |
| Accounts payable | 22 | 762 604 | 576 131 | 45 957 | 44 563 |
| Amounts owing to subsidiaries and joint ventures | 14 | | | 39 928 | 101 468 |
| Provisions | 23 | 9 168 | 9 265 | | 9 930 |
| Taxation | | 17 216 | 21 225 | | 92 200 |
| Bank overdrafts | | | 257 000 | | 257 000 |
| Total equity and liabilities | | 2 975 297 | 2 833 569 | 676 124 | 993 534 |

* Restated due to the adoption of IFRS 11, refer to page 13.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2014

| | Notes | Share capital and premium R'000 | Foreign currency translation reserve R'000 |
|--|-------|------------------------------------|---|
| Group | | | |
| Balance at 1 October 2012 | | 30 692 | (720) |
| Total comprehensive income for the year | | | 6 223 |
| Movement on foreign currency translation reserve | | | 6 223 |
| Movement on cash flow hedging reserve | 20 | | |
| Profit after taxation | | | |
| Share options exercised | | 1 365 | |
| Decrease in treasury shares held by share trusts | | 1 713 | |
| Recognition of share-based payments | 26 | | |
| Loss on sale of treasury shares | | | |
| Acquisition of additional shares in subsidiary | | | |
| Oceana Empowerment Trust dividend distribution | | | |
| Dividends | 9 | | |
| Balance at 30 September 2013 | | 33 770 | 5 503 |
| Total comprehensive income for the year | | | 6 205 |
| Movement on foreign currency translation reserve | | | 6 205 |
| Movement on cash flow hedging reserve | 20 | | |
| Profit after taxation | | | |
| Share options exercised | | 195 | |
| Decrease in treasury shares held by share trusts | | 1 280 | |
| Recognition of share-based payments | 26 | | |
| Loss on sale of treasury shares | | | |
| Distribution to Oceana Empowerment Trust beneficiaries | | | |
| Oceana Empowerment Trust dividend distribution | | | |
| Dividends | 9 | | |
| Balance at 30 September 2014 | | 35 245 | 11 708 |
| Company | | | |
| Balance at 1 October 2012 | | 154 677 | |
| Total comprehensive income for the year | | | |
| Share options exercised | | 1 365 | |
| Recognition of share-based payments | 26 | | |
| Dividends | 9 | | |
| Balance at 30 September 2013 | | 156 042 | |
| Total comprehensive income for the year | | | |
| Share options exercised | | 195 | |
| Recognition of share-based payments | 26 | | |
| Dividends | 9 | | |
| Balance at 30 September 2014 | | 156 237 | |

| 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 | Non- controlling interests R'000 | Total R'000 |
|---|--|--|-----------------------------------|--|---|--------------------------------|
| 130 | 401 8 787 | 57 144 | 1 496 893 491 016 | 1 584 540 506 026 | 48 702 33 374 | 1 633 242 539 400 |
| | 8 787 | | 491 016 | 6 223 8 787 491 016 | 33 374 | 6 223 8 787 524 390 |
| | | | | 1 365 | | 1 365 |
| | | 2 193 | | 1 713 | | 1 713 |
| | | | (470) | 2 193 (470) | 18 | 2 211 (470) |
| | | | (7 076) | (7 076) | (82) | (7 158) |
| | | | (2 711) | (2 711) | | (2 711) |
| | | | (356 970) | (356 970) | (21 251) | (378 221) |
| 130 | 9 188 (7 346) | 59 337 | 1 620 682 573 931 | 1 728 610 572 790 | 60 761 34 988 | 1 789 371 607 778 |
| | (7 346) | | 573 931 | 6 205 (7 346) 573 931 | 34 988 | 6 205 (7 346) 608 919 |
| | | 5 865 | (189) | 195 1 280 5 865 (189) | 10 | 195 1 280 5 875 (189) |
| | | | (291 524) | (291 524) | | (291 524) |
| | | | (10 176) | (10 176) | | (10 176) |
| | | | (329 481) | (329 481) | (26 223) | (355 704) |
| 130 | 1 842 | 65 202 | 1 563 243 | 1 677 370 | 69 536 | 1 746 906 |
| | | 6 536 | 558 540 235 466 | 719 753 235 466 | | 719 753 235 466 |
| | | 63 | | 1 365 63 | | 1 365 63 |
| | | | (425 189) | (425 189) | | (425 189) |
| | | 6 599 | 368 817 | 531 458 | | 531 458 |
| | | | 414 719 | 414 719 | | 414 719 |
| | | 1 473 | | 195 1 473 | | 195 1 473 |
| | | | (392 045) | (392 045) | | (392 045) |
| | | 8 072 | 391 491 | 555 800 | | 555 800 |

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2014

| | Notes | Group | | Company | |
|---|-------|---------------|----------------------------|---------------|---------------|
| | | 2014 R'000 | Restated* 2013 R'000 | 2014 R'000 | 2013 R'000 |
| Cash flow from operating activities | | | | | |
| Operating profit before joint venture income | | 856 242 | 713 513 | 7 419 | 9 510 |
| Adjustment for non-cash and other items | | 56 335 | 148 692 | (19 735) | 22 296 |
| Depreciation, amortisation and impairment | | 113 623 | 102 368 | 5 763 | 4 210 |
| Share-based payment expense | | 25 100 | 154 734 | 8 252 | 64 592 |
| Cash-settled share-based payment | | (81 928) | (106 059) | (33 753) | (46 506) |
| Net (surplus)/loss on disposal of property, plant and equipment | | (200) | 67 | 3 | |
| Loss on disposal of intangible assets | | 8 | | | |
| Surplus on disposal of fishing right | | | (2 418) | | |
| Surplus on disposal of joint venture | | (268) | | | |
| Cash operating profit before working capital changes | | 912 577 | 862 205 | (12 316) | 31 806 |
| Working capital changes | A | 325 800 | (468 732) | (3 443) | 13 485 |
| Cash generated from/(utilised in) operations | | 1 238 377 | 393 473 | (15 759) | 45 291 |
| Investment income received | | 24 476 | 9 886 | 411 893 | 233 272 |
| Interest paid | | (17 102) | (7 485) | (9 573) | (12 623) |
| Taxation paid | B | (264 090) | (317 873) | (4 099) | (10 522) |
| Distribution to Oceana Empowerment Trust beneficiaries | | (291 524) | | | |
| Dividends paid | C | (365 880) | (380 932) | (392 045) | (425 189) |
| Net cash inflow/(outflow) from operating activities | | 324 257 | (302 931) | (9 583) | (169 771) |
| Cash (outflow)/inflow from investing activities | | (147 383) | (128 265) | 408 067 | (324 687) |
| Replacement capital expenditure | | (134 358) | (103 990) | (1 000) | (8 776) |
| Expansion capital expenditure | | (24 592) | (23 182) | | |
| Replacement of intangible assets | | (4 436) | | (779) | |
| Proceeds on disposal of property, plant and equipment | | 990 | 3 800 | | |
| Proceeds on disposal of fishing right | | | 2 418 | | |
| Acquisition of businesses | D | | (10 450) | | |
| Acquisition of fishing rights | | | (26 695) | | |
| Repayment received on preference shares | | 8 573 | 39 377 | 8 573 | 39 377 |
| Net movement on loans and advances | | 6 172 | (5 848) | (17 931) | 2 467 |
| Acquisition of additional shares in subsidiary | E | | (7 158) | | |
| Loss of control over subsidiary | F | | 3 490 | | |
| Disposal/(acquisition) of joint venture | | 268 | (27) | | |
| Additions of investment | | | | (1) | |
| Movement on amounts owing by subsidiaries and joint ventures | | | | 419 205 | (357 755) |
| Cash inflow/(outflow) from financing activities | | 310 471 | 10 908 | (61 345) | 74 969 |
| Proceeds from issue of share capital | | 1 286 | 2 608 | 195 | 1 365 |
| Short-term borrowings raised | | 9 185 | 8 300 | | |
| Long-term loan raised | | 300 000 | | | |
| Movement on amounts owing to subsidiaries and joint ventures | | | | (61 540) | 73 604 |
| Net increase/(decrease) in cash and cash equivalents | | 487 345 | (420 288) | 337 139 | (419 489) |
| Net cash and cash equivalents at the beginning of the year | | (145 797) | 272 872 | (239 680) | 179 809 |
| Effect of exchange rate changes | | 2 455 | 1 619 | | |
| Net cash and cash equivalents at the end of the year | G | 344 003 | (145 797) | 97 459 | (239 680) |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE STATEMENTS OF CASH FLOWS

for the year ended 30 September 2014

| | Group | | Company |
|--|-----------|-----------|-----------|
| | 2014 | Restated* | 2014 |
| | R'000 | 2013 | R'000 |
| | R'000 | R'000 | R'000 |
| A. WORKING CAPITAL CHANGES | | | |
| Inventories | 374 554 | (510 349) | |
| Accounts receivable | (218 556) | 82 644 | 2 316 |
| Accounts payable and provisions | 177 148 | (49 814) | 11 169 |
| (Decrease)/increase in cash flow hedging reserve | (7 346) | 8 787 | |
| Total working capital changes | 325 800 | (468 732) | 13 485 |
| B. TAXATION PAID | | | |
| Net amount (unpaid)/overpaid at the beginning of the year | (8 177) | (87 408) | (367) |
| Charged to profit or loss (note 7) | (240 906) | (238 471) | (9 887) |
| Exchange rate difference | (2) | (171) | |
| Net amount (overpaid)/unpaid at the end of the year | (15 005) | 8 177 | (268) |
| Cash amounts paid | (264 090) | (317 873) | (10 522) |
| C. DIVIDENDS PAID | | | |
| Oceana Empowerment Trust dividend distribution | (10 176) | (2 711) | |
| Dividends | (329 481) | (356 970) | (425 189) |
| Dividends paid to non-controlling interests | (26 223) | (21 251) | |
| Cash amounts paid | (365 880) | (380 932) | (425 189) |
| D. ACQUISITION OF BUSINESSES | | | |
| Contingent purchase consideration | | (10 450) | |
| Cash movement on acquisition of businesses | | (10 450) | |
| E. ACQUISITION OF ADDITIONAL SHARES IN SUBSIDIARY | | | |
| In January 2013 the group acquired an additional effective 10% of Erongo Sea Products (Pty) Ltd from a non-controlling shareholder. The group now owns 58% of Erongo Sea Products. | | | |
| Cash consideration transferred | | 7 158 | |
| Less: value of non-controlling interest acquired | | (82) | |
| Excess paid | | 7 076 | |
| The excess paid was taken directly to equity as required by IAS 27 Consolidated and Separate Financial Statements. | | | |
| F. LOSS OF CONTROL OVER SUBSIDIARY | | | |
| Property, plant and equipment | | 12 | |
| Inventories | | 802 | |
| Accounts receivable | | 22 850 | |
| Accounts payable and provisions | | (20 174) | |
| Bank overdrafts | | (3 490) | |
| Proceeds received on loss of control over subsidiary | | | |
| Add: bank overdrafts disposed | | 3 490 | |
| Net cash inflow on loss of control over subsidiary | | 3 490 | |
| G. NET CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents | 344 003 | 111 203 | 17 320 |
| Bank overdrafts | | (257 000) | (257 000) |
| | 344 003 | (145 797) | (239 680) |

Explanatory notes to D. Acquisition of businesses

On 18 September 2012, the group acquired certain hake and horse mackerel fishing rights and related assets, as well as the cold storage business from the Lusitania group and associated companies. The initial accounting for the acquisition was only provisionally determined as at 30 September 2012, and was finalised in the 2013 financial year. No adjustments were effected to the provisional values.

Explanatory notes to F. Change of control of subsidiary to joint venture

With effect from 31 January 2013, the group's interest in Oceana International Limited reduced from 100% to 50% through the issue of new shares to an outside party. Oceana International Limited has been equity accounted since the change in shareholding.

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 September 2014

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2014 R'000 | 2013* R'000 | 2014 R'000 | 2013 R'000 |
| 1. REVENUE | | | | |
| The main categories of revenue are set out below: | | | | |
| Sale of goods | | | | |
| Canned fish and fishmeal | 3 086 476 | 2 631 686 | | |
| Horse mackerel and hake | 1 203 470 | 1 373 824 | | |
| Lobster, squid and French fries | 405 497 | 369 394 | | |
| Rendering of services | | | | |
| Commercial cold storage | 343 691 | 326 320 | | |
| Management fees from subsidiaries and joint ventures | | | 129 983 | 157 544 |
| | 5 039 134 | 4 701 224 | 129 983 | 157 544 |
| 2. OPERATING PROFIT BEFORE JOINT VENTURE INCOME | | | | |
| Operating profit before joint venture income is arrived at after taking into account the following items: | | | | |
| Income | | | | |
| Directors' fees from a joint venture | | | 28 | 54 |
| Foreign exchange gain | 37 196 | 43 293 | | 1 395 |
| Net surplus on disposal of property, plant and equipment and intangible assets | 192 | | | |
| Net surplus on disposal of joint venture | 268 | | | |
| Surplus on disposal of fishing right | | 2 418 | | |
| Expenditure | | | | |
| Auditor's remuneration | | | | |
| Fees for audit – current year | 5 097 | 4 872 | 1 091 | 896 |
| Fees for audit – prior year underprovision | 99 | 46 | | 2 |
| Expenses | 21 | 13 | 6 | 8 |
| Other services | 1 933 | 1 650 | 890 | 730 |
| | 7 150 | 6 581 | 1 987 | 1 636 |
| Depreciation of property, plant and equipment | | | | |
| Buildings | 6 403 | 5 614 | | |
| Plant, equipment and motor vehicles | 44 303 | 48 021 | 2 257 | 4 210 |
| Fishing vessels and nets | 40 496 | 33 558 | | |
| | 91 202 | 87 193 | 2 257 | 4 210 |
| Amortisation of intangible assets | | | | |
| Fishing rights | 16 981 | 15 175 | | |
| Computer software | 5 440 | | 3 506 | |
| | 22 421 | 15 175 | 3 506 | |
| Administrative, technical and secretarial fees | 20 143 | 17 994 | 4 137 | 3 921 |
| Foreign exchange loss | | | 30 | |
| Operating lease expenses | | | | |
| Properties | 44 938 | 44 669 | 3 108 | 2 874 |
| Equipment and vehicles | 9 516 | 8 557 | | |
| Employment costs | 638 452 | 553 816 | 64 179 | 46 304 |
| Net loss on disposal of property, plant and equipment | | 67 | 3 | |
| Retirement costs | 37 201 | 34 807 | 5 343 | 4 675 |
| Share-based payments – cash-settled compensation scheme | 19 225 | 152 523 | 6 869 | 64 529 |
| Share-based payments – equity-settled compensation scheme | 2 379 | | 1 051 | |
| Share-based payments – Oceana Empowerment Trust | 3 496 | 2 211 | 332 | 63 |

* Restated due to the adoption of IFRS 11, refer to page 13.

| | 2014 R'000 | Group 2013* R'000 |
|---|-----------------------------|--------------------------------|
| 3. SEGMENTAL RESULTS | | |
| Revenue | | |
| Canned fish and fishmeal | 3 086 476 | 2 631 686 |
| Horse mackerel and hake | 1 203 470 | 1 373 824 |
| Lobster, squid and French fries | 405 497 | 369 394 |
| Commercial cold storage | 343 691 | 326 320 |
| Total | 5 039 134 | 4 701 224 |
| Operating profit before abnormal items | | |
| Canned fish and fishmeal | 380 931 | 214 914 |
| Horse mackerel and hake | 347 251 | 422 504 |
| Lobster, squid and French fries | 44 870 | 23 343 |
| Commercial cold storage | 106 514 | 82 798 |
| Total | 879 566 | 743 559 |
| Total assets | | |
| Canned fish and fishmeal | 1 550 944 | 1 774 724 |
| Horse mackerel and hake | 588 916 | 462 955 |
| Lobster, squid and French fries | 112 746 | 100 257 |
| Commercial cold storage | 240 610 | 235 608 |
| Financing | 457 962 | 231 523 |
| | 2 951 178 | 2 805 067 |
| Deferred taxation | 24 119 | 28 502 |
| Total | 2 975 297 | 2 833 569 |
| Total liabilities | | |
| Canned fish and fishmeal | 556 434 | 476 028 |
| Horse mackerel and hake | 183 108 | 149 596 |
| Lobster, squid and French fries | 49 402 | 41 460 |
| Commercial cold storage | 55 747 | 67 129 |
| Financing | 325 485 | 273 299 |
| | 1 170 176 | 1 007 512 |
| Deferred taxation | 58 215 | 36 686 |
| Total | 1 228 391 | 1 044 198 |
| Interest in joint venture | | |
| Canned fish and fishmeal | 76 176 | 65 368 |
| Horse mackerel and hake | 35 412 | 39 079 |
| Lobster, squid and French fries | 1 | 1 |
| | 111 589 | 104 448 |
| Revenue per region¹ | | |
| South Africa and Namibia | 3 765 211 | 3 315 628 |
| Other Africa | 499 418 | 821 066 |
| Europe | 436 522 | 327 104 |
| Far East | 291 834 | 205 114 |
| Other | 46 149 | 32 312 |
| | 5 039 134 | 4 701 224 |

The segments have been identified based on the different products and services sold by the group.

No geographical segment report is presented as operations are predominantly in South Africa and Namibia.

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation:

Canned fish and fishmeal R0,1 million (2013: R5,4 million), horse mackerel and hake R27,7 million (2013: R29,1 million) and commercial cold storage R49,3 million (2013: R30,4 million).

Note:

¹ Revenue per region discloses the region in which product is sold.

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | Group | | Company | |
|--|----------------|----------|----------------|---------|
| | 2014 | 2013* | 2014 | 2013 |
| | R'000 | R'000 | R'000 | R'000 |
| 4. ABNORMAL ITEMS | | | | |
| Impairment of investment in Oceana Empowerment Trust | | | 276 | 635 |
| | | | 276 | 635 |
| 5. INVESTMENT INCOME | | | | |
| Dividend income | | | | |
| Subsidiaries | | | 401 829 | 220 437 |
| Interest received | | | | |
| Subsidiaries | | | 8 396 | 7 691 |
| Bank and short-term deposits | 2 573 | 5 666 | 1 538 | 4 802 |
| Preference share dividends | 8 385 | 9 013 | 8 385 | 9 013 |
| Unlisted investments | 1 039 | 1 337 | | |
| Other | 1 276 | 435 | 130 | 342 |
| | 13 273 | 16 451 | 420 278 | 242 285 |
| 6. INTEREST PAID | | | | |
| Subsidiaries | | | 5 305 | 6 800 |
| Bank | 16 051 | 6 390 | 4 226 | 5 823 |
| Other | 1 051 | 1 095 | 42 | |
| | 17 102 | 7 485 | 9 573 | 12 623 |
| 7. TAXATION | | | | |
| 7.1 South African current taxation | | | | |
| Current year | 137 850 | 130 348 | | 9 773 |
| Adjustments in respect of previous years | 1 358 | (5 078) | 12 | (21) |
| | 139 208 | 125 270 | 12 | 9 752 |
| 7.2 Foreign current taxation | | | | |
| Current year | 92 426 | 109 060 | | |
| Adjustments in respect of previous years | (14) | 331 | | |
| Withholding tax | 9 286 | 3 810 | 150 | 135 |
| | 240 906 | 238 471 | 162 | 9 887 |
| 7.3 South African deferred taxation | | | | |
| Current year | 28 598 | (13 918) | 2 970 | (6 802) |
| Adjustments in respect of previous years | (3 746) | 3 404 | (3) | (14) |
| 7.4 Foreign deferred taxation | | | | |
| Current year | 1 065 | 1 334 | | |
| Adjustments in respect of previous years | (5) | (451) | | |
| Adjustment in respect of change in tax rate | | (705) | | |
| Taxation charge | 266 818 | 228 135 | 3 129 | 3 071 |

* Restated due to the adoption of IFRS 11, refer to page 13.

| | | Group | | Company | |
|-------------------------------------|--|------------------|--------------|---------|-------|
| | | 2014 | 2013* | 2014 | 2013 |
| | | % | % | % | % |
| 7. TAXATION <i>continued</i> | | | | | |
| 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 | 30,5 | 30,3 | 0,7 | 1,3 |
| | Adjustment to rate due to: | | | | |
| | Dividend income | 0,9 | 1,3 | 27,5 | 27,0 |
| | Net effect of tax losses | (0,1) | (0,1) | | |
| | Adjustment in respect of previous years | 0,3 | 0,2 | | |
| | Adjustment in respect of change in tax rate | | 0,1 | | |
| | Foreign taxation rate differentials and withholding taxes | (3,3) | (3,9) | | (0,1) |
| | Joint venture income | 0,7 | 1,1 | | |
| | Abnormal items | | | | (0,1) |
| | Expenses not allowable for taxation and other | (1,0) | (1,0) | (0,2) | (0,1) |
| | South African company income tax rate | 28,0 | 28,0 | 28,0 | 28,0 |
| | | R'000 | R'000 | R'000 | R'000 |
| 7.6 | The group's and company's share of tax losses available as a deduction from their future taxable incomes amounted to: | | | | |
| | South African | 41 592 | 13 891 | 6 674 | |
| | Foreign | 40 418 | 24 960 | | |
| | Total | 82 010 | 38 851 | 6 674 | |
| | Tax savings effect: | | | | |
| | Before deferred taxation | 24 984 | 12 376 | 1 869 | |
| | After deferred taxation | 2 904 | 2 088 | | |
| | | Number of shares | | | |
| 8. EARNINGS PER SHARE | | | | | |
| 8.1 | Calculation of weighted average number of ordinary shares | | | | |
| | Weighted average number of ordinary shares | 119 525 960 | 119 451 349 | | |
| | Less weighted average: | | | | |
| | Treasury shares held by Oceana Empowerment Trust | (14 014 670) | (14 038 527) | | |
| | Treasury shares held by Oceana Brands Limited | (5 094 350) | (5 094 350) | | |
| | Treasury shares held by Oceana Group Share Trust | (16 500) | (16 500) | | |
| | Weighted average number of ordinary shares used in the calculation of basic earnings per share | 100 400 440 | 100 301 972 | | |
| | Shares deemed to be issued for no consideration in respect of unexercised share options | 10 609 009 | 10 100 067 | | |
| | Weighted average number of ordinary shares used in the calculation of diluted earnings per share | 111 009 449 | 110 402 039 | | |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | Group | | | |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | Gross of tax 2014 R'000 | Net of tax 2014 R'000 | Gross of tax 2013 R'000 | Net of tax 2013 R'000 |
| 8. EARNINGS PER SHARE <i>continued</i> | | | | |
| 8.2 Determination of headline earnings | | | | |
| Profit after taxation attributable to shareholders of Oceana Group Limited | | 573 931 | | 491 016 |
| Adjusted for: | | | | |
| Compensation from third party for property, plant and equipment impaired | (11 370) | (8 186) | | |
| Surplus on disposal of joint venture | (268) | (218) | | |
| Headline earnings adjustments – joint ventures | 2 141 | 1 850 | | |
| Surplus on disposal of fishing right | | | (2 418) | (1 741) |
| Net (surplus)/loss on disposal of property, plant and equipment and intangible assets | (192) | (139) | 67 | 50 |
| Headline earnings for the year | | 567 238 | | 489 325 |
| Headline earnings per share (cents) | | | | |
| – Basic | | 565,0 | | 487,9 |
| – Diluted | | 511,0 | | 443,2 |

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 2014 R'000 | 2013 R'000 | 2014 R'000 | 2013 R'000 |
| 9. DIVIDENDS | | | | |
| Final of 222 cents per share declared on 7 November 2013, paid 13 January 2014 (2013: 256 cents) | 222 951 | 256 643 | 265 348 | 305 739 |
| Interim of 106 cents per share declared on 8 May 2014, paid 30 June 2014 (2013: 100 cents) | 106 530 | 100 327 | 126 697 | 119 450 |
| Dividends paid during the year | 329 481 | 356 970 | 392 045 | 425 189 |
| Final of 271 cents (2013: 222 cents) per share declared on 6 November 2014, payable on 19 January 2015 based on number of shares in issue on 6 November 2014 | | | | |
| Dividend declared and not accrued after reporting date | 272 389 | 222 951 | 323 916 | 265 348 |

| | Group | | | | Total R'000 |
|--|---|---|--|---|----------------|
| | Freehold land and buildings R'000 | Leasehold land and buildings R'000 | Plant, equipment and vehicles R'000 | Fishing vessels and nets R'000 | |
| 10. PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Cost | | | | | |
| At 1 October 2012* | 60 892 | 102 199 | 580 892 | 412 040 | 1 156 023 |
| Additions | 232 | 7 486 | 56 523 | 62 931 | 127 172 |
| Disposals | | | (7 480) | (26 352) | (33 832) |
| Exchange differences | | | 10 | | 10 |
| At 30 September 2013* | 61 124 | 109 685 | 629 945 | 448 619 | 1 249 373 |
| At 1 October 2013* | 61 124 | 109 685 | 629 945 | 448 619 | 1 249 373 |
| Transfer to intangible assets | | | (45 299) | | (45 299) |
| Additions | 3 181 | 9 346 | 42 166 | 104 257 | 158 950 |
| Disposals | | | (9 175) | (23 174) | (32 349) |
| At 30 September 2014 | 64 305 | 119 031 | 617 637 | 529 702 | 1 330 675 |

* Restated due to the adoption of IFRS 11, refer to page 13.

| | Freehold land and buildings R'000 | Leasehold land and buildings R'000 | Group Plant, equipment and vehicles R'000 | Fishing vessels and nets R'000 | Total R'000 |
|--|---|---|---|---|----------------|
| 10. PROPERTY, PLANT AND EQUIPMENT | | | | | |
| <i>continued</i> | | | | | |
| Accumulated depreciation and impairment | | | | | |
| At 1 October 2012* | 14 996 | 77 485 | 394 876 | 246 561 | 733 918 |
| Depreciation for the year | 1 799 | 3 815 | 48 021 | 33 558 | 87 193 |
| Disposals | | | (7 071) | (22 875) | (29 946) |
| Exchange differences | | | 8 | | 8 |
| At 30 September 2013* | 16 795 | 81 300 | 435 834 | 257 244 | 791 173 |
| At 1 October 2013* | 16 795 | 81 300 | 435 834 | 257 244 | 791 173 |
| Transfer to intangible assets | | | (32 483) | | (32 483) |
| Depreciation for the year | 2 040 | 4 363 | 44 303 | 40 496 | 91 202 |
| Disposals | | | (8 666) | (22 893) | (31 559) |
| At 30 September 2014 | 18 835 | 85 663 | 438 988 | 274 847 | 818 333 |
| Carrying value | | | | | |
| At 1 October 2012* | 45 896 | 24 714 | 186 016 | 165 479 | 422 105 |
| At 30 September 2013* | 44 329 | 28 385 | 194 111 | 191 375 | 458 200 |
| At 30 September 2014 | 45 470 | 33 368 | 178 649 | 254 855 | 512 342 |

The insured value of the group's property, plant and equipment at 30 September 2014 amounted to R3,8 billion (2013: R3,5 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 does not hold any investment properties.

| | Company R'000 |
|--|------------------|
| Plant, equipment and motor vehicles | |
| Cost | |
| At 1 October 2012 | 24 347 |
| Additions | 8 776 |
| At 30 September 2013 | 33 123 |
| At 1 October 2013 | 33 123 |
| Transfer to intangible assets | (18 598) |
| Additions | 1 000 |
| Disposals | (973) |
| At 30 September 2014 | 14 552 |
| Accumulated depreciation | |
| At 1 October 2012 | 18 191 |
| Depreciation for the year | 4 210 |
| At 30 September 2013 | 22 401 |
| At 1 October 2013 | 22 401 |
| Transfer to intangible assets | (13 582) |
| Depreciation for the year | 2 257 |
| Disposals | (970) |
| At 30 September 2014 | 10 106 |
| Carrying value | |
| At 1 October 2012 | 6 156 |
| At 30 September 2013 | 10 722 |
| At 30 September 2014 | 4 446 |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | Goodwill R'000 | Trademark R'000 | Group Fishing rights R'000 | Computer software R'000 | Total R'000 |
|--|-------------------|--------------------|-------------------------------------|-------------------------------|----------------|
| 11. INTANGIBLE ASSETS | | | | | |
| Cost | | | | | |
| At 1 October 2012 | 27 630 | 19 434 | 73 262 | | 120 326 |
| Additions | | | 26 695 | | 26 695 |
| Exchange difference | | 2 644 | | | 2 644 |
| At 30 September 2013 | 27 630 | 22 078 | 99 957 | | 149 665 |
| At 1 October 2013 | 27 630 | 22 078 | 99 957 | | 149 665 |
| Transfer from property, plant and equipment | | | | 45 299 | 45 299 |
| Additions | | | | 4 436 | 4 436 |
| Disposals | | | | (10) | (10) |
| At 30 September 2014 | 27 630 | 22 078 | 99 957 | 49 725 | 199 390 |
| Accumulated amortisation and impairment | | | | | |
| At 1 October 2012 | 17 630 | 13 205 | 853 | | 31 688 |
| Amortisation for the year | | | 15 175 | | 15 175 |
| At 30 September 2013 | 17 630 | 13 205 | 16 028 | | 46 863 |
| At 1 October 2013 | 17 630 | 13 205 | 16 028 | | 46 863 |
| Transfer from property, plant and equipment | | | | 32 483 | 32 483 |
| Amortisation for the year | | | 16 981 | 5 440 | 22 421 |
| Disposals | | | | (2) | (2) |
| At 30 September 2014 | 17 630 | 13 205 | 33 009 | 37 921 | 101 765 |
| Carrying value | | | | | |
| At 1 October 2012 | 10 000 | 6 229 | 72 409 | | 88 638 |
| At 30 September 2013 | 10 000 | 8 873 | 83 929 | | 102 802 |
| At 30 September 2014 | 10 000 | 8 873 | 66 948 | 11 804 | 97 625 |

Goodwill

Goodwill arose during the 2012 financial year on the acquisition of the V&A Cold Store from the Lusitania group. Goodwill relating to the acquisition of Glenryck Foods Limited, in the United Kingdom (UK), has been impaired in full.

Trademark

The trademark relates to the Glenryck brand of canned fish in the UK market. The recoverable amount of the trademark was determined by assessing the present value of the future cash flows of royalty income to be derived from the Glenryck brand. During the 2012 year, as a result of difficult trading conditions and the poor economic circumstances prevailing in the UK, an impairment was recognised. The key assumptions used in the calculation were the sales volume and price growth rates of 3%, which were based on forecasts of performance in terms of the revised business model, and a royalty fee. A discount rate of 25% was used which reflected the operating characteristics of the business and the environment in which it operates. No further impairment was required in the current year.

Fishing rights

During the financial year, additional hake fishing rights were purchased from an associate company of the Lusitania group and pilchard and anchovy rights were acquired from another rights holder. Fishing rights are amortised over the remaining period of the respective rights. Hake, pilchard and anchovy rights are due for renewal in December 2020.

| | Company R'000 |
|---|------------------|
| 11. INTANGIBLE ASSETS <i>continued</i> | |
| Computer software | |
| Cost | |
| At 1 October 2013 | |
| Transfers from intangible assets | 18 598 |
| Additions | 779 |
| At 30 September 2014 | 19 377 |
| Accumulated amortisation | |
| At 1 October 2013 | |
| Transfers from intangible assets | 13 582 |
| Amortisation for the year | 3 506 |
| At 30 September 2014 | 17 088 |
| Carrying value | |
| At 30 September 2014 | 2 289 |

| | Group 2014 R'000 | 2013* R'000 | Company 2014 R'000 | 2013 R'000 |
|--|------------------------|----------------|--------------------------|---------------|
| 12. DEFERRED TAXATION | | | | |
| Deferred tax assets | 24 119 | 28 502 | 17 158 | 19 357 |
| Deferred tax liabilities | (58 215) | (36 686) | | |
| Net deferred tax (liability)/asset | (34 096) | (8 184) | 17 158 | 19 357 |
| Net (liability)/asset at the beginning of the year | (8 184) | (18 520) | 19 357 | 11 511 |
| Transferred from subsidiary | | | 768 | 1 030 |
| Adjustment in respect of change in tax rate | | 705 | | |
| (Debited)/credited to the statement of comprehensive income | (25 912) | 9 631 | (2 967) | 6 816 |
| Net (liability)/asset at the end of the year | (34 096) | (8 184) | 17 158 | 19 357 |
| Comprising: | | | | |
| Property, plant and equipment | (48 492) | (29 942) | | |
| Estimated taxation loss | 22 080 | 10 288 | 1 869 | |
| Provisions and other credit balances | 21 610 | 27 658 | 15 289 | 19 357 |
| Section 24P allowances, prepayments and other | (29 294) | (16 188) | | |
| | (34 096) | (8 184) | 17 158 | 19 357 |
| Aggregate amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position | 10 374 | 14 339 | | |
| 13. INVESTMENTS AND LOANS | | | | |
| Gross loans | 21 148 | 27 738 | 328 | 328 |
| Less: Provisions for irrecoverable loans | (7 279) | (7 696) | | |
| Net loans | 13 869 | 20 042 | 328 | 328 |
| Preference shares | 99 492 | 99 680 | 99 492 | 99 680 |
| Other investments | 604 | 603 | 604 | 603 |
| | 113 965 | 120 325 | 100 424 | 100 611 |

Interest amounting to Rnil (2013: R77 179) 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 5,3% (2013: 5,3%) equity share. No impairment provision is required in respect of this loan.

Group gross loans consist of secured and unsecured loans, and bear interest at rates ranging from interest free to 10,25% (2013: 9,5%). Loans on which repayments are overdue or for which recoverability is in doubt, based on information at hand, have been impaired.

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | Group | | Company | |
|---|--------------|---------|----------------|-------|
| | 2014 | 2013* | 2014 | 2013 |
| | R'000 | R'000 | R'000 | R'000 |
| 13. INVESTMENTS AND LOANS <i>continued</i> | | | | |
| Movement in net loans | | | | |
| Balance at the beginning of the year | 20 042 | 14 196 | 328 | 328 |
| Advances | 1 363 | 14 647 | | |
| Interest charged | 1 005 | 1 000 | | |
| Loans repaid | (5 839) | (9 615) | | |
| Current portion transferred to accounts receivable | (3 119) | | | |
| Movement in provisions for irrecoverable loans | 417 | (186) | | |
| Balance at the end of the year | 13 869 | 20 042 | 328 | 328 |
| Movement in provisions for irrecoverable loans | | | | |
| Balance at the beginning of the year | 7 696 | 7 510 | | |
| Impairment losses recognised | | 186 | | |
| Current portion transferred to accounts receivable | (417) | | | |
| Balance at the end of the year | 7 279 | 7 696 | | |

The preference shares are cumulative redeemable "B" preference shares in Oceana SPV Proprietary 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 which expires on 26 September 2026. Carrying value includes preference dividends accrued less repayments received. Redemption of the preference shares and payment of the preference dividends rank behind the "A" preference shares held by The Standard Bank of South Africa Limited in Oceana SPV Proprietary Limited.

| | Group | | Company | |
|---|--------------|----------|----------------|-----------|
| | 2014 | 2013* | 2014 | 2013 |
| | R'000 | R'000 | R'000 | R'000 |
| Movement in preference shares | | | | |
| Balance at the beginning of the year | 99 680 | 130 044 | 99 680 | 130 044 |
| Accrued preference dividends | 8 385 | 9 013 | 8 385 | 9 013 |
| Repayments received | (8 573) | (39 377) | (8 573) | (39 377) |
| Balance at the end of the year | 99 492 | 99 680 | 99 492 | 99 680 |
| 14. INTEREST IN SUBSIDIARIES AND JOINT VENTURES | | | | |
| Shares at cost, less amounts written off | 22 955 | 22 955 | 35 361 | 35 361 |
| Amounts owing by | | | 381 660 | 798 798 |
| Share of accumulated profits and reserves since acquisition | 88 634 | 81 493 | | |
| | 111 589 | 104 448 | 417 021 | 834 159 |
| Amounts owing to | | | (39 928) | (101 468) |
| | 111 589 | 104 448 | 377 093 | 732 691 |

Loans to and from subsidiaries and joint ventures are unsecured and payable on demand. A working capital loan to Lucky Star Limited to fund inventory purchases bears interest at rates in line with the prevailing market rate, which was 6,5% (2013: 6,1%) at the reporting date. Other loans to and from wholly owned South African subsidiaries are interest-free. Interest rates on other loans are floating and approximate prevailing market rates.

* Restated due to the adoption of IFRS 11, refer to page 13.

| | 2014 R'000 | Group 2013* R'000 |
|--|-----------------------------|--------------------------------|
| 14. INTEREST IN SUBSIDIARIES AND JOINT VENTURES <i>continued</i> | | |
| The trading results of the joint venture companies whose results are equity accounted in the consolidated financial statements are as follows: | | |
| Revenue (100%) | 923 952 | 976 925 |
| Profit for the year (100%) | 49 751 | 62 244 |
| Profit attributable to ordinary shareholders of Oceana Group Ltd | 23 324 | 30 046 |
| Share of joint venture companies income/(losses) | | |
| Etosha Fisheries Holding Company (Pty) Ltd | 13 663 | 9 476 |
| Blue Atlantic Trading (Pty) Ltd | | (1 220) |
| Oceana International Ltd | 9 661 | 21 790 |
| Less: Dividends received | (2 856) | (2 447) |
| | 20 468 | 27 599 |

Summarised financial information in respect of the group's material joint ventures is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS's (adjusted by the group for equity accounting purposes).

| | 2014 R'000 | 2013 R'000 |
|---|-----------------------------|---------------|
| Etosha Fisheries Holding Company (Pty) Ltd | | |
| Current assets | 321 789 | 205 093 |
| Non-current assets | 48 691 | 39 548 |
| Current liabilities | 193 100 | 92 128 |
| Non-current liabilities | 7 724 | 6 927 |
| The above amounts of assets and liabilities include the following: | | |
| Cash and cash equivalents | | 12 807 |
| Bank overdraft | 130 157 | 68 112 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 7 724 | 6 927 |
| Revenue | 347 956 | 303 644 |
| Profit or loss from continuing operations | 30 430 | 21 106 |
| Profit for the year | 30 430 | 21 106 |
| Total comprehensive income for the year | 30 430 | 21 106 |
| Dividends received from the joint venture during the year | 2 856 | 2 447 |
| The above profit for the year include the following: | | |
| Depreciation | 4 563 | 2 228 |
| Interest income | 3 | 43 |
| Interest expense | 3 465 | 4 225 |
| Income tax expense | 10 657 | 6 358 |
| Reconciliation of the above summarised financial information to carrying amount of the interest in joint venture recognised in the consolidated financial statements: | | |
| Net assets of joint venture | 169 656 | 145 586 |
| Proportion of the group's ownership interest in the joint venture | 44,9% | 44,9% |
| Carrying amount of the group's interest in the joint venture | 76 176 | 65 368 |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | 2014 R'000 | 2013 R'000 |
|---|-----------------------------|---------------|
| 14. INTEREST IN SUBSIDIARIES AND JOINT VENTURES <i>continued</i> | | |
| Oceana International Ltd | | |
| Current assets | 163 396 | 92 379 |
| Non-current assets | | 3 |
| Current liabilities | 92 572 | 47 692 |
| The above amounts of assets and liabilities include the following: | | |
| Cash and cash equivalents | | 13 415 |
| Bank overdraft | 67 689 | |
| Revenue | 568 260 | 439 942 |
| Profit from continuing operations | 19 321 | 43 580 |
| Profit for the year | 19 321 | 43 580 |
| Total comprehensive income for the year | 19 321 | 43 580 |
| The above profit for the year include the following: | | |
| Depreciation | 3 | 11 |
| Interest expense | 827 | 246 |
| Reconciliation of the above summarised financial information to carrying amount of the interest in joint venture recognised in the consolidated financial statements: | | |
| Net assets of joint venture | 70 824 | 44 690 |
| Proportion of the group's ownership interest in the joint venture | 50% | 50% |
| Carrying amount of the group's interest in the joint venture | 35 412 | 22 345 |
| Aggregate information of joint ventures that are not individually material | | |
| The group's share of loss from continuing operations | | 1 221 |
| The group's share of total comprehensive loss | | 1 221 |
| Aggregate amount of the group's interest in these joint ventures | | 16 732 |

The results of Etosha Fisheries Holdings Company, Oceana International and Romano Paulo for the 12 months ended 30 September 2014 have been used in preparation of these financial statements. These results represent the latest available financial information which have been subject to an audit by the joint venture company auditors.

Details of subsidiary and joint venture companies are set out in separate schedules on page 50 of these financial statements.

15. 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.

| | Company 2014 R'000 | 2013 R'000 |
|---|--------------------------|---------------|
| Interest-bearing at 6,5% per annum (2013: 6,5%) | 1 733 | 2 820 |

16. OCEANA EMPOWERMENT TRUST

Capital contribution

21 345 2 603

The Oceana Empowerment Trust (formerly 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 originally in 2006 and again in 2014 which resulted in the extension of the lock-in period.

The capital contribution plus a return of 7,46% will be repaid by the trust from dividends received from the company and from the proceeds of shares realised on behalf of qualifying employees after the 14-year (2013: 10-year) lock-in period or on behalf of the beneficiaries of deceased qualifying employees.

| | Group 2014 R'000 | 2013* R'000 | Company 2014 R'000 | 2013 R'000 |
|--|------------------------|------------------|--------------------------|---------------|
| 17. INVENTORIES | | | | |
| Raw materials | 41 178 | 38 662 | | |
| Finished goods | 735 260 | 1 116 842 | | |
| Consumable stores and work in progress | 62 177 | 57 665 | | |
| | 838 615 | 1 213 169 | | |

Finished goods include inventory held at net realisable value of Rnil (2013: R19 680 000).

The amount of inventory recognised as an expense during the year was R2,772 billion (2013: R2,583 billion).

| | Group 2014 R'000 | 2013* R'000 | Company 2014 R'000 | 2013 R'000 |
|---|------------------------|----------------|--------------------------|---------------|
| 18. ACCOUNTS RECEIVABLE | | | | |
| Net trade receivables | 693 438 | 516 030 | | |
| Gross trade receivables | 701 884 | 524 916 | | |
| Less: Allowance for credit notes | (6 985) | (8 209) | | |
| Less: Provisions for irrecoverable trade receivables | (1 461) | (677) | | |
| Net short-term loans and advances | 10 932 | 5 014 | | |
| Gross short-term loans and advances | 12 175 | 8 047 | | |
| Less: Provisions for irrecoverable loans and advances | (1 243) | (3 033) | | |
| Amount owing by foreign suppliers | 26 132 | 55 437 | | |
| Value added taxation | 58 209 | 28 471 | 2 447 | |
| Accrued income and other | 85 363 | 41 225 | 5 846 | 3 759 |
| Prepayments | 26 744 | 35 695 | 1 751 | 1 915 |
| | 900 818 | 681 872 | 10 044 | 5 674 |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | Trade receivables 2014 R'000 | Group Trade receivables 2013* R'000 |
|--|--|---|
| 18. ACCOUNTS RECEIVABLE <i>continued</i> | | |
| The analysis of group trade receivables not impaired is as follows: | | |
| Not past due | 651 688 | 489 876 |
| Ageing of trade and other receivables which are past due and not impaired | | |
| 30 days | 33 004 | 21 830 |
| 60 days | 4 898 | 3 748 |
| 90 days | 3 196 | 471 |
| 120 days | | 100 |
| 150 days and over | 652 | 5 |
| | 693 438 | 516 030 |

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 largely 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 and are 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.

Amounts owing by foreign suppliers arise from the sale of raw materials, sourced by the group, to foreign suppliers for processing into fishing goods. Individual customer/supplier default risks as well as country risks are closely monitored.

In determining the recoverability of trade receivables and amounts owing by foreign suppliers, 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.

* Restated due to the adoption of IFRS 11, refer to page 13.

| | 2014 R'000 | Group 2013* R'000 |
|---|----------------------|-------------------------|
| 18. ACCOUNTS RECEIVABLE <i>continued</i> | | |
| Movement in provisions for irrecoverable trade receivables | | |
| Balance at the beginning of the year | 677 | 1 834 |
| Irrecoverable amounts written off against the provision | (49) | (319) |
| Impairment losses recognised/(reversed) | 833 | (838) |
| Balance at the end of the year | 1 461 | 677 |
| Concentration of credit risk in trade receivables | | |
| <i>By geographical region</i> | | |
| South Africa and Namibia | 497 017 | 428 066 |
| Other Africa | 57 397 | 20 787 |
| Europe | 88 536 | 50 012 |
| Far East and other | 50 488 | 17 165 |
| Trade receivables | 693 438 | 516 030 |
| <i>By customer sector</i> | | |
| Domestic FMCG, wholesale, retail (blue-chip or insured) | 605 881 | 434 743 |
| Cold storage (secured by lien) | 45 405 | 51 101 |
| Exports on letter of credit/cash with documents | 37 049 | 26 813 |
| Open account | 5 103 | 3 373 |
| Trade receivables | 693 438 | 516 030 |
| Movement in provisions for irrecoverable loans and advances | | |
| Balance at the beginning of the year | 3 033 | 5 527 |
| Impairment losses reversed | (2 208) | (1 383) |
| Irrecoverable accounts written off against the provision | | (1 111) |
| Current portion of provision transferred from investments and loans | 418 | |
| Balance at the end of the year | 1 243 | 3 033 |

There was one customer (2013: one customer) with a balance in excess of 10% of the total trade receivables at the reporting date.

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 the 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.

The carrying value of accounts receivable approximates their fair value.

| | 2014 R'000 | Group 2013* R'000 | 2014 R'000 | Company 2013 R'000 |
|--|----------------------|-------------------------|----------------------|--------------------------|
| 19. SHARE CAPITAL AND PREMIUM | | | | |
| 19.1 Ordinary shares of 0,1 cent each | | | | |
| Authorised share capital: | | | | |
| 200 000 000 (2013: 200 000 000) shares | 200 | 200 | 200 | 200 |
| Issued share capital: | | | | |
| 119 526 157 (2013: 119 514 157) | 120 | 120 | 120 | 120 |
| Shares | 156 117 | 155 922 | 156 117 | 155 922 |
| Share premium | 156 237 | 156 042 | 156 237 | 156 042 |
| Less: Treasury shares | | | | |
| 19 013 785 (2013: 19 097 817) shares | (120 992) | (122 272) | 156 237 | 156 042 |
| | 35 245 | 33 770 | 156 237 | 156 042 |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | | Group | | Company | |
|---|--|-------------------------|------------|-------------------------|-------------|
| | | 2014 | 2013* | 2014 | 2013 |
| | | Number of shares | | Number of shares | |
| 19. SHARE CAPITAL AND PREMIUM <i>continued</i> | | | | | |
| 19.1 Ordinary shares of 0,1 cent each <i>continued</i> | | | | | |
| Treasury shares comprise shares held by: | | | | | |
| Oceana Empowerment Trust | | 13 902 935 | 13 986 967 | | |
| Oceana Brands Limited | | 5 094 350 | 5 094 350 | | |
| Oceana Group Share Trust | | 16 500 | 16 500 | | |
| | | 19 013 785 | 19 097 817 | | |
| 19.2 Unissued shares | | | | | |
| Authorised | | | | 200 000 000 | 200 000 000 |
| Issued | | | | 119 526 157 | 119 514 157 |
| Unissued | | | | 80 473 843 | 80 485 843 |
| Under option in terms of the company's share scheme | | | | | 12 000 |
| Balance of unissued shares | | | | 80 473 843 | 80 473 843 |
| | | R'000 | R'000 | R'000 | R'000 |
| 20. CASH FLOW HEDGING RESERVE | | | | | |
| Balance at the beginning of the year | | 9 188 | 401 | | |
| Movement on the cash flow hedge reserve | | (7 346) | 8 787 | | |
| (Loss)/gain recognised on cash flow hedges | | (13 301) | 381 | | |
| Transferred from profit or loss | | 4 451 | 1 983 | | |
| Transferred to initial carrying amount of hedged item | | 1 504 | 6 423 | | |
| Balance at the end of the year | | 1 842 | 9 188 | | |
| Gains or losses arising on changes in fair value of forward exchange contracts, which have been designated as cash flow hedges, are transferred from equity into profit or loss. These gains or losses are included in cost of sales in the statement of comprehensive income. The cash flows associated with these hedges are expected to occur and affect profit or loss within one year. | | | | | |
| 21. LONG-TERM LOAN | | | | | |
| The loan is unsecured, bears interest at a rate of JIBAR plus 170 basis points NACQ and is repayable by 27 March 2017. | | 300 000 | | | |
| 22. ACCOUNTS PAYABLE | | | | | |
| Trade payables | | 361 039 | 299 548 | 15 656 | 19 795 |
| Payroll-related accruals | | 74 781 | 49 336 | 14 678 | 11 675 |
| Leave pay accrual | | 21 302 | 20 036 | 2 913 | 2 163 |
| Short-term loans and advances | | 25 484 | 16 299 | | |
| Value added taxation payable | | 2 693 | 3 057 | | |
| Accruals and other payables | | 277 305 | 187 855 | 12 710 | 10 930 |
| | | 762 604 | 576 131 | 45 957 | 44 563 |

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.

Short-term loans and advances consist of secured and unsecured loans, and bear interest ranging from interest-free to 10,25% (2013: 9,5%), which is repayable within one year.

* Restated due to the adoption of IFRS 11, refer to page 13.

| | Group | | Company | |
|--|--------------|---------|----------------|--------|
| | 2014 | 2013* | 2014 | 2013 |
| | R'000 | R'000 | R'000 | R'000 |
| 23. PROVISIONS | | | | |
| Supplier claims | | | | |
| Balance at the beginning of the year | 1 798 | 2 593 | | |
| Net charge to operating profit | 2 901 | 636 | | |
| Utilised during the year | (2 666) | (1 431) | | |
| Balance at the end of the year | 2 033 | 1 798 | | |
| Ex gratia retirement provision | | | | |
| Balance at the beginning of the year | 4 105 | 4 088 | | |
| Net charge to operating profit | 116 | 208 | | |
| Utilised during the year | (446) | (191) | | |
| Balance at the end of the year | 3 775 | 4 105 | | |
| Crew bonuses | | | | |
| Balance at the beginning of the year | 3 362 | 3 249 | | |
| Net charge to operating profit | 2 721 | 2 809 | | |
| Utilised during the year | (2 723) | (2 696) | | |
| Balance at the end of the year | 3 360 | 3 362 | | |
| Total | | | | |
| Balance at the beginning of the year | 9 265 | 9 930 | | |
| Net charge to operating profit | 5 738 | 3 653 | | |
| Utilised during the year | (5 835) | (4 318) | | |
| Balance at the end of the year | 9 168 | 9 265 | | |
| Provisions have been calculated based on available supporting documentation and management's best estimate of the amounts payable. | | | | |
| 24. COMMITMENTS | | | | |
| 24.1 Capital commitments | | | | |
| Budgeted capital expenditure is as follows: | | | | |
| Contracted | 22 479 | 40 809 | | |
| Not contracted | 304 918 | 172 061 | 12 471 | 6 713 |
| | 327 397 | 212 870 | 12 471 | 6 713 |
| Capital expenditure will be financed from the group's and company's cash resources and short-term borrowing facilities. | | | | |
| 24.2 Operating lease commitments | | | | |
| The future minimum lease payments under operating leases are as follows: | | | | |
| Not later than one year | 57 121 | 43 511 | 2 418 | 2 233 |
| Later than one year but not later than five years | 257 251 | 177 659 | 11 837 | 10 935 |
| Later than five years | 291 686 | 344 791 | 2 641 | 5 960 |
| | 606 058 | 565 961 | 16 896 | 19 128 |
| 25. NUMBER OF EMPLOYEES | | | | |
| Permanent employees at year-end | 1 817 | 1 794 | 91 | 72 |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2014

26. SHARE-BASED PAYMENT PLANS

26.1 Equity-settled compensation scheme

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

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year:

| | Group 2014 | | 2013 | |
|--|-------------------------------|--------------|-------------------------------|--------------|
| | Number of share options | VWAP rand | Number of share options | VWAP rand |
| Outstanding at the beginning of the year | 12 000 ¹ | 16,24 | 97 000 ¹ | 16,08 |
| Exercised during the year | 12 000 ³ | 16,24 | 85 000 ² | 16,06 |
| Outstanding at the end of the year | | | 12 000 ¹ | 16,24 |
| Exercisable at the end of the year | | | 12 000 | |

Notes:

¹ There are no options (2013: none) over shares in the end of the year balance that have not been recognised in accordance with IFRS 2.

² The weighted average share price at the date of exercise for the options exercised was R84,88.

³ The weighted average share price at the date of exercise for the options exercised was R86,19.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2013 is 0,1 years.

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

| | Group 2014 | | 2013 |
|---|----------------------------|--|----------------------------|
| | Number of share options | | Number of share options |
| R16,24 per share exercisable until 11 November 2013 | | | 12 000 |
| | | | 12 000 |

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

26.2 Black economic empowerment (BEE) scheme – Oceana Empowerment Trust

Oceana Empowerment Trust acquired 14 380 465 Oceana shares at a cost of R15,21 per share in 2006 as part of the group's BEE transaction. Options to acquire these shares are allocated to qualifying black employees by the trustees of the 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 14 years (2013: 10 years) from the date of the initial allocation. The lock-in period has been extended in 2014 by a further 4 years as a result of a once-off cash distribution of R20,50 per option held by employee beneficiaries, which was funded by the corporate beneficiaries as disclosed in note 16. 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.

26. SHARE-BASED PAYMENT PLANS *continued*

26.2 Black economic empowerment (BEE) scheme – Oceana Empowerment Trust *continued*

The first allocation of options was made on 15 January 2007, followed by a second allocation on 1 May 2010 and a third allocation on 1 September 2013. All allocations were at an option price of R15,21 per share. The second allocation was made to new eligible employees, who had joined the group since 15 January 2007, and as a top-up to employees who received options in the first allocation. The third allocation was made to new eligible employees who had not participated in the first or second allocations and as a top-up to certain employees who had been promoted since the second allocation was made. The number of allocated options has reduced in terms of the scheme rules due to retrenchments, resignations and dismissals.

During the year 84 032 options (2013: 112 416) were realised on behalf of beneficiaries of deceased employees.

The fair value of equity-settled share options is estimated as at the grant date 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 Oceana Empowerment Trust options is disclosed in note 2.

26.3 Equity-settled (performance shares) compensation scheme

Performance shares are granted to executive and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price of the options is equal to the 30-day volume weighted average prices (VWAP) of the shares prior to the date of grant. Performance shares will vest on the 3rd anniversary of their grant, to the extent that the company has met specified performance criteria, linked to the company's comparative Total Shareholder Return in relation to a comparator group, over the intervening period. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment or retirement.

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

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year:

| | Group 2014 | |
|-------------------------|----------------------------|--------------|
| | Number of share options | VWAP rand |
| Granted during the year | 99 900 | 82,88 |

Notes:

¹ No performance shares had vested at 30 September 2014.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2014 is 2,4 years.

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

| | Grant number | 2014 Number of share options |
|---|-----------------|---|
| R82,80 per share exercisable until 11 February 2017 | 1A | 97 800 |
| R86,75 per share exercisable until 1 June 2017 | 1B | 2 100 |
| | | 99 900 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2014

26. SHARE-BASED PAYMENT PLANS *continued*

26.4 *Equity-settled (restricted shares) compensation scheme*

Restricted shares are granted to executive and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. Restricted shares granted will be linked to the annual cash bonus scheme, in one of, or a combination of, a bonus match or a deferred bonus. The exercise price of the options is equal to the 30-day volume weighted average prices (VWAP) of the shares prior to the date of grant. Restricted shares will vest on the 3rd anniversary of their grant. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment or retirement.

No deferred bonus restricted shares were issued during the year under review.

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

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year:

| | Group 2014 | |
|-------------------------|----------------------------|--------------|
| | Number of share options | VWAP rand |
| Granted during the year | 29 400 | 83,10 |

Notes:

¹ No restricted shares had vested at 30 September 2014.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2014 is 2,4 years.

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

| | Grant number | 2014 Number of share options |
|---|-----------------|---|
| R82,80 per share exercisable until 11 February 2017 | 1A | 27 200 |
| R86,75 per share exercisable until 1 June 2017 | 1B | 2 200 |
| | | 29 400 |

26.5 *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 26.1, 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 thereafter have an additional performance-related hurdle rate, linked to growth in headline earnings per share, which applies to half of the options granted. The last grant of options in terms of the scheme was on 1 July 2013 and it is not intended to grant any further options.

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 statement of comprehensive income.

26. SHARE-BASED PAYMENT PLANS *continued*

26.5 Cash-settled (phantom) compensation scheme

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year:

| | Group | | | |
|--|------------------------------|--------------|----------------------------|--------------|
| | 2014 | | 2013 | |
| | Number of share options | VWAP rand | Number of share options | VWAP rand |
| Outstanding at the beginning of the year | 5 078 996 | 41,11 | 6 239 764 | 30,56 |
| Granted during the year | | | 961 000 | 71,33 |
| Forfeited during the year | 112 664 | 23,98 | 55 000 | 36,60 |
| Exercised during the year | 1 444 000¹ | 27,42 | 2 066 768 ² | 23,44 |
| Outstanding at the end of the year | 3 522 332 | 46,39 | 5 078 996 | 41,11 |
| Exercisable at the end of the year | 480 010 | | 291 341 | |

Notes:

¹ The weighted average share price at the date of exercise for the options exercised was R84,39.

² The weighted average share price at the date of exercise for the options exercised was R74,69.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2014 is 2,9 years (2013: 3,4 years).

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

| | | 2014 | 2013 |
|---|-----------------|----------------------------|----------------------------|
| | Grant number | Number of share options | Number of share options |
| R19,26 per share exercisable until 7 February 2014 | 3 | | 51 332 |
| R22,65 per share exercisable until 5 February 2015 | 4A | 175 665 | 774 997 |
| R25,06 per share exercisable until 1 July 2015 | 4B | | 166 667 |
| R29,59 per share exercisable until 11 February 2016 | 5 | 561 336 | 913 000 |
| R37,52 per share exercisable until 10 February 2017 | 6 | 880 331 | 1 177 000 |
| R44,77 per share exercisable until 16 February 2018 | 7 | 990 000 | 1 035 000 |
| R67,49 per share exercisable until 14 February 2019 | 8A | 714 000 | 760 000 |
| R85,86 per share exercisable until 1 July 2019 | 8B | 201 000 | 201 000 |
| | | 3 522 332 | 5 078 996 |

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R73,69 (2013: R84,43), an expected option life of six years and expected dividend yield of 4,69% (2013: 5,26%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 5,9% to 7,7% (2013: 5,1% to 7,5%). Expected volatility of 27,4% (2013: 29,7%) was based on historical share price volatility.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2014

26. SHARE-BASED PAYMENT PLANS *continued*

26.6 *Cash-settled (share appreciation rights) compensation scheme*

Share appreciation rights are granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price and vesting rights of the share appreciation rights are the same as for the share scheme described in note 26.5, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have performance criteria, linked to growth in headline earnings per share, which reduces when company financial performance targets are not met.

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 statement of comprehensive income.

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year:

| | Group 2014 | |
|-------------------------|----------------------------|--------------|
| | Number of share options | VWAP rand |
| Granted during the year | 402 600 | 82,88 |

Notes:

¹ No share appreciation rights had vested at 30 September 2014.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2014 is 6,4 years.

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

| | Grant number | Group 2014 Number of share options |
|---|-----------------|---|
| R82,80 per share exercisable until 11 February 2021 | 1A | 394 000 |
| R86,75 per share exercisable until 1 June 2021 | 1B | 8 600 |
| | | 402 600 |

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R73,69, an expected option life of seven years and expected dividend yield of 4,69%. The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 5,9% to 7,7%. Expected volatility of 27,4% was based on historical share price volatility.

27. RETIREMENT BENEFITS

The group provides a total of seven retirement plans that cover all employees. The plans consist of four defined-contribution provident funds, one defined-contribution retirement pension fund and an umbrella pension fund. There is also a defined-benefit pension fund which had one active member who transferred to a defined-contribution fund during 2013. The assets of the funds are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, 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 2011, the fund was confirmed to be in a financially sound condition. The last active member has been converted to a defined-contribution fund and the pensioners liability has been outsourced to a third party. There is therefore no liability remaining in the fund.

Members of one provident fund and one pension fund transferred to a new umbrella fund with effect from 1 July 2013. Transfer of the assets of the two funds to the umbrella fund was completed in 2014.

| | 2014 R'000 | 2013 R'000 | 2012 R'000 | 2011 R'000 | 2010 R'000 |
|---|---------------|---------------|---------------|---------------|---------------|
| 27. RETIREMENT BENEFITS <i>continued</i> | | | | | |
| Balance at the end of the year | | | | | |
| Present value of defined-benefit obligations and surplus apportionment to former members | | | (1 497) | (10 790) | (10 176) |
| Fair value of plan assets in respect of defined-benefit obligations and surplus apportionment to former members | | 8 990 | 8 682 | 16 185 | 17 573 |
| Funded status of defined-benefit plan | | 8 990 | 7 185 | 5 395 | 7 397 |
| Unrecognised actuarial gains/(losses) | | | 638 | 2 127 | (722) |
| Asset not recognised at the reporting date | | (8 990) | (7 823) | (7 522) | (6 675) |
| Liability at the reporting date | | | | | |

In respect of those retirement arrangements which disclosed a positive fund status, no assets have been recognised by the group. The funded status is shown above for disclosure purposes only and does not necessarily indicate any assets available to the group.

| | 2014 R'000 | 2013 R'000 | 2012 R'000 | 2011 R'000 | 2010 R'000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Movement in the liability recognised in the statement of financial position | | | | | |
| Opening balance | | | | | |
| Asset not recognised at the beginning of the year | 8 990 | 7 823 | 7 522 | 6 675 | 1 151 |
| Contributions paid | 40 782 | 36 104 | 30 087 | 24 675 | 22 670 |
| Other expenses included in staff costs | (49 772) | (43 927) | (37 609) | (31 350) | (23 821) |
| Current service cost | (40 768) | (36 124) | (30 115) | (24 669) | (22 667) |
| Interest cost | | (135) | (534) | (910) | (756) |
| Expected return on plan assets | | 521 | 1 108 | 1 751 | 1 455 |
| Surplus (transferred)/allocation – former members and related reserves | (9 004) | | | | 4 409 |
| Net actuarial gains/(losses) unrecognised during the year | | 801 | (245) | | 413 |
| Asset not recognised at the reporting date | | (8 990) | (7 823) | (7 522) | (6 675) |
| 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 | n/a | n/a | 8,65% | 8,50% | 9,00% |
| Inflation rate | n/a | 6,00% | 6,25% | 6,00% | 6,00% |
| Expected return on plan assets | n/a | 6,00% | 9,65% | 9,50% | 10,00% |
| Future salary increases | 6,75% | 6,75% | 7,25% | 6,75% | 6,75% |
| Future pension increases | n/a | n/a | 6,25% | 6,00% | 6,00% |

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 2014.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

| | 2014 R'000 | 2013 R'000 |
|---|---------------|---------------|
| 27. RETIREMENT BENEFITS <i>continued</i> | | |
| Present value of post-employment medical obligations | 8 177 | 8 297 |
| Less: Fair value of plan assets | (6 831) | (7 470) |
| Liability at the reporting date | 1 346 | 827 |
| The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations: | | |
| Discount rate | 8,21% | 7,97% |
| Medical inflation | 7,93% | 7,91% |

A 100 basis point increase or decrease in the rate of medical inflation would lead to an increase or decrease in the present value of obligations of 8,0% and 7,1% respectively.

A 100 basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 7,7% and 6,7% respectively.

28. CONTINGENT LIABILITIES AND GUARANTEES

The company and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. The company has given a letter of support to Calamari Fishing Proprietary Limited. The company has guaranteed the loan of R300 million as disclosed in note 21. Furthermore, two of the subsidiaries in the group have guaranteed the loan.

29. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: capital risk, market risk (including currency and interest rate 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 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 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.

29. FINANCIAL RISK MANAGEMENT *continued*

Foreign currency balances and exposure

The group had the following foreign currency denominated financial assets and liabilities in existence at the reporting date.

| | Group | | | | |
|---------------------------|-------------------|--------------|------------------|-------------|------------------------------|
| | US dollar '000 | Euro '000 | Sterling '000 | Yen '000 | Australian dollar '000 |
| 2014 | | | | | |
| Trade receivables | 14 125 | 1 898 | 1 405 | 29 005 | 9 |
| Other accounts receivable | 2 739 | | | | |
| Cash and cash equivalents | 16 354 | 414 | | | |
| Accounts payable | (12 893) | (146) | (58) | | |
| | 20 325 | 2 166 | 1 347 | 29 005 | 9 |
| Year-end exchange rate | 11,35 | 14,31 | 18,37 | 9,75 | 9,8 |
| 2013* | | | | | |
| Trade receivables | 5 091 | 1 915 | 828 | 13 147 | 295 |
| Other accounts receivable | 5 466 | 30 | | | |
| Cash and cash equivalents | 3 784 | | | | |
| Accounts payable | (10 766) | (27) | (53) | | |
| | 3 575 | 1 918 | 775 | 13 147 | 295 |
| Year-end exchange rate | 10,15 | 13,70 | 16,41 | 9,69 | 9,42 |

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 through close co-operation 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 statement of financial position. 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 statement of financial position) are shown in the following table. The contracts will be utilised for purposes of trade in the 2015 financial year.

| | Group | |
|-------------------------|-------------------|--------------|
| | US dollar '000 | Euro '000 |
| 2014 | | |
| Foreign currency bought | 8 078 | 282 |
| Foreign currency sold | 165 | |
| Average exchange rate | 10,89 | 14,35 |
| 2013 | | |
| Foreign currency bought | 36 900 | |
| Foreign currency sold | 570 | |
| Average exchange rate | 10,08 | |

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2014

29. FINANCIAL RISK MANAGEMENT *continued*

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.

| | 2014 R'000 | Group 2013* R'000 |
|---|---------------|-------------------------|
| Increase in profit before taxation | | |
| US dollar | 23 064 | 3 629 |
| Euro | 3 100 | 2 627 |
| Sterling | 2 474 | 1 271 |
| Australian dollar | 9 | 278 |
| Yen | 297 | 136 |
| 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. | | |
| Increase in FCTR | | |
| US dollar | 3 541 | 2 235 |
| Sterling | 1 278 | 1 953 |

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

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 payable 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 memorandum of incorporation, the company's borrowing powers are unlimited.

All non-derivative financial liabilities mature within one year in both the group and the company, with the exception of the long-term loan disclosed in note 21.

Interest rate sensitivity analysis

For the group, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R6,7 million (2013: earned R2,3 million). A 100 basis point change in the interest rate would result in an increase or decrease of R1,4 million (2013: R0,14 million). The group's sensitivity to interest rates has increased since the previous year due to an increase in the absolute value of net cash and cash equivalents.

For the company, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R14,1 million (2013: earned R16,8 million). A 100 basis point change in the interest rate would result in an increase or decrease of R2,0 million (2013: R1,4 million). The company's sensitivity to interest rates has increased since the previous year due to an increase in the absolute value of net cash and cash equivalents.

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 cession of shares and fishing rights and bonds over assets 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 2014, 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 receivable is managed.

* Restated due to the adoption of IFRS 11, refer to page 13.

29. FINANCIAL RISK MANAGEMENT *continued*

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values at year-end because they are either of a short-term nature or bear interest at market-related rates.

All forward exchange contracts recorded in the cash flow hedging reserve are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Classification of financial instruments

| | Group | | Company | |
|------------------------------|---------------|----------------|---------------|---------------|
| | 2014 R'000 | 2013* R'000 | 2014 R'000 | 2013 R'000 |
| Financial assets | | | | |
| Loans and receivables | 1 273 228 | 848 632 | 584 784 | 919 885 |
| Financial liabilities | | | | |
| At amortised cost | 1 038 609 | 810 038 | 82 973 | 400 868 |

30. 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. A working capital loan to Lucky Star Limited to fund inventory purchases bears interest at rates in line with prevailing market rates. 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 page 50. Details of treasury shares held by share trusts are disclosed in note 19.

The company owns preference shares issued by Oceana SPV Proprietary Limited, a subsidiary of Brimstone Investment Corporation Limited. Further details of this investment are disclosed in note 13.

* Restated due to the adoption of IFRS 11, refer to page 13.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2014

30. RELATED-PARTY DISCLOSURES *continued*

Details of the transactions between the group and the company with related parties are as follows.

| | Group | | Company | |
|---|---------------|----------------|---------------|---------------|
| | 2014 R'000 | 2013* R'000 | 2014 R'000 | 2013 R'000 |
| Transactions | | | | |
| Transactions with joint operations | | | | |
| Administration fees received | 1 796 | 1 294 | | |
| Net interest received | 218 | 159 | | |
| Transactions with subsidiaries and joint ventures | | | | |
| Administration fees received | 435 | 1 323 | 129 983 | 156 220 |
| Dividends received | | | 401 829 | 220 437 |
| Net interest received | | 310 | 3 091 | 891 |
| Goods and services sold to joint ventures | 30 418 | 82 477 | | |
| Goods and services bought from joint ventures | 226 189 | 110 915 | | |
| Transactions and balances with shareholders | | | | |
| Dividends receivable from Oceana SPV Proprietary Limited | 8 385 | 9 013 | 8 385 | 9 013 |
| Goods and services sold to Tiger Brands Limited subsidiaries | 2 703 | 3 932 | | |
| Goods and services sold to Brimstone Investment Corporation Limited subsidiaries | 9 113 | 8 480 | | |
| Goods and services bought from Brimstone Investment Corporation Limited subsidiaries | 1 281 | 1 479 | | |
| Amount receivable from Tiger Brands Limited subsidiaries | 210 | | | |
| Amount receivable from Brimstone Investment Corporation Limited subsidiaries | 651 | | | |
| 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 | 34 901 | 24 721 | 21 175 | 14 668 |
| Post-employment benefits | 3 419 | 3 316 | 2 023 | 2 015 |
| Share-based payments – cash-settled compensation scheme | 8 685 | 65 934 | 5 221 | 50 073 |
| Share-based payments – Oceana Empowerment Trust | 5 126 | 55 | 3 968 | 52 |
| Termination benefits | 1 494 | 381 | 1 494 | 381 |
| Non-executive directors' emoluments | 2 804 | 2 592 | 2 804 | 2 592 |
| Total compensation of key management | 56 429 | 96 999 | 36 685 | 69 781 |

Interest of directors in contracts

The directors of Oceana make declarations of interest in terms of section 75 of the Companies Act. These declarations indicate that certain directors hold positions of influence in other entities which are shareholders, 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 27.

* Restated due to the adoption of IFRS 11, refer to page 13.

31. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

Executive directors' remuneration

| 2014 | Company | | | | | |
|------------|---------|------------|-------------------------------|--------------------------------|--|------------------|
| | Salary | Allowances | Retirement fund contributions | Incentive bonuses ¹ | Gain on exercise of cash-settled share options | Total emoluments |
| Name | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ABA Conrad | 1 603 | 147 | 376 | 1 550 | 5 171 | 8 847 |
| FP Kuttel | 3 940 | 196 | 598 | 3 362 | 14 156 | 22 252 |
| I Soomra | 2 337 | 109 | 408 | 2 042 | 682 | 5 578 |
| Total | 7 880 | 452 | 1 382 | 6 954 | 20 009 | 36 677 |

| | | | | | | |
|-----------------------|-------|-----|-------|-------|--------|--------|
| 2013 | | | | | | |
| ABA Conrad | 1 507 | 144 | 350 | 415 | 2 095 | 4 511 |
| FP Kuttel | 3 654 | 189 | 556 | 937 | 20 356 | 25 692 |
| RG Nicol ² | 2 121 | 136 | 359 | 478 | 12 845 | 15 939 |
| I Soomra ³ | 576 | 23 | 101 | 850 | | 1 550 |
| Total | 7 858 | 492 | 1 366 | 2 680 | 35 296 | 47 692 |

Note:

¹ Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.

² RG Nicol retired 30 June 2013.

³ I Soomra appointed 1 July 2013.

Executive directors' phantom share option details

| 2014 | Options as at 30 Sept 2013 | Option price (cents) | Options granted during the year | Options exercised during the year | Exercise price (cents) | Options as at 30 Sept 2014 | Expiry date |
|------------|----------------------------|----------------------|---------------------------------|-----------------------------------|------------------------|----------------------------|-------------|
| ABA Conrad | 30 667 | 2 265 | | 30 667 | 8 326 | | |
| | 38 000 | 2 959 | | 12 666 | 8 326 | 25 334 | 11.02.2016 |
| | 33 000 | 3 752 | | | | 33 000 | 10.02.2017 |
| | 30 000 | 4 477 | | | | 30 000 | 17.02.2018 |
| | 39 000 | 6 749 | | | | 39 000 | 14.02.2019 |
| | 170 667 | | | 43 333 | | 127 334 | |
| FP Kuttel | 166 667 | 2 506 | | 166 667 | 8 480 | | |
| | 90 666 | 2 959 | | 45 333 | 8 270 | 45 333 | 11.02.2016 |
| | 119 000 | 3 752 | | 39 667 | 8 270 | 79 333 | 10.02.2017 |
| | 107 000 | 4 477 | | | | 107 000 | 17.02.2018 |
| | 129 000 | 6 749 | | | | 129 000 | 14.02.2019 |
| | 612 333 | | | 251 667 | | 360 666 | |
| I Soomra | 180 000 | 8 586 | | | | 180 000 | 01.07.2019 |
| | 180 000 | | | | | 180 000 | |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
for the year ended 30 September 2014

31. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

Executive directors' phantom share option details *continued*

| 2013 Name | Options as at 30 Sept 2012 | Option price (cents) | Options granted during the year | Company Options exercised during the year | Exercise price (cents) | Options as at 30 Sept 2013 | Expiry date |
|--------------|-------------------------------------|----------------------------|--|---|------------------------------|-------------------------------------|----------------|
| ABA Conrad | 15 000 | 1 926 | | 15 000 | 6 742 | | 07.02.2014 |
| | 61 333 | 2 265 | | 30 666 | 6 742 | 30 667 | 05.02.2015 |
| | 38 000 | 2 959 | | | | 38 000 | 11.02.2016 |
| | 33 000 | 3 752 | | | | 33 000 | 10.02.2017 |
| | 30 000 | 4 477 | | | | 30 000 | 16.02.2018 |
| | | 6 749 | 39 000 | | | 39 000 | 14.02.2019 |
| | 177 333 | | 39 000 | 45 666 | | 170 667 | |
| FP Kuttel | 500 000 | 2 506 | | 166 666 | 6 926 | 166 667 | 01.07.2015 |
| | | 2 506 | | 166 667 | 8 586 | | |
| | 136 000 | 2 959 | | 45 334 | 9 259 | 90 666 | 11.02.2016 |
| | 119 000 | 3 752 | | | | 119 000 | 10.02.2017 |
| | 107 000 | 4 477 | | | | 107 000 | 16.02.2018 |
| | | 6 749 | 129 000 | | | 129 000 | 14.02.2019 |
| | 862 000 | | 129 000 | 378 667 | | 612 333 | |
| RG Nicol | 100 000 | 1 926 | | 66 667 | 6 926 | | 07.02.2014 |
| | | 1 926 | | 33 333 | 6 816 | | |
| | 188 000 | 2 265 | | 62 667 | 6 926 | 62 666 | 05.02.2015 |
| | | 2 265 | | 62 667 | 8 581 | | |
| | 78 000 | 2 959 | | 26 000 | 6 816 | 52 000 | 11.02.2016 |
| | 68 000 | 3 752 | | | | 68 000 | 10.02.2017 |
| | 61 000 | 4 477 | | | | 61 000 | 16.02.2018 |
| | 495 000 | | | 251 334 | | 243 666 | |
| I Soomra | | 8 586 | 180 000 | | | 180 000 | 01.07.2019 |
| | | | 180 000 | | | 180 000 | |

Executive directors' Oceana Group share option details

| 2014 Name | Option price (cents) | Options granted during the year | Options as at 30 Sept 2014 | Expiry date |
|----------------------------------|----------------------------|--|-------------------------------------|----------------|
| Share Appreciation Rights | | | | |
| ABA Conrad | 8 280 | 16 600 | 16 600 | 11.02.2021 |
| FP Kuttel | 8 280 | 56 400 | 56 400 | 11.02.2021 |
| I Soomra | 8 280 | 22 300 | 22 300 | 11.02.2021 |
| | | 95 300 | 95 300 | |
| Performance Shares | | | | |
| ABA Conrad | 8 280 | 4 600 | 4 600 | 11.02.2017 |
| FP Kuttel | 8 280 | 19 700 | 19 700 | 11.02.2017 |
| I Soomra | 8 280 | 6 200 | 6 200 | 11.02.2017 |
| | | 30 500 | 30 500 | |
| Restricted Shares | | | | |
| ABA Conrad | 8 280 | 900 | 900 | 11.02.2017 |
| FP Kuttel | 8 280 | 1 900 | 1 900 | 11.02.2017 |
| I Soomra | 8 280 | 1 700 | 1 700 | 11.02.2017 |
| | | 4 500 | 4 500 | |

31. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

Executive directors' share option details

| 2014 | Balance as at 30 Sept 2013 | Share options deemed to be | Gains on options exercised | Exercise price | Deemed | Lapsed | Balance as |
|----------|----------------------------------|--|----------------------------------|-------------------|----------|---------|------------|
| | Number | exercised during the year ¹ | R'000 | price | exercise | options | at 30 Sept |
| | Name | Number | Number | (cents) | dates | Number | 2014 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | Balance as at 30 Sept 2012 | | | | | | Balance as |
| 2013 | Number | | | | | | at 30 Sept |
| Name | Number | | | | | | 2013 |
| | | | | | | | Number |
| RG Nicol | 187 000 | (187 000) | | | | | |

Note:

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.
RG Nicol retired on 30 June 2013 and exercised his share options after his retirement date. Gains on options exercised are therefore not included above.

Non-executive directors' remuneration

| | 2014 | | | 2013 | | |
|--------------------------|------------------------|----------------------------|----------------|------------------------|----------------------------|----------------|
| | Board fees R'000 | Committee fees R'000 | Total R'000 | Board fees R'000 | Committee fees R'000 | Total R'000 |
| ZBM Bassa | 183 | 174 | 357 | 172 | 137 | 309 |
| MA Brey | 520 | 59 | 579 | 487 | 56 | 543 |
| PG de Beyer | 183 | 170 | 353 | 172 | 159 | 331 |
| NP Doyle ^{1, 2} | 183 | 59 | 242 | 82 | 27 | 109 |
| PB Matlare ¹ | 183 | 59 | 242 | 172 | 55 | 227 |
| S Pather | 246 | 203 | 449 | 230 | 191 | 421 |
| PM Roux ^{1, 3} | | | | 68 | 37 | 105 |
| NV Simamane | 183 | 157 | 340 | 172 | 148 | 320 |
| TJ Tapela | 183 | 59 | 242 | 172 | 55 | 227 |
| Total | 1 864 | 940 | 2 804 | 1 727 | 865 | 2 592 |

Note:

¹ Paid to Tiger Brands Limited.

² NP Doyle appointed 8 April 2013.

³ PM Roux resigned 22 February 2013.

32. GROUP ENTITIES

The group's principal subsidiaries and joint ventures, including applicable ownership interests, are detailed on page 50. There is no individually material non-controlling interest. There are no significant restrictions on the ability of the group to realise assets or settle liabilities of any of its subsidiaries. The group has no unconsolidated structured entities. There are no contractual obligations on the company or any of its subsidiaries to provide financial support other than what is disclosed in note 28.

33. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the group's reported financial position at 30 September 2014 or require separate disclosure in these financial statements.

INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES at 30 September 2014

| Name of company | Nature of Notes business | Issued capital | Effective holding | 2013 % | Interest of holding company | | Indebtedness | |
|---|-----------------------------|-------------------|-------------------|-----------|---------------------------------|---------------|---------------|---------------|
| | | 2014 R | 2014 % | | Cost of shares 2014 R'000 | 2013 R'000 | 2014 R'000 | 2013 R'000 |
| Blue Atlantic Trading (Pty) Ltd | 1, 2 Fish trading | | | 50 | | | | 5 000 |
| Blue Continent Products (Pty) Ltd | Horse mackerel, hake | 1 000 | 100 | 100 | 1 932 | 1 932 | 75 683 | 97 665 |
| Calamari Fishing (Pty) Ltd | Squid | 4 000 | 100 | 100 | | | 31 207 | 14 662 |
| Commercial Cold Storage (Pty) Ltd | Cold storage | 100 | 100 | 100 | | | 14 448 | (4 622) |
| Commercial Cold Storage Group Ltd | Holding company | 1 000 000 | 100 | 100 | 6 986 | 6 986 | | |
| Commercial Cold Storage (Ports) (Pty) Ltd | Cold storage | 100 | 70 | 70 | | | | |
| Commercial Cold Storage (Namibia) (Pty) Ltd – Namibia | Cold storage | 10 000 | 100 | 100 | | | (17 594) | (33 208) |
| Compass Trawling (Pty) Ltd | Hake | 1 000 | 60,53 | 60,53 | | | | |
| Desert Diamond Fishing (Pty) Ltd | Horse mackerel | 120 | 90 | 90 | | | 30 988 | 13 854 |
| Erongo Marine Enterprises (Pty) Ltd – Namibia | Horse mackerel | 100 | 100 | 100 | | | (21 920) | (63 440) |
| Erongo Seafoods (Pty) Ltd – Namibia | Horse mackerel | 40 000 | 49 | 49 | | | | |
| Erongo Sea Products (Pty) Ltd – Namibia | Horse mackerel | 100 | 58 | 58 | | | | |
| Etosha Fisheries Holding Company (Pty) Ltd – Namibia | Canned fish, 1 fishmeal/oil | 9 085 | 44,9 | 44,9 | 10 988 | 10 988 | | |
| Glenryck Foods Ltd – United Kingdom | Canned fish | 6 080 000 | 100 | 100 | 12 713 | 12 713 | | |
| Lamberts Bay Foods Ltd | French fries | 52 700 | 100 | 100 | 22 | 22 | 23 302 | 16 934 |
| MFV Romano Paulo Vessel Company (Pty) Ltd | 1 Rock lobster | 3 000 | 35 | 35 | | | | |
| Lucky Star Ltd | Canned fish, fishmeal/oil | 600 000 | 100 | 100 | 1 706 | 1 706 | 170 487 | 648 364 |
| Oceana International Ltd – Isle of Man | 1 Horse mackerel | 46 000 | 50 | 50 | 23 | 23 | | |
| Oceana Lobster Ltd | Rock lobster | 965 500 | 100 | 100 | 966 | 966 | 35 545 | 2 319 |
| Stephan Rock Lobster Packers Ltd | Rock lobster | 200 000 | 51 | 51 | 25 | 25 | (414) | (198) |
| | | | | | 35 361 | 35 361 | 341 732 | 697 330 |

Only principal trading 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.

The group has 17 (2013: 17) wholly owned subsidiaries and 13 (2013: 12) non-wholly owned subsidiaries.

All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

Note:

¹ Joint venture.

² On 1 October 2013, the group disposed of its interest in Blue Atlantic Trading (Pty) Ltd

INTEREST IN JOINT OPERATIONS

at 30 September 2014

| | 2014 | 2013 |
|---|-----------------|--------------|
| EFFECTIVE HOLDING | % | % |
| The amounts below are included in the group's financial statements as a result of the proportionate consolidation of joint operations. The only significant joint operation is: | | |
| Realeka/Premier JV (unincorporated joint operation of Blue Continent Products Proprietary Limited) | 52,00 | 52,00 |
| | R'000 | R'000 |
| STATEMENT OF COMPREHENSIVE INCOME | | |
| Revenue | 33 107 | 24 778 |
| Expenses | (19 425) | (18 598) |
| Operating profit | 13 682 | 6 180 |
| Net interest | 131 | 33 |
| Profit before taxation | 13 813 | 6 213 |
| Taxation | | |
| Profit after taxation | 13 813 | 6 213 |
| STATEMENT OF FINANCIAL POSITION | | |
| Property, plant and equipment | | |
| Investments | | |
| Current assets | 8 199 | 9 186 |
| Current liabilities | | |
| – Interest-free | (2 149) | (103) |
| STATEMENT OF CASH FLOWS | | |
| Operating profit | 13 682 | 6 180 |
| Working capital changes | 3 423 | (4 045) |
| Cash flows from operations | 17 105 | 2 135 |
| Net interest received | 131 | 33 |
| Net cash flows from operating activities | 17 236 | 2 168 |
| Net increase in cash and cash equivalents | 17 236 | 2 168 |

QUANTITATIVE EFFECTS OF ADOPTING IFRS 11

Consolidated statement of financial position

| | As previously reported 2013 R'000 | IFRS 11 R'000 | As reported 2013 R'000 | As previously reported 2012 R'000 | IFRS 11 R'000 | As reported 2012 R'000 |
|---|--|------------------|------------------------------|--|------------------|------------------------------|
| Assets | | | | | | |
| Non-current assets | 725 407 | 88 870 | 814 277 | 690 615 | 63 113 | 753 728 |
| Property, plant and equipment | 473 821 | (15 621) | 458 200 | 435 850 | (13 745) | 422 105 |
| Intangible assets | 102 802 | | 102 802 | 88 638 | | 88 638 |
| Deferred Taxation | 30 360 | (1 858) | 28 502 | 23 187 | (1 338) | 21 849 |
| Investments and loans | 118 424 | 1 901 | 120 325 | 142 940 | 1 299 | 144 239 |
| Interest in subsidiaries and joint ventures | | 104 448 | 104 448 | | 76 897 | 76 897 |
| Current assets | 2 169 999 | (150 707) | 2 019 292 | 1 878 113 | (111 821) | 1 766 292 |
| Inventories | 1 277 781 | (64 612) | 1 213 169 | 777 979 | (74 852) | 703 127 |
| Accounts receivable | 751 327 | (69 455) | 681 872 | 819 164 | (33 513) | 785 651 |
| Taxation | 14 456 | (1 408) | 13 048 | 4 792 | (150) | 4 642 |
| Non-current assets held for sale | 2 618 | (2 618) | | | | |
| Cash and cash equivalents | 123 817 | (12 614) | 111 203 | 276 178 | (3 306) | 272 872 |
| Total assets | 2 895 406 | (61 837) | 2 833 569 | 2 568 728 | (48 708) | 2 520 020 |
| Equity and Liabilities | | | | | | |
| Capital and reserves | 1 789 375 | (4) | 1 789 371 | 1 633 242 | | 1 633 242 |
| Share capital and premium | 33 770 | | 33 770 | 30 692 | | 30 692 |
| Foreign currency translation reserve | 5 507 | (4) | 5 503 | (721) | 1 | (720) |
| Capital redemption reserve | 130 | | 130 | 130 | | 130 |
| Cash flow hedging reserve | 9 188 | | 9 188 | 400 | 1 | 401 |
| Share-based payment reserve | 59 337 | | 59 337 | 57 144 | | 57 144 |
| Distributable reserves | 1 620 682 | | 1 620 682 | 1 496 895 | (2) | 1 496 893 |
| Interests of own shareholders | 1 728 614 | (4) | 1 728 610 | 1 584 540 | | 1 584 540 |
| Non-controlling interests | 60 761 | | 60 761 | 48 702 | | 48 702 |
| Non-current liabilities | 183 688 | (3 111) | 180 577 | 139 270 | (1 474) | 137 796 |
| Liability for share based payments | 143 891 | | 143 891 | 97 427 | | 97 427 |
| Deferred taxation | 39 797 | (3 111) | 36 686 | 41 843 | (1 474) | 40 369 |
| Current liabilities | 922 343 | (58 722) | 863 621 | 796 216 | (47 234) | 748 982 |
| Accounts payable | 597 088 | (20 957) | 576 131 | 648 675 | (1 823) | 646 852 |
| Provisions | 10 237 | (972) | 9 265 | 10 767 | (837) | 9 930 |
| Taxation | 21 225 | | 21 225 | 92 200 | | 92 200 |
| Bank overdrafts | 293 793 | (36 793) | 257 000 | 44 574 | (44 574) | |
| Total equity and liabilities | 2 895 406 | (61 837) | 2 833 569 | 2 568 728 | (48 708) | 2 520 020 |

Consolidated statement of comprehensive income

| | As previously reported 2013 R'000 | IFRS 11 R'000 | As reported 2013 R'000 |
|--|--|------------------|------------------------------|
| Revenue | 4 997 354 | (296 130) | 4 701 224 |
| Cost of Sales | 3 049 222 | (215 618) | 2 833 604 |
| Gross Profit | 1 948 132 | (80 512) | 1 867 620 |
| Sales and Distributing expenses | 491 756 | (33 372) | 458 384 |
| Marketing expenditure | 63 503 | (14) | 63 489 |
| Overhead expenditure | 687 624 | (12 098) | 675 526 |
| Net foreign exchange gain | (43 430) | 138 | (43 292) |
| Operating profit before joint venture income | 748 679 | (35 166) | 713 513 |
| Joint venture income | – | 30 046 | 30 046 |
| Operating profit | 748 679 | (5 120) | 743 559 |
| Investment income | 16 330 | 121 | 16 451 |
| Interest paid | (10 282) | 2 797 | (7 485) |
| Profit before taxation | 754 727 | (2 202) | 752 525 |
| Taxation | 230 337 | (2 202) | 228 135 |
| Profit after taxation | 524 390 | | 524 390 |
| Other comprehensive income | | | |
| Items that may be re-classified subsequently to profit or loss | | | |
| Movement on foreign currency translation reserve | 6 228 | (5) | 6 223 |
| Movement on cash flow hedging reserve | 8 788 | (1) | 8 787 |
| Other comprehensive income, net of taxation | 15 016 | (6) | 15 010 |
| Total comprehensive income for the year | 539 406 | (6) | 539 400 |
| Profit after tax attributable to: | | | |
| Shareholders of Oceana Group Limited | 491 016 | | 491 016 |
| Non-controlling interest | 33 374 | | 33 374 |
| | 524 390 | | 524 390 |
| Total comprehensive income attributable to: | | | |
| Shareholders of Oceana Group Limited | 506 032 | (6) | 506 026 |
| Non-controlling interest | 33 374 | | 33 374 |
| | 539 406 | (6) | 539 400 |
| Consolidated statement of cash flows | | | |
| Net cash outflow from operating activities | (279 351) | (23 580) | (302 931) |
| Net cash outflow from investing activities | (135 719) | 7 454 | (128 265) |
| Net cash inflow from financing activities | 11 797 | (889) | 10 908 |
| Net movement in cash and cash equivalents | (403 273) | (17 015) | (420 288) |

SHAREHOLDER ANALYSIS

at 30 September 2014

| SHAREHOLDER SPREAD | Number of shareholders | % | Number of shares | % |
|----------------------------|---------------------------|-------|---------------------|-------|
| 1 – 1 000 shares | 1 118 | 62,1 | 476 644 | 0,4 |
| 1 001 – 10 000 shares | 499 | 27,7 | 1 714 709 | 1,4 |
| 10 001 – 100 000 shares | 131 | 7,3 | 4 541 024 | 3,8 |
| 100 001 – 1 000 000 shares | 43 | 2,4 | 13 982 124 | 11,7 |
| 1 000 001 shares and over | 9 | 0,5 | 98 811 656 | 82,7 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

DISTRIBUTION OF SHAREHOLDERS

| | | | | |
|--------------------------------------|-------|-------|-------------|-------|
| Banks | 25 | 1,4 | 4 817 847 | 4,0 |
| Brokers | 20 | 1,1 | 433 679 | 0,4 |
| Close corporations | 21 | 1,2 | 40 414 | 0,0 |
| Empowerment | 1 | 0,1 | 20 096 755 | 16,8 |
| Individuals | 1 321 | 73,4 | 2 684 626 | 2,3 |
| Insurance companies | 8 | 0,4 | 672 472 | 0,6 |
| Investment companies | 10 | 0,6 | 373 414 | 0,3 |
| Mutual funds | 72 | 4,0 | 11 037 330 | 9,2 |
| Nominees and trusts | 202 | 11,2 | 509 083 | 0,4 |
| Other corporate bodies | 14 | 0,8 | 175 214 | 0,2 |
| Pension funds | 53 | 2,9 | 9 152 207 | 7,7 |
| Private companies | 47 | 2,6 | 403 444 | 0,3 |
| Public companies | 3 | 0,2 | 50 115 887 | 41,9 |
| Treasury shares held by share trusts | 2 | 0,1 | 13 919 435 | 11,6 |
| Treasury shares held by subsidiary | 1 | 0,0 | 5 094 350 | 4,3 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

SHAREHOLDER TYPE

| | | | | |
|--------------------------------------|-------|-------|-------------|-------|
| Non-public shareholders | 49 | 2,8 | 89 543 917 | 74,9 |
| Directors and employees | 44 | 2,4 | 334 500 | 0,3 |
| Treasury shares held by share trusts | 2 | 0,1 | 13 919 435 | 11,6 |
| Treasury shares held by subsidiary | 1 | 0,1 | 5 094 350 | 4,3 |
| Empowerment | 1 | 0,1 | 20 096 755 | 16,8 |
| Other holdings greater than 10% | 1 | 0,1 | 50 098 877 | 41,9 |
| Public shareholders | 1 751 | 97,2 | 29 982 240 | 25,1 |
| | 1 800 | 100,0 | 119 526 157 | 100,0 |

SHAREHOLDERS HOLDING IN EXCESS OF 5%

| | | |
|--|------------|------|
| Tiger Brands Limited | 50 098 877 | 41,9 |
| Brimstone Investment Corporation Limited | 20 096 755 | 16,8 |
| Oceana Empowerment Trust | 13 902 935 | 11,6 |
| Government Employees Pension Fund | 6 702 690 | 5,6 |

ADMINISTRATION

Registered office and business address

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town 8001
PO Box 7206, Roggebaai 8012
Telephone: National 021 410 1400
International +27 21 410 1400
Facsimile: 021 419 5979
E-mail: companysecretary@oceana.co.za
Website: www.oceana.co.za

Company registration number

1939/001730/06

JSE share code

OCE

NSX share code

OCG

Company ISIN

ZAE000025284

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107
Telephone: 011 370 5000
Facsimile: 011 688 5216

Secretary

JC Marais (42)
BA LLB
Appointed in 2011

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) Proprietary Limited

DIRECTORS

Chairman

Mustaq Ahmed Brey[†] (60)

Chief executive officer

Francois Paul Kuttel^{°°} (46)

Financial director

Imraan Soomra^{°°} (39)

Group strategic services director

Alethea Berenice Anne Conrad^{°°} (50)

NON-EXECUTIVE DIRECTORS

Lead independent director

Saamsodein Pather^{*†} (64)

Zarina Bibi Mahomed Bassa^{*°} (50)

Peter Gerard de Beyer^{*†} (59)

Noel Patrick Doyle[°] (48)

Peter Bambatha Matlare[†] (55)

Nomahlubi Victoria Simamane^{*†} (55)

Takula Jenkins Tapela^{*} (46)

* Audit committee

° Risk committee

† Remuneration and nominations committee

° Executive director

• Social, ethics and transformation committee