2018

INTEGRATED REPORT

FOR THE YEAR ENDED 30 SEPTEMBER

OCEANA GROUP

100 YEARS 1918 - 2018

Oceana at 100 years: Our history

On the surface a fishing company. Deep down, so much more.

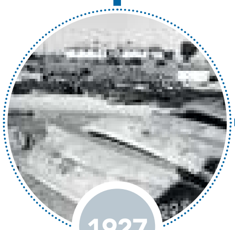
Who we are

Incorporated in 1918 with our shares listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges, Oceana Group is the largest fishing company in Africa, and an important participant in the South African, Namibian, Angolan and United States (US) fishing industries. We are ranked as one of the top 10 seafood companies in the world by market capitalisation, revenue growth, share price performance and EBITDA. We employ 5 255 people globally, of whom 3 867 are directly employed and 1 888 are indirectly employed. Oceana is a black-owned company and a level 1 B-BBEE contributor.

1918

A new beginning
It all started in 1918. The Oceana Group originated in the fishing town of Lambert's Bay on the West Coast and was originally known as Lambert's Bay Canning Company Ltd.

1927



Product diversification
The factory began canning Cape crawfish or 'kreef' for export to France. It posted fair profits from the start and by 1927, 500 people were fully dependent on the company for their livelihood.

1929

Lambert's Bay Canning Company Ltd was also operating a simple fish reduction plant, converting rock lobster offal into chicken feed in response to the growing global demand for this product.

1947

Listed on the Johannesburg Stock exchange.

Early modernisation and consolidation
Lambert's Bay Canning Company Ltd installed the country's most modern fish reduction plant for fishmeal and fish oil production. Five small rock lobster processing companies in Cape Town and Hout Bay merged to form South African Sea Products Ltd, one of which was the Hout Bay Canning Company Ltd.

1954

Lambert's Bay Canning Company Ltd engaged in rock lobster processing and fish canning, as well as fishmeal and fish oil production. The factory almost doubled in size and a spacious quay was built on reclaimed ground. A laboratory was installed and a quality control officer was appointed.

1957

OCEANA GROUP LIMITED

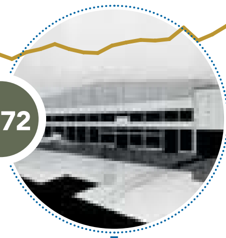
1957 Amalgamation of operations
The organisation united five of South Africa's biggest fishing companies' in 1957, which was hailed as an industry triumph.

1929 Lambert's Bay Canning Company Ltd embarked on a path of infrastructure development.

1965 Lamberts Bay Canning Company Ltd acquired South African Sea Products Ltd.

1969 Lamberts Bay Canning Company Ltd is further enlarged through a merger with Seafare Investments Ltd.

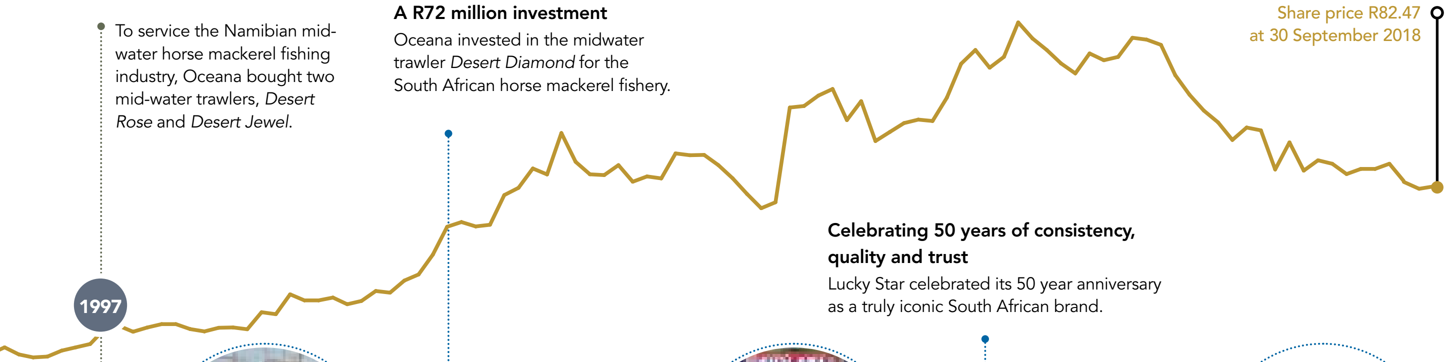
1972



Cold storage expansion
Blue Continent Products (Pty) Ltd completed construction of the cold storage facilities in Paarden Eiland, Western Cape.

What we do

Our core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid. The business includes midwater trawling (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, the Gulf menhaden species, redeye herring and pilchard). In addition, we provide refrigerated warehouse facilities and logistical support services. We market and sell approximately 276 000 tons of fish and fish products for consumers across the consumer spectrum, in 46 countries in Africa, North America, Asia, Europe and Australia.



1975 Blue Continent Products (Pty) Ltd established an office in New York from which to market South African and other fish products.

1977 Blue Continent Products (Pty) Ltd extensively increased its cold storage capacity, making them one of the most modern in the world.

1983 Lambert's Bay Holdings Ltd changes its name to the Oceana Fishing Group Ltd.

1997 To service the Namibian mid-water horse mackerel fishing industry, Oceana bought two mid-water trawlers, *Desert Rose* and *Desert Jewel*.

1998 Successfully acquired the iconic Lucky Star brand.

2003

A R72 million investment

Oceana invested in the midwater trawler *Desert Diamond* for the South African horse mackerel fishery.

2006

The Oceana Empowerment Trust

The Trust, which was intended to benefit black employees, was established and launched in Cape Town on 20 November 2006.

2009

Celebrating 50 years of consistency, quality and trust

Lucky Star celebrated its 50 year anniversary as a truly iconic South African brand.

2015

Acquisitions

Oceana Group expanded in SA through acquiring the operating assets of Foodcorp Fishing and expanded internationally by investing in Angola and acquiring US-based fishing company, Daybrook Fisheries Inc. These investments are seen as a critical component of our commitment to securing long-term opportunities for value creation and growth.

2018

Centenary moments

- Oceana Group Ltd celebrates 100 years as Africa's most efficient converter of global fishing resources into shared value.
- Appointment of Oceana's first black CEO.
- Achieved level 1 B-BBEE rating.
- Oceana Group Ltd invests in breakthrough water technology and launches desalination plants at Amawandle Pelagic and Lucky Star: St Helena Bay, thereby providing job security to over 2 000 employees.
- Oceana Group Ltd introduced a leading Enterprise Resource Planning (ERP) system.

About this report

SCOPE, BOUNDARY AND REPORTING CYCLE

Oceana Group Limited's 2018 Integrated Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the financial year ended 30 September 2018. We endeavour to illustrate a comprehensive view of the business by analysing our performance against the group's strategic objectives, highlighting successes and challenges experienced this year. This report focuses on the main operations and activities that contribute to Oceana's performance (see page 38). Unless otherwise stated, all performance data is for the 12-month period ended 30 September 2018, and relates to all of the group's South African, Namibian, Angolan and US operations. The B-BBEE assessment, as well as the employment equity statistics, exclude all non-South African companies and operations. There have been no significant restatements of data during the year.

This report is supplemented by additional reports available on our website: **www.oceana.co.za.**

REPORTING PRINCIPLES

Oceana has applied the principles contained in the International Financial Reporting Standards (IFRS), the King Code on Corporate Governance 2016 (King IV), the JSE Listings Requirements, and the Companies Act, 71 of 2008. The report has been developed in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC). The King IV disclosure report is available online at **www.oceana.co.za.**

MATERIALITY PROCESS

This report focuses on those matters that we see as being most material to our capacity to create value, and to delivering on our core purpose, as assessed in discussion with representatives of Oceana's executive team and subsequently signed off by the board. Our approach to managing these material matters is reflected in our strategic objectives (page 55). These objectives have been identified based on an assessment of how we create value (page 4), the impact of the external operating context on value creation (page 23), the material interests of our stakeholders (page 26), and the principal risks facing the group (page 28). Additional information that is not seen to be material for these purposes, but that may be of interest to other stakeholders, is provided in the separate accompanying reports.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors (to support their capital allocation assessments), and for representatives from government and regulatory authorities in South Africa, Angola, Namibia and the US (to inform their assessments of our performance). The report is also relevant for any other stakeholder who has an interest in our performance and prospects against our core purpose of efficiently converting global fishing resources into shared value.

EXTERNAL AUDIT AND ASSURANCE

An independent audit of the group's annual financial statements was performed by Deloitte & Touche. The B-BBEE scorecard information was verified independently by Empowerdex and the greenhouse gas emissions by GCX Africa. 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 ON OCEANA GROUP LIMITED'S 2018 INTEGRATED REPORT

In the board's opinion, Oceana Group Limited's 2018 Integrated Report provides a fair and balanced account of the group's performance on those material matters that we have assessed as having a bearing on the group's capacity to create value over the short, medium and long-term. This report has been prepared in accordance with the IIRC's International <IR> Framework, and complies with the recommendations of the King IV Code, Principle 5. The report, including the annual financial statements of the group for the year ended 30 September 2018, was approved by the board of directors on 7 December 2018, and signed on its behalf by

Mustaq Ahmed Brey
Chairman

Imraan Soomra
Chief Executive Officer

Saamsoodein Pather

Zarina Bibi Mahomed Bassa

Peter Gerard De Beyer

Nomahlubi Victoria Simamane

Noel Patrick Doyle

Lawrence Charles Mac Dougall

7 December 2018

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Oceana's financial condition, results, operations and businesses. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

Contents

ALIGNING OUR STRATEGY WITH THE SDGS

Our efforts to address social and environmental challenges align strongly with the global Sustainable Development Goals and local development agendas, such as South Africa's National Development Plan. With our dependence on natural resources and reliance on the efforts of many people, the viability of our business requires sustainable development. Collectively, we must end poverty and SDGs 1; we must end hunger and achieve food security (SDG 2); we must ensure the ocean economy and marine resources are conserved and developed sustainably for today's and future generations (SDG 14).

SUSTAINABLE DEVELOPMENT GOALS

ALIGNING GLOBAL SUSTAINABILITY DEVELOPMENT GOALS

17
Aspirational objectives

169
Defined targets

13
Years 2018-2030

End poverty in all its forms everywhere

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Focusing expressly on the ocean economy – conserve and sustainably use the oceans, seas and marine resources for sustainable development

HOW TO NAVIGATE OUR REPORT

CAPITALS

- Natural Capital
- Human Capital
- Social and Relationship Capital
- Manufactured Capital
- Intellectual Capital
- Financial Capital

STRATEGIC MATTERS

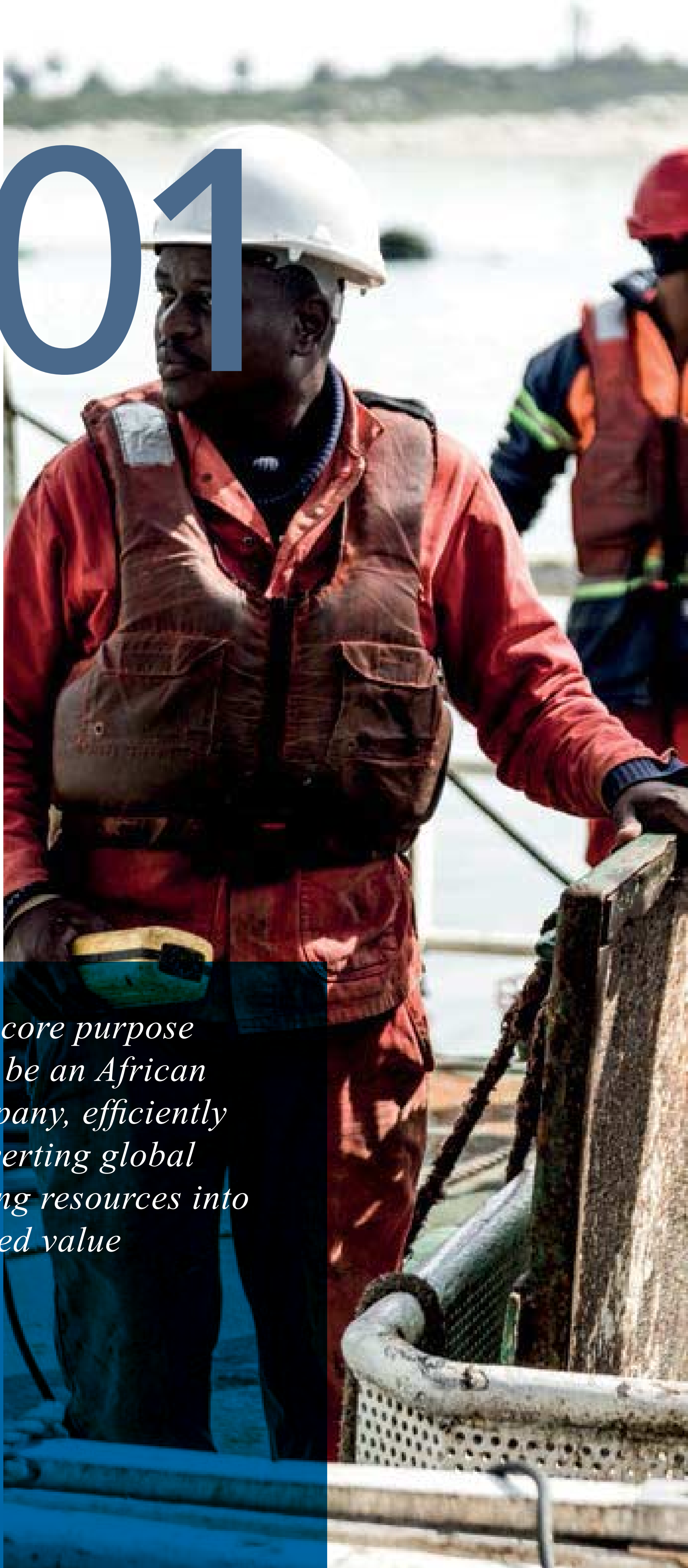
- Generating sustained financial returns
- Driving transformation and localisation
- Optimising our operations
- Leading stewardship of marine resources
- Building trusted relationships

OTHER

- More information online
- Cross-reference to relevant sections within this report

Our business

01



Our core purpose is to be an African company, efficiently converting global fishing resources into shared value

Oceana Group at a glance

Mission statement

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

- Responsibly harvesting and procuring a diverse range of marine resources
- Promoting food security by efficiently producing and marketing relevant products for global markets
- Actively developing the potential of all employees
- Investing in communities where we operate

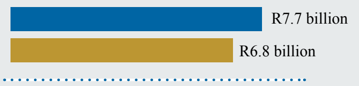
thereby consistently providing superior returns to all stakeholders.

Performance summary

REVENUE

R7.7bn

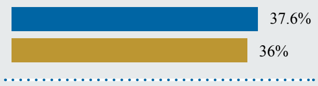
(2017: R6.8 bn)



GROSS PROFIT MARGIN

37.6%

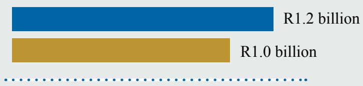
(2017: 36%)



OPERATING PROFIT

R1.2bn

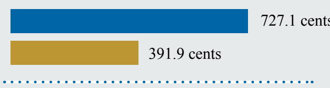
(2017: R1.0bn)



HEPS

727.1 cents

(2017: 391.9 cents)



DPS

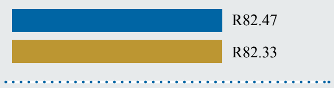
416 cents

(2017: 90 cents)

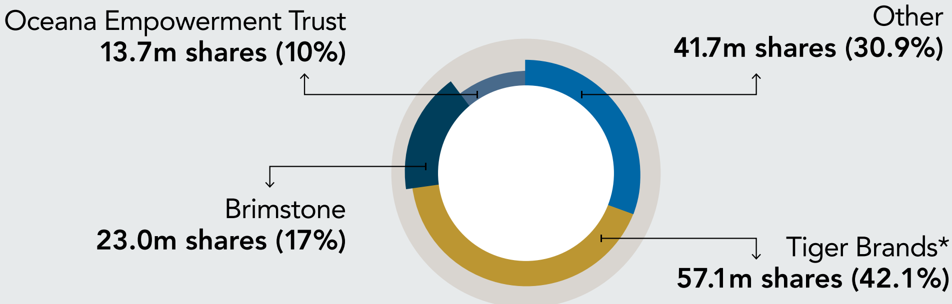
SHARE PRICE

R82.47

(2017: R82.33)

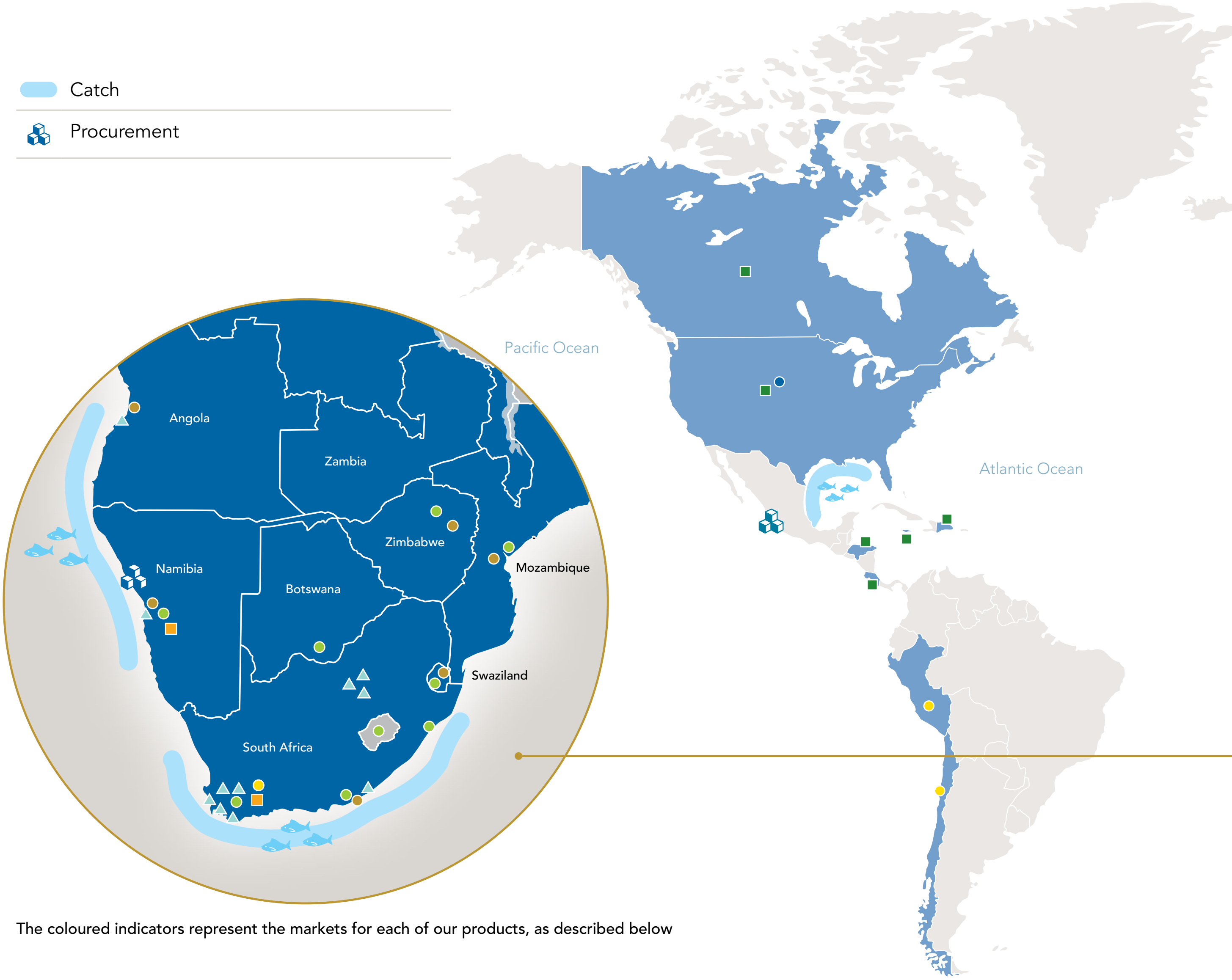


Ownership



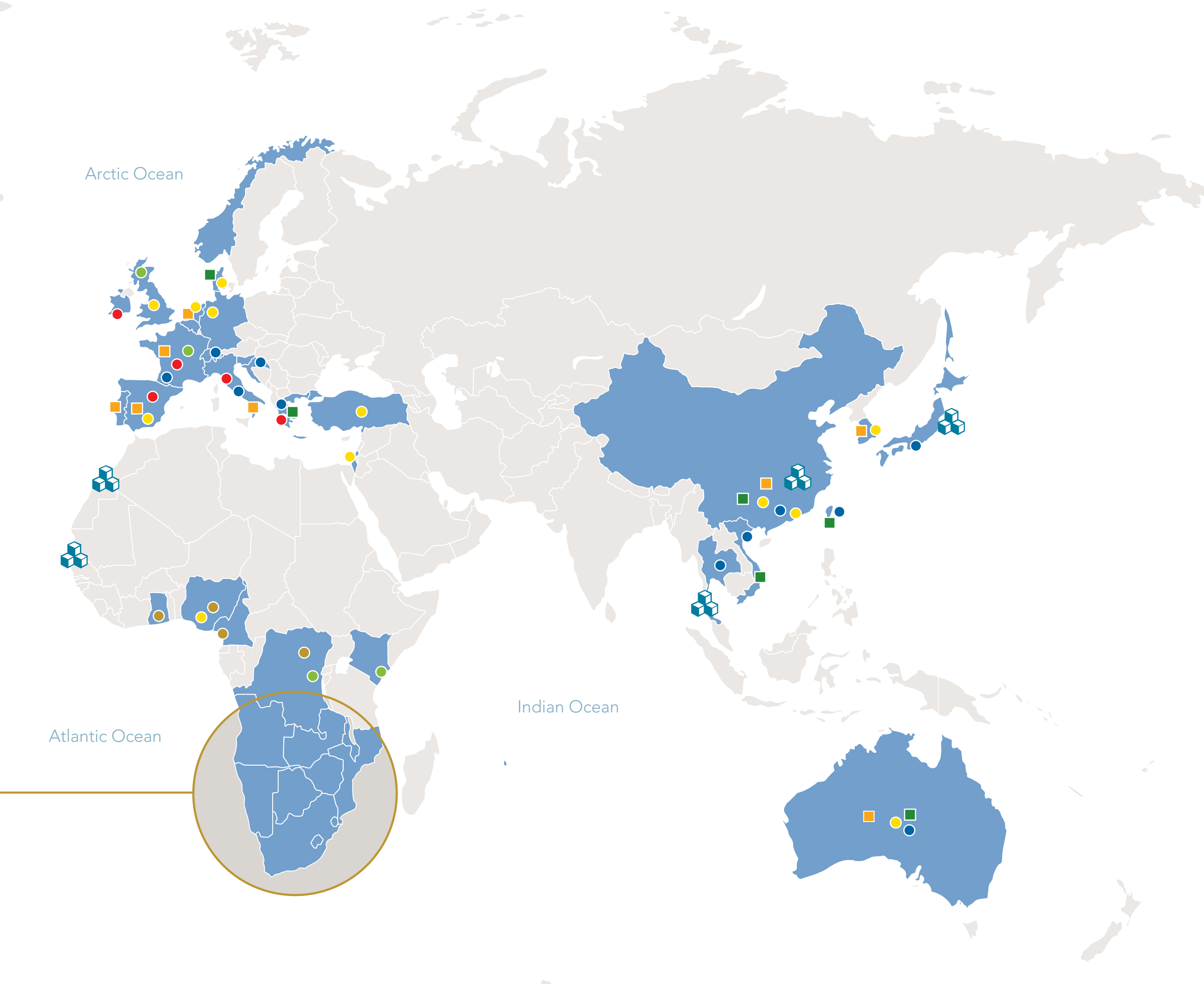
* *On 22 November 2018 Tiger Brands announced that they will be pursuing an unbundling of its entire shareholding in Oceana. The Oceana board is considering the implications and opportunities of the proposed unbundling.*

Oceana Group at a glance *(continued)*



The coloured indicators represent the markets for each of our products, as described below

	CANNED FISH ● AND FISHMEAL ●	FISHMEAL ■ AND FISH OIL ■	HORSE MACKEREL ● AND HAKE ■
PRODUCTS AND MARKETS	**Canned pilchards:** Marketed and sold mainly under the Lucky Star brand in South African and African markets, and under Glenryck brand in the UK and France **Canned tuna, sardines and mackerel:** Marketed and sold under the Lucky Star brand in South Africa **Fishmeal and fish oil:** Derived from anchovy, redeye herring and associated by-catch and cannery offcuts. Sold in Australian, Chilean, Chinese, European and UK markets	**Fishmeal:** Prime, pet food and FAQ grade fishmeal primarily for the aquaculture, baby pig and speciality pet food industries sold mainly in the US, China, Canada and Germany **Fish oil:** Omega-3-rich crude fish oil used by the aquaculture feed industry, and also refined into products for the nutraceutical and functional food industry sold mainly in Denmark, Norway and Canada *All product is derived from the Gulf menhaden species.*	**Horse mackerel:** Sold in frozen whole form mainly in Southern, Central and West Africa **Hake:** Sold headed and gutted as well as filleted to the European and South African food services market
SCOPE OF OPERATIONS	**9** steel refrigerated seawater vessels in South Africa	**11** fishing vessels in the US	**1** horse mackerel trawler in South Africa
	4 steel refrigerated seawater vessels in Namibia	**12** spotter planes in the US	**2** horse mackerel trawlers in Namibia
	3 canneries in Southern Africa	**1** fishmeal plant in the US	**4** hake freezer trawlers in South Africa
	5 fishmeal plants in Southern Africa		**1** hake wet-fish trawler in South Africa
	8 vessels wholly owned, co-owned or join ventures		**2** production facilities in South Africa



LOBSTER ● AND SQUID ●

Live and frozen West Coast rock lobster: Sold to Far Eastern and European markets

Live and tailed South Coast lobster: Sold to European and US markets

Squid: Sold to markets in Europe and Japan

9	West Coast lobster vessels wholly-owned, co-owned
1	South Coast lobster vessel co-owned
4	lobster facilities in South Africa
5	squid freezer vessels in South Africa

COLD STORAGE AND LOGISTICS ▲

Cold storage

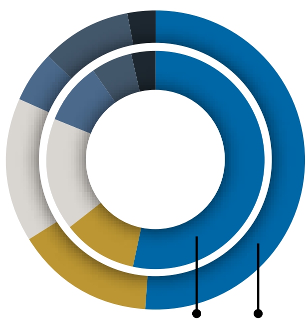
Blast freezing

Transport

Major products stored and handled include: fish, poultry, meat, vegetables and dairy

9	cold store facilities in South Africa
1	cold store facility in Namibia
2	cold store facilities in Angola

CONTRIBUTION TO REVENUE BY REGION (R'billion)



	2017	2018
South Africa and Namibia	3.64	3.94
Europe	0.75	1.16
North America	1.14	1.20
Far East	0.62	0.43
Africa	0.41	0.78
Other regions	0.24	0.22

Our value creation process

CONVERTING FISHING RESOURCES INTO VALUE

Through our people, technology and know-how, our fleet and equipment, our financial resources, and our positive relationships with critical stakeholders, we deliver significant value from a renewable natural resource. By reinvesting this value in the capitals upon which our business depends, we maintain our capacity to create value into the future.

Key factors that impact on our ability to deliver shared value

WITHIN OUR CONTROL	• Diversity of product offering • Operational efficiencies • Sales contracts • Product quality • Cost management • Stakeholder relationships	BEYOND OUR CONTROL	• Exchange rate volatility • Commodity prices • Quota allocations • Catch rates • Demand for products • Size mix

CAPITAL INPUTS

The common resources and relationships that we rely on to create value.

Natural Capital
- Marine biomass: pilchards, Gulf menhaden, horse mackerel, hake, anchovy, redeye herring, squid and lobster
- Energy, fuel and water

Human Capital
- Skilled, motivated employees
- Strong leadership team
- Service providers

Social and Relationship Capital
- Positive employee relations
- Constructive engagement with government and regulators
- Investor confidence
- Sophisticated supply chain
- Customer relationships
- Community trust
- Collaborative partnerships

Manufactured Capital
- 55 fishing vessels
- 3 canneries
- 6 fishmeal plants
- 2 land-based hake factories
- 12 spotter planes
- 4 lobster plants
- 12 cold storage facilities
- Head office and supporting facilities

Intellectual Capital
- Company culture and skills
- Brand and reputation

Financial Capital
- Debt and equity financing
- Reinvestment

GOVERNANCE

STRATEGIC OBJECTIVES

... guide the way in which we deliver outcomes.

1. Generating sustained financial returns
2. Driving transformation and localisation
3. Optimising our operations
4. Leading stewardship of marine resources
5. Building trusted relationships

MATERIAL RISKS

1. Resource availability and ability to harvest
2. Reallocation of fishing rights
3. Market volatility
4. Portfolio imbalance
5. Food safety
6. Business interruption / industrial action
7. Inability to acquire fishing rights in SA
8. Cash flow management
9. Legislative non-compliance
10. Scarcity of critical skills / succession planning

VALUE IN

Relationship management

Cold storage and distribution

WE FOCUS ON OUR VALUE PROPOSITIONS FOR THESE STAKEHOLDER GROUPS

GOVERNMENT

R286.0m

(2017: R197.4m)

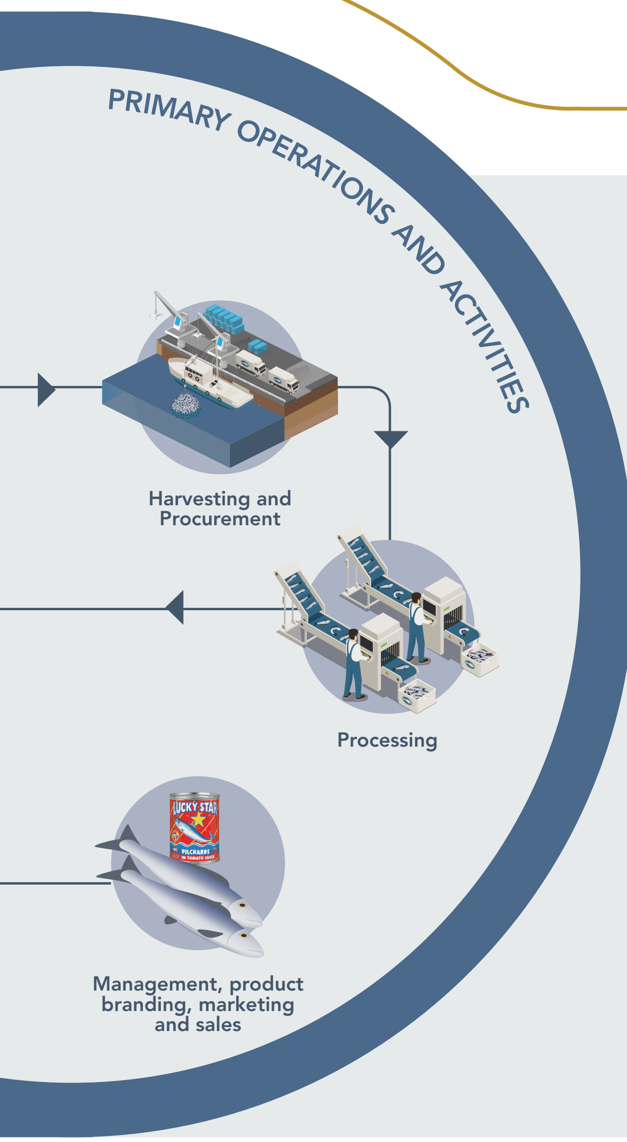
EMPLOYEES

R1.2bn

(2017: R1.0bn)

Key enablers that help us drive value creation

- Our transformation and localisation credentials in the form of B-BBEE
- The strength and capacity of our leadership teams
- The diversity of our product offerings
- Our global footprint enables a diverse inflow of financial capital
- The skill set and dedication of our human capital
- The care we put into the maintenance of our manufactured capital
- The collaborative role that we play in the protection and development of our industry
- Efficient management of vessel scheduling, plant throughput and warehouse occupancy levels



GOVERNING THE VALUE CREATION PROCESS

While the divisional managers oversee the day-to-day operations and activities of the group, our board of directors are responsible for:

1. Steering and setting strategic direction
2. Approving policy and planning
3. Overseeing and monitoring
4. Ensuring accountability

CAPITAL OUTCOMES

Natural Capital

- 482 000 tons of fish landed, all within government assigned quotas and limits
- 80% of our targeted South African commercial fishing rights on the SASSI green list

Human Capital

- R1.2 billion paid in salaries and
- 1.5 million working hours brought back to southern Africa due to frozen fish strategy

Social and Relationship Capital

- 113 new jobs created
- R228.2 million paid in taxes in South Africa and Namibia

Manufactured Capital

- R163.7 million capital investment

Intellectual Capital

- Investment in technical studies: R0.3 million
- Larger contingent of fishing, fishmeal and fish oil knowledge that is shared between divisions since the acquisition of Daybrook

Financial Capital

- R7.7 billion revenue
- Headline earnings: R849.1 million
- R162 million paid in dividends

LENDERS

R296.8m

(2017: R344.8m)

SHAREHOLDERS

R162m

(2017: R573m)

PROCUREMENT ON GOODS & SERVICES

R4.8bn

(2017: R4,5bn)

Delivering value through our strategy

The board appreciates that Oceana's core values, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Through our people, technology and know-how, our fleet and equipment, our financial resources and our positive relationships with critical stakeholders, we deliver significant value from a renewable natural resource.

At the annual board strategy session, we unpacked our strategic objectives and arrived at a list of value creation targets that would drive our long-term strategy.

Our 5 strategic objectives	Value creation target	Capital
Generating sustained financial returns by anticipating market trends	• Grow pilchard consumption within the total protein category	
	• Reduce earnings volatility by continuing to seek opportunities to increase geographic and species diversification	
	• Reduce gearing levels to support an acquisition strategy	
	• Deliver on product innovation and service offerings across divisions	
	• Enhance harvested volumes by improving fleet capacity and availability	
	• Explore alternate markets for canned fish by leveraging the Lucky Star brand	
Driving transformation and localisation	• Protect the African quota reliant businesses through transformation and localisation credentials	
	• Achieve at a minimum an independently accredited B-BBEE level 2 rating in South Africa	
	• Continue to invest in skills development and job security in the countries in which we operate	
Optimising our operations	• Improve raw material utilisation of canned food and fishmeal production	
	• Increase fishmeal volumes by enhancing the production process and investing in facilities improvement	
	• Leverage the skill set of US and SA teams to maximise shared knowledge	
	• Enhance and leverage the benefits extracted from group procurement and centralisation of services and a newly implemented enterprise resource planning system	
	• Implement a talent management process to support succession planning and improve the skill level in our organisation	
Leading stewardship of marine resources	• Monitor, manage and mitigate the group's impact on the environment	
	• Continue to engage with regulators, scientists and other stakeholders to promote responsible fisheries management across species	
	• Manage odour and stack emissions through continued audits and engagement with communities	
	• Reduce the usage of potable water through desalination initiatives	
	• Drive energy efficiency and reduce atmospheric emission	
Building trusted relationships	• Encourage pro-active engagement with key stakeholders and decision-makers	
	• Adhere to strict food safety standards	
	• Full compliance with laws and regulation of all countries where we harvest and transact	

Managing our trade-offs to deliver long-term value

Our core purpose, and our underlying business model, relates to the efficient conversion of one capital stock (global fishing resources) into value across all six capitals. For 100 years, Oceana has been investing its financial and human resources into harvesting various fishing species, primarily along the West Coast of South Africa and Namibia, and converting these fish stocks into value – for Oceana's owners, employees, local communities, customers, suppliers, host governments and the broader environment.

Managing this process to optimise value inevitably involves trade-offs – in how and when value is shared between different stakeholder groups, and in how that value is created, transformed or depleted across the capitals. Deciding on these trade-offs often involves some difficult decisions, particularly when it's accompanied by some strongly competing stakeholder interests.

The following are some examples of recent trade-offs undertaken across the group, with an explanation on the reasons for the decisions that were taken.

FROZEN FISH STRATEGY: INCREASED COSTS PROVIDE SUPPLY CHAIN CERTAINTY AND SOCIETAL BENEFITS

Given the recent reductions in the South African pilchard TAC, challenging harvesting conditions and continuing uncertainty regarding future quota allocations, we have increased the international procurement of frozen fish for canning at our Lucky Star operations. This has resulted in increases in working capital requirements and greater exposure to any weakening in the Rand. However, the strategy has enhanced our capacity to consistently deliver optimum quality product, and made an important contribution to increasing the hours worked and wages earned by our employees.

CAPITALS DEPLETED

- 103 885 tons of frozen fish procured
- Greater working capital utilisation

CAPITALS INCREASED

- Greater certainty in meeting customer needs
- Increased employee wages earned
- Improved community and government relations
- Improved utilisation of local assets

LUCKY STAR PRICING: BALANCING SHORT-TERM MARGIN GAIN FOR LONG-TERM CUSTOMER LOYALTY

Our Lucky Star canned fish business made the decision not to effect a price increase during the year, despite inflationary cost increases. Although this impacted margins, the competitive positioning of the product bolstered volume, increasing the overall performance of the division.

CAPITALS DEPLETED

- Foregone margin

CAPITALS INCREASED

- Increased volumes
- Enhanced customer and brand loyalty

SETTLING LONG-TERM DEBT: REDUCING CASH POSITION, INCREASING BALANCE SHEET CAPACITY

During the year, we settled R90m of long-term debt. Although this has reduced our cash position in the short-term, it has increased our balance sheet capacity for further investments while also reducing our interest obligations.

CAPITALS DEPLETED

R90 million reduction in cash reserves

CAPITALS INCREASED

Increased our balance sheet capacity
Reduced our interest obligations

DESALINISATION PLANTS: HIGH FINANCIAL CAPITAL COSTS FOR LONG-TERM WATER SECURITY

In response to the drought conditions in the Western Cape, the Oceana board approved an investment of R30 million for the construction of two desalination plants at our canning facilities; we have also invested in reverse osmosis at our CCS facilities and grey water solutions at the corporate offices. The desalination investment enabled uninterrupted production at the canneries, enhanced water security for our host communities, and contributed to securing 2 400 jobs in St Helena Bay and Laaiplek.

CAPITALS DEPLETED

- R30 million invested in desalination plants
- Increased energy use

CAPITALS INCREASED

- Job security for 2 400 employees
- Greater certainty in water access, ensuring continuing viability of operations
- Reduced municipal water costs
- Improved community and government relations
- Reduced depletion of local water sources

INVESTING IN AN ERP SOLUTION: SHORT-TERM DISRUPTION FOR LONG-TERM EFFICIENCY GAINS

This year significant employee time and financial resources were invested in rolling out an ERP solution across the group as part of our commitment to ensure efficient operations and governance over information systems. Significant capital was invested to develop the solution and train end-users, adversely impacting short-term funding. In the medium to long-term the benefits of integrated and real-time information will enhance our decision-making ability, and result in greater efficiencies. In digitising certain tasks and driving greater efficiencies, this will result in some employees being redeployed.

CAPITALS DEPLETED

- Investment in ERP solution and training
- Reduced short-term productivity due to employee time invested
- Employee frustration with process changes
- Redeployment of some employees

CAPITALS INCREASED

- Improved decision-making processes
- Greater efficiencies through standardisation
- Enhance KPI reporting and synergies

PROMOTING AN ECOSYSTEM APPROACH: BALANCING RESOURCE VIABILITY AND SHORT-TERM VALUE CREATION

A critical trade-off that lies at the heart of our business is the need to balance the long-term viability of the fish stocks we depend on, against the desire to convert these stocks into more immediate value, for ourselves and our stakeholders. When significant investment has been made into vessels, plant and people, this typically strengthens the desire to monetise fish stocks and recoup the investment. We take a long-term view on resource viability, and believe that the findings of a credible and robust scientific process should inform the setting of the total allowable catch (TAC), even when a significantly lower TAC would require rationalisation of assets to maintain our viability in the sector.

CAPITALS DEPLETED

- Reduced revenue and profit
- Under-utilised fleet; potential rationalisation of assets
- Reduced employment opportunities
- Reduced tax and social investment

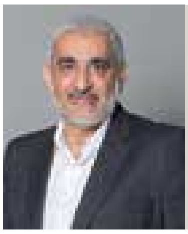
CAPITALS INCREASED

- Long-term biomass viability
- Long-term job creation
- Long-term financial return

Our leadership

Directorate

MUSTAQ AHMED BREY (64)

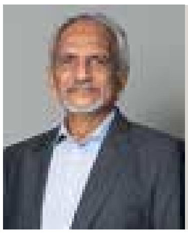


Chairman, non-executive director
CA(SA) qualified as a
Chartered Accountant in 1978
Appointed to the board in 1995

23 41

BOARD MEETINGS ATTENDED **5/5**

SAAMSOODEIN PATHER (68)



Lead independent director
BBusSc, BCom (Hons),
MBA (UCT),
Appointed to the board in 1996

22 45

BOARD MEETINGS ATTENDED **5/5**

IMRAAN SOOMRA (43)

Chief Executive Officer, executive director
BCompt (Hons) (Wits), CA(SA), PLD
(Harvard Business School)
Appointed to the board in 2013

6 17

BOARD MEETINGS ATTENDED **5/5**

NOMAHLUBI VICTORIA SIMAMANE (59)

Independent non-executive director
BSc (Hons): UBS – Botswana
Appointed to the board in 2009

9 31

BOARD MEETINGS ATTENDED **5/5**

PETER GERARD DE BEYER (63)

Independent non-executive director
BBusSc (UCT), FASSA
Appointed to the board in 2008

10 41

BOARD MEETINGS ATTENDED **5/5**

ZARINA BIBI MAHOMED BASSA (54)

Independent non-executive director
BAcc and Dip Acc (UDW), CA(SA)
Appointed to the board in 2011

7 30

BOARD MEETINGS ATTENDED **5/5**

LAWRENCE MAC DOUGALL (61)

Non-executive director
Appointed to the board in 2016

2 36

BOARD MEETINGS ATTENDED **5/5**

NOEL PATRICK DOYLE (53)

Non-executive director
FCS, CA(SA) 1988
Appointed to the board in 2013

6 30

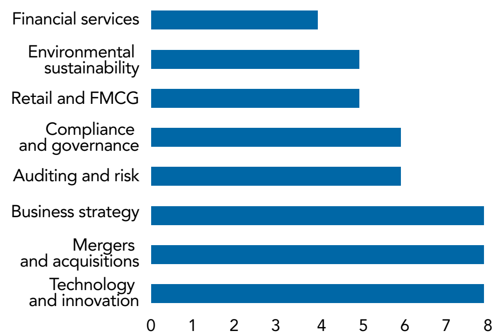
BOARD MEETINGS ATTENDED **5/5**

The following resignations took place during the year

Francois Paul Kuttel
13 February 2018

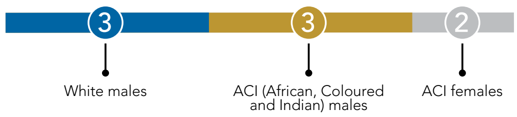
Geoffrey George Fortuin
10 September 2018

SKILLS AND EXPERTISE

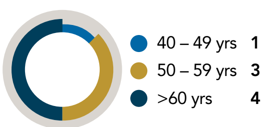


DIVERSITY

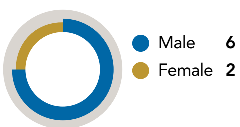
DEMOGRAPHICS



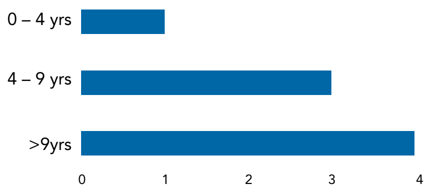
AGE



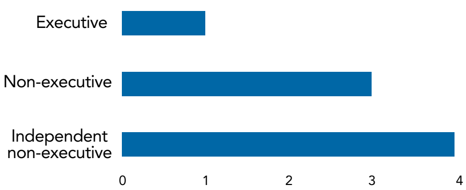
GENDER



TENURE



INDEPENDENCE



The board is committed to ensuring that good governance practices are applied throughout all aspects of the business.

The board's Pillars of Governance

1. The board serves as a focus point and custodian of corporate governance in the group.
2. The board is the custodian of the values and ethics of the group.
3. The board retains full and effective control of the company.
4. The board acts in the best interests of the group always.

The board's Roles and Responsibilities

With a solid adherence to its governance pillars, the board is responsible for:

1. Approving the strategic direction of the group and the budgets necessary for the implementation thereof. Targets and key business areas and identification of key performance indicators are included in this process.
2. Overseeing and monitoring the implementation and execution by management.
3. Ensuring accountability for organisational performance by means of, among others, reporting and disclosure.

The board appreciates that it requires a diverse array of knowledge, skills, experience and diversity as well as independence to discharge its governing roles and responsibilities.

Although the chairman is not an independent non-executive director, a strong lead independent director ensures that the necessary independence is maintained in the functioning of the board. The roles and responsibilities of the chairman and lead independent director can be found in the board charter available on our website at **www.oceana.co.za.**

The board is comfortable that its lead independent director, its independent non-executive directors and its company secretary remain independent as required by King IV.

Our leadership *(continued)*

Executive committee

IMRAAN SOOMRA (43)

Chief Executive Officer, executive director
BCompt (Hons) (Wits), CA(SA), PLD (Harvard Business School)

6

TREVOR GARTH GILES (48)

Interim Chief Financial Officer
BCom (Hons) (UKZN), CA(SA)

19

JAYESH JAGA (48)

Managing director of Oceana Lobster and Squid
BA, (Law) LLB (UWC)

16

NOMAXABISO NORMA TEYISE (39)

Group Human Resources Executive
BA (Hons) (NMMU); Advanced Programme in OD (Unisa); IEDP (Wits)

3

SULEIMAN SALIE (51)

Managing director of Lucky Star Operations
BSc Mech Eng (UCT)

8

GAVIN ANDREW RHODES-HARRISON (65)

President of Daybrook Fisheries
BSc Bldg Mgmt (UND)

19

NAUDÉ RADEMAN (40)

Managing director of CCS Logistics
BCom (Stellenbosch University

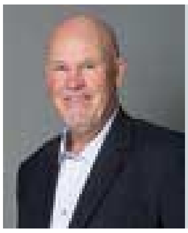
4

LOURENS DE WAAL (52)

Managing director of Lucky Star Marketing and Sales
HND in Cost & Management Accounting (CapeTech)

6

NEVILLE DONOVAN BRINK (58)



Managing director of Blue Continent Products

22

JILLIAN MARAIS (46)

Group Executive: Risk and Compliance
BA LLB (University of the Western Cape)

Admitted as an Attorney of the High Court of South Africa

7

The following resignations, appointments and structural changes took place during the year:

Derrick Bonga Mavume (resigned on 8 December 2017)
Naudé Rademan (resigned on 30 November 2018)
Jayesh Jaga (appointed as the general manager of the hake division on 1 October 2018)
Jillian Marais (appointed on 1 October 2018)
CCS Logistics has been included in the portfolio of **Lourens de Waal** from 1 October 2018
The lobster and squid division has been included in the portfolio of **Neville Brink** form 1 October 2018

Chairman's introduction

"This has been a positive year of consolidation for the company, with improved volumes across most of our segments."

This year Oceana has enjoyed the relatively rare privilege of celebrating its centenary.

In looking back on the company's remarkable journey, we have had an opportunity to reflect on the attributes that have contributed to Oceana's success – its willingness to take considered risks, its ability to respond quickly to changing fishing cycles and market expectations, its strong financial discipline and robust governance processes, the quality of its people, and most importantly its commitment to consistently delivering value for its employees, shareholders, communities and governments. As someone who has enjoyed a close relationship with Oceana for the past 25 years, I have seen these attributes first-hand. I believe that these characteristics are evident in the review of our performance, governance and strategy provided in this year's report, and that these are the same attributes that will underpin the company's long-term success.

This has been a positive year of consolidation for the company, with improved volumes across most of our segments. The improvements achieved across the group reflect the quality of the management team's response in addressing issues within its control, aided in some areas by a more favourable external operating environment.

A significant development this year, which I speak to in more detail below, was the resignation of Francois Kuttel, who served as Oceana CEO since 2010. Francois brought deep knowledge and experience of the fishing industry, and his legacy on the company has been profound. Under his leadership we have seen a step change in productivity and efficiencies across each of the divisions and in the Lucky Star business in particular, the successful conclusion of three strategic acquisitions – the Lusitania and Foodcorp deals in South Africa, and the ground breaking Daybrook deal in the US – and a renewed focus and strong leadership on transformation and sustainability. On behalf of the Board I would like to thank Francois for the invaluable contribution he has made to the company, and wish him success in his future activities.

EXERCISING OUR FIDUCIARY DUTY TO CREATE LONG-TERM VALUE

Our role as the board is to provide an effective oversight and stewardship function, ensuring that the management team is doing the best it can with the resources entrusted to it to protect and enhance the company's ability to generate value. As board members, we each have a fiduciary duty to act in the interests of the company, in a manner that we believe to be for the benefit of the company as a whole. While our responsibility is explicitly to create long-term value for the Oceana group, we have always recognised that the company's capacity to create value for itself is inextricably linked to the value it creates for its stakeholders, society and the broader environment.

This 'integrated thinking' is reflected in Oceana's core purpose, and I believe has been one of the defining characteristics that has contributed to the company's longevity.

Our role as the board is to provide an effective oversight and stewardship function, ensuring that the management team is doing the best it can with the resources entrusted to it to protect and enhance the company's ability to generate value.

This year, in addition to undertaking our standard governance review functions on matters such as risk management, ethics, compliance and remuneration, the Board has been particularly active in ensuring that robust governance processes were followed on two related issues: overseeing the selection of a US partner for the Westbank fishing operation, and managing the succession process following the resignation of Francois Kuttel.

In my introduction to last year's report I mentioned that we had established an independent subcommittee of the board, chaired by the lead independent director, to oversee the selection of a new US partner for the Westbank fishing operation given that the then partner was due to depart in February 2018. We took the decision to establish an independent subcommittee following Francois' stated intention to submit a bid. In the absence of his intended bid, it would have been the responsibility of management to find a partner to be considered by the Board.

We engaged the services of an independent advisor, and followed a robust process to give proper and careful consideration to all the bids received. On this basis, through an independent due diligence process, Francois' bid was adjudged the preferred option. Upon acceptance by the Board of the preferred bid, it was agreed that Francois resign as CEO with immediate effect to avoid any conflict of interest. This decision was put to our shareholders by way of a detailed circular which was reviewed by our auditors and the JSE, and subsequently approved by them.

In the first season under the new Westbank ownership we have seen record landings. While benefitting from favourable environmental factors, there is no doubt that the improved operational efficiencies and work ethic instilled under the new leadership have made a material contribution to this turnaround, and provide an encouraging indication of the potential for future value generation.

Following the CEO's resignation, the nominations committee engaged external professional services to assist in identifying the best available talent, looking both within the organisation as well as externally in South Africa and globally. During that period, CFO Imraan Soomra served as interim CEO. After a thorough process of candidate selection and interviews, Imraan was appointed CEO in August 2018. I am very pleased to be welcoming Imraan as he takes on this exciting new challenge. Having witnessed his performance since joining the company as CFO in 2013, I believe that Imraan is best placed to be leading the company into the future. We are currently in the process of identifying and appointing a new CFO, and hope to confirm this early during the new financial year.

Remuneration was another critical governance area that we reviewed this year that has an important bearing on value generation. We are constantly striving to refine our remuneration policy to ensure that management is appropriately incentivised to ensure the successful execution of the company's long-term growth strategy, and that they are fairly rewarded for the quality of their decisions and activities and not unduly penalised or remunerated for external events beyond their control. Getting this balance right is not easy, but I believe that we have made good progress this year with further refinements to our remuneration policy.

REVIEWING THE GROUP'S STRATEGIC IMPERATIVES

This year the board participated in an open strategy process that adopted a 'bottom-up, top-down' approach aimed at encouraging active discussion and input from the different divisions. Through this process the company identified, and the board approved, the following key strategic imperatives for the next five years: protecting and optimising the group's existing African quota businesses; delivering organic growth by further growing the company's core businesses, particularly in canned fish and fishmeal and fish oil; increasing geographic and species diversification through earnings accretive acquisition; and energising the Oceana workforce and developing the depth and breadth of the leadership team. As a board we participated actively in the discussions on these imperatives – which are introduced in more detail in the CEO review – and believe that the imperatives provide the right basis for achieving long-term value growth.

Underpinning the board's support for the company's strategic placement, is our confidence in the long-term prospects for the global fishing sector, with the growing global population driving increased demand for protein in general, and fish protein in particular. Given the anticipated increased consumption of fish and the largely static wild capture rates, we foresee substantial growth in global aquaculture, with recent projections forecasting production growth of

Chairman's introduction *(continued)*

37% by 2030 on 2016 levels. This offers exciting potential both for Oceana's existing fishmeal and fish oil businesses – important feedstocks for aquaculture – as well as for carefully targeted acquisition in the aquaculture sector. Following the company's recent focus on consolidation and bedding down its acquisitions, it will be carefully evaluating potential acquisition opportunities across various fish species, geographies, and consumer and market segments.

> *Oceana was one of the first companies in South Africa to meaningfully transform its ownership structure through a far-reaching empowerment transaction concluded shortly after the April 1994 elections. Since then, the company has continued not only to meet, but also exceed, what was expected of it.*

LEADERSHIP IN TRANSFORMATION AND LOCALISATION

In delivering on the recently-agreed strategic imperatives, a significant priority that Oceana faces is to ensure that its longstanding transformation and localisation activities are appropriately aligned with government expectations to secure the renewal of its fishing rights in South Africa and Namibia. An important decision the board will need to take, is how to most appropriately increase Oceana's level of black shareholding in a manner that enhances its ability to optimise value, and that builds on the company's demonstrated leadership in promoting genuine broad-based empowerment.

Oceana was one of the first companies in South Africa to meaningfully transform its ownership structure through a far-reaching empowerment transaction concluded shortly after the April 1994 elections. Since then, the company has continued not only to meet, but also exceed, what was expected of it. It has created and protected jobs for thousands of black employees, invested in infrastructure and social initiatives in its host communities, generated significant tax revenue, and delivered substantial dividends to more than 2 400 mainly black beneficiaries of the Oceana Empowerment Trust in South Africa, and all of the 150 permanent workers at Erongo Marine Enterprise in Namibia through the Harambee Workers Trust.

I am particularly proud of the company's long-standing track record of promoting jobs in both countries. This is evidenced by its activities to generate out-of-season employment for seasonal workers, its investment in opening a potato chip factory in Lambert's Bay in 2001, its commitment to importing significant volumes of frozen fish to its canneries in both countries, and its recent investment in desalination plants that has contributed both to protecting jobs and promoting community water security. The frozen fish strategy has generated an additional 2 million working hours per year and increased the number of working days from the guaranteed two days' pay to up to five days a week, while boosting local provision of one of the cheapest and healthiest sources of protein.

Individually and collectively these initiatives have provided significant value to employees, their families and communities, with these benefits deriving largely from Oceana's ability to secure enhanced efficiencies through its economies of scale. It is hoped that the decision that is taken regarding the allocation of the quota is informed by a considered assessment of the past and potential socio-economic contribution of the existing and aspiring quota holders. Given Oceana's long history of leadership in promoting transformation, I believe that the company can rightly hold its head up high.

APPRECIATION

I wish to extend my appreciation to my colleagues on the Oceana board for their considered advice and continued commitment in ensuring that the board effectively exercises its oversight and stewardship functions. I am fortunate to be supported by a strong team of directors with the diversity of experience and skills needed to ensure that the management team is doing the best it can to protect the company's long-terms interests. Finally, on behalf of the Board, I would like to thank Imraan and the Oceana executive team for their strong and effective leadership in managing the company during this year of consolidation, and for setting out a clear strategic framework for value creation.

I am confident that we have the right people to lead Oceana as it embarks on its next 100 years.

Mustaq Brey
Chairman

7 December 2018

Chief executive officer's report

"It is an incredibly exciting opportunity to be leading one of South Africa's great success stories, as the company celebrates its centenary year."

Since February 2018, I have had the privilege of taking on the challenge as chief executive of Oceana, firstly on an interim basis, before being formally appointed in August.

It is an incredibly exciting opportunity to be leading one of South Africa's great success stories, as the company celebrates its centenary year. From its humble beginnings as a small wood and corrugated iron cannery on the West Coast of South Africa, Oceana has grown to become Africa's largest fishing company, with an ever-expanding global value chain and a proud history of transforming fishing resources into tangible value.

I am very fortunate to be able to build on the work of my predecessor, Francois Kuttel, who has shared his deep knowledge and experience of the fishing sector with me over the past five years. I look forward to building on the strong strategic impetus provided under Francois' leadership, and to working to realise some exciting new opportunities for sustainable long-term growth.

A YEAR OF CONSOLIDATION, IMPROVED PROFITABILITY AND CONTINUED LEADERSHIP OF TRANSFORMATION, FOOD SECURITY AND JOB SECURITY

This has been a good year for the group, which saw restored levels of profitability, further deleveraging of the balance sheet and delivery on most of our key objectives. We have attained a Level 1 B-BBEE status which is testament to our long-standing commitment to transformation in South Africa. We secured alternative sources of fish at a time when local pilchard resources are at cyclical lows, to supply much needed affordable protein to an economically strained consumer. We invested in alternative sustainable water supply in the midst of a water crisis in the Western Cape, to ensure job security of our production facility employees.

The positive performance across the divisions reflect a combination of effective execution of our strategic action plans, driven by a dedicated leadership team as well as favourable external tailwinds in certain areas.

CANNED FISH: INCREASED SALES VOLUME AND IMPROVED EFFICIENCIES

It was a particularly positive year for canned fish, with sales volumes up 12% to 8.8 million cartons of canned product despite a tough consumer environment. These improvements were achieved primarily by ensuring affordability and price consistency, supported by product innovations and our marketing campaign positioning pilchards as the protein of choice across all consumer segments, underpinned by the iconic Lucky Star brand.

As part of our frozen fish strategy, local canned production has increased from 2.5 million cartons in 2015, to 4.8 million cartons this year, with the volume of imported frozen pilchards growing fivefold in the same period.

Becoming primarily a processor of frozen fish has enabled us to ensure consistent and affordable product supply in the context of cyclical low local catch rates, while making a positive contribution to West Coast communities by increasing the wages earned by employees. Although margins are more challenging with dollar-based imports and greater working capital requirements, we have made progress in reducing the cost difference between catching and procuring fish through our strong efficiency drive in the canneries.

These targeted improvements, which could deliver up to R45 million annually, have been achieved through enhanced management reporting systems, positive people engagement and skills development initiatives, with increased use of frozen fish over variable local landings enabling longer-term planning. Initiatives are in place, or planned, to further increase cannery throughput, improve raw material utilisation and realise cost-cutting opportunities through efficiencies in packaging, logistics, ingredients and overhead costs, while further optimising labour productivity.

Another important development this year was our investment in two desalination plants in the Western Cape due to an impending water crisis, making a significant contribution to enhancing water security, not only for the company but also our neighbouring communities. As a result of this investment we secured the jobs of over 2 400 employees at our production facilities in St Helena Bay and Laaiplek and have ensured that our water supply is self-sustained.

FISH MEAL AND FISH OIL (AFRICA): GOOD VALUE IN CHALLENGING FISHING CONDITIONS

This year's landings of redeye herring and anchovy in South Africa while marginally down year-on-year were in line with historical averages. Anchovy landings were later than usual and hindered by poor fishing conditions during the winter months. Our production facilities have done well to ensure that the production cost per ton continues to improve.

In Angola, although oil yields remained high, catch rates have been challenging, with changing local sea temperatures prompting a significant movement of fish stocks to the north, resulting in them being economically unviable to catch.

We have improved the logistics and shipping regime out of Angola, and are working on securing Good Manufacturing Practices (GMP) certification to access more lucrative markets in Europe and China.

Prices realised in this segment have come under pressure due to additional supply from Peru, compared to 2017. Despite these pressures the average realised price is USD terms has improved, testament to the combined efforts of the recently established global fishmeal and oil sales team.

FISH MEAL AND FISH OIL (USA): STRONG VOLUME GROWTH

Daybrook achieved record landings of 803 million fish (2017: 735 million fish) during the 2018 fishing season. The improved landings were a result of both external environmental factors, as well as better systems and a rejuvenated work ethic introduced under the new Westbank leadership team. Along with our Daybrook team there has been concerted effort to streamline delivery schedules, securing valuable plant efficiencies and aiding additional volume delivery.

The plant has performed exceptionally well this year, benefitting from substantial off-season maintenance and investment enabling improvements in volume capacity and improving throughput. The average hourly output has improved this year and oil yields are up to almost 9.5%. We have also seen positive outcomes from the staff restructuring process and new HR systems, with improved employee benefits and enhanced productivity.

This year, Daybrook's sales volumes of fishmeal and fish oil improved by 22% and 38% respectively. While fishmeal and fish oil prices remain soft, off the back of strong production from Peru, we have seen better segment performance. Along with their South African counterparts the Daybrook sales team now review pricing and demand on a global basis in order to extract additional value.

We have made further inroads into the US pet food market, increasing production and sales in this sector as part of our strategic drive to differentiate our offerings, improve margins and reduce exposure to price volatility. Targeting growth opportunities in the sector, we have invested in warehouse facilities that offer more cost-effective storage and distribution opportunities.

US imposed tariffs on China had a minimal effect on fishmeal volumes due to our agile sales team finding alternative customers in other geographies. We continue to identify further global growth opportunities, building on existing strong relationships in Europe, where we are known as a quality producer, we are currently in the final stages of securing MSC certification, as well as obtaining IFFO-RS accreditation for the Daybrook fishmeal plant.

HORSE MACKEREL AND HAKE: A RETURN TO STRONG PERFORMANCE

Horse mackerel business had a pleasing year, with the *Desert Diamond* performance boosted by strong market demand and good USD pricing for the uniquely larger South African horse mackerel. The improved landings this year occurred both in the new experimental area west of the 20 degrees east latitude line, as well as in our traditional eastern fishing grounds, providing a positive indication of the species' recovery. We believe that the South African resource offers good growth potential, and will be making a substantial investment next year in recapitalising and overhauling the *Desert Diamond*.

It has been a more challenging year in Namibia, with variable catch rates and predominantly smaller fish impacting negatively on operating margins. To address Namibian localisation requirements, we have completely restructured the business and hope that we will be a preferred operator in the local horse mackerel sector when our long-term fishing rights come up for renewal in 2019.

The Hake business achieved improved catch rates and enhanced operational efficiencies, with strong market demand and positive export pricing contributing to positive bottom line growth. As a result of improved preventative maintenance processes we secured valuable improvements in vessel utilisation, with the number of sea days returning to expected levels. Catch sizes were generally positive with improved prospects for the biomass.

LOBSTER AND SQUID: CONSOLIDATING TO REALISE EFFICIENCIES

Lobster remains a challenge, with the resource under significant pressure. This year the commercial offshore allocation of West Coast rock lobster (WCRL) was reduced by 30% for existing rights holders, and the resource remains SASSI red listed. In response to the reduced allocation, we drove further efficiencies across our lobster operations, mothballing one of our factories and a holding facility, reducing head-office overheads and managing our seasonal workforce, critically ensuring that no fulltime fishing jobs were lost.

The squid business had a fourth successive year of good results, on the back of improved landings, strong market demand, and good pricing in our European markets. Sales volumes were up 4% year-on-year. The biomass remains healthy. With favourable expectations in terms of market demand and pricing, the prospects for the business remain positive.

Given the comparatively small contribution of lobster and squid to group revenue, and the challenges facing the lobster business, we have recently consolidated the lobster and squid business into the horse mackerel and hake business, to optimise internal efficiencies and leverage existing infrastructure and synergies.

CCS: MIXED FORTUNES

CCS has had a difficult year, with disappointing occupancy levels in our Gauteng operations placing pressure on pricing and margins. Although there was some recovery towards the end of the financial year, the Gauteng market remains under pressure. By contrast, our coastal facilities in South Africa, Namibia and Angola continued to perform well, with our strong client service offering and good location contributing to high occupancy and pleasing returns.

Regrettably CCS performance this year has been adversely impacted by a lack of management oversight in certain areas. We will commence the new financial year with a strengthened leadership team in order to improve performance levels.

We believe that there is further growth potential in the coastal cold storage market and are looking to consolidate and grow our activities in these coastal markets and efficiently group our Cape Town operations before further expanding our capacity in both Cape Town and Durban. Our Walvis Bay facility had another pleasing year of high occupancy and good cost management, and offers strong growth potential; negotiations are currently underway with potential partners as part of our localisation commitment. Our facility in Luanda, Angola, had a second successive year of profit and growth, and offers good growth potential.

SETTING THE VISION FOR 2023: OUR LONG-TERM STRATEGIC IMPERATIVES

The year of successful consolidation has laid a strong foundation to deliver further expansion. In reviewing our strategy for long-term growth, this year the Oceana executive team, with input from the Board, followed a consultative bottom-up approach. We engaged actively with the various divisions to review our recent performance and principal risks, and identified four strategic imperatives for the next five years.

1. PROTECTING AND OPTIMISING OUR EXISTING AFRICAN BUSINESSES

Maintaining earnings and profit growth in our existing quota businesses in South Africa and Namibia – within the context of imminent rights allocation in both countries – will provide a critical foundation for realising growth opportunities in other areas. Underpinning our strategic approach to these businesses, is our continued commitment to ensuring effective delivery on expectations for broad based black economic empowerment (B-BBEE) in South Africa, and localisation in Namibia, building on our deserved reputation for leadership in these areas.

We will continue to engage actively with regulators in both countries to ensure that our long-standing empowerment activities have been clearly communicated, and that our ongoing transformation activities are sufficiently aligned with government expectations. We will seek to drive further empowerment in our South African operations by realising available opportunities to increase black ownership on a commercially favourable basis, and by building on the extensive activities we have already undertaken to protect livelihoods on the West Coast, and to distribute significant value through the Oceana Empowerment Trust. In Namibia, we will further enhance our localisation activities, following the recent significant restructuring of our current ownership model and the appointment of Namibians across Erongo Marine Enterprises.

We will work collaboratively with government and other stakeholders to identify practical solutions for facilitating new entrants, while retaining jobs and quotas for those companies that have contributed positively to empowerment and job creation, and we will explore opportunities to develop the required skills for the fishing industry, potentially through the establishment of a marine academy. We will continue to drive process optimisation and production quality across our operations, becoming the preferred full value partner for any new quota holders in both countries.

Despite recent challenges in CCS, we believe that there are valuable opportunities to restore historical profit levels through increased occupancy particularly in the coastal cold storage market where we have a locational advantage and strong customer base.

2. DELIVERING ORGANIC GROWTH BY FURTHER GROWING THE COMPANY'S CORE BUSINESSES

We are exploring opportunities to achieve organic growth in the company's core businesses, particularly in canned fish, fishmeal and fish oil, hake and horse mackerel.

In our canned fish business, we will grow canned fish volumes by maintaining affordability and price consistency, driving a clear message of pilchards as the protein of choice across all consumer segments, increasing channel penetration in specific areas in South Africa, and ensuring continued product innovation, underpinned by secure and affordable pilchard supply. We are also exploring alternative canned food offerings in adjacent product categories, leveraging the strong Lucky Star brand and our existing sales and distribution infrastructure.

In the fishmeal and fish oil businesses, our focus is on ensuring full and efficient utilisation of the available and allocated fish resource by realising opportunities to further increase our catch rate, optimising our plant efficiency and throughput rates, and increasing sales volumes as part of a global group-wide sales and distribution strategy. In our African operations we are reviewing the feasibility of increasing land-based processing capacity in South Africa powered by more efficient alternative energy sources.

3. INCREASING GEOGRAPHIC AND SPECIES DIVERSIFICATION THROUGH ACQUISITION

We will continue to seek opportunities to supplement organic growth by realising strategic investment opportunities in aquaculture and vertically integrated fishing businesses that help to enhance earnings, further increase geographic and species diversification, and reduce portfolio imbalance. We anticipate substantial growth in aquaculture globally, fuelled by growing fish consumption, largely static wild capture rates and increasing awareness of the health benefits of fish protein. We will continue to assess various long-term acquisition opportunities across different fish species, geographies, farming types, and consumer and market segments.

In the immediate future our focus will be on improving balance sheet gearing levels to help fund our acquisitive strategy.

4. ENERGISING THE OCEANA WORKFORCE, AND DEVELOPING THE DEPTH AND BREADTH OF OUR LEADERSHIP TEAM

A critical element of our future success will be to energise the Oceana workforce, and develop the depth and breadth of Oceana's leadership team, embedding a strong performance-based culture with the right skills, capabilities, morale and productivity needed to achieve our ambitious global growth aspirations. We have undertaken a gap analysis across each of our divisions to identify the competencies required to deliver on our strategic objectives, and to ensure that we have access to the best available skills and appropriate levels of race and gender diversity. We are investing in leadership development and performance management initiatives to deepen foundational management skills and create a highly energised and enquiring culture with increased morale and productivity.

HARNESSING OUR QUALITIES TO ENSURE CONTINUED GROWTH

There are not many companies that have celebrated a centenary of delivering significant value growth.
Our successful 100-year history is a testament to the company's receptiveness to change, its courage to take considered risks, and its strong management processes and fiscal discipline, underpinned by the quality of its people. These are the same qualities that I believe will ensure the company's long-term success.

In closing I wish to thank my colleagues on the Board and Oceana executive teams for their guidance and support over this centenary year, in particular for their contribution in making my transition to CEO as seamless as possible.
I am extremely grateful to our employees across the group for their invaluable contribution to delivering on our core purpose. I continue to be impressed by their energy and passion.

We have an exciting future ahead, and I look forward to working with the team as we set off for our next 100 years of inclusive growth.

Imraan Soomra
Chief Executive Officer

7 December 2018

The operating context

02

"The diversity in our raw materials sourcing and global nature of our markets gives the group a natural hedge against foreign currency exposure"

The external environment

Issues impacting our business model

Our ability to generate value and deliver on our core purpose is impacted, both negatively and positively, by various factors in our external environment. This year we have identified and prioritised the following four issues that have a material impact on our business model.

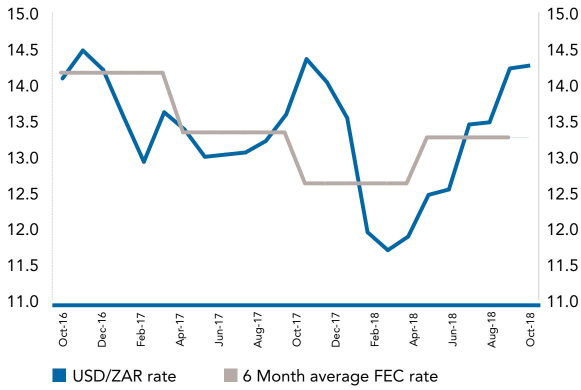
GLOBAL MARKET VOLATILITY AND EXCHANGE RATE FLUCTUATIONS

The recent escalation in geopolitical and trade tensions between the US and China, and significant economic challenges in Turkey, have contributed to downward pressure on many emerging market currencies, with the Rand/Dollar exchange rate being particularly impacted. This year, the South African currency weakened from a high of ZAR11.57 in late February 2018, to a low of ZAR15.41 in early September. We anticipate further volatility in the global geopolitical environment, off the back of the recent upswing in more 'populist' electoral victories, the growing shift to protectionist policies and some uncertainty in global financial markets.

IMPLICATIONS FOR VALUE

Given that Oceana operates globally – with consumers in more than 40 countries – we are potentially vulnerable to the continuing levels of global market volatility, including in particular to potential trade restrictions between the US and China, with fishmeal recently included in the list of items with additional US tariffs to China. Fluctuations in the Rand/Dollar exchange rate have mixed implications for our operations. A weakening Rand benefits those businesses with dollar-priced exports – namely fishmeal, fish oil, horse mackerel, hake, lobster and squid – and contributes positively to the translation of dollar-based earnings from our operations in the US and Angola. Conversely, those operations with high levels of imported finished products and raw materials – most notably frozen fish for canning – are negatively affected. Given the volume of dollar-denominated exports and the impact of Daybrook, we are more predisposed to a weaker currency. Forward exchange positions for the procurement of globally sourced pilchard raw material and canned finished products have enabled us to mitigate negative exchange rate exposure in our global imports.

Exchange rate



OUR RESPONSE

The diversity in our raw materials sourcing and product mix, and the global nature of our markets, gives the group a natural hedge against foreign currency exposure. This has been further boosted recently by the international investment in Daybrook, the continued growth in our export markets, and the increase in imports through Lucky Star's frozen fish strategy. To manage any residual impacts of exchange rate volatility, this year we introduced a revised forward exchange policy and reduced the term of the cover to a maximum of three months on committed canned fish imports.

A SLUGGISH ECONOMY AND POLICY UNCERTAINTY IN SOUTH AFRICA

The South African economy entered into a technical recession at the end of our financial year, following two consecutive quarters of negative economic growth, reflecting a combination of both global and domestic factors. The year started positively, with the change in the country's political leadership and subsequent drive to tackle corruption and improve governance, prompting renewed business and investor confidence. This positive sentiment has since been tempered, with a growing appreciation of the extent of the country's political and socioeconomic challenges, concerns regarding the possible implications of the government's commitment to land expropriation without compensation, and political uncertainty in the lead up to next year's election. A critical policy concern facing the commercial fishing sector in particular is the lack of clarity regarding the government's position on black economic empowerment and the implications for the allocation of long-term fishing rights.

The external environment *(continued)*

Issues impacting our business model

IMPLICATIONS FOR VALUE CREATION

The sluggish local economy, and low levels of business, investor and consumer sentiment, place general pressure on our activities. While the impact of constrained consumer environment has been visible across most of the South African food and retail sector, our Lucky Star products have shown strong resilience, reflecting their positioning as an affordable and consistently priced quality protein, with a very visible brand. The reduced levels of economic activity have had a more marked impact on our CCS operations in Gauteng, contributing in part to the low occupancy levels. A potentially more material impact relates to the continuing uncertainty regarding the renewal of long-term fishing rights, with our hake trawl, squid, south coast rock lobster, and small pelagic rights all up for renewal and reallocation in the 2020 Fishing Rights Allocation Process (FRAP).

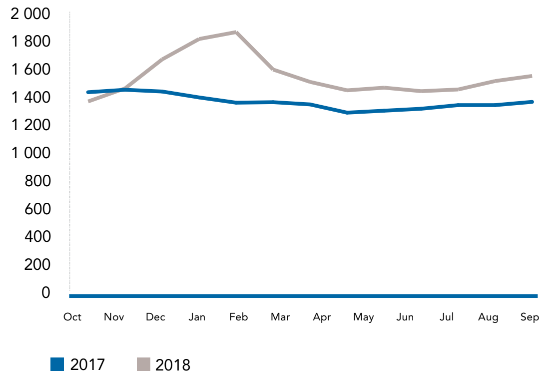
OUR RESPONSE

To ensure our resilience in the context of a more challenging economic environment, we have maintained a particularly strong focus on driving efficiencies across our operations. We have a particularly strong focus in our canneries where we are targeting annualised savings of R45 million. In anticipation of the 2020 FRAP process we are engaging actively with government and regulators to ensure that our transformation activities are appropriately aligned with government expectations, and to clearly communicate the nature and significant benefits of our long-standing empowerment activities.

FISHMEAL AND FISH OIL PRICING, AND THE GROWTH IN AQUACULTURE

The prices of fishmeal and fish oil products are determined mainly by global supply and demand dynamics. Global supply is significantly impacted by the anchovy catch in Peru, which in turn is driven largely by the El Niño/La Niña ocean atmospheric events. Global demand is strongly influenced by the aquaculture sector, where fishmeal and fish oil are important high protein ingredients in feed. The sector is growing faster than any other major food production sector, experiencing average annual growth of 5.8% during the 2000–2016 period, and double-digit growth in certain countries, particularly in Africa.

Global Fishmeal price



IMPLICATIONS FOR VALUE CREATION

The topline performance of our fishmeal and fish oil businesses in Southern Africa and the USA is strongly impacted by global fishmeal and fish oil prices. This year prices remained soft, off the back of strong first-quarter catches in Peru: the fishmeal price was US$1 500 per ton (2017: US$1 483), and fish oil prices were US$1 469 per ton (2017: US$1 590). Given the anticipated substantial growth in aquaculture – fuelled by growing fish consumption and largely static wild capture rates – we anticipate strong price growth in both commodities. Recent projections suggest growth in global aquaculture production of 37% by 2030 on 2016 levels, with the price of fishmeal and fish oil growing 20% and 16% respectively, in nominal terms, by 2030. Potential substitutes do not have the same high quality protein and amino acid content, and are not in significant volumes to replace fishmeal as a key aquaculture feed ingredient. These trends offer valuable growth potential for our existing fishmeal and fish oil businesses, as well as exciting opportunities for carefully targeted acquisition in aquaculture.

OUR RESPONSE

To fully realise the growth potential in fishmeal and fish oil, we are focusing on ensuring efficient utilisation of our available and allocated fish resource, by optimising our fish landings, plant efficiency and throughput rates, and increasing sales volumes as part of a global group-wide sales and distribution strategy. In our Daybrook operation we are making good inroads into the pet food market, increasing production and sales in this sector as part of our strategic drive to move away from being a commodity-based price-taker by positioning ourselves as a responsibly sourced protein supplier, improving margins and reducing exposure to price volatility. We are also assessing acquisition opportunities for aquaculture across various fish species, geographies, farming types, and consumer and market segments.

TEMPERATURE SHIFTS, WEATHER PATTERNS AND CLIMATE CHANGE

Changes in local weather patterns and in sea-surface temperatures – a natural cyclical phenomenon that is potentially exacerbated by anthropogenic climate change – can impact the distribution and productivity of marine biomass, as well as our ability to land fish. In recent decades, there has been a cooling in the inshore West and South Coast regions of South Africa, and a warming in the East Coast and Agulhas Current. Coupled with regional changes in wind and water chemistry, this has contributed to distributional shifts in marine resources, including in particular small pelagic fish such as anchovy, pilchard and red-eye herring. The recent increased incidence of extreme weather events in some of our catching grounds has negatively impacted catch rates. Over the past 18 months we have also faced challenges associated with the severe drought conditions in the Western Cape, which resulted in stringent restrictions on water usage.

IMPLICATIONS FOR VALUE CREATION

This year, anchovy landings on the West Coast were later than usual and further from the cannery, contributing to disappointing total catch rates. Challenging weather conditions and shifting biomass distribution also impacted pilchard landings. In Angola, higher sea temperatures prompted a significant movement of the industrial fish resource to the north, reducing their economic viability despite their good oil yield. In the US, by contrast, good spring rains and reduced incidence of extreme weather events, coupled with enhanced fleet management practices, contributed to a material improvement in landings. In the Western Cape, the recent drought heightened the need to secure further efficiencies, and prompted the recent substantial investment in desalination plants.

OUR RESPONSE

We continue to engage with fisheries scientists, regulators and others in the sector to improve our understanding and ability to predict potential distribution shifts, and to ensure that fisheries are managed according to best science. Given recent uncertainties with the South African pilchard biomass, which remains SASSI orange listed, we have continued to increase the international sourcing of frozen pilchards for processing and canning in our South African operations. In the US, we secured further improvements in fish landings in partnership with the new Westbank ownership, while our investments in the Daybrook plant, processes and people have delivered valuable increases in fishmeal and fish oil productivity.

In response to the recent drought conditions in the Western Cape, we invested R30 million in two desalination plants, enhancing water security for the company and neighbouring communities.

Engaging our stakeholders

Issues impacting our business model

Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our core purpose. This is particularly important for us, given that oceans and their rich resources are an increasingly contested space, with strong interests from multiple sectors and stakeholders. Across our operations, the focus of our engagement has been with those stakeholders who have the most significant impact on our business and its ability to create value.

The following table provides a brief review of our key stakeholder groups, their contribution to our value creation, the most material interests of that group, and how we engage with them to address these interests. We recognise that there is significant diversity within each group, with individual stakeholders often having very different interests. The priority interests listed below are a broadly indicative reflection of each stakeholder group's priorities as assessed by the management team on the basis of our ongoing engagements.

Our stakeholders	Contribution to value creation	How we engage	
EMPLOYEES AND TRADE UNIONS	Our 3 867 permanent and 1 888 seasonal employees provide the skills, experience, diversity and productivity needed to manage our administrative function and operate our vessels and facilities efficiently and safely.	In addition to internal newsletters, management meetings and personal interactions, we have defined structures such as consultative forums that meet regularly. Our employees are members of various representative bodies (South Africa: FAWU, TALFU, NCFAWU, UDF & CWU; Namibia: NAFAU and NATAW). We have enjoyed a good relationship with the unions, and this year successfully completed the two-year round of wage negotiations.	
Priority interests	Job security; Career and personal development	Market-related employee benefits	
Our response	3. Optimising our operations (page 64)		
GOVERNMENT AND REGULATORY AUTHORITIES	Government and regulators provide us with our fishing permits and quotas, and with the regulatory and policy framework that is critical to value creation. They inform what we can do, how we do it, and where we can operate.	We seek to maintain positive relationships with government officials in each of our regions: in South Africa our executives and divisional managers engage with DAFF, DPW, DTI and DEA, particularly on issues relating to the 2020 rights allocation process, transformation, and small-scale fishing; in Namibia we engage on issues in relation to permitting and localisation; and in the US we engage with agencies that encompass federal, state and local jurisdictions, including especially the Gulf States Marine Fisheries, which monitors fish resources.	
Priority interests	Transformation / localisation; Job creation	Compliance	Responsible fishing
Our response	2. Driving transformation and localisation (page 62) 4. Leading stewardship of marine resources (page 66) 5. Building trusted relationships (page 70)		

Our stakeholders	Contribution to value creation	How we engage
SHAREHOLDERS AND INVESTORS	We have around 250 shareholders who provide the financial capital needed to invest in and sustain growth. An overview of the shareholding ownership structure is provided on page 95.	We communicate through our periodic investor briefings, annual reports, press releases and websites regarding our integrated performance and strategy. Certain members of the executive team also meet personally with institutional investors.

Priority interests	Growth in shareholder value	Effective leadership	Responsible governance
Our response	2. Driving transformation and localisation (page 62) 4. Leading stewardship of marine resources (page 66) 5. Building trusted relationships (page 70)		

CUSTOMERS AND CONSUMERS	Delivering an effective customer value proposition is the basis for all other value generated and shared. We have a significant diversity of customers, from wholesale and retail operations to individual consumers across a range of income groups in 46 countries.	The nature of the engagement varies depending on the type of customer. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements, as well as broader customer surveys and research. Providing a quality product, reliably and affordability is the basis of our continued growth.

Priority interests	Quality product at good price	Continuity of supply	Product information
Our response	5. Building trusted relationship (page 70)		

LOCAL COMMUNITIES, SMALL SCALE FISHERS, NGOS AND MEDIA	These stakeholders provide us with our reputation and societal legitimacy, and are often very valuable partners in highlighting challenges to be addressed and finding solutions.	We engage with community representatives through our corporate social investment activities in the main regions in which we operate. In Hout Bay we continue to engage on issues relating to odour from the fish meal plant, and with longer-term job security at the operation. Our partnership with NGOs, such as WWF-SA, provides an important platform for collaborative research and mitigation efforts.

Priority interests	Transparency and accountability	Societal responsibility	Responsible fishing
Our response	3. Leading stewardship of marine resources (page 66) 5. Building trusted relationship (page 70)		

SUPPLIERS AND SERVICE PROVIDERS	Ensuring positive supplier relationship, based on mutual respect, enables us to deliver our customer value proposition efficiently and effectively.	We engage regularly with our major suppliers to ensure a mutually beneficial relationship. We conduct regular audits of key suppliers to ensure adherence with our food safety standards and other company requirements.

Priority interests	Joint growth opportunities	Favourable terms	Timely payment
Our response	5. Building trusted relationship (page 70)		

INDUSTRY ORGANISATIONS, RESEARCH BODIES AND BUSINESS PARTNERS	Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.	We are active participants in numerous scientific working groups and industry associations, including (but not limited to): RFA; SADSTIA; South African Mid-water Trawling Association; Menhaden Advisory Committee to the Gulf States Marine Fisheries Commission; and the National Business Initiative (NBI).

Priority interests	Provision of leadership	Collaboration	Societal responsibility
Our response	3. Leading stewardship of marine resources (page 66) 5. Building trusted relationship (page 70)		

Managing our material risks

Risk management

Oceana has a structured and systematic process of identifying and managing all material risks across the group. During the 2018 financial year, 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. The principal risks that have a material impact on Oceana's ability to create value are outlined in the heat maps and table below.

ROLE OF THE BOARD AND RISK COMMITTEE

The board provides oversight over Oceana's risk framework, policies and processes. While it delegates these matters to the risk committee it remains ultimately responsible for the development and implementation of a risk management plan. The board formally assesses the effectiveness of Oceana's risk management process at year-end, both for disclosure purposes and to provide a basis for updating the risk management plan. The Oceana Group Risk Management Policy and Framework aims to provide stakeholders with the assurance that all material risks across the group have been properly identified, assessed, mitigated, tolerated and monitored. The board has appointed a risk committee that assists the board in discharging its risks-related responsibilities. In August 2018, the board reviewed and approved the amended financial criteria with respect to the potential impact of evaluating a risk in terms of risk tolerance and appetite. PricewaterhouseCoopers ("PwC") conducted the board and board committee evaluations, which included an assessment of the effectiveness of the risk committee. The results of the assessment indicated that the risk committee was working effectively in terms of its mandate and the requirements of King IV. The committee reviewed and approved the amended Risk Management Policy and Framework. The board is satisfied that the group's risk management processes are effective.

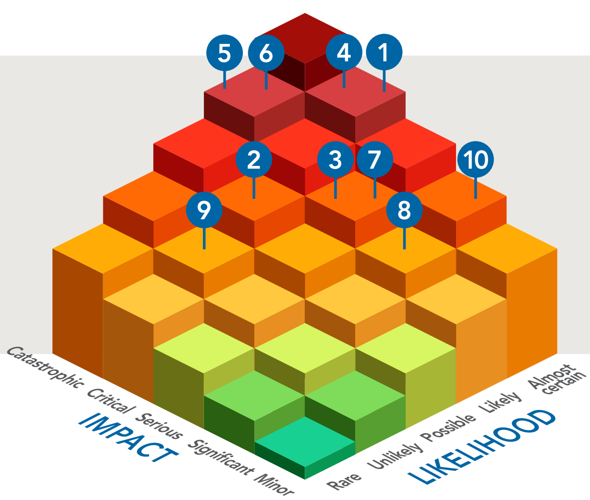
OUR 2018 MATERIAL RISKS IMPACTING VALUE

The principal risks that we have prioritised this year as having a material impact on Oceana's ability to create value are described below.

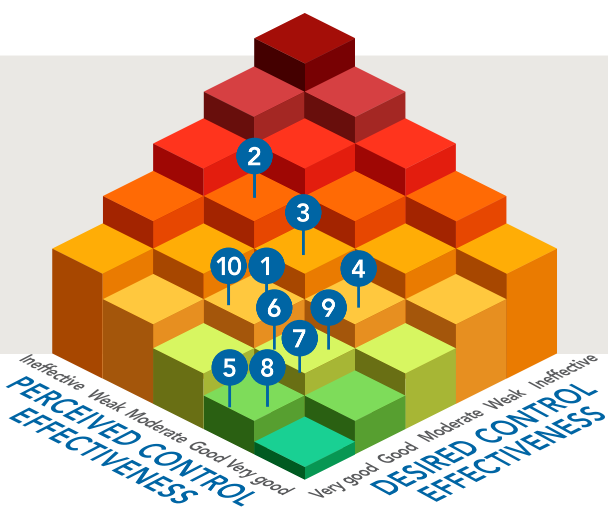
2018	Material risk	2017
1	Resource availability and ability to harvest	1
2	Retention of fishing rights	2
3	Market volatility	4
4	Portfolio imbalance	3
5	Food safety	5

2018	Material risk	2017
6	Business interruption/industrial action	
7	Inability to acquire fishing rights in SA	9
8	Cash flow management	10
9	Legislative non-compliance	7
10	Scarcity of critical skills / succession planning	6

Inherent risk exposure



Residual risk exposure



	Risk context	Impact on value	Risk mitigation actions
1 RESOURCE AVAILABILITY AND ABILITY TO HARVEST	• Reduction in Pilchards and Anchovy (SA and Namibia) beyond normal cyclical fish movements, and SASSI red listing of lobster • Decrease in TAC of certain species where resource appears under pressure • Changes in ecosystem from various environmental factors • Impact of ocean-based mining and seismic surveys	• Loss of revenue and increased marginal costs reducing profitability • Under-utilisation of assets (factories/vessels) • Closure of operations with resulting socio-economic impacts • Reduced market share	• Participate in and exert a positive influence on resource management initiatives with industry, government and scientific working groups in SA and Namibia • Comply with regulations and responsible fishing practices • Utilise own resources to support scientific surveys and provide input to government • Diversify targeted species
2 REALLOCATION OF FISHING RIGHTS	• Horse Mackerel (Namibia) rights expire in 2018. Draft policy gives preference to allocating rights to Namibian nationals • BCP Hake Trawl, squid and south coast rock lobster, and Lucky Star pelagic rights up for reallocation in SA in 2020; continuing uncertainty on fishing rights allocation policies and process	• Increased dependency on JV and 3rd party supplier arrangements • Higher costs of contracted quota • Reduced throughput at factories leading to job losses • Under-utilisation of assets (factories/vessels)	• Monitor policy and legislative changes, and engage actively with authorities on the policy and legislative framework • Comply with all relevant legislation and retain credible empowerment and localisation credentials • Engage with government and communities to partner with community co-operatives • Be market leader in production quality and efficiency, ensuring attractive to new quota holders
3 MARKET VOLATILITY	• International market movements • Over leveraged balance sheet • Weakening ZAR vs USD, impact imports of frozen and raw fish • Impact of US / China tariffs on imports to China. • Sensitivity to fishmeal and oil price to global supply and demand dynamics	• Inability to maintain margins • Cost increases and revenue decline • Impede capital raising ability • Trading loss from forex volatility	• Implement hedging policy • Natural business hedge, with both imports and exports • Interest rate swaps and interest rate cap • Strict repayment of debt and covenants
4 PORTFOLIO IMBALANCE	• Concentration of earnings in a particular unit exposes the group to greater earnings volatility	• Increased volatility of earnings	• Business strategy focused on growth and diversification of portfolio • Acquisition of Daybrook and investment in Angola • Business expansion into global aquaculture
5 FOOD SAFETY	• Potential deviation from quality or safety standards with own and third-party (local and foreign) producers and suppliers • Mismanagement of non-conforming product by traders • Increase in counterfeit product • Potential sabotage • Possible negative publicity including through social media	• Illness of consumer • Damage to brand and reputation • Loss of market share • Product recall and liability claims • Negative impact on insurance renewal terms, rates and policy limits	• Internal technical department and third-party auditors to ensure compliance with standards • Product recall processes and insurance cover in place • Best practices hygiene and quality practices, with HACCP accreditation • Proactive media engagement strategy

Managing our material risks *(continued)*

	Risk context	Impact on value	Risk mitigation actions
6 BUSINESS INTERRUPTION/ INDUSTRIAL ACTION	• Disruption at own facilities and vessels as a result of: technical breakdown; utilities failure; fire or flooding; political or labour unrest; interruption in IT systems; electrical disruption; inconsistent water pressure/supply • Inability to settle wage negotiations in unionised environment	• Inability to continue operations, resulting in loss of market share and brand • Increase in processing costs and reduced profits • Under-utilisation of labour/loss of earnings • Possible loss of JV & supply partners over the long run • Damage to staff and employee relationships	• Business interruption insurance • Business continuity process complete and in place • Power outage, maintenance and site safety procedures in place and audited • Standard operating procedures in the event of labour unrest • Communications strategy (group/ external) • IT disaster recovery plan
7 INABILITY TO ACQUIRE FISHING RIGHTS IN SA	• Uncertain policies on reallocation/ extension of rights • Transfer of fishing rights policy requirements not aligned with B-BBEE Act and Codes of Good Practice • Perception by regulators and interested parties of Oceana's market dominance • Incorrect perception that Oceana may divest from Southern Africa • Possible negative impact of implementation of new Codes	• Lack of substantial growth within SA fishing industry • Stagnation of business • Reduced ability to generate and share value	• Maintain active engagement with South African authorities to ensure appropriate alignment on transformation policy • Maintain and develop new JV and supply partnerships to increase volumes • Implement proactive strategy demonstrating transformation efforts, responsible fishing, percentage rights holdings per sector and conversion into value • Diversification of operations and expansion into aquaculture
8 CASH FLOW MANAGEMENT	• Ineffective projection and management of cash resources • Off-take below sales targets resulting in increased stock levels, and negatively impacting cash • Procurement of large volumes of frozen fish by Lucky Star	• Liquidity strain • Financial loss • Inability to meet financial debt covenants or repay interest and capital on term loans • Delayed creditor payments	• Formalisation of cash flow process and insight into future requirements • Rigorous review of capital and major maintenance expenditures • Timely enforcement of terms with regard to collection of debtors
9 LEGISLATIVE NON-COMPLIANCE	• Need to maintain systems and skills to track, interpret and ensure effective compliance with often-changing legislative requirements in a highly regulated industry	• Damage to the brand • Fines and penalties • Administrative cost of implementation • Loss of current and future fishing rights	• Comprehensive legislative compliance, monitoring, training and auditing systems in place • Engagement with regulators directly and through industry associations
10 SCARCITY OF CRITICAL SKILLS/ SUCCESSION PLANNING	• Inadequate pipeline of skills to lead new business opportunities, support current business operation, or replace retiring personnel • Challenges in attracting, developing and retaining best talent	• Inability to sustain current business model and growth strategy • Impact on employment equity targets • Inability to fill key positions	• Policies and guidelines in place for talent and recruitment management, remuneration, skills development and succession planning • Identify opportunity to establish a vehicle to develop required skills for the fishing industry through collaboration with industry and all relevant stakeholders

Protecting value through effective governance

Governance structure

SHAREHOLDERS AND REGULATORS

BOARD OF DIRECTORS

	AUDIT	REMCOM[1]	RISK	SETCOM[1]
		72	28	35
FOCUS AREAS	• Technology and information governance • Integrated reporting • Financial reporting • Internal audit matters • External audit matters	• Remuneration strategy and policy • Local and international industry trends • Succession planning • Nomination matters • Board evaluations	• Integration of risk management into the business • Establish a risk universe • Oversight of risk management • Monitor group risk management and assurance	• Sustainability • Transformation • Ethical conduct and compliance • Good corporate citizenship • Social and economic development • Stakeholder relationships
MEETING SCHEDULE – ATTENDANCE SUMMARY	100%	100%	88%	100%
	The committee met thrice this financial year. This took place prior to board approval of the interim results, AFS and integrated report.	The committee met four times during this financial year.	The committee met twice this financial year.	The committee met twice this financial year.
COMPOSITION	Saamsoodein Pather (chairperson); Zarina Bibi Mahomed Bassa; Peter Gerard De Beyer	Peter Gerard De Beyer (chairperson for REMCOM); Saamsoodein Pather; Mustaq Ahmed Brey; Nomahlubi Victoria Simamane; Lawrence Charles Mac Dougall	Zarina Bibi Mahomed Bassa (chairperson); Noel Patrick Doyle; Geoffrey George Fortuin (attended one meeting); Francois Paul Kuttel; Imraan Soomra	Nomahlubi Victoria Simamane (chairperson); Geoffrey George Fortuin; Francois Paul Kuttel

EXECUTIVE COMMITTEE

OPERATIONAL MANAGEMENT COMMITTEES

- FINANCIAL
- SUSTAINABILITY
- CORPORATE AND SOCIAL INVESTMENT
- TRANSFORMATION
- INSURANCE
- COMPLIANCE FORUM
- HUMAN RESOURCES
- INFORMATION SYSTEMS

[1] REMCOM refers to the Remuneration and Nominations Committee

[2] SETCOM refers to the Social and Ethics and Transformation Committee

Oceana is committed to responsible corporate citizenship, ethical business practices and good governance.
Our governance framework is aimed at managing the group's operations in an ethical and responsible manner, after considering prudently determined risk parameters within an effective control environment. Our board provides ethical leadership and guidance in order to deliver long-term value to shareholders and stakeholders.

The full powers and responsibilities of the board are set out in the Oceana Group Charter for the board of directors ("Board Charter"). The board is assisted through subcommittees in focusing on specific matters. For more information on the committee roles and responsibilities, refer to the committee charters and King IV disclosure report available on our website at **www.oceana.co.za.**

The board oversees the strategic direction of the group after considering the company's strengths, weaknesses, risks and opportunities before compiling, approving and monitoring the annual strategic plans at both divisional and group level. The board approves the long-term and short-term strategies and monitors the implementation thereof by management.

The board is satisfied that the group has substantially adopted the principles of King IV and that the company remains fully compliant with the JSE and NSX Listing Requirements. The full King IV disclosure report is available on our website at **www.oceana.co.za/governance/compliance**. The board confirms that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

ACTIVITIES FOR THE YEAR UNDER REVIEW

CORPORATE GOVERNANCE	• Reviewed and evaluated the conflict of interest declarations, list of directorships and interest in contracts. • Implemented stringent governance procedures to evaluate the Westbank transaction and formed a subcommittee to consider all bidders. • Appointed an independent advisor to identify and screen potential bidders that met the criteria for the Westbank transaction ie. that the successful bidder be a US citizen and have the appropriate experience, skill and operational capability. • Managed the release of information relating to the Westbank transaction and actively engaged with stakeholders to provide details of the proposed arrangement and governance process adopted once Mr Kuttel was identified as the preferred bidder. • Ensured Mr Kuttel resigned as CEO before engaging in contractual negotiations to prevent any conflict of interest. • Obtained shareholder approval for the proposed arrangement at a General Meeting of Shareholders on the 13th of April 2018. In excess of 90% of the total number of shares voted at the General Meeting was voted in favour of the proposed arrangement. • Obtained approval from the JSE and US regulatory body for all aspects of Westbank transaction. • An independent party was appointed to perform formal board evaluations. The results reflect and confirm that the board was operating effectively and no concerns regarding its operation or ethical conduct were raised. The board is satisfied that the evaluation process will contribute to the improvement of its performance and effectiveness. The independent party found no issues that would indicate that the lead independent director and the independent non-executive directors were not independent.
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP	• Reviewed and approved the Oceana Business Code of Conduct and Ethics. • Managed the search for, evaluation and selection of the replacement Chief Executive Officer (CEO). After an extensive and thorough selection process, Imraan Soomra was appointed as the CEO of Oceana, effective 1 August 2018. • Currently seeking a new Group Chief Financial Officer (CFO) and expects to finalise the search in 2019. Appointment of Trevor Giles as Interim CFO until a permanent CFO is appointed. • Reviewed and approved Setcom's charter.

Protecting value through effective governance *(continued)*

ACTIVITIES FOR THE YEAR UNDER REVIEW

STRATEGY, PERFORMANCE AND REPORTING	• Approved the 2019 annual budget and divisional KPI's. • Approved the strategy for the next five years after evaluation of medium-and long-term deliverables at the annual strategy session. • Reviewed the group and executive committee structure to identify efficiencies and improve synergies. • Approved the following business changes: – Integration of the lobster and squid division into the horse mackerel and hake division – Amendment to the reporting structure of the Commercial Cold Storage division which entails the division reporting into the Lucky Star Sales and Marketing Managing Director – Introduction of a Group Risk and Compliance Executive, and a Stakeholder and Communication Executive to report to the CEO • Divisional managing directors attended all board meetings held during the year to report on performance against strategy, budget and significant operational matters.
RISK, OVERSIGHT AND COMPLIANCE	• Approved an updated governance framework which led to the reinstatement of the Group Risk and Compliance Executive role. • Reviewed and approved the Oceana Group Authorities Framework. • After due assessment, the board concluded that it is satisfied that the group company secretary has the necessary qualifications, competence and expertise.
REMUNERATION	• Reviewed and approved the talent management and succession planning strategy.
STAKEHOLDER RELATIONS	• Regularly engaged with Oceana's various stakeholders through multiple platforms. • Approved the Stakeholder and Communication Executive role to prioritise effective stakeholder engagement.

TECHNOLOGY AND INFORMATION GOVERNANCE

Oceana is committed to the highest level of information and technology governance, as managed by the group chief information officer (CIO). Oceana's governance framework is central to our strategic and business processes, and supports the achievement of our strategic objectives. Our corporate governance structures and processes are regularly reviewed and improved as appropriate. The board is of the opinion that Oceana currently complies with the significant technology and information governance principles of King IV. The board has identified information and cyber security, Protection of Personal Information (PoPI) Act and optimising our IT infrastructure and process to support organisational efficiencies as key focus areas during the current financial year.

In responding to these focus areas we have implemented structures and controls needed to extract maximum value from our IT function well into the future. The following focus areas and key initiatives were completed during the year:

Information and cyber security and Protection of Personal Information (PoPI) Act

- Updated and expanded the IT Security Policy
- Improved cyber security defences, with particular focus on vulnerability management, end user device protection, and secure mobility
- Implemented single sign on across core IT systems

Optimising our IT infrastructure and process to support organisational efficiencies

- Refreshed and rolled-out our 3-year IT strategy with increased focus on cyber security, cloud and automation.
- Successful delivery of our ERP system spanning two countries
- Designed and delivered an identity management solution,

leveraging a single source of truth and role-based access controls

- Completed an IT skills assessment and organisational design using an internationally-recognised framework
- Commenced migration of email workloads into the cloud

2019 and beyond

The following initiatives will be undertaken to continue our commitment to excellence in this field:

- Ongoing optimisation and enhancement of the ERP platform
- Rollout of the ERP platform to US operation
- Decommissioning and retirement of legacy applications
- Incorporation of remaining IT systems into the single sign on solution
- Automated deployment and monitoring of end user devices
- Migration of additional workloads into the cloud

COMPLIANCE

The group is committed to ensuring compliance with all laws and regulations. The compliance function reports to the Group Risk and Compliance Executive as from 1 October 2018. Compliance is monitored through anonymous whistleblower reports, internal controls, internal and external audits and through the compliance function.

Focus areas for the year under review were as follows:

- Identified the top ten legislative risks
- Formalised a group wide compliance structure
- Established a compliance forum
- Rolled-out discretionary and non-discretionary compliance training
- Reviewed new and proposed legislation impacting the business
- Reviewed group policies
- Implementation of King IV; and
- Investigated whistleblower and other compliance related concerns

ZERO TOLERANCE TO FRAUD AND CORRUPTION

Of the 68 calls logged on the Whistleblowers line, nine calls required further investigation. It was found that there was no substance to the allegations of eight of the calls. An internal audit was conducted in respect of one of the logged calls. The internal auditors found no evidence of fraud or defalcation, however internal controls have been strengthened in line with the internal auditor's recommendations. Two reports were made directly to the company and forensic investigations were undertaken in respect of these reports. One investigation is still ongoing whilst the other investigation found no evidence of fraud.

For the period 1 October 2017 to 30 September 2018, one fine of R1 500 was paid to SARS for storage of product in a rebate store in excess of two years.

The board is satisfied that management has taken the appropriate disciplinary action and has provided the necessary additional training to address the reported non-compliances.

The focus going forward will be to drive a co-ordinated approach across the various group compliance roles and mechanisms thereby strengthening the risk and compliance oversight.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (SETCOM)

The committee has an independent role with accountability to the Board. The overall role of the committee is to assist the Board with the oversight of social, ethical and transformation matters relating to the company.

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

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 as well as the results of the annual independent B-BBEE audit.

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. The target set in terms of the Codes of Good Practice to spend 1% of net profit after tax on income generating activities that benefit black beneficiaries, was met and exceeded.

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.

COMMITTEE SELF-ASSESSMENT

PwC conducted the board and board committee evaluations, which included an assessment of the effectiveness of the committee. The results of the assessment indicated that SETCOM was working effectively in terms of its mandate and the requirements of King IV and the Companies Act, 71 of 2008. The committee chairman updates the Board bi-annually on the work done by the committee.

03

Divisional performance reviews

"The positive performance across the divisions reflects a combination of effective execution of our strategic action plans, driven by a dedicated leadership team"

Delivering on our strategy through our divisions

Oceana's diversified fishing and production business together with its cold storage and logistics business allows for diversified earnings across species and services as well as geographies. Given the diversified nature of the businesses, a set of KPI's unique to each business has been agreed with divisional management in order to promote the achievement of our strategic objectives. KPI targets are critically reviewed and amended annually to take account of changing business and operational requirements.

LONG-TERM DIVISIONAL OBJECTIVE

Canned fish and fishmeal (Africa)

We will optimise and improve operating margins by robust supply chain and logistics services.

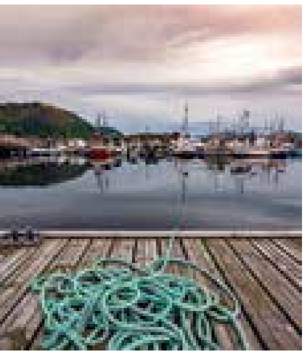
We will deliver positive volume and earnings growth by:

1. Growing canned fish volumes in existing and new markets
2. Becoming a globally competitive canned fish processer
3. Implement efficiency improvement projects in fishmeal and oil fishing fleet and facilities

Fishmeal and fish oil (USA)

We will ensure full and efficient utilisation of the available/allocated fish resource by:

1. Optimising plant efficiency and throughput rates, while retaining quality and environmental standards
2. Increasing sales volumes and price realisation as part of a global group-wide sales and distribution strategy
3. Realising opportunities to further increase our catch rate by improving our fleet and fishing techniques
4. Identifying and realising vertical integration/downstream expansion opportunities should they arise



Horse mackerel and hake

We will protect and optimise the business, and grow earnings and profitability by:

1. Continuing to drive empowerment in our SA operations
2. Enhancing localisation in Namibia
3. Being the preferred partner for new quota holders in both SA and Namibia
4. Improve fleet availability and utilisation to enhance catch rates and drive efficiencies

Lobster and squid

We will drive value creation in the division by:

1. Seeking to secure long-term squid and south coast lobster rights in 2020
2. Optimising efficiencies, leveraging off infrastructure and synergies in the horse mackerel and hake businesses
3. Working with government and other stakeholders to pursue appropriate opportunities to support government's efforts to responsibly develop small-scale fishers

We will restore the profitability of CCS to previous levels by:

1. Leveraging our port operations where we have a location advantage and customer base
2. Reduce our Gauteng market exposure, where we lack competitive advantage
3. Maintaining strong customer focus and driving operational efficiencies
4. Realising growth opportunities in other African markets, should they arise

KPIs	2017	2018	2019
CANNED FISH			
• Real volume growth	🔴	🟢	Growth targeted
• Cost per carton	🔴	🟢	Further efficiencies expected
• Daily throughput cartons/day	🔴	🟢	Further efficiencies expected
FISHMEAL (AFRICA)			
• Catch volumes	🟢	🔴	Growth targeted
• Catch volumes	🟢	🟢	Strong biomass should help improve volumes
• Average fishmeal price	🔴	🟢	Prices expected to be stable
• Average fish oil price	🔴	🔴	Prices expected to be stable
• Plant downtime	🟢	🟢	Investment in capital expenditure to achieve increased throughput
• Plant throughput	🟢	🟢	Investment in capital expenditure to achieve increased throughput
HORSE MACKEREL (SA)			
• Catch rate	🟢	🟢	Expected to be consistent
• Cost per ton	🟢	🟢	Inflationary growth expected
HORSE MACKEREL (NAM)			
• Catch rate	🔴	🔴	Expected to be consistent
• Cost per ton	🔴	🔴	Inflationary growth expected
HAKE			
• Catch rate	🟢	🔴	Expected to be consistent
• Cost per ton	🔴	🔴	Inflationary growth expected
LOBSTER			
• Catch rate	🟢	🟢	Catch rate projection in line with scarcity of resource
• Cost per kg	🔴	🟢	Inflationary growth expected
SQUID			
• Catch rate	🟢	🟢	Catch rate expected to normalise
• Vessel cost	🟢	🟢	Inflationary growth expected
• Occupancy level	🔴	🔴	Target increase occupancy in coastal with inland consistent to prior year
• Price per pallet	🔴	🟢	Inflationary growth expected
• Total overheads per pallet	🔴	🔴	Inflationary growth expected on normalised overheads

🟢 KPI achieved 🔴 KPI not achieved

Canned fish and fishmeal (Africa)

Our 2018 performance

REVENUE

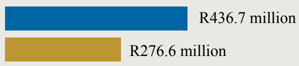
R4.1bn

(2017: R3.8bn)

OPERATING PROFIT

R436.7m

(2017: R276.6m)



CANNED FISH

REVENUE DRIVER (VOLUME)	Reliable local supply and landing of pilchard (SA and Namibia)
	Security over supply
REVENUE DRIVER (PRICE AND VOLUME)	Demand for canned fish product
COST DRIVER	Material cost efficiencies
	Rand/Dollar exchange rate

CANNED FISH QUICK REFERENCE HIGHLIGHTS

SOUTH AFRICAN PILCHARD LANDINGS

▲ **16 903 tons**

(2017: 10 026 tons)

- The South African pilchard resource continues to be SASSI orange listed resulting in a reduced TAC
- Challenging weather conditions and shifting biomass distribution prevented us from catching our full allocation of quota during the current year
- A moratorium on fishing is in place in Namibia which resulted in reduced catches

CANNED FISH VOLUMES

▲ **8.8m cartons**

(2017: 7.9m cartons)

- Improvements in throughput have been achieved by enhanced management operating systems underpinned by positive people engagement and skills development initiatives, and structured review mechanisms
- More consistent availability of frozen fish has also allowed for the implementation of improved planning systems to enhance capacity utilisation

FROZEN FISH PROCUREMENT

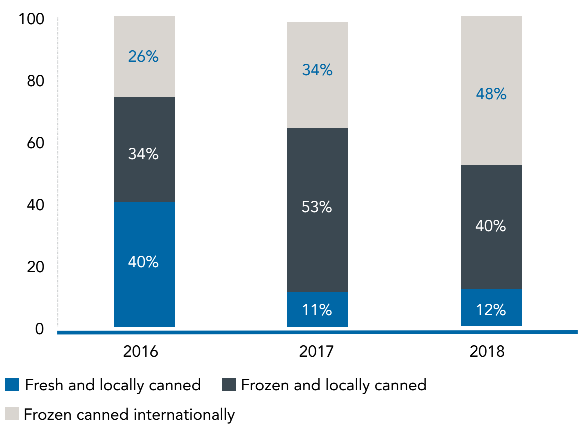
▲ **103 885 tons**

(2017: 63 189 tons)

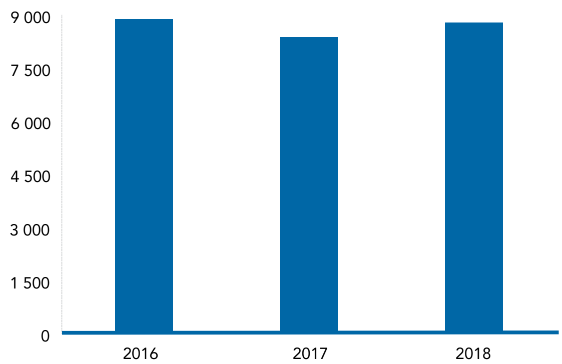
- Becoming primarily a processor of frozen fish has enabled us to more efficiently ensure consistent unlimited and affordable supply of Lucky Star in the context of uncertain local catch rates and quotas

VALUE DRIVERS	CONTEXT AND OUTLOOK
• Local pilchard biomass • Own quota allocation vs contracted quota • Efficient landing of allocated quota	• Local resource under recent pressure (SASSI orange listing since 2017) – some recovery anticipated, with likely increase in SA TAC • Entrants of new quota holders subsequent to FRAP 2020 may result in reduced quota to existing quota holders and may impact margins negatively. • Landings impacted by uncertain weather events
• Local and global supply from Mexico, Morocco, Mauritania and Japan	• Stable supply sources, underpinned by good supplier relations and efficient procurement practices
• Consumer disposable income for protein • Positioning of Lucky Star in canned fish sector • Demand for canned fish relative to other proteins	• Food groceries showing volume recovery in tough consumer environment • Lucky Star brand maintaining leading position in sector, aided by effective pricing and marketing • Demand likely to remain strong given relative value
• Efficiencies in own fishing and canning operations • Procurement efficiencies	• Strong efficiencies drive in canneries delivering projected savings of R45 million annually • Centralised procurement delivering sustained cost savings
• Weaker Rand increases import costs, impacting margins and profits	• Revised forward cover policy to cater for possible continuing pressure on the Rand • Ability to leverage the groups' working capital resources to obtain favourable pricing offsetting the negative effects of a weaker exchange rate

Canned fish supply (%)



Total canned fish sales volumes – normalised (CTNS'000)



MATERIAL RISKS

- Weakening Rand increasing import cost, negatively impacting margin and profitability
- Anticipated increased demand for canned fish protein not materialising

Canned fish and fishmeal (Africa)

(continued)

FISHMEAL AND FISH OIL (AFRICA)

REVENUE DRIVER (VOLUME)
- Reliable availability and landings of species (SA and Angola)
- Fish oil yields

REVENUE DRIVER (PRICE)
- Fishmeal and fish oil pricing
- Market demand
- Rand/Dollar exchange rate

COST DRIVER
- Material cost efficiencies

FISHMEAL AND FISH OIL QUICK REFERENCE HIGHLIGHTS

INDUSTRIAL FISH LANDINGS

▼ **135 861 tons**
(2017: 180 709 tons)

- Landings in South Africa were marginally lower with catches occurring later than usual.
- Angolan catch rates have been challenging, with changing local sea temperatures prompting a significant movement of fish stocks to the north.

FISHMEAL YIELD

▼ **22.3%**
(2017: 22.4%)

FISH OIL YIELD

▼ **3.2%**
(2017: 4.8%)

- Fishmeal yields remained in line with historical averages.
- Overall oil yields have declined year-on-year as the ratio of Angolan catches (higher yield) versus South African (lower yield) catches has declined.

FISHMEAL PRICE/TON

▲ **$1 375**
(2017: $1 213)

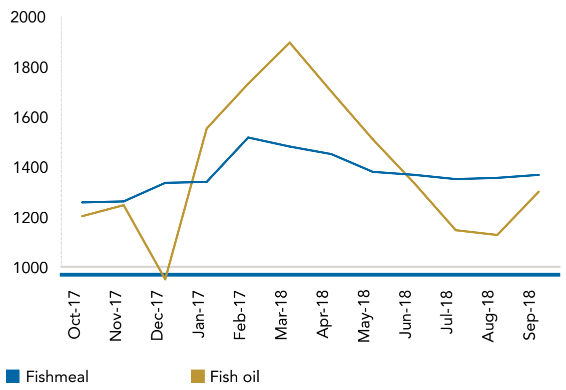
FISH OIL PRICE/TON

▲ **$1 513**
(2017: $1 242)

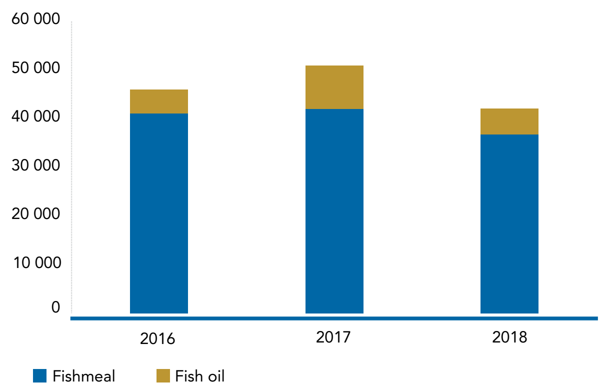
- Although demand for fishmeal and fish oil remains strong, global prices remained flat due to global supply levels.
- We anticipate an increase in pricing with continued growth in aquaculture fueling strong demand

VALUE DRIVERS	CONTEXT AND OUTLOOK
• Health of biomass • Own quota allocation vs contracted quota • SA operations typically yield 2.5% while Angola generates up to 14%	• Lower TAC and strict enforcement of TAC limits further strengthening biomass health in long-term • SASSI green listing of anchovy and red-eye herring • Entrants of new quota holders subsequent to FRAP 2020 may result in reduced quota to existing quota holders and may impact margins negatively. • Short-term outlook for Angola remains challenging as the resource still appears to be further from the production plant making it commercially unviable for 2019
• Global supply dynamics • Global demand dynamics • Export to Europe and Far East • Weaker exchange rate increases Rand denominated revenue resulting in improved margins	• Supply from main producers (Peru, China and Europe) expected to remain stable in short-term • Demand anticipated to remain strong (see below); coupled with stable supply, prices anticipated to increase • Sustained growth in aquaculture likely to sustain strong demand for fishmeal and fish oil • Prices anticipated to increase over the longer term as commercially competitive alternatives to fishmeal in sufficient volumes, are unlikely to materialise in the short-to medium-term. • Revised procedure for export receipts to reduce volatility
• Efficiencies in fishing and processing	• Impact of any anticipated increases in fuel prices dependent on location of fish landings • Increase in coal prices (used for steam generation) could influence processing costs

Fishmeal price (USD/ton)



Fishmeal and fish oil production (tons)



MATERIAL RISKS

- Underperformance of industrial fish resources, relative to projected catch over next five years
- World market prices for fishmeal and oil not reaching forecasted average levels
- FRAP 2020 rights renewal process resulting in greater quota loss than expected

Fishmeal and fish oil (USA)

Our 2018 performance

REVENUE

R1.8bn

(2017: R1.4bn)

OPERATING PROFIT

R392.6m

(2017: R390.2m)

FISHMEAL AND FISH OIL (USA)

REVENUE DRIVER (VOLUME)

- Availability and accessibility of Gulf Menhaden species
- Nature of fishmeal and fish oil yields

REVENUE DRIVER (PRICE)

- Fishmeal and fish oil pricing

QUICK REFERENCE HIGHLIGHTS

FISH LANDED (FISHING SEASON)

▲ **803.1m**

(2017: 735.1m)

- Landings was a function both of environmental factors – with spring rains enhancing nutrient availability, and the reduced incidence of extreme weather events increasing the number of fishing days and improved efficiencies and work ethic instilled by the new Westbank leadership

FISHMEAL YIELD (FINANCIAL YEAR)

▲ **25.4%**

(2017: 24.9%)

FISH OIL YIELD (FINANCIAL YEAR)

▲ **9.4%**

(2017: 8.0%)

- Improvements reflecting the positive impact of (largely cyclical) environmental factors on fish resource movements and feed patterns

FISHMEAL PRICE/TON

▲ **$1 500**

(2017: $1 483 per ton)

FISH OIL PRICE/TON

▼ **$1 469**

(2017: $1 590 per ton)

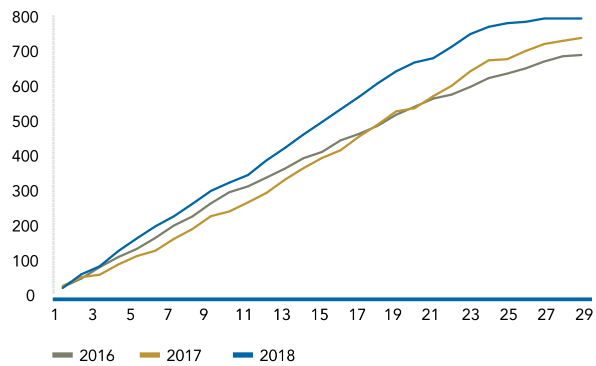
- Pricing expectations came off softer off the back of strong production from Peru following the end of an extended El Niño cycle.

VALUE DRIVERS

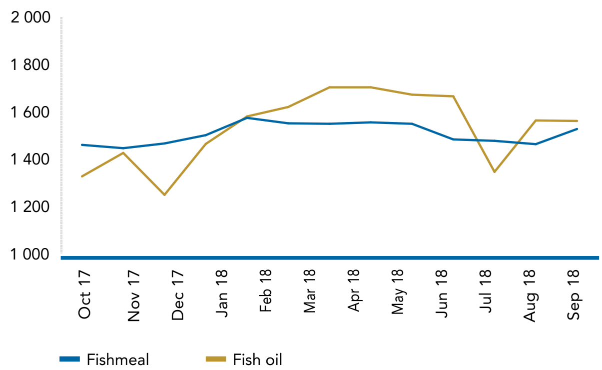
CONTEXT AND OUTLOOK

Value drivers	Context and outlook
• Availability of biomass – dependent on environmental factors and fishing levels • Ability to land volumes (allocated on an effort basis) – impacted inter alia by fish distribution, fleet efficiency and weather • Gulf Menhaden typically have fish oil yields of around 11%-12%, a function of fish resource movements and feed patterns	• Gulf Menhaden population are deemed healthy with good long-term outlook, • Strong and sustainable efficiency improvements attained in the fleet, with record landings for the season; good prospects for sustained increased landing rates • Yields have been up from last year's low of 8% to an average of 9.4% for the year; with a return to normalised yields anticipated as part of cyclical patterns • Stable supply sources, underpinned by good supplier relations and efficient procurement practices
• Global supply dynamics	• Supply expected to remain stable in medium term, impacted by El Niño event from late 2016 and Peruvian quota limits
• Global demand dynamics	• Demand anticipated to remain strong; coupled with stable supply, pricing is anticipated to increase • Sustained growth in aquaculture likely to sustain strong demand for fishmeal and fish oil • Highly competitive pet food market places pressure on margins

Landings by season (million fish)



Fishmeal and fish oil price (USD/ton)



MATERIAL RISKS

- Fishmeal and fish oil yields affected by extraneous environmental and climatic conditions
- Inability to land projected growth volumes due to significant environmental/weather conditions
- Fluctuations in international demand (volume/price) for fishmeal influenced by extraneous factors, such as El Niño events, and increasing global protectionism

Horse mackerel and hake

BLUE CONTINENT PRODUCTS

Our 2018 performance

REVENUE

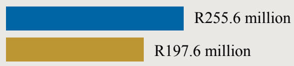
R1.3bn

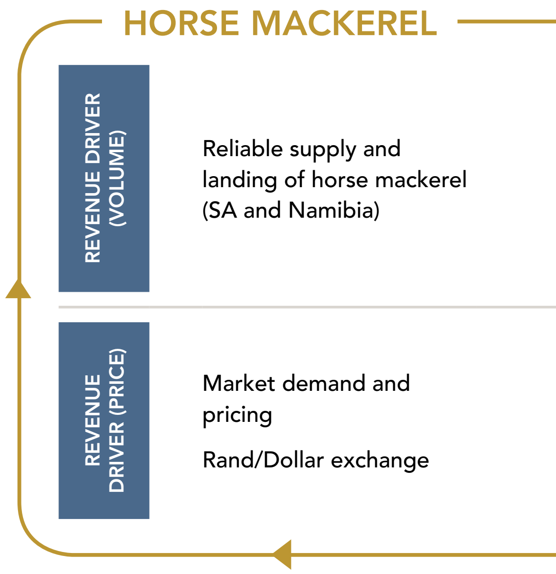
(2017: R1.1bn)

OPERATING PROFIT

R255.6m

(2017: R197.6m)





HORSE MACKEREL QUICK REFERENCE HIGHLIGHTS

NAMIBIA QUOTA ALLOCATION

▼ **22 724 tons**

(2017: 24 717 tons)

- Our allocation of quota in Namibia has continued to reduce as new entrance and Namibian citizens receive larger allocations of the TAC

QUOTA USAGE FEE

▼ **66%**

(2017: -20%)

- The cost of contracted quota has decreased from the prior year as the market for purchased quota continues to moderate itself.

SA HORSE MACKEREL LANDINGS

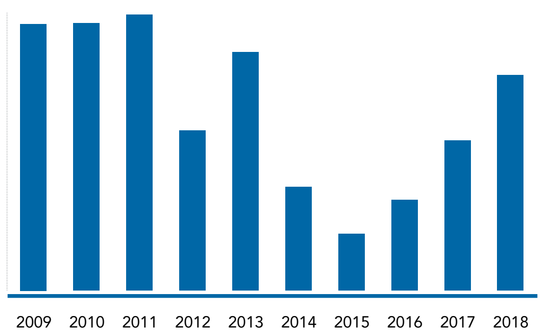
▲ **43%**

(2017: +65%)

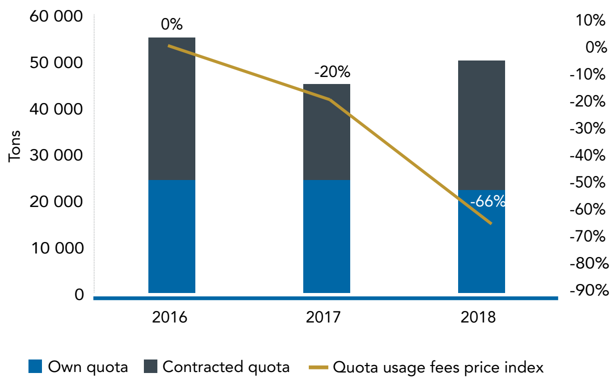
- The improved landings this year occurred both in the new experimental area, as well as in our traditional eastern fishing grounds, providing a positive indication of the species' recovery.

VALUE DRIVERS	CONTEXT AND OUTLOOK
• Health of horse mackerel biomass in SA and Namibia • Own quota allocation vs contracted quota • Efficient landing of available allocation	• Significantly improved landings in SA suggest better biomass health and strong future catch rates • Landings of smaller juveniles in Namibia indicate good recruitment, but will need careful management • Uncertainties remain regarding 2019 rights renewal in Namibia • Improved landings following better vessel utilisation
• Sold (frozen whole) mainly in Southern, Central and West Africa • Weaker exchange rate increases Rand denominated revenue resulting in improved margins (offset by fuel and Dollar denominated labour costs	• Demand and pricing for larger-sized SA horse mackerel remains strong • Revised procedure for export receipts to reduce volatility

South African horse mackerel landings (tons)



Namibian horse mackerel quota and quota usage fee



OPTIMISTIC VIEW OF SOUTH AFRICAN HORSE MACKEREL

We are engaging with DAFF and scientists to improve the understanding of the health of the resource, with a view to reopening the West Coast fishing grounds for horse mackerel for the *Desert Diamond*. In the belief that the South African resource offers good growth potential we will be making a substantial investment next year in recapitalising and overhauling the *Desert Diamond*.

SECURING OUR NAMIBIAN FUTURE

In response to the Namibian localisation policy, we have completely restructured the business and established partnerships directly with Namibian rights holders. Through this restructured business we hope that we will be a preferred operator in the local horse mackerel sector, ensuring that our mid-water vessels, operational experience and Namibian team, can be effectively utilised to deliver.

MATERIAL RISKS

- South Africa' horse mackerel resource does not strengthen as expected
- Procurement of Namibian horse mackerel quota becomes commercially unviable

Horse mackerel and hake *(continued)*

BLUE CONTINENT PRODUCTS

HAKE

REVENUE DRIVER (VOLUME)	Reliable supply and landing of hake
REVENUE DRIVER (PRICE)	Pricing in international markets
	Market demand and pricing
	Rand/Euro Exchange rate

HAKE QUICK REFERENCE HIGHLIGHTS

HAKE DEEP SEA TRAWL QUOTA ALLOCATION

▼ **14 135 tons**

(2017: 14 625 tons)

- This has been a good year for the hake business, with improved catch rates.
- The long-term outlook for biomass is positive.

VESSEL UTILISATION

▲ **72%**

(2017: 68%)

- Following improved preventative maintenance processes we achieved valuable improvements in vessel utilisation resulting in increased sea days during the current financial year.
- We optimised our vessel fleet by disposing of one vessel during the year.

REALISED PRICE

▲ **6%**

(2017: -1%)

- Market demand from Europe for our sea-frozen headed and gutted (H&G) hake remained strong, aided by a shortage of white fish globally and for white fish.
- Rand depreciation aided the year-on-year increase in the realised price for hake.

VALUE DRIVERS

- Health of hake biomass
- Own quota allocation vs contracted quota
- Efficient landing of allocated quota

CONTEXT AND OUTLOOK

- The long-term outlook for biomass is positive
- Oceana maintaining its strong focus on driving transformation to ensure positive outcome around the long-term rights renewal process for hake (deep sea trawl) in 2020
- Significant recent improvement in vessel utilisation and landing likely to be sustained, increasing volumes

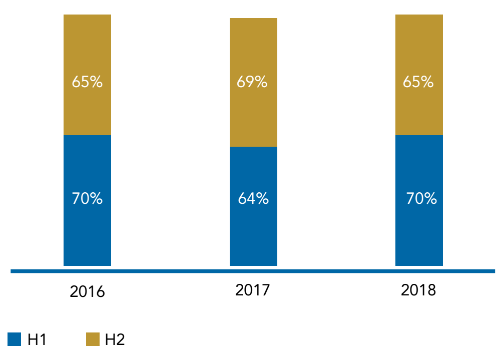
Value drivers:

- Demand in new and traditional markets
- Sold (headed and gutted, and filleted) to European and SA food services market
- Weaker exchange rate increases Rand denominated revenue resulting in improved margins

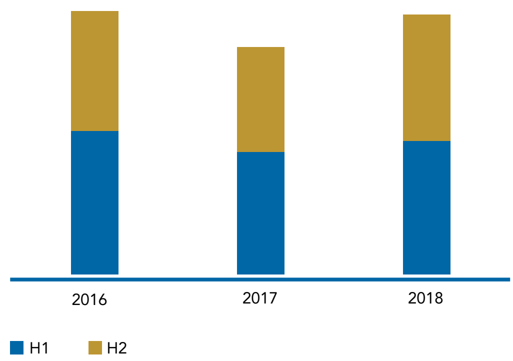
Context and outlook:

- Anticipate strong demand from existing South African and European customers together with strong pricing
- Ability to leverage diversified geographical customer base to take advantage of a weaker exchange rate

Vessel utilisation (%)



Sea Days



MATERIAL RISKS

- Reduced hake quota allocation resulting from FRAP 2020 allocations
- Reduced vessel utilisation due to breakdowns

Lobster and squid

OCEANA LOBSTER

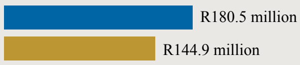
CALAMARI FISHING

Our 2018 performance

REVENUE

R180.5m

(2017: R144.9m)



OPERATING PROFIT

R32.2m

(2017: R37.8m)

LOBSTER AND SQUID

REVENUE DRIVER (VOLUME)	Reliable supply Harvesting of the lobster biomass (SA)
REVENUE DRIVER (PRICE)	Market demand and pricing Rand/dollar exchange rate Rand/Euro exchange rate
COST DRIVER	Efficient/effective harvesting of the lobster biomass (SA)

LOBSTER AND SQUID QUICK REFERENCE HIGHLIGHTS

WCRL QUOTA ALLOCATION

▼ **156 tons**

(2017: 256 tons)

- In response to this reduced allocation, we drove further efficiencies across our lobster operations, mothballing one of our factories and holding facility, reducing head-office overheads and managing our seasonal workforce, ensuring that no fulltime fishing jobs were lost.

SQUID LANDINGS

▲ **48%**

(2017: -13%)

- The squid business had a fourth successive year of strong results, underpinned by improved landings, further operational efficiencies, and solid market demand, with good pricing in our European markets

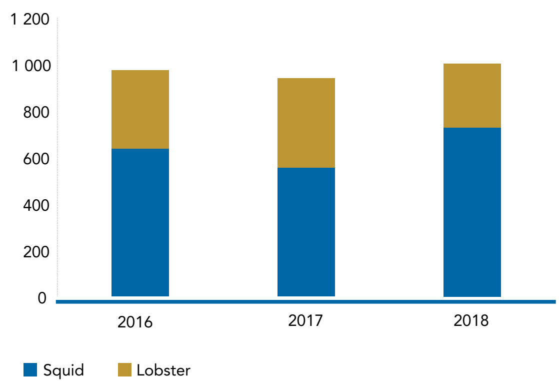
VALUE DRIVERS	CONTEXT AND OUTLOOK
• Own and contracted quota allocation • Health of biomass • Availability of lobster biomass	• Resource under pressure due to poaching and ecosystem decline: SASSI red listed since 2017. • Secured (reduced) 15 year rights for WCRL in 2017 • DAFF has announced a 43.6% reduction in the WCRL quote TAC for the 2018/2019 season • Healthy squid biomass (SASSI green listing) • Entrants of new quota holders subsequent to FRAP 2020 may result in reduced quota to existing quota holders and may impact margins negatively.
• Live and frozen WCRL – sold to Far East and European markets • Live and tailed south coast rock lobster – sold to European and US markets • Squid sold to markets in Europe and Japan • Weaker Rand increases ZAR export earnings	• Strong demand and stable pricing likely to be sustained for both lobster and squid
• Consolidation and rationalising of operations • Efficiencies in landings and processing	• Stable earnings to be sustained, supported by continued focus on live lobster sales • Rationalising of operations and leveraging existing infrastructure

SASSI RED-LISTING AND QUOTA REALLOCATIONS RAISE TOUGH QUESTIONS

In October 2017, we secured our 15-year rights allocation for WCRL. In terms of the final decision, the commercial offshore allocation for existing rights holders was reduced by 30%, with 20% redistributed to small-scale fishers and the remaining 10% to new entrants in the commercial offshore sector. As a result of the rights allocation, and with the TAC remaining unchanged this year, the commercial offshore allocation for WCRL was reduced from 1 204 tons to 995 tons.

Once again we harvested our full allocation of own and contracted quota for both WCRL and South Coast rock lobster. By improving our internal systems and stock management practices we secured better yields, boosting margins by increasing the sales mix of live lobsters.

Lobster and squid production volumes (tons)



MATERIAL RISKS

- Continuing challenges regarding the lobster resource availability
- Redistribution of fishing rights for south coast rock lobster and squid
- Possible disruption in key lobster and squid markets

Commercial cold storage and logistics

CCS LOGISTICS

Our 2018 performance

REVENUE

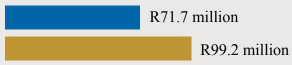
R421.4m

(2017: R401.6m)

OPERATING PROFIT

R71.7m

(2017: R99.2m)



CCS LOGISTICS

REVENUE DRIVER (VOLUME)

- Occupancy rates

COST DRIVER

- Material cost efficiencies
- Leased vs. owned cold store facilities

QUICK REFERENCE HIGHLIGHTS

OCCUPANCY

▲ **78%**

(2017: 76%)

- This has been another challenging year for the division, with disappointing occupancy levels in our Gauteng operations continuing to place pressure on the bottom line. A tough competitive environment and excess capacity in the Gauteng market has exerted pressure on pricing and margins. Although there was some recovery in occupancy towards the end of the financial year, boosted by the upswing in the chicken sector, this recovery was later than anticipated.

OCCUPANCY EXCLUDING GAUTENG

▲ **89%**

(2017: 88%)

- Excluding the effects of the Gauteng region, our coastal facilities all performed well, with our strong client service offering and good location contributing to high occupancy and pleasing returns, boosted by volume growth in frozen fish imports.

VALUE DRIVERS

CONTEXT AND OUTLOOK

VALUE DRIVERS	CONTEXT AND OUTLOOK
• Nature of frozen food market (predominantly fish and poultry) • Availability of alternative cold stores through competitor pressure	• Excess cold store capacity in Gauteng to continue in the short-term, partially offset by anticipated upswing in poultry storage volumes following recovery in the sector • Positive coastal outlook, benefitting from high volumes of frozen fish imports and strong demand
• The ability to reduce costs and/or pass on cost inflation to the end customer, significant in a largely fixed-cost structure	• Energy (electricity) and labour inflation are likely to remain a concern, with limited additional opportunities for material efficiency savings
• Leased assets typically offer lower margins, and reduced long-term certainty	• Focus on securing more favourable lease terms

LEVERAGING THE STRENGTH OF OUR COASTAL OPERATIONS

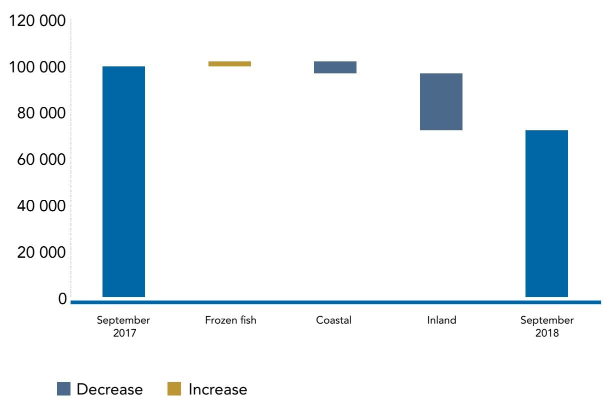
Our Cape Town and Durban facilities enjoyed a third successive year of occupancy levels above 85% whilst our stores in Namibia and Angola achieved 100% occupancies for the year.

We are looking to consolidate some of our Cape Town operations into the most efficient grouping, and to further expand our capacity in both Cape Town and Durban.

Our Walvis Bay facility had another pleasing year of high occupancy and good cost management, and offers strong growth potential; negotiations are currently underway with potential partners as part of our localisation commitment.

Our facility in Luanda, Angola, had a second successive year of profit and growth, and offers good growth potential.

Operating profit (Rm)



MATERIAL RISKS

- Failure to renew key port lease agreements
- Competitor pressures resulting in reduced occupancy
- Cyclical nature of consumer segments serviced may create volatility in earnings
- Increasing energy and labour costs erodes margins

Group performance against strategy

04

"Our 2018 financial performance has seen profitability restored following the disappointing 2017 performance"

Our 2018 performance at a glance

Strategic Objective	Success	Challenges
Generating sustained financial returns by anticipating market trends	HEPS Growth ▲ **727.1 cents** (2017: 391.9 cents)	Working capital utilisation ▼ **R189m** (2017: +R561m)
Driving transformation and localisation	B-BBEE rating ▲ **LEVEL 1** (2017: LEVEL 2)	Localisation of Namibian operations **NEEEF COMPLIANCE** *Continued focus on procuring from in country nationals and entrenching ownership of Namibians*
Optimising our operations	Procurement savings in excess **R100m** *since inception of the group procurement function*	Skills development spend ▼ **R21.9m** (2017: R22.2m)
Leading stewardship of marine resources	Water saving **44%** *Reduction in usage of municipal water supply*	SASSI green listed harvested species ▼ **80%** (2017: 89%)
Building trusted relationships	CSI spend **R6.5m**	Odour management in Hout Bay through continuous **COMMUNITY ENGAGEMENT** *Relating to odour and ensuring longer term job security*

1. Generating sustained financial returns

by anticipating market trends

OUR STRATEGIC FOCUS AREAS

Achieving growth in headline earnings

Delivering superior returns to shareholders

Identifying opportunities for acquisitive and organic growth of the group

REVENUE

R7.7bn

HEADLINE EARNINGS

R849m

DIVIDENDS PER SHARE

416 cents

The group delivered a strong performance in the year with good volume growth in most segments. The successful migration to our new ERP solution was a significant milestone achieved in the year in support of our efficiency and growth strategy. Our South African term debt refinance and extension was completed at favourable interest rates.

ACHIEVING GROWTH IN HEADLINE EARNINGS

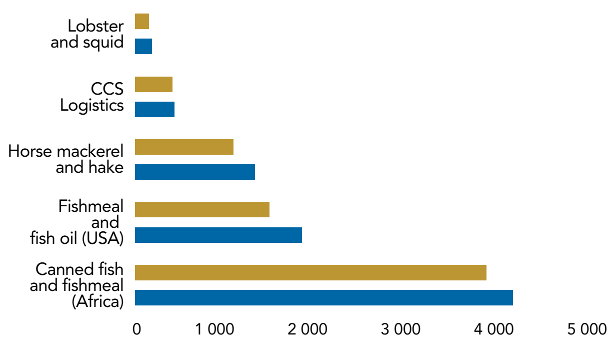
STRONG 2018 PERFORMANCE

Our 2018 performance has seen improved levels of profitability following the disappointing 2017 performance. The strong performance was driven primarily by increased canned fish sales volumes, improved landings for hake, horse mackerel and squid in South Africa and Gulf menhaden in the United States together with continued focus on operational efficiencies and improved management of foreign currency exposure. Our performance also benefitted from the once off deferred tax rate adjustment of USD18.6 million (R238 million) following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%, effective after 31 December 2017.

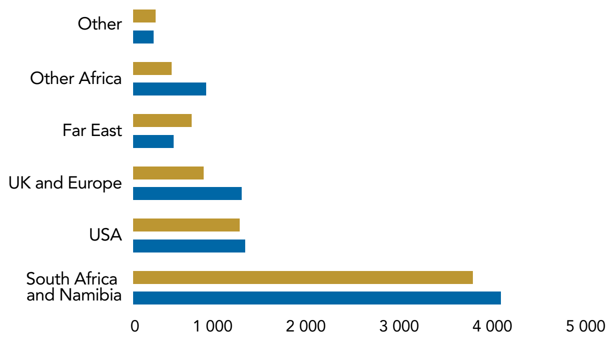
Our performance was moderated by a challenging year for the Commercial Cold Storage and Logistics (CCS) business, poor fishing conditions experienced in Angola and the moratorium on pilchard fishing in Namibia.

Group revenue increased by 14% to R7 733 million (2017: R6 808 million). Revenue from Africa operations increased by 11%, underpinned by good volume growth in most segments. Likewise, the Daybrook operations in the United States (US) delivered a 24% increase in revenue driven by increased sales volumes on the back of improved landings.

Revenue by segment (Rm)



Revenue by geography (Rm)

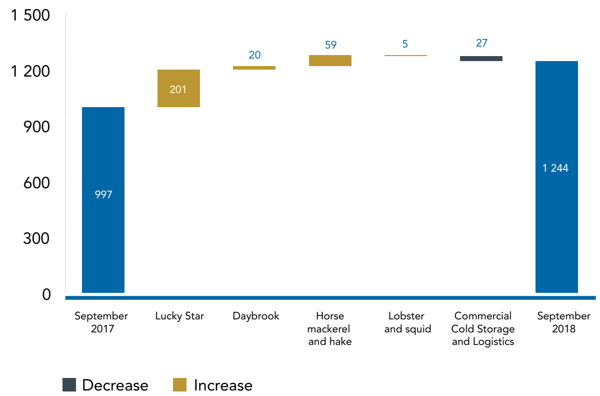


Group operating profit before associate and joint venture income, fair value adjustments and other operating items ("operating profit") increased by 24% to R1 234 million (2017: R995 million).

Africa operations delivered a 35% increase in operating profit driven primarily by volume growth in canned fish, horse mackerel, hake and squid together with a favourable movement in net foreign exchange, from a loss of R61 million in 2017 to a gain of R19 million this year. A disappointing year for the CCS division tempered the Africa performance.

In the US, Daybrook's operating profit improved by 5% with record landings and improved fish oil yields being partially offset by weaker global fish oil prices. Daybrook's operating profit increased to USD31.9 million (2017: USD29.1 million).

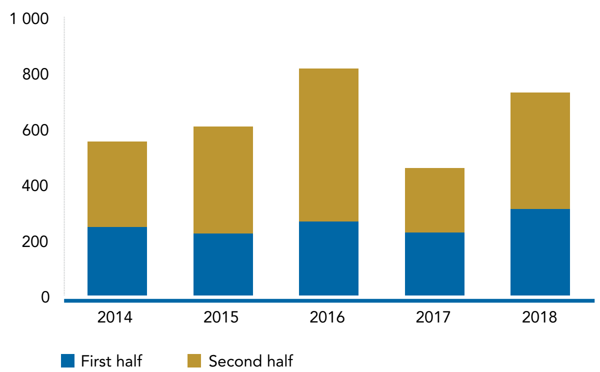
Operating Profit (Rm)



Net interest for the year reduced by 15% to R292 million (2017: R343 million) due to the reduction in debt levels and improved interest rates on SA term debt following the successful refinancing completed during the year.

Headline earnings for the year increased by 86% compared to the prior year. Excluding the effect of the once-off deferred tax adjustment, fair value adjustments and other operating items, headline earnings increased by 45%.

5 year HEPS (Rm)



SUCCESSFUL ERP IMPLEMENTATION

Our new ERP solution was successfully rolled out to all South African and Namibian subsidiaries on 15 April 2018. The focus for 2019 will be on system optimisation, with the primary focus on reporting and analytics to assist business in their decision making processes. The planning for implementation of the new ERP solution at Daybrook in the US will commence in early 2019. The implementation of the new ERP solution is a significant milestone that will enable the group to operate efficiently and optimally as one organisation on one platform in support of our efficiency and growth strategy.

REVISED FORWARD EXCHANGE POLICY ("FEC POLICY")

To minimise the risk of currency volatility and maximise the benefit of the natural hedge within the group, the FEC policy was reassessed and a more agile, risk-based policy adopted. Although the group is naturally hedged, the timing of imports and exports differ, hence the need to cover forward both imports and exports as our treasury team continuously monitor and evaluate the group's net exposure to foreign currency.

In terms of the revised FEC policy:

- exports are 100% covered on a three months forward basis as soon as export contracts are concluded;
- the planned procurement value of canned fish imports is 70% covered on a three months forward basis;
- due to the inherent uncertainty of value and timing, raw fish imports are 80% covered once shipment has been confirmed and;
- top up cover to 100% for canned fish and raw fish imports is taken closer to actual payment date.

GROUP PROCUREMENT

The group procurement team delivered further savings this year having now delivered almost R100m total savings since inception of this initiative, assisted in improving Oceana's preferential procurement scorecard and established a group wide policy to manage procurement. The strategy for the next year will be focused on extracting procurement savings from our Daybrook operations, establishing a relationship management approach with key suppliers and continuing to drive procurement innovation and efficiencies in the operations.

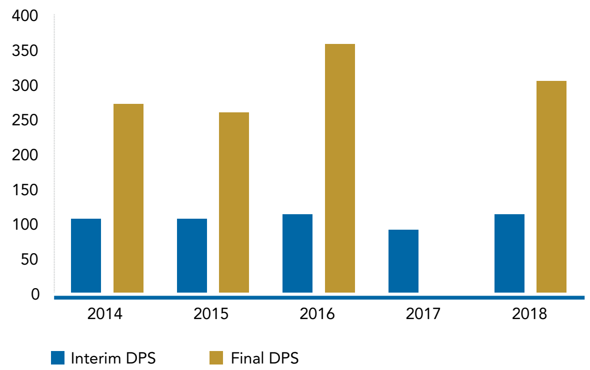
1. Generating sustained financial returns *(continued)*

DELIVERING SUPERIOR RETURNS TO SHAREHOLDERS

FINAL DIVIDEND

On the back of the solid earnings growth and the improved debt position in the year, a final dividend of 304 cents (2017: Nil cents) per share was declared which together with the interim dividend of 112 cents (2017: 90 cents) per share brought the total dividend for the year to 416 cents (2017: 90 cents) per share.

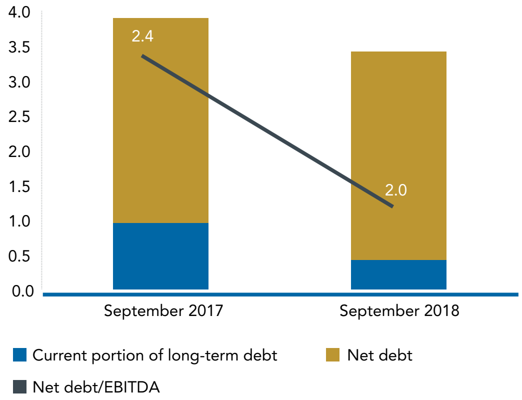
DPS (cents)



FINANCIAL POSITION AND CASH FLOW

Our balance sheet focus remained on reducing debt levels and adherence to debt covenants, including the refinance of our South African debt on preferable terms. Our Net Debt to EBITDA improved to 2.0 times (2017: 2.4 times) due to lower debt levels and the improved EBITDA.
Our net working capital utilisation increased in the year to R189 million due to higher imported frozen fish stock levels and higher fishmeal and oil stock levels following good end of season landings in South Africa and the US. In addition, debtor's levels increased due to good canned fish, hake and fishmeal and oil sales volumes achieved in the last quarter. Accounts payable days continued to be well managed by our finance shared services team. In the year ahead, we will continue to focus on deleveraging the South African balance sheet to build financial capacity to support our growth strategy. Cash balances on hand at the end of the year were R1 015 million (2017: R1 222 million).

Debt to EBITDA (Rbn)



REFINANCE OF TERM DEBT IN SOUTH AFRICA

2018 saw the maturation of the first tranche of our South African term debt facilities. Given the favourable liquidity in the local debt markets, it was also an opportune time to early refinance the facilities due to mature in July 2019. Having settled R135 million during the year, we refinanced R1 420 million of our term debt at more favourable interest rates. We structured R 500 million of the refinance as an amortisation payment facility maturing in five years with the balance structured as bullet payment facilities with maturities staggered over four years. In line with our stated objective of reducing our leverage position, this debt restructure will allow for the systematic deleveraging of the South African balance sheet thereby further reducing our annual interest obligation.

IDENTIFYING OPPORTUNITIES FOR ACQUISITIVE AND ORGANIC GROWTH OF THE GROUP

In line with our strategic plan we will continue to explore opportunities to achieve organic growth in our core businesses, namely canned fish, fishmeal and fish oil and CCS Logistics through volume growth, optimal and efficient use of our assets and innovative approaches to doing business.

To supplement organic growth, we will continue to seek investment opportunities in aquaculture and vertically integrated fishing businesses that would increase diversification of species, geography and currency. In view of the positive outlook for growth in aquaculture globally we remain particularly interested in growing our footprint in the aquaculture space.

1. Generating sustained financial returns *(continued)*

STATISTICAL AND FINANCIAL DATA

	Notes	2018 R'000	2017 R'000	2016 R'000	RESTATED 2015 R'000	2014 R'000
Statements of comprehensive income						
Revenue by segment		**7 732 692**	6 807 927	8 243 988	6 168 777	5 039 134
Revenue						
Canned fish and fishmeal (Africa)		**4 054 601**	3 768 707	4 275 576	3 408 988	3 086 476
Fishmeal and fish oil (USA)		**1 789 118**	1 438 605	1 930 923	574 328	
Horse mackerel and hake		**1 287 067**	1 054 153	1 227 310	1 314 747	1 203 470
Lobster and squid		**180 510**	144 907	136 622	158 147	137 179
CCS Logistics		**421 396**	401 555	434 780	392 124	294 164
Disposed operations	1			238 777	320 444	317 846
Operating profit before other operating items		**1 188 907**	1 001 428	1 629 491	1 007 255	879 566
Operating profit before other operating items by segment						
Canned fish and fishmeal (Africa)		**436 710**	276 622	528 464	452 504	380 931
Fishmeal and fish oil (USA)		**392 638**	390 230	668 152	179 612	
Horse mackerel and hake		**255 615**	197 559	269 384	211 020	347 251
Lobster and squid		**32 212**	37 827	21 145	40 876	28 799
CCS Logistics		**71 732**	99 190	132 430	106 066	101 820
Disposed operations	1			9 916	17 177	20 765
Other operating items		**(14 091)**	8 701	100 187	18 346	
Operating profit		**1 174 816**	1 010 129	1 729 678	1 025 601	879 566
Investment income		**40 767**	29 248	22 089	61 558	13 273
Interest paid		**(332 532)**	(372 405)	(385 202)	(158 442)	(17 102)
Profit before taxation		**883 051**	666 972	1 366 565	928 717	875 737
Taxation		**810**	187 622	408 276	286 515	266 818
Profit after taxation		**882 241**	479 350	958 289	642 202	608 919
Attributable to non-controlling interests		**24 410**	11 040	41 843	30 978	34 988
Net profit attributable to shareholders		**857 831**	468 310	916 446	611 224	573 931
Headline earnings		**849 058**	457 309	820 308	611 778	567 238
Key performance indicators						
Operating margin	2	**15.4%**	14.7%	19.8%	16,3%	17,5%
Canned fish and fishmeal (Africa)		**10.8%**	7.3%	12.4%	13.3%	12.3%
Fishmeal and fish oil (USA)		**21.9%**	27.1%	34.6%	31.3%	
Horse mackerel and hake		**19.9%**	18.7%	21.9%	16.1%	28.9%
Lobster and squid		**17.8%**	26.1%	15.5%	25.8%	21.0%
CCS Logistics		**17.0%**	24.7%	30.5%	27.0%	34.6%
EBITDA		**1 443 522**	1 245 967	1 990 063	1 202 772	993 189
Africa operations		**980 644**	760 550	1 217 701	1 012 930	993 189
US operations		**462 878**	485 417	772 362	189 842	
Tax rate		**0.1%**	28.1%	29.9%	30.9%	30.5%
Headline earnings per share – basic (cents)	3	**727.1**	391.9	703.4	588.2	549.2
Headline earnings per share – diluted (cents)	3	**667.7**	357.9	640.5	532.2	498.1
Earnings per share – basic (cents)	4	**734.6**	401.3	785.8	587.7	555.7
Earnings per share – diluted (cents)	4	**674.6**	366.5	715.5	531.7	503.9
Dividends per share (cents)	5	**416**	90.0	469.0	365.0	377.0
Headline dividend cover (times)		**1.75**	4.4	1.5	1.5	1.5

Notes:

1. *Disposed operations includes segmental information pertaining to the French fries operation (Lamberts Bay Foods Limited) and the CCS fruit operation disposed of in 2016.*
2. *Operating profit before other operating income/(expenses) items expressed as a percentage of revenue.*
3. *Headline earnings per shares for 2014 has been restated due to the rights offer in that year, as required by IAS 33: Earnings per share.*
4. *Earnings per shares for the 2014 has been restated due to the rights offer in that year, as required by IAS 33: Earnings per share.*
5. *Dividend declared after reporting date included, except for 2017, as no dividend was declared*

	Notes	2018 R'000	2017 R'000	2016 R'000	RESTATED 2015 R'000	2014 R'000
Statements of financial position key items						
Property, plant and equipment	6	**1 586 626**	1 604 099	1 669 373	1 678 406	512 342
Intangible assets	7	**4 617 278**	4 434 878	4 605 275	4 609 802	97 625
Net current assets	8 and 9	**840 439**	(34 760)	1 080 854	859 962	1 301 468
Net cash and cash equivalents	10	**1 015 060**	1 222 040	1 312 942	1 181 273	344 003
Long-term debt		**3 339 750**	3 209 875	4 145 142	4 374 483	300 000
Statements of cash flows key items						
Cash generated from operations		**1 302 893**	1 707 248	1 631 094	1 095 114	1 238 377
Working capital changes		**(189 366)**	560 579	(95 483)	(92 760)	325 800
Investment income received		**41 607**	37 966	86 470	59 264	24 476
Interest paid		**(296 845)**	(344 895)	(337 497)	(158 442)	(17 102)
Taxation paid		**(217 036)**	(148 456)	(707 658)	(221 986)	(264 090)
Dividends paid		**(162 013)**	(573 243)	(476 827)	(427 395)	(365 880)
Distribution to Oceana Empowerment Trust beneficiaries				(15 469)		(291 524)
Net cash inflow/(outflow) from operating activities		**668 606**	678 620	180 113	346 555	324 257
Cash outflow from investing activities		**(180 928)**	(191 097)	(56 352)	(4 747 216)	(147 383)
Cash inflow from financing activities		**(720 152)**	(553 613)	1 954	5 146 173	310 471
Net increase/(decrease) in cash and cash equivalents		**(232 474)**	(66 090)	125 715	745 512	487 345
Key performance indicators						
Leverage Ratio						
Return on average net assets	11 and 12	**15%**	13%	20%	29%	46%
Current ratio (:1)		**1.9**	1.5	2.2	2.1	2.7
Return on average shareholders' funds	13	**21**	12	22	32	44
Net Debt to EBITDA		**1.84**	2.36	1.72	2.89	(0.04)
Net Debt to Equity		**0.59**	0.78	0.85	0.97	(0.03)
Share performance						
Market price per share (cents)						
Year-end		**8 247**	8 233	11 402	9640	7 400
Highest		**9 400**	12 639	13 474	11902	9 200
Lowest		**6 750**	7 800	9 325	6851	7 050
Price earnings ratio	14	**11.3**	21.0	16.2	16.0	13.1
Number of transactions	15	**33 759**	38 720	45 101	85 801	33 403
Number of shares traded ('000)	16	**15 805**	15 696	17 703	27 321	16 423
Value of shares traded (R'000)	15	**1 313 588**	1 537 053	1 986 700	2 678 132	1 360 682
Volume of shares traded as a percentage of total issued shares	15	**11.7**	11.6	13.1	20.2	13.7
Market capitalisation (R'000)	16	**11 176 842**	11 157 868	15 452 692	13 064 721	8 844 936
JSE food producers and processors index	17	**91.46**	111.71	119.21	107.87	100.00
JSE industrial index	17	**100.81**	104.13	102.29	94.97	100.00
Oceana Group share price index	17	**111.45**	111.26	154.08	130.27	100.00

Notes

6. *Property, plant and equipment for 2015 was restated due to finalisation of the Daybrook purchase price allocation*
7. *Intangibles for 2015 was restated due to finalisation of the Daybrook purchase price allocation*
8. *Accounts receivable for 2015 was restated due to finalisation of the Daybrook purchase price allocation*
9. *Net current assets comprises current assets less cash and cash equivalents and current liabilities.*
10. *Includes restricted cash held of R246.4 million in relation to BP oil settlement*
11. *Profit before taxation and other operating items (but excluding interest paid) expressed as a percentage of average net assets or average total assets.*
12. *Net assets comprise total assets less non-interest-bearing liabilities.*
13. *Headline earnings as a percentage of average shareholders' funds.*
14. *Market price per share at year-end dividend by HEPS*
15. *Figures based on JSE transactions only*
16. *Value of ordinary shares in issue at year-end price including treasury shares held by share trusts and subsidiary company.*
17. *Adjusted base 2014 = 100.*

2. Driving transformation and localisation

OUR STRATEGIC FOCUS AREAS

Being a sector leader in terms of our transformation and localisation credentials

Achieving an independently accredited B-BBEE level 2 rating in South Africa in 2018

2018 OCEANA ACHIEVED A

level 1 rating

102.6 points out of 109

MAINTAINED A RECOGNITION LEVEL OF

135%

FOR PROCUREMENT IN TERMS OF THE DTI'S B-BBEE SCORECARD

BLACK PEOPLE REPRESENT

66.7%

OF BOARD AND EXECUTIVE MANAGEMENT

BEING A SECTOR LEADER IN TERMS OF OUR TRANSFORMATION AND LOCALISATION CREDENTIALS

Oceana has consistently been recognised for its commitment, vision and leadership in promoting broad-based transformation and localisation. This dates back to the company's implementation in 1994 of one of South Africa's first significant empowerment transactions, in which the then Tiger Oats agreed to share control of Oceana with a new, broad-based shareholder group led by Real Africa Investments Ltd, in conjunction with several Cape-based interest groups. In 2006, Oceana introduced its ground-breaking employee-share scheme, offering permanent and seasonal employees and fishermen the opportunity to purchase shares in the company, delivering substantial broad-based financial value. Since 2013, the group has been rated every year as amongst the most empowered JSE-listed companies in the country.

Demonstrating this leadership in promoting transformation and broad-based black economic empowerment (B-BBEE) in South Africa, and localisation in Namibia, is not only a fundamental part of our core purpose, but is also crucial to our ability to secure long-term fishing rights. Ensuring visible and meaningful transformation that is aligned with the government's latest expectations has taken on added significance with most of our current right allocations in South Africa up for renewal in 2020.

PROMOTING TRANSFORMATION IN SOUTH AFRICA

This year, we achieved a Level 1 rating, with a score of 102.6 points out of 109, as compared with 96.8 in 2017. We also maintained a recognition level of 135% for procurement in terms of the DTI's B-BBEE Scorecard. A summary review of our performance against the full scorecard is provided in table below; a more detailed review of our performance is provided on our website. This was the fourth year that our B-BBEE performance has been measured against the Revised (B-BBEE) Codes of Good Practice.

We continue to closely monitor legislative and policy developments, and to engage with policymakers and regulators, to ensure that our long-standing empowerment activities have been clearly communicated and that our ongoing transformation activities are sufficiently aligned with government's expectations for the purposes of their assessments as part of the 2020 rights renewal process.

ENGAGING WITH THE NAMIBIAN GOVERNMENT ON LOCALISATION

The Namibian Equitable Economic Empowerment Framework (NEEEF) was made available for public comment in 2016 and remains in draft format. To ensure effective preparation, we have undertaken an internal gap analyses against the existing framework for the three Namibian Divisions, and have begun to implement corrective measures to ensure compliance.

During the year we participated in various workshops of the national consultative process for the new quota allocation scoring mechanism for horse mackerel, hake and other sectors developed by the Ministry of Fisheries and Marine Resources. The rights-holder evaluation process is based on eight delineated criteria that a prospective quota holder has to meet covering matters such as citizenship, company shareholding, beneficial control, value addition, corporate social investment and the terms of employment amongst criteria. We continued regular, formal and informal engagements with the Ministry of Fisheries and Marine Resources (MFMR) in Namibia on issues of strategic importance for both the business and Namibian government.

ACHIEVING AN INDEPENDENTLY ACCREDITED B-BBEE LEVEL 1 RATING IN SOUTH AFRICA

A summary review of our performance against the full scorecard is provided below; a more detailed review of our performance is provided in our online sustainable development report.

OWNERSHIP	We maintained our black-owned and black-controlled shareholding with three main shareholders who continue to contribute to this status: Tiger Brands Limited, Brimstone Investment Corporation and the Oceana Empowerment Trust, with a combined black ownership holding of 66%. The Trust, established in 2006, is an important mechanism for our employees to grow with the company; at year-end the Trust had 2 469 black beneficiaries holding 13.2 million shares in Oceana, representing 10% of the company's share capital as at 30 September 2018. This year, the beneficiaries received a monetary dividend pay-out of R6.9 million. This allows real broad-based empowerment not only directly to our employees, but also to the communities in which they live.
MANAGEMENT CONTROL	We achieved the maximum points at both black board member and black executive director levels. Black people now represent 66.7% of board and Executive Management, and women represent 22%. Female representation in our South African workforce is 40.1%, whilst black females represent 36.7% of our total workforce. We continue to make reasonable progress in transforming our senior, middle and junior managerial ranks.
SKILLS DEVELOPMENT	We have continued to invest in developing our employees against the backdrop of the scarcity of skills in our sector. Recognised training expenditure on all black employees was R19.1 million in 2018. We also support youth development through our learnerships for unemployed youth. In 2018 we placed 146 unemployed learners between the ages of 18-35 on our unemployed learnerships, apprenticeships and internship programmes.
ENTERPRISE AND SUPPLIER DEVELOPMENT	Preferential procurement has been integrated into the daily business activities across the group, with a focus on procuring our goods and services from suppliers with favourable B-BBEE credentials. This year, 146.8% of our total measured procurement spend was with B-BBEE compliant suppliers, scoring 24.4 points. More detail to follow from Oceana.
SOCIO-ECONOMIC DEVELOPMENT	Our socio-economic development expenditure continues to be directed towards initiatives that meet the needs of the communities in which we operate, with the focus remaining on food security and education. Recognising the impact of the drought and that Oceana is the largest fishing company in South Africa, we increased our effort to enhancing food security though the provision of affordable protein within these communities. This year, 1.1% of the group's net profit after tax in South Africa was distributed to beneficiaries that have a black base of at least 75%. Further information on our investment in socio-economic development initiatives is provided on page 70 and in our online sustainable development report.

Preferential procurement (%)

Generic	68.5%
Non-B-BBEE	8.3%
EME	15.6%
QSE	7.6%

Supplier development initiatives (%)

Standard loan	33.3%
Interest free loan	64.4%
Short payment period	1.2%
Grants	1.1%

Enterprise development initiatives (%)

Standard loan	67.3%
Interest free loan	8.8%
Grants	23.9%

3. Optimising our operations

OUR STRATEGIC FOCUS AREAS

Attracting, developing and retaining the best available talent throughout the group

Driving effectiveness and efficiency in our fleet and shore-based assets

Actively evaluating and mitigating risk, and maintaining effective governance systems

TOTAL SPEND ON EMPLOYEE SKILLS DEVELOPMENT

R21.9 million

IN SOUTH AFRICA AND NAMIBIA

LOW EMPLOYEE TURNOVER RATE

7.1%

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

INVESTING IN TALENT MANAGEMENT AND SKILLS DEVELOPMENT

With Oceana becoming an increasingly global player in the sector, we have prioritised the need to strengthen the existing leadership skills across the group by developing the depth and breadth of the executive and senior management talent, and enhancing the performance potential of their teams.

We have undertaken a gap analysis across each of our divisions to identify the competencies required to deliver on our strategic objectives and the additional talent needed for succession planning purposes, ensuring that we have access to the best available skills and appropriate levels of race and gender diversity.

Through our various leadership development initiatives we seek both to deepen foundational management skills – in the areas of performance management, people development and talent management – and to create a highly energised culture with strong morale and productivity. This year, we ran a series of 'Talent Café' conversations with 30 high potential individuals from senior and middle management to identify opportunities to most effectively harness and deepen this talent across the group. Over the year, we trained 13 current and future managers participating in external management and leadership development programmes.

This is supplemented by our ongoing coaching initiative across middle, senior and executive management.

We continue to prioritise the development of black talent with the aim of accelerating diversity in our managerial ranks.

We invested R21.9 million this year on employee skills development in South Africa and Namibia, building critical skills in such areas as marine science, vessel crewing, artisans, supply chain management, IT, finance, and food safety, quality and processing. Last year we launched the first phase of our Maritime Academy, aimed at developing skills and building a talent pipeline of local seagoing employees. The Academy will be developing maritime skills at all levels, from factory hands and deck hands, through to junior and senior officers, and skippers.

Training spend	2018	2017
Total amount invested in skills development	R21.9m	R22.2m
Total spent as a % of leviable payroll on Black Employees	2.6%	2.2%
Total spent on black employees as a % of total amount invested in skills development	91.5%	92.1%
Total spent on disabled employees as a % of total amount invested in skills development	11.5%	11.1%
Total spent as a % of leviable payroll on Black Disabled Employees	0.3%	0.3%

LEADERSHIP IN EMPLOYEE WORKING CONDITIONS AND LABOUR PRACTICES

Promoting job security and being a leading employer in our industry remain particular priorities in our South African and Namibian operations, where unemployment rates are high. Following the adoption of our frozen fish import strategy, we provide enhanced work-days and a more stable income to our seasonal employees, being one of very few companies in the sector that provides minimum guaranteed hours to seasonal employees. Only CCS Logistics continues to use labour brokers, and we ensure that every agency used by that division has signed our supplier code of conduct, requiring compliance with all labour and human rights legislation.

In our Daybrook operation, we have continued to work on integrating and aligning their human resource policies and practices, and reward and benefit structures, with those of the group, while also ensuring full compliance with local legislation. Given the importance of attracting and retaining technical skills in the comparatively isolated area, we are giving particular attention to improving employee benefits.

We believe that the quality of the relationship between management, employees and labour unions across our operations is reflected both by our low employee turnover rate of 7.1%.

PROTECTING EMPLOYEE SAFETY, HEALTH AND WELL-BEING

To mitigate the inherent health and safety risks associated with our land- and sea-based activities, we implement safety monitoring, training and enforcement programmes, provide relevant personal protective equipment, ensure effective incident tracking and investigation, and undertake periodic safety audits on all sites and vessels. The managing directors of all operating divisions are responsible for ensuring full compliance with relevant occupational health and safety legislation, and that the required structures are in place. We have seen a pleasing decrease this year in the number and severity of safety incidents recorded at Oceana: the group's disabling injury frequency rate (DIFR) of 1.03 was once again well below the group margin ceiling of 2.0. Once again there were no occupational fatalities this year. Further details on our safety-related activities and performance in this area are provided in our online Sustainability Report.

DRIVING EFFECTIVENESS AND EFFICIENCY IN OUR FLEET AND SHORE-BASED ASSETS

To minimise the impact of rising external costs, exchange rate volatility, and potential lower product and commodity prices, we have maintained a strong focus on driving improved efficiencies in our fleet and shore-based assets, and across our supply chain more broadly. We have delivered material cost efficiencies across the group this year, further streamlining our procurement practices and introducing cost-saving innovations particularly in our canneries.

TARGETING PROCESS EFFICIENCIES IN OUR CANNERIES AND PROCUREMENT PRACTICES

As part of our goal of being a globally competitive canned fish producer, we have implemented a comprehensive efficiency process in our canneries, with the target of delivering annualised savings of R45 million. We made good initial progress this year towards this target, implementing enhanced management and reporting systems and positive people engagement and skills development programmes.

Initiatives are in place, or planned, to deliver significant further cost reductions by increasing process yield and reducing waste, standardising our processes, eliminating excess expenses, and securing efficiencies in packaging and logistics.

We have also continued in our activities aimed at providing a more streamlined and centralised approach for the purchase of the goods and services needed to support our fishing and land-based operations, and our office and administrative services. Through these enhanced procurement practices, we have realised savings this year of R100 million since the inception of our group procurement function.

IMPLEMENTATION OF NEW GROUP-WIDE ERP SOLUTION

There has been a major focus this year on rolling out the new enterprise resource planning (ERP) solution across the group's activities. The integrated system seeks to drive efficiencies by simplifying and optimising our business processes and empowering management with ready access to integrated information. Embedding such a large group-wide initiative has required significant effort, building change management capacity across the organisation to ensure that effective uptake and implementation of the new systems by all employees. Despite some inevitable initial challenges we are already seeing some valuable efficiencies from the system.

ACTIVELY EVALUATING AND MITIGATING RISK, AND MAINTAINING EFFECTIVE GOVERNANCE SYSTEMS

Robust governance systems are critical in ensuring that we identify and address our material risks and opportunities. They assist us in our activities by providing an independent perspective on the group's strategic plans, ensuring that we have the right leadership team, and holding the team to account in delivering on its fiduciary responsibilities. A review of our key governance structures and systems is provided on page 32, an overview of our board and executive team on page 12, while our approach to evaluating and mitigating risk is provided on page 28. Additional details are available in our Annual Financial Statements, and the online review of our application of the King Code of Governance (King IV) principles, both available at **www.oceana.co.za.**

4. Leading stewardship of marine resources

OUR STRATEGIC FOCUS AREAS

Harvesting our marine resource allocations responsibly

Partnering with stakeholders to promote responsible fisheries management

Monitoring, managing and mitigating the group's impact on the environment

HARVESTING OF SASSI GREEN LISTED SPECIES

80%

WATER SAVINGS

44%

REDUCTION IN USAGE OF MUNICIPAL WATER SUPPLY

HARVESTING OUR MARINE RESOURCE ALLOCATIONS RESPONSIBLY

The success of the Oceana business depends ultimately on the long-term viability of the fish biomass that we access. Promoting an ecosystem approach to fishing, ensuring full legal compliance within our highly regulated operating environment, and promoting responsible fishing practices across our supply chain, remain fundamental business imperatives. We have a zero tolerance approach to illegal, unreported and unregulated (IUU) fishing, as this undermines fish stocks, negatively impacts food security, and ultimately reduces social and economic opportunities.

We commission fisheries audit reports on each species that we catch in South Africa, and are committed to sourcing only from fisheries that are considered well managed. Our latest scientific study findings are provided on our website **www.oceana.co.za.** Two of our lobster vessels continue to be used by the Department of Agriculture, Forestry and Fisheries (DAFF) to support their lobster research survey efforts. Our horse mackerel mid-water trawler, *Desert Diamond*, includes two scientific observers on board every trip to collect data for research and compliance purposes.

Since 2011 we have been collaborating with the Responsible Fisheries Alliance (RFA) to ensure that our seafaring employees are equipped with the understanding and skills needed to implement an ecosystem approach to fisheries. We have systems in place to entrench compliance across our various business units with the Marine Living Resources Act 18 of 1998 (MLRA) and the associated regulations and permit conditions. All incidents of non-compliance are reported and if required, disciplinary action is taken. No incidents of non-compliance with the MLRA were reported during this reporting period. DAFF and our internal auditing team audit our adherence to allocated fishing rights.

"The board are stewards of Oceana and as such are sensitive to Oceana's impact on the environments in which it operates"

SOUTH AFRICA

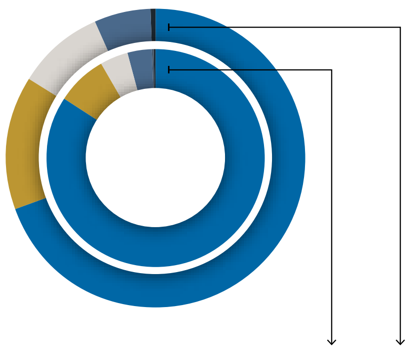
The majority (80%) of our harvested commercial fishing rights by volume are on the green list of the South African Sustainable Seafood Initiative (SASSI). These species have been assessed as the most sustainable choices, coming from the healthiest and most well-managed fish populations.

This year, horse mackerel and pilchard both retained orange listing. We continue to engage with industry bodies, government officials and other stakeholder in efforts to improve the sustainability of these resources, including through participating in the development of the WWF-SA/ DAFF Horse Mackerel Conservation Improvement Project. WCRL remains in the red category, reflecting concerns regarding the decline in the health of the population and the impact of poaching and ecosystem decline. Despite this encouraging commercial performance, the division faces significant challenges. As a result mainly of high poaching levels, WCRL remains under sustained pressure, and was SASSI red-listed for a second consecutive year.

DAFF has reduced the lobster TAC by 43.6%. The significant reduction in the TAC would require further rationalisation of our assets to maintain our viability in the sector. We have continued to engage extensively with representatives from government, WWF and relevant sector associations in the hope of securing commitment to an effective fisheries improvement project (FIP).

We are supporting efforts to find an appropriate long-term solution that balances the need to protect the biomass with the desire to promote small-scale fishers.

South African Commercial Fishing Rights



SASSI category		2017	2018
	Anchovy (SA)	84.3%	**69.6%**
	Pilchard (SA)	7.5%	**14.5%**
	Deep-sea hake (SA)	4.1%	**9.5%**
	Horse mackerel (SA)	3.7%	**5.9%**
	West coast rock lobster	0.3%	**0.1%**
	Squid	0.1%	**0.4%**
	South coast rock lobster	0%	**0%**

Through a joint partnership, WWF-SA and DAFF have committed to developing a fisheries conservation project with key stakeholders to rebuild the stock and address the causes of its decline; this includes programmes to address poaching and promote training and multi-stakeholder engagement. As a key commercial quota holder and member of the sector association, we recognise the influential role we can play in this recovery plan and are committed to supporting the WWF and the fishery conservation process.

This year our hake operation once again retained its Marine Stewardship Council (MSC) chain of custody certification, considered the world's most rigorous eco-labelling initiative for fishing. Our five fishmeal operations also retained their certification in terms of the International Fishmeal and Fish Oil organisation (IFFO) Global Standard for Responsible Supply (IFFO-RS).

NAMIBIA

The Namibian horse mackerel stock is managed primarily through a total allowable catch (TAC). Most of this is allocated to the mid-water trawl fishery, with a small proportion made available for value-added products (mainly through canning), in factories owned by purse seine operators. Currently, the stock is assessed using an age-structured production model (ASPM), which incorporates the age distribution and biomass estimates from research surveys together with commercial data. According to the 2017 State of Stocks report submitted to the Ministry of Fisheries and Marine Resources (MFMR) the horse mackerel biomass in 2017 was at 1.45 million tonnes, a level considered above Maximum Sustainable Yield (MSY). Currently, the stock is estimated to be in the "sustainable" zone, above MSY and safely in the zone of "under-exploited. In December 2017, the government implemented a three year moratorium on pilchards catches.

UNITED STATES

The fish resources utilised at our Daybrook fishmeal facility are managed according to a state and industry endorsed Fisheries Management Plan (FMP). The goal of the Gulf menhaden FMP is to provide a management strategy that allows annual maximum harvest, while ensuring the protection of the stock from overfishing. The Gulf Menhaden Stock Assessment, completed for the Gulf States Marine Fisheries Commission in October 2016, is still applicable. According to the 2016 stock assessment undertaken the existing fisheries management plan is meeting its objectives as the Gulf of Mexico menhaden stock is "not experiencing overfishing and is not overfished". The next stock assessment is expected sometime in early 2019.

ANGOLA

In Angola, the offshore Sardinella fishery is a major fish resource and an important source of food, as well as a major employment avenue for the coastal population. The resource is largely managed on the basis of biomass estimates of the adult stock, obtained by standard hydro-acoustic methods.

4. Leading stewardship of marine resources *(continued)*

PARTNERING WITH STAKEHOLDERS TO PROMOTE RESPONSIBLE FISHERIES MANAGEMENT

We engage regularly with regulators and government departments, and are active participants in the scientific working groups and industry associations related to every species that we harvest. Key partnerships include the following:

- **Responsible Fisheries Alliance (RFA) and World Wide Fund for Nature (WWF):**
  Our partnership with the RFA and WWF provides a platform for collaborative research and mitigation efforts. Recent highlights include: alerting government to the dangers of bulk sediment mining; undertaking a socio-economic assessment of the fishing industry; and implementing initiatives to prevent accidental seabird mortalities on hake vessels.
- **South African Deep Sea Trawling Industry Association (SADSTIA):**
  This partnership has been responsible for the improved management of twelve non-target fish species that are caught alongside hake in the deep-sea trawl fishery.
- **South African Mid-water Trawling Association:**
  This industry association reflects the interests of mid-water trawlers, and is of particular relevance to our activities pertaining to horse mackerel.
- **Gulf States Marine Fisheries Commission:**
  Daybrook is an active member of the Menhaden Advisory Committee to the Gulf States Marine Fisheries Commission, an initiative that drives the conservation, development, and full utilisation of the fishery resources of the Gulf of Mexico.

MONITORING, MANAGING AND MITIGATING THE GROUP'S IMPACT ON THE ENVIRONMENT

We monitor and manage the material environmental impacts of our operations through our ISO 14001-aligned environmental control system (ECS). In committing to sustainable resource use and a reduced impact on the environment, we have set specific targets for energy and water consumption, and management of water and waste disposal across the group. We report publicly against these targets each year in our online Sustainability Report.

Significant environmental initiatives undertaken this year include:

- **Minimising water usage:**
  Responding to the drought conditions in the Western Cape, we are implementing action plans to reduce the use of potable water by 40% in the short-term.
  This includes realising opportunities for alternative water sources – including, where feasible, substituting potable water with seawater – as well as implementing water-use efficiency measures. Given the scale of the water crises, in 2018 the Oceana board agreed to invest R30 million in two desalination plants, one in St Helena Bay that produces 800,000 litres of water per day, and a second produces 600,000 litres of water per day at the Laaiplek facility. This has made a significant contribution to enhancing water security, both for in the company and the neighbouring communities.
- **Managing odour and stack emissions:**
  We are operating our facilities in compliance with relevant licence requirements at the Lucky Star Hout Bay and St Helena Bay facilities, and the Amawandle facility in Laaiplek. We continue to hold bi-annual air quality management meetings with the communities neighbouring these fishmeal plants.
- **Driving energy efficiency and reducing atmospheric emissions:**
  We have ongoing initiatives to improve energy efficiency at our land-based facilities. Group greenhouse gas emissions intensity reduced by 2.2% at our land-based facilities compared to our base year of 2016. The reduced intensity at the land-based facilities can be attributed to the production efficiency measures, together with the increased production throughput.
- **Minimising waste generation and responsible disposal of waste:**
  Our target is to ensure that no food that is fit for human or animal consumption is sent to landfills, but instead is directed to our fishmeal processing facilities. To add any stats when available mid-October.
- **External compliance audits:**
  This year, we undertook 14 external compliance audits to ensure compliance with relevant legislation and permit obligations, and with our own system requirements. Compliance targets for 2018 required an overall average score of 90% and a minimum score of 65% for each element in the audit.

Further details on these and other environmental management initiatives are provided in our Sustainability report which is available online.

5. Building trusted relationships

OUR STRATEGIC FOCUS AREAS

Encouraging pro-active engagement with key stakeholders

Adhering to strict food safety standards

Delivering value for local communities

CSI SPEND

R4.6 million

IN SOUTH AFRICA

FEEDING SCHEME PROVIDES MEALS TO

600

LEARNERS ON A DAILY BASIS

ENSURING PROACTIVE ENGAGEMENT WITH STAKEHOLDERS

Recognising that oceans and their resources are an increasingly contested space – with strong interests from multiple sectors and stakeholders – we maintain a strong focus on understanding and being responsive to the interests of our various stakeholders. We have appropriate processes of engagement and dialogue in place across our operations, focusing on those stakeholders who have the most significant impact on our business and its ability to create value.

A brief review is provided on page 26 of our various stakeholder groups, outlining their contribution to value creation, their most material interests, and how we engage with them to address these interests.

ADHERING TO STRICT FOOD SAFETY STANDARDS

Our food safety systems, which extend along the full supply chain from "ocean to plate", are founded on internationally recognised technical regulations and standards aimed at protecting public health. We meet the requirements of these technical regulations administered in South Africa, as well as standards and principles of Codex Alimentarius and the International Organization for Standardization (ISO). Our approach is designed to address allergens, as well as biological, chemical, physical and regulatory hazards that can occur if not controlled. We conduct regular 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 and science based approach.

All canned fish and fishery products sold under the Lucky Star label are inspected and approved by the National Regulator for Compulsory Specifications to assess compliance with technical regulations prior to release for sale on the local market. Lucky Star customer service includes a helpline and personal assistance to respond to and follow up on all product enquiries, concerns or complaints. All material customer enquiries and complaints in 2018 were investigated and addressed. In relation to fishmeal and fish oil products, we use the World Organisation for Animal Health principles as the basis for animal health systems.

DELIVERING VALUE FOR LOCAL COMMUNITIES

While our most significant contribution to the wellbeing of neighbouring communities is through the economic opportunities stimulated through our core business activities, we provide additional focused support through our corporate social investment (CSI) initiatives, These are co-ordinated primarily through the Oceana Foundation.

This year, we continued to prioritise our social investments on promoting food security and improving educational outcomes for beneficiaries in our host communities.

5. Building trusted relationships *(continued)*

In South Africa key social initiatives this year included:

- **Education**: supporting literacy development at primary school level through the provision of a fully functional school library; launching an early childhood development programme in St. Helena Bay and Laaiplek; donating a brand new school bus enabling the safe transport of learners to and from school, extra-mural activities, outings and sports events; and once again partnering with MOT SA to bring their life-skills training and youth development programme to TVET Colleges along the West Coast and Port Elizabeth.
- **Food security:** sponsoring a school feeding scheme that provides daily nutritious meals to 600 learners; donating Lucky Star products to the value of R1 million to various schools, early childhood development centres and other organisations in our host communities; and donating food product in support of the World Food Day Commemoration event coordinated by DAFF.
- **Memberships and donations:** The Foundation has also continued its support for the National Sea Rescue Institute (NSRI), and the Imam Abdullah Haron Education Trust.

In Namibia the Arechnab Community Trust and Cerocic Community Trust who are also shareholders in the horse mackerel rights holding companies, continue to invests significantly in various CSI projects in Namibia.

This year there was continued support for the Fish-4-Business shop owners; sponsorship to various schools, tertiary institutions and support centres; sponsored water, electricity, and stipend payments for caretakers at pre-schools; provided healthcare resources; assisted underprivileged and marginalised communities to exercise their right to apply for fishing rights; and provided bursary support to young Namibians with demonstrated ability. Other projects this year included sponsorship towards a soccer tournament and a sports development trust.

The Erongo Marine Harambee Workers Trust, established in November last year, saw approximately 150 Namibian employees acquiring shareholding in the horse mackerel rights holding company. In April this year more than N$6 million in dividends was paid in equal measure to all 150 beneficiaries of the Harambee trust, delivering tangible broad-based economic empowerment in line with the government's Harambee Prosperity Plan and Equitable.

Oceana's Daybrook Fisheries in the USA is an active supporter of local businesses and community organisations. Daybrook is very active in local conservation and disaster initiatives. They are also sponsors of the local annual Plaquemines Parish Seafood Festival, local fire department's annual rally, and the sheriff's office annual community safety event. Furthermore, they also participate in the annual Plaquemines Parish Toys for Smiles initiative that provides Christmas gifts for underprivileged children in the local communities. They have also developed a partnership with the local high school to provide practice sessions for job interviews and CV preparations for young.

A detailed list of our CSI projects can be found in our online Sustainability Report.

Driving strategy

Report of the remuneration and nomination committee

This report provides an overview of the group's remuneration policy, framework and philosophy with a particular emphasis on executive directors, non-executive directors and management. In line with King IV requirements the report consists of three parts, namely background statement and governance, forward-looking remuneration policy and implementation report.

PART 1: BACKGROUND STATEMENT AND GOVERNANCE

Oceana remains committed to responsible corporate governance practices, creating sustainable growth in shareholder value through consistent improvement in earnings, growth and expansion of capital, and engaging with its shareholders and other stakeholders.

GOVERNANCE

The board has appointed a sub-committee, the remuneration and nomination committee ("committee"), and has delegated its authority, in accordance with the committee's charter. The charter is available at **www.oceana.co.za** and is reviewed annually by the board.

In line with best practice, the majority of the committee members are independent, non-executive directors ("NEDs"). The composition and attendance record is set out in the corporate governance report on page 32.

PwC conducted a review of our Short-term Incentive Scheme comparing the structure to that of the market. Furthermore Deloitte was engaged to provide benchmarking for executive remuneration and non-executive director fees. Oceana uses PwC's Remchannel survey to benchmark the salaries of the rest of employees. For the USA operations, Oceana uses benchmarks from www.salary.com. A review of the benefits for the USA operations was done by Willis Towers Watson.

The committee is satisfied that all service providers acted independently and objectively. Adopting King IV and the amended Johannesburg Stock Exchange (JSE) Listing Requirements is an on-going process and we will continue to align ourselves with best practice standards.

To assist the committee with the execution of its mandate, the chief executive officer (CEO), company secretary, group HR executive and group rewards executive attended the meetings in the 2018 financial year. Invitees attend committee meetings, but are not present when their remuneration is discussed and hold no voting powers. Similarly committee members do not decide on their own remuneration.

At the annual general meeting ("AGM") held on 15 February 2018, the remuneration policy and implementation report received support of 94.8% and 98.3%, respectively of shareholders voting in favour thereof. More detail around our shareholder engagement mechanisms is set out in part 2.

In line with King IV and the JSE Listings Requirements, the remuneration policy together with the implementation report (part 3) will be tabled for two separate non-binding advisory votes by shareholders.

In the event that 25% or more of the shareholders vote against either or both the remuneration policy and implementation report, the committee will:

- Extend an invitation to dissenting shareholders in the Stock Exchange News Service announcement with the results of the AGM, for them to engage with the committee regarding their reasons for voting against the relevant resolution; and
- The invitation will reveal the manner and timing of engagement, which may include (but is not limited to) communication via email, telephone calls, meetings and roadshows.

After consideration of the results of shareholder engagement, the committee reserves the right to amend elements of the remuneration policy to further align it to market practice and shareholder value creation.

POLICY AND PHILOSOPHY

The group's remuneration policy framework is based on the principles of fair and responsible remuneration and is formulated to attract, retain, motivate and reward high calibre employees. We aim to encourage high levels of performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. The way we remunerate employees reflect the dynamics of the market, as well as the social, economic and environmental context in which Oceana operates.

The committee aims to reward superior performance and the achievement of the group's strategy, and ensures that there are consequences for underperformance. Managers play a vital role in ensuring that the performance management process, in terms of the performance management policy and guidelines, provides the right information required to inform remuneration decisions made by the committee.

Employment and remuneration arrangements of employees who are part of a bargaining unit or are independent contractors employed on fixed-term contracts are not covered by the remuneration policy framework. These employees are governed by separate agreements and are negotiated on an operational level, subject to oversight from the committee. The scope of the policy will be further aligned with the King IV recommended practices.

The comprehensive remuneration policy is available on Oceana's website, accessible at www.oceana.co.za.

In satisfying its mandate, the main activities undertaken by the committee during the year included:

- Review and approval of the performance metrics and rules for the 2018 financial year STI;
- Approval of short-term incentive ("STI") payments for those divisions that met the performance criteria;
- Consideration and approval of the allocation and award of options and shares in terms of the group's 2013 long-term incentive plan rules (share appreciation rights, equity settled restricted and performance shares) to eligible participants;
- Approval and consideration of 2019 financial year increases in guaranteed pay for executives and employees in management positions;
- Testing the extent to which the performance conditions for the tranche of long-term incentive ("LTI") awards under the Oceana Group 2013 Share Plan were met (for the awards whose performance and vesting period ended in 2018);
- Review of the remuneration report to align to King IV and the JSE Listings Requirements;
- Review committee's charter to ensure alignment to King IV Requirements;
- Review of the remuneration policy framework taking into consideration the King IV disclosure framework;
- Review of the composition and performance of the board as well as succession planning for the CEO, executive committee and chairman of the board.
- Recruitment and appointment of new CEO
- Commencing recruitment process for the chief financial officer (CFO)
- Review of Daybrook remuneration structures
- Review of SA STI benchmark

FUTURE AREAS OF FOCUS FOR FY2019

- Further differentiate reward in terms of performance and addressing underperformance.
- Greater focus on the development and retention of key successors.
- Creating greater diversity (with particular focus on female and African representation) in the senior leadership ranks.
- Continue to ensure fair and responsible executive remuneration practices are done in the context of overall employee remuneration.
- Redesigning STI scheme to drive operational excellence in line with strategic business objectives.

PART 2: FORWARD LOOKING REMUNERATION POLICY

This section of the report specifically deals with the remuneration for NEDs, the executive committee, management and other grades of employees. Remuneration comprises of guaranteed and variable pay. The remuneration mix reflects the relative proportions of each component in the package, which is linked to a job type and the nature of expected outcomes.

FAIR AND RESPONSIBLE REMUNERATION

Oceana is dedicated to improving employment conditions for all employees across the company and may undertake and implement various initiatives, from time to time, to progressively realise the concept of fair and responsible remuneration. Some of the principles driving this commitment include the following:

- Ensuring compliance to legislative requirements in terms of remuneration and benefits
- On an annual basis, external benchmarking is conducted of remuneration packages across the various grades and job functions, which is a determining factor for setting remuneration across the group.
- The various components of remuneration include the following:

Driving strategy *(continued)*

Components of remuneration				
	Guaranteed pay (GP)		Variable pay	
	Basic salary	Benefits	Short-term incentives	Long-term incentives
PURPOSE AND LINK TO STRATEGY	Attract and retain talent	Improve employees financial planning and security on retirement as well as in the event of illness, death or disability	Encourage a high performance culture to promote the achievement of specific objectives: • Drive increase in share price • Meet liquidity profile and future cash requirements • Meet all non-financial KPI's	• Retain and incentivise key staff by linking performance to shareholder expectations. This promotes the achievement of long-term objectives with the desired outcome of an appreciating share price and sustainable organisation.
ELIGIBILITY	All staff employed by Oceana	All permanent staff. Benefit differentiated according to grade.	Permanent staff from junior management upwards.	• All executives and senior management.
REMUNERATION METHODOLOGY	Reviewed annually against market benchmarks. Targeted pay for performing individuals, within a range of between 80% and 120% of market median	Market related benefits: • Pension/ Provident fund • Motor vehicle allowances • Medical aid • Risk cover	• Performance bonuses are dependent on financial performance and achievement of agreed strategic and individual KPIs Executives have a higher weighting, 80%, towards financial performance while 20% would be based on individual KPIs. • CEO & CFO – On target: 75% of package; stretch target 112.5% of package – Based on a sliding scale of weightings between financial & non-financial indicators	Allocations on an annual basis subject to committee discretion. • CEO – share appreciation rights (SARs) (100% of GP), Performance shares (PS) (35% of GP) and RS (17% of previous year STI) • Executives (excluding CEO)– SARs (65% of GP), PS (18% of GP) and RS (17% of previous year STI) • Daybrook employees benefit from a deferred compensation plan. Nominated employees are eligible to receive an allocation equal to 25% of their guaranteed package. The allocation vests after 3 years.
PERFORMANCE CONDITIONS	Performance i.e. meeting requirements of the job	n/a	• HEPS growth • On Target (Group): range from 10% to 40% • Stretch target (Group): range from 41% to 50% • Group RONA target • Divisional operating profit • On Target (Divisional): range from 75% to 100% of budget and for Daybrook from 2.5% to 6.5% on prior year • Stretch target (Division): range from 101% to 110% of budget • Divisional RONA target • Individual Performance and for Daybrook 7% to 10.5% on prior year	Refer to next table for performance conditions and characteristics of each share element.

Driving strategy *(continued)*

LTI ALLOCATION METHODOLOGY

<table>
<tr><th>LONG-TERM INCENTIVE</th><th>Eligibility</th><th>Plan elements and performance conditions</th></tr>
<tr><td>SHARE APPRECIATION RIGHTS*</td><td>Executives, senior managers and nominated middle managers</td><td>

The SAR element is in essence similar to the previous Phantom Share Option Scheme, and is similarly cash-settled.
Allocations are based on a reduced multiple of package to accommodate the offer of the other LTI elements.
The full allocation is subject to performance criteria which stipulate the number of rights that vest in relation to the achievement of financial performance targets.
The value delivered to an individual on exercise is 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. Exercise may be delayed until the seventh anniversary of the date of the allocation.
The performance condition is shown below:

<table>
<tr><th colspan="2">Sliding scale for the application of performance vesting conditions based on a targeted increase of 3% p.a. real growth in HEPS over 3, 4 and 5 year periods</th></tr>
<tr><th>Real HEPS growth</th><th>Vesting Percent</th></tr>
<tr><td>>=0%</td><td>5%</td></tr>
<tr><td>>=0.5%</td><td>10%</td></tr>
<tr><td>>=1.0%</td><td>16%</td></tr>
<tr><td>>=1.5%</td><td>27%</td></tr>
<tr><td>>=2.0%</td><td>44%</td></tr>
<tr><td>>=2.5%</td><td>75%</td></tr>
<tr><td>>=3.0%</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>PERFORMANCE SHARES*</td><td>Executives and senior managers</td><td>

The performance share element rewards future company and share performance.
Performance shares are conditionally awarded to those individuals who can influence long-term strategic performance.
They vest on the third anniversary of their award, the number vesting being tied to the extent to which the company has met pre-set performance criteria over the three-year period.
Currently, vesting is governed by Oceana's comparative Total Shareholder Return (TSR) performance in relation to the members of the JSE Industrial Index.
If the 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 the 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) awarded will vest.
If the TSR over the three-year period places it in 75th position (approx. lower quartile) or worse, then all performance shares awarded will be forfeited.
TSR performance between any of the above points results in pro-rated vesting.
No retesting will be allowed, and any shares not vesting will lapse.

</td></tr>
</table>

LONG-TERM INCENTIVE	Eligibility	Plan elements and performance conditions
RESTRICTED SHARES*	Executives and senior managers	• The restricted share (matching) element provides share-based reward for individual performance. • Restricted shares are granted on an annual basis, the number of which is calculated with reference to the prior year short-term incentive, thus ensuring a strong link to individual performance on an annual basis. • A standard matching ratio based on an "on target" bonus is defined as part of a reward strategy – pay mix policy; however this ratio is applied to the actual bonus earned, resulting in higher performers receiving larger grants. • Restricted shares vest at the end of the three-year period, subject to continued employment. Although the primary link to performance of this element is the short-term incentive (and the performance criteria therein), all restricted share grants are still subject to claw back should any unacceptable performance be subsequently identified.
RESTRICTED SHARES* (ELECTIVE DEFERRAL COMPONENT)	Executive committee members	• Members of the executive committee are offered on an annual basis the opportunity to elect to defer a portion (25%, 33% or 50%) of short-term incentive pay into restricted shares. • The restricted share (elective deferral) component effectively re-orientates top executive performance variable pay away from STI pay for operational performance, and more towards reward for long-term (share-based) performance. • The election is made well prior to the end of the bonus performance period, but the number of restricted shares to be granted and matched, is only determined at the end of this period. • The bonus calculation undertaken at the end of the performance period recognises and incorporates any elective deferral, and the cash bonus payment paid in the normal course of events is commensurately lower than it might have been if an election had not been made. However a commensurately higher number (depending on the level of deferral chosen) of restricted shares is granted in terms of the Plan Rules, matched one for one with additional restricted shares. • To encourage a greater participation in the elective deferral scheme amongst senior executives, the restricted shares resulting from the elective deferral by the executive is treated differently should the executive resign prior to the standard vesting period. The portion deferred by the executive will vest in full, as it is effectively a voluntary investment by the executive in support of shareholder alignment, while the matched portion will be forfeited.
PHANTOM SHARES OPTION SCHEME	Executives, senior management and nominated middle managers	• 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 strike price. • 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 target was set with regard to the cumulative HEPS over the performance period. • All grants have met their performance condition and are now subject to time-based vesting.

***Shared dilution limits:** A maximum of 1.7% of the issued shares are approved to be allocated to participants in terms of all share plans. The individual limit is a maximum of 20% of the shares in issue under the scheme.

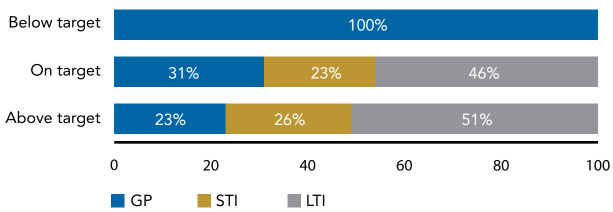
REMUNERATION MIX

The target remuneration mix varies at each grade. As a guideline, more senior employees should have a higher proportion of variable pay in their remuneration mix, as they have the ability to influence the financial performance and strategic outcomes of the company and/or its various business units. The committee has designed the remuneration mix for executives in a way that avoids over-dependence on the variable pay components, which in turn discourages any excessive risk-taking behaviour. At lower levels, the remuneration mix is weighted in favour of guaranteed pay.

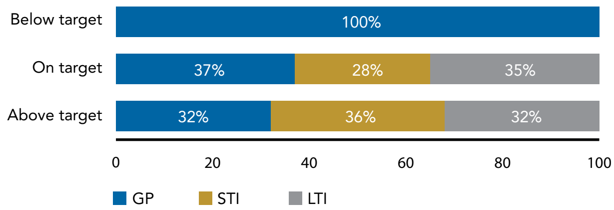
The total reward mix for the CEO and CFO is geared towards variable pay. The graph below illustrates the potential composition of the CEO and CFO at below, on target and above target. The following assumptions were used:

- For LTI illustration purposes, the annual share allocation levels as a percentage of guaranteed pay were used as a basis.
- Below target: performance conditions of STI and LTI are not met.
- On target: 100% vesting of LTI and STI performance conditions met.
- Above target: 100% vesting of SARs, RS and 300% of PS, STI target performance conditions met.

CEO pay mix



CFO pay mix



EXECUTIVE DIRECTOR SERVICE CONTRACTS

Oceana concludes permanent employment contracts with its executive directors which can be terminated by either party subject to a six month (previously three months) notice period. In the event of termination of employment, the committee may elect to pay a departing executive director a cash lump sum in lieu of the notice period.
The executive directors are subject to a restraint of trade agreement of six months. The retirement age for an executive director is 63 years.

In the event that an executive director's service contract is terminated due to operational reasons, Oceana's obligation to make a severance payment will be governed by the provisions of the Labour Relations Act.

NON-EXECUTIVE DIRECTORS

NED fees are paid on an annual retainer basis to account for the responsibilities borne by them throughout the year. They are not paid an attendance fee per meeting. The fee structure is evaluated on an annual basis based on NED fee surveys and the results of benchmarking exercises conducted by Deloitte.

Fees are reviewed annually and proposed adjustments are tabled by the CEO for review by the committee, who will consider the proposed adjustments, taking into account increases across the company. In the event of extraordinary work performed, they will be remunerated on an hourly rate basis, and ad-hoc expenses will be reimbursed as and when required.

NEDs do not qualify for share options nor do they participate in any variable pay incentive schemes, in order to preserve their independence.

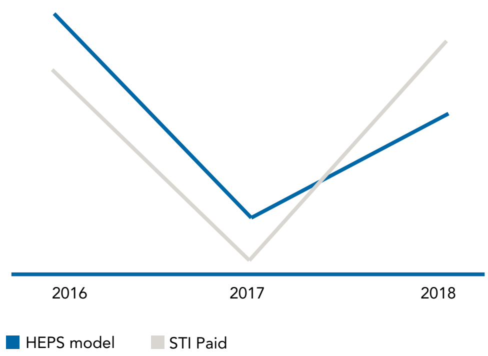
PART 3: IMPLEMENTATION REPORT

The committee has reflected on the group's application of the remuneration policy during the financial year and considers its adherence satisfactory. The implementation report discloses the detailed information and figures pertaining to the application of the remuneration policy in relation to the relevant executives.

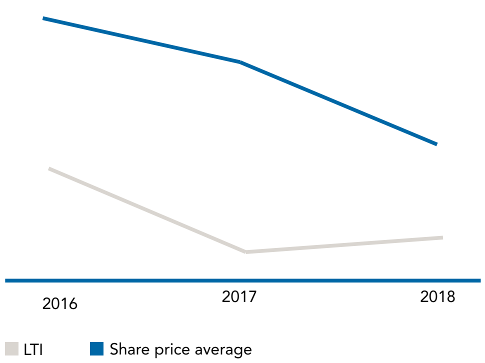
COMPANY PERFORMANCE VERSUS AVERAGE GROWTH IN EXECUTIVE REMUNERATION

The graphs below compares the group's STI and LTI to its growth in HEPS and average share price. against Oceana's financial performance for the 2018 financial year is contextualised in the CEO's report. The committee is satisfied that remuneration is linked to long term performance and value creation.

STI vs HEPS

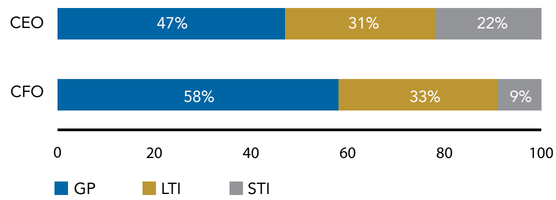


LTI vs Share Price



The following graph has been prepared on the same basis as the chart in part 2 referring to pay mix which represents GP, STI and LTI which demonstrates the actual mix achieved for the year ended 30 September 2018.

CEO and CFO pay mix



Note: Pay mixes consists of a higher component of GP due to the inclusion of acting allowances paid to the interim CEO and CFO.

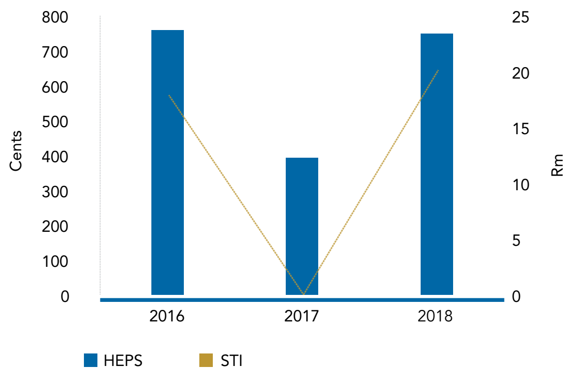
GUARANTEED PAY

In line with the principle of fair and responsible remuneration, Oceana may continuously investigate the internal wage gap and disparities in remuneration in the company. The average increase in executive remuneration is determined after consideration of the average increase in remuneration for management and general staff. For the 2018 financial year, the average executive increases were once again lower than that of other employees.

SHORT-TERM INCENTIVE

In line with the STI performance conditions, the targeted RONA and HEPS growth were achieved at the group and some divisional levels. The 2018 growth in HEPS exceeded the 40% target and the RONA target of 15% was also met. The majority of non-financial KPIs have also been met. Bonuses were paid to executive directors during the financial year under review, details of bonuses are disclosed in the AFS 2018. The committee is satisfied that the STI earned for the financial year 2018 is an accurate reflection of the group/divisional and individual performance against target set.

Short-term incentive



SHARE DILUTION LIMITS

As at 30 September 2018, the number of equity settled shares that have been offered to participants under the 2013 Share Plan is 377 422 which is below the threshold. As at 30 September 2018, no participants' holding exceeded 400 000 shares.

EXECUTIVE REMUNERATION FOR YEAR ENDED 30 SEPTEMBER 2018

Remuneration of executive directors and prescribed officers 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 2018 financial year.

APPROVAL

The remuneration report was approved by the committee of Oceana Group Limited.

LONG-TERM INCENTIVES

The annual allocation for CEO and interim CFO for the elements of LTI was approved by the committee during the 2018 financial year for which detail can be seen in the remuneration disclosure section.

LTI		LTI PERFORMANCE MEASURES		PERFORMANCE CONDITION RESULT (VESTING)
SHARE APPRECIATION RIGHTS	February 2014 (Tranche 2)	Real HEPS growth	not met	0%
	February 2015 (Tranche 1)		not met	0%
	June 2015 (Tranche 1)		not met	0%
RESTRICTED SHARES	February 2015	Employment February 2018 and June 2018	exceeded	100%
	June 2015		exceeded	100%
PERFORMANCE SHARES	February 2015	TSR Peer Group (Industrial Index)	partially met	81.3%
	June 2015		exceeded	127.9%

not met   partially met   exceeded

Summarised consolidated financial statements

Summarised consolidated statement of comprehensive income

for the year ended September 2018

	Notes	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000	Change %
Revenue		**7 732 692**	6 807 927	14
Cost of sales		**4 823 816**	4 360 013	11
Gross profit		**2 908 876**	2 447 914	19
Sales and distribution expenditure		**610 553**	548 078	11
Marketing expenditure		**55 184**	48 299	14
Overhead expenditure		**1 068 033**	795 533	34
Net foreign exchange (gain)/loss		**(19 248)**	60 940	(132)
Operating profit before associate and joint venture income		**1 194 354**	995 064	20
Associate and joint venture (loss)/income		**(5 447)**	6 364	(186)
Operating profit before other operating items		**1 188 907**	1 001 428	19
Other operating (expense)/income items	3	**(14 091)**	8 701	(262)
Operating profit		**1 174 816**	1 010 129	16
Investment income		**40 767**	29 248	39
Interest paid		**(332 532)**	(372 405)	(11)
Profit before taxation		**883 051**	666 972	32
Taxation	4	**810**	187 622	(100)
Profit after taxation		**882 241**	479 350	84
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve including hyperinflation effect		**212 903**	(145 763)	
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect		**8 214**	(8 234)	
Movement on cash flow hedging reserve		**24 845**	9 438	
Income tax related to profit/(loss) recognised in equity		**(5 813)**	70	
Other comprehensive income/(loss), net of taxation		**240 149**	(144 489)	
Total comprehensive income for the year		**1 122 390**	334 861	235
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		**857 831**	468 310	83
Non-controlling interests		**24 410**	11 040	121
		882 241	479 350	84
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		**1 097 980**	323 821	239
Non-controlling interests		**24 410**	11 040	121
		1 122 390	334 861	235
Earnings per share (cents)				
– Basic		**734.6**	401.3	83
– Diluted		**674.6**	366.5	84

Summarised consolidated statement of financial position

at 30 September 2018

	Notes	Audited 30 Sept 2018 R'000	Audited 30 Sept 2017 R'000
ASSETS			
Non-current assets		**6 685 126**	6 493 594
Property, plant and equipment		**1 586 626**	1 604 099
Intangible assets		**4 617 278**	4 434 878
Derivative assets	5	**17 398**	1 837
Deferred taxation		**29 338**	27 616
Investments and loans		**434 486**	425 164
Current assets		**4 014 355**	3 549 631
Inventories		**1 467 239**	1 201 049
Accounts receivable		**1 502 331**	1 071 444
Taxation		**29 725**	55 098
Cash and cash equivalents	9	**1 015 060**	1 222 040
Total assets		**10 699 481**	10 043 225
EQUITY AND LIABILITIES			
Capital and reserves		**4 721 969**	3 756 629
Stated capital		**1 189 482**	1 184 194
Foreign currency translation reserve		**487 029**	265 912
Cash flow hedging reserve		**6 884**	(12 148)
Share-based payment reserve		**90 535**	92 586
Distributable reserves		**2 851 418**	2 134 148
Interest of own shareholders		**4 625 348**	3 664 692
Non-controlling interests		**96 621**	91 937
Non-current liabilities		**3 818 656**	3 924 245
Liability for share-based payments		**10 145**	17 019
Long-term loan	8	**3 339 750**	3 209 875
Derivative liabilities	6		6 283
Deferred taxation		**468 761**	691 068
Current liabilities		**2 158 856**	2 362 351
Accounts payable and provisions		**1 711 483**	1 221 941
Current portion – long-term loan		**427 351**	954 026
Current portion – derivative liabilities	6		164 181
Taxation		**20 022**	22 203
Total equity and liabilities		**10 699 481**	10 043 225

Summarised consolidated statement of changes in equity

for the year ended September 2018

	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
Balance at the beginning of the year	**3 756 629**	4 007 699
Total comprehensive income for the year	**1 122 390**	334 861
Profit after taxation	**882 241**	479 350
Movement on foreign currency translation reserve including hyperinflation effect	**212 903**	(145 763)
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect	**8 214**	(8 234)
Movement on cash flow hedging reserve	**24 845**	9 438
Income tax related to profit/(loss) recognised in equity	**(5 813)**	70
Decrease in treasury shares held by share trusts	**1 853**	1 235
Share-based payment expense	**12 456**	9 664
Share-based payment exercised	**(11 017)**	(24 740)
Profit on sale of treasury shares	**1 671**	1 153
Oceana Empowerment Trust dividend distribution	**(7 304)**	(29 734)
Dividends	**(154 709)**	(543 509)
Balance at the end of the year	**4 721 969**	3 756 629
Comprising:		
Stated capital	**1 189 482**	1 184 194
Foreign currency translation reserve	**487 029**	265 912
Cash flow hedging reserve	**6 884**	(12 148)
Share-based payment reserve	**90 535**	92 586
Distributable reserve	**2 851 418**	2 134 148
Non-controlling interests	**96 621**	91 937
Balance at the end of the year	**4 721 969**	3 756 629

R3.4 million (2017: R5.7 million) was transferred between stated capital and share-based payment reserve during the period.

Summarised consolidated statement of cash flows

for the year ended September 2018

	Notes	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
Cash flow from operating activities			
Operating profit before associate and joint venture income		**1 194 354**	995 064
Adjustment for non-cash and other items		**297 905**	151 605
Cash operating profit before working capital changes		**1 492 259**	1 146 669
Working capital changes		**(189 366)**	560 579
Cash generated from operations		**1 302 893**	1 707 248
Investment income received		**41 607**	37 966
Interest paid		**(296 845)**	(344 895)
Taxation paid		**(217 036)**	(148 456)
Dividends paid		**(162 013)**	(573 243)
Net cash inflow from operating activities		**668 606**	678 620
Cash outflow from investing activities		**(180 928)**	(191 097)
Replacement capital expenditure		**(163 742)**	(139 746)
Expansion capital expenditure			(14 730)
Replacement of intangible assets		**(20 469)**	(38 772)
Proceeds on disposal of property, plant and equipment		**10 031**	15 900
Payment on disposal of non-current assets held for sale	7.1		(2 900)
Proceeds on disposal of business	7.2	**8 000**	
Movement on loans and advances		**(14 748)**	(11 167)
Decrease in investment			318
Cash outflow from financing activities		**(720 152)**	(553 613)
Proceeds from issue of share capital		**3 523**	2 387
Short-term borrowings repaid		**(507 589)**	(831 260)
Long-term loan raised			300 000
Equity-settled share-based payment		**(11 017)**	(24 740)
Cost associated with debt refinancing	8	**(2 170)**	
Settlement of put option		**(202 899)**	
Net decrease in cash and cash equivalents		**(232 474)**	(66 090)
Net cash and cash equivalents at the beginning of the year		**1 222 040**	1 312 942
Effect of exchange rate changes		**25 494**	(24 812)
Net cash and cash equivalents at the end of the year	9	**1 015 060**	1 222 040

Notes to the summarised consolidated financial statements

for the year ended September 2018

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.

The consolidated financial statements and summarised consolidated financial statement information was prepared under the supervision of the interim chief financial officer, T Giles CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2018. 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 respective audit reports and the full consolidated financial statements 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.

Notes to the summarised consolidated financial statements *(continued)*

for the year ended September 2018

Audited 2018 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel and hake R'000	Lobster and squid R'000	Commercial cold storage and logistics R'000	Deferred taxation R'000	Financing[3] R'000	Total R'000
2. SEGMENTAL RESULTS								
Operating results								
Revenue	4 054 601	1 789 118	1 287 067	180 510	421 396			7 732 692
Operating profit before other operating items	436 710	392 638	255 615	32 212	71 732			1 188 907
Other operating items		(25 588)	3 497		8 000			(14 091)
Operating profit	436 710	367 050	259 112	32 212	79 732			1 174 816
Investment income	32 275	1 544	6 870	72	6			40 767
Interest paid	(226 241)	(99 814)	(5 789)	(153)	(535)			(332 532)
Profit before taxation	242 744	268 780	260 193	32 131	79 203			883 051
Taxation	68 937	(194 012)	86 158	9 180	30 547			810
Profit after tax for the year	173 807	462 792	174 035	22 951	48 656			882 241
The above profit for the year include the following:								
Depreciation and amortisation	62 465	95 828	85 746	2 704	21 963			268 706
Statement of financial position								
Total assets	2 214 412	6 476 246	533 082	28 312	280 950	29 334	1 137 145	10 699 481
Total liabilities	946 144	376 923	284 807	27 725	93 583	468 761	3 779 569	5 977 512
The above amounts of assets and liabilities includes the following:								
Interest in associate and joint ventures	89 257	222 733		1				311 991

2018 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue[1]	3 942 116	778 539	1 199 893	1 161 660	432 238	218 246	7 732 692
Non-current assets[2]	849 191		5 354 713				6 203 904

Audited 2017 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel and hake R'000	Lobster and squid R'000	Commercial cold storage and logistics R'000	Deferred taxation R'000	Financing[3] R'000	Total R'000
Operating results								
Revenue	3 768 707	1 438 605	1 054 153	144 907	401 555			6 807 927
Operating profit before other operating items	276 622	390 230	197 559	37 827	99 190			1 001 428
Other operating items	11 601				(2 900)			8 701
Operating profit	288 223	390 230	197 559	37 827	96 290			1 010 129
Investment income	19 792	7	7 907	54	1 488			29 248
Interest paid	(277 276)	(88 843)	(6 027)	(37)	(222)			(372 405)
Profit before taxation	30 739	301 394	199 439	37 844	97 556			666 972
Taxation	(11 142)	94 333	59 886	10 540	34 005			187 622
Profit after tax for the year	41 881	207 061	139 553	27 304	63 551			479 350
The above profit for the year includes the following:								
Depreciation and amortisation	61 170	95 187	55 834	2 741	20 906			235 838
Statement of financial position								
Total assets	1 888 696	5 964 460	545 056	39 322	241 036	27 616	1 337 039	10 043 225
Total liabilities	647 896	435 671	232 444	29 944	68 313	691 068	4 181 260	6 286 596
The above amounts of assets and liabilities include the following:								
Interest in associate and joint ventures	127 530	182 209		1				309 740

2017 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue[1]	3 641 248	412 486	1 137 749	753 315	623 775	239 354	6 807 927
Non-current assets[2]	888 863		5 150 114				6 038 977

The segments have been identified based on both the geographic region of primary group operations and the different products sold and services rendered by the group.

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation:

Canned fish and fishmeal R1.1 billion (2017: R1.3 billion), horse mackerel and hake R33.2 million (2017: R23.1 million) and commercial cold storage and logistics R78.8 million (2017: R68.3 million).

Notes:

1. *Revenue per region discloses the region in which product is sold and services rendered.*
2. *Non-current asset per region discloses where the subsidiary is located, includes property, plant and equipment and intangible assets.*
3. *Financing includes cash and cash equivalents and loans receivable and payable.*

Notes to the summarised consolidated financial statements *(continued)*

for the year ended September 2018

	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
3. OTHER OPERATING (EXPENSE)/INCOME ITEMS		
Transaction costs[1]	**(25 588)**	
Profit on the disposal of immovable property		11 601
Profit on disposal of fishing vessel	**3 497**	
Loss on disposal of non-current assets held for sale[2]		(2 900)
Profit on disposal of business[3]	**8 000**	
	(14 091)	8 701

Notes:

1 Transaction costs relate to the extension of the Westbank Fishing Limited Liability Company ("Westbank") operating agreement and subsequent change of the Westbank majority shareholding.

2 The R2.9 million relates to a claim settled in relation to the sale of the CCS fruit business in 2016.

3 The R8.0 million relates to profit on sale of the CCS Linebooker transport business.

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature and are identified by management as warranting separate disclosure are disclosed under other operating items in the statement of comprehensive income. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangible assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

4. TAXATION		
Current taxation	**240 950**	175 037
Current year	**254 820**	192 752
Capital gains tax	**1 794**	
Withholding tax	**9 943**	13 452
Adjustments in respect of previous years	**(25 607)**	(31 167)
Deferred taxation	**(240 140)**	12 585
Current year	**(1 271)**	27 582
Adjustments in respect of previous years	**(1 049)**	(14 997)
Adjustments in respect of change in tax rate[1]	**(237 820)**	
	810	187 622

Notes:

1 This adjustment relates to a USD18.6 million release in Daybrook Fisheries Incorporated following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%.

5. DERIVATIVE ASSETS		
Non-current		
Interest rate caps and swaps held as hedging instruments		
Opening balance	**1 837**	7 636
Fair value adjustments recognised in profit or loss (ineffective portion)	**(5 331)**	(243)
Fair value adjustments recognised in other comprehensive income (effective portion)	**20 139**	(5 556)
Reclassified from derivative liability	**207**	
Foreign currency translation adjustment	**546**	
Closing balance	**17 398**	1 837
Interest rate caps	**586**	1 837
Interest rate swaps	**16 812**	
	17 398	1 837

Interest rate caps and swaps recorded in the cash flow hedging reserve, derivative assets and derivative liabilities 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 (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

5. DERIVATIVE ASSETS (CONTINUED)

Interest rate caps were executed in 2016, with a maturity date of 20 July 2018 and 20 July 2020. Interest rate caps were designated as cash flow hedges and executed to hedge the interest that is payable under various debt facilities with principal values of R1 810 million. The amount of the principal is R390 million (2017: R980 million). Gains or losses on interest rate caps held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified to profit or loss in the same period that the hedge cash flows affect profit or loss.

	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
6. DERIVATIVE LIABILITIES		
Non-current		
Opening balance	**6 283**	176 301
(Gain)/loss recognised in other comprehensive income	**(6 148)**	246
Transferred to current liabilities		(164 181)
Reclassified to derivative asset	**(207)**	
Foreign currency translation adjustment	**72**	(6 083)
Closing balance		6 283
Interest rate swap		6 283
Current		
Opening balance	**164 181**	
Transferred from current non-liabilities		164 181
Loss recognised in profit or loss	**34 577**	
Put option exercised	**(202 899)**	
Foreign currency translation adjustment	**4 141**	
Closing balance		164 181
Put option		164 181

The put option recorded in derivative liabilities was regarded as a level 3 financial instrument for fair value measurement purposes. Level 3 financial instruments are those derived from inputs that are not based on observable market data (unobservable inputs). The fair value of the put option is determined using discounted cash flow analysis.

In terms of the Westbank operating agreement the remaining shareholders of Westbank Fishing Limited Liability Company ("Westbank") could put their 75% equity stake in Westbank to Daybrook Fisheries Incorporated ("Daybrook") or its nominee for a fixed price of USD31.5 million ("put option strike price"). Effective 1 November 2016, the remaining shareholder of Westbank exercised the put option in terms of the Westbank operating agreement. The exercise of the put option triggered the payment of the put option strike price plus the put option premium as well as any unpaid distributions on the put closing date, being 15 November 2017.

In terms of the first addendum to the Westbank operating agreement, the put closing date was extended to 15 February 2018. In terms of this addendum, the put option premium (USD15.0 million) was settled on 15 January 2018. The put option liability was remeasured to fair value prior to settlement by measuring the put option strike price plus put premium to the fair value of Westbank. Westbank was valued using a discounted cash flow model and unobservable inputs including forecast annual growth rates of 2.0% (2017: 2.0%), forecast EBITDA margin of 18.0% (2017: 18.0% to 22.2%) and a risk-adjusted discount rate of 6.8% (2017: 7.8%). A fair value loss of R34.6 million (2017: Nil) was recognised in operating profit, which offset the fair value gain that was recognised in 2016 of R42.6 million.

In terms of the second addendum to the Westbank operating agreement, the put closing date was extended to 15 April 2018 on which date the put option strike price (USD31.5 million) was paid. In terms of this addendum, the unpaid distributions (USD7.9 million) were settled on 15 February 2018.

The notional principal amount of the interest rate swaps at 30 September 2018 amounts to R1 471 million (2017: R938 million). This comprises hedges on the term debt of R1 471 million (2017: R1 564 million). The swap is to hedge the interest that is payable under the debt facility. An interest rate swap was executed on 9 March 2017 with an effective date of 31 August 2018 and a maturity date of 22 July 2020 at a swap fixed rate of 2.175%. Gains and losses on the interest rate swap held as a hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss. During the year a fair value gain of R6.1 million (2017: loss R0.2 million) was recognised in other comprehensive income. The interest rate swap was reclassified to derivate assets during the year.

Notes to the summarised consolidated financial statements *(continued)*

for the year ended September 2018

	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
7. DISPOSAL OF BUSINESSES		
7.1 Seasonal fruit business (CCS)		
The group disposed of the commercial cold storage fruit business in 2016, subsequent to the disposal additional costs were incurred in 2017.		
Consideration paid		(2 900)
Net loss on disposal of non-current assets held for sale		(2 900)
7.2 Linebooker transport business (CCS)		
The group disposed of the commercial cold storage Linebooker transport business on 9 August 2018.		
Consideration received	**8 000**	
Net profit on disposal of business	**8 000**	
8. DEBT REFINANCED		
During the year a R1 420.0 million term facility was refinanced in terms of which R500.0 million was restructured as an amortisation payment facility maturing in 5 years, R738.0 million was restructured as a bullet payment facility maturing in 4 years and R182.0 million as a bullet payment facility maturing in 3 years. Debt refinancing cost of R2.2 million was incurred.		
9. NET CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	**1 015 060**	1 222 040
Daybrook Fisheries Incorporated ("Daybrook") received $17.3 million (net of legal costs) in the year following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizen oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizen oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received, net of any taxation and legal costs, are accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At 30 September 2018, these restricted funds (R246.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative.		
10. DETERMINATION OF HEADLINE EARNINGS		
Profit after taxation attributable to shareholders of Oceana Group Limited	**857 831**	468 310
Adjusted for:		
Profit on the disposal of immovable property		(11 601)
Insurance proceeds		(998)
Headline earnings adjustments – joint venture	**(72)**	(1 144)
Profit on change of interest in investment		(122)
Profit on disposal of business	**(8 000)**	
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	**(3 491)**	1 200
Total non-controlling interest on above	**(3)**	195
Total tax effect of adjustments	**2 793**	1 469
Headline earnings for the year	**849 058**	457 309
Headline earnings per share (cents)		
– Basic	**727.1**	391.9
– Diluted	**667.7**	357.9
11. DIVIDENDS		
Estimated dividends declared after reporting date	**355 300**	
Dividends per share (cents)	**416.0**	90.0
Number of shares in issue net of treasury shares	**116 875**	116 753

	Audited Year ended 30 Sept 2018 R'000	Audited Year ended 30 Sept 2017 R'000
12. SUPPLEMENTARY INFORMATION		
Amortisation	**59 315**	57 568
Depreciation	**209 391**	178 270
Operating lease charges	**110 400**	129 059
Share-based expenses	**9 958**	2 187
Cash-settled compensation scheme	**(2 498)**	(7 475)
Equity-settled compensation scheme	**12 456**	8 999
Oceana Empowerment Trust		663
Capital expenditure	**163 742**	154 476
Expansion		14 730
Replacement	**163 742**	139 746
Budgeted capital commitments	**318 086**	161 047
Contracted	**23 218**	14 445
Not contracted	**294 868**	146 602

	Audited number of shares '000	Audited number of shares '000
13. ELIMINATION OF TREASURY SHARES		
Weighted average number of shares in issue	**135 526**	135 526
Less: Weighted average treasury shares held by share trusts	**(13 654)**	(13 732)
Less: Weighted average treasury shares held by subsidiary company	**(5 094)**	(5 094)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	**116 778**	116 700
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	**127 164**	127 769

14. RELATED-PARTY TRANSACTIONS

Effective 13 April 2018 Makimry Patronus Limited Liability Company ("Makimry"), a US company majority owned and controlled by Mr Francois Kuttel (the former Chief Executive Officer of Oceana Group Limited ("Oceana")), acquired a 75% interest in Westbank Fishing Limited Liability Company (a company 25% owned by Daybrook Fisheries Incorporated). The requisite majority of Oceana shareholders were required to vote in favour of the arrangement in terms of section 10.1(a) of the Listings Requirements of the JSE due to the deemed related party nature of certain of the agreements. The respective resolutions were passed by the requisite majority of shareholders present in person or by proxy at the general meeting held on 13 April 2018. Oceana received dispensation from the JSE for the requirement to obtain a fairness opinion in terms of section 10 of the Listings Requirements. Westbank loaned USD31.5 million to Makimry during the year, to partly finance the purchase of Makimry's 75% membership interest in Westbank. The loan bears interest at LIBOR plus applicable margin of 1.75% to 2.25% with a final maturity date of 12 April 2033.

The group entered into various other transactions with related parties in the ordinary course of business, on market related terms. The nature of these related-party transactions is consistent with those reported previously.

15. CONTINGENT LIABILITIES AND GUARANTEES

The group has given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company.

During the reporting period a customer of the Commercial Cold Storage Proprietary Limited sent a letter of demand for alleged damages suffered to their meat products. The amount claimed in the letter of demand is R24.4 million. In terms of legal advice obtained the customer's alleged claim is without merit and should the customer initiate legal action, such legal action will be contested. No provision has been made in the 2018 annual financial statements as management do not consider there to be any likelihood of a loss.

16. 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 2018 or require separate disclosure in these financial statements.

Shareholder information

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Shareholder analysis

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	856	57.6	295 769	0.2
1 001 – 10 000 shares	425	28.6	1 424 040	1.1
10 001 – 100 000 shares	151	10.2	4 799 605	3.5
100 001 – 1 000 000 shares	43	2.9	15 168 169	11.2
1 000 001 shares and over	12	0.7	113 838 571	84.0
	1 487	100.0	135 526 154	100.0
DISTRIBUTION OF SHAREHOLDERS				
Banks	41	2.8	6 562 549	4.8
Brokers	17	1.1	347 179	0.3
Close corporations	19	1.3	35 024	–
Empowerment	1	0.1	23 007 113	17.0
Individuals	1 064	71.4	2 035 395	1.5
Insurance companies	22	1.5	631 183	0.5
Investment companies	1	0.1	114	–
Mutual funds	110	7.4	16 301 715	12.0
Nominees and trusts	111	7.5	368 200	0.3
Other corporate bodies	9	0.6	318 312	0.2
Pension funds	51	3.4	9 818 704	7.2
Private companies	37	2.5	344 653	0.3
Public companies	1	0.1	57 104 774	42.1
Treasury shares held by share trusts	2	0.1	13 556 889	10.0
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
	1 487	100.0	135 526 154	100.0
SHAREHOLDER TYPE				
Non-public shareholders	34	2.4	99 010 126	73.1
Directors and employees	29	2.0	247 000	0.2
Treasury shares held by share trusts	2	0.1	13 556 889	10.0
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
Empowerment	1	0.1	23 007 113	17.0
Other holdings greater than 10%	1	0.1	57 104 774	42.1
Public shareholders	1 453	97.6	36 516 028	26.9
	1 487	100.0	135 526 154	100.0
SHAREHOLDERS HOLDING IN EXCESS OF 5%				
Tiger Brands Limited			57 104 774	42.1
Brimstone Investment Corporation Limited			23 007 113	17.0
Oceana Empowerment Trust			13 540 389	10.0

Corporate information

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
Email: 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
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, 2196
PO Box 61051, Marshalltown, 2107
Telephone: 011 370 5000
Facsimile: 011 688 5216

Secretary

JC Marais (45)
BA LLB
Appointed in 2011

Bankers

The Standard Bank of South Africa Limited
Investec Bank Limited
BMO Harris Bank N.A.

Auditors

Deloitte & Touche

JSE sponsor

The Standard Bank of South Africa Limited

NSX sponsor

Old Mutual Investment Services (Namibia) Proprietary Limited

Glossary

AFS	Annual financial statements
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BCP	Blue Continent Products Proprietary Limited
CAGR	Compound annual growth rate
CCS	Commercial Cold Storage Group Limited
CDP	Formerly known as the Carbon Disclosure Project
CEO	Chief executive officer
CSI	Corporate social investment
CV	Curriculum Vitae
DAFF	Department of Agriculture, Forestry and Fisheries (South Africa)
DEA	Department of Environmental Affairs (DEA)
DIFR	Disabling Injury Frequency Rate
dti	Department of Trade and Industry (South Africa)
DPW	Department of Public Works (South Africa)
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECS	Environmental control system
ERP	Enterprise resource planning
FAWU	Food and Allied Workers Union
FCP	Fisheries Conservation Project
FMP	Fisheries Management Plan
FRAP	Fishing Rights Allocation Process
GHG	Greenhouse gas
GSMFC	Gulf States Marine Fisheries
HEPS	Headline earnings per share
HR	Human resources
IFFO RS	The International Fishmeal and Fish Oil Organisation Responsible Supply
IFRS	International Financial Reporting Standards
IQF	Individually quick frozen
IR	Integrated reporting
IUU	Illegal, unreported and unregulated
JSE	Johannesburg Stock Exchange
JV	Joint Venture
KPI	Key performance indicator
MPA	Marine protected area
MSC	Marine Stewardship Council
NAFAU	Namibia Food & Allied Workers Union
NATAW	Namibia Transport & Allied Workers Union
NCFAWU	National Certificated Fishing and Allied Workers Union
NGO	Non-governmental organisation
NSX	Namibian Stock Exchange
PMCL	Precautionary maximum catch limit
RFA	Responsible Fisheries Alliance
SASSI	Southern African Sustainable Seafood Initiative
SENS	Stock Exchange News Service
SME	Small and medium sized enterprise
SR	Sustainability Report
TAC	Total allowable catch
TALFU	Trawler and Line Fishermen's Union
UDF & CWU	United Democratic Food and Combined Workers Union
UNGC	United Nations Global Compact
VWAP	Volume weighted average price
WWF	World Wide Fund for Nature