

Highlights	2010	2009	% change
Operating profit before abnormal items (R'000)	484 474	410 866	18
Headline earnings per share (cents)	315,2	279,4	13
Dividends per share (cents)	208,0	184,0	13

# Audited Group Results and Dividend Declaration for the year ended 30 September 2010

The results of the group for the year ended 30 September 2010 are set out herein.

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34 Interim Financial Reporting. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2009.

During the year, the group adopted IAS 1 Presentation of Financial Statements and IFRS 8 Operating Segments. The adoption of IAS1 only impacts presentation aspects, therefore there is no impact on amounts reported. The adoption of IFRS 8 had no effect on the presentation of the current and prior year results.

The auditors, Deloitte & Touche, have issued their opinion on the group financial statements for the year ended 30 September 2010. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised provisional financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

## FINANCIAL RESULTS

Headline earnings per share for the year ended 30 September 2010 rose by 13% over the previous year. Earnings per share was affected by the impairment of goodwill, disclosed in abnormal items, and was in line with the previous year.

Operating profit before abnormal items for the year ended 30 September 2010 increased by 18% compared with the previous year.

Investment income was lower than last year mainly as a consequence of lower cash balances and lower interest rates.

A final dividend of 175 cents per share has been declared which, together with the interim dividend of 33 cents, brings the total dividend for the year to 208 cents per share, an increase of 13% on the 2009 total dividend of 184 cents.

## REVIEW OF OPERATIONS

### Inshore fishing

The 2010 Total Allowable Catch (TAC) for pilchard in South Africa is 90 000 tons (2009: 90 000 tons). Pilchard landings and processing yields at the St Helena Bay cannery were in line with the previous financial year and the company's quota is expected to be landed in full by close of season. The Namibian pilchard TAC is 25 000 tons (2009: 17 000 tons). Etosha landed its quota in full and also canned a significant volume from frozen fish imported from Morocco.

Canned fish sales volumes increased on the domestic market as a result of the greater availability of finished product from both local supply and imports. Costs on imported product benefited from the strong rand exchange rate.

Market conditions at Glenryck in the United Kingdom continued to be difficult. The operation was restructured during the year and a number of product lines discontinued. Core products will in future be supplied by Oceana Brands for sale in the UK by a third party distributor under the Glenryck brand.

Overall, profitability from canned fish operations was well above that achieved in the prior year.

The anchovy "A" season TAC for 2010 was 453 183 tons and "B" season 120 000 tons (2009: "A" season 449 437 tons; "B" season 120 000 tons). By financial year end the group had landed 52% of its anchovy quota (2009: 42%) and does not expect significant further landings before the close of the season. Catches of redeye herring were higher and overall the input into the fishmeal plants increased by 17% to 132 081 tons (2009: 112 834 tons). Selling prices in US dollar terms were significantly better than the previous year and a large proportion of sales were made to international markets, mainly in the Far East. Margins and profits were higher than in the prior year.

The TAC for west coast lobster increased to 2 393 tons (2009: 2 340 tons). All commercial rights holders were allocated the same quota as the prior year which for Oceana was 348 tons. 343 tons was landed by the end of the season (2009: 348 tons). Catch rates were substantially better than last year, which resulted in lower catching costs per unit. Selling prices in foreign currency terms reached record levels due to the worldwide shortage of lobster. However this was partially offset by the strong rand/dollar rate of exchange. Profits from lobster increased due to higher prices and lower costs.

Squid turnover was higher than last year due to higher volumes. Squid catches were higher than the previous year which had been affected by an industry-wide strike by fishermen. The business returned to profitability.

Lower volumes of French fries coupled with high purchase prices of potatoes in the first quarter resulted in a loss for this business.

### Midwater and deep-sea fishing

The Namibian horse mackerel TAC is 247 803 tons (2009: 243 000 tons). Catch rates in Namibia were very good due to extra catch capacity following upgrades to two vessels in the prior year. In South Africa the Maximum Precautionary Catch limit remained at 31 500 tons. Vessel operating costs in both Namibia and South Africa were lower due to reduced fuel and maintenance costs. Selling prices were generally higher in US dollar terms. Horse mackerel trading volumes out of Mauritania and the South Pacific were significantly lower. Overall, profit from horse mackerel was higher than last year.

Hake incurred a loss for the year as a result of low selling prices, the strong rand exchange rate and costs associated with a breakdown on one of the vessels.

### Cold storage

Revenue increased due to higher frozen capacity, a higher overall occupancy rate and an increase in the number of pallets handled. Fruit volumes, however, were lower than last year which detracted from the excellent results from the frozen stores. The expansion of the City Deep facility is scheduled for commissioning in February 2011. Overall operating profit was higher than last year.

## PROSPECTS

Fishing conditions in the southern African region are expected to remain relatively stable. Oceana's South African, other African and Asian markets are anticipated to show further growth while the company's European markets are yet to recover to levels experienced before the global economic crisis. The rand exchange rate will continue to have a major bearing on financial performance.

<b>MA Brey</b> <i>Chairman</i>	<b>FP Kuttel</b> <i>Chief executive officer</i>
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11 November 2010

## DIVIDEND DECLARATION

Notice is hereby given that a final dividend number 134 of 175 cents per share, in respect of the year ended 30 September 2010, was declared on Thursday, 11 November 2010. Relevant dates are as follows:

Last day to trade cum dividend	Friday, 7 January 2011
Commence trading ex dividend	Monday, 10 January 2011
Record date	Friday, 14 January 2011
Dividend payable	Monday, 17 January 2011

Share certificates may not be dematerialised or re-materialised between Monday, 10 January 2011 and Friday, 14 January 2011, both dates inclusive.

By order of the board

<b>M Allie</b> <i>Company Secretary</i>	11 November 2010
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CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME				
	Note	Audited year ended 30 Sept 2010 R'000	Audited year ended 30 Sept 2009 R'000	% change
Revenue		3 423 219	3 301 288	4
Cost of sales		2 160 639	2 231 648	(3)
Gross profit		1 262 580	1 069 640	18
Sales and distribution expenditure		298 073	246 473	21
Marketing expenditure		39 658	29 641	34
Overhead expenditure		426 780	377 760	13
Net foreign exchange loss		13 595	4 900	
Operating profit before abnormal items		484 474	410 866	18
Abnormal items	1	(19 697)	19 329	
Operating profit		464 777	430 195	8
Dividends received and accrued		13 532	18 731	(28)
Net interest received		721	7 230	(90)
Profit before taxation		479 030	456 156	5
Taxation		175 515	148 223	18
Profit after taxation		303 515	307 933	(1)
Other comprehensive income				
Movement on foreign currency translation reserve		(3 541)	(24 894)	
Movement on cash flow hedging reserve		(75)	(7 856)	
Other comprehensive income, net of taxation		(3 616)	(32 750)	
Total comprehensive income for the year		299 899	275 183	9
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		294 424	292 199	1
Non-controlling interests		9 091	15 734	(42)
		303 515	307 933	(1)
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		290 808	259 449	12
Non-controlling interests		9 091	15 734	(42)
		299 899	275 183	9
Weighted average number of shares on which earnings per share is based ('000's)				
	5	99 580	99 041	
Adjusted weighted average number of shares on which diluted earnings per share is based ('000's)				
		104 923	101 950	
Earnings per share (cents)				
Basic		295,7	295,0	0
Diluted		280,6	286,6	(2)
Dividends per share (cents)				
		208,0	184,0	13
Headline earnings per share (cents)				
Basic		315,2	279,4	13
Diluted		299,2	271,5	10

CONDENSED GROUP OPERATING SEGMENTS REPORT			
	Audited 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	
Revenue			
Inshore fishing	2 280 069	2 142 497	
Midwater and deep-sea fishing	909 034	948 267	
Commercial cold storage	234 116	210 524	
Total	3 423 219	3 301 288	
Operating profit before abnormal items			
Inshore fishing	211 060	165 451	
Midwater and deep-sea fishing	196 993	177 681	
Commercial cold storage	76 421	67 734	
Total	484 474	410 866	
Total assets			
Inshore fishing	1 020 241	926 830	
Midwater and deep-sea fishing	268 830	286 029	
Commercial cold storage	212 003	174 035	
Financing	333 627	329 514	
	1 834 701	1 716 408	
Deferred taxation	8 528	5 878	
Total	1 843 229	1 722 286	
Total liabilities			
Inshore fishing	313 428	351 170	
Midwater and deep-sea fishing	146 132	128 385	
Commercial cold storage	51 194	44 437	
Financing	39 105	22 769	
	549 859	546 761	
Deferred taxation	46 900	49 829	
Total	596 759	596 590	

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION			
	Audited 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	
Assets			
Non-current assets	541 146	534 276	
Property, plant and equipment	364 538	352 170	
Goodwill		18 774	
Trademark	16 183	17 343	
Deferred taxation	8 528	5 878	
Investments and loans	151 897	140 111	
Current assets	1 302 083	1 188 010	
Inventories	574 838	589 814	
Accounts receivable	545 515	408 793	
Cash and cash equivalents	181 730	189 403	
Total assets	1 843 229	1 722 286	
Equity and liabilities			
Equity			
Share capital and premium	23 129	16 536	
Foreign currency translation reserve	(6 059)	(2 518)	
Capital redemption reserve	130	130	
Cash flow hedging reserve	(7 931)	(7 856)	
Share-based payment reserve	40 058	32 015	
Distributable reserves	1 162 803	1 053 395	
Interest of own shareholders	1 212 130	1 091 702	
Non-controlling interests	34 340	33 994	
Total equity	1 246 470	1 125 696	
Non-current liabilities	89 841	76 291	
Liability for share-based payments	42 941	26 462	
Deferred taxation	46 900	49 829	
Current liabilities	506 918	520 299	
Accounts payable and provisions	470 304	499 866	
Bank overdrafts	36 614	20 433	
Total equity and liabilities	1 843 229	1 722 286	
Number of shares in issue net of treasury shares ('000's)	99 692	99 269	
Net asset value per ordinary share (cents)	1 216	1 100	
Total liabilities excluding deferred taxation: Total equity (%)	44	49	
Total borrowings: Total equity (%)	3	2	

CONDENSED GROUP STATEMENT OF CASH FLOWS			
	Audited 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	
Cash flows from operating activities			
Operating profit before abnormal items	484 474	410 866	
Adjustment for non-cash and other items	101 092	89 659	
Cash operating profit before working capital changes	585 566	500 525	
Working capital changes	(168 970)	(206 875)	
Cash generated from operations	416 596	293 650	
Interest and dividends received	6 639	16 509	
Interest paid	(5 497)	(5 600)	
Taxation paid	(166 234)	(138 822)	
Dividends paid	(193 840)	(170 984)	
Cash inflow/(outflow) from operating activities	57 664	(5 247)	
Cash outflow from investing activities	(87 937)	(62 429)	
Capital expenditure	(91 852)	(91 138)	
Proceeds on disposal of property, plant and equipment	2 590	10 275	
Net movement on loans and advances	1 534	14 221	
Acquisition of investment	(209)		
Cash-related abnormal items		4 213	
Cash inflow from financing activities	6 753	15 670	
Proceeds from issue of share capital	6 598	14 472	
Short-term borrowings raised	155	1 198	
Net decrease in cash and cash equivalents	(23 520)	(52 006)	
Cash and cash equivalents at the beginning of the year	168 970	218 133	
Effect of exchange rate changes	(334)	2 843	
Cash and cash equivalents at the end of the year	145 116	168 970	

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY		
	Audited 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000
Balance at the beginning of the year	1 125 696	999 558
Total comprehensive income for the year	299 899	275 183
Profit after taxation	303 515	307 933
Movement on foreign currency translation reserve	(3 541)	(24 894)
Movement on cash flow hedging reserve	(75)	(7 856)
Shares issued	6 429	12 979
Movement in treasury shares held by share trusts	164	1 187
Recognition of share-based payments	8 117	7 466
Profit on sale of treasury shares	5	307
Dividends declared	(193 840)	(170 984)
Balance at the end of the year	1 246 470	1 125 696
Comprising:		
Share capital and premium	23 129	16 536
Foreign currency translation reserve	(6 059)	(2 518)
Capital redemption reserve	130	130
Cash flow hedging reserve	(7 931)	(7 856)
Share-based payment reserve	40 058	32 015
Distributable reserves	1 162 803	1 053 395
Non-controlling interests	34 340	33 994
Total	1 246 470	1 125 696

NOTES			
	Audited 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	
1. Abnormal items			
Goodwill impairment	(19 279)		
Net surplus on disposal of property	14	8 474	
Impairment charge on vessels and equipment	(432)	(713)	
Reversal of provision for loans in Namibian whitefish business		7 422	
Profit on disposal of investment		1 413	
Reversal of provision for irrecoverable loans		600	
Insurance proceeds		2 799	
Utilisation of pension fund surplus		(666)	
Abnormal (loss)/profit before taxation	(19 697)	19 329	
Taxation	(132)	(2 312)	
Abnormal (loss)/profit after taxation	(19 829)	17 017	
2. Determination of headline earnings			
Profit after taxation attributable to own shareholders	294 424	292 199	
Adjusted for:			
Goodwill impairment	19 279		
Net surplus on disposal of property, plant and equipment	(497)	(9 954)	
Impairment charge on vessels and equipment	432	713	
Reversal of provision for loans in Namibian whitefish business		(7 422)	
Profit on disposal of investment		(1 413)	
Total tax effect of adjustments	270	2 641	
Headline earnings for the year	313 908	276 764	
3. Dividends			
Estimated dividend declared after reporting date	174 574	151 881	
Dividend on shares issued prior to last day to trade		33 140	
Actual dividend declared after reporting date		185 021	
4. Supplementary information			
Depreciation	76 875	72 035	
Operating lease charges	28 691	24 239	
Capital expenditure	91 852	91 138	
Expansion	30 233	19 618	
Replacement	61 619	71 520	
Budgeted capital commitments	169 540	105 264	
Contracted	44 904	9 449	
Not contracted	124 636	95 815	
	Number of shares '000	Number of shares '000	
5. Elimination of treasury shares			
Weighted average number of shares in issue	118 895	118 386	
Less: treasury shares held by share trusts	(14 221)	(14 251)	
Less: treasury shares held by subsidiary company	(5 094)	(5 094)	
Weighted average number of shares on which earnings per share and headline earnings per share are based	99 580	99 041	
6. Contingent liability			
The company received a summons from the Competition Commission in February 2010 pursuant to an investigation into the pelagic fishing industry which has been ongoing since July 2008. Oceana's attorneys have undertaken an extensive investigation into the business conduct at Oceana Brands, the subsidiary in which the group's pelagic operations are held. The group has been cooperating fully with the Commission. The outcome of the investigation and summons is uncertain and therefore the financial effect cannot be determined.			
7. 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 2010.			