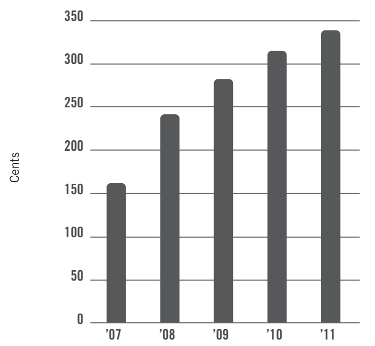
OCEANA GROUP LIMITED

AUDITED GROUP RESULTS

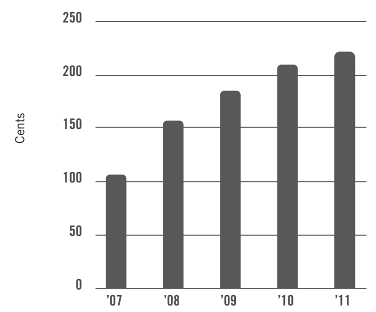
and dividend declaration for the year ended **30 September 2011** and further cautionary announcement

Incorporated in the Republic of South Africa (Registration number: 1939/001730/06)

HEADLINE EARNINGS PER SHARE INCREASE BY 6%



DIVIDENDS PER SHARE INCREASE BY 6%



CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	Audited year ended 30 Sept 2011 R'000	Audited year ended 30 Sept 2010 R'000	Change %
Revenue		3 657 196	3 423 219	7
Cost of sales		2 299 778	2 160 639	6
Gross profit		1 357 418	1 262 580	8
Sales and distribution expenditure		338 927	298 073	14
Marketing expenditure		44 389	39 658	12
Overhead expenditure		461 487	426 780	8
Net foreign exchange (profit)/loss		(74)	13 595	
Operating profit before abnormal items		512 689	484 474	6
Abnormal items	2		(19 697)	
Operating profit		512 689	464 777	10
Dividends received and accrued		13 141	13 532	(3)
Net interest received		9 813	721	
Profit before taxation		535 643	479 030	12
Taxation		189 426	175 515	8
Profit after taxation		346 217	303 515	14
Other comprehensive income				
Movement on foreign currency translation reserve		3 512	(3 541)	
Movement on cash flow hedging reserve		9 853	(75)	
Other comprehensive income, net of taxation		13 365	(3 616)	
Total comprehensive income for the year		359 582	299 899	20
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		333 170	294 424	13
Non-controlling interests		13 047	9 091	44
		346 217	303 515	14
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		346 535	290 808	19
Non-controlling interests		13 047	9 091	44
		359 582	299 899	20
Weighted average number of shares on which earnings per share is based (000's)	6	99 868	99 580	
Adjusted weighted average number of shares on which diluted earnings per share is based (000's)		106 544	104 923	
Earnings per share (cents)				
Basic		333,6	295,7	13
Diluted		312,7	280,6	11
Dividends per share (cents)		220,0	208,0	6
Headline earnings per share (cents)				
Basic		333,7	315,2	6
Diluted		312,7	299,2	5

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Audited 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Assets		
Non-current assets	600 373	541 146
Property, plant and equipment	415 623	364 538
Trademark	18 101	16 183
Deferred taxation	13 204	8 528
Investments and loans	153 445	151 897
Current assets	1 422 623	1 302 083
Inventories	489 850	574 838
Accounts receivable	536 913	545 515
Cash and cash equivalents	395 860	181 730
Total assets	2 022 996	1 843 229
Equity and liabilities		
Equity		
Share capital and premium	26 293	23 129
Foreign currency translation reserve	(2 547)	(6 059)
Capital redemption reserve	130	130
Cash flow hedging reserve	1 922	(7 931)
Share-based payment reserve	49 599	40 058
Distributable reserves	1 283 031	1 162 803
Interest of own shareholders	1 358 428	1 212 130
Non-controlling interests	40 923	34 340
Total equity	1 399 351	1 246 470
Non-current liabilities	95 363	89 841
Liability for share-based payments	53 694	42 941
Deferred taxation	41 669	46 900
Current liabilities	528 282	506 918
Accounts payable and provisions	516 966	470 304
Bank overdrafts	11 316	36 614
Total equity and liabilities	2 022 996	1 843 229
Number of shares in issue net of treasury shares (000's)	99 939	99 692
Net asset value per ordinary share (cents)	1 359	1 216
Total liabilities excluding deferred taxation: Total equity (%)	42	44
Total borrowings: Total equity (%)	1	3

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Balance at the beginning of the year	1 246 470	1 125 696
Total comprehensive income for the year	359 582	299 899
Profit after taxation	346 217	303 515
Movement on foreign currency translation reserve	3 512	(3 541)
Movement on cash flow hedging reserve	9 853	(75)
Shares issued	2 524	6 429
Movement in treasury shares held by share trusts	640	164
Recognition of share-based payments	9 628	8 117
(Loss)/profit on sale of treasury shares	(52)	5
Additional non-controlling interest arising on acquisition	552	
Dividends declared	(219 993)	(193 840)
Balance at the end of the year	1 399 351	1 246 470
Comprising:		
Share capital and premium	26 293	23 129
Foreign currency translation reserve	(2 547)	(6 059)
Capital redemption reserve	130	130
Cash flow hedging reserve	1 922	(7 931)
Share-based payment reserve	49 599	40 058
Distributable reserves	1 283 031	1 162 803
Non-controlling interests	40 923	34 340
Balance at the end of the year	1 399 351	1 246 470

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Audited 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Cash flows from operating activities		
Operating profit before abnormal items	512 689	484 474
Adjustment for non-cash and other items	97 647	101 092
Cash operating profit before working capital changes	610 336	585 566
Working capital changes	118 875	(168 970)
Cash generated from operations	729 211	416 596
Interest and dividends received	14 320	6 639
Interest paid	(2 872)	(5 497)
Taxation paid	(169 132)	(166 234)
Dividends paid	(219 993)	(193 840)
Cash inflow from operating activities	351 534	57 664
Cash outflow from investing activities	(115 827)	(87 937)
Capital expenditure	(125 988)	(91 852)
Proceeds on disposal of property, plant and equipment	460	2 590
Net movement on loans and advances	(12 870)	1 534
Acquisition of business	(258)	
Repayment received on preference share investment	22 829	
Acquisition of investment		(209)
Cash inflow from financing activities	4 902	6 753
Proceeds from issue of share capital	3 112	6 598
Short-term borrowings raised	1 790	155
Net increase/(decrease) in cash and cash equivalents	240 609	(23 520)
Cash and cash equivalents at the beginning of the year	145 116	168 970
Effect of exchange rate changes	(1 181)	(334)
Cash and cash equivalents at the end of the year	384 544	145 116

CONDENSED GROUP OPERATING SEGMENTS REPORT

	Audited 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Revenue		
Inshore fishing	2 268 296	2 280 069
Midwater and deep-sea fishing	1 170 907	909 034
Commercial cold storage	217 993	234 116
Total	3 657 196	3 423 219
Operating profit before abnormal items		
Inshore fishing	185 160	211 060
Midwater and deep-sea fishing	273 795	196 993
Commercial cold storage	53 734	76 421
Total	512 689	484 474
Total assets		
Inshore fishing	926 776	1 020 241
Midwater and deep-sea fishing	319 370	268 830
Commercial cold storage	214 342	212 003
Financing	549 304	333 627
	2 009 792	1 834 701
Deferred taxation	13 204	8 528
Total	2 022 996	1 843 229
Total liabilities		
Inshore fishing	310 232	313 428
Midwater and deep-sea fishing	212 653	146 132
Commercial cold storage	43 493	51 194
Financing	15 598	39 105
	581 976	549 859
Deferred taxation	41 669	46 900
Total	623 645	596 759

NOTES

1. Basis of preparation

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 2010. The condensed financial information was prepared under the supervision of the group financial director, RG Nicol CA(SA).

The auditors, Deloitte & Touche, have issued their opinion on the group financial statements for the year ended 30 September 2011. 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.

	Audited 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
2. Abnormal items		
Goodwill impairment		(19 279)
Impairment charge on vessels and equipment		(432)
Net surplus on disposal of property		14
Abnormal loss before taxation		(19 697)
Taxation		(132)
Abnormal loss after taxation		(19 829)
3. Determination of headline earnings		
Profit after taxation attributable to own shareholders	333 170	294 424
Adjusted for:		
Net loss/(surplus) on disposal of property, plant and equipment	57	(497)
Goodwill impairment		19 279
Impairment charge on vessels and equipment		432
Total tax effect of adjustments	(17)	270
Headline earnings for the year	333 210	313 908
4. Dividends		
Estimated dividend declared after reporting date	182 906	174 574
Dividend on shares issued prior to last day to trade		103
Actual dividend declared after reporting date		174 677
5. Supplementary information		
Depreciation	77 209	76 875
Operating lease charges	28 763	28 691
Capital expenditure	125 988	91 852
Expansion	23 321	30 233
Replacement	102 667	61 619
Budgeted capital commitments	141 545	169 540
Contracted	23 981	44 904
Not contracted	117 564	124 636

	Number of shares '000	Number of shares '000
6. Elimination of treasury shares		
Weighted average number of shares in issue	119 157	118 895
Less: treasury shares held by share trusts	(14 195)	(14 221)
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	99 868	99 580

7. 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 remains uncertain and therefore the financial effect cannot be determined.

8. 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 2011.

DIVIDEND DECLARATION

Notice is hereby given that a final dividend number 136 of 183 cents per share, in respect of the year ended 30 September 2011, was declared on Thursday 10 November 2011. Relevant dates are as follows:

Last day to trade cum dividend	Friday, 6 January 2012
Commence trading ex dividend	Monday, 9 January 2012
Record date	Friday, 13 January 2012
Dividend payable	Monday, 16 January 2012

Share certificates may not be dematerialised or rematerialised between Monday, 9 January 2012, and Friday, 13 January 2012, both dates inclusive.

By order of the board

JC Marais
Company secretary

10 November 2011

COMMENTS

Financial results

Operating profit before abnormal items increased by 6% over the previous year with significant improvements in the horse mackerel and canned fish business units being largely offset by disappointing results in fishmeal and certain other business units. Turnover increased by 7%.

Headline earnings per share for the year rose by 6% and earnings per share by 13%. The main reason for the differential in the increase in headline earnings per share and earnings per share is that, in the prior year, earnings were impacted by an impairment expense relating to goodwill arising on acquisition of the Glenryck UK business in 2004 which was adjusted for purposes of headline earnings.

A final dividend of 183 cents per share has been declared which, together with the interim dividend of 37 cents, brings the total dividend for the year to 220 cents per share, an increase of 6% on the 2010 total dividend of 208 cents.

REVIEW OF OPERATIONS

Inshore fishing

The 2011 Total Allowable Catch (TAC) for pilchard in South Africa was 90 000 tons (2010: 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 has been landed in full. The Namibian pilchard TAC was 25 000 tons (2010: 25 000 tons). Etosha Fishing landed its quota in full. Canned fish sales volumes on the domestic market were considerably higher in response to significant promotional activity in the initial months of the financial year. Further improvements were made in the management of the supply chain which resulted in continuous availability of product from both local and offshore suppliers and a reduction of inventory levels. A larger proportion of product was sourced locally compared to the previous year. The landed cost of imported product reduced as a consequence of the strong rand exchange rate which benefitted returns. Canned fish sales in the United Kingdom declined as a consequence of the business restructure and difficult trading conditions. Overall, profitability from canned fish operations was well above the prior year.

The anchovy A season TAC which ended on 31 August was 270 291 tons and B season 120 000 tons (2010: A season 453 183 tons; B season 120 000 tons). Oceana's landings of anchovy were 43% lower than the prior year at 21 444 tons, comprising 47% of its A season anchovy quota (2010: 37 555 tons being 49% of A season quota). No anchovy has been available in the catching areas during the B season. Landings of redeye herring were also poor and lower than last year. Fishmeal production volumes were consequently well below those of the previous year. Weak demand in international markets as well as increased supply from Peru put pressure on fishmeal prices which, together with the low volumes, resulted in a substantial loss for the financial year.

The TAC for west coast lobster reduced to 2 286 tons (2010: 2 393 tons). Quota available to Oceana for the season to 30 September 2011 amounted to 324,8 tons (2010: 347,5 tons) of which 99,8% was landed. Selling prices were higher in foreign currency terms although turnover was adversely affected by a stronger rand exchange rate. Profit from lobster declined compared to the prior year mainly due to lower sales volumes.

Squid catches were lower than the prior year. Euro selling prices improved. The business made a small loss for the year.

The French fries business suffered a loss due mainly to competition from lower priced imports.

Midwater and deep-sea fishing

The Namibian horse mackerel TAC increased to 310 000 tons (2010: 247 803 tons). The portion of TAC previously held in reserve has largely been allocated to the existing quota holders. In South Africa the Precautionary Maximum Catch Limit remained at 31 500 tons. Catch rates per day improved in both Namibia and South Africa, resulting in a lower average catch cost per ton and higher volumes for the year. Trading conditions in our major markets remained firm and access to the Angolan market was re-established. Volumes procured from external fleets increased due to favourable market opportunities. Turnover and profit rose substantially on the back of higher volumes.

The hake business showed an improvement on the prior year. The group acquired an increased shareholding in a joint venture resulting in the consolidation of its financial results from July 2011.

Cold Storage

Revenue declined at most of the division's facilities as a result of lower occupancy levels and throughput volumes of frozen product. The impact was mainly felt in Durban and Cape Town, on both locally produced and imported product. The City Deep store experienced a similar volume to the previous year despite expansion of the facility. The fruit handling business in Durban performed poorly although a larger volume of commercial fruit was handled. Overall operating profit was lower than last year.

Further cautionary announcement

Further to the cautionary announcement published on Securities Exchange News Service on Monday, 24 October 2011, and in the press on Tuesday, 25 October 2011, Oceana shareholders are advised that negotiations are still in progress which, if successfully concluded may have a material effect on the price of the company's securities. Accordingly shareholders are advised to continue exercising caution when dealing in the company's securities until a further announcement is made.

Prospects

The group is well positioned to take advantage of opportunities for further organic and acquisitive growth.

On behalf of the board

MA Brey — *Chairman*

FP Kuttel — *Chief executive officer*

10 November 2011

Directors: MA Brey (chairman), FP Kuttel* (chief executive officer), ZBM Bassa, PG de Beyer, ABA Conrad*, PB Matlare, RG Nicol*, S Pather, PM Roux, NV Simamane, TJ Tapela (*executive)

Registered Office: 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001

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

Sponsor – South Africa The Standard Bank of South Africa Limited
Sponsor – Namibia Old Mutual Investment Services (Namibia) (Proprietary) Limited

Company Secretary: JC Marais

JSE Share Code: OCE **NSX Share Code:** OCG **ISIN Number:** ZAE000025284

www.oceana.co.za

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