OCEANA GROUP

SUMMARISED CONSOLIDATED AUDITED RESULTS

for the year ended 30 September **2016**

Africa's largest black owned fishing company

Revenue

34%

Operating profit

69%

Earnings per share

34%

Headline earnings per share

20%

Dividend per share

28%

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Notes	Audited year ended 30 Sept 2016 R'000	Restated* Audited year ended 30 Sept 2015 R'000	Change %
Revenue		**8 243 988**	6 168 777	34
Cost of sales		**5 051 014**	3 832 997	32
Gross profit		**3 192 974**	2 335 780	37
Sales and distribution expenditure		**599 036**	513 241	17
Marketing expenditure		**62 702**	69 775	(10)
Overhead expenditure		**1 022 029**	812 148	26
Net foreign exchange gain		**(72 723)**	(40 542)	79
Operating profit before associate and joint venture income		**1 581 930**	981 158	61
Associate and joint venture income		**47 561**	26 097	82
Operating profit before other operating items		**1 629 491**	1 007 255	62
Other operating items	4	**100 187**	18 346	446
Operating profit		**1 729 678**	1 025 601	69
Investment income		**22 089**	61 558	(64)
Interest paid		**(385 202)**	(158 442)	143
Profit before taxation		**1 366 565**	928 717	47
Taxation		**408 276**	286 515	42
Profit after taxation		**958 289**	642 202	49
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve		**716**	422 910	
Movement on foreign currency translation reserve from associate and joint ventures		**(24 847)**	9 422	
Movement on cash flow hedging reserve		**(49 517)**	23 511	
Movement on fuel hedging reserve		**1 757**	(1 757)	
Income tax related to loss recognised in equity		**2 508**		
Other comprehensive (loss)/income, net of taxation		**(69 383)**	454 086	
Total comprehensive income for the year		**888 906**	1 096 288	(19)
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		**916 446**	611 224	50
Non-controlling interests		**41 843**	30 978	35
		958 289	642 202	49
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		**847 063**	1 065 310	(20)
Non-controlling interests		**41 843**	30 978	35
		888 906	1 096 288	(19)
Earnings per share (cents)				
– Basic		**785.8**	587.7	34
– Diluted		**715.5**	531.7	35
Weighted average number of shares on which earnings per share is based ('000)	13	**116 626**	104 005	
Adjusted weighted average number of shares on which diluted earnings per share is based ('000)		**128 076**	114 959	
Headline earnings per share (cents)	10			
– Basic		**703.4**	588.2	20
– Diluted		**640.5**	532.2	20

* Refer to note 2

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2016

	Notes	Audited 30 Sept 2016 R'000	Restated* Audited 30 Sept 2015 R'000
ASSETS			
Non-current assets		**6 735 686**	6 784 569
Property, plant and equipment		**1 669 373**	1 678 406
Intangible assets		**4 605 275**	4 609 802
Derivative assets	5	**7 636**	
Deferred taxation		**27 714**	25 583
Investments and loans		**425 688**	470 778
Current assets		**4 371 115**	3 989 315
Inventories		**1 393 337**	1 316 266
Accounts receivable		**1 551 170**	1 463 836
Taxation		**113 666**	27 940
Cash and cash equivalents		**1 312 942**	1 181 273
Non-current assets held for sale			39 478
Total assets		**11 106 801**	10 813 362
EQUITY AND LIABILITIES			
Capital and reserves		**4 007 699**	3 564 286
Stated capital		**1 188 680**	1 187 399
Foreign currency translation reserve		**419 909**	444 040
Capital redemption reserve		**130**	130
Cash flow hedging reserve		**(21 656)**	25 353
Fuel hedging reserve			(1 757)
Share-based payment reserve		**102 083**	73 111
Distributable reserves		**2 215 919**	1 755 638
Interest of own shareholders		**3 905 065**	3 483 914
Non-controlling interests		**102 634**	80 372
Non-current liabilities		**5 121 783**	5 300 996
Liability for share-based payments		**100 126**	86 147
Long-term loan		**4 145 142**	4 374 483
Derivative liabilities	6	**176 301**	209 963
Deferred taxation		**700 214**	630 403
Current liabilities		**1 977 319**	1 948 080
Accounts payable and provisions		**1 341 938**	1 348 367
Current portion – Long-term loan		**584 652**	277 207
Taxation		**50 729**	322 506
Total equity and liabilities		**11 106 801**	10 813 362
Number of shares in issue net of treasury shares ('000)		**116 672**	116 588
Net asset value per ordinary share (cents)		**3 347**	2 988
Total liabilities excluding deferred taxation: Total equity (%)		**160**	180
Total borrowings: Total equity (%)		**118**	123

* Refer to note 2

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016

	Audited year ended 30 Sept 2016 R'000	Restated* Audited year ended 30 Sept 2015 R'000
Balance at the beginning of the year	**3 564 286**	1 746 906
Total comprehensive income for the year	**888 906**	1 096 288
Profit after taxation	**958 289**	642 202
Movement on foreign currency translation reserve	**716**	422 910
Movement on foreign currency translation reserve from associate and joint ventures	**(24 847)**	9 422
Movement on cash flow hedging reserve	**(49 517)**	23 511
Movement on fuel hedging reserve	**1 757**	(1 757)
Income tax related to loss recognised in equity	**2 508**	
Shares issued		1 150 997
Decrease in treasury shares held by share trusts	**1 281**	1 157
Recognition of share-based payments	**28 973**	7 917
Profit on sale of treasury shares	**1 136**	1 078
Additional non-controlling interest arising on acquisition		2 807
Non-controlling interest on disposal of business	**(56)**	
Special distribution of profits to Oceana Empowerment Trust beneficiaries		(15 469)
Oceana Empowerment Trust dividend distribution	**(24 632)**	(25 506)
Dividends	**(452 195)**	(401 889)
Balance at the end of the year	**4 007 699**	3 564 286
Comprising:		
Stated capital	**1 188 680**	1 187 399
Foreign currency translation reserve	**419 909**	444 040
Capital redemption reserve	**130**	130
Cash flow hedging reserve	**(21 656)**	25 353
Fuel hedging reserve		(1 757)
Share-based payment reserve	**102 083**	73 111
Distributable reserve	**2 215 919**	1 755 638
Non-controlling interests	**102 634**	80 372
Balance at the end of the year	**4 007 699**	3 564 286

* Refer to note 2

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2016

	Notes	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
Cash flows from operating activities			
Operating profit before associate and joint venture income		**1 581 930**	981 158
Adjustment for non-cash and other items		**144 647**	206 716
Cash operating profit before working capital changes		**1 726 577**	1 187 874
Working capital changes		**(95 483)**	(92 760)
Cash generated from operations		**1 631 094**	1 095 114
Investment income received		**86 470**	59 264
Interest paid		**(337 497)**	(158 442)
Taxation paid		**(707 658)**	(221 986)
Special distribution of profits to Oceana Empowerment Trust beneficiaries		**(15 469)**	
Dividends paid		**(476 827)**	(427 395)
Cash inflow from operating activities		**180 113**	346 555
Cash outflow from investing activities		**(56 352)**	(4 747 216)
Capital expenditure		**(210 307)**	(160 613)
Replacement of intangible assets		**(31 281)**	(3 429)
Proceeds on disposal of property, plant and equipment		**1 382**	12 909
Proceeds on disposal of non-current assets held for sale	7	**114 314**	
Proceeds on disposal of businesses	8	**73 371**	
Acquisition of businesses	9		(4 544 426)
Acquisition of fishing rights			(2 812)
Repayment received on preference shares			105 049
Movement on loans and advances		**6 564**	(97 099)
Acquisition of additional shares in subsidiary			(1 276)
Increased contribution/acquisition of a joint venture		**(10 078)**	(56 321)
(Increase)/decrease of investment		**(317)**	802
Cash inflow from financing activities		**1 954**	5 146 173
Proceeds from issue of share capital		**2 417**	1 154 615
Short-term borrowings repaid		**(281 438)**	(33 743)
Long-term loan raised		**300 000**	4 025 301
Cost associated with debt raising		**(19 025)**	
Net increase in cash and cash equivalents		**125 715**	745 512
Cash and cash equivalents at the beginning of the year		**1 181 273**	344 003
Effect of exchange rate changes		**5 954**	91 758
Net cash and cash equivalents at the end of the year		**1 312 942**	1 181 273

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2016

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 financial statements.

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

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2016. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. These preliminary summarised financial statements have been audited by the company's auditors who have issued an unmodified opinion. Copies of the audit reports and annual 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 or prospects included in this announcement has not been reviewed or reported on by the company's auditors.

2. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

The audited financial results for the year ended 30 September 2015 have been restated as to:

2.1 The finalisation of the purchase price allocation of the Daybrook business combination

The Group acquired a 100% beneficial shareholding in Daybrook Fisheries Incorporated in the prior year. The initial accounting for the Daybrook business combination in the prior year was prepared using provisional values as permitted in terms of IFRS 3 *Business Combinations* paragraph 45. Subsequent to the end of the prior reporting period the Daybrook purchase price allocation was finalised within the measurement period, being a period not exceeding one year from the acquisition date, on the 21 June 2016 and the provisional values adjusted in terms of IFRS 3 paragraph 49.
The adjustments to the prior period statement of financial position are summarised as follows:

Assets acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	30 Sept 2015 R'000 Adjusted closing balance
Property, plant and equipment	784 444	122 639	907 083	18 474	925 557
Intangible assets	503 976	525 435	1 029 411	79 150	1 108 561
Investment in associate	127 733		127 733		127 733
Goodwill	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012
Accounts receivables	250 522	16 178	266 700	2 437	269 137
Inventories	322 678		322 678		322 678
Cash and cash equivalents	399 304		399 304		399 304
Taxation	(212 441)		(212 441)		(212 441)
Provisions	(160 344)		(160 344)		(160 344)
Deferred taxation	(216 482)	(260 984)	(477 466)	(39 314)	(516 780)
Derivative liability	(182 475)		(182 475)		(182 475)
Trade and other payables	(166 689)		(166 689)		(166 689)
Consideration paid in cash	4 641 253		4 641 253		4 641 253

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 30 September 2016

2. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

2.1 The finalisation of the purchase price allocation of the Daybrook business combination (continued)

Assets acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	30 Sept 2015 R'000 Adjusted closing balance
Net cash flow on acquisition of business					
Consideration paid in cash	4 641 253		4 641 253		4 641 253
Less: Cash and cash equivalents balances acquired	(399 304)		(399 304)		(399 304)
	4 241 949		4 241 949		4 241 949
Goodwill on acquisition					
Consideration	4 641 253		4 641 253		4 641 253
Less: Fair value of identifiable assets acquired and liabilities assumed	(1 450 226)	(403 268)	(1 853 494)	(60 747)	(1 914 241)
	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012

2.2 Other comprehensive income – movement on foreign currency translation reserve from associate and joint venture

Movement in the foreign currency translation reserve in the statement of comprehensive income and statement of changes in equity arising from investments accounted for under the equity method have been presented in a separate line.

Movement on foreign currency translation reserve – previously reported	432 332
Movement on foreign currency translation reserve from associate and joint venture	(9 422)
Movement on foreign currency translation reserve – restated	422 910

2.3 Current portion of long-term loan

The current portion of the long-term loan has been reclassified from accounts payable into a separate line on the face of the statement of financial position.

Accounts payable – previously reported	1 418 484
Current portion – long-term loan	(277 207)
Accounts payable – restated	1 141 277

	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal (Africa)	**4 275 576**	3 408 988
Fishmeal and fish oil (USA)	**1 930 923**	574 328
Horse mackerel and hake	**1 227 310**	1 314 747
Lobster, squid and French fries	**373 849**	412 147
Commercial cold storage and logistics	**436 330**	458 567
Total	**8 243 988**	6 168 777
Operating profit before other operating items		
Canned fish and fishmeal (Africa)	**528 464**	452 504
Fishmeal and fish oil (USA)	**668 152**	179 612
Horse mackerel and hake	**269 384**	211 020
Lobster, squid and French fries	**30 943**	46 574
Commercial cold storage and logistics	**132 548**	117 545
Total	**1 629 491**	1 007 255
Total assets		
Canned fish and fishmeal (Africa)	**2 500 368**	2 069 746
Fishmeal and fish oil (USA)	**6 301 086**	6 326 364
Horse mackerel and hake	**550 458**	679 403
Lobster, squid and French fries	**40 958**	125 703
Commercial cold storage and logistics	**268 871**	294 642
	9 661 741	9 495 858
Deferred taxation	**27 714**	25 583
Financing[3]	**1 417 346**	1 291 921
Total	**11 106 801**	10 813 362
Total liabilities		
Canned fish and fishmeal (Africa)	**829 927**	700 772
Fishmeal and fish oil (USA)	**413 793**	934 466
Horse mackerel and hake	**289 200**	175 755
Lobster, squid and French fries	**25 455**	43 854
Commercial cold storage and logistics	**90 170**	88 507
	1 648 545	1 943 354
Deferred taxation	**700 214**	630 403
Financing[3]	**4 750 343**	4 675 319
Total	**7 099 102**	7 249 076
Revenue per region[1]		
South Africa and Namibia	**4 305 056**	3 937 878
Other Africa	**480 669**	476 096
North America	**1 218 840**	400 470
Europe	**1 139 988**	710 302
Far East	**959 091**	546 955
Other	**140 344**	97 076
Total	**8 243 988**	6 168 777
Non-current assets per region[2]		
South Africa and Namibia	**873 666**	863 285
North America	**5 400 982**	5 424 923
Total	**6 274 648**	6 288 208

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

Notes:

[1] Revenue per region discloses the region in which the product is sold.

[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 30 September 2016

		Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
4.	**OTHER OPERATING ITEMS**		
	Transaction costs arising from business combination	**(2 040)**	(80 815)
	Forex gain on transaction arising from business combination		97 734
	Profit on the disposal of immovable property		1 537
	Loss on disposal of fishing vessel	**(3 536)**	
	Profit on disposal of non-current assets held for sale	**74 836**	
	Profit on disposal of business interests	**31 521**	
	Impairment of equipment	**(594)**	(110)
		100 187	18 346
5.	**DERIVATIVE ASSETS**		
	Non-current		
	Interest rate caps held as hedging instruments		
	Opening balance		
	Additions	**18 569**	
	Fair value adjustments recognised in profit and loss (ineffective portion)	**(2 732)**	
	Fair value adjustments recognised in other comprehensive income (effective portion)	**(8 201)**	
	Closing balance	**7 636**	

Interest rate caps and swaps recorded in the cash flow hedging reserve, derivative asset and derivative liability (note 6) 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.

Interest rate caps were executed on 17 March 2016, with a maturity date of 20 July 2018. 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 810.0 million. The amount of the principal value designated as a hedged item is R980.0 million.

		2016 R'000	2015 R'000
6.	**DERIVATIVE LIABILITIES**		
	Opening balance	**209 963**	
	Business combination		182 475
	Loss recognised in other comprehensive income	**6 513**	
	Gain recognised in profit and loss	**(42 623)**	
	Foreign currency translation adjustment	**2 448**	27 488
	Closing balance	**176 301**	209 963
	Put option	**170 053**	209 963
	Interest rate swap	**6 248**	
		176 301	209 963

The put option recorded in the derivative liability is regarded as a level 3 instrument for fair value measurement. Level 3 fair value 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") can 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"). If notice of the intention to exercise the put option is given by 30 November 2016, Daybrook will pay the remaining shareholders in Westbank an additional USD15 million when the put option becomes effective on 15 November 2017 ("put premium"). Should the put option be effectively exercised as described there will be a cash outflow, being the put option strike price plus the put premium as well as any unpaid distributions while there will be a cash inflow, based on prevailing market values, from a new US based shareholder acquiring the 75% Westbank shareholding.

	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000

6. DERIVATIVE LIABILITIES (continued)

The put option liability was remeasured to fair value at 30 September 2016 by measuring the put option strike price plus the put premium to the fair value of Westbank Fishing Limited Liability Company. Westbank Fishing Limited Liability Company was valued using a discounted cash flow model and unobservable inputs including forecast annual revenue growth rates of 1.8% to 2.0%, forecast EBITDA margin of 22.6% to 25.6% and a risk-adjusted discount rate of 8.2%. A change in the discount rate by 1% would increase or decrease the fair value by R70.0 million. During the year a fair value gain of R42.6 million was recognised in operating profit.

The notional principal amount of the interest rate swaps at 30 September 2016 amounts to R1 136 million. This comprises hedges on the term debt of R1 894 million. The swap is to hedge the interest that is payable under the debt facility. During the year a fair value loss of R6.5 million was recognised in other comprehensive income.

7. DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE

7.1 Seasonal fruit business (CCS)

On 30 April 2016, the Group disposed of the Commercial Cold Storage fruit business.

Non-current assets held for sale	13 163	
Consideration received	69 609	
Net profit on disposal	56 446	

7.2 Vessel – Desert Rose

On 27 October 2015, the Group disposed of the Mfv Desert Rose fishing vessel

Non-current assets held for sale	26 315	
Consideration received	44 705	
Net profit on disposal	18 390	
Net cash inflow from non-current assets held for sale	114 314	

8. DISPOSAL OF BUSINESSES

8.1 Lamberts Bay Foods Limited

On 1 August 2016, the Group disposed of its 100% shareholding in Lamberts Bay Foods Limited.

Assets and liabilities disposed of:		
Property, plant and equipment	13 017	
Inventories	38 361	
Accounts receivables	36 934	
Provisions	(435)	
Trade and other payables	(43 624)	
Taxation	(1 324)	
Deferred taxation	(1 268)	
Net assets disposed	41 661	
Consideration received	69 471	
Bank overdraft disposed of	3 531	
Net cash inflow	73 002	
Net profit on disposal	31 341	

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 30 September 2016

	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
8. DISPOSAL OF BUSINESSES (continued)		
8.2 Nommer Sewe Bootbelange Eiendoms Beperk		
On 1 February 2016, the Group disposed of its 74% interest in Nommer Sewe Bootbelange Eiendoms Beperk, a subsidiary of Oceana Lobster Limited.		
Assets and liabilities disposed of:		
Property, plant and equipment	22	
Accounts receivables	361	
Taxation	32	
Trade and other payables	(170)	
Non-controlling interest	(56)	
Net assets disposed	189	
Consideration received	369	
Net profit on disposal	180	
Net cash inflow from disposal of businesses	73 371	
9. ACQUISITION OF BUSINESSES		
9.1 Foodcorp acquisition		
The Group acquired hake, pelagic and lobster fishing rights and related assets from Foodcorp Proprietary Limited for a consideration of R355 million in the prior year. Foodcorp Proprietary Limited was acquired to enhance the Group's hake, pelagic and lobster footprint.		
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment		148 037
Intangible assets		90 890
Goodwill		62 835
Accounts receivables		26 745
Taxation		97
Inventories		39 815
Cash and cash equivalents		52 899
Non-controlling interest		(2 807)
Deferred taxation		(26 840)
Short-term loan		(170)
Provisions		(2 114)
Trade and other payables		(34 011)
Consideration paid in cash		355 376
Net cash flow on acquisition of business		
Consideration paid in cash		355 376
Less: Cash and cash equivalents balances acquired		(52 899)
		302 477
Goodwill on acquisition		
Consideration		355 376
Less: Fair value of identifiable assets acquired and liabilities		(292 541)
		62 835

The goodwill arising on the acquisition is attributable to the processing locations, as well as knowledgeable employees that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000

9. ACQUISITION OF BUSINESSES (continued)

9.2 Daybrook acquisition

The Group acquired a 100% beneficial shareholding in Daybrook Fisheries for a consideration of R4 641 million in the prior year. Daybrook was acquired to enhance the Group's operations internationally in order to diversify its fishing rights and licences, fish species, operational geography and currency exposure.

At the time of reporting the results for the year ended 30 September 2015, the purchase price allocation of the Daybrook acquisition was not yet completed and hence the fair values of the identifiable assets and liabilities were provisional due to the uncertainty and nature in classifying intangibles and determining the useful life of the identified intangibles. The purchase price allocation was completed within the 12 months measurement period and the final fair value of the identified assets and liabilities are shown below. The statement of financial position at 30 September 2015 has been restated. Refer to note 2 for details regarding the purchase price allocation finalisation.

	Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment		907 083
Intangible assets		1 029 411
Investment in associate		127 733
Goodwill		2 787 759
Accounts receivables		266 700
Inventories		322 678
Cash and cash equivalents		399 304
Taxation		(212 441)
Provisions		(160 344)
Deferred taxation		(477 466)
Derivative liability		(182 475)
Trade and other payables		(166 689)
Consideration paid in cash		4 641 253
Net cash flow on acquisition of business		
Consideration paid in cash		4 641 253
Less: Cash and cash equivalents balances acquired		(399 304)
		4 241 949
Goodwill on acquisition		
Consideration		4 641 253
Less: Fair value of identifiable assets acquired and liabilities assumed		(1 853 494)
		2 787 759

The goodwill arising on the acquisition is attributable to the strategic business advantages acquired, key fishing and processing locations, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

Net cash outflow from acquisition of businesses		4 544 426

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 30 September 2016

		Audited year ended 30 Sept 2016 R'000	Audited year ended 30 Sept 2015 R'000
10.	**DETERMINATION OF HEADLINE EARNINGS**		
	Profit after taxation attributable to shareholders of Oceana Group Limited	**916 446**	611 224
	Adjusted for:		
	Profit on the disposal of immovable property		(1 537)
	Insurance proceeds	**(1 330)**	
	Profit on disposal of non-current assets held for sale	**(74 836)**	
	Headline earnings adjustments – joint venture	**(16 030)**	99
	Profit on change of interest in investment		(500)
	Profit on disposal of business interests	**(31 521)**	
	Loss on the dissolution of foreign subsidiary		3 455
	Impairment of equipment	**594**	110
	Net loss/(profit) on disposal of property, plant and equipment and intangible assets	**7 030**	(1 293)
	Total non-controlling interest in above	**4 362**	
	Total tax effect of adjustments	**15 593**	220
	Headline earnings for the year	**820 308**	611 778
11.	**DIVIDENDS**		
	Estimated dividend declared after reporting date	**416 519**	301 964
	Dividends per share (cents)	**469.0**	365.0
12.	**SUPPLEMENTARY INFORMATION**		
	Amortisation	**57 051**	40 748
	Depreciation	**203 334**	136 423
	Operating lease charges	**112 039**	75 559
	Share-based expenses	**87 512**	94 155
	Cash-settled compensation scheme	**58 539**	86 339
	Equity-settled compensation scheme	**26 600**	4 747
	Oceana Empowerment Trust	**2 373**	3 069
	Capital expenditure	**241 588**	164 042
	Expansion	**13 883**	57 424
	Replacement	**227 705**	106 618
	Budgeted capital commitments	**226 708**	218 686
	Contracted	**25 386**	34 297
	Not contracted	**201 322**	184 389

		Audited Number of shares '000	Audited Number of shares '000
13.	**ELIMINATION OF TREASURY SHARES**		
	Weighted average number of shares in issue	**135 526**	120 227
	Plus: Bonus issue on rights offer		2 775
	Less: Weighted average treasury shares held by share trusts	**(13 806)**	(13 903)
	Less: Weighted average treasury shares held by subsidiary company	**(5 094)**	(5 094)
	Weighted average number of shares on which earnings per share and headline earnings per share are based	**116 626**	104 005

14. CONTINGENT LIABILITIES AND GUARANTEES

The company and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. The company has given a letter of support to Calamari Fishing Proprietary Limited, Oceana Lobster Limited and Blue Continent Products Proprietary Limited. The company has guaranteed the long-term loan of R2 891.9 million (2015: R2 745.9 million). Furthermore, six (2015: six) of the subsidiaries in the Group have guaranteed the loan.

15. EVENTS AFTER THE REPORTING DATE

Effective 1 November 2016, the remaining shareholders of Westbank Fishing Limited Liability Company exercised the put option in terms of the Westbank operating agreement. The exercise of the put option triggers 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 (please refer to note 6). The exercise of the put option has no financial effect on the Group's financial position at 30 September 2016. No other events occurred subsequent to the reporting date that may have an impact on the Group's reported financial position at 30 September 2016, or require separate disclosure in the financial statements.

COMMENTS

FINANCIAL RESULTS

The Group has delivered strong results for the year ended 30 September 2016. Earnings per share increased by 34% and headline earnings per share increased by 20% primarily driven by the positive performance of our African operations underpinned by the inclusion of the full twelve months trading effect of the Daybrook (2015: three months) and Foodcorp (2015: eight months) acquisitions.

Group revenue is up by 34% to R8 244 million (2015: R6 169 million), mainly due to the inclusion of Daybrook for the full year, but also due to pleasing growth of 13% in our African operations. This growth has been achieved through strong volumes in canned fish, fishmeal and hake, supported by stable pricing and bolstered by a favourable exchange rate.

Operating profit has increased by 69% over the year to R1 730 million (2015: R1 026 million). Excluding the effect of Daybrook, operating profit from our African operations delivered a solid 24% increase attributed to the positive performance of the South African canned fish and fishmeal segment, as well as our hake and commercial cold storage and logistics (CCS) businesses. Furthermore, strong focus on cost containment and a refined canned fish procurement strategy contributed to the improved profitability over the year.

Other operating items consist of profit attributable to the sale of the Desert Rose fishing vessel, the Lamberts Bay Foods business and the CCS fruit business.

Net interest charged for the year of R363 million (2015: R97 million) relates to finance costs incurred on additional working capital facilities and long-term borrowings. The average interest rate for all debt is currently 7.1% per annum.

A final dividend of 357 cents per share has been declared which together with the interim dividend of 112 cents brings the total dividend for the year to 469 cents per share. This represents an increase of 28% on the 2015 dividends per share of 365 cents per share.

FINANCIAL POSITION AND CASH FLOW

Cash generated from operations for the year has increased to R1 631 million (2015: R1 095 million). An additional R100 million was invested in working capital in order to enable our frozen fish procurement strategy for the canned fish division. Proceeds of R188 million were generated in the year from the disposal of non-core and underperforming assets. At year end the Group had positive cash balances of R1 313 million (2015: R1 181 million) of which R735 million (2015: R787 million) is held in dollar denominated accounts.

At 30 September 2016, Group net debt is R3 417 million (2015: R3 470 million) of which R1 099 million (2015: R1 119 million) is denominated in US dollars. In line with our strategy to decrease our gearing, the net debt to EBITDA ratio at 30 September 2016 has improved to 1.7 times (2015: 2.9 times).

REVIEW OF OPERATIONS

Canned fish and fishmeal (Africa)

The canned fish division has experienced good volume growth during a challenging period for the traditional canned fish consumer. Sales volumes in South Africa grew by 15% driven by competitive pricing and continuity of supply. Overall, volumes were marginally impacted by declines in certain African geographies, resulting in net growth of 13% to 9,4 million cartons for the year (2015: 8,3 million cartons).

Historically the Total Allowable Catch ("TAC") in South Africa and Namibia contribute approximately 40% of the supply for our canned fish product. The remaining demand has over recent years been satisfied by a well-established network of third party canneries outside of South Africa and Namibia. The 2016 South African TAC for pilchard decreased to 64,928 tons (2015: 83,470 tons) and the Namibian pilchard TAC for 2016 decreased to 14,000 tons (2015: 25,000 tons). This decline in TAC, along with the depreciation of the Rand, has resulted in Oceana's canned fish procurement strategy transitioning from importing fully canned product towards the importing of frozen fish raw material for processing locally. This resulted in 46,230 tons of frozen fish being imported (2015: 15,421 tons) which enabled the division to utilise spare local production capacity to ensure continuity of supply in a year when food scarcity became a risk. This materially increased labour hours for our South African and Namibian workforce, particularly in our Amawandle (Foodcorp) acquired cannery where labour hours increased by over 125%.

The canned fish division has successfully navigated the challenges presented during the year resulting in an improved operating profit.

The 2016 initial South Africa anchovy A season TAC reduced to 354,326 tons (final A season TAC for 2015: 450,000 tons).

The South African fishmeal division has performed well with landings of industrial fish to the Group's fishmeal plants increasing to 186,960 tons (2015: 144,365 tons), largely due to the additional supply from the Amawandle (Foodcorp) acquisition and the commissioning of our Angolan plant in December 2015. The division also benefitted from operational improvements at both the Hout Bay and St Helena Bay facilities.

Global prices for fishmeal and fish oil remained fairly stable during most of the year under review, with a decline being experienced in the third quarter of the calendar year due to higher Peruvian quota announcements.

Profit from the African fishmeal operations was materially above that for the same period last year due to the combined effect of increased volumes, a favourable exchange rate and improved operational efficiencies.

Fishmeal and fish oil (USA)

In its first full year as an Oceana company, Daybrook's performance has been ahead of management's expectations. The 2016 Gulf Menhaden fishing season, which runs from April to the end of October, has seen landings of 687 million fish, an increase on the 650 million fish landed last year. The improved harvest rates are indicative of a robust gulf menhaden resource which has recently received a positive assessment by the Gulf States Marine Fisheries Commission.

Daybrook produced 50,993 tons of fishmeal and 27,545 tons of fish oil for the year at its plant in Empire resulting in a combined yield of 37.3% (2015: 35.5%) due to the oil yield being restored to above the historical levels of approximately 12.5%. Increased focus on plant operations and the impact of additional output from the new driers installed in 2015 has resulted in a material improvement in overall plant output capacity.

Overall sales volumes for Daybrook are up on the prior year. Although pricing was affected by Peruvian fishing toward the latter part of 2016, total revenue for the year is the highest in Daybrook's history at approximately USD130 million. Daybrook's operating profit of R668 million (USD43 million) is ahead of the expected returns for our first year of ownership.

Horse mackerel and hake

The 2016 Namibian horse mackerel TAC decreased by 4% to 335,000 tons (2015: 350,000 tons). The security of quota allocation in Namibia continues to be a concern and the resultant increased reliance on purchased quota has had a negative effect on operating profit for the year. Reduced owned quota also necessitated a critical review of the commercial performance of our third vessel and as a result the Desert Rose was sold in October 2015. This strategy enabled us to keep the Desert Jewel and Desert Ruby, operating at full capacity with catch rates remaining consistent with prior seasons. This has led to improved operating margins for this sector.

In South Africa the Precautionary Maximum Catch Limit for targeted catch of horse mackerel decreased by 8% to 38,656 tons (2015: 41,927 tons). The Desert Diamond did not fish in South Africa during the first six months as she was first deployed in Namibia, following which she underwent a planned dry-dock for her renewal survey. She resumed fishing in South African waters during April 2016. Catch rates for the second half of the year have been consistent with long-term historical trends and as a result the Desert Diamond restored its profitability for the second half of the fiscal year.

An oversupply of fish in the market and tough trading conditions in our traditional African markets placed continued pressure on horse mackerel prices, although the favourable exchange rate partially offset the effect of weaker dollar prices.

The 2016 hake TAC remained unchanged from the prior year (2015: 123,020 tons). Hake volumes have improved during the year despite the negative impact of a downward trend in size mix. Pricing has been solid in European markets and as a result revenue has shown good growth, further bolstered by a favourable exchange rate.

Catching and production costs have been well managed primarily due to further efficiencies from the integration of the Amawandle (Foodcorp) hake business and the benefit of lower fuel prices. As a result, hake profitability has improved significantly over the year.

Lobster, squid and French fries

The 2016 TAC for West Coast rock lobster increased by 7% to 1,924 tons (2015: 1,801 tons) and quota available to Oceana for the current season amounted to 264 tons (2015: 238 tons). During the year fishing rights for West Coast rock lobster expired and we operated on exemption along with the entire industry.

The lobster business showed a decline in profitability due to lower volumes landed as a result of materially lower catch rates experienced by the industry. This was marginally offset by the positive effect of good pricing and favourable exchange rates.

Fishing rights allocated to the squid division remained unchanged over the year. Squid profits improved this year due to firmer prices and increased landings on the prior year.

The French fries business was sold to Famous Brands on 1 August 2016. The business made a positive contribution to operating profit for the financial year under review.

Commercial cold storage and logistics (CCS)

The CCS business continued to deliver revenue growth, driven by record occupancy levels in its 11 cold stores. In response to the growing demand for frozen storage, the Paarden Eiland and City Deep facilities were upgraded to expand available frozen capacity. Continued focus on effective cost management practices and the Midrand sites coming to full fruition further supported performance and resulted in good operating profit growth for the year.

The fruit facilities business in Maydon Wharf, which was considered non-core to the CCS business, was sold during the year.

PROSPECTS

The changing landscape in the canned fish space has provided a strong incentive for increased focus on improving our local processing competitiveness and supply chain efficiencies. There is a focus on extending the market for Lucky Star products in South Africa and elsewhere on the African continent.

We remain positive on the long term outlook for fishmeal and fish oil pricing due to global supply and demand dynamics. We anticipate that prices could in the short term be negatively impacted by increased Peruvian catches, and hope to mitigate this by improved total landings across our operations in South Africa, Angola and the USA. We continue to focus on opportunities to improve quality and yield in this sector.

Improvement in performance of our horse mackerel operations is dependent on our ability to secure quota in Namibia at favourable rates and the Desert Diamond catch rates increasing on the prior year. Our hake business is expected to continue to extract efficiencies in order to bolster growth.

Provisional quota allocations in terms of the 2016 Fishing Rights Allocation Process for horse mackerel and hake inshore have been announced. Several inconsistencies have been identified in the allocations and we are formulating our appeal thereto. The Department of Agriculture, Forestry and Fisheries have indicated that the outcome of the West Coast rock lobster allocations will be concluded once the TAC has been determined. In the interim, fishing will continue under an exemption granted earlier this year.

As anticipated, subsequent to the financial year end the remaining shareholders of Westbank Fishing exercised their put option. We have commenced with the process of finding a suitable US based partner to acquire the 75% equity stake.

In the immediate future Oceana's focus will be on consolidation of our businesses and the extraction of Group efficiencies. We will continue to build financial capacity over the medium-term to support further acquisitive growth.

On behalf of the Board

MA Brey	FP Kuttel
Chairman	*Chief executive officer*
17 November 2016	

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 146. A gross final dividend amounting to 357 cents per share, in respect of the year ended 30 September 2016, was declared on Thursday, 17 November 2016, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 15% will result in a net dividend amounting to 303.45 cents per share.

The number of ordinary shares in issue at the date of this declaration is 135 526 154. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade cum dividend	– Tuesday, 10 January 2017
Commence trading ex dividend	– Wednesday, 11 January 2017
Record date	– Friday, 13 January 2017
Dividend payable	– Monday, 16 January 2017

Share certificates may not be dematerialised or re-materialised between Wednesday, 11 January 2017 and Friday, 13 January 2017, both dates inclusive.

By order of the board

JC Marais
Company secretary
17 November 2016

DIRECTORATE AND STATUTORY INFORMATION

Directors:	MA Brey (chairman), FP Kuttel* (chief executive officer), ZBM Bassa, PG de Beyer, NP Doyle, GG Fortuin, LC Mac Dougall, PB Matlare, S Pather, NV Simamane, I Soomra* (* 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
Auditor:	Deloitte & Touche
Company secretary:	JC Marais
JSE share code:	OCE
NSX share code:	OCG
ISIN number:	ZAE000025284

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