POSITIVELY IMPACTING LIVES

2019 SUMMARISED CONSOLIDATED AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2019

	Notes	**Audited Year ended 30 Sep 2019 R'000**	Audited Year ended 30 Sep Restated* 2018 R'000	Change %
Revenue	3	**7 647 415**	7 657 311	–
Cost of sales		**(5 026 779)**	(4 823 816)	4
Gross profit		**2 620 636**	2 833 495	(8)
Sales and distribution expenditure		**(433 951)**	(500 298)	(13)
Marketing expenditure		**(59 045)**	(55 184)	7
Overhead expenditure		**(976 556)**	(1 102 907)	(11)
Net foreign exchange gain		**30 093**	19 248	56
Operating profit before associate and joint venture loss		**1 181 177**	1 194 354	(1)
Associate and joint venture loss		**(5 852)**	(5 447)	7
Operating profit before other operating items		**1 175 325**	1 188 907	(1)
Other operating (expense)/income items	5	**(17 447)**	(14 091)	24
Operating profit		**1 157 878**	1 174 816	(1)
Interest income		**33 681**	40 767	(17)
Interest expense		**(294 547)**	(332 532)	(11)
Profit before taxation		**897 012**	883 051	2
Taxation	6	**(248 645)**	(810)	
Profit after taxation		**648 367**	882 241	(27)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve including hyperinflation effect		**292 221**	212 903	
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect		**16 963**	8 214	
Movement on hedge reserve from associate		**(3 880)**		
Movement on cash flow hedging reserve		**(23 951)**	24 845	
Income tax related to profit/(loss) recognised in equity		**5 276**	(5 813)	
Other comprehensive income, net of taxation		**286 629**	240 149	
Total comprehensive income for the year		**934 996**	1 122 390	(17)
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		**617 616**	857 831	(28)
Non-controlling interests		**30 751**	24 410	26
		648 367	882 241	(27)
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		**904 245**	1 097 980	(18)
Non-controlling interests		**30 751**	24 410	26
		934 996	1 122 390	(17)
Earnings per share (cents)				
– Basic		**528.3**	734.6	(28)
– Diluted		**486.1**	674.6	(28)

**The September 2018 revenue, sales and distribution expenditure and overhead expenditure line items have been restated, as a result of the adoption of the new accounting standards. The impact of the restatement is a reclassification between these line items only with all other line items unchanged.*

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2019

	Notes	Audited 30 Sep 2019 R'000	Audited 30 Sep 2018 R'000
ASSETS			
Non-current assets		**7 042 312**	6 685 126
Property, plant and equipment		**1 697 221**	1 586 626
Intangible assets		**4 886 609**	4 617 278
Derivative assets	7		17 398
Deferred taxation		**26 567**	29 338
Investments and loans		**431 915**	434 486
Current assets		**3 757 887**	4 014 355
Inventories		**1 852 707**	1 467 239
Accounts receivable		**1 243 324**	1 502 331
Taxation		**73 820**	29 725
Cash and cash equivalents	11	**588 036**	1 015 060
Total assets		**10 800 199**	10 699 481
EQUITY AND LIABILITIES			
Capital and reserves		**5 121 727**	4 721 969
Stated capital		**1 193 473**	1 189 482
Foreign currency translation reserve		**796 213**	487 029
Cash flow hedging reserve		**(15 671)**	6 884
Share-based payment reserve		**93 406**	90 535
Distributable reserves		**2 943 871**	2 851 418
Interest of own shareholders		**5 011 292**	4 625 348
Non-controlling interests		**110 435**	96 621
Non-current liabilities		**3 840 143**	3 818 656
Liability for share-based payments		**6 044**	10 145
Long-term loan	10	**3 298 904**	3 339 750
Derivative liabilities	8	**10 320**	
Deferred taxation		**524 875**	468 761
Current liabilities		**1 838 329**	2 158 856
Accounts payable and provisions		**1 480 502**	1 711 483
Current portion – long-term loan		**351 258**	427 351
Taxation		**6 569**	20 022
Total equity and liabilities		**10 800 199**	10 699 481

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
Balance at the beginning of the year	**4 721 969**	3 756 629
Total comprehensive income for the year	**934 996**	1 122 390
Profit after taxation	**648 367**	882 241
Movement on foreign currency translation reserve including hyperinflation effect	**292 221**	212 903
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect	**16 963**	8 214
Movement on hedge reserve from associate	**(3 880)**	
Movement on cash flow hedging reserve	**(23 951)**	24 845
Income tax related to profit/(loss) recognised in equity	**5 276**	(5 813)
Decrease in treasury shares held by share trusts	**1 335**	1 853
Share-based payment expense	**12 298**	12 456
Share-based payment exercised	**(6 771)**	(11 017)
Profit on sale of treasury shares	**1 677**	1 671
Oceana Empowerment Trust dividend distribution	**(27 685)**	(7 304)
Dividends	**(516 092)**	(154 709)
Balance at the end of the year	**5 121 727**	4 721 969
Comprising:		
Stated capital	**1 193 473**	1 189 482
Foreign currency translation reserve	**796 213**	487 029
Cash flow hedging reserve	**(15 671)**	6 884
Share-based payment reserve	**93 406**	90 535
Distributable reserve	**2 943 871**	2 851 418
Non-controlling interests	**110 435**	96 621
Balance at the end of the year	**5 121 727**	4 721 969

R2.7 million (2018: R3.4 million) was transferred between stated capital and share-based payment reserve during the period.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2019

	Notes	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
Cash flow from operating activities			
Operating profit before associate and joint venture income		**1 181 177**	1 194 354
Adjustment for non-cash and other items		**203 640**	297 905
Cash operating profit before working capital changes		**1 384 817**	1 492 259
Working capital changes		**(342 291)**	(189 366)
Cash generated from operations		**1 042 526**	1 302 893
Investment income received		**54 789**	41 607
Interest paid		**(285 447)**	(296 845)
Taxation paid		**(262 713)**	(217 036)
Dividends paid		**(543 777)**	(162 013)
Net cash inflow from operating activities		**5 378**	668 606
Cash outflow from investing activities		**(217 141)**	(180 928)
Replacement capital expenditure		**(228 146)**	(163 742)
Replacement of intangible assets		**(26 033)**	(20 469)
Proceeds on disposal of property, plant and equipment		**5 554**	10 031
Proceeds on disposal of business	9	**17 500**	8 000
Movement on loans and advances		**13 984**	(14 748)
Cash outflow from financing activities		**(239 721)**	(720 152)
Proceeds from issue of share capital		**3 012**	3 523
Short-term borrowings repaid		**(392 782)**	(507 589)
Long-term borrowings raised		**172 658**	
Equity-settled share-based payment		**(6 771)**	(11 017)
Cost associated with debt refinancing	10	**(15 838)**	(2 170)
Settlement of put option			(202 899)
Net decrease in cash and cash equivalents		**(451 484)**	(232 474)
Net cash and cash equivalents at the beginning of the year		**1 015 060**	1 222 040
Effect of exchange rate changes		**24 460**	25 494
Net cash and cash equivalents at the end of the year	11	**588 036**	1 015 060

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2019

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 and methods of computation 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 and methods of computation applied in the preparation of the previous consolidated annual financial statements except for the adoption of new standards effective during the current financial year.

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

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2019. 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.

2. ADOPTION OF NEW ACCOUNTING STANDARDS

2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS AND CUSTOMERS

The standard establishes a five-step model that will apply to revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The group has adopted IFRS 15 and applied it retrospectively to each prior reporting period presented. This resulted in the restatement of comparative periods in the statement of comprehensive income.

Revenue is recognised when the group satisfies performance obligations, transfers control of fish related goods and renders cold storage and logistics services, consistent with the application of IFRS 15.

IFRS 15 requires the group to estimate the value of the Bulk and distribution allowances and recognise the amount against revenue, this was disclosed under selling and distribution under IAS 18.

In terms of IFRS 15, incidental income from customers has been restated in the prior period from overheads to revenue.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

for the year ended September 2019

2. ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS AND CUSTOMERS (CONTINUED)

The impact of the restatement on the statement of comprehensive income is a reclassification between revenue, sales and distribution expenditure and overhead expenditure with all other line items unchanged. The effect of the restatement is disclosed below:

	As previously reported year ended 30 Sep 2018 R'000	IFRS 15 restatement 30 Sep 2018 R'000	Restated year ended 30 Sep 2018 R'000
Revenue	7 732 692	(75 381)	7 657 311
Cost of sales	(4 823 816)		(4 823 816)
Gross profit	2 908 876	(75 381)	2 833 495
Sales and distribution expenditure	(610 553)	110 255	(500 298)
Marketing expenditure	(55 184)		(55 184)
Overhead expenditure	(1 068 033)	(34 874)	(1 102 907)
Net foreign exchange gain	19 248		19 248
Operating profit before associate and joint venture loss	1 194 354		1 194 354

2.2 EFFECT OF ADOPTING IFRS 9: FINANCIAL INSTRUMENTS

This standard introduces new requirements for classification and measurement, impairment and hedge accounting. It also introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.

The group has assessed the business model test and cash flow characteristics that apply to financial assets and has classified financial instruments into the appropriate IFRS 9 categories. There has been no change to the group's financial assets and financial liabilities.

The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. Trade receivables do not have a significant financing component as the average credit terms are 30 – 45 days, this will therefore fall within the simplified model. For loans and other receivables, the group applies the general approach. IFRS 9 requires an allowance to be raised for the full lifetime expected credit loss, on initial recognition, based on history of default and claims. Expected credit losses are reassessed at each reporting date. An assessment has been conducted on provisions carried under IAS 39 as at September 2018 and concluded that there are no material differences to expected credit losses to be recognised under IFRS 9. Accordingly, no restatement to retained earnings is considered necessary.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
3. REVENUE		
The main categories of revenue are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	**4 032 172**	3 944 346
Fishmeal and fish oil (USA)	**1 721 044**	1 789 118
Horse mackerel, hake and other	**1 504 466**	1 467 577
Rendering of services		
Commercial cold storage and logistics	**371 452**	421 396
Other non-trade revenue		
Canned fish and fishmeal (Africa)	**6 368**	15 761
Horse mackerel and hake	**9 970**	7 290
Commercial cold storage and logistics	**1 943**	11 823
	7 647 415	7 657 311

Note:

[1] *Other non-trade revenue includes commission, quota fees received and rental income.*

4. SEGMENTAL RESULTS

Audited 2019 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake and other R'000	Commercial cold storage and logistics R'000	Financing[3] R'000	Total R'000
Operating results						
Revenue	4 038 540	1 721 044	1 514 436	373 395		7 647 415
Operating profit before other operating items	450 591	359 102	303 172	62 460		1 175 325
Other operating items	(14 293)		(1 108)	(2 046)		(17 447)
Operating profit	436 298	359 102	302 064	60 414		1 157 878
Interest income	12 579	13 362	7 459	281		33 681
Interest expense	(207 830)	(80 435)	(5 970)	(312)		(294 547)
Profit before taxation	241 047	292 029	303 553	60 383		897 012
Taxation	(77 471)	(56 151)	(87 034)	(27 989)		(248 645)
Profit after tax for the year	163 576	235 878	216 519	32 394		648 367
The above profit for the year include the following:						
Depreciation and amortisation	35 634	95 258	65 250	14 251		210 393
Statement of financial position						
Total assets	2 429 689	6 982 621	579 020	220 846	588 022	10 800 198
Total liabilities	951 874	625 703	346 375	92 635	3 661 884	5 678 471
The above amounts of assets and liabilities includes the following:						
Interest in associate and joint ventures	72 731	229 323	1			302 055

2019 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]	4 192 618	742 597	1 307 645	1 179 074	200 465	25 016	7 647 415
Non-current assets[2]	880 117		5 703 713				6 583 830

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

for the year ended September 2019

4. SEGMENTAL RESULTS (CONTINUED)

Audited 2018 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake and other R'000	Commercial cold storage and logistics R'000	Financing[3] R'000	Total R'000
Operating results						
Restated Revenue	3 960 107	1 789 118	1 474 867	433 219		7 657 311
Operating profit before other operating items	436 710	392 638	287 827	71 732		1 188 907
Other operating items		(25 588)	3 497	8 000		(14 091)
Operating profit	436 710	367 050	291 324	79 732		1 174 816
Interest income	32 275	1 544	6 942	6		40 767
Interest expense	(226 241)	(99 814)	(5 942)	(535)		(332 532)
Profit before taxation	242 744	268 780	292 324	79 203		883 051
Taxation	(68 937)	194 012	(95 338)	(30 547)		(810)
Profit after tax for the year	173 807	462 792	196 986	48 656		882 241
The above profit for the year includes the following:						
Depreciation and amortisation	62 465	95 828	88 450	21 963		268 706
Statement of financial position						
Total assets	2 242 490	6 476 246	561 678	281 922	1 137 145	10 699 481
Total liabilities	951 999	753 516	388 836	103 592	3 779 569	5 977 512
The above amounts of assets and liabilities include the following:						
Interest in associate and joint ventures	89 258	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
Restated Revenue[1]	3 866 735	778 539	1 199 893	1 161 660	432 238	218 246	7 657 311
Non-current assets[2]	849 191		5 354 713				6 203 904

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 R1.3 billion (2018: R1.1 billion), horse mackerel, hake and other R44.0 million (2018: R33.2 million) and commercial cold storage and logistics R88.7 million (2018: R78.8 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.*

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
5. OTHER OPERATING (EXPENSE)/INCOME ITEMS		
Transaction costs[1]		(25 588)
Profit on disposal of fishing vessel	**3 303**	3 497
Impairment of loans[2]	**(17 596)**	
Impairment of property, plant and equipment	**(1 108)**	
Impairment of goodwill	**(1 276)**	
(Loss)/profit on disposal of business[3]	**(770)**	8 000
	(17 447)	(14 091)

Notes:

[1] *Transaction costs in the prior period relates to the extension of the Westbank Fishing Limited Liability Company ("Westbank") operating agreement and subsequent change of the Westbank majority shareholding.*

[2] *Loans impaired pertains to loans with Group's African Fishmeal and oil joint ventures Oceana Boa Pesca and Oceana Pesche International. The loans exhibited increased credit risk and are deemed to be credit impaired following management's decision to terminate the operations on the back of the decline in the sardinella resource in Angola.*

[3] *The R0.8 million relates to the loss on sale of the CCS V&A cold store assets. The R8.0 million in the prior period 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.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
6. TAXATION		
Current taxation	**208 586**	240 950
Current year	**222 023**	254 820
Capital gains tax		1 794
Withholding tax	**9 786**	9 943
Adjustments in respect of previous years	**(23 223)**	(25 607)
Deferred taxation	**40 059**	(240 140)
Current year	**37 306**	(1 271)
Adjustments in respect of previous years	**2 753**	(1 049)
Adjustments in respect of change in tax rate[1]		(237 820)
	248 645	810

Notes:

[1] *The adjustment in the prior year 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%.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*
for the year ended September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
7. DERIVATIVE ASSETS		
Non-current		
Interest rate caps and swaps held as hedging instruments		
Opening balance	**17 398**	1 837
Fair value adjustments recognised in profit or loss (ineffective portion)	**(303)**	(5 331)
Fair value adjustments recognised in other comprehensive income (effective portion)	**(19 699)**	20 139
Reclassified from derivative liability	**2 102**	207
Foreign currency translation adjustment	**502**	546
Closing balance		17 398
Interest rate caps		586
Interest rate swaps		16 812
		17 398

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.

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 (2018: R390 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. The interest rate swap and caps was reclassified to derivative liability during the year.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
8. DERIVATIVE LIABILITIES		
Non-current		
Opening balance		6 283
Loss/(gain) recognised in other comprehensive income	**7 803**	(6 148)
Transferred from profit and loss	**203**	
Reclassified from/(to) derivative asset	**2 102**	(207)
Foreign currency translation adjustment	**212**	72
Closing balance	**10 320**	
Interest rate caps	**118**	
Interest rate swaps	**10 202**	
Current		
Opening balance		164 181
Loss recognised in profit or loss		34 577
Put option exercised		(202 899)
Foreign currency translation adjustment		4 141
Closing balance		

8. DERIVATIVE LIABILTIES (CONTINUED)

The notional principal amount of the US interest rate swaps at 30 September 2019 amounts to R1 712 million (2018: R1 471 million). This comprises hedges on the term debt of R1 712 million (2018: R1 471 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%. The interest rate swap was reclassified from derivate assets during the year.

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. The notional principle amounts to R920 million, this comprises term debt of R482 million at a swap rate of between 7.05% and 7.09%.

Gains and losses on the interest rate swaps 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 loss of R7.8 million (2018: gain R6.1 million) was recognised in other comprehensive income.

The carrying amounts of all other financial assets and liabilities approximate their fair values at year end.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
9. DISPOSAL OF BUSINESSES		
9.1 V&A Cold Storage (CCS)		
The group disposed of the V&A cold store assets within the commercial cold storage and logistics segment on the 11 January 2019 and 28 February 2019.		
Assets disposed		
Property, plant and equipment	**8 270**	
Release of goodwill	**10 000**	
	18 270	
Proceeds received	**17 500**	
Net loss on disposal of non-current assets held for sale	**(770)**	
9.2 Linebooker transport business (CCS)		
In the prior year group disposed of the commercial cold storage Linebooker transport business.		
Proceeds received		8 000
Net profit on disposal of business		8 000

10. DEBT REFINANCED

During the year the US term facility was refinanced and increased to USD118million. The facility has been structured as amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. During the prior 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 R15.8 million (2018: R2.2 million) was incurred.

11. NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents	**588 036**	1 015 060

In the prior year 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. The funds were settled in full to the Stockholder Representative on 4 February 2019.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

for the year ended September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
12. DETERMINATION OF HEADLINE EARNINGS		
Profit after taxation attributable to shareholders of Oceana Group Limited	**617 616**	857 831
Adjusted for:		
Impairment of capital loans	**7 887**	
Impairment of property, plant and equipment and intangibles	**2 384**	
Headline earnings adjustments – joint venture	**7 903**	(72)
Loss/(profit) on disposal of business	**770**	(8 000)
Net profit on disposal of property, plant and equipment and intangible assets	**(3 040)**	(3 491)
Total non-controlling interest on above	**74**	(3)
Total tax effect of adjustments	**2 772**	2 793
Headline earnings for the year	**636 366**	849 058
Headline earnings per share (cents)		
– Basic	**544.3**	727.1
– Diluted	**500.9**	667.7
13. DIVIDENDS		
Estimated dividends declared after reporting date	**280 710**	355 300
Dividends per share (cents)	**363.0**	416.0
Number of shares in issue net of treasury shares	**116 962**	116 875
14. SUPPLEMENTARY INFORMATION		
Amortisation	**39 443**	59 315
Depreciation	**170 950**	209 391
Operating lease charges	**105 821**	110 400
Share-based expenses	**10 891**	9 958
Cash-settled compensation scheme	**(1 407)**	(2 498)
Equity-settled compensation scheme	**12 298**	12 456
Capital expenditure	**228 146**	163 742
Replacement	**228 146**	163 742
Budgeted capital commitments	**375 471**	318 086
Contracted	**26 822**	23 218
Not contracted	**348 649**	294 868

	Audited number of shares '000	Audited number of shares '000
15. ELIMINATION OF TREASURY SHARES		
Weighted average number of shares in issue	**135 526**	135 526
Less: Weighted average treasury shares held by share trusts	**(13 522)**	(13 654)
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	**116 910**	116 778
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	**127 043**	127 164

16. RELATED-PARTY TRANSACTIONS

In the prior year Makimry Patronus Limited Liability Company ("Makimry"), a U.S. 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.

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.

17. CONTINGENT LIABILITIES AND GUARANTEES

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

During the prior reporting period a customer of the Commercial Cold Storage Proprietary Limited sent a letter of demand for alleged damages suffered to their products. The amount claimed in the letter of demand is R24.4 million. The claim was settled out of court on commercially favourable terms in the current reporting period.

18. 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 2019 or require separate disclosure in these financial statements.

COMMENTS

FINANCIAL RESULTS

The group has delivered a solid operating performance for the year in the face of tough global economic conditions and environmental headwinds. Strong demand for canned fish, horse mackerel and hake resulted in good performance in these segments while reduced landings due to adverse weather conditions curtailed the performance of our fishmeal and fish oil segment in both South Africa and the United States of America (USA).

Group revenue remained flat for the year at R7 647 million (2018: R7 657 million). Revenue from Africa operations increased by 1.0%, underpinned by volume growth of 8% in canned fish and 8% increase in horse mackerel and hake pricing. This growth was negatively impacted by a decline in South African fishmeal and oil revenues due to lower landings. The Daybrook operations in the USA delivered a 3.8% decline in revenue impacted by a slow start to the 2019 fishing season mitigated by improved pricing for the year. US Dollar revenue for 2019 was converted at an average exchange rate of R14.60/USD compared to R13.42/USD for the comparative year.

Group operating profit before other operating items decreased 1.1% to R1 175 million (2018: R1 189 million). Africa operations delivered a 2.5% increase in operating profit before other operating items arising from the volume and price growth in canned fish, growth in pricing for horse mackerel and hake, the impact of operational efficiencies on production costs together with a favourable movement in net foreign exchange gains from R19 million in 2018 to R30 million this year.

Other operating expenses of R17 million (2018: R14 million) relate mainly to impairment of loans and assets in relation to the Angolan Operations that have been mothballed (R20 million) offset by profit on disposal of assets.

Net interest expense related to finance costs on facilities and long-term borrowings has reduced by 10.6 % for the year to R261 million (2018: R292 million). The average interest rate for all debt is currently 6.8% (2018: 7.2%).

Group profit before taxation increased by 1.6% to R897 million (2018: R883 million).

TAXATION

Taxation expense of R248 million for the year is materially higher than the comparative year (2018: R0.8 million). The 2018 financial year included a once-off release of deferred taxation 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 2018.

HEADLINE EARNINGS AND DIVIDEND

Primarily as a result of the once-off deferred tax adjustment, headline earnings for the year decreased by 25.1% compared to the prior year. Excluding the effect of the once-off deferred tax adjustment in the prior year, headline earnings increased by 4.1%.

A final dividend of 240 cents (2018: 304 cents) per share has been declared which together with the interim dividend of 123 cents (2018: 112 cents) per share brings the total dividend for the year to 363 cents (2018: 416 cents) per share.

FINANCIAL POSITION AND CASH FLOW

Notwithstanding the year-on-year decline in cash generated from operations to R1 042 million (2018: R1 303 million) overall cash performance remained relatively strong. At year-end the group had positive cash balances of R588 million (2018: R1 015 million) of which R515 million (2018: R681 million) is held in dollar denominated accounts including USD26 million (R395 million) being held in the USA.

In September we refinanced and increased our US term facility to USD118 million (2018: USD113 million). The facility was refinanced as a 5 year, amortisation facility with final settlement due on 30 September 2024. Improved terms and conditions were negotiated, and the refinance also provided a more favourable pricing margin range.

REVIEW OF OPERATIONS

Canned fish and fishmeal (Africa)

Due to strong demand and favourable pricing, sales volumes in the canned fish business increased to 9.5 million cartons (2018: 8.8 million cartons). This was achieved primarily in the Southern African market which consumes approximately 96% of all volumes and achieved 8% volume growth for the year.

Due to a continued reduction in the SA pilchard Total Allowable Catch (TAC) and a moratorium on pilchard fishing in Namibia, canned fish production was primarily driven by supply of imported frozen fish from various geographies. For the year under review we procured 106 224 tons of frozen fish (2018: 103 490 tons) resulting in consistent supply to own and third-party canneries.

Driving cannery and supply chain efficiencies continues to be a focal point, resulting in increased throughput, improved labour productivity and overall cost containment. These production savings mitigated the impact of the weaker exchange rate on the cost of imported frozen fish.

Operating performance in the canned fish segment increased significantly.

Extended winter weather patterns affected landings of industrial fish to the group's fishmeal plants in South Africa resulting in a volume decline of 20% on the prior year In Angola the continued challenging catch rates, location of the resource and difficult operating environment resulted in a decision to mothball the operation for the 2019 fishing season resulting in impairment which affected profitability for the year.

Fishmeal and fish oil (USA)

As a result of historically high rainfalls in the US Mid-West prior to the start of the fishing season, fresh-water levels in our traditional fishing grounds were substantially higher than normal negatively impacting early landings of Gulf Menhaden. A strong mid-season aided by good plant capacity resulted in an improvement in overall landings to 685 million fish for the season, in line with the five year average and well above our original investment case assumptions. These volumes are, however, down by 14% on the prior year

An increase in capital investment in the 2019 closed season has resulted in significant improvements in plant capacity and volume throughput. During this season the highest recorded week improved by 7% on the prior year and overall production capacity has increased by 20%

Daybrook production of 51 605 tons fishmeal (2018: 63 966 tons) and 16 746 tons fish oil (2018: 23 650 tons) for the year resulted in a combined production yield of 33.4% (2018: 34.8%). Oil yields at 8.2% (2018: 9.5%) have not yet restored to historical averages due to the impact of higher water levels on access to larger fish.

Sales prices achieved by Daybrook have improved over the year with our US petfood strategy, yielding improved margins and reduced exposure to price volatility. Global demand remains positive over the longer term but has been suppressed in the current year due to the negative impacts on pork farming consumption caused by the Swine Fever outbreak in China.

The overall positive operational performance of Daybrook was muted by the reduction in landed volumes. As a result revenue declined by 4% to R1 721 million (2018: R1 789 million) and operating profit decreased to R359 million (2018: R367 million).

During the year the Gulf Menhaden Fishery received the Marine Stewardship Council (MSC) certification in acknowledgement of the sound management and sustainability of the Gulf Menhaden resource.

Although Daybrook has had a challenging year from a volume point of view the business continues to deliver healthy operating margins with consistent cash generation.

COMMENTS *(CONTINUED)*

Horse mackerel, hake, lobster and squid

Our horse mackerel segment delivered good growth for the year aided by strong demand and the positive impact of a weaker exchange rate.

In South Africa, the Precautionary Maximum Catch Limit (PMCL) for targeted catch of horse mackerel increased by 9% to 27 760 tons (2018: 25 500 tons). Quota available to Oceana through own and joint venture allocations remained in line with 2018. Subsequent to the outcomes of appeal process published in terms of the 2016 SA Horse Mackerel Fishing Rights Application Process (FRAP), Oceana together with other industry players decided to challenge the allocation methodology.

Landings of South African Horse Mackerel were impacted by poor winter catch rates and fewer available fishing days due to scheduled dry-dock repairs. Demand remains strong reducing the impact on performance of lower sales volumes.

Our hake segment delivered a stellar performance for the year The 2019 hake offshore TAC increased by 10% to 120 423 tons (2018: 111 294 tons). Revenue and operating profit increased significantly driven by improved vessel utilisation, larger size mix and , strong demand for MSC certified hake further supported by a weaker exchange rate.

The 2019 TAC for West Coast Rock Lobster (WCRL) reduced substantially to 1 084 tons (2018:1 924 tons), in response we reduced the number of fishing vessels and operational sites and actively pursued third party quota for catching, processing and marketing. The full 2019 quota allocation was harvested this year.

The squid business reported a significant decline in catch levels this year *versus* the previous four consecutive strong years' negatively impacting operational efficiencies. Sales pricing remained favourable and benefited from a weaker exchange rate.

Commercial cold storage and logistics (CCS)

The CCS business played a critical role in enabling the supply of frozen fish to Lucky Star resulting in higher occupancies in the Western Cape region but reduced third party sales, impacting margins for the segment.

On an overall basis the business continued to experience the effect of a subdued local economy , low occupancy levels in Walvis Bay, and the closure of Angolan operations following increased government import duties.

DIRECTORATE CHANGES

Mr Aboubakar Jakoet was appointed as a non-executive director with effect from 14 November 2019. The board wishes Aboubakar well in his new role.

PROSPECTS

In our canned fish segment the focus will remain on driving production efficiencies while continuing to seek volume growth, by maintaining supply and affordability.

In the US and Africa fishmeal and oil businesses our focus will be on ensuring improved utilisation of fleet and land based facilities to help improve catch rates, while increasing sales pricing through a global sales and distribution strategy. In the US specifically, during the course of next season, we expect to add an additional vessel and commence fishing on weekends. We maintain our demand assumptions for fishmeal and oil over the longer term.

In South Africa and Namibia there will be continued engagement with regulators in both countries to ensure that ongoing transformation activities are sufficiently aligned with government expectations. Oceana has recently received the accolade of most empowered food producer on the JSE. As a level 1 BBB-EE contributor we are proud of this achievement which will help further enhance our credentials for strong quota renewal in the 2021 FRAP process. In Namibia we have recently concluded the sale of 30% of our cold storage facility to our Namibian staff trust in a transformational transaction for the Namibian fishing sector.

On 8th September 2019 the Ministerial Cabinet took a decision to extend the fishing rights allocation process (FRAP 2020) in the 12 commercial fishing sectors, which includes the SA small pelagic, Hake Deep Sea trawl, Squid and South Coast Rock Lobster sectors by a year to 31 December 2021. Information relating to the above is expected to be communicated to the industry in due course.

Any forward-looking statements set out in this announcement have not been reviewed or reported on by the auditors.

On behalf of the board

MA Brey
Chairman (non-executive)

I Soomra
Chief executive officer

Cape Town

14 November 2019

By order of the board

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 151. A gross final dividend amounting to 240 cents per share, in respect of the year ended 30 September 2019, was declared on Thursday, 14 November 2019, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 20% will result in a net dividend amounting to 192 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, 17 December 2019
Commence trading *ex* dividend	Wednesday, 18 December 2019
Record date	Friday, 20 December 2019
Dividend payable	Monday, 23 December 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 December 2019, and Friday, 20 December 2019, both dates inclusive.

A Fortune
Company secretary
14 November 2019

DIRECTORATE AND STATUTORY INFORMATION

Directors:	MA Brey (chairman), I Soomra* (chief executive officer), E Bosch* (chief financial officer) ZBM Bassa, PG de Beyer, S Pather, NA Pangarker, L Sennelo, NV Simamane, A Jakoet (*Executive)
Registered Office:	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
Transfer Secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 62053, Marshalltown, 2107)
Sponsor – South Africa:	The Standard Bank of South Africa Limited
Sponsor – Namibia:	Old Mutual Investment Services (Namibia) Proprietary Limited
Auditors:	Deloitte & Touche
Company Secretary:	A Fortune
JSE share code:	OCE
NSX share code:	OCG
ISIN:	ZAE000025284