OCEANA GROUP LIMITED

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

INTERIM REPORT

and dividend declaration for the six months ended **31 March 2007**

The unaudited results of the group for the six months ended 31 March 2007 are set out herein. This report has been prepared in compliance with International Financial Reporting Standards (IFRS) applicable to Interim Financial Reporting (IAS 34) and in accordance with the principles applied in the most recently published annual financial statements.

COMMENTS

Financial results

Headline earnings per share for the six months ended 31 March 2007 increased by 40% compared to those of the first half of last year. Earnings per share for the same period were 50% higher mainly as a result of the profit on disposal of Tuna Marine less impairment provisions raised.

Although turnover decreased by 5%, operating profit before abnormal items increased by 26%. The major contributing factors to the improved margins were higher export prices and good catches in the horse mackerel, lobster and fishmeal sectors. Headline earnings increased by 25%.

The weighted average number of shares in issue was lower due to the shares held by the black employee share trust (Khula Trust) being treated as treasury shares. This contributed to higher earnings on a per share basis.

An interim dividend of 19.0 cents per share has been declared (2006: 15.0 cents per share).

Review of operations

Inshore Fishing

The 2007 total allowable catch (TAC) for pilchard was reduced to 162 436 tons (2006: 204 000 tons). Pilchard landings improved on last year but are still insufficient to meet consumer demand. Fish is being caught on the south and east coasts with good catches made recently along the west coast. Canning yields were poor, particularly at the beginning of the season but have since improved. Pilchard fishing has not commenced in Namibia where the announcement of a provisional TAC is awaited (2006: no landings against the 25 000 ton TAC).

Sales volumes of Lucky Star canned fish on the domestic market decreased significantly compared to the previous year due to the shortage of supply. In the UK, Glenryck Foods also experienced pilchard procurement difficulties and performance was below that of the prior year.

Overall, profitability from canned fish was considerably lower than in the same period last year.

Fishmeal operations recorded a profit for the six months due to significantly higher prices achieved in export markets. Landings of industrial fish were higher comprising mainly red-eye herring. The anchovy A season TAC for 2007 is 186 942 tons (2006: 212 251 tons) and is normally landed in the winter months. Selling prices for fishmeal are expected to be maintained in the second half.

The TAC for west coast lobster was reduced to 2 774 tons (2006: 3 174 tons). The uncaught quota from 2006 was carried forward for catching in 2007. Oceana quota available amounts to 551 tons (2006 actual catch: 366 tons). To date lobster landings have been good and production costs per unit were lower mainly as a result of higher volumes. Export prices were higher and the weaker rand exchange rate further increased sales realisations resulting in improved profitability.

Squid catches were below those of last year. Higher market prices and the reversal of certain provisions resulted in increased profits.

Midwater and deep-sea fishing

Although turnover declined due to lower volumes of horse mackerel sourced from external fleets, selling prices remained at high levels. Horse mackerel catches were higher and vessel costs per day reduced. Overall operating profit from horse mackerel was higher than last year.

Results from hake operations showed an improvement mainly as a consequence of better fishing conditions and higher prices offset by the effect of lower quotas.

Cold storage

The cold storage division experienced higher volumes handled through the stores but shorter dwell times resulted in lower revenue. Profits were substantially lower.

Long-term commercial fishing rights

Certain subsidiaries are involved in a number of review applications brought in the High Court by various parties regarding the allocations of long-term fishing rights. Completion of this legal process is expected to take some time.

Directorate

On 8 February 2007, Ms L Ruthilal resigned and Mrs ABA Conrad was appointed to the board.

On 11 May 2007, Mr F Robertson was appointed to the board.

Prospects

Headline earnings for the full year are expected to exceed those of last year. Second half earnings growth is expected to be at a lower rate than that of the first half.

On behalf of the board.

MA Brey
Chairman

AB Marshall
Chief Executive Officer

11 May 2007

CONDENSED GROUP INCOME STATEMENT

	Note	Unaudited Six months ended 31 March 2007 R'000	2006 R'000	Change %	Audited Year ended 30 Sept 2006 R'000
Revenue		**1 136 345**	1 197 087	(5)	2 544 558
Operating profit before abnormal items		**66 312**	52 606	26	183 325
Abnormal items	1	**2 962**	710		(5 882)
Operating profit		**69 274**	53 316	30	177 443
Dividends received and accrued		**7 816**	422		6 151
Net interest received		**5 334**	15 420		23 340
Profit before taxation		**82 424**	69 158	19	206 934
Taxation		**27 091**	27 645	(2)	70 088
Profit after taxation		**55 333**	41 513	33	136 846
Attributable to:					
Shareholders of Oceana Group Limited		**51 564**	38 500	34	129 791
Outside shareholders in subsidiaries		**3 769**	3 013	25	7 055
		55 333	41 513	33	136 846
Weighted average number of shares on which earnings per share are based (000's)	2	**100 764**	113 036		113 099
Adjusted weighted average number of shares on which diluted earnings per share are based (000's)		**100 921**	113 358		113 426
Earnings per share (cents)					
Basic		**51.2**	34.1	50	114.8
Diluted		**51.1**	34.0	50	114.4
Dividends per share (cents)		**19.0**	15.0	27	74.0
Headline earnings per share (cents)					
Basic		**46.7**	33.2	40	112.8
Diluted		**46.6**	33.1	41	112.5

CONDENSED GROUP BALANCE SHEET

	Unaudited 31 March 2007 R'000	2006 R'000	Audited 30 Sept 2006 R'000
Assets			
Non-current assets	**490 911**	381 088	511 305
Property, plant and equipment	**299 820**	276 538	316 457
Goodwill	**22 434**	17 271	21 911
Fishing rights and trademarks	**36 015**	32 139	40 109
Deferred taxation	**13 174**	11 380	12 850
Investments and loans	**119 468**	43 760	119 978
Current assets	**765 065**	916 616	826 327
Inventories	**249 738**	204 549	219 224
Accounts receivable	**352 905**	298 597	403 486
Non-current assets held for sale	**1 100**	1 200	4 950
Cash and cash equivalents	**161 322**	412 270	198 667
Total assets	**1 255 976**	1 297 704	1 337 632
Equity and liabilities			
Capital and reserves			
Share capital and premium	**138**	64 792	101
Foreign currency translation reserve	**24 441**	(1 673)	23 018
Share-based payment reserve	**13 920**	9 647	11 232
Capital redemption reserve	**90**	90	90
Distributable reserves	**726 805**	799 164	760 569
Interest of own shareholders	**765 394**	872 020	795 010
Interest of outside shareholders	**26 039**	22 451	23 820
Total equity	**791 433**	894 471	818 830
Non-current liabilities	**33 119**	29 841	30 961
Liability for share-based payments	**2 517**	238	1 087
Deferred taxation	**30 602**	29 603	29 874
Current liabilities	**431 424**	373 392	487 841
Accounts payable and provisions	**368 356**	325 432	415 895
Bank overdrafts	**63 068**	47 960	71 946
Total equity and liabilities	**1 255 976**	1 297 704	1 337 632
Number of shares in issue net of treasury shares (000's)	**99 971**	113 166	101 493
Net asset value per ordinary share (cents)	**766**	771	783
Total liabilities excluding deferred taxation:			
Total equity (%)	**55**	42	60
Total borrowings: Interest of own shareholders (%)	**8**	5	9

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 31 March 2007 R'000	2006 R'000	Audited Year ended 30 Sept 2006 R'000
Balance at the beginning of the period	**818 830**	916 344	916 344
Shares issued	**11 893**	9 309	9 377
(Increase)/decrease in treasury shares	**(36 740)**	3	(177 763)
Movement on foreign currency translation reserve	**1 423**	(5 551)	19 140
Movement on share-based payment reserve	**2 688**	1 031	2 613
Net profit after taxation for the period	**55 333**	41 513	136 846
(Loss)/profit on sale of treasury shares	**(26)**	105	205
Dividends declared	**(61 968)**	(68 283)	(87 932)
Balance at the end of the period	**791 433**	894 471	818 830
Comprising:			
Share capital and premium	**138**	64 792	101
Foreign currency translation reserve	**24 441**	(1 673)	23 018
Share-based payment reserve	**13 920**	9 647	11 232
Capital redemption reserve	**90**	90	90
Distributable reserves	**726 805**	799 164	760 569
Outside shareholders' interest	**26 039**	22 451	23 820
Total	**791 433**	894 471	818 830

CONDENSED GROUP CASH FLOW STATEMENT

	Unaudited Six months ended 31 March 2007 R'000	2006 R'000	Audited Year ended 30 Sept 2006 R'000
Cash flows from operating activities			
Operating profit before abnormal items	**66 312**	52 606	183 325
Adjustment for non-cash items	**33 328**	22 222	60 777
Operating cash flows before working capital changes	**99 640**	74 828	244 102
Working capital changes	**(20 739)**	84 435	50 606
Cash generated from operations	**78 901**	159 263	294 708
Interest and dividends received	**11 118**	18 148	34 651
Interest paid	**(3 167)**	(2 306)	(5 160)
Taxation paid	**(33 167)**	(13 592)	(46 960)
Dividends paid	**(64 080)**	(68 498)	(86 034)
Net cash (outflow)/ inflow from operating activities	**(10 395)**	93 015	191 205
Cash inflow/(outflow) from investing activities	**5 330**	(14 164)	(167 811)
Capital expenditure	**(13 792)**	(18 413)	(94 276)
Proceeds on disposal of property, plant and equipment	**1 236**	1 388	1 639
Proceeds on disposal of fishing rights	**3 366**	225	227
Net movement on loans and advances	**5 708**	3 077	12 789
Investment in preference shares	**–**	–	(88 000)
Disposal of businesses	**7 830**	–	–
Cash-related abnormal items and other	**982**	(441)	(190)
Net cash flows (applied to)/from financing activities	**(22 338)**	1 617	(174 894)
Proceeds from issue of share capital	**11 894**	9 312	9 377
Proceeds on sale of treasury shares	**27**	105	264
Acquisition of treasury shares	**(36 794)**	–	(177 822)
Short-term borrowings raised/(repaid)	**2 535**	(7 800)	(6 713)
Net (decrease)/increase in cash and cash equivalents	**(27 403)**	80 468	(151 500)
Cash and cash equivalents at the beginning of the period	**126 721**	283 195	283 195
Effect of exchange rate changes	**(1 064)**	647	(4 974)
Cash and cash equivalents at the end of the period	**98 254**	364 310	126 721

DIVIDEND DECLARATION

Notice is hereby given that an interim dividend, No. 127 of 19.0 cents per share, in respect of the year ending 30 September 2007, was declared on Friday 11 May 2007. Relevant dates are as follows:

Last day to trade cum dividend	–	Friday 22 June 2007
Commence trading ex dividend	–	Monday 25 June 2007
Record date	–	Friday 29 June 2007
Dividend payable	–	Monday 2 July 2007

Share certificates may not be dematerialised or rematerialised between Monday 25 June 2007 and Friday 29 June 2007, both dates inclusive.

By order of the board

JD Cole
Secretary

11 May 2007

GROUP SEGMENTAL REPORT

	Unaudited Six months ended 31 March 2007 R'000	2006 R'000	Audited Year ended 30 Sept 2006 R'000
Revenue			
Inshore Fishing	**620 011**	611 335	1 318 949
Midwater and Deepsea Fishing	**458 006**	524 418	1 071 362
Commercial Cold Storage	**58 328**	61 334	154 247
Total	**1 136 345**	1 197 087	2 544 558
Operating profit before abnormal items			
Inshore Fishing	**12 616**	(3 706)	77 939
Midwater and Deepsea Fishing	**43 440**	37 500	46 705
Commercial Cold Storage	**10 256**	18 812	58 681
Total	**66 312**	52 606	183 325
Total assets			
Inshore Fishing	**571 650**	408 386	563 887
Midwater and Deepsea Fishing	**228 257**	299 166	264 306
Commercial Cold Storage	**162 105**	122 742	177 944
Financing	**280 790**	456 030	318 645
	1 242 802	1 286 324	1 324 782
Deferred taxation	**13 174**	11 380	12 850
Total	**1 255 976**	1 297 704	1 337 632
Total liabilities			
Inshore Fishing	**256 163**	208 980	278 909
Midwater and Deepsea Fishing	**85 726**	87 329	90 756
Commercial Cold Storage	**20 825**	22 848	41 693
Financing	**71 227**	54 473	77 570
	433 941	373 630	488 928
Deferred taxation	**30 602**	29 603	29 874
Total	**464 543**	403 233	518 802

NOTES

	Unaudited Six months ended 31 March 2007 R'000	2006 R'000	Audited Year ended 30 Sept 2006 R'000
1. Abnormal items			
Provision for impairment losses	**(4 686)**	–	–
Profit on change of interest in subsidiary/ joint ventures	**8 812**	–	283
Provision in respect of utilisation of pension fund surplus	**(1 164)**	–	(6 842)
Surplus on disposal of property, plant and equipment	**–**	485	450
Surplus on disposal of fishing rights	**–**	225	227
Abnormal profit/(loss) before taxation	**2 962**	710	(5 882)
Taxation	**628**	(8)	1 954
Abnormal profit/(loss) after taxation	**3 590**	702	(3 928)
	Number of shares '000	Number of shares '000	Number of shares '000
2. Elimination of treasury shares			
Weighted average number of shares in issue	**116 689**	113 264	113 325
Less: treasury shares held by share trusts	**(14 383)**	(228)	(226)
Less: treasury shares held by subsidiary company	**(1 542)**	–	–
Weighted average number of shares on which earnings per share and headline earnings per share are based	**100 764**	113 036	113 099
	R'000	R'000	R'000
3. Determination of headline earnings			
Profit after taxation attributable to own shareholders	**51 564**	38 500	129 791
Adjusted for:			
Provision for impairment losses	**3 916**	–	–
Profit on change of interest in subsidiaries/ joint ventures	**(8 333)**	–	(283)
Net surplus on disposal of property, plant and equipment	**(114)**	(700)	(596)
Net surplus on disposal of fishing rights	**–**	(225)	(227)
Insurance proceeds for damaged vessel	**–**	–	(1 104)
Headline earnings for the period	**47 033**	37 575	127 581
4. Dividends			
Estimated dividend declared after reporting date	**18 995**	16 975	59 881
Dividend on shares issued prior to last day to trade		–	537
Actual dividend declared after reporting date		16 975	60 418
5. Supplementary information			
Cost of sales	**808 350**	885 425	1 805 035
Depreciation	**29 367**	26 304	57 315
Operating lease charges	**9 397**	7 200	17 470
Foreign exchange profit	**(666)**	(1 006)	(9 838)
Capital expenditure	**13 792**	18 413	94 276
Expansion	**–**	8 555	62 456
Replacement	**13 792**	9 858	31 820
Capital commitments	**35 536**	89 989	63 144
Contracted	**7 177**	41 717	2 124
Approved	**28 359**	48 272	61 020

Directors: MA Brey *(chairman)*, RA Williams *(vice chairman)*, AB Marshall* *(chief executive officer)*, ABA Conrad*, N Dennis, NP Doyle, Z Fuphe, RG Nicol*, S Pather, F Robertson
(Executive)*

Registered office: 16th Floor Metropolitan Centre, 7 Coen Steytler Avenue, Cape Town 8001

Transfer secretaries: Computershare Investor Services 2004 (Pty) 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) (Pty) Limited

Company secretary: JD Cole

JSE share code: OCE

NSX share code: OCG

ISIN number: ZAE000025284

COMPRESS PB3258