

Interim report and dividend declaration for the six months ended 31 March 2006

The unaudited results of the group for the six months ended 31 March 2006 are set out herein.

This report has been prepared in compliance with International Financial Reporting Standards (IFRS) which were adopted with effect from 1 October 2005. The previous year's figures, which were prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP), have been restated in accordance with IFRS.

Comments

Financial results

Headline earnings per share for the six months ended 31 March 2006 increased by 14% compared to those of the first half of the previous year. Earnings per share for the same period were 90% higher than the previous year mainly as a result of the non-recurrence in 2006 of significant restructuring and closure costs of the Namibian whitefish operations in 2005.

Group turnover decreased by 3% whilst operating profit before abnormal items was in line with last year.

Net cash balances increased by R81 million since year end mainly as a result of the further reduction in working capital.

An interim dividend of 15.0 cents per share has been declared. (2005: 15.0 cents per share).

Allocation of Long Term Commercial Fishing Rights

Initial allocations in all the sectors in which the group is active have been awarded. These allocations are subject to the outcome of a process of appeals.

Review of operations

Inshore Fishing

The 2006 Total Allowable Catch (TAC) for pilchard was reduced to 204 000 tons (2005: 397 000 tons). Pilchard landings were significantly lower than last year mainly due to fish being available only on the south and east coasts. Consequently a larger proportion of fish was transported by road from Mossel Bay to the cannery at St Helena Bay which increased the overall cost of production. Strikes in December by cannery workers and in February by crew on the vessels also impacted negatively on production levels. Pilchard fishing has not yet commenced in Namibia where the announcement of a provisional TAC is awaited (2005: final TAC 25 000 tons).

Sales volumes of Lucky Star canned fish on the domestic market decreased compared to the previous year due to stock shortages as a consequence of lower landings and production. Glenryck UK performed well and achieved increased sales volumes in the UK market.

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

Fish meal operations recorded a loss for the six months ended 31 March 2006 due to significantly lower industrial fish landings. The anchovy TAC for 2006 is 212 251 tons (2005: 215 000 tons) and is normally landed in the winter months. Sales volumes were lower than the previous year. Prices were slightly firmer and are expected to be maintained in the second half.

The west coast lobster TAC was reduced to 3 173 tons (2005: 3 527 tons). Although dispensation was given by Marine & Coastal Management for the lobster fishing season to commence prior to the announcement of long term rights, catches were behind those of last year due to certain regulatory delays and lower catch rates. Production costs per unit were higher mainly as a result of the lower volumes landed. Whilst export prices improved considerably on those of last year, earnings from lobster were nevertheless lower. Landing of the full

lobster quota may not be achieved if the long term fishing rights allocation process is not completed well before the close of the season.

Squid catches were slightly above those of last year. Market prices improved and an increased profit contribution was achieved.

Midwater and Deep-sea Fishing

Selling prices for Namibian horse mackerel were at very high levels during the first quarter. However prices have subsequently reduced following increased supply out of Mauritania to the major African markets. High fuel prices continued to impact negatively on fishing costs. The company owned vessel Desert Diamond performed well in South Africa. Trading in fish sourced from external fleets resulted in an increased contribution to that of the previous year. Overall results from midwater pelagic were substantially higher than last year.

The Group's earnings from hake continued to be affected by inconsistent catches and a large proportion of small fish resulting in lower prices. Profits were, however, higher than the previous year mainly due to a reduction in overhead costs.

The restructured tuna trading business recorded a profit compared to a loss last year.

Cold Storage and Logistics

The cold storage division experienced higher occupancy levels although volumes handled were slightly lower. Profits were substantially higher than those of last year.

Directorate

As reported earlier, Mr LT Langeni passed away suddenly on 06 February. The chairman Mr DMJ Ncube resigned on 09 February and was succeeded by Mr MA Brey. Mr RV Smither resigned on 31 March. Mr NP Doyle and Ms L Ruthilar were appointed to the board on 10 May 2006.

Prospects

Any earnings growth for the full year will be dependent on an improvement in pelagic fishing conditions.

On behalf of the board

MA Brey
Chairman

AB Marshall
Chief executive officer

10 May 2006

Group income statement

| Note | Unaudited Six months ended 31 March | | % | Audited Year ended 30 Sept |
|--|---|---------------------------|------------|----------------------------------|
| | 2006 R'000 | 2005 Restated R'000 | | 2005 Restated R'000 |
| Revenue | 1 197 087 | 1 230 712 | (3) | 2 576 513 |
| Operating profit before abnormal items | 52 606 | 52 723 | - | 180 672 |
| Abnormal items | 710 | (26 863) | | (27 830) |
| Operating profit | 53 316 | 25 860 | 106 | 152 842 |
| Dividends received | 422 | 1 | | 1 |
| Net interest received | 15 420 | 12 435 | | 26 607 |
| Profit before taxation | 69 158 | 38 296 | 81 | 179 450 |
| Taxation | 27 645 | 16 881 | 64 | 64 541 |
| Profit after taxation | 41 513 | 21 415 | 94 | 114 909 |
| Attributable to: | | | | |
| Shareholders of Oceana Group Limited | 38 500 | 19 938 | 93 | 107 491 |
| Outside shareholders in subsidiaries | 3 013 | 1 477 | 104 | 7 418 |
| | 41 513 | 21 415 | 94 | 114 909 |
| Number of shares in issue (000's) | 113 166 | 111 720 | | 112 104 |
| Weighted average number of shares on which earnings per share and headline earnings per share are based (000's) | 113 036 | 111 467 | | 111 525 |
| Adjusted weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based (000's) | 113 358 | 112 470 | | 112 246 |
| Earnings per share (cents) | | | | |
| Basic | 34.1 | 17.9 | 90 | 96.4 |
| Diluted | 34.0 | 17.7 | 92 | 95.8 |
| Headline earnings per share (cents) | | | | |
| Basic | 33.2 | 29.2 | 14 | 106.2 |
| Diluted | 33.1 | 28.9 | 15 | 105.5 |
| Dividends per share (cents) | 15.0 | 15.0 | - | 74.0 |

| DETERMINATION OF HEADLINE EARNINGS | | | |
|--|---------------|---------------|----------------|
| Attributable to own shareholders | 38 500 | 19 938 | 107 491 |
| Adjusted for: | | | |
| Net surplus on disposal of property and fishing rights | (702) | (2 075) | (2 364) |
| Net surplus on disposal of plant and equipment | (223) | 73 | (2 176) |
| Provision for loans, staff retrenchment and other closure costs in Namibian whitefish business | - | 10 115 | 14 201 |
| Impairment loss on property, plant and equipment in Namibian whitefish business | - | 5 580 | 5 580 |
| Impairment loss on other assets | - | - | 2 779 |
| Profit on change of interest in subsidiary/joint ventures | - | (1 125) | (7 103) |
| Headline earnings for the period | 37 575 | 32 506 | 118 408 |

Dividend declaration

Notice is hereby given that an interim dividend No. 125 of 15.0 cents per share, in respect of the year ending 30 September 2006, was declared on Wednesday 10 May 2006. Relevant dates are as follows:

| | |
|--------------------------------|------------------------|
| Last day to trade cum dividend | - Friday, 23 June 2006 |
| Commence trading ex dividend | - Monday, 26 June 2006 |
| Record date | - Friday, 30 June 2006 |
| Dividend payable | - Monday, 3 July 2006 |

Share certificates may not be dematerialised or rematerialised between Monday 26 June 2006 and Friday 30 June 2006, both dates inclusive.

By order of the board

JD Cole

Secretary

10 May 2006

Condensed statement of changes in equity

| | Unaudited Six months ended 31 March | | Audited Year ended 30 Sept |
|---|---|---------------------------|----------------------------------|
| | 2006 R'000 | 2005 Restated R'000 | 2005 Restated R'000 |
| Balance at the beginning of the period as previously reported | | 863 190 | 863 190 |
| IFRS adjustments (note 1) | | 4 632 | 4 632 |
| Balance at the beginning of the period restated | 916 344 | 867 822 | 867 822 |
| Shares issued | 9 309 | 11 881 | 14 420 |
| Decrease/(Increase) in treasury shares held by share trust | 3 | (75) | (336) |
| Movement on foreign currency translation reserve | (5 551) | (921) | (905) |
| Movement on share based payment reserve | 1 031 | 1 856 | 3 709 |
| Net profit for the period | 41 513 | 21 415 | 114 909 |
| Profit on sale of treasury shares | 105 | 189 | 238 |
| Dividends declared | (68 283) | (66 322) | (83 415) |
| Disposal of subsidiary - interest of outside shareholders | - | - | (98) |
| Balance at the end of the period | 894 471 | 835 845 | 916 344 |
| Comprising: | | | |
| Share capital and premium | 64 792 | 53 202 | 55 480 |
| Foreign currency translation reserve | (1 673) | 3 863 | 3 878 |
| Share based payment reserve | 9 647 | 6 763 | 8 616 |
| Capital redemption reserve | 90 | 90 | 90 |
| Distributable reserves | 799 164 | 756 496 | 827 320 |
| Outside shareholders' interest | 22 451 | 15 431 | 20 960 |
| Total | 894 471 | 835 845 | 916 344 |

Segment report

| | Unaudited 31 March | | Audited 30 Sept |
|---|-----------------------|------------------|--------------------|
| | 2006 | 2005 Restated | 2005 Restated |
| | R'000 | R'000 | R'000 |
| Revenue | | | |
| Inshore Fishing | 611 335 | 717 434 | 1 470 587 |
| Midwater and Deepsea Fishing | 524 418 | 448 681 | 939 091 |
| Commercial Cold Storage and Logistics | 61 334 | 64 597 | 166 835 |
| Total | 1 197 087 | 1 230 712 | 2 576 513 |
| Operating profit before abnormal items | | | |
| Inshore Fishing | (3 706) | 27 639 | 102 518 |
| Midwater and Deepsea Fishing | 37 500 | 7 196 | 16 867 |
| Commercial Cold Storage and Logistics | 18 812 | 17 888 | 61 287 |
| Total | 52 606 | 52 723 | 180 672 |
| Total assets | | | |
| Inshore Fishing | 408 386 | 540 757 | 640 913 |
| Midwater and Deepsea Fishing | 299 166 | 295 617 | 270 852 |
| Commercial Cold Storage and Logistics | 122 742 | 188 064 | 126 535 |
| Financing | 456 030 | 280 526 | 423 506 |
| | 1 286 324 | 1 304 964 | 1 461 806 |
| Deferred taxation | 11 380 | 18 965 | 15 256 |
| Total | 1 297 704 | 1 323 929 | 1 477 062 |
| Total liabilities | | | |
| Inshore Fishing | 208 980 | 261 325 | 335 015 |
| Midwater and Deepsea Fishing | 87 329 | 91 703 | 60 655 |
| Commercial Cold Storage and Logistics | 22 848 | 73 608 | 27 848 |
| Financing | 54 473 | 37 561 | 111 698 |
| | 373 630 | 464 197 | 535 216 |
| Deferred taxation | 29 603 | 23 887 | 25 502 |
| Total | 403 233 | 488 084 | 560 718 |

Group balance sheet

| | Unaudited 31 March | | Audited 30 Sept |
|--|-----------------------|------------------|--------------------|
| | 2006 | 2005 Restated | 2005 Restated |
| | R'000 | R'000 | R'000 |
| Assets | | | |
| Non-current assets | 381 088 | 422 793 | 396 071 |
| Property, plant and equipment | 276 538 | 299 143 | 285 052 |
| Goodwill | 17 271 | 18 219 | 18 302 |
| Fishing rights, trademarks | 32 139 | 36 195 | 34 536 |
| Deferred taxation | 11 380 | 18 965 | 15 256 |
| Investments and loans | 43 760 | 50 271 | 42 925 |
| Current assets | 916 616 | 901 136 | 1 080 991 |
| Inventories | 204 549 | 216 815 | 242 413 |
| Accounts receivable | 299 797 | 454 066 | 457 997 |
| Cash and cash equivalents | 412 270 | 230 255 | 380 581 |
| Total assets | 1 297 704 | 1 323 929 | 1 477 062 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital and premium | 64 792 | 53 202 | 55 480 |
| Non-distributable reserves | 8 064 | 10 716 | 12 584 |
| Distributable reserves | 799 164 | 756 496 | 827 320 |
| Interest of own shareholders | 872 020 | 820 414 | 895 384 |
| Interest of outside shareholders | 22 451 | 15 431 | 20 960 |
| Total equity | 894 471 | 835 845 | 916 344 |
| Non-current liabilities | | | |
| Deferred taxation | 29 603 | 23 887 | 25 502 |
| Current liabilities | 373 630 | 464 197 | 535 216 |
| Accounts payable and provisions | 325 670 | 440 949 | 437 830 |
| Bank overdraft | 47 960 | 23 248 | 97 386 |
| Total equity and liabilities | 1 297 704 | 1 323 929 | 1 477 062 |
| Net asset value per ordinary share (cents) | 771 | 734 | 799 |
| Total liabilities excluding deferred taxation: | | | |
| Interest of own shareholders (%) | 42 | 57 | 60 |
| Total borrowings: Interest of own shareholders (%) | 6 | 4 | 12 |

Group cash flow statement

| | Unaudited Six months ended 31 March | | Audited Year ended 30 Sept |
|---|---|------------------|----------------------------------|
| | 2006 | 2005 Restated | 2005 Restated |
| | R'000 | R'000 | R'000 |
| Cash flows from operating activities | | | |
| Operating profit | 52 606 | 52 723 | 180 672 |
| Adjustment for non-cash items | 22 222 | 27 718 | 63 898 |
| Cash operating profit before working capital changes | 74 828 | 80 441 | 244 570 |
| Working capital changes | 84 435 | 77 350 | 33 989 |
| Cash generated from operations | 159 263 | 157 791 | 278 559 |
| Interest and dividends received | 18 148 | 12 771 | 29 048 |
| Interest paid | (2 306) | (335) | (2 440) |
| Taxation paid | (13 592) | (22 222) | (62 366) |
| Dividends paid | (68 498) | (66 707) | (83 587) |
| Net cash inflow from operating activities | 93 015 | 81 298 | 159 214 |
| Cash outflow from investing activities | (14 164) | (10 956) | (16 119) |
| Net cash inflow before financing activities | 78 851 | 70 342 | 143 095 |
| Net cash flows from financing activities | 1 617 | 16 602 | 17 822 |
| Net increase in cash and cash equivalents | 80 468 | 86 944 | 160 917 |
| Cash and cash equivalents at the beginning of the period | 283 195 | 117 455 | 117 455 |
| Effect of exchange rate changes | 647 | 2 608 | 4 823 |
| Cash and cash equivalents at the end of the period | 364 310 | 207 007 | 283 195 |

Reconciliation of SA GAAP to IFRS (note 1)

| | 1 October 2004 R'000 | 31 March 2005 R'000 | 30 Sept 2005 R'000 |
|---|----------------------------|---------------------------|--------------------------|
| Equity | | | |
| Ordinary shareholders' interest as previously reported | 848 613 | 815 753 | 890 894 |
| IFRS adjustment: | | | |
| Recalculation of depreciation of property, plant and equipment, net of deferred taxation. | 4 828 | 4 661 | 4 490 |
| Ordinary shareholders' interest restated | 853 441 | 820 414 | 895 384 |
| Outside shareholders' interest as previously reported | 14 577 | 15 645 | 21 192 |
| IFRS adjustment: | | | |
| Recalculation of depreciation of property, plant and equipment, net of deferred taxation. | (196) | (214) | (232) |
| Outside shareholders' interest restated | 14 381 | 15 431 | 20 960 |
| Liabilities | | | |
| Deferred taxation as previously reported | 24 287 | 20 809 | 22 453 |
| IFRS adjustment: | | | |
| Timing differences on recalculation of depreciation of property, plant and equipment. | 1 214 | 3 078 | 3 049 |
| Deferred taxation restated | 25 501 | 23 887 | 25 502 |
| Assets | | | |
| Property, plant and equipment as previously reported | 310 389 | 293 159 | 279 413 |
| IFRS adjustment: | | | |
| Recalculation of depreciation | 6 330 | 5 984 | 5 639 |
| Property, plant and equipment restated | 316 719 | 299 143 | 285 052 |
| Deferred taxation as previously reported | 20 990 | 17 424 | 13 588 |
| IFRS adjustment: | | | |
| Timing differences on recalculation of depreciation of property, plant and equipment. | (484) | 1 541 | 1 668 |
| Deferred taxation restated | 20 506 | 18 965 | 15 256 |
| Profit attributable to own shareholders | | | |
| As previously reported | | 21 961 | 111 538 |
| IFRS adjustments: | | | |
| Recalculation of depreciation of property, plant and equipment, net of deferred taxation. | | (167) | (338) |
| Cost of share based payments | | (1 856) | (3 709) |
| Restated | | 19 938 | 107 491 |

Notes

1. Accounting policies

In accordance with the listing requirements of the JSE Limited, Oceana Group Limited has adopted International Financial Reporting Standards (IFRS) with effect from 1 October 2005. Comparative information for the six months ended 31 March 2005 and the year ended 30 September 2005, which was originally reported in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP), has been restated in accordance with IFRS. Further interpretations by standard setting authorities may require further adjustments to restated figures when results for the year ending 30 September 2006 are published.

The disclosures required by IFRS 1 (First-time Adoption of International Financial Reporting Standards) showing the effects of the changes in accounting policies from SA GAAP to IFRS are presented under the heading "Reconciliation of SA GAAP to IFRS".

The group's transitional elections in terms of IFRS 1 are as follows:

- Property, plant and equipment are measured at original cost. Revised estimates of useful lives and residual values have been applied to recalculate accumulated depreciation.
- Share-based payments. The provisions of IFRS 2 have been applied only to share options granted on or after 7 November 2002. Costs of equity settled share-based payments are recognised as an expense in the income statement, with a corresponding credit to a share-based payment reserve included in equity.
- Certain non-distributable reserves have been transferred to distributable reserves.

| | Unaudited 31 March 2006 R'000 | 2005 Restated R'000 | Audited 30 Sept 2005 Restated R'000 |
|--|--|---------------------------|---|
| 2. Abnormal items | | | |
| Surplus on disposal of property, plant and equipment | 485 | 2 075 | 2 364 |
| Surplus on disposal of fishing rights in Namibia | 225 | - | - |
| Provision for loans, fishing retrenchment and other closure costs in Namibian whitefish business | - | (24 682) | (28 764) |
| Impairment loss on property, plant and equipment in Namibian whitefish business | - | (5 580) | (5 580) |
| Impairment loss on other assets | - | - | (3 138) |
| Profit on change of interest in subsidiary/joint ventures | - | 1 324 | 7 288 |
| Abnormal profit/(loss) before taxation | 710 | (26 863) | (27 830) |
| Taxation | (8) | (199) | 162 |
| Abnormal profit/(loss) after taxation | 702 | (27 062) | (27 668) |
| 3. Dividends | | | |
| Estimated dividend declared after reporting date | 16 975 | 16 758 | 66 141 |
| Dividend on shares issued prior to last day to trade | | 21 | 621 |
| Actual dividend declared | | 16 779 | 66 762 |
| 4. Supplementary information | | | |
| Cost of sales | 885 425 | 889 164 | 1 813 927 |
| Depreciation | 26 304 | 26 720 | 58 860 |
| Operating lease charges | 7 200 | 8 470 | 18 647 |
| Foreign exchange profit | (1 006) | (271) | (2 075) |
| Capital expenditure | 18 413 | 17 957 | 46 072 |
| Replacement | 8 555 | 2 510 | 2 643 |
| Capital commitments | 9 858 | 15 447 | 43 429 |
| Contracted | 89 989 | 46 375 | 96 925 |
| Approved | 41 717 | 13 532 | 703 |
| | 48 272 | 32 843 | 96 222 |

DIRECTORS: MA Brey (Chairman), RA Williams (Vice Chairman), AB Marshall* (Chief Executive Officer), BP Connellan, N Dennis, NP Doyle, RG Nicol*, S Pather, L Ruthlil (* 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