

# HEADLINE EARNINGS PER SHARE increased by 44%

# DIVIDENDS PER SHARE increased by 43%



The results of the Group for the year ended 30 September 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. The financial information has been reviewed by our auditors, Deloitte & Touche, whose unmodified review opinion is available for inspection at the registered office of the company.

## REVIEWED GROUP RESULTS & DIVIDEND DECLARATION for the year ended 30 SEPTEMBER 2007 AND FURTHER CAUTIONARY ANNOUNCEMENT

### Condensed group income statement

Note	2007 Reviewed R'000	2006 Audited R'000	Change %
<b>Revenue</b>	<b>2 608 894</b>	2 544 558	3
<b>Operating profit before abnormal items</b>	<b>236 723</b>	183 325	29
Abnormal items	2 549	(5 882)	
Operating profit	239 272	177 443	35
Dividends received	15 922	6 151	
Net interest received	11 181	23 340	
<b>Profit before taxation</b>	<b>266 375</b>	206 934	29
Taxation	85 869	70 088	23
<b>Profit after taxation</b>	<b>180 506</b>	136 846	32
<b>Attributable to:</b>			
Shareholders of Oceana Group Limited	168 805	129 791	30
Outside shareholders in subsidiaries	11 701	7 055	66
	<b>180 506</b>	136 846	32
Weighted average number of shares on which earnings per share are based (000's)	100 866	113 099	
Adjusted weighted average number of shares on which diluted earnings per share are based (000's)	101 017	113 426	
<b>Earnings per share (cents)</b>			
Basic	167.4	114.8	46
Diluted	167.1	114.4	46
<b>Dividends per share (cents)</b>	<b>106.0</b>	74.0	43
<b>Headline earnings per share (cents)</b>			
Basic	162.4	112.8	44
Diluted	162.2	112.5	44

### Condensed group balance sheet

	2007 Reviewed R'000	2006 Audited R'000
<b>Assets</b>		
Non-current assets	460 724	511 305
Property, plant and equipment	273 413	316 457
Goodwill	22 830	21 911
Fishing rights and trademarks	32 682	40 109
Deferred taxation	10 438	12 850
Investments and loans	121 361	119 978
Current assets	1 041 655	826 327
Inventories	312 470	219 224
Accounts receivable	412 073	403 486
Non-current assets held for sale	602	4 950
Cash and cash equivalents	316 510	198 667
Total assets	1 502 379	1 337 632
<b>Equity and liabilities</b>		
Capital and reserves		
Share capital and premium	4 267	101
Foreign currency translation reserve	25 350	23 018
Share-based payment reserve	16 818	11 232
Capital redemption reserve	130	90
Distributable reserves	824 938	760 569
Interest of own shareholders	871 503	795 010
Interest of outside shareholders	34 019	23 820
Total equity	905 522	818 830
Non-current liabilities	39 584	30 961
Liability for share-based payments	6 999	1 087
Deferred taxation	32 585	29 874
Current liabilities	557 273	487 841
Accounts payable and provisions	459 132	415 895
Bank overdrafts	98 141	71 946
Total equity and liabilities	1 502 379	1 337 632
Number of shares in issue net of treasury shares (000's)	100 278	101 493
Net asset value per ordinary share (cents)	869	783
Total liabilities excluding deferred taxation: Total equity (%)	62	60
Total borrowings: Interest of own shareholders (%)	11	9

### Condensed group segmental report

	2007 Reviewed R'000	2006 Audited R'000
<b>Revenue</b>		
Inshore fishing	1 409 041	1 318 949
Midwater and deep-sea fishing	1 023 667	1 071 362
Commercial cold storage	176 186	154 247
Total	2 608 894	2 544 558
<b>Operating profit before abnormal items</b>		
Inshore fishing	105 862	77 939
Midwater and deep-sea fishing	73 587	46 705
Commercial cold storage	57 274	58 681
Total	236 723	183 325
<b>Total assets</b>		
Inshore fishing	604 834	563 887
Midwater and deep-sea fishing	280 829	264 306
Commercial cold storage	168 407	177 944
Financing	437 871	318 645
Total	1 491 941	1 324 782
Deferred taxation	10 438	12 850
Total	1 502 379	1 337 632
<b>Total liabilities</b>		
Inshore fishing	293 596	278 909
Midwater and deep-sea fishing	135 320	90 756
Commercial cold storage	35 979	41 693
Financing	99 377	77 570
Total	564 272	488 928
Deferred taxation	32 585	29 874
Total	596 857	518 802

### Condensed group statement of changes in equity

	2007 Reviewed R'000	2006 Audited R'000
Balance at the beginning of the year	818 830	916 344
Shares issued	16 087	9 377
Increase in treasury shares held by subsidiary and share trusts	(36 805)	(177 763)
Movement on foreign currency translation reserve	2 332	19 140
Recognition of share-based payments	5 634	2 613
Profit after taxation	180 506	136 846
(Loss)/profit on sale of treasury shares	(46)	205
Dividends declared	(81 016)	(87 932)
Balance at the end of the year	905 522	818 830
Comprising:		
Share capital and premium	4 267	101
Foreign currency translation reserve	25 350	23 018
Share-based payment reserve	16 818	11 232
Capital redemption reserve	130	90
Distributable reserves	824 938	760 569
Outside shareholders' interest	34 019	23 820
Total	905 522	818 830

### Condensed group cash flow statement

	2007 Reviewed R'000	2006 Audited R'000
<b>Cash flows from operating activities</b>		
Operating profit before abnormal items	236 723	183 325
Adjustment for non-cash items	78 423	60 777
<b>Cash operating profit before working capital changes</b>	<b>315 146</b>	<b>244 102</b>
Working capital changes	(44 475)	50 606
<b>Cash generated from operations</b>	<b>270 671</b>	<b>294 708</b>
Interest and dividends received	24 472	34 650
Interest paid	(8 675)	(5 159)
Taxation paid	(74 378)	(46 960)
Dividends paid	(83 128)	(86 034)
<b>Net cash flows from operating activities</b>	<b>128 962</b>	<b>191 205</b>
<b>Cash outflow from investing activities</b>	<b>(700)</b>	<b>(167 811)</b>
Capital expenditure	(28 041)	(94 276)
Proceeds on disposal of property, plant and equipment	1 854	1 639
Net movement on loans and advances	14 291	12 789
Disposal of businesses	7 830	-
Disposal of fishing rights	3 366	-
Investment in preference shares	-	(88 000)
Other	-	37
<b>Net cash flows applied to financing activities</b>	<b>(33 286)</b>	<b>(174 894)</b>
Proceeds from issue of share capital	16 087	9 377
Proceeds on sale of treasury shares	-	264
Acquisition of treasury shares by subsidiary and share trusts	(36 805)	(177 822)
Short-term borrowings repaid	(12 568)	(6 713)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>94 976</b>	<b>(51 500)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>126 721</b>	<b>283 195</b>
<b>Effect of exchange rate changes</b>	<b>(3 328)</b>	<b>(4 974)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>218 369</b>	<b>126 721</b>

### Notes

	2007 Reviewed R'000	2006 Audited R'000
<b>1. Abnormal items</b>		
Net (loss) surplus on disposal of property, plant and equipment	(64)	450
Profit on change of interest in subsidiaries/joint ventures	7 920	283
Foreign exchange profit on reduction of investment in subsidiary	1 652	-
Reversal of prior year's loan provision in Namibian whitefish business	5 547	-
Provision in respect of utilisation of pension fund surplus	(1 514)	(6 842)
Impairment loss on vessels and equipment	(1 839)	-
Impairment loss on Australian lobster fishing rights	(6 223)	-
Impairment of non-current asset held for sale	(1 750)	-
Provision for irrecoverable loans	(1 180)	-
Profit on disposal of fishing rights in Namibia	-	227
Abnormal profit (loss) before taxation	2 549	(5 882)
Taxation	928	1 954
Abnormal profit (loss) after taxation	3 477	(3 928)
<b>2. Elimination of treasury shares</b>		
Weighted average number of shares in issue	116 796	113 325
Less: Treasury shares held by share trusts	(14 388)	(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	100 866	113 099
	R'000	R'000
<b>3. Determination of headline earnings</b>		
Profit after taxation attributable to own shareholders	168 805	129 791
Adjusted for:		
Net surplus on disposal of property, plant and equipment	(349)	(596)
Profit on change of interest in subsidiaries/joint ventures	(7 852)	(283)
Foreign exchange profit on reduction of investment in subsidiary	(1 172)	-
Reversal of prior year's loan provision in Namibian whitefish business	(5 547)	-
Impairment loss on vessels and equipment	2 548	-
Impairment loss on Australian lobster fishing rights	6 223	-
Provision for irrecoverable loans	1 180	-
Insurance proceeds for damaged vessel	-	(1 104)
Profit on disposal of fishing rights in Namibia	-	(227)
Headline earnings for the year	163 836	127 581
<b>4. Dividends</b>		
Estimated dividend declared after reporting date	87 242	59 881
Dividend on shares issued prior to last day to trade	-	537
Actual dividend declared after reporting date	-	60 418
<b>5. Supplementary information</b>		
Cost of sales	1 773 442	1 805 035
Depreciation	67 399	57 316
Operating lease charges	18 208	17 470
Net foreign exchange profits	(5 308)	(9 838)
Capital expenditure	28 041	94 276
Expansion	492	62 456
Replacement	27 549	31 820
Capital commitments	85 474	63 144
Contracted	8 436	2 124
Approved	77 038	61 020

### Dividend declaration

Notice is hereby given that a final dividend No. 128 of 87.0 cents per share, in respect of the year ended 30 September 2007, was declared on Friday 9 November 2007. Relevant dates are as follows:

Last day to trade cum dividend	Friday 4 January 2008
Commence trading ex dividend	Monday 7 January 2008
Record date	Friday 11 January 2008
Dividend payable	Monday 14 January 2008

Share certificates may not be dematerialised or re-materialised between Monday 7 January 2008 and Friday 11 January 2008, both dates inclusive.

By order of the board

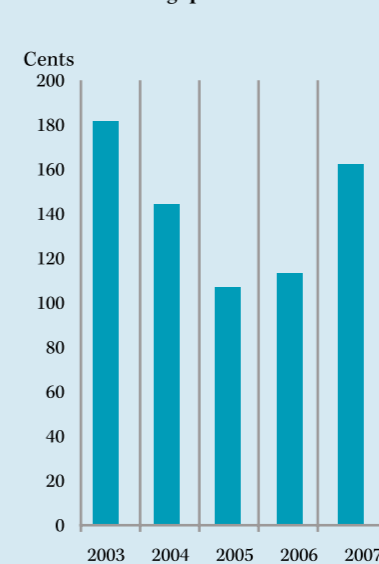
**JD Cole**

Secretary

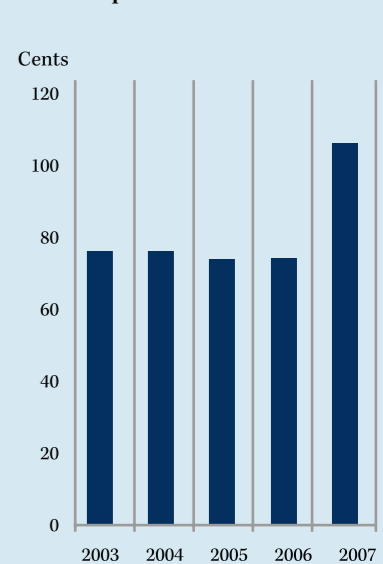
9 November 2007

Cape Town

### Headline earnings per share



### Dividends per share



## Comments

### Financial results

Earnings per share for the year ended 30 September 2007 increased by 46% compared to those of the previous year following improved results in horse mackerel, fishmeal and lobster. Headline earnings per share were 44% above last year.

Group turnover increased by 3% whilst operating profit before abnormal items increased by 29%. Investment income was lower due to lower average net cash balances following the group's contribution of R126.7m to the funding of its black economic empowerment transaction during September 2006.

A final dividend of 87.0 cents per share has been declared which, together with the interim dividend of 19.0 cents, brings the total dividend for the year to 106.0 cents per share (2006: 74.0 cents).

### Review of operations

#### INSHORE FISHING

The total allowable catch (TAC) for pilchard in 2007 is 162 436 tons (2006: 204 000 tons). For the financial year pilchard landings directed into canned fish production were lower than last year. Fishing costs were lower as a consequence of a larger proportion of fish being caught on the west coast compared to the previous season when fish was only available on the south and east coasts. Production yields were initially very poor but improved later in the season due to better quality fish. The quantity of canned pilchard produced at the St Helena Bay factory was marginally lower than last financial year. The Namibian pilchard TAC was set at 15 000 tons (2006: TAC was 25 000 tons although no landings were made) and landings of 8 261 tons were made to the Etosha cannery in Walvis Bay by financial year end.

The supply of canned fish from other local producers was lower than the previous year and despite increased imports there was insufficient supply of product to satisfy demand on the domestic market. Sales volumes were below those of the previous year and turnover declined.

Glenryck Foods, the group's canned fish business in the UK, also experienced supply constraints in the procurement of canned pilchard. This, together with higher overhead costs, resulted in lower sterling profits. Canned tuna sales volumes and margins were maintained.

Overall, profitability from canned fish was well below that of the previous year.

The 2007 "A" season anchovy TAC was increased to 386 942 tons and the "B" season, which has strict by-catch limitations, is 150 000 tons. Oceana's landings of anchovy and redeye herring at 97 884 tons were well above the previous year (65 404 tons). Net realisations from fishmeal improved due to the impact of higher international prices and a significantly greater proportion being exported at better prices than achieved on the local market. Profits from fishmeal improved substantially.

The 2006/07 west coast lobster TAC was 2 556 tons plus the carry over of 857 tons of uncaught quota from the previous season. Oceana's quotas amounted to 551 tons which were landed in full by the close of season (2006 catch: 366 tons). Production costs per unit were lower mainly as a result of increased volumes and rationalisation of production facilities and vessels. Export prices were higher which, with the weaker rand exchange rate, resulted in increased profitability.

Squid catches were below those of last year. Higher export prices and improved vessel performances resulted in increased profits.

French fries performed well driven by strong volume growth, particularly in the quick service restaurant market, resulting in improved profits.

#### MIDWATER AND DEEP-SEA FISHING

The horse mackerel TAC in Namibia for 2007 was reduced to 300 000 tons (2006: 360 000 tons) and volumes available to Oceana were accordingly lower. Catches by Oceana's own vessels, however, were higher and improved vessel efficiencies impacted favourably on fishing costs. In South Africa the TAC was unchanged at 31 500 tons. Oceana's vessel experienced good catch rates and incurred lower costs per ton of fish caught due to fuel efficiencies and the effect of increased catch volumes.

Turnover declined by 3% due to lower volumes sourced from external fleets and lower Namibian quotas. Prices in African markets were at good levels throughout the year and combined with the weaker rand exchange rate resulted in overall profitability from horse mackerel operations being significantly higher than the previous year.

Hake results were negatively affected by reduced quotas and a shortage of quota on joint venture vessels. Although fishing conditions and prices improved, earnings were lower than last year.

#### COLD STORAGE

Additional capacity at Bayhead and Epping stores came on stream late in the 2006 financial year. Average activity levels were higher than those of the previous year on a comparative basis. However, increased domestic consumer demand resulted in shorter dwell times and reduced storage revenue. Overhead costs, including depreciation, increased due to the expansions and property rental and rates increases. Citrus volumes handled through the Maydon Wharf steri-fruit facility were higher than the previous year but at lower margins. Overall cold storage profits were marginally lower than in the previous year.

### Prospects

With its strong balance sheet and "AA" Empowerdex BEE rating, Oceana is well placed to participate in the expected industry consolidation.

The recent strengthening of the rand exchange rate and pressure on certain fish resources is expected to limit earnings growth in the year ahead.

### Specific share repurchase

Shareholders are referred to a separate announcement today regarding a proposed specific share repurchase by the company.

### Further cautionary announcement

We refer to the cautionary announcements dated 28 June 2007, 17 August 2007 and 28 September 2007 and advise shareholders to continue to exercise caution when dealing in the company's securities until a further announcement is made.

On behalf of the board.

**MA Brey**

Chairman