

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

CONDENSED GROUP INCOME STATEMENT

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

CONDENSED GROUP BALANCE SHEET

	01	laaanca	radica
	31	30 Sept	
	2007 2006		2006
	R'000	R'000	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

Unaudited

Audited

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 lowe 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 STATEMENT OF CHANGES IN EQUITY

Unaudited		Audited
Six months ended		Year ended
31 March		30 Sept
2007 2006		2006
R'000	R'000	R'000
818 830	916 344	916 344
11 893	9 309	9 377
(36 740)	3	(177 763)
1 423	(5 551)	19 140
2 688	1 031	2 613
55 333	41 513	136 846
(26)	105	205
(61 968)	(68 283)	(87 932)
791 433	894 471	818 830
138	64 792	101
24 441	(1673)	23 018
13 920	9 647	11 232
90	90	90
726 805	799 164	760 569
26 039	22 451	23 820
791 433	894 471	818 830
	Six mor 31 2007 R'000 818 830 11 893 (36 740) 1 423 2 688 55 333 (26) (61 968) 791 433 138 24 441 13 920 90 726 805 26 039	Six months ended 31 March 2007 2006 R'000 R'000 818 830 916 344 11 893 9 309 (36 740) 3 1 423 (5 551) 2 688 1 031 55 333 41 513 (26) 105 (61 968) (68 283) 791 433 894 471 138 64 792 24 441 (1 673) 13 920 9 647 90 90 726 805 799 164 26 039 22 451

CONDENSED GROUP CASH FLOW STATEMENT

	Six months ended 31 March		Year ended
			30 Sept
	2007	2006	2006
	R'000	R'000	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)

CROUP SEGMENTAL REPOR

	Un	Audited	
	Six months ended		Year ended
	31 2007	March 2006	30 Sept 2006
	R'000	R'000	R'000
Revenue			
Inshore Fishing Midwater and Deepsea Fishing	620 011 458 006	611 335 524 418	1 318 949 1 071 362
Commercial Cold Storage	58 328	61 334	154 247
· · · · · · · · · · · · · · · · · · ·	1 136 345	1 197 087	2 544 558
Operating profit before abnormal items	10.010	(0.700)	77.000
Inshore Fishing Midwater and Deepsea Fishing	12 616 43 440	(3 706) 37 500	77 939 46 705
Commercial Cold Storage	10 256	18 812	48 703 58 681
Total	66 312	52 606	183 325
		02 000	100 020
Total assets			
Inshore Fishing Midwater and Deepsea Fishing	571 650 228 257	408 386 299 166	563 887 264 306
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			
		audited	Audited
		nths ended	Year ended
	31 2007	March 2006	30 Sept 2006
	2007 R'000	2008 R'000	2008 R'000
1. Abnormal items	1,000	11 000	11000
Provision for impairment losses	(4 686)	_	
Profit on change of interest in subsidiary/	(+ 000)		
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
			Niumahaa
		Numbor	
	Number of shares	Number of shares	Number of shares
		Number of shares '000	
2 Flimination of treasury charge	of shares	of shares	of shares
 Elimination of treasury shares Weighted average number of shares in issue 	of shares	of shares	of shares
0 0	of shares '000 116 689	of shares '000 113 264	of shares '000 113 325
•	of shares '000	of shares '000	of shares '000
Weighted average number of shares in issue Less: treasury shares held by share trusts	of shares '000 116 689	of shares '000 113 264	of shares '000 113 325
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary	of shares '000 116 689 (14 383)	of shares '000 113 264	of shares '000 113 325
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company	of shares '000 116 689 (14 383)	of shares '000 113 264	of shares '000 113 325
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which	of shares '000 116 689 (14 383)	of shares '000 113 264	of shares '000 113 325
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings	of shares '000 116 689 (14 383) (1 542)	of shares '000 113 264 (228) -	of shares '000 113 325 (226 -
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings	of shares '000 116 689 (14 383) (1 542)	of shares '000 113 264 (228) -	of shares '000 113 325 (226 -
Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings	of shares '000 116 689 (14 383) (1 542) 100 764	of shares '000 113 264 (228) 	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings Profit after taxation attributable to own shareholder 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000	of shares '000 113 264 (228) 	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000 s 51 564	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: Provision for impairment losses 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000 s 51 564	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: Provision for impairment losses Profit on change of interest in subsidiaries/ 	of shares '000 116 689 (14 383) (1542) 100 764 R'000 s 51 564 3 916	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based 3. Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: Provision for impairment losses Profit on change of interest in subsidiaries/ joint ventures 	of shares '000 116 689 (14 383) (1542) 100 764 R'000 s 51 564 3 916	of shares '000 113 264 (228) - 113 036 R'000	of shares '000 113 325 (226
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: Provision for impairment losses Profit on change of interest in subsidiaries/ joint ventures Net surplus on disposal of property, plant and equipment Net surplus on disposal of fishing rights 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000 s 51 564 3 916 (8 333)	of shares '000 113 264 (228) 113 036 R'000 38 500 - -	of shares '000 113 325 (226 113 099 R'000 129 791 (283
 Weighted average number of shares in issue Less: treasury shares held by share trusts Less: treasury shares held by subsidiary company Weighted average number of shares on which earnings per share and headline earnings per share are based Determination of headline earnings Profit after taxation attributable to own shareholder Adjusted for: Provision for impairment losses Profit on change of interest in subsidiaries/ joint ventures Net surplus on disposal of property, plant and equipment 	of shares '000 116 689 (14 383) (1 542) 100 764 R'000 s 51 564 3 916 (8 333)	of shares '000 113 264 (228) 113 036 R'000 38 500 - (700)	of shares '000 113 325 (226 113 099 <u>R'000</u> 129 791 (283 (596

4. Dividends

Estimated dividend declared after reporting da

Equity and liabilities

Capital and reserves

Share capital and premium Foreign currency translation reserve Share-based payment reserve Capital redemption reserve Distributable reserves

Interest of own shareholders Interest of outside shareholders

Total equity

Non-current liabilities

Liability for share-based payments Deferred taxation

Current liabilities

Accounts payable and provisions Bank overdrafts

Total equity and liabilities

771

42

5

783

60

9

766

55

8

nvestment in preference shares Disposal of businesse Cash-related abnormal items and other

Net cash flows (applied to)/from financing activities

Proceeds from issue of share capital Proceeds on sale of treasury shares Acquisition of treasury shares Short-term borrowings raised/(repaid)

Net (decrease)/increase in cash and cash		
equivalents	(27 403)	80 468
Cash and cash equivalents at the beginning of		
the period	126 721	283 195
Effect of exchange rate changes	(1 064)	647
Cash and cash equivalents at the end of		
the period	98 254	364 310

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

East day to trade carri amacria		1 Hody 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

7 830	- (441)	(190)	
302	(441)	(150)	

1 617 (174 894)

Unoudited

Auditod

		,
11 894	9 312	9 377
27	105	264
(36 794)	-	(177 822)
2 535	(7 800)	(6 713)

(22 338)

98 254	364 310	126 721	
26 721 (1 064)	283 195 647	283 195 (4 974)	
27 403)	80 468	(151 500)	

date	18 995	169/5	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

Snonsor - Namibia: Old Mutual Investment Services (Namibia) (Ptv) Limited

Company secretary: JD Cole

JSE share code: OCE

NSX share code: OCG

ISIN number: ZAE000025284