



Oceana

(OCEANA GROUP LIMITED)
Incorporated in the Republic of South Africa
(Registration Number 1939/001730/06) ("Oceana" or "the company" or "the group")

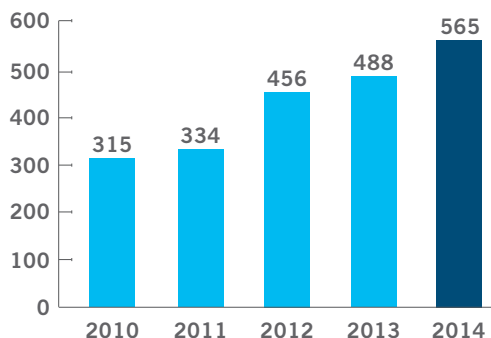
SUMMARISED AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

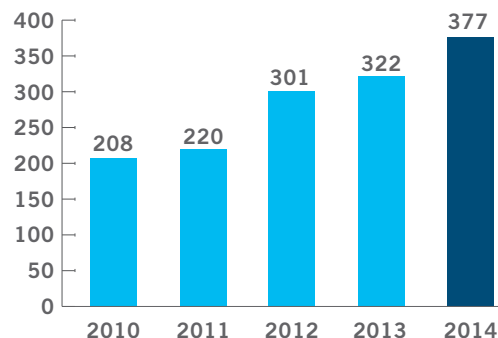
HEADLINE EARNINGS PER SHARE
INCREASE BY 16%

DIVIDENDS PER SHARE
INCREASE BY 17%

HEADLINE EARNINGS PER SHARE (cents)



DIVIDENDS PER SHARE (cents)



Directors: MA Brey (chairman), FP Kuttel* (chief executive officer), ZBM Bassa, PG de Beyer, ABA Conrad*, NP Doyle, PB Matlare, S Pather, NV Simamane, I Soomra*, TJ Tapela (* executive)

Registered Office: 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001

Transfer Secretaries: Computershare Investor Services Proprietary 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) Proprietary Limited

Company secretary: JC Marais

JSE Share Code: OCE

NSX Share Code: OCG

ISIN Number: ZAE000025284

SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	Audited Year ended 30 Sept 2014 R'000	Audited* Year ended 30 Sept 2013 R'000	Change %
REVENUE		5 039 134	4 701 224	7
Cost of sales		3 062 606	2 833 604	8
Gross profit		1 976 528	1 867 620	6
Sales and distribution expenditure		500 320	458 384	9
Marketing expenditure		57 804	63 489	(9)
Overhead expenditure		599 358	675 526	(11)
Net foreign exchange gain		(37 196)	(43 292)	(14)
OPERATING PROFIT BEFORE JOINT VENTURE INCOME		856 242	713 513	20
Joint venture income		23 324	30 046	(22)
OPERATING PROFIT		879 566	743 559	18
Investment income		13 273	16 451	(19)
Interest paid		(17 102)	(7 485)	128
PROFIT BEFORE TAXATION		875 737	752 525	16
Taxation		266 818	228 135	17
PROFIT AFTER TAXATION		608 919	524 390	16
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified subsequently to profit or loss</i>				
Movement on foreign currency translation reserve		6 205	6 223	
Movement on cash flow hedging reserve		(7 346)	8 787	
OTHER COMPREHENSIVE INCOME, NET OF TAXATION		(1 141)	15 010	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		607 778	539 400	13
PROFIT AFTER TAXATION ATTRIBUTABLE TO:				
Shareholders of Oceana Group Limited		573 931	491 016	17
Non-controlling interests		34 988	33 374	5
		608 919	524 390	16
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of Oceana Group Limited		572 790	506 026	13
Non-controlling interests		34 988	33 374	5
		607 778	539 400	13
Weighted average number of shares on which earnings per share is based ('000)	7	100 400	100 302	
Adjusted weighted average number of shares on which diluted earnings per share is based ('000)		111 009	110 402	
EARNINGS PER SHARE (CENTS)				
– Basic		571,6	489,5	17
– Diluted		517,0	444,8	16
DIVIDENDS PER SHARE (CENTS)		377,0	322,0	17
HEADLINE EARNINGS PER SHARE (CENTS)				
– Basic		565,0	487,9	16
– Diluted		511,0	443,2	15

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

	Audited 30 Sept 2014 R'000	Audited* 30 Sept 2013 R'000
ASSETS		
NON-CURRENT ASSETS	859 640	814 277
Property, plant and equipment	512 342	458 200
Intangible assets	97 625	102 802
Deferred taxation	24 119	28 502
Investments and loans	225 554	224 773
CURRENT ASSETS	2 115 657	2 019 292
Inventories	838 615	1 213 169
Accounts receivable	933 039	694 920
Cash and cash equivalents	344 003	111 203
TOTAL ASSETS	2 975 297	2 833 569
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	1 746 906	1 789 371
Share capital and premium	35 245	33 770
Foreign currency translation reserve	11 708	5 503
Capital redemption reserve	130	130
Cash flow hedging reserve	1 842	9 188
Share-based payment reserve	65 202	59 337
Distributable reserves	1 563 243	1 620 682
Interest of own shareholders	1 677 370	1 728 610
Non-controlling interests	69 536	60 761
NON-CURRENT LIABILITIES	439 403	180 577
Liability for share-based payments	81 188	143 891
Long-term loan	300 000	
Deferred taxation	58 215	36 686
CURRENT LIABILITIES	788 988	863 621
Accounts payable and provisions	788 988	606 621
Bank overdrafts		257 000
TOTAL EQUITY AND LIABILITIES	2 975 297	2 833 569
Number of shares in issue net of treasury shares ('000)	100 512	100 416
Net asset value per ordinary share (cents)	1 669	1 721
Total liabilities excluding deferred taxation: Total equity (%)	67	56
Total borrowings: Total equity (%)	17	14

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited 30 Sept 2014 R'000	Audited* 30 Sept 2013 R'000
Balance at the beginning of the year	1 789 371	1 633 242
Total comprehensive income for the year	607 778	539 400
Profit after taxation	608 919	524 390
Movement on foreign currency translation reserve	6 205	6 223
Movement on cash flow hedging reserve	(7 346)	8 787
Movement in treasury shares held by share trusts	1 280	1 713
Recognition of share-based payments	5 875	2 211
Share options exercised	195	1 365
Loss on sale of treasury shares	(189)	(470)
Acquisition of additional shares in subsidiary		(7 158)
Distribution to Oceana Empowerment Trust beneficiaries	(291 524)	
Dividends paid	(365 880)	(380 932)
BALANCE AT THE END OF THE YEAR	1 746 906	1 789 371
Comprising:		
Share capital and premium	35 245	33 770
Foreign currency translation reserve	11 708	5 503
Capital redemption reserve	130	130
Cash flow hedging reserve	1 842	9 188
Share-based payment reserve	65 202	59 337
Distributable reserve	1 563 243	1 620 682
Non-controlling interests	69 536	60 761
BALANCE AT THE END OF THE YEAR	1 746 906	1 789 371

SUMMARISED GROUP STATEMENT OF CASH FLOWS

	Audited 30 Sept 2014 R'000	Audited* 30 Sept 2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before joint venture income	856 242	713 513
Adjustment for non-cash and other items	56 335	148 692
CASH OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	912 577	862 205
Working capital changes	325 800	(468 732)
CASH GENERATED FROM OPERATIONS	1 238 377	393 473
Investment income received	24 476	9 886
Interest paid	(17 102)	(7 485)
Taxation paid	(264 090)	(317 873)
Distribution to Oceana Empowerment Trust beneficiaries	(291 524)	
Dividends paid	(365 880)	(380 932)
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	324 257	(302 931)
CASH OUTFLOW FROM INVESTING ACTIVITIES	(147 383)	(128 265)
Capital expenditure	(163 386)	(127 172)
Proceeds on disposal of property, plant and equipment	990	3 800
Acquisition of businesses		(10 450)
Acquisition of additional shares in subsidiary		(7 158)
Acquisition of fishing rights		(26 695)
Repayment received on preference shares	8 573	39 377
Net movement on loans and advances	6 172	(5 848)
Change in status of subsidiary to joint venture		3 490
Proceeds on disposal of fishing right		2 418
Disposal/(acquisition) of joint venture	268	(27)
CASH INFLOW FROM FINANCING ACTIVITIES	310 471	10 908
Proceeds from issue of share capital	1 286	2 608
Long-term loan raised	300 000	
Short-term borrowings raised	9 185	8 300
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	487 345	(420 288)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(145 797)	272 872
Effect of exchange rate changes	2 455	1 619
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	344 003	(145 797)

NOTES

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 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 applied in the preparation of the previous consolidated annual financial statements except for the adoption of IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, IAS 27 – Separate Financial Statements and IAS 28 – Investment in Associates and Joint Ventures during the period under review. The group previously accounted for joint ventures using the proportionate consolidation method. The group has applied IFRS 11 retrospectively in accordance with the transitional provisions and the 2013 results and 2012 statement of financial position have been restated accordingly.

The summarised financial information was prepared under the supervision of the group financial director, I Soomra CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2014. 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 audit reports 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. EFFECT OF RESTATEMENT OF PRIOR PERIODS

The adoption of IFRS 11 has resulted in the restatement of certain financial statement line items for the prior periods disclosed. This restatement did not have a material impact on the net asset value of the group.

NOTES (continued)

	Audited 30 Sept 2014 R'000	Audited* 30 Sept 2013 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal	3 086 476	2 631 686
Horse mackerel and hake	1 203 470	1 373 824
Lobster, squid and French fries	405 497	369 394
Commercial cold storage	343 691	326 320
Total	5 039 134	4 701 224
Operating profit		
Canned fish and fishmeal	380 931	214 914
Horse mackerel and hake	347 251	422 504
Lobster, squid and French fries	44 870	23 343
Commercial cold storage	106 514	82 798
Total	879 566	743 559
Total assets		
Canned fish and fishmeal	1 550 944	1 774 724
Horse mackerel and hake	588 916	462 955
Lobster, squid and French fries	112 746	100 257
Commercial cold storage	240 610	235 608
Financing	457 962	231 523
	2 951 178	2 805 067
Deferred taxation	24 119	28 502
Total	2 975 297	2 833 569
Total liabilities		
Canned fish and fishmeal	556 434	476 028
Horse mackerel and hake	183 108	149 596
Lobster, squid and French fries	49 402	41 460
Commercial cold storage	55 747	67 129
Financing	325 485	273 299
	1 170 176	1 007 512
Deferred taxation	58 215	36 686
Total	1 228 391	1 044 198
4. DETERMINATION OF HEADLINE EARNINGS		
Profit after taxation attributable to shareholders of Oceana Group Limited	573 931	491 016
ADJUSTED FOR:		
Compensation from third party for property, plant and equipment impaired	(11 370)	
Headline earnings adjustments – joint ventures	2 141	
Net surplus on disposal of property, plant and equipment and intangible assets	(192)	(2 351)
Surplus on disposal of joint venture	(268)	
Total tax effect of adjustments	2 996	660
Headline earnings for the year	567 238	489 325

NOTES (continued)

	Audited 30 Sept 2014 R'000	Audited* 30 Sept 2013 R'000
5. DIVIDENDS		
Estimated dividend declared after reporting date	272 389	222 951
Dividend on shares issued prior to last day to trade		
Actual dividend declared after reporting date		222 951
6. SUPPLEMENTARY INFORMATION		
Amortisation	22 421	15 175
Depreciation	91 202	87 193
Operating lease charges	54 454	53 226
Share-based payments: cash-settled compensation scheme	19 225	152 523
Share-based payments: equity-settled compensation scheme	2 379	
Capital expenditure	163 386	127 172
Expansion	24 592	23 182
Replacement	138 794	103 990
Budgeted capital commitments	327 397	212 870
Contracted	22 479	40 809
Not contracted	304 918	172 061
	Number of shares '000	Number of shares '000
7. ELIMINATION OF TREASURY SHARES		
Weighted average number of shares in issue	119 526	119 451
Less weighted average: treasury shares held by share trusts	(14 032)	(14 055)
Less weighted average: treasury shares held by subsidiary company	(5 094)	(5 094)
Weighted average number of shares on which earnings per share and headline earnings per share are based	100 400	100 302
8. 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 2014.		

Note

* Prior period disclosure has been restated to account for the adoption of new and revised accounting standards.

COMMENTS

FINANCIAL RESULTS

Group earnings per share for the year ended 30 September 2014 increased by 17% and headline earnings per share increased by 16% compared to the previous year.

Group revenue has improved by 7% to R5,039 billion in 2014. This growth has been achieved from improvements in three of our four divisions, led primarily by an increase of 17% in the canned fish and fishmeal division. Growth in the second half of the year has been affected by lower horse mackerel catch rates which were offset by the positive effect of a weaker rand exchange rate on exported products.

Overhead expenditure includes a charge to the statement of comprehensive income of R21,6 million compared to R152,5 million in 2013, arising from IFRS 2 share-based payment expenses. This decrease is a direct result of the reduction in Oceana's share price during the period under review.

Operating profit increased by 18% compared to the previous year.

Inventory levels have decreased significantly in 2014 in line with our canned fish procurement strategy. As a result, the group has been cash generative to the extent of R487 million compared to a decrease in cash of R420 million for the comparative period.

A final dividend of 271 cents per share has been declared which together with the interim dividend of 106 cents brings the total dividend for the year to 377 cents per share, an increase of 17% on the 2013 total dividend of 322 cents per share.

REVIEW OF OPERATIONS

Canned fish and fishmeal

Canned fish volumes have grown from a strong base of 8,6 million cartons in 2013 to 8,8 million cartons in the current year. Domestic volume growth of 3,3% has been satisfactory given current consumer pressures.

Revenue growth for canned fish has been achieved through price adjustments necessitated by the impact of the weaker rand exchange rate on the landed cost of imported product.

The 2014 South African Total Allowable Catch ("TAC") for pilchard remains the same as 2013 at 90 000 tons. Pilchard landings at the St Helena Bay cannery have been good for the period and additional pilchard quota were contracted to increase production. The Namibian pilchard TAC for 2014 is 30 000 tons (2013: 25 000 tons).

The 2014 South Africa anchovy A season TAC is 450 000 tons (final TAC for 2013: 450 000 tons). Current season landings of anchovy and redeye herring of 81 000 tons (2013: 36 700 tons) to the group's fishmeal plants were significantly higher than in the previous season resulting in improved production efficiencies and lower costs per ton of manufactured product. Selling prices were high due to firm international market prices and the weaker rand exchange rate returning the business to profitability after having made a substantial loss in the prior year.

Horse mackerel and hake

The 2014 Namibian horse mackerel TAC remains the same as 2013 at 350 000 tons. The Ministry of Fisheries and Marine Resources continued to allocate further quota to new rights holders which resulted in a reduction of our quota. This had a negative impact on the overall tonnage caught despite good catch rates. One of our three Namibian trawlers has been operating successfully in Angola for a portion of the year.

In South Africa the Precautionary Maximum Catch Limit for targeted catch of horse mackerel increased by 10% to 38 115 tons (2013: 34 650 tons). Catch rates in South Africa have been significantly reduced due to unexpected scarcity of horse mackerel in our traditional fishing grounds. This has had a material impact on revenue and cost recovery.

Overall pricing remained firm in our major markets despite the impact of oversupply due to the Nigerian import embargo. Higher prices have been achieved for certain fish sizes and revenue was further enhanced by favourable currency exchange rates.

Profit from horse mackerel decreased as a direct result of lower tonnage caught for the period.

The 2014 hake TAC has remained unchanged at approximately 140 000 tons. Profit from hake operations showed a substantial improvement as a consequence of stable prices, operating efficiencies and a favourable rand exchange rate. Operations have been negatively impacted by extensive vessel maintenance and upgrades, some due to unforeseen circumstances, resulting in reduced sea days.

Lobster, squid and French fries

The 2014 TAC for West coast lobster decreased by 11% to 2 167 tons (2013: 2 425 tons), and quota available to Oceana for the current season amounts to 288 tons (2013: 327 tons). The effect of lower sales volumes has been offset by higher sales prices and a favourable rand exchange rate resulting in profits being consistent with the prior year.

COMMENTS (continued)

Following the 2013 commercial fishing rights allocation process in the squid sector, the fishing rights allocated to Oceana remained unchanged. In the current year the squid business incurred a loss due to the continued decline in landings. The effect of lower sales volumes was partly offset by higher prices.

The French fries operation has improved significantly with a return to profitability primarily due to increased volumes driven by better raw material quality compared to the prior period and in addition, stronger pricing of finished product.

Commercial cold storage

The commercial cold storage and logistics business continues to show improvement. Revenue increased by 5% due to improved occupancy levels at most stores aided by the expansion of the Namibian store while cost efficiencies have further contributed to growth in operating profit margins.

FOODCORP ACQUISITION

Further to the announcement released on the Stock Exchange News Service of the JSE on 8 May 2014 in respect of Oceana's acquisition of the fishing interests of Foodcorp Proprietary Limited ("Foodcorp"), as at 6 November 2014 a decision by the Competition Appeal Court was still pending.

OCEANA EMPOWERMENT TRUST (OET)

Oceana shareholders and trust beneficiaries voted in favour of an extension to the OET lock-in period by a further four years from January 2017 to January 2021 and to a capital contribution of approximately R290 million to OET in order to make a once-off cash distribution to the 2 650 employee beneficiaries. This resulted in an average after tax distribution per employee beneficiary of R100 000. This distribution was made on 4 April 2014 and has been positively received.

PROSPECTS

The canned fish and fishmeal business has been restructured to allow management to effectively explore opportunities for growth both domestically and in the rest of Africa and in addition to focus on extracting efficiencies. In Namibia we continue to seek appropriately priced horse mackerel quota to supplement fishing of owned quota. We will also continue to assess the viability of opportunities in Angola and have already commenced fishing, having obtained a mid-water trawl licence in October 2014. In addition, we expect to commission a fishmeal plant in Angola during 2015. We continue to explore further opportunities for acquisitive growth both in South Africa and globally. In addition we anticipate that a group-wide implementation of shared service finance, procure to pay and human resource functions will deliver operational efficiencies from 2015 onwards.

On behalf of the Board

MA Brey
Chairman

FP Kuttel
Chief executive officer

6 November 2014

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 142. A gross final dividend amounting to 271 cents per share, in respect of the year ended 30 September 2014, was declared on Thursday, 06 November 2014, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 15% will result in a net dividend amounting to 230,35 cents per share.

The company has no credits available in respect of secondary tax on companies.

The number of ordinary shares in issue at the date of this declaration is 119 526 157. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade cum dividend	Friday, 09 January 2015
Commence trading ex dividend	Monday, 12 January 2015
Record date	Friday, 16 January 2015
Dividend payable	Monday, 19 January 2015

Share certificates may not be dematerialised or re-materialised between Monday, 12 January 2015 and Friday, 16 January 2015, both dates inclusive.

By order of the board

JC Marais
Company secretary

6 November 2014