



OCEANA / GROUP

INTEGRATED REPORT 2015

Creating shared value



SOUTH AFRICA'S MOST EMPOWERED LISTED COMPANY

The employee on the cover of our 2015 Integrated Report is Dillon Beziek, the 4th mate on the Desert Diamond. He has worked for Oceana since May 2005.

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ABOUT THIS REPORT

SCOPE, BOUNDARY AND REPORTING CYCLE

Oceana Group Limited's 2015 Integrated Report provides material information relating to our strategy, governance, performance and prospects, covering the financial year ended 30 September 2015. This report is supplemented by our separate Annual Financial Statements (AFS) 2015 and our Sustainable Development Report (SDR) 2015, both available on our website (www.oceana.co.za).

The report focuses on the main operations and activities that contribute to Oceana's performance: canned fish, fishmeal and fish oil; horse mackerel and hake; lobster, squid and French fries; and commercial cold storage and logistics (see pages 54 – 67). Unless otherwise stated, all performance data is for the 12-month period ended 30 September 2015, and relates to all of the group's South African, US and Namibian operations (including Etosha Fisheries). The performance of our recently acquired US operation Daybrook Fisheries Incorporated (Daybrook) relates only to the period since acquisition on 1 July 2015. The B-BBEE assessment, as well as the employment equity statistics, exclude all non-South African companies and operations. Since last year there has been one significant change to the group's organisational structure arising from the acquisition of Daybrook in the USA. There have been no significant restatements of data during the year other than the restatement of earnings per share calculation for the prior year which results from the rights offer in September 2015, which was required by IAS 33 (Earnings per share) as disclosed in note 8 of the annual financial statements.

REPORTING PRINCIPLES

Oceana has applied the principles contained in the International Financial Reporting Standards (IFRS), the King Code on Corporate Governance 2009 (King III), the JSE Listings Requirements, and the Companies Act, 71 of 2008. The report draws on the International <IR> Framework of the International Integrated Reporting Council (IIRC). Commentary is provided on page 77 to explain the reasons for certain principles in King III not being fully applied.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors (to support their capital allocation assessments), and for representatives from government and regulatory authorities in South Africa, Namibia and the United States of America (to inform their assessments of our performance). The report is also relevant for any other stakeholder who has an interest in our performance and prospects against our stated core purpose of efficiently converting global fishing resources into shared value.

This report focuses on those issues that we see as being most material to our capacity to create value, and to delivering on our core purpose. Our response to these material issues is reflected in our strategic objectives (page 1). These strategic objectives have been identified on the basis of an assessment of how we create value (page 22), the impact of the external business context on value creation (pages 24 – 27), the material interests of our stakeholders (pages 28 – 29), and the principal risks facing the group (pages 30 – 31). Additional information that is not seen to be material for these purposes, but that may be of interest to other stakeholders, is provided in the separate AFS and SDR.

EXTERNAL AUDIT AND ASSURANCE

An independent audit of the group's annual financial statements was performed by Deloitte & Touche. The B-BBEE scorecard information was verified independently by Empowerdex. The rest of this integrated report has not been subjected to independent audit or review. Information reported, other than that mentioned above, is derived from the group's own internal records and from information available in the public domain.

We welcome your feedback on this report. Please address any queries or comments to our company secretary at companysecretary@oceana.co.za or call +27 21 410 1400.

STATEMENT OF THE BOARD OF DIRECTORS OF OCEANA GROUP LIMITED

The board acknowledges its responsibility to ensure the integrity of the annual integrated report. In the board's opinion, this report provides a fair and balanced account of the group's performance on those material issues that we have assessed as having a bearing on the group's capacity to create value. The 2015 integrated report has been prepared in line with internationally recognised best practice and complies with the recommendations of the King III Code, principle 9.1. The report, including the annual financial statements of the group for the year ended 30 September 2015, were approved by the board of directors on 4 December 2015, and signed on its behalf by:



Mustaq Brey
Chairman



Francois Kuttel
Chief Executive Officer

The following will help you navigate better throughout this report:



View more information on our website: www.oceana.co.za

Our core purpose is to be an African company, efficiently converting global fishing resources into shared value.

Delivering on this core purpose is underpinned by five strategic objectives:

STRATEGIC OBJECTIVES



- 1 **Generating sustained financial returns by anticipating market trends**
 - Identifying opportunities for acquisitive and organic growth of the group
 - Achieving growth in headline earnings
 - Delivering superior returns to shareholders



- 2 **Driving transformation and localisation**
 - Being a sector leader in terms of our transformation and localisation credentials
 - Maintaining an independently accredited B-BBEE level 2 rating in South Africa in 2015
 - Promoting and protecting the ongoing transformation of the group's equity profile



- 3 **Optimising our operations**
 - Driving effectiveness and efficiency in our fleet and operations throughout the value chain
 - Actively evaluating and mitigating risk, and maintaining effective governance systems
 - Attracting, developing and retaining the best available talent throughout the group



- 4 **Leading stewardship of marine resources**
 - Harvesting our marine resource allocations responsibly
 - Partnering with others to promote responsible fisheries management
 - Monitoring and managing the group's impact on the environment



- 5 **Building trusted relationships**
 - Encouraging pro-active engagement with key stakeholders
 - Adhering to strict food safety standards and exceeding customers' product quality expectations
 - Delivering value for local communities

MISSION STATEMENT

To be the leading empowered African fishing and commercial cold storage company:

- responsibly harvesting and procuring a diverse range of marine resources
- promoting food security by efficiently producing and marketing relevant products for global markets
- actively developing the potential of all employees
- investing in communities where we operate

thereby consistently providing superior returns to all stakeholders.

DELIVERING ON OUR STRATEGY – OUR 2015 PERFORMANCE

-  1. **Generating sustained financial returns by anticipating market trends**
 - Revenue: R6 169 million (2014: R5 039 million)
 - Operating profit before abnormal items: R1 007,3 million (2014: R879,6 million)
 - Basic headline earnings per share: 588 cents (2014: 549 cents)
 - Dividend per share: 365 cents (2014: 377 cents)
-  2. **Driving transformation and localisation**
 - Rated as South Africa's most empowered listed company for the second consecutive year
 - Independent level 2 B-BBEE rating based on Revised Codes of Good Practice – scoring 97,8 (2014: Level 2; scoring 98,4)
 - Black employees in Oceana: 94% (2014: 93%)
 - Namibian employees in Oceana's Namibian operations: 96,2% (2014: 96,0%)
 - Black representation at executive committee level: 44% (2014: 50%)
 - Black female representation at executive committee level: 22% (2014: 25%)
 - 2 564 employee beneficiaries hold rights to 13,8 million Oceana shares through the Oceana Empowerment Trust
 - R2,1 billion spent on preferential procurement with B-BBEE suppliers
 - Investment in skills development on black employees: R16,7 million (2014: R18,7 million)
-  3. **Optimising our operations**
 - Zero fatalities and 0,7 Disabling Injuries Frequency Rate
 - Invested in employee skills development: R17,6 million (2014: R19,5 million)
 - Landed 71% of own pilchard rights by end September 2015
 - Landed 100% of own west coast lobster rights by end September 2015
 - Opened three new cold storage facilities, increasing capacity by 27 000 pallets
-  4. **Leading stewardship of marine resources**
 - Targeted SA commercial fishing rights on SASSI green list: 99,5% (2014: 99,7%)
 - Hake deep-sea trawl fishery MSC-accredited
 - Hake operations retained MSC chain of custody certification
 - IFFO RS-accreditation retained for Hout Bay and St Helena Bay fishmeal plants
 - IFFO RS-accreditation achieved for newly acquired Laaiplek fishmeal plant
-  5. **Building trusted relationships**
 - Days lost to industrial action at our operations: Zero (2014: Zero)
 - Tax payment in South Africa, Namibia and United States: R296,6 million (2014: R336,7 million)
 - CSI investment in South African fishing communities: R4,9 million (2014: R5,9 million)
 - CSI investment in Namibian communities: N\$8,4 million (2014: N\$2,7 million)
 - Lucky Star brand voted sixth (2014: seventh) favourite brand overall in South Africa

VALUE ADDED STATEMENT

Overview

at 30 September 2015

	2015		2014	
	R'000	%	R'000	%
Revenue	6 168 777		5 039 134	
Paid to suppliers for materials and services	3 960 510		3 295 336	
Value added	2 208 267		1 743 798	
Income from investments	61 558		13 273	
Total wealth created	2 269 825		1 757 071	
Wealth unlocked (Oceana Empowerment Trust)	15 469		291 524	
Total wealth distributed	2 285 294		2 048 595	
Distributed as follows:				
Employees				
Salaries, wages and other benefits	1 018 234	44.6	725 339	35,4
Providers of capital	601 306	26.3	674 506	32,9
Interest on borrowings	158 442	6.9	17 102	0,8
Dividends to non-controlling interests	22 957	1.0	26 223	1,3
Dividends to Oceana Empowerment Trust beneficiaries	25 506	1.1	10 176	0,5
Distribution to Oceana Empowerment Trust beneficiaries	15 469	0.7	291 524	14,2
Dividends to shareholders of Oceana Group Limited	378 932	16.6	329 481	16,1
Government				
Central and local (Notes 1 and 2)	311 134	13.6	266 176	13,0
Reinvested in the group to maintain and develop operations	354 620	15.5	382 574	18,87
Depreciation, amortisation and impairment loss	136 533	6.0	113 623	5,5
Retained surplus (Note 3)	214 808	9.4	243 039	11,9
Deferred taxation	3 279	0.1	25 912	1,3
Total wealth distributed	2 285 294	100.0	2 048 595	100,0
Notes				
1. Central and local government:				
Company taxation	279 892		231 620	
Skills development levy net of refunds	5 188		7 255	
Rates and taxes paid to local authorities	7 778		6 659	
Customs duties, import surcharges and excise taxes	14 932		11 356	
Withholding taxes	3 344		9 286	
	311 134		266 176	
2. The total amount contributed to the central and local government as reflected above excludes the following amounts collected by the group on behalf of the government:				
VAT: Net amount refunded	(172 058)		(117 598)	
PAYE and SITE withheld from remuneration paid	151 864		185 132	
UIF contributions withheld from employees' salaries	5 641		2 950	
	(14 553)		70 484	
3. Retained surplus comprises:				
Group profit after taxation	642 203		608 919	
Less: Dividends paid to:				
Shareholders of Oceana Group Limited	(378 932)		(329 481)	
Oceana Empowerment Trust beneficiaries	(25 506)		(10 176)	
Non-controlling interests	(22 957)		(26 223)	
	214 808		243 039	

GROUP PROFILE

- Incorporated in 1918, Oceana Group is the largest fishing company in South Africa, and an important participant in the Namibian fishing sector. We are publicly listed on both the Johannesburg (JSE) and Namibian (NSX) stock exchanges.
- Oceana is a majority black-owned company and a level 2 B-BBEE contributor.
- Oceana provided employment to 6 053 employees, of whom 4 765 are directly employed and 1 288 indirectly employed.
- Our core fishing business is the catching, processing, marketing and distribution of canned fish, fishmeal, fish oil, lobster, horse mackerel, squid and hake. The business includes mid-water fishing (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, the gulf menhaden species, redeye herring and pilchard). In addition, we provide refrigerated warehouse facilities and logistical support services.
- We market and sell our fish and fish products to consumers across the consumer spectrum, in Africa, the USA, Asia, the EU and Australia.
- The majority of sale revenue (64%) comes from South Africa and Namibia, followed by markets in Southern and West Africa, the USA, Europe and the Far East.

97,81

2015
B-BBEE Score

Ownership profile (September 2015)

Oceana Shareholder	Number of shares held	Percentage of total Issued Shares
Tiger Brands	57 104 774	42,1%
Brimstone	22 757 803	16,8%
Oceana Empowerment Trust	13 827 003	10,2%
Other	41 836 574	30,9%
Total	135 526 154	100,0%

Oceana aims to become Africa's most efficient converter of fishing rights into shared value, underpinned by generating sustained financial returns by anticipating market trends.

Revenue

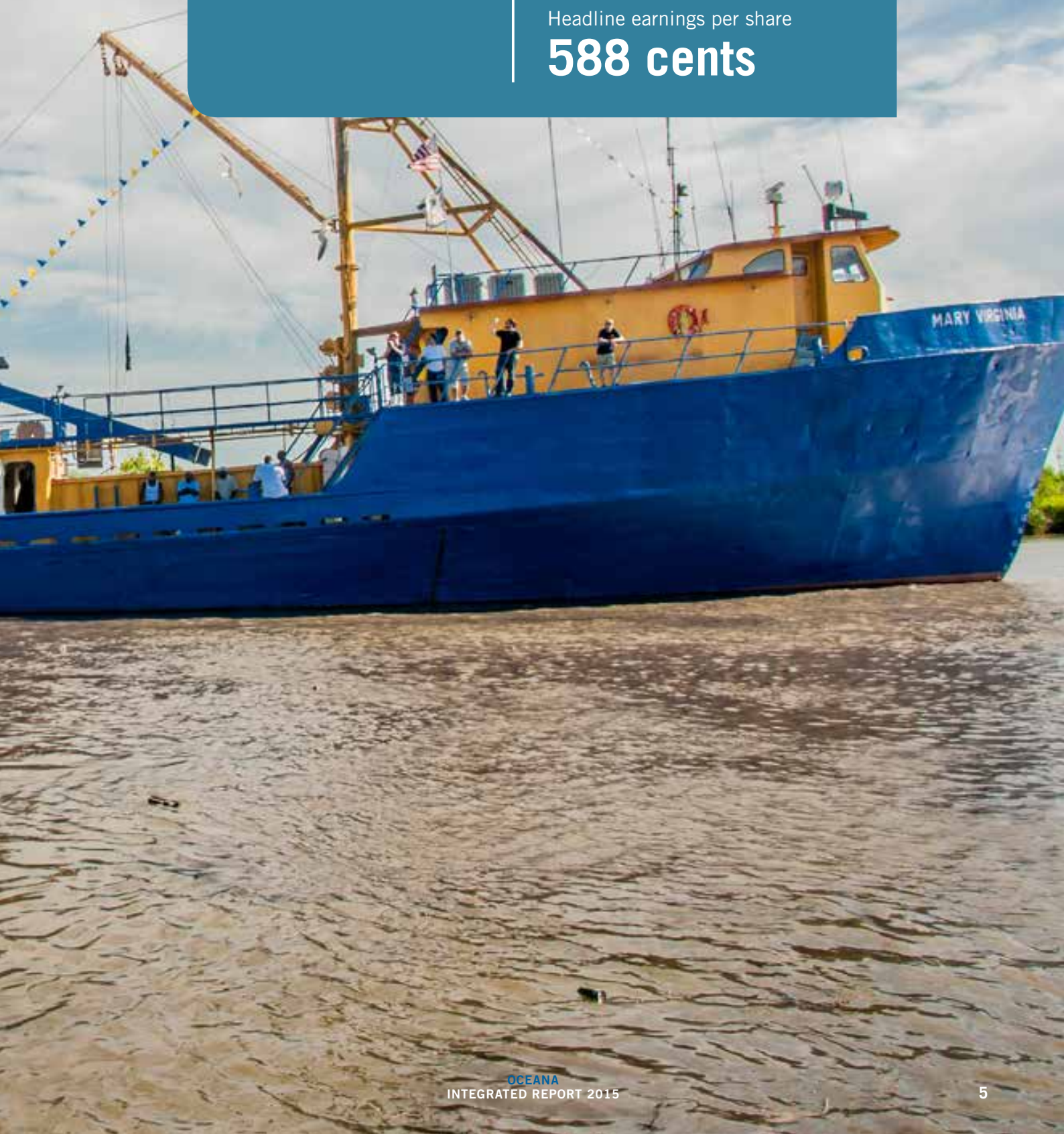
R6,17 billion

Operating profit

R1,03 billion

Headline earnings per share

588 cents



This has been a transformative year for Oceana, dominated in particular by our acquisition of US – based Daybrook. Representing around 40% in value of Oceana's market capitalisation, this is a substantial transaction that has a significant impact on the company's long-term growth opportunities.

Oceana's core purpose is to be an African company, efficiently converting global fishing resources into shared value – for our shareholders and employees, customers and suppliers, and the communities within which we operate. We have a strong history of achieving this core purpose: we have consistently delivered superior returns to shareholders, provided consumers with access to one of the most affordable forms of animal protein, delivered benefits to local communities, shown leadership in driving and supporting responsible fishing practices, all of which has been underpinned by our evident commitment to transformation and localisation in South Africa and Namibia. Historically we have achieved these outcomes through organic growth and acquisition, primarily in South Africa, our home base. Looking to the future we believe that the best way to sustain this capacity to create and share this value back home is through further growth and diversification.

ENHANCING OUR ABILITY TO DELIVER VALUE THROUGH OUR INVESTMENT IN DAYBROOK

Our results this year, reflecting a 22% growth in net revenue and earnings suggest that our strategy of identifying opportunities for acquisitive and organic growth has been effective, with material year-on-year growth in revenues and headline earnings. In pursuing this strategy, we have made several significant acquisitions in South Africa in

the recent past that have helped us to diversify the business and realise economies of scale. Given existing anti-trust constraints and the challenges we experienced with our most recent acquisitions, we believe that there are limited opportunities for further such deals in the country. With fishing rights up for renewal in 2018 and 2020, and uncertainties regarding the nature of the potential rights allocation, we are cautious about the potential to increase the scale and diversify of our fishing rights through organic growth in the Southern African region alone.

In the context of these challenges, and the strong case for further diversification in species and geography, we undertook an extensive analysis into possible growth opportunities throughout Africa. We considered various possible acquisitions relating, for example, to canned sardines (Morocco), frozen pelagic species (Angola, Mauritania and Morocco), the capture of tuna (Atlantic and Indian Ocean), and aquaculture (such as abalone and tilapia). Unfortunately, none of these opportunities offered sufficient required risk-adjusted returns. Following a comprehensive analysis of global fishing trends and markets, we concluded that increased exposure to fishmeal and fish oil presents the most exciting potential for long-term growth. Underpinning this decision is the belief that there will be substantial further expansion in global aquaculture production, with a resulting significant demand for fishmeal and fish oil, both high-protein ingredients in feed for aquaculture. Given this anticipated strong demand, we foresee a material increase in the pricing of fishmeal and fish oil, notwithstanding the potential improvements in aquaculture efficiencies.

Our core purpose
is to be an African
company, efficiently
converting global
fishing resources into
shared value.



CHIEF EXECUTIVE OFFICER
FRANCOIS KUTTEL



Having assessed opportunities in Peru and the US Gulf of Mexico, we identified what we believe is the best opportunity to expand our activities in this area – the Louisiana-based Daybrook, a company that has an excellent track record with strong cash flow generation, a well maintained fleet of 11 refrigerated vessels and 10 spotter aircrafts, and a world class operating plant. After a long process of engagement with Daybrook's shareholders and our own major shareholders, we undertook what I believe is a truly transformational transaction for Oceana. In the fourth quarter of the 2015 financial year, we acquired 100% of Daybrook, as well as a 25% interest in Westbank Fishing LLC, in a deal that took effect from 1 July 2015. The processing, sales and administrative operations reside within Daybrook, and the fishing operations within Westbank.

Established in 1955, Daybrook is a vertically integrated company, involved in the catching and processing of the gulf menhaden species, and in the marketing and selling of derived fishmeal and fish oil products sold to leading American and other international manufacturers of animal and aquamarine nutritional products. The fishmeal is primarily for the aquaculture, baby pig and speciality pet food industries, and the fish oil for the nutraceutical and functional food industry. Currently it secures 35% – 40% of the annual gulf menhaden catch, a resource that remains healthy, is not currently subject to any assigned quota, and that has been assessed by the Gulf States Marine Fisheries Commission as not overfished or in an overfished state.

This transaction presents a compelling commercial rationale on various counts. The diversification of our revenue streams – in terms of targeted species, operational geographies and product portfolio – enables us to build a large-scale, highly efficient business, exploiting the benefits of scale, and reducing the vulnerabilities associated with specific commodity price cycles and exchange rate fluctuations. The transaction is expected to provide an attractive IRR and strong earnings growth from a materially higher base. The graphs on page 9 reflect the geographic and product revenue split; and the currency split both before and after the acquisition. We expect to realise material value creation over the next five years, through a planned expansion of the existing fleet and an increase in plant capacity with the installation of innovative dryer technology. Consolidating this operation with our existing fishmeal supply opportunities in South Africa, Namibia and Angola will result in significantly improved scale and mobility in the global fishmeal market. We believe this offers substantial upside potential given the anticipated high growth in global aquaculture.

Although early days, I believe that the Daybrook acquisition has already demonstrated its potential, and that it will prove to be a critical component of our commitment to delivering value in our home base in Southern Africa.

SOLID PERFORMANCE IN OUR OPERATIONS

This year, our five main divisions collectively delivered positive growth in net revenue and earnings. Performance across the divisions has generally been positive, other than for our horse mackerel business which experienced another challenging year due to issues beyond its control.

Lucky Star: Canned fish and fishmeal

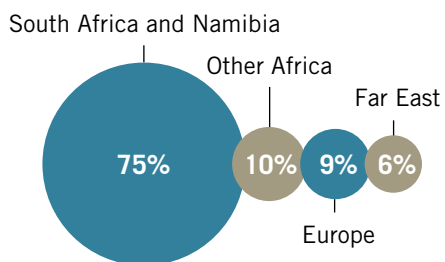
Since the beginning of the 2015 financial year, Lucky Star has been managed as two separate reporting divisions. Sales and Marketing has taken on responsibility for procurement, reducing route to market costs, managing brand and product investment, and developing new markets. The Operations division is responsible for managing the fleet of 20 vessels, three canneries and four fishmeal plants that make up the fishing and processing activities.

Given the tough South African market conditions – with depressed consumer demand and the impact of the weak rand on import costs – the business has managed to deliver sound performance. It is unfortunate that the very good progress in reducing costs through improvements in our stock management and procurement practices has been offset by the poor exchange rate, which placed a significant strain on this business. Although the seamless integration of the Foodcorp fishing division, now known as Amawandle Pelagic, in February 2015 has increased the volume of locally available fish, we still need to secure substantial volumes of additional raw fish and canned product from abroad to support our Lucky Star sales. As a result of the increased price premium compared with other proteins, and reduced consumer income, we saw a 5% decline in sales volume this year. In this context, we have done well to maintain margins, and it is pleasing to see that we have maintained our brand penetration of 80% of South African homes. Once again the Lucky Star brand featured in the Top 10 overall favourite brand category in the *Sunday Times* TNS Top Brands survey, coming in sixth, up from seventh last year.

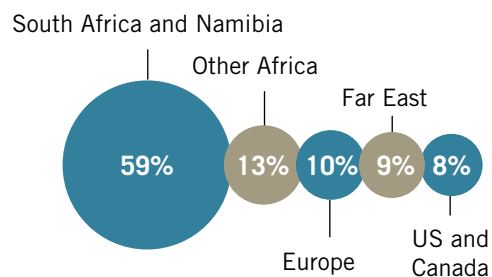
Although sales volumes in our more recently targeted Southern and East African markets have been slower than hoped, we have robust plans in place and I am confident that we will deliver on our growth strategy in these markets.

OCEANA GEOGRAPHICAL REVENUE SPLIT

PRE-TRANSACTION

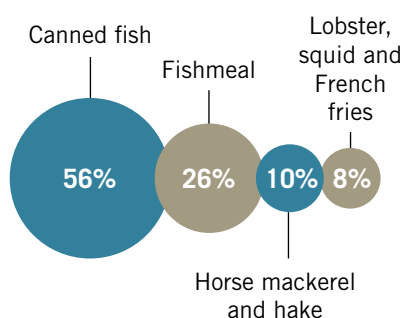


POST-TRANSACTION

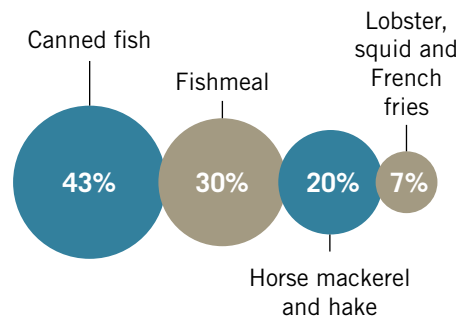


OCEANA PRODUCT REVENUE SPLIT EXCLUDING CCS LOGISTICS

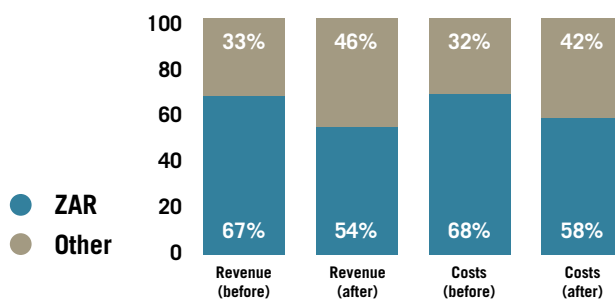
PRE-TRANSACTION



POST-TRANSACTION



OCEANA CURRENCY SPLIT





I am also optimistic that we will further enhance our local sales and distribution performance, and drive the value proposition of canned fish over alternative protein options such as chicken.

On the operational side, the successful integration of the Foodcorp fishing division saw three refrigerated sea water vessels added to our South African pilchard fleet. The fleet has again performed well in terms of pilchard landings, with good availability, size and mix of fish. Although landings towards the latter part of the year were lower than expected, we anticipate catching our full quota by the close of the season. We have made initial progress in reducing the fixed and variable costs of our fishmeal plants and canneries, and anticipate further improvements in the year ahead. We will be investing in our St Helena Bay fishmeal plant to increase performance, in our Hout Bay fishmeal plant to increase performance and reduce plant emissions and in our Laaipelek facility to reduce plant emissions.

The business achieved a significant increase in sales volume of fishmeal and fish oil, mainly due to the improved availability of fish following the inclusion of the Amawandle Pelagic production and the increased availability of traded product. Despite some volatility in the fishmeal price, mainly as a result of El Niño concerns, average fishmeal and fish oil selling prices were favourable, assisted by the weaker exchange rate. Given the strong anticipated global demand and pricing for fishmeal and fish oil, the continuing contribution of canned fish as a key staple protein choice in Southern African markets, our iconic brand, and the healthy status of the biomass, I believe that this division is well positioned to deliver sustained positive results.

Daybrook

Our acquisition of Daybrook, has had a positive start, delivering performance in line with what was envisaged and demonstrating its ability to contribute meaningfully to the bottom line. From the acquisition date through to 30 September 2015, we landed 115 737 tons of fish, with the fish catch for the season 19,6% higher than the prior year. Over the same period we sold 19 122 tons of fishmeal and 8 286 tons of fish oil. While the US pet food market was buoyant, demand in China for prime grade fish meal was weaker, mainly as a result of China building up stocks in 2014 due to uncertainty regarding the anticipated El Niño impact on the Peruvian anchovy season. Sales volumes of fish oil were impacted by marginally reduced fish oil yields that were 33% lower than the prior season. This was mainly due to smaller fish with lower fat content, as a result of various environmental factors. The fish oil market

has remained firm fuelled by strong international demand. With sustained demand levels and anticipated reductions in Peruvian supply following a predicted strong El Niño effect, we foresee a further strengthening in prices.

The Daybrook facility has retained its Good Manufacturing Practices (GMP) + status, reflecting its effective integration of HACCP (Hazards Analysis and Critical Control Points) and ISO quality management requirements. Daybrook also participates in the AQSIQ inspection program for China, and complies with the rigorous Responsible Sourcing Standards inspection programmes of the International Fishmeal and Fish Oil Organisation (IFFO).

Horse mackerel and hake

We have had another very difficult year in the horse mackerel business for two main reasons: continuing scarcity of the horse mackerel resource in South Africa, and a further reallocation of our Namibian quota. Fish landings in our assigned South African fishing waters on the Cape South East Coast were even lower than the very disappointing 2014 season, with the Desert Diamond trawler only completing two trips in South African waters, both at very poor catch-rates. The vessel was redeployed to Namibia twice during the financial year, and for the remainder of the time was laid-up in Cape Town.

Unsurprisingly we have seen a further decline in profit from horse mackerel operations in South Africa, as a result of the sub-economic catch rates, the significant lay-up costs, and the higher foreign-denominated costs due to the weaker exchange rate. We continue to work with the DAFF demersal scientific working group to understand the cause of the decline in catch volumes, and to extend the normal fishing ground westwards. Used wisely, this is a valuable resource that can generate significant shared value for the long term.

Although the horse mackerel resource in Namibia remains strong, the quota reallocation process that commenced in January 2012 has been followed by further allocations to new rights holders in the 2013, 2014 and 2015 calendar years. The resulting lower direct quota allocation to our Erongo operation has had significant cost implications, due to the strain on the utilisation of our assets with reduced landings, and the need to purchase more expensive quota from new rights holders. To address these concerns we have maintained a constructive and proactive engagement with the Namibian government, where we remain committed to supporting localisation and the creation of land-based employment opportunities.



To maintain maximum vessel utilisation, we are looking to partner with new horse mackerel rights holders. We have also been exploring fishing, processing and distribution opportunities in Angola. We again redeployed one of our vessels into Angola, where she fished for the first eight months of the financial year. The sporadic fishing, high logistics costs and quota usage fees resulted in losses being incurred for the experimental period.

As a result of marginal returns in Namibia due to the high cost of purchased quota, a reduction in total fleet capacity has become necessary thus the Desert Rose was sold during October 2015.

Our hake division has again had a positive year, yielding good value for their comparatively limited quota. Following the purchase of the fishing rights and assets of Foodcorp's fishing division, now known as Amawandle Hake, in February 2015, our hake business now consists of five deep-sea trawlers, two wet-fish trawlers and two land-based facilities. Integration of the business has gone well, albeit with some initial challenges associated with mastering the new shore-based wet fish operations. With good catch levels, stable prices, increased sales volumes and improved operating efficiencies, the hake division has delivered improved profits on last year's performance.

Lobster, squid and French fries

Our lobster business has had a good year, with the management team delivering pleasing results, in the context of reduced resource availability, and the further reductions in total allowable catch (TAC) for west coast rock lobster. This year we landed 100% of own and contracted quota. The steady demand in our export markets for live lobster, and the weaker exchange rate, both contributed to increased revenues.

The management team has also performed well in the squid business, with increased landings and enhanced efficiencies seeing a return to profit this year. The signs of a recovery of the resource, evident during the peak squid fishing season point to satisfactory catch expectations for the upcoming peak season (November 2015 to February 2016).

The French fries business has sustained the return to profitability reported in 2014. This was achieved despite the 14% decline in sales volumes, caused mainly by the loss of production due to low quality raw material and Eskom power outages. The profitability was driven by consistent demand from our QSR customers, improved pricing, and the efficient operation of our Lambert's Bay plant, which continues to run at full capacity. Looking ahead, we are seeking to further

reduce costs and maintain product quality by increasing the supply of potatoes from the Western Cape region, as well as to improve efficiencies in the logistics and transport areas.

CCS Logistics

CCS Logistics has continued to deliver revenue growth this year, secured mainly by consistent storage occupancy levels across the facilities, the improved volume of poultry and sterilised citrus fruit handled, and the successful introduction of the new facilities. The two new Midrand facilities (each of 13 000 pallets capacity) were both fully occupied within a month of opening, while the additional capacity introduced at the Walvis Bay facility last year was fully occupied throughout the year. Although operating margins in the frozen product category were maintained, these remained under pressure due to lower margins in the Midrand leased facilities. Revenue from our transport services has continued to grow, and now accounts for almost 10% of the divisions total revenue. The continued drive for efficiencies has helped to partly offset significant increases in electricity tariffs. Looking ahead, we will be seeking to further expand our menu of services and customer focus, identify opportunities to leverage off information systems, and explore additional opportunities for footprint expansion in South Africa and Africa.

DELIVERING ON OUR STRATEGY ACROSS THE GROUP

We have continued this year to deliver value for many of our stakeholders through the effective implementation of our five strategic objectives (listed on page 1). Following are some particular issues that I wish to highlight from the more detailed strategic review provided throughout this report.

Showing leadership on transformation and localisation

Driving transformation in South Africa, and localisation in Namibia, are critical imperatives that have a direct impact on our ability to retain and grow our commercial fishing rights. Contributing to the broad-based development of these economies is fundamental to our core purpose of converting global fishing resources into shared value. I believe that we have once again demonstrated the importance of our contribution here, being the largest employer with highly credible empowerment credentials in the South African fishing sector, the most progressive in the provision of employee benefits, and the sector's most significant contributor of investment into local economies. It is pleasing to report that for the second year running Oceana was rated 1st in this year's annual Most Empowered Listed Companies ranking, up from 70th in 2004 and 17th in 2011.

In South Africa, we have seen an important regulatory shift this year, with the revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice coming into effect in May 2015. These have introduced new principles, new formulae and calculations, and more stringent measurement requirements. We have adapted our transformation strategy to provide for these changes and to ensure that we continue to deliver value to our stakeholders. This year we are delighted to announce that we have achieved a Level 2 B-BBEE rating, with a score of 97,8 points out of 109 in terms of the Department of Trade and Industry's B-BBEE (the dti) scorecard. We have maintained our black-owned and black-controlled shareholding. Through our Africanisation initiative, we have continued to make good progress in attracting and retaining African males and females within managerial ranks. Black representation at board level is currently 63,6%. We have invested significantly in skills development, including specifically in training black employees (R16,7 million), and have continued to make an important contribution to enterprise development, through our supply arrangements and our joint ventures with smaller fishing operators.

In Namibia, we are committed to increasing the employment of Namibians, primarily through the creation of land-based employment in the canning of imported frozen pilchards and horse mackerel. We have also continued our long-term training programme to improve local skills in the navigation and marine engineering field.

Maintaining positive relationships with our stakeholders

We have continued to develop and maintain positive relationships with most of our key stakeholders. Despite the increased levels of industrial action across South Africa, we were able to successfully conclude wage negotiations throughout the group. We have continued to engage proactively with representatives from government, parliament and regulatory bodies at all levels, both at an individual level, as well as through various business channels.

We have also been active participants in the South African President's Operation Phakisa initiative and look forward to being an engaged partner in the Operation Phakisa ocean economy projects that seek to unlock the economic potential of South Africa's oceans. At a community level we have continued to build on the recent consolidation of our corporate social investment activities, through the work of the Oceana Foundation. We have established valuable relationships through our engagements with school principals, teachers, members of school governing bodies and departmental officials.

We have faced a particular challenge this year in responding to some strongly divergent community views regarding the future of our Hout Bay fishmeal plant. Up until fairly recently, Hout Bay remained a small fishing village with a strong Cape heritage and sense of community that underpinned the industry. Over recent years, the population expanded and the town has developed significantly. Situated within an industrial zone in a proclaimed fishing harbour, and pre-dating most of the surrounding residential areas, the plant unfortunately emits odours that under particular wind conditions impact directly on sections of the neighbouring

community. In response to these concerns, over the past 10 years we have invested in state-of-the-art odour-abatement technology. For the past three years we have reduced production at the plant to less than 40% of our normal annual production, while retaining all employees on full salary. While this had a significantly negative impact on the financial viability of the business, it did not result in a reduction in the number of complaints received.

We have also held meetings with the concerned residents, where we have explained the operation, described our compliance with legislation and our certification against international standards, and outlined our continued significant investment in new technology and plant maintenance.

Notwithstanding the reduction in our operations, there has been no decrease in the level of complaints from a section of the community, who have become increasingly vocal on social media through the forum of the Fresh Air for Hout Bay stakeholder group. Given the nature of these stakeholder concerns, the impact of the reduced operations on the viability of the business, and our inability to reduce the odour with existing feasible technologies, in August 2015 we initiated a Section 189 process in terms of the Labour Relations Act with employees at our Hout Bay operation regarding the proposed closure of the facility. In doing so, we made it clear that we would offer jobs to all affected staff in our operation on the West Coast, in St Helena Bay, or provide training to those not wishing to move. The proposal to close the plant was met with strong opposition from employees, unions and the local communities from which our employees are drawn, all of whom have argued that the plant and its associated activities provide much needed socio-economic opportunities to key sections of the community. The proposal has prompted numerous subsequent consultations with various parties, including affected employees and their representatives, community stakeholder organisations, and various national, provincial and local government departments. We were determined to find a solution that would be in the best interests of the community as a whole, and are continuing to consult with all concerned stakeholders prior to taking a final decision.

We were overwhelmed with the support received from the broader Hout Bay Community as well as FAWU union representatives who demonstrated their firm commitment to the continued operation of the plant in the staging of a march to the City of Cape Town's council offices and the lodging of a petition in September 2015.

We are pleased to announce that we successfully concluded the Section 189 process with our employees on a positive note. We have decided that we will continue with the operation of our fishmeal operations at Hout Bay and we are pleased that this decision has been met with the resounding approval of our employees, their union representatives, the broader Hout Bay community as well as the various regulatory authorities.

While we still anticipate that we will continue to receive complaints and objections from certain residents, we remain committed to continuing with plant operations that are aligned with international best practices, to actively

research technologies that enable continuous improvement in production and odour abatement and to remain in compliance with all relevant legislation.

CONCLUSION AND OUTLOOK

Reflecting back on this eventful year, I have been encouraged in particular by our ability to successfully integrate and embed two key acquisitions (Foodcorp and Daybrook), both of which are already making a meaningful contribution to our growth strategy. While we are not used to having debt on the balance sheet, we have adopted a conservative approach to funding this transaction, which I believe lays a critical foundation for our longer-term growth objectives.

Looking to our plans for the years ahead, I am confident that we have the right strategy and the right people to manage our material risks and to realise exciting new opportunities that will allow us to continue to deliver on our core purpose. By increasing the scale and diversity of our business, achieving efficiencies of scale, and acquiring access to a sustainable and well managed fishing resource, we have further strengthened our capacity, as an African company, to efficiently convert fishing resources into sustained value.

In closing, I would like to thank all our stakeholders – our shareholders, employees, customers, suppliers, government officials and community members – who are integral to our business, and with whom we will continue to work in delivering shared value. I wish to thank in particular my colleagues on the management team, and all the employees across the group, for their contribution to Oceana's continued growth.



Francois Kuttel
Chief executive officer

4 December 2015







CANNED FISH AND FISHMEAL

MARKETS

CANNED FISH

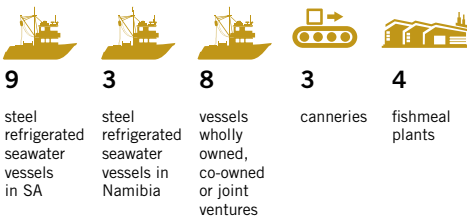
Botswana, France, Kenya, Lesotho, Mozambique, Malawi, Mauritius, Namibia, South Africa, Swaziland, United Kingdom, Zambia, and Zimbabwe

FISHMEAL AND FISH OIL

Australia, China, Denmark, Germany, Greece, Israel, Nigeria, South Africa, Spain, Taiwan, Turkey and United Kingdom

PRODUCTS

- **CANNED PILCHARDS CANNED TUNA, SARDINES, JACK MACKEREL AND MACKEREL:** Marketed and sold mainly under Lucky Star brand in South African and African markets, and under Glenryck brand in UK and France
- **CANNED AND DRIED CAT FOOD:** Marketed in South Africa under the Lucky Pet brand
- **FISHMEAL AND FISH OIL:** Derived from anchovy, redeye herring and associated by-catch and cannery offcuts



DAYBROOK

MARKETS

FISHMEAL

US, China, Canada, Germany, Vietnam and Taiwan

FISH OIL

Denmark, Norway, Belgium and Canada

PRODUCTS

- **FISHMEAL:** Prime, pet food and FAQ grade fishmeal primarily for the aquaculture, baby pig and speciality pet food industries
- **FISH OIL:** Omega-3-rich crude fish oil used by the aquaculture feed industry, and also refined into products for the nutraceutical and functional food industry
- All product is derived from the gulf menhaden species



OCEANA LOBSTER, SQUID AND FRENCH FRIES

MARKETS

LOBSTER

Australia, China, France, Greece, Hong Kong, Italy, Japan, Switzerland, Taiwan and USA

SQUID

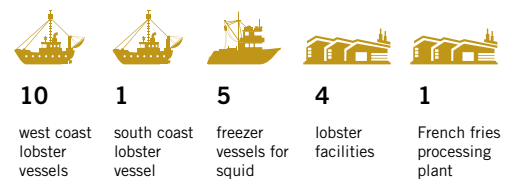
Greece, Ireland, Italy, Japan and Spain

FRENCH FRIES

South Africa

PRODUCTS

- **LIVE AND FROZEN WEST COAST ROCK LOBSTER:** Sold to Far Eastern and European markets
- **LIVE AND TAILED SOUTH COAST LOBSTER:** Sold to European and US markets
- **SQUID:** Sold to markets in Europe and Japan
- **FRENCH FRIES:** Sold in South Africa



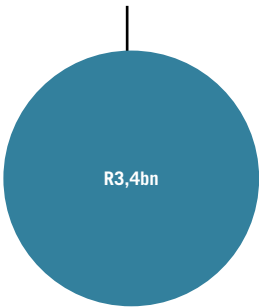


- The regions and countries where Oceana has a footprint.
- Catch
- Procurement
- Lucky Star canned fish markets
- Fishmeal and Fish oil markets
- Fishmeal markets
- Fish oil markets
- Lobster markets
- Squid markets
- French Fries markets
- Horse mackerel markets
- Hake markets
- Cold Storage
- Cold Storage sites in development



REVENUE

Canned fish and fishmeal
(2014: R3,1 billion)



Horse mackerel and hake
(2014: R1,2 billion)



Daybrook*



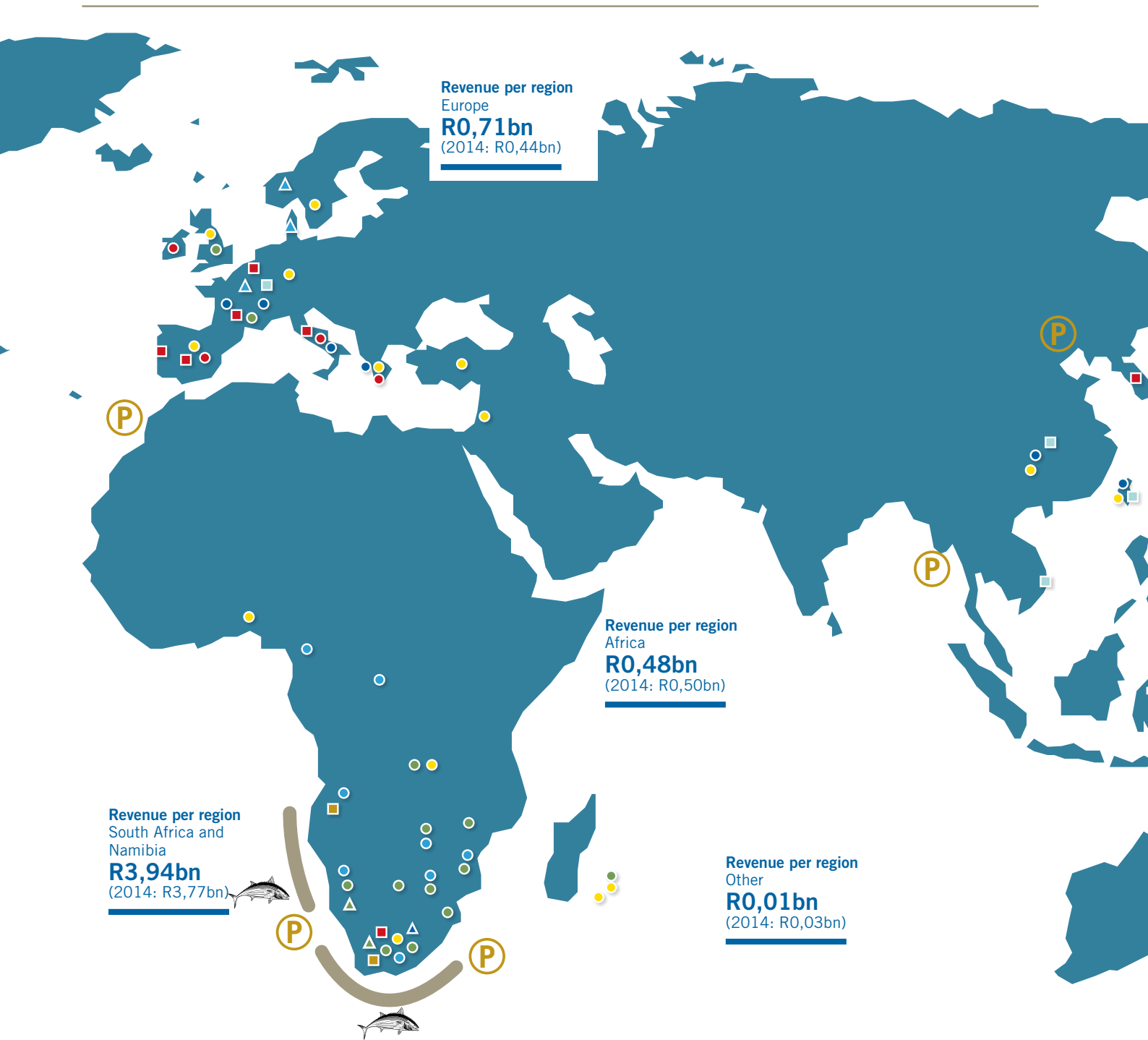
CCS Logistics
(2014: R343,7 million)



Lobster, squid and French fries
(2014: R405,5 million)



*Daybrook results consolidated from 1 July 2015



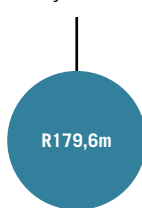
OPERATING PROFIT

Canned fish and fishmeal
(2014: R380,9 million)

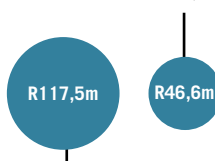


Horse mackerel and hake
(2014: R347,3 million)

Daybrook*



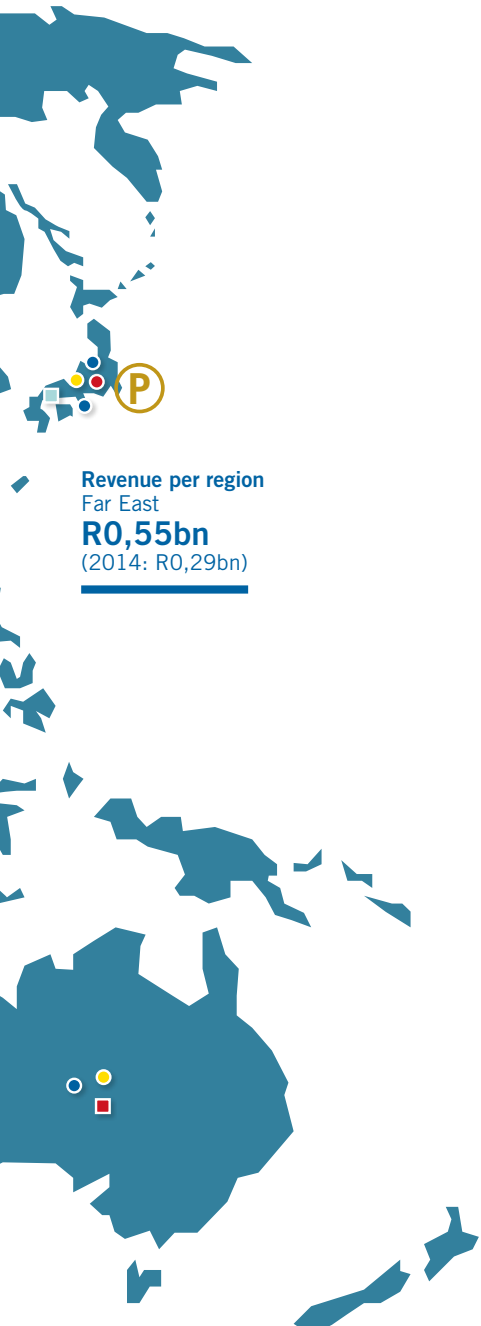
Lobster, squid and French fries
(2014: R44,9 million)



CCS Logistics
(2014: R106,5 million)



*Daybrook results consolidated from 1 July 2015



HORSE MACKEREL AND HAKE

MARKETS

HORSE MACKEREL

Angola, Cameroon, Democratic Republic of Congo, Mozambique, Namibia, South Africa, Zambia and Zimbabwe

HAKE

Australia, France, Italy, Korea, Netherlands, Portugal, Spain, South Africa

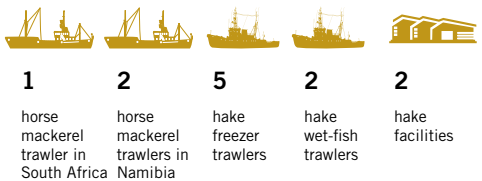
PRODUCTS

- **HORSE MACKEREL:** Sold in frozen whole form mainly in Southern Africa
- **HAKE:** Sold headed and gutted to the European and South African food services market

CCS LOGISTICS

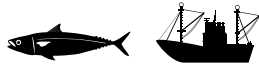
SERVICES

- Cold storage
- Blast freezing
- Transport
- Major products stored and handled include: fruit, fish, poultry, meat and vegetables





OUR VALUE CHAIN: ACTIVITIES AND IMPACTS



HARVESTING, LANDING AND PROCUREMENT

PROCESSING

<p>OUR ACTIVITIES</p>	<ul style="list-style-type: none"> • Secure and expand access to own fishing rights, through delivery on government expectations • Expand rights through partnership and acquisition • Collaborate in ensuring sustainable fishing practices to maintain biomass • Optimise operations and fleet to land assigned quota • Source additional raw, frozen and canned fish through supply chain processes 	<ul style="list-style-type: none"> • Operate efficient, safe onshore processing and canning operations • Adherence to strict traceability and product quality and safety standards, including IFFO certification
<p>KEY INPUTS</p>	<ul style="list-style-type: none"> • Marine biomass: anchovy, pilchard, gulf menhaden, horse mackerel, hake, lobster, squid and red eye herring • Significant capital investment in expanding and diversifying harvesting opportunities, and in new fleet (20 vessels and 10 spotter aircraft) • Quality relationship with licencing authorities, suppliers and partners • Human Resources – employment of 6 053 employees, of whom 4 765 are employed directly and 1 288 are employed indirectly 	<ul style="list-style-type: none"> • Capital expenditure in new plant (1 cannery, 2 hake facilities, 2 lobster facilities, and 2 fishmeal plants) • Acquisition of world-class plant in the US using indirect drying process • Operating expenditure on plant maintenance • Relationship with employees and communities
<p>KEY OUTCOMES</p>	<ul style="list-style-type: none"> • Live, chilled, frozen, canned and dried fish products • French fries • Cold storage and distribution services • Increased costs associated with reduced utilisation of horse mackerel fleet • Skills development and job creation opportunities • Safety risk management system • Energy and effluent management 	<ul style="list-style-type: none"> • Local employment and preferential procurement opportunities • Negative community relationship associated with odour complaints • Environmental impacts: liquid effluent, waste and energy usage • Safety risk management system



OUTPUTS

- Live, chilled, frozen, canned and dried fish products fishmeal and fish oil
- Cold storage and distribution services
- French fries
- Process waste and by-products

KEY OUTCOMES OF THE OCEANA GROUP ACTIVITIES

FINANCIAL CAPITAL

- R6,2 billion revenue
- R642 million profit after taxation
- R378,9 million paid in dividends
- R214,8 million reinvested in the group

MANUFACTURED CAPITAL

- R164,0 million capital investment
- R177,1 million depreciation, amortisation and impairment loss
- one new fishing vessel
- 1 processing plant being constructed



STORAGE AND DISTRIBUTION ACTIVITIES

- Maintain efficient, safe cold storage and logistics operation, supported by effective supplier relationships
- Deliver product to individuals, retailers, wholesalers, importers, exporters, restaurants, food producers, feed manufacturers and pet owners in diversified global markets across consumer segments

- Capital investment in facilities in Midrand, Walvis Bay and Luanda
- Operating expenditure on plant and utilities
- Quality relationships with key clients
- Efficient storage and distribution systems

- Safety risk management system
- Strong customer relationships maintained

MANAGEMENT, MARKETING AND SALES

- Provide a working environment to attract, retain and develop best talent
- Seek and act on opportunities for acquisitive and organic growth
- Ensure competitive pricing, continuity in supply, appropriate product information, and healthy, quality, safe, branded product
- Strong focus on maintaining trusted relationships with all critical stakeholders

- Investment in existing management, staff, marketing and brand development
- Effective internal control systems and culture
- Brand presence
- Reduced route to market costs through network optimisation initiatives

- Employment opportunities and benefits with focus on transformation/localisation
- Training and development investment
- Strong supplier relationships maintained
- Product health benefits
- Positive relations maintained with most key stakeholders
- Community social investment initiatives



SOCIAL AND RELATIONSHIP CAPITAL

- R296,6 million in taxes in South Africa, Namibia and United States
- 0 days lost to industrial action
- Most empowered listed company in SA for second consecutive year
- R13,4 million invested in corporate social investment initiatives in South Africa and Namibia

HUMAN AND INTELLECTUAL CAPITAL

- R1,0 billion paid in salaries and in employee benefits
- R17,6 million invested in employee skills development
- 0,7 Disabling Injuries Frequency Rate

NATURAL CAPITAL

- Marine biomass: anchovy, pilchard, gulf menhaden, horse mackerel, hake, lobster, squid and red eye herring
- 99,5% of targeted SA commercial fishing rights on SASSI green list
- Hake operations retained MSC chain of custody certification
- 2 341 terajoules of energy used

OUR BUSINESS MODEL: HOW WE CREATE VALUE

OUR VALUE PROPOSITIONS

CUSTOMER VALUE PROPOSITION

Reliable and affordable provision of responsibly harvested and processed products to individuals, retailers, wholesalers, restaurants, food producers, and feed manufacturers in diversified global markets across consumer segments

EMPLOYEE VALUE PROPOSITION

Learn and earn, innovate and grow, as responsible stewards of fishing rights

OUR OPERATING CONTEXT

pages 24, 25 and 27



Increasing global demand for protein, including fish



Rapidly expanding global aquaculture production



Impacts of environmental factors

OUR REVENUES

- Sale of fish and fish-derived product in diversified global markets across most consumer segments
- Sales from Lucky Star canned fish products
- Sale of cold storage, handling and distribution services
- Sale of French fries to retail, wholesale and quick service restaurants

Opportunities for revenue growth and protection

- Enhanced opportunities and reduced vulnerability through increased investment in diversification of targeted species, geographies of operation and markets, and product portfolio
- Expanding market share in existing markets through ability to drive increased frequency of consumption with existing and maintained strong brand
- Positioning product in new markets, building on brand strength
- Positioning canned fish as alternative protein to chicken
- Demonstrated ability for product customisation and innovation

Our Material risks (page 30)

1. Reallocation of fishing rights after expiry
2. Variation/depletion in availability of marine resources
3. Inability to acquire fishing rights in SA
4. Consumer health and safety
5. Reputational risk

KEY BUSINESS ACTIVITIES

- Secure access to own fishing rights through delivery on government expectations, and additional rights through partnership and acquisition
- Efficient and safe landing and sourcing of fish
- Efficient and safe onshore processing, storage and logistics
- Maintaining a productive and innovative work environment and culture
- Ensuring competitive pricing, continuity in supply, appropriate product information, and quality, safe, branded product
- Active engagement with key stakeholder groups
- Seeking and acting on opportunities for acquisitive and organic growth

SHAREHOLDER VALUE PROPOSITION

Consistently superior returns from well-managed operations and strategic partnerships, with acquisitive and organic growth in response to market opportunities

SOCIETAL VALUE PROPOSITION

Efficiently converting global fishing resources into inclusive, affordable and sustainable value for our key stakeholders

OUR COSTS

- Purchase and maintenance of fleet, utilities and equipment
- Salaries and employee benefits
- Raw material (procured fish) and utility costs
- Distribution, storage, marketing and support services
- Regulatory and compliance costs
- Cost of financial capital
- Taxation

Opportunities for cost reduction

- Optimised route to market network, with demonstrated procurement skills, supplier relations, inventory management and distribution systems, reducing supplier volatility and price uncertainty
- Cost efficiencies associated with scale of operation and administrative synergies achieved through centralisation of common functions.
- Optimised utilisation of world class well-maintained fleet
- Reduced fixed and variable costs in plants
- Reduced currency exposure due to geographic and product diversification

KEY RESOURCES AND RELATIONSHIPS

- Reliable access to sustainably managed marine biomass
- Positive relations with regulators and communities through demonstrated performance on transformation, value creation for communities, and responsible ocean stewardship
- Access to financial capital, enhanced through consistent delivery of investor returns and sustained market confidence
- Integrated, optimised value chain, including fleet and landing capability, cold storage, processing and logistics capabilities
- Experienced, diverse leadership team and skilled, engaged employees
- Iconic Lucky Star brand, and retained confidence in product integrity
- Maintenance of positive supplier and customer relations

OUR OPERATING CONTEXT

pages 26 and 27



International and regional trade dynamics



A challenging macro-economic environment

Our Material risks (page 30)

6. Legislative non-compliance
7. Concentration of earnings
8. Scarcity of critical skills
9. Threat to employee health and safety
10. Business continuity

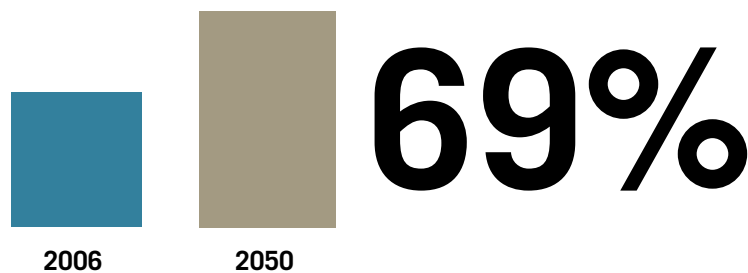
OUR OPERATING CONTEXT: ISSUES IMPACTING OUR BUSINESS MODEL



INCREASING GLOBAL DEMAND FOR PROTEIN, INCLUDING FISH

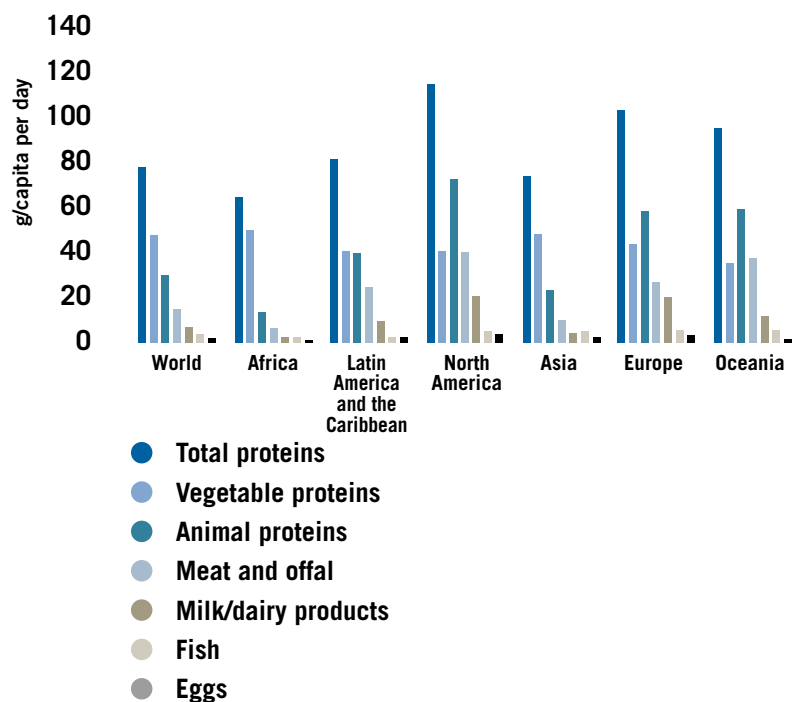
- In the last few decades the protein food market has experienced significant expansion – as a result of population growth, rising living standards, rapid urbanisation, improved opportunities for trade and distribution, and changing dietary preferences.
- With the global population expected to increase to 9,6 billion by 2050¹ mainly in developing countries, and with a rapidly growing middle class in large economies such as China and India, this will drive further increases in demand for protein.
- Fish currently represents 16,6% of animal protein supply, and 6,5% of all protein for human consumption². As a low-cost, healthy source of protein, it is anticipated that there will be further significant demand growth for fish. Being generally low in saturated fats, carbohydrates and cholesterol, fish provides a high-value protein as well as various essential micronutrients, including vitamins, minerals and polyunsaturated omega-3 fatty acids.
- Fish has an important potential role to play, both in addressing malnourishment and protein deficiency in many developing countries, as well as in combatting obesity and diet-related diseases globally. Well managed fishing and aquaculture practices can also meet growing consumer expectations for food safety, ethical production, traceability, and environmental responsibility.

REQUIRED INCREASE IN FOOD CALORIES TO FEED 9,6 BILLION PEOPLE



(Source: WRI, World Resources Report 2013-2014)

TOTAL PROTEIN SUPPLY BY CONTINENT AND MAJOR FOOD GROUP (AVERAGE 2007-2009)



(Source: FAO, State of World Fisheries and Aquaculture 2012)

¹ UN Department of Economic and Social Affairs World Population Prospects: the 2015 Revision

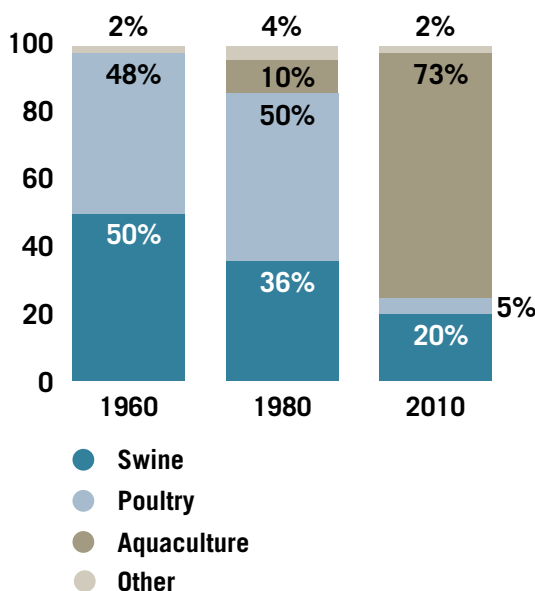
² FAO, State of World Fisheries and Aquaculture (2012)



RAPIDLY EXPANDING GLOBAL AQUACULTURE PRODUCTION

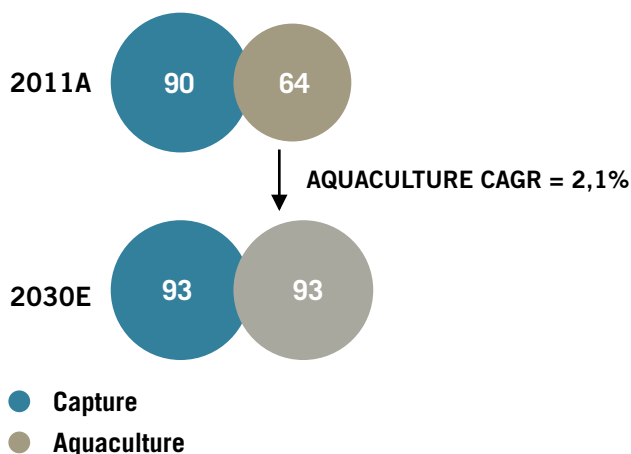
- In the past 30 years, world aquaculture production has increased twelvefold, from 5 million to 63 million tons, while the global production of capture fisheries has only grown by a third, from 69 million to 93 million tons.
- Given the increasing global demand for protein, and the finite resources in the world's oceans, it is anticipated that this rapid growth in aquaculture will continue. World Bank studies suggest, for example, that the total volume of aquaculture will equal the production of capture fisheries by 2030.
- This growth in aquaculture has important implications for our business, as it:
 - Impacts the global supply of certain fish resources, affecting product pricing and consumption
 - Potentially reduces pressure on certain wild capture fisheries
 - Increases the demand for fishmeal and fish oil, both high-protein ingredients in feed for aquaculture, one of the fastest growing food segments.
- Fishmeal has been increasingly utilised in aquaculture feed over the past three decades, and its demand is expected to grow significantly. Potential substitutes do not have the same high quality protein and amino acid content, and are not available in significant volumes to replace fishmeal as a key aquaculture feed ingredient.
- Given the anticipated resulting strong demand, we foresee a continued gradual increase in the pricing of fishmeal and fish oil, notwithstanding significant possible improvements in aquaculture efficiencies, or the potential substitution to farming fish species that require less fish-based feed.

GLOBAL FISHMEAL USE



(Source: World Bank; Fish to 2030)

GLOBAL FISH PRODUCTION AND SOURCING (MILLION MT)



(Source: World Bank; Fish to 2030)

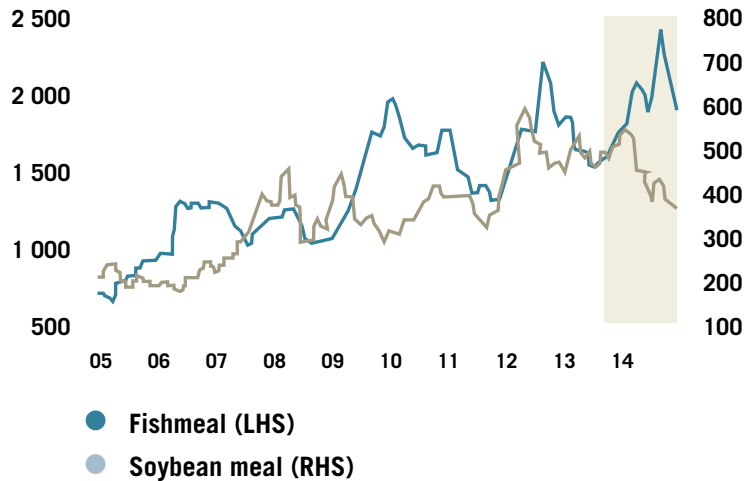
**OUR OPERATING CONTEXT:
ISSUES IMPACTING OUR BUSINESS MODEL**



INTERNATIONAL AND REGIONAL TRADE DYNAMICS

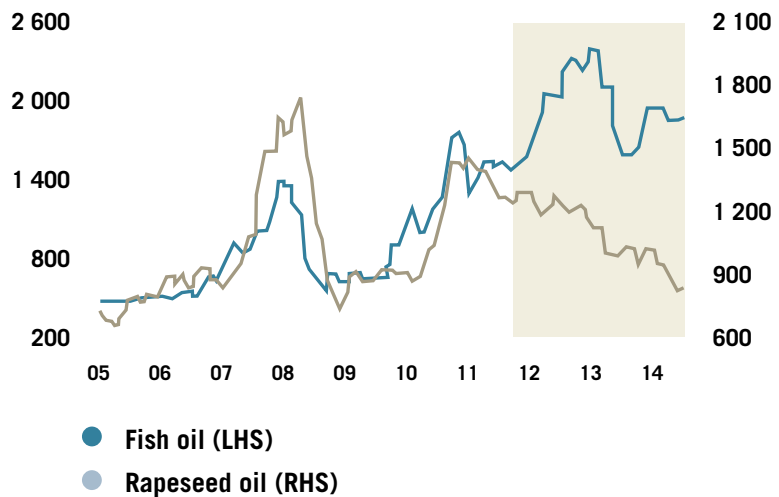
- Fish and fish products are among the most traded food commodities globally, accounting for about 10% of total agricultural exports; roughly 40% of global fish production is traded internationally³. Being a commodity business, this presents us with significant challenges in terms of anticipating the global supply and demand dynamics, and the different regulatory trade regimes, relating to fish and substitute protein sources.
- The volatility in fish commodity prices is evidenced, for example, in the recent pricing of fishmeal and fish oil (see graphs). Given the market fundamentals for both – namely declining global production, the growing demand for protein, and the lack of appropriate substitute feed-ingredients for aquaculture – the World Bank has predicted a 90% real growth in fishmeal prices from 2010 – 2030, and a 70% growth in fish oil prices over the same period⁴.
- We are susceptible to the impact of trade measures on fish and competing protein sources. This is illustrated for example by the recent impact on horse mackerel prices following recent restrictions on importing frozen fish into Nigeria. We monitor and respond to any potential unfair trade practices, relating to export dumping and import tariffs. Where we believe this to be appropriate and justified, we support government measures (such as the recent anti-dumping duties on potatoes) to protect local business from unfair trade practices.
- We seek to minimise our exposure to uncertainty in markets and trade regimes by diversifying our product portfolio and extending our geographic reach.

FISHMEAL AND SOYBEAN MEAL PRICE (US\$MT) (MARCH 2015)



(Source: Global fishmeal and oil production – IFFO Yearbook of statistics)

FISHMEAL AND RAPESEED MEAL PRICE (US\$MT) (OCTOBER 2014)



(Source: Global fishmeal and oil production – IFFO Yearbook of statistics)

³ Based on FAO estimate for 2010 (FAO, State of World Fisheries and Aquaculture 2012)

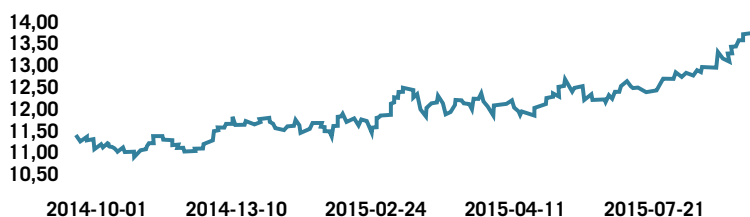
⁴ World Bank Fish to 2030 (2013)



A CHALLENGING MACRO-ECONOMIC ENVIRONMENT

- The past year has seen continued sluggish growth across much of the global economy. While there are signs of a sustained recovery in the US, the Eurozone has been constrained by continuing geo-political risks in the region and uncertainty surrounding the Greek bailout. The recent sharp correction in Chinese equity markets, and continuing volatility in the price of oil and other key commodities, has done little to boost global confidence.
- The South African economy has similarly been sluggish, impacted by electricity supply constraints, soft global prices for key commodity exports, and the slow pace of global economic recovery. Business and investor confidence remains low, compounded by regulatory uncertainty in key areas. The declining levels of consumer spend has been evidenced by shifting consumption patterns in many sectors, including food staples. These challenges have been further compounded by a significantly weakened Rand (see graph).
- This challenging context has mixed implications for our business:
 - Reduced consumer spend generally constrains product sales, though sometimes this may be offset by product uptake as part of a switch to a lower-cost protein source
 - While the exchange rate has significant implications for those businesses (notably canned fish) with high levels of imported raw materials, this benefits our exports particularly to northern markets (such as fishmeal, fish oil, horse mackerel, hake, lobster and squid)
 - Low consumer demand has increased producers' inventories of frozen produce, benefiting our cold storage business
- We have sought to mitigate our exposure to these risks through our strong focus on diversification of our targeted species, geographies, and product portfolio, which reduces vulnerabilities associated with specific commodity price cycles and exchange rate fluctuations.

**RAND PER US DOLLAR
OCTOBER 2014 – SEPTEMBER 2015**



Rand per US Dollar: October 2014 – September 2015 (Source: South African Reserve Bank – www.resbank.co.za)



IMPACTS OF ENVIRONMENTAL FACTORS

- Various environmental pressures impact the production and consumption of our products; these include:
 - Potential over-utilisation of fish resources through unsustainable and poorly regulated harvesting practices
 - The impacts of natural disasters and disease outbreaks, particularly on aquaculture production
 - Changes in ocean variables, such as temperature, currents and acidity, impacted by climate change
 - The increased distribution of alien species
 - El-Niño events impacting quotas and fishing in Peru, which in turn affects global supply and market dynamics
 - Adverse weather conditions impacting the landing of certain inshore and coastal stocks
 - Weather conditions, water availability and/or disease impacting the location, price and quality of our potato crop, and the nature and volume of produce to our cold storage facilities
- We mitigate any such risks by diversifying our raw material supply and product offerings, assisting government and scientists in ensuring responsible fishing practices, maintaining investment in state-of-the art fleet and equipment, and developing strong relationships with suppliers and partners.

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS

Understanding and being responsive to the interests of our stakeholders is critical to delivering on our core purpose. The following table identifies our key stakeholders, their most material interests, and our response measures.

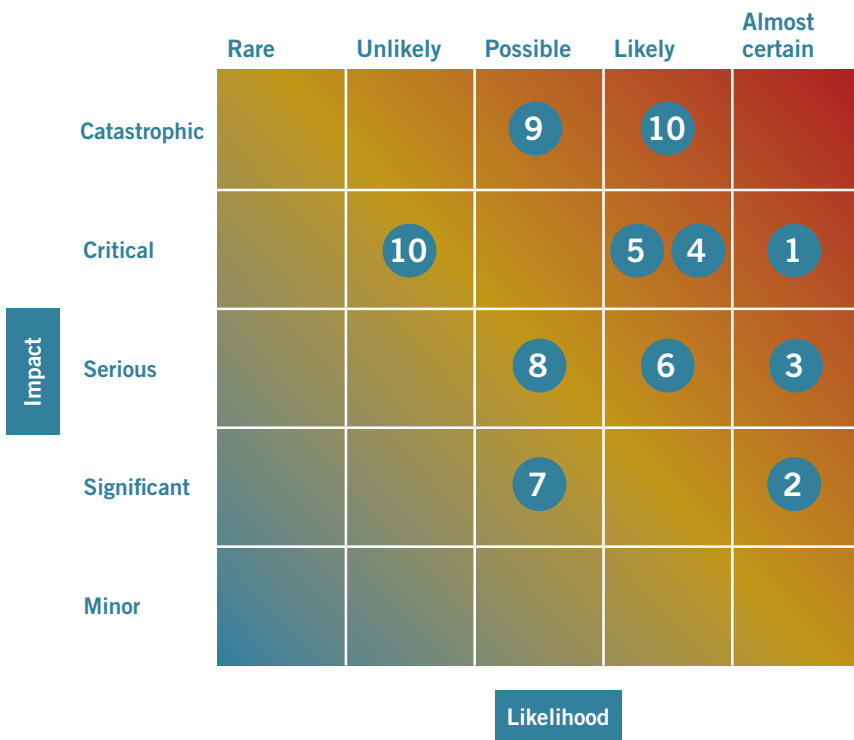
Stakeholder group	Stakeholder material interests	Our strategic response	Page reference
Government and regulatory authorities	<ul style="list-style-type: none"> Contribution to developmental priorities such as transformation/localisation, job creation, skills development, and food security Full compliance with permit and related requirements Contribution to tax and trade balance 	<ul style="list-style-type: none"> Strong focus on transformation/localisation, and on appropriate distribution of value generated Clear designation and appointment of executive and management responsibility for engagement and compliance Regular direct engagement with relevant authorities on strategic matters e.g. DAFF/DPW/DTI/DEA and other government departments Formal policies and operating procedures, with internal audits, training and reporting, to facilitate compliance Prompt response in instances of non-compliance, with disciplinary action as required 	42, 51, 52
Shareholders and investors	<ul style="list-style-type: none"> Sustainable growth in shareholder value through consistent earnings improvements, clear growth and capital expansion strategy Responsible corporate governance practices 	<ul style="list-style-type: none"> Strong board and executive leadership Sound corporate governance practices Succinct reporting via SENS, website, reports and presentations Enhanced communication via advertising, face-to-face engagement, events and increased media coverage 	72 – 75, 78 – 83, 89
Employees	<ul style="list-style-type: none"> Opportunities for career and personal development Job security, satisfaction and recognition Market-related terms of employment and staff benefits Safe, healthy and congenial working conditions 	<ul style="list-style-type: none"> Wealth creation through the Oceana Empowerment Trust Skills training and development initiatives Competitive remuneration and employment conditions Transformation initiatives to encourage diversity in the workplace Group code of business conduct and ethics as well as employee education and compliance to health and safety regulations 	42 – 44, 86 – 88
Trade unions South Africa: FAWU, TALFU, NCFAWU, UDF and CWU Namibia: NAFAU and NATAW	<ul style="list-style-type: none"> Engagement and negotiation in good faith Market-related terms of employment Job security, satisfaction and recognition Safe, healthy and congenial working conditions Opportunities for skills and career development Staff benefits, superannuation funds, health awareness, life skills 	<ul style="list-style-type: none"> Recognition agreements Wages and conditions negotiated via industry bodies and/or relevant unions at plant level Regular communication through employee forums Disciplinary and grievance procedures Competitive remuneration and employment conditions Skills training and development initiatives 	51
Customers and consumers	<ul style="list-style-type: none"> Providing safe, essential and quality products at competitive prices Continuity of supply Product information 	<ul style="list-style-type: none"> Regular contact with major customers Independent audit and checking of processes and quality; market and customer surveys; group and divisional websites with product information, contact details and helpline numbers Prompt follow-up of enquiries and complaints 	53, 54 – 67

Stakeholder group	Stakeholder material interests	Our strategic response	Page reference
Suppliers and service providers	<ul style="list-style-type: none"> • Promoting joint growth opportunities in a responsive and mutually respectful manner • Timely payment and favourable contract terms • Commitment to and progress in furthering B-BBEE procurement • Sustainable business relationships 	<ul style="list-style-type: none"> • Regular direct communication with major suppliers • Group-wide code of business conduct and ethics, with supplementary policies • Qualified and experienced management with appropriate skills to negotiate, conclude and manage contracts and relationships • Monitoring B-BBEE procurement levels of suppliers and partners • Prompt follow-up of enquiries and complaints • Preference for expeditious and practical dispute resolution 	40 – 42, 78 – 83
Local communities, and NGOs	<ul style="list-style-type: none"> • Access to job and supplier opportunities • Responsive to concerns and impacts • Operations conducted in a safe and lawful manner • Investment in community infrastructure • Contributing responsibly and transparently to broader societal interests 	<ul style="list-style-type: none"> • Strengthened consultation and communication with local communities and their representatives • Demonstrated commitment to finding beneficial solutions to identified concerns • Effective co-ordination of our CSI initiatives with the aim of improving the socio-economic conditions within neighbouring coastal communities • Prompt attention to dispute resolution 	12, 51 – 53
Other businesses and business bodies	<ul style="list-style-type: none"> • Contributing responsibly and credibly to the collective business voice 	<ul style="list-style-type: none"> • Fishing industry body, FishSA, created collectively to address and respond to issues of mutual concern • Participation in and membership of relevant industry bodies and associations, for example, Responsible Fishing Alliance (RFA); National Business Initiative; Black Management Forum; Global Chain Alliance; International Fishmeal and Fish oil Organisation • Signatory to the United Nations Global Compact 	46, 48
Media	<ul style="list-style-type: none"> • Receipt of quality information of interest to stakeholders and public • Integrity and promptness in responding to queries • Accessibility in engaging 	<ul style="list-style-type: none"> • Improved proactive communication via face-to-face engagement • Updated websites, including JSE SENS announcements • Invitation to media to attend events, press releases • Responding to media queries in a timely and appropriate manner 	

MANAGING OUR MATERIAL RISKS

The principal risks that have a material impact on Oceana’s ability to create value are described below. These risks have been identified as part of the enterprise-wide risk identification and management system, described in the Governance section of this report (page 82).

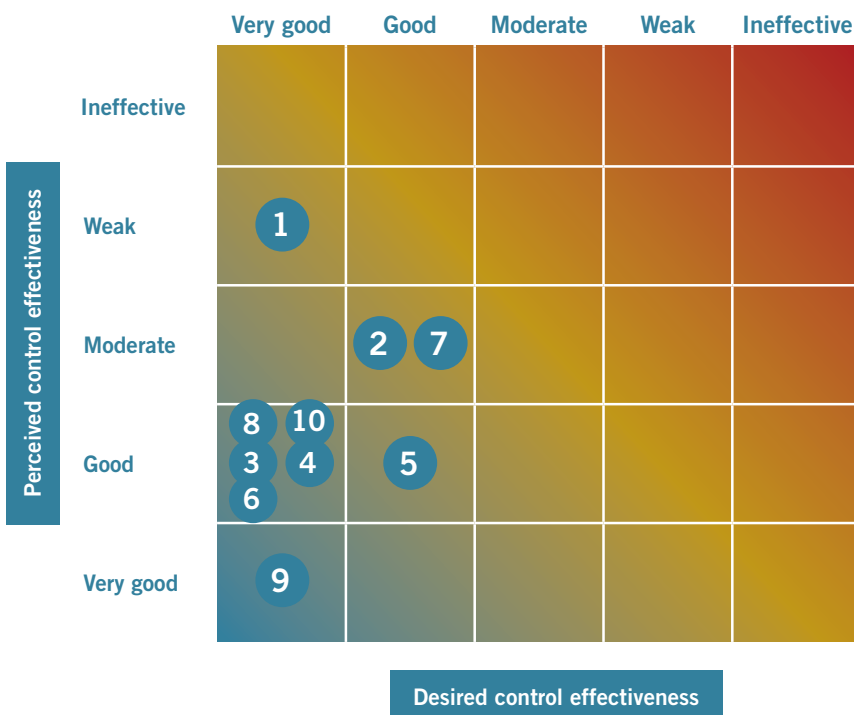
INHERENT RISK EXPOSURE



TOP TEN MATERIAL RISKS (BY RESIDUAL RISK EXPOSURE) (2014 RISK RANKING)

- 1 Reallocation of fishing rights after expiry (1)
- 2 Variation/depletion in availability of marine resources (7)
- 3 Inability to acquire fishing rights in SA impacting growth strategy (2)
- 4 Consumer health and safety (3)
- 5 Reputational risk (4)
- 6 Legislative non-compliance (6)
- 7 Concentration of earnings (5)
- 8 Scarcity of critical skills (8)
- 9 Threat to employee health and safety (9)
- 10 Business Continuity (10)

RESIDUAL RISK EXPOSURE



OUR RISK CONTEXT	OUR RESPONSE MEASURES	STRATEGIC OBJECTIVE
<ul style="list-style-type: none"> Horse Mackerel (Namibia) rights expire in 2018. Draft policy gives preference to allocating rights to Namibian nationals West coast rock lobster, South African (SA) horse mackerel and hake inshore long-term fishing rights expire in 2015 and in other sectors within the next six years Continuing uncertainty on 2015 SA fishing rights allocation policies and process Allocation of fishing rights to small-scale fishers planned for 2016 	<ul style="list-style-type: none"> Monitor policy and legislative changes, and engage actively with relevant authorities on policy and legislative framework Ensure compliance with all relevant legislation and retention of credible black empowerment credentials Engage with government and communities on development of a co-operative business model where Oceana partners with community co-operatives Demonstrate leadership in transformation and localisation initiatives 	<ul style="list-style-type: none"> 2. Driving transformation and localisation 5. Building trusted relationships
<ul style="list-style-type: none"> Significant reduction in SA horse mackerel resource beyond normal cyclical fish movements Increases in total allowable catch of certain species where resource appears under pressure Changes in ecosystem from environmental factors Impact of ocean-based mining activities 	<ul style="list-style-type: none"> Participate in and exert a positive influence on resource management initiatives with industry, government and scientific working groups Ensure compliance with regulations and responsible fishing practices Utilise own resources to support research where appropriate and provide substantive input to government 	<ul style="list-style-type: none"> 4. Leading stewardship of marine resources
<ul style="list-style-type: none"> Uncertain policies on reallocation/extension of rights SA transfer of fishing rights policy requirements not aligned with B-BBEE Act and Codes of Good Practice Perception of Oceana market dominance by regulators, competitors and interested parties in the industry Incorrect perception that Oceana may divest from South Africa 	<ul style="list-style-type: none"> Maintain active engagement with authorities to ensure appropriate policy alignment on transformation issues Maintain and develop new JV and supply partnerships to increase volumes Implement proactive reputation management strategy demonstrating transformation and localisation efforts, responsible fishing practices, percentage rights holdings per sector and conversion into shared value 	<ul style="list-style-type: none"> 2. Driving transformation and localisation 5. Building trusted relationships
<ul style="list-style-type: none"> Potential deviation from quality or safety standards with own and third-party production Mismanagement of non-conforming product by traders Possible negative publicity including through social media 	<ul style="list-style-type: none"> Internal technical department and third-party auditors to ensure compliance with quality and safety standards Product recall processes and insurance cover in place Best practices hygiene and quality practices, with HACCP accreditation at key plants and vessels Media monitoring and engagement strategy 	<ul style="list-style-type: none"> 3. Optimising our operations 5. Building trusted relationships
<ul style="list-style-type: none"> Potential reputational risk with perceptions relating to market size, transformation/localisation, community impacts and sustainability of marine resources Need to maintain current strong brand recognition and loyalty in Lucky Star and related brands 	<ul style="list-style-type: none"> Implement proactive reputation management strategy demonstrating transformation/localisation, responsible fishing, community investment and stakeholder responsiveness Maintain positive investor relations through consistent dividends and returns, smooth earnings profile, and growth strategy Ensure immediate action against trademark infringements Monitoring brand value and market share 	<ul style="list-style-type: none"> 5. Building trusted relationships
<ul style="list-style-type: none"> Need to maintain systems and skills to track, interpret and ensure effective compliance with often-changing legislative requirements in a highly regulated industry 	<ul style="list-style-type: none"> Comprehensive legislative compliance, monitoring, training and auditing systems in place Engagement with regulators directly and through industry associations 	<ul style="list-style-type: none"> 2. Driving transformation and localisation 5. Building trusted relationships
<ul style="list-style-type: none"> Concentration of earnings in a particular unit exposes the group to greater earnings volatility 	<ul style="list-style-type: none"> Focus on growth to diversify the portfolio, building on recent acquisitions that have bolstered the smaller business units Acquisition of Daybrook 	<ul style="list-style-type: none"> 1. Generating sustained financial returns by anticipating market trends
<ul style="list-style-type: none"> Capacity to ensure continued growth impacted by skills shortage and ability to attract, develop and retain talent 	<ul style="list-style-type: none"> Policies and guidelines in place for talent and recruitment management, remuneration, skills development and succession planning 	<ul style="list-style-type: none"> 2. Driving transformation and localisation 3. Optimising our operations 5. Building trusted relationships
<ul style="list-style-type: none"> Inherent safety risks associated with activities on vessels and in factories requires effective safety training, monitoring and compliance systems 	<ul style="list-style-type: none"> Legal compliance programme in place Monitoring, reporting, training and enforcement programmes, with internal and external risk audits on sites and vessels Incident tracking and investigation 	<ul style="list-style-type: none"> 3. Optimising our operations
<ul style="list-style-type: none"> Potential loss of vessels Loss of head office operations and IT infrastructure Loss of factories and/or cold storage facilities 	<ul style="list-style-type: none"> Group Business Continuity Plan including IT disaster recovery plan in place Formal business continuity plans for land based facilities in development phase Maintain insurance policies 	<ul style="list-style-type: none"> 3. Optimising our operations



1. GENERATING SUSTAINED FINANCIAL RETURNS BY ANTICIPATING MARKET TRENDS

GROUP FINANCIAL DIRECTOR'S REPORT

Our acquisitions for the 2015 financial year have had a material impact on our performance and overall financial position. In the prior year we indicated that our strong financial position enabled us to access long-term debt or equity capital to pursue growth opportunities when they arise.

During the year we leveraged our balance sheet to raise funds for the acquisition of the fishing assets of Foodcorp Limited and Daybrook.

The Group acquired the fishing assets of Foodcorp Limited for R355 million. The Foodcorp assets were transferred on 2 February 2015.

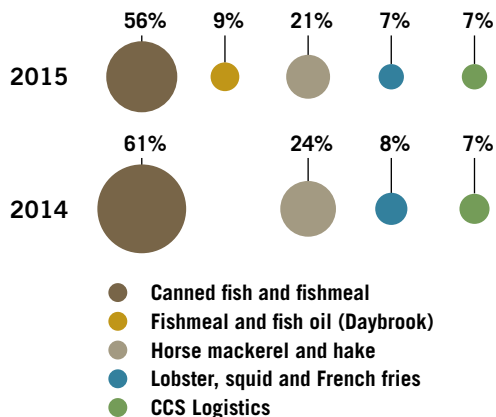
Daybrook was acquired for \$382,5 million. The results of Daybrook are included in our results from 1 July 2015, being the date on which all substantive conditions precedent to the transaction were fulfilled.

These acquisitions were funded by R2,4 billion cash on hand, \$140 million US senior debt and an equity bridge loan of R1,2 billion. The equity bridge loan was repaid from the proceeds of a rights offer on 14 September 2015.

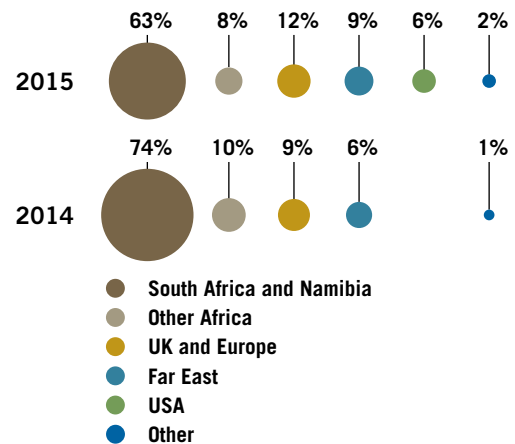
FINANCIAL PERFORMANCE

The financial performance of the group has been pleasing, further testament to the strength of a diversified portfolio. Group revenue is up by 22% to R6 169 million in 2015. Excluding the impact of Daybrook, group revenues are up by 11% primarily due to good growth in the fishmeal and hake segments of our business. Volume growth across most sectors and improved pricing, bolstered by the effect of the weakening exchange rate on our export businesses, have further contributed to overall revenue growth. Revenue by segment and geography is illustrated below:

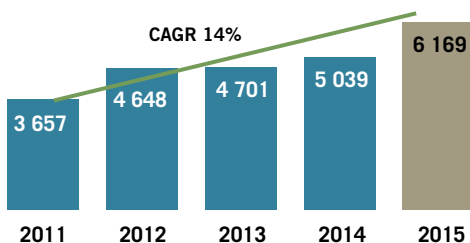
REVENUE BY SEGMENT



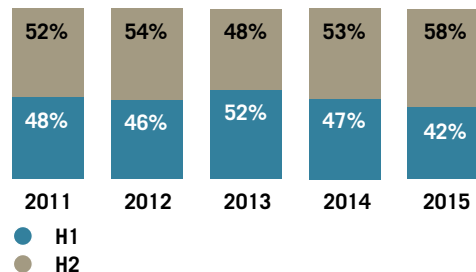
REVENUE BY GEOGRAPHY



GROUP REVENUE (R'm)



FIVE-YEAR REVENUE CONTRIBUTION LEVELS FOR H1 AND H2



Our cost base has come under pressure this financial year largely due to the effect of a weaker exchange rate on imported canned fish product and the increase in quota related costs in Namibian horse mackerel. We continue to review operating costs in a drive to improve efficiencies. Our cost base for this year reflects efficiencies and savings particularly in the sales and distribution component. As a result overall operating profit margins (excluding the effect of estimated fair value and cash-settled cost of equity share options) have been maintained. Included in operating costs is a charge to the income statement of R91,1 million, compared to R21,6 million in 2014 arising from the estimated fair value and cash-settled cost of equity share options. The movement in this cost is directly correlated to the overall movement in the share price during the financial period under review.

The financial performance of the group has been positive, further testament to the strength of our diversified portfolio.

We remain cognisant of the need to deliver continually improving performance in all of our divisions, and will continue to implement structures that achieve synergies and efficiencies.

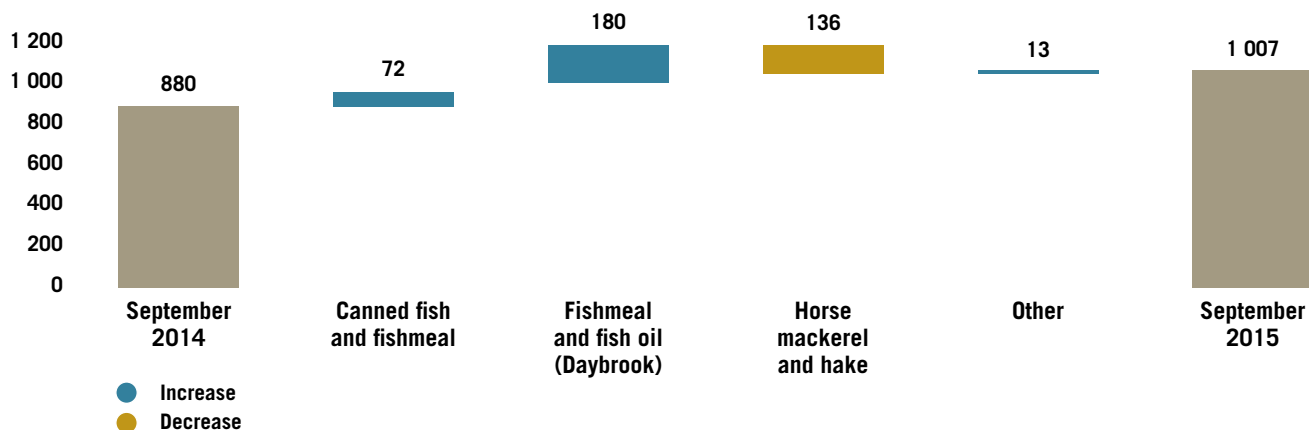


GROUP FINANCIAL DIRECTOR
IMRAAN SOOMRA

1. GENERATING SUSTAINED FINANCIAL RETURNS BY ANTICIPATING MARKET TRENDS

Operating profit before abnormal items is R1 007,3 million increasing by 15% on 2014. All our divisions, with the exception of Horse Mackerel, have contributed positively to operating profit growth for the period. Profit contribution per segment is illustrated below:

OPERATING PROFIT DIVISION CONTRIBUTION ANALYSIS (R'm)



Net investment income includes accrued preference share dividends and net interest received. The preference share dividends, were below prior year as the full preference shares and accrued dividends were settled during the year by Oceana SPV Proprietary Limited. The details of this investment can be found in note 13 of the annual financial statements (AFS).

Net interest paid has increased materially over the prior year due to the increase in working capital borrowings, the effect of the short-term equity bridge and US-based term debt as discussed above.

The group's effective tax rate, excluding the effect of the abnormal item increased during the year. The effective tax rate is influenced by the mix of profits taxable at the South African rate of 28%, the Namibian rate of 33% and the USA rate of 40%. A reconciliation of the group's effective rate to the South African company income tax rate can be found in note 7 of the AFS.

Headline earnings, after taking into account the effect of increased interest paid and abnormal items primarily related to acquisition costs and related foreign exchange gains, has increased by 8% to R611,8 million.

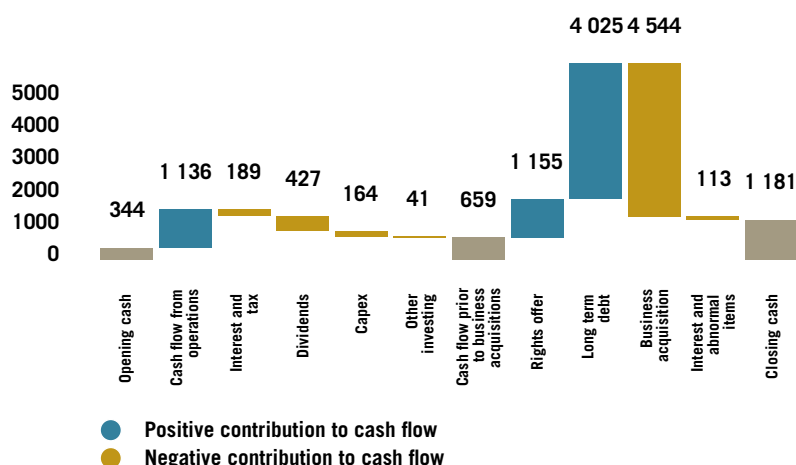
The dilution effect of the rights offer concluded on 14 September 2015 is minimal for this financial year. As a result basic headline earnings per share of 588,2 cents

is 7% above 2014, representing a four-year compounded annual growth of 15,2% as reflected below. For comparative purposes, the weighted average number of shares for the prior period has been adjusted by the bonus element of the rights issue which was used in calculating headline earnings per share, as required by IAS 33: Earnings per share.

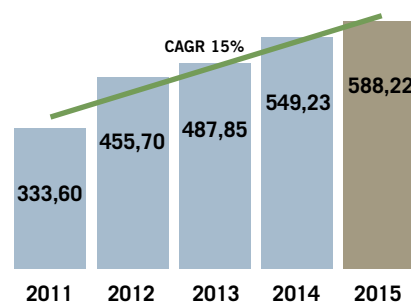
FINANCIAL POSITION

Our financial position has changed materially over the period primarily due to a substantial increase in working capital funding and net debt. Net cash balances at 30 September 2015 of R1 181 million (67% of which is held in USD) represent an improvement of R837 million over the period. Net debt for the group is R3 362 million and consists of a combination of ZAR denominated debt (R2 522 million) and USD denominated debt (\$142 million). The resultant net debt to EBITDA ratio of 2,8 times, represents an improvement on the targeted 3,0 times for the financial year ending 2015. Overall debt balances and related information is disclosed in detail in notes 22 and 24 on pages 38 and 39 of the AFS.

Cash generation from operations has been solid for the period. On a comparative basis the business generated R659 million for the period, prior to any cash effects for the acquisition of Foodcorp and Daybrook, as illustrated below:



HEPS (CENTS)



Overall, our capital structure is suitable and sufficient for current and expected requirements.

DIVIDEND

Our dividend declaration has been preceded by consideration of anticipated operational and financial requirements, required covenant levels and after applying the solvency and liquidity tests. We remain comfortable with a cover of 1,5 times on headline earnings and have declared a final dividend per share of 259 cents which brings the total for the year to 365 cents, on a weighted average basis per share.

CAPITAL EXPENDITURE

Investment in capital projects remained flat for the period with total capex of R161 million for the period. R107 million was allocated to replacement expenditure while the remaining R54 million was primarily spent on an additional vessel in Lucky Star and equipment for new CCS sites in Midrand.

ISSUES GOING FORWARD

We remain cognisant of the need to deliver continually improving operational performance in all of our divisions. In addition, from a group perspective, we will continue to implement structures that achieve synergies and efficiencies, especially from the centralisation of common functions in finance, HR and procurement. Cash flow management and effective utilisation of available cash is a focus area.

KEY FINANCIAL RISKS

Oceana has significant levels of imports and exports. Exchange rate risk is managed through awareness in the organisation of the currency risk related to foreign transactions. The group has a formal foreign exchange policy approved by the board which guides currency risk management carried out by the business units in conjunction with the central treasury department. Currency risks are partially hedged by means of forward exchange contracts and the set-off effect of foreign currency assets and liabilities. The group does not enter into derivative contracts for speculative purposes. A weakening

exchange rate has a net positive effect for the group with revenue gains on all our export businesses being partially offset by the additional cost of imported canned fish.

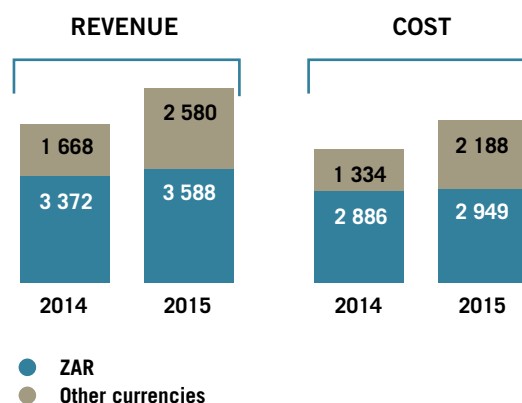
The group has a greater interest rate risk exposure than the prior year as a result of the increased debt levels. As part of the process of mitigating the risk of increased interest rates, we have swapped approximately 25% of our floating rate interest for fixed rate interest at year end. The group will consider opportunities to blend the fixed and floating interest rates more in the next financial year in order to further manage this risk.

As a result of the focus on cash flow management, interest rate and foreign exchange rate management the group will enhance its treasury function with the requisite skills to address this need from December 2015.

Note 31 of the AFS provides information on the group's foreign currency balances and the interest rate exposures at year-end.

Note 18 of the AFS provides information on the concentration of the group's trade receivables at year-end.

FOREIGN CURRENCY



Imraan Soomra
Group financial director

4 December 2015

STATISTICAL AND FINANCIAL DATA

		RESTATED			
	2015	2014	2013	2012	2011
Notes	R'000	R'000	R'000	R'000	R'000
Consolidated statements of comprehensive income					
Revenue	6 168 777	5 039 134	4 701 224	4 647 951	3 657 196
Operating profit before abnormal items	1 007 255	879 566	743 559	711 025	512 689
Abnormal items	18 346			(47 955)	
Operating profit	1 025 601	879 566	743 559	663 070	512 689
Investment income	61 558	13 273	16 451	36 279	25 826
Interest paid	(158 442)	(17 102)	(7 485)	(3 108)	(2 872)
Profit before taxation	928 717	875 737	752 525	696 241	535 643
Taxation	286 515	266 818	228 135	232 315	189 426
Profit after taxation	642 202	608 919	524 390	463 926	346 217
Attributable to non-controlling interests	30 978	34 988	33 374	20 136	13 047
Net profit attributable to shareholders of Oceana Group Limited	611 224	573 931	491 016	443 790	333 170
Headline earnings	611 778	567 238	489 325	456 158	333 210
Consolidated statements of financial position					
Property, plant and equipment	1 537 293	512 342	458 200	435 850	415 623
Intangible assets	4 469 232	97 625	102 802	88 638	18 101
Deferred taxation	25 583	24 119	28 502	23 187	13 204
Investments and loans	470 778	225 554	224 773	142 940	153 445
Current assets	3 970 700	2 115 657	2 019 292	1 878 113	1 422 623
Non-current assets held for sale	39 478				
Total assets	10 513 064	2 975 297	2 833 569	2 568 728	2 022 996
Interest of shareholders of Oceana Group Limited	3 483 914	1 677 370	1 728 610	1 584 540	1 358 428
Interest of non-controlling interests in subsidiaries	80 372	69 536	60 761	48 702	40 923
Interest of all shareholders	3 564 286	1 746 906	1 789 371	1 633 242	1 399 351
Deferred taxation	330 105	58 215	36 686	41 843	41 669
Other liabilities	6 618 673	1 170 176	1 007 512	893 643	581 976
Total equity and liabilities	10 513 064	2 975 297	2 833 569	2 568 728	2 022 996

STATISTICAL AND FINANCIAL DATA

	Notes	2015 %	2014 %	2013 %	2012 %	2011 %
Profitability						
Operating margin	6	16,3	17,5	15,8	15,3	14
Return on average shareholders' funds	7	32	44	30	31	26
Return on average net assets	8 and 9	29	46	41	45	38
Return on average total assets	8 and 10	10	31	28	35	30
Finance						
Total borrowings as a percentage of total shareholders' funds	11	123	17	14	3	1
Total liabilities as a percentage of total shareholders' funds	12	180	67	56	55	42
Current ratio (:1)		2,1	2,7	2,3	2,4	2,7
Number of permanent employees at year-end		2 319	1 817	1 794	1 849	1 711
Revenue per employee (R'000)	13	2 661	2 773	2 621	2 514	2 138
Assets per employee (R'000)	10	4 534	1 637	1 580	1 377	1 175
Share performance						
Market price per share (cents)						
Year-end		9 640	7 400	8 424	5 400	3 745
Highest		11 902	9 200	9 876	5 999	4 050
Lowest		6 851	7 050	5 250	3 700	3 100
Price earnings ratio	14	16,0	13,1	17,3	11,8	11,2
Number of transactions	15	85 801	33 403	22 620	3 080	2 756
Number of shares traded ('000)	15	27 321	16 423	23 169	14 785	7 653
Value of shares traded (R'000)	15	2 678 132	1 360 682	1 727 682	673 300	280 453
Volume of shares traded as a percentage of total issued shares	15	20,2	13,7	19,4	12,4	6,4
Market capitalisation (R'000)	16	13 064 721	8 844 936	10 060 712	6 449 174	4 464 271
JSE food producers and processors index	17	180,30	167,16	146,41	132,44	100,00
JSE industrial index	17	161,50	170,05	160,29	131,06	100,00
Oceana Group share price index	17	257,41	197,60	224,94	144,19	100,00

Notes:

- Weighted average number of shares for the 2014 has been restated due to the rights offer in the current year, as required by IAS 33: Earnings per share.
- Headline earnings per shares for 2014 has been restated due to the rights offer in the current year, as required by IAS 33: Earnings per share.
- Earnings per shares for the 2014 has been restated due to the rights offer in the current year, as required by IAS 33: Earnings per share.
- Dividend declared after reporting date included.
- Own shareholders' funds divided by the net number of shares in issue.
- Operating profit before abnormal items expressed as a percentage of revenue.
- Headline earnings as a percentage of average shareholders' funds.
- Profit before taxation and abnormal items (but excluding interest paid) expressed as a percentage of average net assets or average total assets.
- Net assets comprise total assets less non-interest-bearing liabilities.
- Total assets comprise property, plant and equipment, intangibles, investments and current assets.
- Total borrowings comprise long-term interest-bearing loans and bank overdrafts.
- Total liabilities exclude deferred taxation.
- Revenue divided by the number of permanent employees at year-end.
- Market price per share at year-end divided by headline earnings per share.
- Figures based on JSE transactions only.
- Value of ordinary shares in issue at year-end price including treasury shares held by share trusts and subsidiary company.
- Adjusted base 2011 = 100.
- 2013 numbers has been restated due to adoption of IFRS 11 in 2014, prior years have not been restated.

OPERATING SEGMENT REPORT

Group performance against strategy

	2015 R'000	2014 R'000	% Change	2015 R'000	2014 R'000	% Change
Business segment						
	Revenue ¹			Operating profit ²		
Canned fish and fishmeal	3 408 988	3 086 476	10	452 504	380 931	19
Fishmeal and fish oil (Daybrook)	574 328		100	179 612		100
Horse mackerel and hake	1 314 747	1 203 470	9	211 020	347 251	(39)
Lobster, squid and French fries	412 147	405 497	2	46 574	44 870	4
CCS Logistics	458 567	343 691	33	117 545	106 514	10
Total	6 168 777	5 039 134	22	1 007 255	879 566	15
	Total assets			Total liabilities		
Canned fish and fishmeal	2 069 746	1 550 944	33	700 772	556 434	26
Fishmeal and fish oil (Daybrook)	6 026 066		100	934 466		100
Horse mackerel and hake	679 403	588 916	15	175 755	183 108	(4)
Lobster, squid and French fries	125 703	112 746	11	43 854	49 402	(11)
CCS Logistics	294 642	240 610	22	88 507	55 747	59
Financing	1 291 921	457 962	182	4 675 319	325 485	1 336
Total	10 487 481	2 951 178	255	6 618 673	1 170 176	466
Deferred taxation	25 583	24 119	6	330 105	58 215	467
Total	10 513 064	2 975 297	253	6 948 778	1 228 391	466
	Capital expenditure			Depreciation and amortisation		
Canned fish and fishmeal	68 893	23 084	198	55 035	33 007	67
Fishmeal and fish oil (Daybrook)	11 517		100	21 779		100
Horse mackerel and hake	36 147	97 516	(63)	67 769	49 304	37
Lobster, squid and French fries	7 631	6 781	13	5 576	4 574	22
CCS Logistics	39 854	36 005	11	27 012	26 738	1
Total	164 042	163 386		177 171	113 623	56
Revenue per region³						
	Revenue ¹			Non-current assets per region ⁴		
South Africa and Namibia	3 937 878	3 765 211	5	863 285	609 967	42
Other Africa	476 096	499 418	(5)			
North America	400 470	12 508	3 102	5 143 240		100
Europe	710 302	436 522	63			
Far East	546 955	291 834	87			
Other	97 076	33 641	189			
Total	6 168 777	5 039 134	22	6 006 525	609 967	885

Notes:

1. Revenue excludes inter-segmental revenues in South Africa and Namibia, which are eliminated on consolidation amounting to: Canned fish and fishmeal R0,6 million (2014: R0,1 million), horse mackerel and hake R50,0 million (2014: R27,7 million) and CCS Logistics R77,6 million (2014: R79,3 million).
2. Operating profit is stated before abnormal items.
3. Revenue per region discloses the region in which product is sold.
4. Non-current asset per region discloses where the subsidiary is located.



2. DRIVING TRANSFORMATION AND LOCALISATION

2015 PERFORMANCE SUMMARY

- Most empowered JSE-listed company for the second consecutive year
- 63,6% black representation at board participation level
- 27,3% black female representation at board level
- 93,4% of total measured spend spent with Empowering Suppliers
- R16,7 million spent on skills development on black employees

CONTINUING TO SHOW LEADERSHIP IN TRANSFORMATION AND LOCALISATION

Promoting transformation and localisation in our core areas of operation is a strategic imperative that has a direct impact on our ability to retain and grow our commercial fishing rights.

This year heralded a significant shift in the South African transformation landscape. The Revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice (the Revised Codes) that came into effect on 1 May 2015 introduced new concepts and principles, new formulae and calculations, and more stringent measurement requirements. We have adapted our transformation strategy to provide for these changes and to ensure that we continue to deliver value to our stakeholders.

Our ongoing commitment to implementing sound B-BBEE policies was recognised yet again this year through our ranking for the second consecutive year as the most empowered JSE-listed company in the *Annual Most Empowered Companies* ranking. This outstanding achievement demonstrates our commitment to real transformation and empowerment, and to implementing the South African government's policies and objectives on transformation.

OUR B-BBEE PERFORMANCE

This is the first year that our performance has been measured against the Revised Codes. The commitment of the entire group to transformation has yielded a Level 2 rating with a score of 97,8 points out of 109 (2014: 98,4). This achievement is the result of delivery on a proactive and focused empowerment strategy. We also have a recognition

rating of 125% for procurement in terms of the dti's B-BBEE Scorecard, and we have achieved the Empowering Supplier status.

A brief overview of our performance is below. A more detailed review of our performance against the full scorecard is provided in our online sustainable development report.

OWNERSHIP

We have maintained our black-owned and black-controlled shareholding, in line with our strategy of retaining highly credible empowerment credentials. The three main shareholders who continue to contribute to this status are Tiger Brands Limited, Brimstone Investment Corporation and the Oceana Empowerment Trust.

MANAGEMENT AND CONTROL

The Revised Codes have combined the prior elements of management and control and employment equity. We are pleased to have met the required target at board level and achieved the maximum points. At the other executive management level, we achieved 1,7 points out of 3,00. We have maintained black representation, with the appointment of Nomaxabiso Norma Teyise as group HR executive.

Oceana is in its fourth year of its current employment equity plan. We have made reasonable progress in transforming our managerial and executive ranks. The employment equity targets are based on the racial demographics of the economically active population, which are aligned to the requirements of the Employment Equity Act and Commission on Employment Equity report. We achieved an overall score of 13,2 out of 19 on the management and control element of the scorecard. Most pleasing is the positive shift in the representation of black females at middle and senior management.

Our Africanisation initiative aims to proactively identify, attract and retain African males and females, accelerate their development within the managerial ranks and create an enabling environment.

EMPLOYMENT EQUITY PERCENTAGE TARGETS

	Target 2015			September 2015			September 2014		
	Black people	Black female	African	Black people	Black female	African	Black people	Black female	African
Executive	22	11	0	44	22	11	44	22	0
Senior Management	61	22	22	44	16	3	35	15	0
Middle Management	71	21	21	66	18	10	65	16	9
Junior management	89	33	26	83	18	17	86	19	16
Disabled	2,0			1,4			2,8		

SKILLS DEVELOPMENT

We have continued to invest in developing our employees this year against the backdrop of the scarcity of skills in our sector. Recognised training expenditure on all black employees was R16,7 million (2014: R18,7 million).

As with the employment equity scorecard, the skills development targets are based on racial demographics of the economically active population. Our investment in this space contributes to our employment equity initiatives and further supports youth development through our unemployed learnerships.

ENTERPRISE AND SUPPLIER DEVELOPMENT

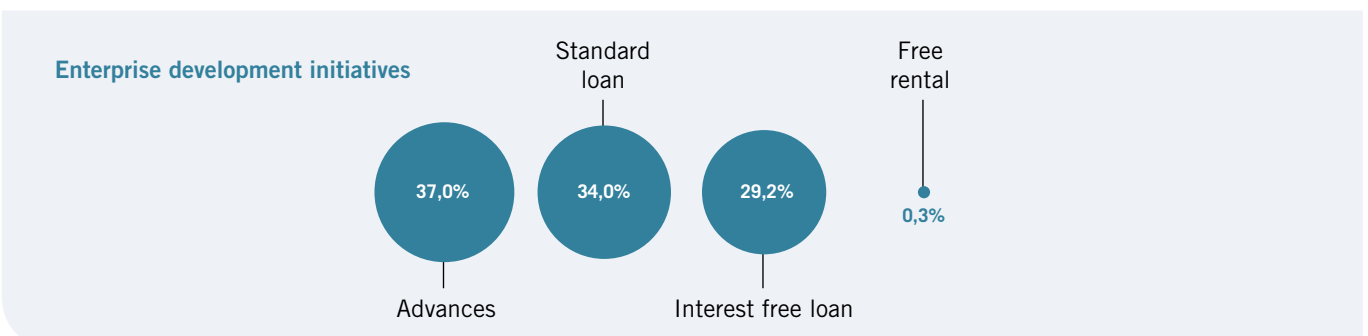
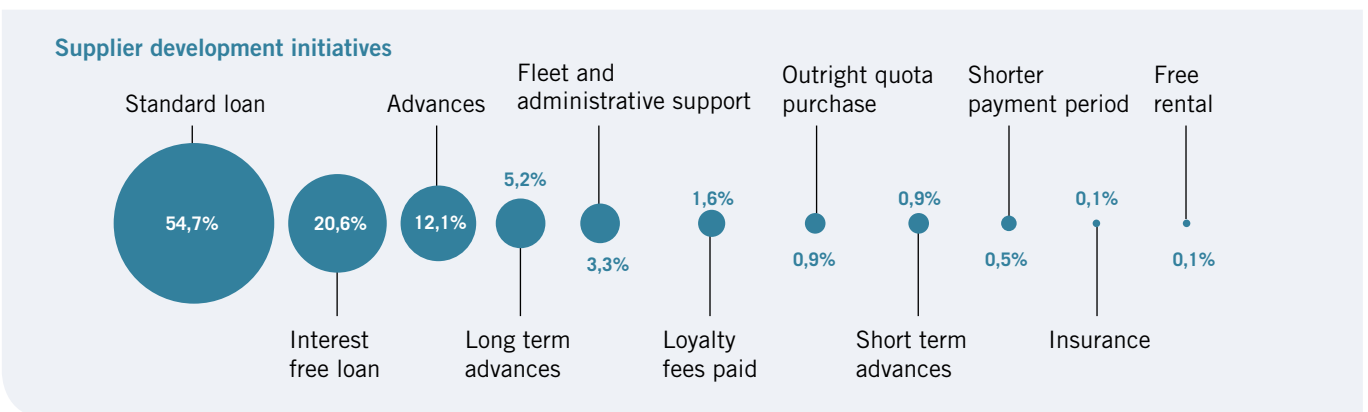
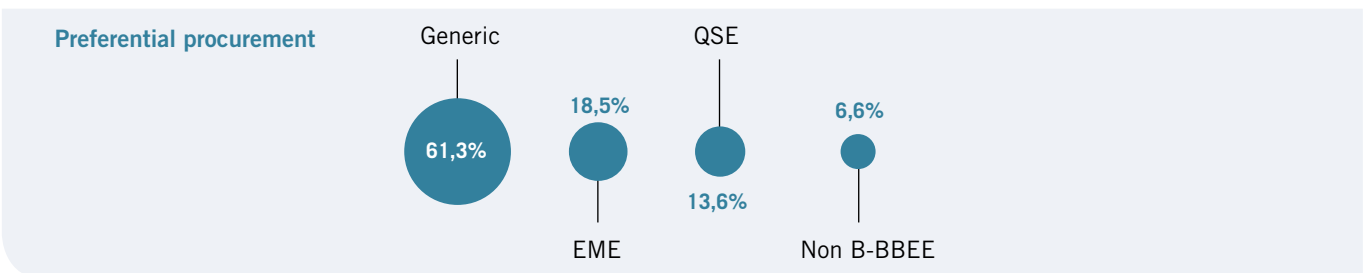
All our suppliers must meet the B-BBEE requirements of the internal procurement policy with the aim of ensuring a wider participation of black people in the economy. The revised codes include the requirement that suppliers should hold the ‘Empowering Supplier’ status. The dti issued a clarification notice in May 2015 that for the inaugural year of the revised codes, all valid B-BBEE certificates issued under the 2007 Codes and the Sector Codes would remain valid and would have an automatic Empowering Supplier status. In line with our proactive approach towards implementing our B-BBEE strategy we held various explanatory workshops on this principle to recognise the importance of our suppliers’ B-BBEE status and to ensure that the concept of what

constitutes an Empowering Supplier status is understood by our key suppliers.

Qualifying supplier development and enterprise development contributions are either monetary or non-monetary contributions aimed at improving the sustainability and financial and operational independence of the beneficiaries. A requirement of the revised codes is that the beneficiary be either an exempt micro-enterprise (EME) or a qualifying small enterprise (QSE) that is 51% or more black-owned. For the 2015 financial period, supplier development initiatives included loans and advances, free rental and preferential payment terms and fleet and administrative support. Our main contribution to enterprise development continues to be through joint ventures with other smaller fishing companies and supply arrangements.

SOCIO-ECONOMIC DEVELOPMENT

During the 2015 financial period, 1,2% of the group’s net profit after tax in South Africa was distributed to beneficiaries that have a black base of at least 75%. In line with the requirements of the revised codes, the initiatives led to income generation in the hands of the beneficiaries. Further information on our investment in socio-economic development initiatives is provided on page 53, and in our online sustainable development report.



2. DRIVING TRANSFORMATION AND LOCALISATION



DELIVERING BROAD-BASED VALUE THROUGH THE OCEANA EMPOWERMENT TRUST

The Oceana Empowerment Trust, established in 2006 to advance Oceana's transformation strategy, has 2 564 black beneficiaries holding 13,8 million shares in Oceana through the Trust as at the end of September; this represents 10,2% of Oceana's total issued shares. The Trust provides an important mechanism for our employees to grow with the company and to enjoy the fruits of success from the efforts of their hard work. It allows real broad-based empowerment to be delivered not only directly to our employees, but also to the communities in which they live, and in which we operate.

The Trust, which has three company appointed trustees and three employee-elected trustees (including an independent trustee), met three times during the year. The advocacy programme implemented in 2013 has been successful. Ten champions were identified from different locations and at different levels within the group; they represent beneficiaries' views in their engagements with the company and external stakeholders. These champions have quarterly meetings with the group chief executive officer and the executive directors. This engagement enables meaningful and regular communication with beneficiaries, and ensures that the management team is aware of the beneficiaries' interests and concerns. All of these meetings have been characterised by a very positive rapport.

OET "SHARE YOUR PAY-OUT STORY"

Following the distribution in April 2014 of R292 million to 2 650 beneficiaries, we ran a "Share Your Pay-out Story" competition to encourage beneficiaries to share their stories on how the pay-out has empowered them and changed their lives. The competition, with vouchers with a combined value of R100 000, provided valuable insights on the positive impact the pay-out had had on all those beneficiaries who entered. All the stories received were emotive and made selecting the winning stories a difficult task. A four-stage panel was appointed to make sure that the review process was robust. The top five stories were presented to the CEO for him to rank from one to five. The top ten stories, announced in December 2014, were rewarded with vouchers ranging from R40 000 to R5 000. Putting down a deposit for and buying a first home, settling debt, and establishing community projects for underprivileged children are some of the ways in which the beneficiaries used their early pay-out.

ENGAGING WITH THE NAMIBIAN GOVERNMENT ON LOCALISATION

We have had regular formal and informal engagements with the Ministry of Fisheries and Marine Resources (MFMR) in Namibia. An important focus of these engagements is on securing additional quota so as to ensure that our vessels can continue operating and that jobs are protected. Our localisation strategy in Namibia, which seeks to increase the number of Namibians employed, particularly within the horse mackerel fishery, has unfortunately been impacted by the significant reduction in allocated quota. Within the horse mackerel operations, 64% are Namibian, of whom 92% are land-based. We are continuing our long-term training programme to improve the skills of local Namibians in the navigation and marine engineering fields. In the interim, however, we are employing foreigners to ensure that the requisite competence is on board the vessels, given the specific requirements for vessels above 5 500 gross registered tonnage.

During the year the *Desert Ruby* was reflagged Namibian, in line with the MFMR permit requirements. The *Desert Ruby* is the first horse mackerel mid-water trawler to be flagged Namibian.

We have also engaged with the MFMR on various policy and regulatory requirements, as well as on the allocation of horse mackerel for canning at Etosha Fisheries, our Namibian canning plant.

We engaged with the Directorate of Maritime Affairs with the aim of obtaining Namibian flagging status for the mfv Iona, in line with the Namibian government's requirements.



OUR 2015 PERFORMANCE

- R17,7 million invested in employee skills development in South Africa and Namibia
- 177 people on learnerships
- 3,3% voluntary labour turnover
- Zero fatalities
- 0,7 disabling injuries frequency rate

ATTRACTING, RETAINING AND DEVELOPING THE BEST AVAILABLE TALENT THROUGHOUT THE GROUP

2015 saw a new HR structure introduced across the group with the aim of improving our organisational capability through the efficient provision of customised best-practice HR services. We have made good progress in embedding the structure, with several key initiatives implemented.

An integrated talent management strategy that aims to accelerate the attraction, development and retention of underrepresented groups within our managerial ranks, most notably African men and women was developed. We appointed a talent sourcing specialist to develop and execute a cost-effective sourcing strategy, and to engage in initiatives to build the Oceana employer brand. We engage regularly with emerging talent at specific functions and university career expos in Johannesburg and Cape Town with the aim of positioning Oceana as an employer of choice, and proactively building our talent pipeline to further our Africanisation strategy.

We have a robust succession plan to ensure a sustainable and healthy future talent pipeline. The Executive has mapped existing talent for critical roles at senior management levels, and we have appointed coaches to further develop the talent pool across all management levels.

We have established a new HR service centre to streamline our transactional and reporting activities, and we have made new appointments to bolster the specialist capability offerings in areas such as talent and performance, learning and development and resourcing. We have introduced focused and consistent reporting through our automated HR dashboard, and have made significant progress in improving the ease of HR reporting. This enables us to gauge our performance on key HR indicators more accurately, and to identify focused areas for improvement.

Following a managers' skills self-assessment process, we have begun delivery of an in-house customised leadership essentials programme. Our training portfolio has been

reviewed to introduce specialists that support development in critical areas such as logistics, manufacturing and maritime skill sets. We have begun to revise our existing talent initiatives; this has included:

- strengthening our technical skills pool by appointing additional marine engineers;
- introducing the principle of rotational relief engineers to ensure that our engineers have greater versatility and knowledge to work on all our vessels; and
- improving line managers' ability to manage performance effectively.

This year 47 managers, both at supervisory and middle management level, participated in management development programmes that address essential management and technical skills.

Recognising the importance of having an appropriate reward and benefits structure, this year we completed a review of our reward practices. This resulted in a revision of our short-term incentive scheme to ensure that it was more inclusive of all our managerial ranks. We have identified new partners and purchased additional and new benchmarking data.

During the year, more than 95% of our non-bargaining unit employees completed individual performance agreements, compared to 97% in 2014.

We offer our employees on-site occupational health practitioners and medical insurance, as well as an employee assistance programme. Employees have responded positively to on-site counselling. This was a pilot project at various sites to ensure that we provide an appropriate and adequate employee assistance programme. Subsequent rollouts are currently taking place in more of our divisions.

Following an impact assessment of recent revisions in labour legislation, we have implemented various initiatives to address identified gaps in our HR policies, practices and benefits. The management and use of temporary labour remains an important focus. During the year 82 employees moved from fixed term to seasonal within one of our divisions. We continue to work with the union to ensure the further conversion of employees so as to minimise the use of labour brokers.

The tables below reflect a breakdown of the number of employees by division, labour turnover, training expenditure on skills priority and critical skills areas and statistics on the disabling injury frequency rate.

Number of employees

Divisions	2015			2014		
	Direct	Indirect	Total	Direct	Indirect	Total
Lucky Star	2 093	446	2 901	1 256	563	1 822
Daybrook	0	366	366	n/a	n/a	n/a
Horse mackerel and hake	1 205	27	1 232	458	335	793
Lobster, squid and French fries	593	28	621	432	146	578
CCS Logistics	400	421	821	338	308	646
Oceana corporate office	108	4	112	90	11	101
Total	4 399	1 654	6 053	2 574	1 363	3 940

3. OPTIMISING OUR OPERATIONS

Turnover %

Reasons	2015	2014
● Retirement/Health/Death	27	23
● Dismissal	32	22
● Retrenchment	8	25
● Personal circumstances/Self employment	12	13
● Dissatisfaction with pay/benefits/opportunities	17	13
● Incompatibility	4	12
● Location	–	4

Absenteeism

Divisions	2015	2014
Lucky Star	3,5%	5,0%
Daybrook	0,0%	n/a
Horse mackerel and hake	1,2%	0,9%
Lobster, squid and French fries	1,9%	2,1%
CCS Logistics	2,5%	2,7%
Oceana corporate office	2,0%	1,8%

Training spend

Total amount invested in Skills Development	R17 849 121
Total spent as a % of Payroll on Black Employees	2,51%
Total spent on Black Employees as a % of total amount invested in Skills Development	94,8%
Training expenditure on Black Employees	R16 924 642
Number of employees who received training	1 771

Disabling injury frequent rate (DIFR) by division

Division	2015	2014	2013	2012
Lucky Star	1,3	1,3	0,8	2,2
Daybrook	0,0	n/a	n/a	n/a
Horse mackerel and hake	0,1	0,2	0,2	0,2
Lobster squid and French fries	0,3	0,3	0,4	1,5
CCS Logistics	1,2	1,2	1,0	0,8
Oceana corporate office	0,0	0,0	0,5	0,0
Oceana Group	0,7	0,5	0,5	1,0

DRIVING EFFECTIVENESS AND EFFICIENCY IN OUR OPERATIONS AND THROUGHOUT OUR VALUE CHAIN

Group Strategic Services (GSS) is a corporate division that provides shared specialist services to the group and operating divisions, thus allowing operational management to focus on core business issues. The portfolio of services provided by GSS includes Compliance and Risk, Commercial, Stakeholder Engagement, Public Policy, Corporate Communications, Environmental Sustainability and Corporate Social Investment. GSS provides both directional and advisory inputs to the business, and works with operating divisions to ensure consistent execution of strategy and policy within each division's operating context. GSS's role is to bring best practice into the business in the services offered and to drive the implementation of key group strategies while ensuring that accountability for delivery on projects remains with operational heads. GSS also supports the company's growth strategies through providing critical services across the group during mergers and acquisitions and subsequent integration processes.

In line with the objective of ensuring quality, cost-effective, flexible and consistent services, the following key activities took place during the year:

- The compliance, risk and insurance portfolio was integrated into the GSS division in September 2014, with the aim of ensuring overall legislative compliance and risk mitigation for the group and divisions. This includes management of the Whistle Blower hotline service. Key focus areas for the year included:
 - Regular engagement by the group compliance and risk manager with each operational and functional division to review compliance priority focus areas, consider internal controls and mitigation measures in place and where necessary assist in developing the required systems for effective compliance;
 - Ensuring consistency in implementing the enterprise risk management framework across the group;
 - Ensuring that the required compliance training was undertaken, following the Foodcorp acquisition with new employees joining the group; and
 - Reviewing the trade credit insurance portfolio during year and negotiating a decrease in premium.
- The commercial department continues to meet the ongoing demand for professional legal advice. Key projects included:
 - Providing legal support in the Foodcorp and Daybrook acquisitions. During the Foodcorp acquisition the team made application for more than 40 regulatory permits to ensure that operations could be undertaken;
 - Developing and preparing commentary on the draft commercial fishing rights policies and application forms; and the draft small scale fisheries regulations;
 - Preparation for the 2015 fishing rights application process (FRAP) for the horse mackerel, inshore hake and West coast rock lobster sectors; and
 - Developing an electronic contracts management tool aimed at reducing duplication, whilst ensuring that the latest legal amendments are incorporated into all contracts.
- A new portfolio was created this year to drive a more proactive approach to managing the group's reputation and inputs on government policy, headed up by the group stakeholder engagement and public policy manager.
- The transformation and localisation team has focused on developing gap analyses for the group and each division aimed at assessing what is required to meet the targets set in the Revised Codes of Good Practice on B-BBEE.
- During the year, the Environmental Control System was aligned with the ISO 14000 system, which required practical and hands-on assistance at divisional level. There has been an increased focus on ensuring compliance, particularly as regards obtaining the correct permits for coastal water discharge.

3. OPTIMISING OUR OPERATIONS

ACTIVELY EVALUATING AND MITIGATING RISK, AND MAINTAINING EFFECTIVE GOVERNANCE SYSTEMS

As part of our overall enterprise-wide risk management system, each of the five operating divisions maintains their own strategic risk register, with combined assurance and action plans. In line with the recent internal restructuring of the Lucky Star business into two divisions (Lucky Star Sales and Marketing and Lucky Star Operations), separate risk registers have been developed and implemented for each of these divisions. Blue Continent Products has also developed and implemented separate risk registers for its Horse Mackerel and Hake sector operations. In addition, risk registers are in place for the following functional areas: environmental management, commercial, human resources and information systems.

All registers record the major risks that have an impact on, or are potentially caused by, each division's activities, products and services. The consequence rating is chosen based on the most likely potential impact of a plausible worst case scenario of the various risks on the company and our stakeholders. The rating also takes into consideration the possible financial, health and safety, environmental, reputation, legal compliance and management impacts. The risk registers record detailed actions and assurance plans regarding our ability to respond to and manage the identified risks, their possible consequences and any emerging risks. All risk registers are reviewed and updated quarterly.

The reviews take place both at the operational and group level during quarterly risk forum meetings attended by all group risk managers, functional heads, the group financial director, the group strategic services director, and the managing directors of the operating divisions. The forum meeting is chaired by the group compliance and risk manager. Further detail regarding our enterprise-wide risk management system is provided in the risk management report on page 82.

Internal governance structures are in place through the various quarterly forum meetings. These structures ensure that the operations are directly involved, while responsibility for the overall management of functions remains at the group level. These group forums include the risk forum, transformation forum, sustainability forum, CSI forum, information systems steering committee and regular

human resource and financial director's meetings. Policy is determined at a group level, while operations are generally responsible for implementation, except for the Oceana Foundation, which is managed centrally. Further details regarding our governance and reporting structures may be found in the corporate governance report on page 76.

RESPECTING HUMAN RIGHTS

Oceana has an organisational culture which supports local and internationally recognised human rights and avoids any involvement in the abuse of human rights. We support the principles included in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation's (ILO) core conventions on labour standards.

Our human rights policy is aimed at promoting equality of opportunity and combating discrimination. It is being applied across all our operations in South Africa and Namibia. Our human rights policy is enforced by our participation in and signatory to the United Nations Global Compact (UNGC). The UNGC identifies universal human rights best practice associated with labour, health and safety, procurement environment, land management, security and anti-corruption and requires that we annually report on our progress made in meeting the 10 principles associated with the aforementioned focus areas.

In 2015 we reassessed our human rights compliance in terms of the requirements of the Human Rights Compliance Assessment (HRCA), developed by the Human Rights and Business Project at the Danish Institute for Human Rights. When compared to our 2014 assessment, we have improved our compliance level across the 10 principles with significant strides made in the Environmental and Health, Corruption and Bribery and Supply Chain Management focus areas.

We are committed to continually improving our compliance with international best practice and are therefore implementing a plan of continual improvement. From a legislative perspective, we are compliant with all applicable legislation within the countries we operate.





4. LEADING STEWARDSHIP OF MARINE RESOURCES

2015 PERFORMANCE

- 99,5% of our targeted South African commercial fishing rights are on the SASSI green list
- Founding and active member of the Responsible Fisheries Alliance
- Maintained MSC-accreditation of hake deep-sea trawl fishery
- ISO 14000 compliant ECS system
- Disclosure score on CDP of 98% (2014: 97%)

PROMOTING AND ENHANCING A RESPONSIBLE ECOSYSTEMS APPROACH TO FISHING

To deliver on our strategy of being an efficient converter of rights into shared value, we've maintained a strong focus on promoting responsible fishing practices, and driving our zero tolerance to illegal and unregulated fishing. We continue to partner with government and others to promote an ecosystems approach to fishing (EAF), facilitating appropriate research and investing in training staff on the importance of sustainable fisheries.

The implementation of EAF in South African fisheries has a two-pronged approach:

- conserving the structure, diversity and functioning of ecosystems through management actions that focus on the biophysical components of ecosystems, such as the introduction of protected areas; and
- ensuring sound fisheries management practices that meet the goals of satisfying societal and human needs for food and economic benefits through management actions that focus on the fishing activity and the target resource.

We recognise that promoting EAF is critical to enhancing our global competitiveness, ensuring long-term sustainability and maintaining our ability to create shared value. We have thus partnered and funded initiatives in association with the Responsible Fishing Alliance (RFA) and WWF. We are a founding member of the RFA, whose vision is to create the framework for like-minded organisations to work together to ensure that healthy marine ecosystems underpin a robust seafood industry in southern Africa. The RFA's Responsible Fisheries Training Programme, adopted by the RFA in 2011, has resulted in the training of almost 1 000 fishers, significantly changing their attitudes and behaviour on deck. A recent study conducted by Birdlife South Africa has found that accidental seabird mortalities had been reduced by more than 90% in the hake trawl fishing sector, as a result of the work by the RFA.

We have participated in various research projects together with the RFA that is geared towards determining the ecological state associated with the fishing resource. These projects include:

- benchmarking South Africa's fisheries project as a means of determining resource sustainability;
- developing a code of conduct for implementation across the industry;
- implementing a responsible fishing training programme;
- understanding the breeding and foraging dynamics of the African penguins and the impact of island closure on fish resources and the subsequent impact on the African penguins; and

- investigating a sustainable approach to managing offshore trawl by-catch.

The most direct influence we have in promoting an ecosystem and sustainable approach to fishing is by ensuring that our own fishing practices are considered responsible. To this end, we annually train seafaring employees on the regulations, policies and management measures in place. We have trained 278 seafaring employees to date, which accounts for 49% of all applicable employees.

Once again, all of our harvested commercial fishing rights are on the South Africa Sustainable Seafood Initiative (SASSI) List. All but two (West Coast Rock Lobster and Sole) of our harvested resources fall within the green category of the SASSI list. This means that they are considered to be the most sustainable seafood choices, from the healthiest and most well-managed fish populations, and that the species can handle current fishing pressure.

The west coast rock lobster remains on the orange list due to current resource stock levels. The Total Allowed Catch (TAC) for this resource was reduced by 16,8% for the 2014/2015 season to 1 801 tons (2014: 2 167 tons) to allow for the resource to restore to previous sustainable levels. Indicators measured for the resource – such as catch rates, growth rates and recruitment – show positive trends. The TAC for the 2015/2016 season is expected to increase by 6,8%.

The right to harvest sole was acquired with the Lusitania acquisition in 2012; none of the sole-related rights were harvested during 2015.

South African commercial fishing right	SASSI category
Anchovy	Green
Pilchard	Green
Squid	Green
South coast rock lobster	Green
Horse mackerel	Green
Deep-sea hake	Green
Sole	Orange
West coast rock lobster	Orange

MAINTAINING CERTIFICATION FOR RESPONSIBLE FISHING PRACTICES

Oceana conforms to the requirements of two, strategic certification bodies: The Marine Stewardship Council (MSC) and the International Fishmeal and Fish Oil organisation (IFFO). Our hake operation has the MSC custody of chain certification, which is considered the world's premier eco-labelling initiative for fishing. The MSC certification is renowned for its rigorous environmental and responsible fishing and supply requirements. The fishery was initially certified in 2004 and we retained the certification over subsequent certification periods. Our Lucky Star operations maintained their IFFO certification and we undertook a compliance audit in August 2015 at all of our fishmeal factories. The compliance audit is a prerequisite for the IFFO certification.



We provide support to government with their Ecosystems Approach to Fishing intervention, such as the resource surveys and data collection for the use in the rights allocation decision-making process. We participate in scientific working groups led by government regarding the methodology used in determining the total allowable catch (TAC) and total allowable effort. We have also directly contributed to the success of these processes by providing the *Compass Challenger* to DAFF in their pelagic research surveys. In addition, DAFF utilises two of the Oceana lobster vessels to conduct the surveys to assist scientists to understand the availability and distribution of the lobster resource. The surveys, undertaken over a period of 120 sea days, focus on the fishing zones around Lamberts Bay, Saldanha Bay, Dassen Island and Cape Point. In addition, together with DAFF, we undertook an experimental lobster harvesting survey off the Port Nolloth coastal zone.

MONITORING AND MANAGING OUR ENVIRONMENTAL IMPACTS

Mitigating our environmental impact is an important aspect of our commitment to continual improvement and sustainable development.

We manage our environmental impacts through our environmental control system (ECS). This system provides for the identification, monitoring and control of priority environmental issues identified by the group. The design of the system is based on international best practice, and specifically includes provision for compliance with South African legal requirements and the ISO 14000 series of environmental management standards. This year we undertook training on the ECS requirements and its alignment with the ISO 14000 series across the group.

A core focus this year has been on strengthening our environmental control and audit systems to ensure full compliance with environmental legislation. Our compliance drive has included greater engagement of management in internal audit processes and the provision of environmental training for relevant staff.

Following is a brief review of some of the environmental initiatives undertaken this year; further detail is provided in our online sustainability report.

- **Responsible management of odour and stack emissions:** Our commitment to responsible air quality management is in line with the Group's overall objective of ensuring legislative compliance and minimising the impact of our processing operations on neighbouring communities. In 2012 we obtained the final atmospheric emission licence (AEL) for the Lucky Star Hout Bay facility, and in 2013 renewed a provisional AEL (PAEL) for Lucky Star's St Helena Bay facility. The renewal of the Amawandle PAEL is currently in progress. The short-term strategy for the Laaiplek facility is to reduce plant emissions in line with plans in its provisional atmospheric emission licence conditions
- **Responsible use and disposal of water:** We regularly monitor and report on our water use and disposal quantities and qualities. We have submitted the required Coastal Water Discharge Permits application and are actively engaging with the Department of Environmental Affairs to expedite issuing of the relevant permits. In the interim we continue with our existing monitoring programme.
- **Improving energy efficiency and reducing consumption of non-renewable resources:** During the year we developed a group-wide energy reduction plan that takes into account short, medium and long term energy reduction measures aimed at meeting our energy reduction targets. We measure and report our progress on implementing the plan and meeting our energy reduction targets on a quarterly basis.
- **Minimising waste generation and responsible disposal of waste:** Our objective is to ensure that all waste is suitably disposed of at a licensed landfill site. In addition, we are continually implementing measures to reduce the volume of waste that is landfilled, by implementing recycling and reuse initiatives across the business. One of our key initiatives is to direct any fish product that is not fit for human or animal consumption to the fishmeal plant for processing, thereby reducing our contribution to waste being landfilled and increasing the lifespan of the applicable landfill sites. Fish resources not suitable for processing in the fishmeal plant, are treated as hazardous waste and suitably disposed of.

4. LEADING STEWARDSHIP OF MARINE RESOURCES



- Responding to climate change:** In 2014 we compiled a climate change risk and vulnerability report compiled. The risks identified through this process have been incorporated into the Oceana Risk Register, and are being integrated into the various functional and division level risk registers. By doing so we hope to promote the inclusion of climate change risk into the business strategy and long-term decisions. We have been participating in the CDP (formally known as the Carbon Disclosure Project) for six consecutive years and have achieved year-on-year increases to our disclosure score: 2015:

98%; 2014: 97%; 2013: 95%. To maintain our high level of CDP disclosure, we introduced quarterly reporting on energy costs, environmental expenditure and cost savings from environmental initiatives in 2014. This will be further enhanced by a monthly reporting system for energy costs and environmental expenditure, scheduled for implementation next year. We have undertaken training on carbon footprint, which allowed employees an opportunity to understand the implications of our resource use from a carbon footprint perspective.

OUR ENERGY, WATER AND WASTE TARGETS

Key performance area	Target	Target date	Base year
Reporting	Annual public reporting against targets	Dec 2014	
GHG Emissions (Scope 1 and 2)	5% product GHG emission intensity reduction from base year	Sept 2016	Sept 2013
	Further 2,5% product GHG emission intensity reduction year-on-year from 2016 to 2018	Sept 2017 Sept 2018	Sept 2016
Energy	5% product energy intensity reduction from base year	Sept 2016	Sept 2013
	Further 2,5% product energy intensity reduction year-on-year	Sept 2017 Sept 2018	Sept 2016
	5% electricity per unit area intensity reduction from base year by Oceana Group corporate office	Sept 2016	Sept 2013
	Further 2,5% electricity per unit area intensity reduction year-on-year by Oceana Group corporate office	Sept 2017 Sept 2018	Sept 2016
Water usage and disposal	2,5% product water usage intensity reduction from base year	Sept 2016	Sept 2013
	Measurement and reporting of quantity and quality of effluent	Sept 2015	
Waste disposal	Ensure that no food that is fit to eat (by humans or animals) is sent to landfills	Annual	Sept 2014
	Measurement and reporting of quantity and quality of waste	Sept 2015	



2015 PERFORMANCE SUMMARY

- No industrial action experienced at our operations
- R4,9 million CSI investment in South Africa
- N\$8,4 million CSI investment in Namibia
- 1,2% of net profit after tax distributed to South African beneficiaries that have a black base of at least 75%

ENSURING PROACTIVE ENGAGEMENT WITH OUR STAKEHOLDERS

We undertake regular and proactive engagement with our key stakeholders, with the aim understanding and responding appropriately to their interests. We place a particular priority on those stakeholders who have a material influence on our activities. These include our employees, government and regulators, investors and shareholders, suppliers and service providers, customers and the diverse communities in which we operate. A table of our key stakeholders, the nature of our engagement activities with them, and their key interests, is presented on page 28.

MAINTAINING POSITIVE EMPLOYEE RELATIONS

We engage effectively with our employees, and with union representatives, at all levels. We have clear structures in place to facilitate the relationships between management and our shop stewards. We hold consultative forums on a regular basis, in which various themes are addressed. These themes include identifying initiatives to support diversity and inclusion, monitoring progress against our workplace skills plans and annual training reports, supporting wellness solutions, ensuring communication of relevant human resources policies, and providing education on relevant legislative developments.

In South Africa, Oceana's employees are members of Food and Allied Workers Union (FAWU); the Trawler and Line Fishermen's Union (TALFU); the National Certificated Fishing and Allied Workers Union (NCFWU); and the United Democratic Food & Combined Workers Union (UDF&CWU). The Namibian unions are the Namibia Food and Allied Workers Union (NAFAU) and the Namibia Transport and Allied Workers Union (NATAWU). Despite the tough economic climate and increased industrial action in the unionised environment across South Africa, we successfully concluded wage negotiations throughout the group. This year the expectations from labour were extremely high, which made for a challenging set of negotiations. There were no days lost to strike action during the year.

Wages and conditions are negotiated through industry bodies. In the pelagic and lobster sectors, negotiations are conducted through the South African Pelagic Fish Processors Association, and in the demersal and mid-water trawl through the Fishing Industry Bargaining Council, which consists of Deep-sea, Mid-water and Inshore Trawling Chambers. Calamari Fishing Proprietary Limited is involved in the squid industry's statutory council and is an active member of the Employers Organisation for the Cephalopod and Associated Fisheries, which is the employers' association for the industry.

In line with the strategy to become self-regulated through the formation of an employer's association, the constitution of the Amalgamated Fishing Employers Organisation (AFEO) was finalised, submitted and later approved by the Department of Labour.

We continue to place an important focus on the Oceana Empowerment Trust (the Trust), and engage regularly with Trust beneficiaries. The ten Trust champions to whom we have provided training meet on a quarterly basis with the CEO and executive directors to review key issues facing the Trust. During the year we held the second general meeting for beneficiaries. We include key messages relating to the Trust in all issues of our internal Tidings magazine.

ENGAGING WITH GOVERNMENT AND REGULATORY OFFICIALS

Developing an informed and trusted relationship with government is one of our top priorities. We have maintained our focus this year on proactive engagement with representatives from government, parliament and regulatory bodies, with the aim of further raising Oceana's profile and addressing any possible misperceptions.

In South Africa, we engaged this year with the following key parties, both directly as well as through industry representative bodies:

- The Department of Trade and Industry (dti) – including specifically on the B-BBEE Amendment Bill and Codes of Good Practice, with the aim of ensuring that compliance with the promulgated Act and Codes and ensuing regulations have universal application.
- The Department of Agriculture Forestry and Fisheries (DAFF) – on legislative and policy small-scale fishing policy implementation and the 2015/16 draft policy on fishing rights allocation process (FRAP).

5. BUILDING TRUSTED RELATIONSHIPS



- Members of the Portfolio Committee on Agriculture, Forestry and Fisheries, and the National Council of Provinces – on various regulatory and policy developments.
- National Treasury – on the applicability of the carbon tax in the fishing industry.
- The Department of Environmental Affairs (DEA) – specifically on climate mitigation policy.
- The Department of Labour – on employment equity legislation.
- The Department of Basic Education in the Western Cape – regarding the Oceana Foundation School Feeding Kitchens Project and food security initiatives.
- The Department of Public Works (DPP) – regarding the possible closure of our Hout Bay operation.
- The Western Cape Department of Environmental Affairs and Development Planning (DEADP) – regarding applicability of environmental authorisation for operational modifications within our factories in terms of the Environmental Impact Assessment Amendment Regulations, 2014.

In Namibia, we engaged with the following regulatory authorities during the year:

- The Minister of Fisheries and Marine Resources, and officials within the ministry – on various policy and regulatory requirements, and on the introduction of canned horse mackerel products.
- The Directorate of Maritime Affairs – with the aim of obtaining Namibian flagging status for our horse mackerel trawlers.
- The Scientific Research section of the Ministry of Fisheries and Marine Resources – on horse mackerel resource assessments and discussions pertaining to conditions of experimental quotas (such as Club Mackerel and other species).
- The Ministry of Labour and Social Welfare, the Polytechnic of Namibia, and the Namibia Maritime Fisheries Institute – with the aim of identifying and training marine engineers.
- Ministry of Agriculture, Water and Forestry on fishmeal and fish oil annual registration; and
- The Namibian Standard Institution for the inspection and certification of fish and fishery products.

Through our positive engagement activities, government officials have demonstrated a greater willingness to engage positively and constructively with Oceana, informed by an increasing appreciation of the value that Oceana is providing for our various stakeholders.

PROMOTING POSITIVE COMMUNITY RELATIONS

During the year, we continued our efforts to engage regularly with communities surrounding our operations, to ensure that we understand and respond appropriately to their concerns. Many of these engagements are co-ordinated through the Oceana Foundation as part of our corporate social investment (CSI) activities, through which we seek to develop partnerships to improve the environment and facilities available to our host communities (see page 53).

A critical focus this year has been on responding to community concerns in Hout Bay. These concerns relate primarily to odour from our fishmeal plant, which is situated within an industrial zone, in a proclaimed fishing harbour. In response to these concerns, we have invested in the most advanced odour abatement technology of any fishmeal factory in Southern Africa, and we have reduced production of the plant over the past three years to less than 40% of our normal annual production. Unfortunately, this reduced production, which has resulted in the plant being financially unviable, has not resulted in a decrease in the level of complaints from certain sectors of the community.

Given the nature of this stakeholder discontent and the resulting impact on the financial viability of the business, in August 2015 we initiated a Section 189 process in terms of the Labour Relations Act with employees at our Hout Bay operation regarding the proposed closure of the facility. This decision prompted numerous subsequent consultations with different stakeholder groups, including affected employees and their representatives, community stakeholder organisations, and national, provincial and local government representatives (including from DAFF, DPW, DEA, DEADP and the City of Cape Town). The proposal to close the plant was met with opposition from employees, the union movement and the local communities from which our employees are drawn, all of whom have expressed concern with the negative socio-economic impact that this would have on an area requiring employment opportunities.

We maintained consultation with all concerned stakeholders regarding the proposed closure of the plant, with the aim of gaining comprehensive inputs prior to making a final decision. As advised in the CEO's Report we successfully concluded the Section 189 process with our employees on a positive note. We have decided that we will continue with the operation of our fishmeal operations at Hout Bay and we are pleased that this decision has been met with the resounding approval of our employees, their union representatives, the broader Hout Bay community as well as the various regulatory authorities.

ADHERING TO STRICT FOOD SAFETY STANDARDS AND EXCEEDING CUSTOMERS' PRODUCT QUALITY EXPECTATIONS

Our consumers rely on us to safeguard the integrity, quality and nutritional value of the products we produce and sell. We strive to fulfil customers' quality expectations by providing products that are safe and produced to the highest quality.

Our food safety system, which extends along the full supply chain (from "harvest to fork"), is founded on internationally recognised technical regulations and standards aimed at protecting and improving public health. We meet the requirements of the compulsory specifications administered in South Africa, as well as standards and principles of Codex Alimentarius and ISO. We use the World Organisation for Animal Health principles as the basis for animal health systems. This approach is designed to address allergens and biological, chemical and physical hazards that can occur if not controlled. We conduct regular audits, inspections, surveillance and examinations of product designs, products, services, processes and processing plants to determine their conformity with specific or general requirements. We have an annual documented audit and inspection activity programme, devised on a risk-based analysis and scientific approach. All canned fish sold in South Africa is subject to approval by the National Regulator for Compulsory Specifications (NRCS) before it can be sold.

DELIVERING VALUE FOR LOCAL COMMUNITIES

An important aspect of our commitment to converting global fishing resources into shared value is our investment in improving the socio-economic conditions of the coastal communities in which we operate. While our most significant contribution to economic wellbeing of neighbouring communities is through our core business activities, we provided additional focused support through our corporate social investment (CSI) initiatives co-ordinated through the Oceana Foundation in South Africa.

In accordance with the group's CSI policy, the key focus areas for the 2015 financial year remained on food security and education. This year we supported education in our local communities through various infrastructure enhancement initiatives, provided transportation for learners, invested in life-skills training for youth, sponsored a career expo for youth in Hout Bay, and supported a school for the deaf. We have continued to demonstrate our commitment to combating hunger in local communities through the delivery of food security initiatives such as product donations to various beneficiaries, support for a school feeding scheme where 600 learners are fed daily and continued partnership with Stop Hunger Now SA. This year the Oceana Foundation also embarked on a disaster relief initiative through the provision of shelter for nine families left homeless by a fire in the Hout Bay community of Hangberg. Whilst this project did not fall within our usual focus areas, it had a devastating impact on the Hangberg community where we operate, and a decision was taken to support these families.

In addition, the Oceana Foundation partnered with a non-profit organisation to deliver parental training workshops at a beneficiary school in Hout Bay. The principal at the school attributed the absence of parental involvement in the education of their children to the behavioural challenges and lack of academic performance by the learners at the

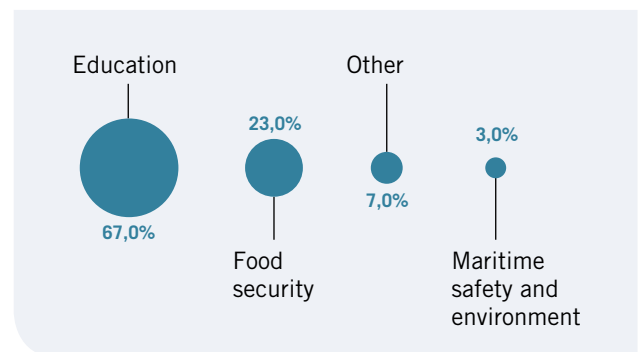
school. This initiative was implemented in response to an appeal by the principal for support in educating, motivating and empowering parents to become better role models for their children. By responding to this need, the group has been able to impact directly on issues faced by learners, educators and parents in the local community.

In Namibia significant investments were made into various projects. Some of the key projects included a multi-purpose school hall which was built at a total cost of N\$3,5 million. It was handed over to the community of the Ismael Kamati Tjimuhiva Combined School at Omakange in the presence of the Namibian Minister of Fisheries and Marine Resources. The donation included the installation of a solar powered fully fitted industrial kitchen with a walk-in freezer unit. Previously the learners from this disadvantaged community had to eat outside while meals were prepared on an open fire in a makeshift shack on the school property.

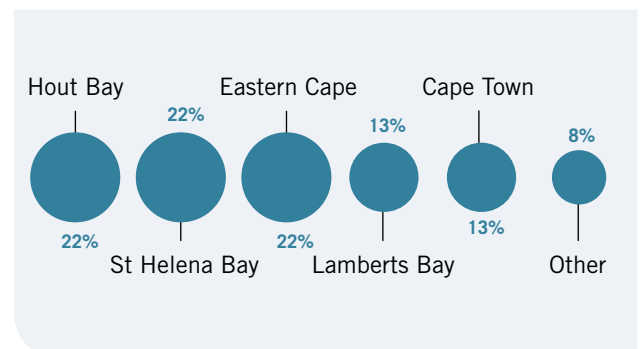
A flagship corporate social development programme called Fish-4-Business was launched in Okahao. The Fish-4-Business project is done in partnership with a leading consultancy that supports small business entrepreneurship in rural Namibia through empowerment and skills development, enabling shop owners to grow their business whilst creating and sustaining jobs. This directly contributes to poverty alleviation, increased local fish consumption and food security. The first of the Fish-4-Business concept shops was launched in the Onandjila Village near Okahao in the Omusati Region.

CSI expenditure for the year under review amounted to R13,4 million. The expenditure per CSI category and geographical area is shown below:

CSI EXPENDITURE BY CATEGORY



CSI EXPENDITURE BY GEOGRAPHY IN SOUTH AFRICA



LUCKY STAR



AN OCEANA GROUP COMPANY

Lucky Star harvests, processes and procures small pelagic species, and markets and sells the derived products. Our primary product is canned fish, mainly pilchard, but also tuna, sardine, mackerel, salmon and mussels, all of which are marketed under the Lucky Star brand. The division also markets Glenryck in the UK and pet food in South Africa under the Lucky Pet brand. Lucky Star is the market leader in the canned fish category across South Africa and several other African markets. Canned fish is a key staple protein choice for Southern African consumers and is eaten in over three million meals daily. Lucky Star also markets fishmeal and fish oil in South Africa and internationally, primarily for the aqua feed and animal feed sectors.

MATERIAL

Risks affecting value

Canned fish

- Global supply volatility due to variable resource availability
- Erosion of margins due to exchange rate impact
- Loss of brand equity due to a food safety incident
- Loss of contracted quota and/or increasing quota usage fees

Fishmeal

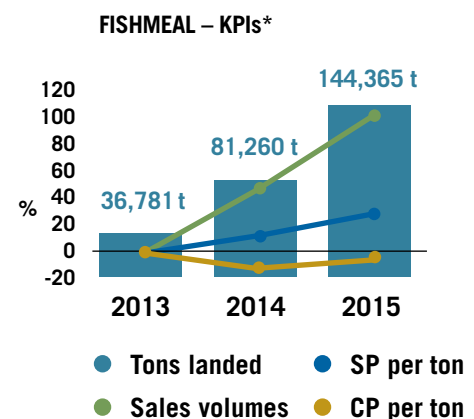
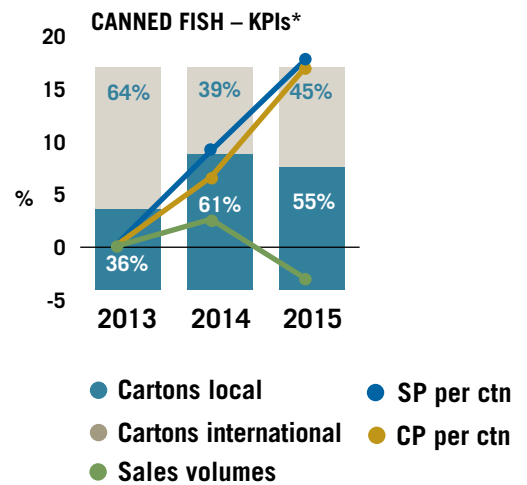
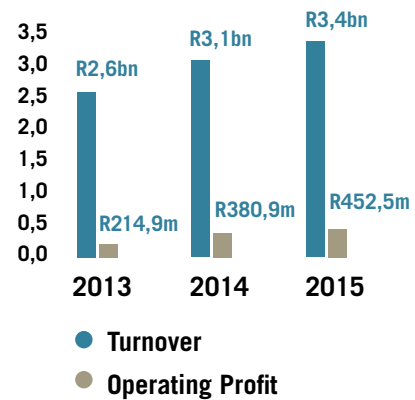
- Insufficient fleet and fishmeal processing capacity
- Not catching full anchovy quota
- Variable nature of fish resources
- Impact of fishmeal plants located near communities

STRATEGIC

Focus areas

- Developing the canned fish category and Lucky Star brand in Southern and East Africa
- Ensuring sustainable and affordable supply
- Retaining and maximising local procurement contracts
- Reducing route-to-market costs by driving efficiencies and effectiveness along full value chain
- Driving frequency of consumption of Lucky Star product
- Increasing international raw fish procurement for local production
- Driving efficiencies and effectiveness in fishing and processing operations
- Improving utilisation of existing fleet and processing capacity
- Improving fishmeal and fish oil quality parameters

LUCKY STAR



*2014 and 2015 Key Performance Indicators (KPIs) are calculated as percentage of 2013, using 2013 as the base year.

● SP – sales price ● CP – cost price



CANNED FISH

In 2015, we sold 8,3 million cartons of canned product (2014: 8,8 million). This volume decline of 5% on last year's was primarily a result of the increased price premium in South Africa, compared with other proteins, coupled with increased pressure on consumer spending and incidents of xenophobia, mainly in Gauteng and KZN.

In the key staple food category, Lucky Star Pilchards grew its market share while maintaining its penetration of 80% of South African homes. In the second half of the year, we launched a new advertising campaign with the aim of securing consumer loyalty, emphasising the health credentials of the category. During 2015 the independent retail and wholesale sector accounted for an increased proportion of Lucky Star's sales, despite this sector's significant challenges in the second quarter.

For the fifth consecutive year, the brand featured in the Top 10 in the overall favourite brand category in the *Sunday Times* TNS Top Brands survey; this year we were rated sixth, up from seventh in 2014.

International business

2015 was a significant year in expanding the Lucky Star's foothold into Southern and East African markets. Building on the strong base the brand has established in SADC markets, we delivered pleasing growth in Botswana, Namibia, Lesotho and Swaziland. In Zimbabwe and Zambia, where the category is less developed, we achieved growth rates of more than 60% after investing in market-building activities. In the third quarter we launched the Lucky Star category and brand into Kenya, using a holistic marketing campaign to drive consumer trial and trade listings.

Global sourcing

The volume of pilchard required to support sales of Lucky Star products exceeds that available from landings of fish with our own and contracted quotas in South Africa and Namibia. While the addition of Amawandle Pelagic from February 2015 increased the volume of available fish from South Africa, we still need to secure additional raw fish and canned product from other sources. The local demand of the canned fish range is sourced from over 11 canneries around the world.

In addition, we procure raw fish in Mexico, Morocco, Mauritania and Japan for canning in factories in Thailand and China, with increasing volumes of frozen fish being brought to our own plants in South Africa and Namibia. The additional imported frozen pilchard volumes, processed through our own canneries, had a positive impact on overhead recoveries and local employment, and reduced foreign currency exposure. This requires an intricate logistics and planning process, and forms a key part of our supply

chain improvement initiatives, including the realignment of warehousing and distribution networks. Through this process we have managed to meet demand while maintaining inventory levels within working capital targets. Our strategy going forward is to further maximise frozen production and employment in our own canneries to meet growth targets.

Ensuring consumer safety and satisfaction

Strict policies and processes are in place to ensure that Lucky Star products comply with all necessary food safety and quality requirements in line with consumer's expectations and needs. Manufacturers, raw material, ingredients and final canned products are subjected to rigorous quality control regimes, including independent third-party testing to guarantee compliance. Prior to distribution in South Africa, all products, whether produced locally or internationally, are inspected and released for sale by the National Regulator for Compulsory Specifications. The Lucky Star brand is protected through vigilant and immediate legal action against any potential infringements. Customer service includes a helpline and personal service to respond to and follow up on all product enquiries, concerns or complaints.

Owned South African and Namibian operations

At the end of the 2015 financial year, we completed the construction of a refrigerated sea water (RSW) vessel in South Africa for our pilchard fleet. The vessel will be put into operation at the start of the 2016 financial year. The addition of the Foodcorp assets from February 2015 added an additional three RSW vessels to the pilchard fleet.

The 2015 pilchard Total Allowable Catch (TAC) for South Africa – ratified by the Minister of Agriculture, Forestry and Fisheries, as recommended by DAFF scientists – was 83 470 tons (2014: 90 000 tons). In terms of our 25,6% share of the TAC (2014: 15,0%), Oceana was permitted to catch 21 368 tons. Landing of this allocation was partially completed by 30 September 2015, with the balance anticipated to be caught by close of season on 31 December 2015. The fleet performed well in terms of pilchard landings during the early part of the year, and the availability, size and mix of fish was also good. Landings towards the latter part of the year were lower than expected.

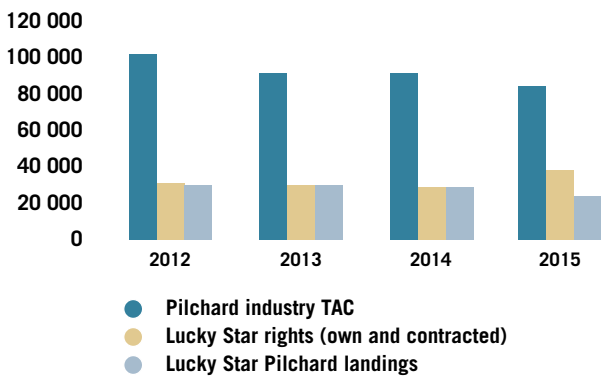
Both the South African and Namibian canneries are in an excellent condition and performed well in terms of yield and quality, with limited capital investments to maintain current production levels.

The quota of the Namibian operation, Etosha Fisheries (Etosha), in which Oceana has a 44,9% share, was 5 200 tons (2014: 6 240 tons) of the total Namibian TAC of 25 000 tons (2014: 30 000 tons). The resource has been conservatively managed within a relatively low TAC for

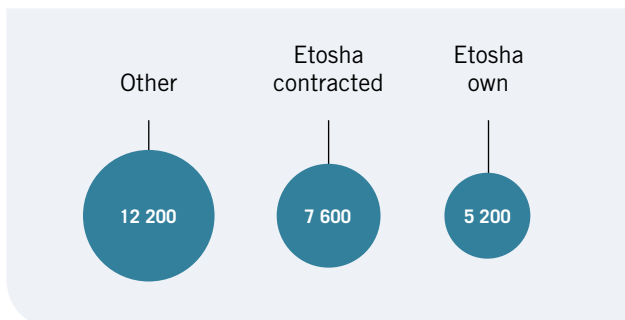
LUCKY STAR

a number of years. Additional volumes of 7 600 tons (2014: 9 120 tons) of pilchard were also secured and processed through the Etosha cannery during this season. Landing of this allocation was partially completed by 30 September 2015, with the balance anticipated to be caught by close of season on 31 December.

LUCKY STAR SHARE OF RSA PILCHARD TAC (TONNAGE)



ETOSHA SHARE OF NAMIBIAN PILCHARD TAC



FISHMEAL AND FISH OIL

This year, we sold 41 387 tons of fishmeal and fish oil, significantly more than the 2014 volume of 32 279 tons. This increase is due to the improved availability of fish, mainly as a result of the inclusion of the Amawandle Pelagic production, but also the increased availability of traded product. In addition, we enjoyed improved availability of anchovy, particularly in the late summer and early winter months. The average fishmeal and fish oil selling prices achieved were favourable mainly as a result of a weaker rand exchange rate.

The international market has been relatively sluggish, driven by an extremely volatile fishmeal price. The fishmeal price for super prime rose to \$2 400 as a result of the second season quota in Peru being set at zero following a series of warm Kelvin wave events. This prompted imports of fishmeal to China to fall by about 25% as users either excluded fishmeal entirely from the formulations or reduced the inclusion rate dramatically. In addition, exports to Europe were limited as a result of a higher than normal early season production there which satisfied demand. Fishmeal demand has only picked up with the reduction in the price of around \$700 per ton. Although Peruvian producers enjoyed a

good first season in 2015, unfortunately the prognosis for a good second season is looking poor with signs of an El Niño looming. The variability of supply is likely to cause a disruption in international markets again.

Landings of industrial fish in South Africa

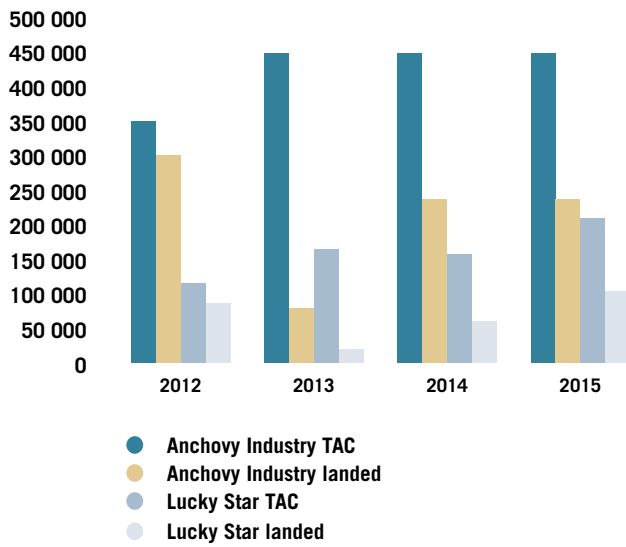
Lucky Star has four fishmeal plants, three of which are in South Africa (St Helena Bay, Laaiplek and Hout Bay), and the fourth in Walvis Bay, Namibia. The South African plants are serviced with a centralised fleet that targets industrial fish, particularly anchovy and redeye. While all fishmeal plants are in a sound condition, the short-term strategy for the St Helena Bay facility is to invest in assets that will increase the plant performance and align it with its design capacity, while at the Laaiplek facility we are looking to reduce plant emissions in line with plans in its provisional atmospheric emission licence conditions.

The Namibian plant is used mainly for production of fishmeal and fish oil from cannery offcuts. Similar to 2014, the 2015 South Africa TAC remained at 450 000 tons for anchovy. The annual anchovy TAC is ratified by the Minister of Agriculture, Forestry and Fisheries based on recommendations by DAFF scientists. Their recommendations are informed by the magnitude of the adult spawner biomass plus the recruitment to the anchovy fishery. Biannual surveys are conducted to determine recruit and adult populations. Despite an encouraging start to the industrial season, the performance of the vessels was again negatively impacted by poor late winter landings of anchovy. Although good anchovy recruitment was reported by government scientists from the May recruit survey, catches were negatively impacted by either poor weather conditions or because the fish was not available to purse seine gear.

Lucky Star's 47% share of the TAC (incl contracted) was 211 170 tons (2014: 36% at 160 001 tons). Lucky Star's landings of anchovy of 111 771 tons in the 12 months to 30 September 2015 was an increase of 87% on the previous year (2014: 59 627 tons). The redeye herring resource, which has a precautionary upper catch limit of 100 000 tons, saw reduced landings. Industry catches mirrored the measured biomass; we landed 5 341 tons, 68% less than in 2014.

Improved fish landings

The addition of the Foodcorp fishing division (now known as Amawandle Pelagic), added significant industrial catching and processing capacity, resulting in a substantial increase in processed industrial volumes from the previous year. Lucky Star's fleet (including Amawandle Pelagic) of eight industrial purse-seining vessels, many of which include JV partners, performed well compared to previous years. The fleet and vessels under supply agreements delivered a total of 127 088 tons of industrial fish to our three reduction plants for processing into fishmeal and oil, an increase of 57% compared to 2014.



Input volumes per plant were in line with that recorded in 2014. Fish oil production of 3 780 tons was significantly higher than 2014. The absence of four months' worth of fixed cost and major closed season costs from the Amawandle business, due to being absorbed from February 2015 contributed to the good results.

The fishmeal business, both globally and in South Africa, continues to be under the spotlight from regulatory bodies, marine biologists and NGOs, in terms of managing emissions from fishmeal plants whilst recognising the importance of forage fish species in the marine food web. We have developed and are implementing improvement plans to reduce emissions to meet the requirements in our final and/or provisional Atmospheric Emissions Licenses. From a resource sustainability perspective, we operate strictly within the allocated quotas and fishing permit conditions as determined by government authorities. To confirm our commitment to responsible practices in raw material procurement, food safety, product delivery, social and environmental accountability, our plants are certified to the IFFO RS Standard.

To continue to improve and grow our fishmeal business we are replacing our Namibian plant with a new 300 ton per day steam dried plant and in Angola we are establishing a 600 ton per day steam dried plant.





AN OCEANA GROUP COMPANY

Daybrook is a vertically integrated company involved in the harvesting and processing of the gulf menhaden species, and in the marketing and selling of derived fishmeal and fish oil products. The fishmeal is processed using the application of an indirect drying process that enables us to provide customised products required for specialised diets in various high-performance feeds. Daybrook produces prime, pet food and FAQ (fair average quality) grade fishmeal primarily for the aquaculture, baby pig and speciality pet food industries. Daybrook also produces an omega-3-rich crude fish oil that is utilised by the aquaculture feed industry and to a lesser extent into the beef and dairy cattle feed industry.

Oceana acquired 100% of Daybrook and a 25% indirect interest in Westbank Fishing LLC (“Westbank”) with effect from 1 July 2015. The processing, sales and administrative operations reside within Daybrook, and the fishing operations within Westbank. A group of US investors owns 75% interest in Westbank, necessitated by the requirements of the fishery endorsement issued in terms of the American Fisheries Act (AFA), which requires qualifying fishing vessels to be owned and controlled by US citizens, among other things.

MATERIAL

Risks affecting value

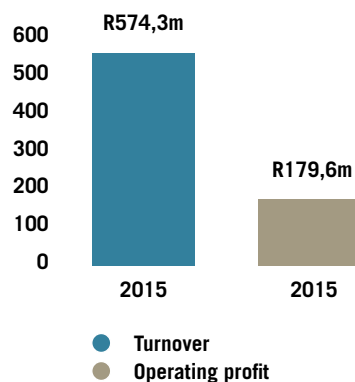
- Fluctuation in annual catch of gulf menhaden and percentage of fishmeal and fish oil derived from gulf menhaden catch due to uncontrollable natural conditions
- Geographic concentration of operations in the Gulf of Mexico susceptible to regional adverse weather conditions (tropical storms and hurricanes)
- Erosion of margins due to impact of increased costs
- Prices for fishmeal and fish oil products are commodities influenced by worldwide supply and demand relationships
- Insufficient harvesting capacity leading to underutilisation of processing capacity
- The business is seasonal in nature with the fishing season running for 28 weeks from the middle of April to 1 November each year
- Failure to comply with AFA US citizen ownership requirements could prevent harvesting of gulf menhaden in US jurisdictional waters

STRATEGIC

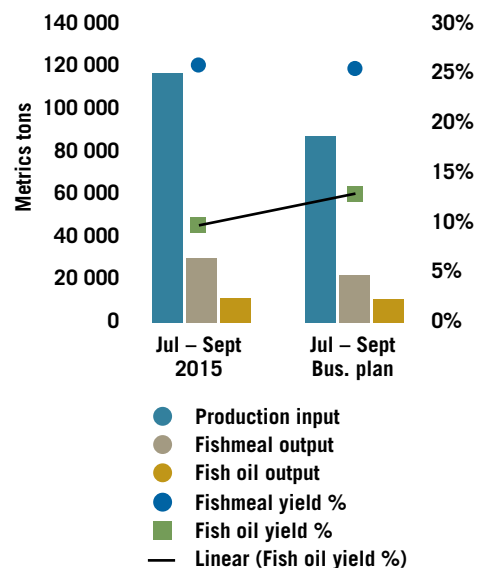
Focus areas

- Maintain a viable and sustainable gulf menhaden fishery through applying sustainable fishing practices
- Drive efficiencies and effectiveness in harvesting, processing and administrative operations
- Expand the fleet to ensure effective utilisation of unutilised processing capacity
- Focus on stock and working capital management
- Provide high quality customised products with optimum freshness and competitive logistical options to meet customer’s needs
- Implement an insurance programme to adequately cover specific business risks
- Continuous reinvestment and upgrades to harvesting, processing and logistics capabilities
- Employ a skilled and stable workforce to contribute to the growth of the business

DAYBROOK



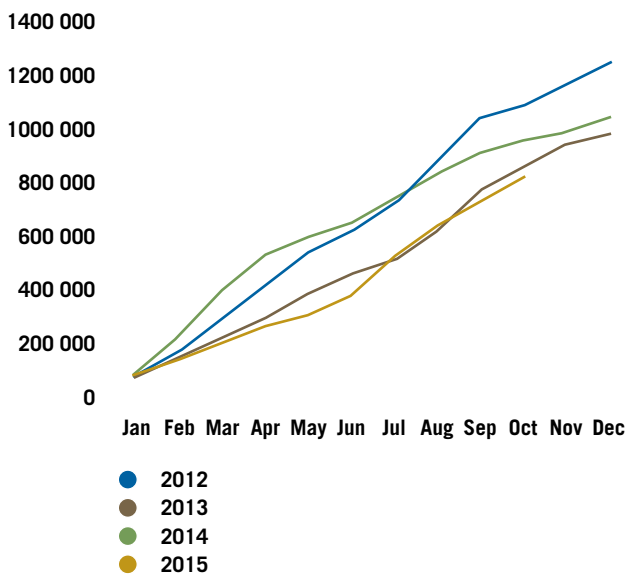
DAYBROOK PRODUCTION OUTPUT AND YIELD



FISHMEAL AND FISH OIL

From the acquisition date to 30 September (“financial period”), Daybrook sold 19 122 tons of fishmeal and 8 286 tons of fish oil. Our fishmeal products are sold both in the local United States market and export markets, with key markets being China, Canada and Germany. Fish oil is predominately exported to Denmark, Norway and Canada. While the US pet food market remained buoyant, Chinese demand for prime grade meal was weaker this year. This weaker Chinese demand is attributable to China building up stocks in early 2014 and reducing imported volumes in the first half of 2015 due to uncertainty regarding the Peruvian anchovy season. Chinese demand has shown improvement during the second half of 2015.

2012 – 2015 CHINA MONTHLY FISHMEAL IMPORT (CUMULATIVE)

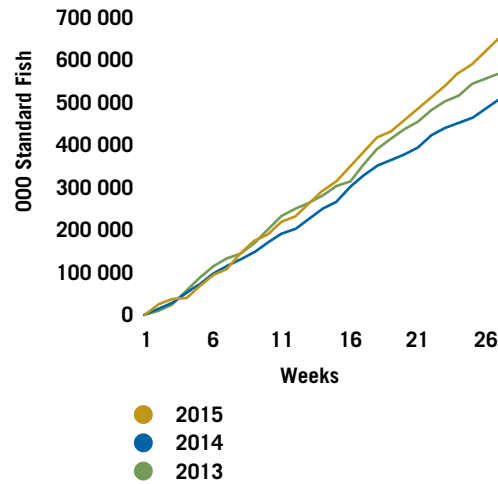


The market remained firm fuelled by strong international demand. Fishmeal prices reached record highs in October 2014 in response to anticipated supply shortages following the cancellation of the second 2014 anchovy fishing season in Peru. With 2015 anchovy catches in Peru expected to increase by 30%, fishmeal prices have gradually dropped during 2015. Forecasters are predicting a strong El Niño effect in the Pacific Ocean in the near future; if proved correct, this could depress Peruvian fishing efforts and adversely impact global fishmeal supply.

FISH LANDINGS AND PRODUCTION

For the 2015 fishing season, which runs from mid-April to end October, Westbank operated 11 fishing vessels and 10 spotter planes in our fishing area, primarily off the Louisiana coast. For the financial period, we landed 115 737 tons, with fish catch for the full season through to 31 October 2015 being 19,6% higher than the prior year.

DAYBROOK CATCH COMPARISON



Production of fishmeal has been consistent with prior year yields resulting in 29 729 tons of fishmeal produced for the three-month period. Due to the large number of smaller fish landed this year, the oil yield for the period is marginally lower than expected. A total of 11 031 tons of Fish Oil has been produced in the three-month period.

During 2015, we invested in two new indirect heated dryers, which has further improved both production capacity and the quality of fishmeal produced. The dryers feature superheated steam at atmospheric pressure as the drying medium, which also reduces air emissions and process odours.

Our Daybrook production facility is certified as a Good Manufacturing Practices (GMP+) facility, reflecting its integration of HACCP (Hazards Analysis and Critical Control Points). GMP+ has developed into a full-fledged certification scheme that integrates ISO quality management requirements, HACCP and other elements. GMP+ does not only define conditions relating to production facilities of feed, but also for storage, transport, staff, procedures, and documentation. The United States Department of Commerce through its National Oceanic and Atmospheric Administration (NOAA) Seafoods Inspection Program certifies US seafood products for export to the European Union. Daybrook also participates in the AQSIIQ inspection programme for China, which certifies that our products are tested and satisfy quality and environmental standards. In addition, Daybrook is certified kosher by the Orthodox Union and complies with the rigorous Responsible Sourcing Standards inspection programmes of the International Fishmeal and Fish Oil Organisation (IFFO).

HORSE MACKEREL



Horse mackerel is a pelagic species, usually found to a depth of 100 to 200 meters, mostly over the continental shelf. It is in high demand as an important source of affordable protein in Southern, Central and West Africa. Oceana's horse mackerel fishing business is conducted through our subsidiaries Blue Continent Products (BCP) in South Africa, and Erongo Marine Enterprises (Erongo) in Namibia. BCP harvests its fishing rights with a dedicated mid-water trawler, the Desert Diamond, while Erongo owned and operated three mid-water trawlers in Namibia during the financial year. Catches are processed at sea into frozen packs in the format required by targeted markets. All our vessels on each trip carry scientific observers or fisheries inspectors, who act as compliance observers. They collect data for research purposes, as well as conducting compliance duties.

MATERIAL

Risks impacting value

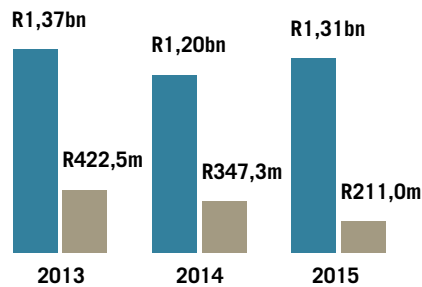
- Reduction of catch rates in South Africa
- Reallocation of fishing rights in Namibia
- Rights renewal process in South Africa and Namibia

STRATEGIC

Focus areas

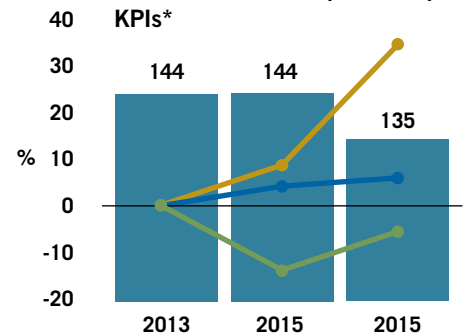
- Managing vessel catch-capacity to match available quota
- Maintaining proactive engagement with South African and Namibian government
- Promoting localisation and job creation in our Namibian operations
- Securing retention of current fishing rights due for renewal
- Building long-term relationships with other rights holders through joint ventures
- Investigate land based freezing facilities

HORSE MACKEREL AND HAKE



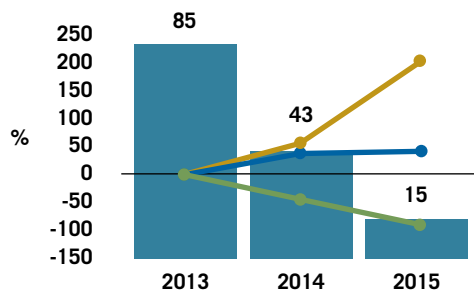
- Turnover
- Operating profit

HORSE MACKEREL (NAMIBIA) – KPIs*



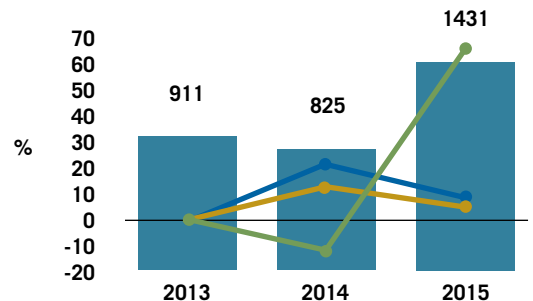
- Catch rates per day
- Sales volume
- SP per ton
- CP per ton

HORSE MACKEREL (SA) – KPIs*



- Catch rates per day
- Sales volume
- SP per ton
- CP per ton

HAKE – KPIs*



- Sea days
- Sales volume
- SP per ton
- CP per ton

*2014 and 2015 Key Performance Indicators (KPIs) are calculated as percentage of 2013, using 2013 as the base year.

- SP – sales price
- CP – cost price

BCP (SOUTH AFRICA)

The South African horse mackerel fishery is managed by a precautionary maximum catch limit (PMCL). The PMCL is calculated annually using catch rate data, as well as data from research surveys. The 2015 PMCL for South Africa is 41 927 tons per annum (2014: 38 115 tons) for the dedicated mid-water trawl effort.

Catch rates in the 2015 financial year were well below 2014 levels due to the continued scarcity of horse mackerel in our traditional fishing grounds on the Cape Southeast Coast. Desert Diamond completed two trips in South African waters during the financial year, both at very poor catch-rates compared to prior years. As a result, the Desert Diamond was redeployed to Namibia twice during the financial year, and for the remainder of the time was laid-up in Cape Town. Desert Diamond only caught and processed a total of 2 249 tons of own and contracted quota in the 2015 financial year (2014: 10 750). The 2015 quota is unlikely to be caught in full by the end of the quota year.

The low volumes, coupled with lay-up costs, the additional fuel consumed while searching for fish, and the higher foreign-denominated costs due to the weaker exchange rate, resulted in a high unrecoverable vessel costs. Consequently the SA horse mackerel division showed an operating loss for the year. To reduce ongoing searching costs, we have been using our hake fleet catch information to assist in searching for horse mackerel during their normal fishing operations, while the Desert Diamond has been laid-up.

We continue to work with scientists at DAFF to improve our understanding of the cause for the continued scarcity of the resource and the sporadic catches experienced. The scarcity of horse mackerel on the Cape South East Coast is of concern to all parties.

ERONGO (NAMIBIA)

The horse mackerel resource in Namibia is reported to be strong and remains well managed through measures implemented by the Ministry of Fisheries and Marine Resources. These measures include an annual review of the TAC and a limitation of fishing to areas deeper than 200 metres. The 2015 Namibian horse mackerel TAC remained the same as 2014 at 350 000 tons; however, the Ministry of Fisheries and Marine Resources continued allocating a further portion of this quota to new rights holders. The effect of the lower direct quota allocation, coupled with the increase in the cost to secure contracted quota, has been felt during the 2015 financial year.

All three vessels in the Namibian fleet performed well in terms of landings, efficiency, product quality and cost management. The vessel performances continue to benefit from strict maintenance regimes. Catch rates in Namibia were in line with the prior year for much of the year, but dropped off slightly during the fourth quarter. Vessel costs per ton were higher due to higher quota fees and foreign denominated costs, as a result of the weaker exchange rate, which offset the lower fuel costs.

Erongo caught and processed a total of 79 731 tons of own and contracted quota in the 2015 financial year (2014: 73 316 tons) and 59 305 tons (79%) of the 2015 quota was caught and processed by the end of September.



HORSE MACKEREL



With the Desert Diamond being redeployed to Namibia for a portion of the year, a decision was made to again redeploy the Desert Jewel into Angola, this time on an experimental trawl licence. The vessel fished for the first eight months of the financial year, after which she returned to fish in Namibia. This decision was based on a need to match the Group's capacity in Namibia and South Africa (with the Desert Diamond's poor fishing) and available quota in Namibia. Fishing in Angola was sporadic during the eight month. High logistics costs and quota usage fees resulted in losses being incurred for the experimental period.

The Namibian species is generally a slightly smaller sized fish than those caught in South Africa. It is sold predominantly into the Democratic Republic of the Congo, South Africa, Mozambique, Angola, Namibia, Zambia and Zimbabwe. Prices during the year were under pressure as a result of an oversupply of fish in the market from Namibia, Angola and Mauritania, as well as the reduction in the oil price, which impacted demand in our traditional West African customers whose economies are heavily oil-based.

With a clear focus from the Namibian government on adding value to horse mackerel, primarily through the creation of land-based employment, Erongo has continued to work with Etosha on the canning of horse mackerel, caught by the group's vessels, under the Efuta brand. The brand is readily available in leading Namibian retailers.

Erongo faces ongoing challenges regarding accessing sufficient horse mackerel quota to fully utilise its catching capacity. As a result, a decision was made to put the Desert Rose up for sale and the trawler was classified as held for sale at the end of the financial year. In October, following the financial year end, a deal was successfully concluded and the Desert Rose was sold. Management will continue to assess alternative options to match available quota and capacity, while continually developing long-term partnerships with new horse mackerel rights holders. This is to ensure maximum vessel utilisation of the remaining fleet and continuing alignment between Erongo's strategic objectives and those of the Namibian government.

Profit from horse mackerel in Namibia decreased, primarily as a result of lower margins impacted by the cost of purchased quota.

OCEANA INTERNATIONAL (OI)

OI is a joint venture between Oceana and Falcon Foods International (Falcon) that specialises in the procurement of primarily frozen horse mackerel and sardinella from a variety of third-party fishing companies. This frozen fish, sourced from South America, North Africa, New Zealand, Southeast Asia, Europe and Southern Africa, is supplied by OI via refrigerated containers or reefer vessels for distribution in Cameroon and Angola. It was a difficult year for OI as it struggled to replace the lost Desert Diamond horse mackerel volumes. These volumes have been sold over the last number of years into both Angola and Cameroon, where it has a strong brand presence. Poor volumes and tough market conditions in Angola resulted in a closure of the current distribution channels in both Angola and Cameroon, thus closing this route to market.



AN OCEANA GROUP COMPANY

Two species of hake are found in South African waters: the shallow-water Cape hake *Merluccius capensis* and the deep-water hake *Merluccius paradoxus*. Oceana predominantly targets the deep-water hake, which range from depths of 110 to 1 000m, with most of the stock located between 200 and 800m. On the west coast, the continental shelf is narrow and most trawling is in deep water. On the south coast, trawling is on the wide continental shelf (the Agulhas Bank). Oceana's hake business is conducted through BCP and Amawandle Hake. The 2015 deep sea trawl hake total allowable catch (TAC) decreased by 5% to 123 020 tons (2014: 129 658 tons). The hake deep-sea trawling fleet consists of five trawlers which supply headed and gutted (H&G) hake to local and international markets in frozen form. There are also two wet-fish trawlers that preserve fresh hake on ice and return it to shore for processing, and two land based facilities, one situated in Cape Town and the other in Port Elizabeth.

MATERIAL

Risks impacting value

- Resource availability due to the natural variation in catch rates and size mix
- Equipment failure as a result of an ageing fleet
- Scarcity of critical skills in the industry

STRATEGIC

Focus areas

- Realisation of further synergies following the introduction of the AH operations
- Managing vessel catch-capacity to match available quota
- Maintaining strong long-term relationships with joint venture partners
- Maintaining proactive engagement with South African government

In 2015 Oceana's total quantum available for deep sea hake trawl fishing, including that of its subsidiaries and joint venture partners was 13 444 tons (2014: 7 783 tons). The increase in the tonnage available from 2014 to 2015 is due to the purchase of the Foodcorp deep sea trawl hake commercial fishing rights.

Oceana's hake business is conducted through BCP. Seven deep-sea trawlers are operated in South African waters: MFV *Compass Challenger*, MFV *Realeka*, MFV *Sandile*, MFV *Toralla*, MFV *Beatrice Marine*, MFV *Isabella Marine* and MFV *Maria Marine*. The *Compass Challenger* is operated through Compass Trawling with two shareholders, Bhana Coastal Fishing CC and Azanian Fishing CC, both commercial fishing rights holders in the deep sea trawl hake sector. The *Realeka* is operated via an unincorporated joint venture with Premier Fishing. These joint ventures have been in place since 2001 and 2002 respectively. The *Sandile* and *Toralla* were acquired from Lusitania in September 2012 and are 100% owned by BCP. The remaining three deep sea trawlers are operated through Amawandle Hake, the joint venture established at the time of the acquisition of the Foodcorp hake operations, with Ulwandle Fishing, an Eastern Cape-based fishing company.

The growth of the hake business through Amawandle Hake has allowed us to grow our sea-frozen H&G volumes with the introduction of the *Beatrice Marine* into the frozen H&G fleet. All hake and by-catch caught on the deep sea trawlers are frozen at sea, improving freshness and quality and increasing the added value. Frozen hake products are sold in both local and export markets, with a focus on Spain, Portugal, Italy, Australia and Korea.

The addition of the two wet-fish vessels, as well as the two land based facilities, brings with it a number of opportunities and challenges to the hake division.

The fresh hake provides a diversified product offering to our customers with the fresh fish being either exported whole (prime quality product), or worked through the factory as fresh fillets or frozen fillets. Various synergies have already been extracted from the consolidation of the BCP and Amawandle Hake operations. As the fresh fish operations and business is better understood, the opportunities to further improve will continue to present themselves and additional synergies will be extracted as a result.

The South African hake fishery again received its accreditation in compliance with the Marine Stewardship Council's (MSC's) rigorous standards concerning responsible and sustainable fishing. Both BCP and Amawandle Hake hold MSC certificates for compliance with the MSC chain of custody requirements for its hake products. South Africa's hake resource is reported to be in a stable condition and continues being managed on a conservative basis.

Profit from the hake division showed an improvement as a consequence of stable prices, increased sales volumes and operating efficiencies.

OCEANA LOBSTER, SQUID AND FRENCH FRIES



This division has three separate business units that are involved in the catching, processing and marketing of west and south coast rock lobster and squid, and the processing and marketing of French fries.

MATERIAL

Risks impacting value

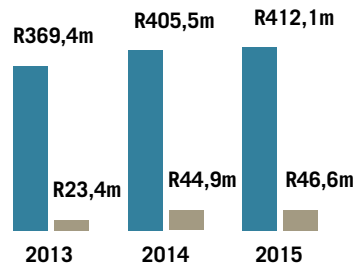
- The possible reduction of lobster fishing rights during the 2016 rights allocation process, and limited fish resources for new entrants
- Cyclicity affecting availability of the lobster and squid resources
- Loss of electricity and water supply to the French fries' factory

STRATEGIC

Focus areas

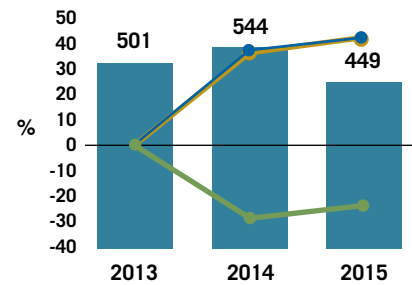
- Retain and secure existing lobster fishing rights, through robust execution of the rights allocation process
- Leveraged lobster assets to retain and develop a long-term supply of contracted quota
- Maximise catch performance of squid, coupled with continued focus to reduce fixed costs
- Continue to reduce unit costs of the French fries plant through enhanced processing efficiencies and sourcing of raw potatoes from the Western Cape region.

LOBSTER, SQUID AND FRIES



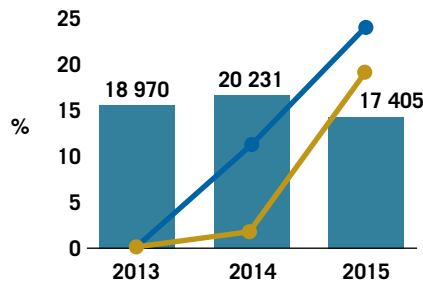
- Turnover
- Operating profit

LOBSTER – KPIs*



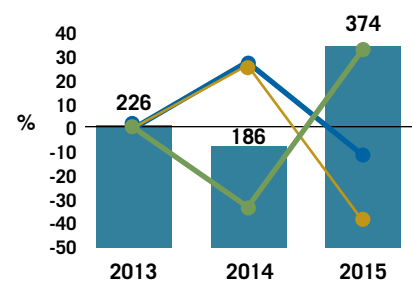
- Landings
- Sales volumes
- SP per ton
- CP per ton

FRIES – KPIs*



- Sales volume
- SP per ton
- CP per ton

SQUID – KPIs*



- Landings
- Sales volumes
- SP per ton
- CP per ton

*2014 and 2015 Key Performance Indicators (KPIs) are calculated as percentage of 2013, using 2013 as the base year.

- SP – sales price
- CP – cost price

LOBSTER

The total allowable catch (TAC) for west coast rock lobster was reduced by 16,8% for the 2014/2015 season to 1 801 tons (2014: 2 167 tons). Oceana Lobster's 13,3% share of 238 tons, coupled with contracted quota of 208 tons, resulted in 446 tons of raw material volumes handled through the business. This was 18% lower than the prior year, as a direct result of the TAC reduction. Catch rates were at similar levels to the prior season, with all of Oceana Lobster's own quota and all contracted quotas being fully caught. Oceana Lobster's full allocation of 11,3 tons of south coast rock lobster was also fully caught.

The proportion of raw material utilised for live lobster sales increased by 25%, largely as a result of the good quality of fish caught and an improvement in the performance of our factories. Demand for live lobster remained steady, and a weaker Rand contributed to increased revenues. The sustainability objective to rebuild the west coast rock lobster biomass to 2006 levels by 2021 remains firmly in place. Indicators measured for the resource – such as catch rates, growth rates and recruitment – show positive trends. The TAC for the 2015/2016 season is expected to increase by 6,8%.

SQUID

A 201% increase in landings of squid compared to the previous year resulted in profits of R5,1 million being reported for the financial year. The signs of a recovery of the resource, evident during the squid peak fishing season (November to February) point to satisfactory catch expectations for the upcoming peak season (November 2015 to February 2016). While some aspects of the rights allocation process of 2013 are being challenged, legal opinion indicates that the rights allocated to Calamari Fishing are valid for the seven-year period. The revised cost structure is enabling the business to be profitable on a sustainable basis, despite the cyclical nature of the squid fishery.

FRENCH FRIES

The French fries' business remained profitable for the year. This was despite the 14.0% decline in sales volumes, driven largely by a loss of production due to low quality raw material and power outages. Margins remained at acceptable levels through improved pricing and efficiencies. The plant continues to run at full capacity to satisfy demand.

The safeguard duty imposed by the Department of Trade and Industry remained in place until July 2015, when it was reduced to 20,45% until June 2016. As a result, imported product is now more competitively priced relative to local production costs. Antidumping duties will be imposed from July 2016 and will remain in place for five years.

A key focus remains to grow the supply of potatoes from the Western Cape region, to reduce costs and ensure quality that conforms consistently to our customers' requirements. A further drive to improve efficiencies, particularly in the logistics and transport areas, is expected to contribute to improved margins.



COMMERCIAL COLD STORAGE LOGISTICS



CCS Logistics has a long-standing respected reputation in the primary storage and handling of mainly perishable products on behalf of major manufacturers, exporters and importers. The location of our cold stores, the range of services offered and the ability to integrate these services cost-effectively into the outbound supply chain of customers, are key drivers in high storage occupancies in the cold storage industry.

MATERIAL

Risks impacting value

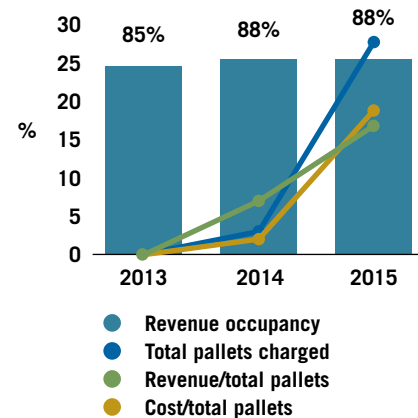
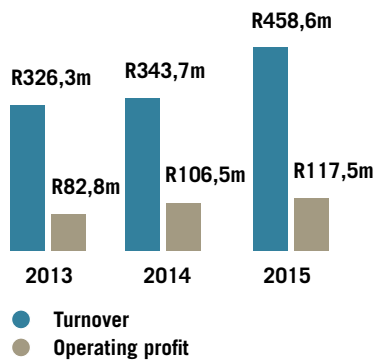
- Failing to ensure sufficient market differentiation through range of services provided
- Accessing the required skills for new growth opportunities
- Exchange rate fluctuation and nature of South African import/export balance
- Ensuring reliable and affordable availability of energy and water

STRATEGIC

Focus areas

- Consolidating and further expanding the menu of services as well as product categories
- Further developing long-term and strategically aligned partnerships with customers
- Enhancing customer key account management service integration
- Mitigating lease expiration and the related cost risks
- Continuing investment in appropriate supply chain skills
- Expanding the infrastructure footprint in existing geographies (South Africa and Namibia)
- Establishing and consolidating cost-effective route to market solutions for rest of Africa
- Step-changing the new transport service
- Maintaining the cost focus

CCS LOGISTICS – KPIs*



*2014 and 2015 Key Performance Indicators (KPIs) are calculated as percentage of 2013, using 2013 as the base year.

EXPANDING OUR FOOTPRINT AND SERVICES

CCS Logistics currently operates 13 refrigerated warehouse facilities in the major centres and harbours of South Africa, Namibia and Angola (namely Cape Town, Durban, Johannesburg, Walvis Bay and Luanda). Collectively, we offer customers over 137 000 tons in refrigerated storage. These stores are capable of storing and handling product at temperatures from ambient to well below zero, with the Duncan Dock store in Cape Town reaching as low as -60°C . Our facilities are suitable for poultry, fish, meat, vegetables, dairy, margarine and fruit. Fruit activity is in commercial (unsterilised fruit) and sterilised fruit. Sterilised fruit is handled through a specialised low-temperature sterilising system offered at the purpose-built Maydon Wharf Fruit Terminal in Durban. This year we commissioned three new facilities: two of these are in the fast-developing Midrand region of Gauteng, South Africa, and the third is strategically located in the fishing port of Luanda, Angola.

Despite the slowdown in frozen imports into the country, local producers' inventories remained high as a result of the sluggish South African economy. By actively securing most of the resulting market demand for cold storage, we were the major beneficiary of this higher demand. Our two new Midrand facilities (each of 13 000 pallets capacity) commenced operation in December 2014 and May 2015, and were both fully occupied within a month of opening. In Namibia, the increased horse mackerel catch allocation, and the growth in quota holders, drove up the demand for frozen storage to the benefit of our well-positioned facility in Walvis Bay. The additional capacity introduced at this facility last year was fully occupied throughout the year. The foreign fishing fleet use of the Cape Town port remained depressed. However, improved local hake catches, as well as additional demand for frozen poultry, had a positive impact on storage occupancy and throughput at our two quayside facilities in Cape Town.

Following our continued marketing drive to promote fruit handling of the more profitable sterilised citrus fruit through the Durban port, we achieved an increase in overall fruit volumes on the prior year. Together with higher volumes of sterilised fruit, this had a positive impact on the value mix and margin performance of the fruit business.

Operating margins in the frozen product category were maintained, but remained under pressure due to lower margins in the new leased facilities in Midrand. The impact of lower margins was offset by achieving consistent storage occupancy throughout the year, and delivering on cost-reduction initiatives. Additional customer services and revenue streams were introduced during the year. The transport revenue has grown substantially, and now counts for approximately 10% of the total revenue, albeit at lower margins than our more established storage and handling services.

DRIVING EFFICIENCIES AND ENSURING BEST PRACTICE

We have continued to ensure good management of overheads. The significant increases in electricity tariffs have been partly offset by our continued focus on efficiencies. The security and service integrity of customers' products will remain based on a platform of modern store design, optimum refrigeration technology, up-to-date information systems, and compliance with both local and internationally recognised quality control protocols.

Independent service providers and regulatory agencies conduct regular reviews of our operating processes and safety measures. No significant health, safety or product quality incidents were experienced during the year, and we exceeded benchmarks for risk audits at all facilities. To further enhance service levels and create more flexibility for our customers, we have expanded our operating hours at all facilities. This initiative, together with the expansion in the number of facilities, has translated into an increase in permanent employment for the year.

Our strategic focus remains on further expanding our menu of services, promoting more service flexibility, leveraging of information systems, guaranteeing space contracts for customers and exploring further opportunities for footprint expansion in South Africa and Africa. We are continuing to develop the required supply chain skills and tools to deliver against our strategic goals.



CHAIRMAN'S STATEMENT

A SIGNIFICANT YEAR FOR OCEANA

This has been a game-changing year for Oceana. The company's acquisition of Daybrook, in a R4 billion deal representing almost 40% of Oceana's market capitalisation, was a brave investment that represents a step-change in Oceana's activities. Given the scale of the acquisition, this was obviously a deal that the Board reviewed thoroughly. In supporting the transaction, we believe that it will bring significant benefits to Oceana and its stakeholders. The deal opens up exciting new opportunities for revenue growth and diversification, enhances our existing economies of scale, and further reduces the group's exposure to specific commodity price cycles and exchange rate fluctuations. The acquisition also represents a good transaction for South Africa more broadly: once the debt has been paid down, the dividends will continue to come back to the country in the form of valuable foreign exchange.

Given these anticipated benefits, the purchase was supported both by Oceana's board and by the company's principal shareholders who invested R1,2 billion collectively in the acquisition. While we recognise that the track record of South African companies diversifying into the US has not always been good, we believe strongly that we have the right management team, with the right experience, to make this a success. In executing the transaction we are benefiting from our CEO's first-hand experience of the US fishing sector, as well as the experience of many of our non-executive directors who have been involved in similar transactions. Although not a cheap deal, we believe it is a good deal, and one that has already demonstrated its potential, exceeding the initial investment targets that we set ourselves. I believe that the acquisition provides an excellent foundation for Oceana to realise its growth ambitions and continue to deliver value for its home-base in South Africa.

CONVERTING GLOBAL FISHING RESOURCES INTO SHARED VALUE

Looking back at the year, I am very happy with the company's performance, particularly given the difficult conditions within its primary markets. Group revenue is up by 22%, operating profit before abnormal items has increased by 15%, and at year-end our share price was 9 640 cents. The company's continuing sound performance has once again enabled it to deliver value for all of its key stakeholders. This includes: R404,4 million in dividends to shareholders; R296,6 million in tax revenues for government in South Africa, Namibia and the United States; R1,0 billion in salaries and benefits to our employees; affordable protein for our primary customer base; and continued investment in job creation opportunities, enterprise development, and education in Oceana's host communities.

This positive performance has been underpinned in particular by the revenue growth in fishmeal, fish oil, hake, and our cold storage and logistics division. In addition, we have seen a return to profitability in our squid business, and sustained profitably in our lobster and French fries divisions. These improvements have been achieved despite the continuing challenges in our horse mackerel business and depressed consumer demand for canned fish in our local markets.

I believe that the Daybrook acquisition will bring significant benefits to Oceana and its stakeholders and will allow the creation of value for its homebase in South Africa.



CHAIRMAN
MUSTAQ BREY

A CHALLENGING BUSINESS ENVIRONMENT

It has been another difficult year in the South African market, with consumers facing particular pressure on disposable income. Rising electricity and other prices, reduced job opportunities, and the generally lower levels of economic activity have been compounded by the dramatic fall in commodity prices, which has had a significant impact across the largely commodity-based South African economy. The negative impact on consumers has been evidenced by the marked drop in demand for most basic foodstuffs, a worrying indicator of a depressed economy that also raises concerns about nutritional levels in impoverished communities.

Oceana has felt this depressed consumer demand most keenly in the canned fish division, which saw a material drop in sales volumes against projections. Unfortunately, it is difficult to foresee any immediate improvements to these low levels of economic and consumer confidence. This challenging operating context underpins the importance of seeking further efficiencies in operations, and highlights the benefits of holding a diversified portfolio of products and markets. The value of diversification is seen for example through the strong performance of CCS Logistics, which benefited from an increase in the storage of imported frozen chicken resulting from the depressed levels of local consumer demand. Our diversification in products and markets has also assisted in providing a natural hedge against exchange rate volatility.

DRIVING RESPONSIBLE BUSINESS PRACTICE

As a fishing company, Oceana faces many uncertainties regarding its access to biomass. One thing I have learnt through my involvement in the fishing business is that we have both good years and bad years when it comes to landing fish. Unfortunately, one cannot simply 'contract with the sea' to ensure reliable delivery of raw material. With Oceana's business driven ultimately by its access to wild fish resources, we have a particular interest in ensuring the sustainable utilisation of these stocks. In this integrated report, and the accompanying online sustainable development report, we review some of the measures that Oceana is taking to drive an ecosystems approach to fishing, not only throughout the Oceana business, but also more broadly across the sector through the company's leading role in various industry-wide partnerships. In addition to supporting and commissioning scientific research on the health of local marine resources, Oceana has continued to make a vessel, owned jointly with two other commercial fishing rights holders, available to enable government scientists to undertake the required pelagic surveys. The company strives to support government in the development of a pragmatic fisheries policy that will secure the long-term viability of fishing resource, in a manner that maximises value for all stakeholders.

Given the need to support sustainable economic activity in often-marginalised coastal communities, we recognise the

importance, under the right conditions, of allocating rights to traditional small-scale fishers. Oceana is committed, where appropriate, to contributing its expertise, market access and economies of scale to assist local fishing communities in the marketing, sales and distribution of their catch. We recognise the need for high levels of trust between the company, neighbouring communities and government to most effectively realise these opportunities for shared value creation.

The challenges associated with building this trust and addressing community concerns has been particularly visible this year in the context of the diverging community views regarding the future of Oceana's fishmeal plant in Hout Bay. The plant has been subject to longstanding complaints regarding its smell, primarily from residents in more affluent areas that were established long after the opening of the fishmeal facility in 1958. Despite Oceana's efforts to address the problem – through significant investments in odour-abatement technology and plant maintenance, and by reducing production to 40% of normal levels over the last three years – there has been no reduction in odour-related complaints. This prompted the company to consider shutting down the plant and moving the operations to St Helena Bay. The proposed shutdown was met with significant opposition from some of our employees, unions and certain local community representatives who have highlighted the important economic benefits of the operation. Navigating these strongly diverging views, and finding a solution that was in the best interests of the community as a whole, was a challenge that we were committed to addressing. I am pleased that the engagement with employees ended on a positive note. Oceana's decision to continue its fishmeal operations in Hout Bay was supported by our employees, the union, the broader Hout Bay community and various regulatory authorities.

PROMOTING GOOD GOVERNANCE

The commercial fishing industry is a highly regulated sector, with access to fishing quota managed through a very competitive application process. Given this context, ensuring a strong focus on compliance and good governance remains a critical value driver for the organisation. Oceana has robust systems in place to ensure compliance with the law and adherence to the King III principles of good corporate governance, with training and awareness-raising initiatives provided to ensure that managers and employees appreciate the legal parameters within which they perform their duties. Responsibility for monitoring and reporting on the group's compliance on transformation, sustainability, health and public safety, corporate social investment and human resources rests with the board's social, ethics and transformation committee.

We have an effective remuneration policy in place designed to attract, retain, motivate and reward high-calibre employees, and to encourage high levels of team and individual performance that are aligned with the strategic objectives

of the business over the short, medium and long term. Our hybrid long-term incentive scheme provides for a weighted combination of three elements – share appreciation rights, full value performance shares, and full value restricted shares – offered on an annual basis. This scheme is intended to incentivise and reward appropriate long-term performance by combining a growth element (appreciation right), rewarding both company performance (performance share) and individual performance (restricted share), and ensuring the retention of talent (restricted share).

Following feedback from certain stakeholders, and in line with the drive for more concise reporting, we have chosen this year to include a more summarised review of our governance performance in our integrated report. A more detailed governance report is provided on our website, along with the full set of annual financial statements.

LOOKING TO THE FUTURE

Oceana has made three significant acquisitions over the past two years: Lusitania, Foodcorp and Daybrook. In each instance the Oceana management team has demonstrated its ability to ensure the seamless integration of the new company, its people and assets. Looking to the immediate future, I anticipate that the focus will be on bedding down these acquisitions, paying down the debt on Daybrook, and ensuring that we maximise the energies and value from these deals.

Each of these acquisitions has already made an important contribution to the company's commitment to delivering value to its stakeholders, particularly those within Southern Africa. By being a larger, more diversified player in the sector, Oceana has developed the economies of scale needed to operate the capital-intensive fleet and plant for harvesting marine resources efficiently and sustainably. The company's diversity of target species, product portfolio, operational geographies and consumer markets has strengthened the company's ability to withstand cyclical fishing patterns and market volatility, and ensure sustained provision of benefits

to shareholders, employees, neighbouring communities and service providers. Given Oceana's excellent management team and strong succession planning initiatives, I am confident that the company will continue to deliver on its strategic objectives.

APPRECIATION

I would like to thank my colleagues on the Oceana board and the company's executive team for their diligence and expertise in ensuring good governance across the group and delivering on their fiduciary responsibilities. My appreciation is extended also to the full Oceana management team and staff for their contribution to the group's efforts in achieving its core purpose.

I trust that the concise and frank account of our strategy, performance and governance practices provided in this report provides will enable you to make an informed assessment of the total economic value of the company. I encourage you to provide feedback, either on Oceana's performance or its levels of disclosure via our various communication platforms.

Mustaq Brey
Chairman

4 December 2015

DIRECTORATE

CHAIRMAN



Mustaq Ahmed Brey[†] (61)

CA(SA)

Chief executive officer of Brimstone Investment Corporation Limited
Appointed to the board in 1995

CHIEF EXECUTIVE OFFICER



Francois Paul Kuttel^{°#Δ□} (47)

BAA (University of San Diego)

Appointed to the board in 2009

GROUP FINANCIAL DIRECTOR



Imraan Soomra^{°#Δ□} (40)

BCompt (Hons) (Wits), CA(SA),

PLD Harvard Business School

Appointed to the board in 2013

GROUP STRATEGIC SERVICES DIRECTOR



Alethea Berenice Anne Conrad^{°#} (51)

BA LLB (Rhodes)

IEDP Wits Business School and London Business School

Appointed to the board in 2007



Saamsodein Pather^{*†Δ□} (65)

BBusSc, BCom (Hons), MBA (Cape Town)

Director of companies

Appointed to the board in 1996 Independent



Noel Patrick Doyle^{#Δ} (49)

FCS, CA(SA)

Appointed to the board in 2013



Zarina Bibi Mahomed Bassa^{*#Δ} (51)

BAcc and Dip Acc (UDW), CA(SA)

Executive chairman of Songhai Capital Proprietary Limited

Appointed to the board in 2011 Independent



Peter Bambatha Matlare[†] (56)

BSc (Hons), MA (Southern African Studies) (York)

Chief executive officer of Tiger Brands Limited

Appointed to the board in 2008



For detailed CVs please go to
www.oceana.co.za



Peter Gerard de Beyer^{*†Δ□⊙} (60)

BBusSc (Cape Town), FASSA

Director of companies

Peter is a Fellow of the Actuarial Society of South Africa.

Appointed to the board in 2008 Independent



Nomahlubi Victoria Simamane^{*†□⊙} (56)

BSc (Hons) (UBS – Botswana)

Chief executive officer of Zanusi Brand Solutions Proprietary Limited

Appointed to the board in 2009 Independent



Takula Jenkins Tapela^{*#Δ} (47)

BCompt (Unisa)

Managing executive of Brimstone Investment Corporation Limited

Appointed to the board in 2009

- * Audit committee
- # Risk committee
- † Remuneration and nominations committee
- Executive director
- Social, ethics and transformation committee
- Δ Daybrook Transaction committee
- Rights offer committee
- ⊙ Daybrook governance committee

Information as at 4 December 2015

EXECUTIVE DIRECTORS



NON-EXECUTIVE DIRECTORS



EXECUTIVE COMMITTEE

CHIEF EXECUTIVE OFFICER



Francois Paul Kuttel^{o#Δ□◊} (47)

BAA (University of San Diego)

Oceana Group

Number of years' service – 6

MANAGING DIRECTOR – BLUE CONTINENT PRODUCTS



Neville Donovan Brink[#] (55)

Number of years' service – 17

GROUP STRATEGIC SERVICES DIRECTOR



Alethea Berenice Anne Conrad^{o#*} (51)

BA LLB (Rhodes University) IEDP Wits Business School and London Business School

Oceana Group

Number of years' service – 16

MANAGING DIRECTOR – LUCKY STAR SALES AND MARKETING



Lourens de Waal[#] (49)

HND in Cost & Management Accounting (CapeTech)

Number of years' service – 4

GROUP FINANCIAL DIRECTOR



Imraan Soomra^{o#Δ□◊} (40)

BCompt (Hons) (Wits), CA(SA), PLD Harvard Business School

Oceana Group

Number of years' service – 2

MANAGING DIRECTOR – LUCKY STAR OPERATIONS



Gavin Andrew Rhodes-Harrison[#] (62)

BSc Bldg Mgmt (UND)

Number of years' service – 16



For detailed CVs please go to
www.oceana.co.za

MANAGING DIRECTOR – OCEANA LOBSTER, SQUID AND FRENCH FRIES



Suleiman Salie# (48)

BSc Mech Eng (UCT)

Number of years' service – 5

GROUP HUMAN RESOURCES EXECUTIVE



Nomaxabiso Norma Teyise# (35)

BA (Hons) (NMMU); Advanced Programme in OD (Unisa); IEDP (Wits)

Oceana Group

Number of years' service – 6 months

MANAGING DIRECTOR – CCS LOGISTICS



Naudé Rademan# (36)

BCom (Stellenbosch University)

Number of years' service – 1

Risk committee

° Executive director

• Social, ethics and transformation committee

△ Daybrook Transaction committee

□ Rights offer committee

∅ Daybrook governance committee

Information as at 4 December 2015

CORPORATE GOVERNANCE

This section of the report explains the board's approach to governance as well as the structures, framework, policies and ethical standards adopted by the board and executive management in setting and directing the strategy of the company, as well as its operations.

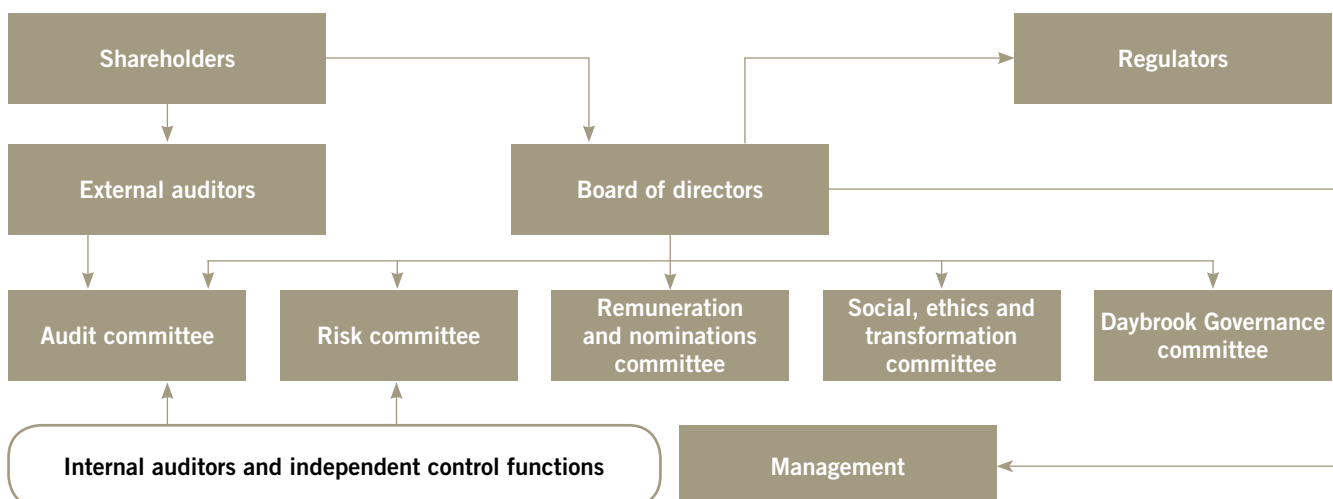
BOARD GOVERNANCE STATEMENT

The following **CORE PRINCIPLES** underpin Oceana's approach to corporate governance:

Principle	Action
Ethical leadership	<p>The board continues to reinforce the foundational principle that the company must be operated with integrity and in an ethical and sustainable manner, to create sustainable value for all our stakeholders. The principles and structures for good corporate governance are in place throughout the group and are operating well.</p> <p>Code of business conduct and ethics</p> <p>Directors and employees are required to observe the highest ethical standards in conducting the group's business. In this regard, the group has a formal code of business conduct and ethics, which was reviewed and confirmed during the year.</p> <p>Conflict of interest</p> <p>All directors of the company and its subsidiaries, and senior management, are reminded of the requirement to submit, at least annually, a list of all their directorships and interests in contracts with Oceana. They have access to the advice and services of the group company secretary and, in appropriate circumstances, may seek independent professional advice concerning the affairs of the company and group.</p> <p>Whistleblowers</p> <p>An anonymous and secure whistleblowing facility has been in place for many years. Its purpose and anonymity are emphasised at employee induction and training sessions. The facility is also available in Namibia.</p> <p>Policy on trading in company securities</p> <p>The company has a policy on trading in company securities. Directors and employees are prohibited from trading in company securities during closed periods.</p>
Setting and oversight of strategy	<ul style="list-style-type: none"> • The board oversees the strategic direction of the company considering the company's strengths, weaknesses, risks and opportunities. • The board appreciates that strategy, risk, performance and sustainability are inseparable. • Annual strategic plans are compiled and formally approved at both group and divisional level, and progress is regularly reviewed. The board approves the long-term and short-term strategies for the business of the company and monitors the implementation thereof by management.
Oversight of risk	<ul style="list-style-type: none"> • The board continues to provide oversight over Oceana's risk culture, framework, policies and processes. While it delegates these matters to the risk committee it remains ultimately responsible in this regard. • The board has deliberated on what is an appropriate risk appetite for the company. These discussions are embedded into every board meeting. • The board has satisfied itself that an effective risk based audit was carried out during the year and that the company's system of internal controls is effective.
Stewardship	<ul style="list-style-type: none"> • The board and management understand their respective roles and responsibilities as stewards of Oceana and Oceana's impact in the environments in which it operates. • A disciplined reporting structure ensures that the board remains fully apprised of the activities of its subsidiaries as well as the risks and opportunities within its operating environment. All controlled entities in the group are required to subscribe to the relevant principles of King III. • The board reviews and approves its authorities framework annually, which provides a clear and transparent delegation of authority across the group. • Comprehensive management disciplines are in place. These include annual preparation of budgets. • The board has reviewed, confirmed and approved the annual financial statements (AFS) and the information contained in this integrated report.
Accountability	<p>The board and management have communicated with Oceana's various stakeholders in an appropriate and timeous manner.</p>

Principle	Action
King III	<p>The directors are satisfied that the group complies substantially with the principles and spirit of King III. The group has elected not to apply the following recommendations contained in King III:</p> <ul style="list-style-type: none"> • The chairman of the board, while being a non-executive director, is not independent. Oceana has a unitary board structure. The offices of chairperson and chief executive officer are separate with segregated duties. The chairperson is non-executive but not independent in terms of the King III definition. After due consideration of MA Brey’s qualifications, experience, attributes and interaction with the board, his fellow directors are of the view that it is in all circumstances satisfactory and appropriate for him to chair the board. This is notwithstanding the fact that he does not fulfil the strict criteria of “independence” as set out in King III. In line with international corporate governance best practice and the JSE Listings Requirements, S Pather has fulfilled the role of lead independent director. • While both the chairperson of the board and the lead independent director are members of the remuneration and nominations committee, neither chairs the committee. The remuneration and nominations committee is chaired by PG de Beyer who is an independent non-executive director. The board is of the view that PG de Beyer’s background and qualifications are appropriate for him to chair this committee. • While the social, ethics and transformation committee comprises only board members and is chaired by an independent non-executive director, it does not have a majority of non-executive directors. A full explanation is provided under the heading “board committees”. • Non-executive director fees are not based on an attendance fee per meeting. Attendance at meetings has generally been very good and where directors are unable to attend a meeting, they have nevertheless contributed to matters to be considered at meetings.
Compliance with laws and regulations	<ul style="list-style-type: none"> • The company remains committed to ensuring compliance with all laws and regulations. • The compliance portfolio is managed by the group strategic services director. The board receives a quarterly compliance report which includes briefings on changes in policy. <p>The following compliance related incidents occurred during the reporting period:</p> <ul style="list-style-type: none"> • There was a contravention of the Customs and Excise Act relating to the storage of goods at a bonded warehouse, on behalf of a client. We were unsuccessful in our appeal and paid a fine of R152 160. • There was a contravention of the Maritime Safety Regulations relating to the failure to keep proper oil logbook records and a contravention of the Marine Pollution Act relating to the failure to keep records regarding the operation of the oily water separator. The South African Maritime and Safety Authority issued us with a non-compliance notice. We paid a reduced deposit amount of R362 500.
Compliance with JSE and NSX listings requirements	<p>The company has fully complied with the requirements of the JSE Limited and the Namibian Stock Exchange.</p>

GOVERNANCE STRUCTURE



BOARD CHARTER

The board has a formal charter setting out, inter alia, its composition, meeting frequency, and powers and responsibilities, particularly with regard to financial, statutory, administrative, regulatory and human resource matters. The charter sets out a clear division of responsibilities at board level to ensure a balance of power and authority. The board charter includes a formal schedule of the matters it oversees, including reviewing and guiding corporate strategy, risk policies, annual budgets and business plans and monitoring corporate performance. The charter is reviewed annually.

BOARD COMPOSITION AND EVALUATION

Composition of the board: see board of directors on pages 72 and 73.

The board currently has 11 members, three of whom are executive directors. Of the eight non-executives, four are independent. The board is comfortable with the conclusion of the remuneration and nominations committee that as eight out of eleven directors are non-executive, and having a lead independent director, this is sufficient to meet the recommendation that the majority of non-executives be independent.

There is a formal, transparent board nomination process in terms of the policy detailing the procedures for appointment to the board. Directors are appointed, subject to re-election by the shareholders and to the Companies Act provisions relating to removal, and retire by rotation every three years or as required by the Companies Act and the memorandum of incorporation. Candidates for directorship are carefully scrutinised by the remuneration and nominations committee. Shareholders are informed of the names of the candidates submitted for re-election as directors. In order to enable shareholders to make informed decisions regarding election, the candidate's biographical data, the term of office currently served and any other particulars required by law are made available to shareholders. Reappointment of directors is not automatic.

BOARD EVALUATION

Formal evaluations of the performance of the board, its committees and individual directors were carried out during the year. The evaluation process included an appraisal of the chairperson of the board. The performance of the chief executive officer was also formally evaluated. The directors are aware of the need to convey to the chairperson of the board any concerns that they may have in respect of the performance and conduct of their peers or the board as a whole. The results of this year's assessments were reviewed by the board and considered to be satisfactory. Performance evaluations are taken into account prior to directors being nominated for re-election.

The board concluded after due assessment, following enquiry of and among themselves, and after discussion, that Oceana's four independent non-executive directors should be considered to be independent.

The independence of non-executive director S Pather who has served a term of greater than nine years has been confirmed after an independence assessment by the board. The assessment confirmed that his independence of character and judgement was not in any way affected or impaired by his length of service.

Continuing professional development (CPD) of individual directors is encouraged. The company does not provide specific in-house programmes for this, however, the company secretary is available to assist the directors should they request of require specific training. Directors are expected to attend to this requirement according to their profession's prescriptions, attendance at seminars, presentations and workshops, and by following business reporting in the media.

There were no changes to the board during the year.

BOARD COMMITTEES

Audit committee

Charter and responsibilities – the audit committee has a charter which was reviewed and approved by the board during the year. The committee's responsibilities are detailed in its charter which can be viewed on our website. The board is satisfied that it has an effective and independent audit committee.

Composition – S Pather (chairman); P de Beyer; ZBM Bassa

The committee comprises solely independent non-executive directors

Committee's activities – A task which the board assigns to the audit committee is to ensure that the company has an appropriate information technology governance framework in place. Based on reports received from the audit committee, the board has satisfied itself that an appropriate information technology governance framework exists and is functioning effectively. The committee met twice during the year.

Remuneration and nominations committee (Remcom)

Charter and responsibilities – REMCOM has a charter which was reviewed and approved by the board during the year. The board is satisfied that the committee has fully performed in accordance with its charter and operates effectively. The committee's responsibilities are detailed in its charter which can be viewed on our website.

Composition – P de Beyer (chairman); M Brey; P Matlare; S Pather; N Simamane

The composition of the remuneration and nominations committee comprises five non-executive directors, three of whom are independent. Both the chairman of the board and the lead independent director are members of the remuneration and nominations committee.

The remuneration and nominations committee is chaired by PG de Beyer who is an independent non-executive director.

Committee's activities – The committee has assisted the board with ensuring that the company remunerates its directors and executives fairly and responsibly and also with ensuring that appropriate succession planning is in place at a board, executive and senior management level. The committee met four times during the year.

Risk committee

Charter and responsibilities – The risk committee has a charter which was reviewed and approved by the board during the year. The board is satisfied that the committee has fully performed in accordance with its charter. The committee's responsibilities are detailed in its charter which can be viewed on our website. The board is satisfied that it has an effective risk committee.

Composition – Z Bassa (chairman); for full membership of the committee refer to page 80. TJ Tapela was appointed as a member of the committee in November 2014. KM Mashinini resigned from the committee in May 2015 and was replaced with N Teyise. N Rademan, who was appointed as managing director of the Commercial Cold Storage division, was appointed as a member of the Risk Committee in November 2014. L De Waal now represents the Lucky Star sales and marketing division on the committee and G Rhodes-Harrison represents the Lucky Star operations division.

Committee's activities – Please refer to the risk management section on page 82 where the roles and activities of the risk committee are more fully discussed. The board, while having assigned the oversight of the company's risk management function to the risk committee, has dealt with the governance of risk comprehensively during the year under review. It had done so through consideration of biannual reports from the risk committee and audit committee chairpersons and review of the self-assessment results of both these committees.

Social, ethics and transformation committee (Setcom)

Charter and responsibilities – SETCOM has a charter which was reviewed and approved by the board during the year. The board is satisfied that the committee has fully performed in accordance with its charter. The committee's responsibilities are detailed in its charter which can be viewed on our website. The board is satisfied that it has an effective SETCOM.

Composition – N Simamane (chairman); ABA Conrad; FP Kuttel; TJ Tapela

The committee comprises one non-executive director, two executive directors and one independent non-executive director who chairs the committee. The group compliance and risk manager and group human resources executive attend committee meetings as subject matter experts. The board is satisfied that the current members of SETCOM have sufficient expertise and knowledge on matters to be considered by the committee in performance of its duties under the Companies Act.

Committee's activities – The committee met twice during the year. The report of the SETCOM chairman on the activities of the committee is on page 87 of this report.

COMPANY SECRETARY

The group company secretary guides and advises the individual directors and the board collectively on discharging their responsibilities and duties and on matters of good governance.

The board concluded, after due assessment, following a review by the remuneration and nomination committee of the group company secretary's qualifications, experience and performance, and due enquiry of and among themselves, that the group company secretary has the necessary qualification, competence and expertise and that she has maintained an arm's length relationship with the board and its directors. The company secretary does not serve as a director of the company or any of its subsidiaries.

SPECIAL COMMITTEES

Daybrook transaction committee

The committee was constituted by the board as a special committee to evaluate the Daybrook transaction and to provide their recommendations to the board.

Composition – S Pather (chairman); P de Beyer; ZBM Bassa; N Doyle; TJ Tapela; I Soomra; FP Kuttel

The committee was assisted by expert corporate, transactional, legal and tax advisors from South Africa and the United States.

The Daybrook transaction was approved by shareholders on 15 July 2015. The committee having fulfilled its mandate was thanked by the board and accordingly dissolved.

Rights offer committee

The committee was constituted by the board as a special committee to evaluate a proposed Rights Offer and to provide their recommendations to the board.

Composition – S Pather (chairman); P de Beyer; N Simamane; I Soomra; FP Kuttel

The committee was assisted by expert corporate, transactional, legal and tax advisors.

The rights offer offer was finalised on 11 September 2015. The committee having fulfilled its mandate was thanked by the board and accordingly dissolved.

Daybrook governance committee

The committee was constituted by the board as a special committee to oversee the integration of the newly acquired Daybrook business into the Oceana group structure, to report progress in this regard and to provide their recommendations to the board.

Composition – S Pather (chairman); P de Beyer; N Simamane; I Soomra; FP Kuttel, Z Bassa and N Doyle

One meeting was held during the year with presentations from Oceana's internal and external auditors as well as the Daybrook auditors.

The committee was assisted by expert governance advisors.

CORPORATE GOVERNANCE

Attendance	Board service years	Designation	Board	Audit	REM-COM	Risk	SET-COM	DAYBROOK TRANSACTION	RIGHTS OFFER	DAYBROOK GOVERNANCE COMMITTEE
Number of Meetings scheduled for the year			5	2	4	2	2	5	1	1
M Brey†	20	NED Board Chairman	5/5		4/4					
Z Bassa*#△◊	4	INED Risk Chairman	4/5	1/2		2/2		4/5		1/1
ABA Conrad**	8	ED Group Strategic Services Director	5/5			2/2	2/2			
P de Beyer*†	7	INED REMCOM Chairman	5/5	2/2	4/4			5/5	1/1	1/1
N Doyle#△◊	2	NED	5/5			1/2		4/5		0/1
F Kuttel#*△□◊	6	ED CEO	5/5		4/4	2/2	2/2	5/5		1/1
P Matlare†	7	NED	5/5		3/4					
S Pather*†△□◊	19	INED Lead Independent Director Daybrook governance Chairman	5/5	2/2	4/4			5/5	1/1	1/1
N Simamane†*□◊	6	INED SETCOM Chairman	5/5		4/4		2/2		1/1	1/1
I Soomra#□◊△	2	ED Group Financial Director	5/5			1/2		5/5		1/1
T Tapela#*△	6	NED	5/5			2/2	2/2	4/5		
N Brink#		ECM				2/2				
L de Waal#		ECM				2/2				
N Rademan#		ECM				2/2				
G Rhodes-Harrison#		ECM				1/2				
S Salie#		ECM				1/2				
N Teyise; joined 1 June 2015		ECM				0/2				
Internal Auditors – KPMG Attends Audit, Risk; Daybrook governance				2/2		2/2				1/1
External Auditors – Deloitte Attends Audit and Daybrook governance				2/2						1/1

INED = Independent non-executive director

NED = Non-executive director

ED = Executive director

ECM = Executive committee member

Member of following committee

Audit = *

REMCOM = †

Risk = #

SETCOM = •

Daybrook transaction = △

Rights offer = □

Daybrook governance = ◊



RISK MANAGEMENT

Oceana has established a culture of identifying and managing existing, emerging and unpredictable risks, with the aim of mitigating our risk exposure and optimising potential opportunities. Various embedded processes, resources and structures are in place to address our risk management needs. These include internal audits, insurance management, information system security, compliance processes, quality management systems, training and a range of other line management interventions. We place a strong focus on compliance with relevant legislation, and on fulfilling the expectations of employees, communities, shareholders and other stakeholders in terms of due care and corporate governance.

We have adopted an enterprise-wide approach to risk management, with every identified material risk included in a structured and systematic process of risk management. These risks are managed within a unitary framework that is aligned with our corporate governance responsibilities.

ROLE OF THE BOARD

The Oceana board is responsible for the governance of risk. The board charter outlines the directors' responsibilities for ensuring that an appropriate system and process of risk management is implemented and maintained. Each member of the Oceana board understands his/her accountability for risk management.

The Oceana Group Risk Management Policy and Framework seeks to provide stakeholders with the assurance that all material risks across the group have been properly identified, assessed, mitigated, tolerated and monitored. The board is responsible for overseeing the development and implementation of a risk management implementation plan aimed at evaluating and improving risk management within Oceana. The board formally evaluates the effectiveness of Oceana's risk management process at year-end for disclosure purposes and to provide a basis for updating the risk management plan.

ROLE OF THE RISK COMMITTEE

While the board is responsible for the overall governance of risk, it has appointed and is assisted by the risk committee in discharging this responsibility. The committee operates in terms of a formal charter, which expresses its responsibility for the risk management process. Its duties and activities include considering the risk management policy and plan, reviewing the effectiveness of the risk management activities, identifying the key risks facing the group, and ensuring appropriate responses to address these key risks.

This year we appointed an additional member to the committee (see page 79). Committee members include the CEO, the group's executive committee and three of its independent non-executive directors. It is chaired by an independent non-executive director. In accordance with its charter, the committee meets at least twice per annum. The risk committee met twice during the year. The group's internal auditors are also invited to the meetings, together with the group compliance and risk manager. Nothing came to the attention of the auditors that would indicate that the internal control environment within the company was not operating satisfactorily. Minutes of the proceedings of committee meetings are included in board meeting packs.

The risk committee is assisted by the risk forum, which is appointed by the CEO. The forum has its own terms of reference and comprises divisional managing directors, group risk managers, the group strategic services director, the group human resources executive, the group financial director, the group chief information officer, the group environmental sustainability manager and is chaired by the group compliance and risk manager.

RISK MANAGEMENT PLAN

Risk committee and forum meeting agendas include a review of the group's top 10 risks for the holding company and operating divisions, as well as incident reports, compliance matrices and a status update on the implementation of the risk management plan.

We use a professionally-developed risk matrix to determine risk appetite and risk tolerance, informed by data and information assembled in an objective manner according to impact rating tables and likelihood criteria. The matrix determines and confirms the relative magnitude of inherent risks, as well as relevant controls to derive residual risks. These risks are ranked into the top 10 risks by division, and are recorded in divisional and functional risk registers. These registers are reviewed and interrogated quarterly by the risk forum, and biannually by the risk committee.

The group's top 10 risks are taken into consideration at the directors' annual strategic planning meeting and quarterly board meetings. Risk management issues are included in the incentive bonus criteria, where appropriate.

REPORTING MECHANISMS

The board's reporting responsibilities include reporting on:

- the results of the independent risk management effectiveness review conducted by the group's internal auditors;
- progress against the risk management plan, including recommended amendments;
- the material risks facing Oceana, which include the strategic risks, the material risks per division and function, as well as potentially material emerging issues;
- remedial actions taken and their effectiveness; and
- material incidents and associated losses, together with analyses of their causes.

The principal risks that have a material impact on Oceana's ability to create value have been identified as part of the enterprise-wide risk identification and management system. These are outlined in detail on pages 30 and 31. During the 2015 financial year, there were no specific risk incidents resulting in significant financial loss to the group or that negatively affected our stakeholders or the economic life of the communities in which we operate.

In May 2015 we approved the group's revised Combined Assurance Plan and Combined Assurance Framework.

Regarding insured risks, we have comprehensive risk and control procedures in place that are an integral part of the insurance programme. The layered structure of the programme allows us to obtain wider cover at competitive rates, protecting the group from insured losses through appropriate local and offshore reinsurance and a degree of self-insurance.

The board has satisfied itself that the committee's performance in terms of its composition, mandate and effectiveness was satisfactory, and that the group's risk management processes are effective. The committee's charter was reviewed and approved in May 2015.

In November 2015, we reviewed and approved the amended financial criteria with respect to the potential impact of evaluating a risk in terms of risk tolerance and appetite; we tabled and noted the risk committee's effectiveness self-assessment scores; and we reviewed and approved the amended Risk Management Policy and Framework.



REMUNERATION



This report provides an overview of the company's remuneration policy and practice with a focus on the remuneration of executive and non-executive directors.

REMUNERATION AND NOMINATIONS COMMITTEE

Oceana's Remuneration and Nominations Committee is mandated by the board to govern and oversee all aspects of remuneration. The committee, which operates in terms of a formally approved charter that is reviewed annually, is responsible for determining the group's remuneration philosophy and policy, as well as the remuneration of executive directors and senior management. The committee also recommends the remuneration of non-executive directors to the board. It considers the composition and performance of the board, as well as succession planning for the organisation, particularly in respect of the chief executive officer, executive committee and chairman of the board.

The committee comprises five non-executive directors, three of whom are independent. It is chaired by an independent director who reports to the board on the committee's deliberations and decisions. The chief executive officer attends the committee meetings by invitation and assists with the issues under consideration, other than those relating to his own remuneration. Four meetings were held during the year, three of which were attended by all members. An apology was received from Mr PB Matlare for one meeting.

REMUNERATION PHILOSOPHY AND POLICY

Oceana's remuneration policy is formulated to attract, retain, motivate and reward high-calibre talent. The aim is to encourage high levels of team and individual performance that are aligned with the business's strategic direction and value drivers. It is envisaged that this policy will apply for 2016 and subsequent years, subject to ongoing review. Remuneration is fully integrated into our other human resource processes such as performance management and talent management.

Total reward is reviewed annually to ensure that employees who contribute to the success of the group and who have the potential to enhance group performance are remunerated in line with the market and their individual performance. Appropriate surveys are used to regularly benchmark remuneration.

It is a condition of employment for all employees to be a member of one of the group's retirement funds. Contributions to the funds are used primarily for retirement funding, and the balance for risk benefits (such as death, disability and funeral cover). An additional benefit which provides cover for temporary income disability has been introduced for members belonging to the Provident Fund. An Umbrella Fund arrangement is in place for pension and provident fund members, with the pension fund offering investment choice

options and the provident fund is invested in a conservative balanced fund. Executive and senior management are members of the Oceana Group Executive Provident Fund which also offers investment choice.

COMPOSITION OF EXECUTIVE REMUNERATION

The remuneration (total package) of executives is determined on a total cost to company basis. The remuneration structure at executive level consists of:

- Guaranteed pay – cash amount and various benefits such as retirement funding, medical aid and car allowance
- Variable pay – short-term incentive bonus schemes and long term incentives schemes

Guaranteed packages are subject to annual review and are benchmarked to appropriate market data, taking into account, among other issues, the size, complexity and profitability of the company. Individual performance and overall responsibility are also considered when setting guaranteed package levels. It is the board's intention to target guaranteed pay at market median levels as reflected by the relevant survey in order to attract and retain talent.

Variable pay consists of a short-term incentive scheme (incentive bonus), which requires achievement of individual performance criteria and predetermined financial targets, and a long-term incentive scheme.

SHORT-TERM INCENTIVE

The scheme offers incentives to executive directors and senior management based on the achievement of predetermined annual performance targets comprising both financial and strategic corporate goals as well as individual performance objectives. Annually these targets are reviewed by the committee, and are based on financial performance as well as the achievement of agreed strategic and individual performance objectives. These are measured through the group's performance management system. The incentive scheme for 2015 was designed with a sliding scale of weighting determined by financial performance, with the more senior executives having a higher weighting (80%) towards financial performance and the remaining 20% based on non-financial targets.

The financial performance indicator for the short-term incentive scheme is determined with reference to a scale from 5% to 15% increase in Headline Earnings Per Share, with a stretch target set at a 25% increase in HEPS. At 15% increase in HEPS the maximum bonus at executive level is 75% of total cost to company; this increases to 112,5% at the stretch target of a 25% increase in HEPS. Financial targets at group level are based on growth in HEPS and return on net assets, while at divisional level they are based on operating profit and return on net assets. Short-term incentives are paid in cash in November following the financial year-end.



The individual performance indicator is driven through the company performance management system. This includes strategic performance objectives relating to key operational and personal performance, as well as sustainability and transformation objectives.

For 2016, the incentive scheme structure is likely to be the same as the 2015 scheme.

LONG-TERM INCENTIVES

In 2014 the company implemented a hybrid long-term incentive scheme with the objective to retain, motivate and reward those senior managers who are able to influence the strategic performance of the company, and to align their interests with those of the company's shareholders. On an annual basis, a weighted combination of three elements is offered namely: share appreciation rights; full value performance shares; and full value restricted shares.

The implementation of this scheme provides better focus on, and aligns rewards with, company performance. The three elements achieve this through combining a growth element (appreciation rights), rewarding company performance (performance shares) and individual performance and retention of talent (restricted shares).

SHARE APPRECIATION RIGHT

The share appreciation right element, which is cash settled, is similar to the previous Phantom Share Option Scheme. Allocations are based on a (reduced) multiple of package to accommodate the offer of the other two elements. The full allocation is subject to performance criteria that stipulate the number of share appreciation rights that will vest in relation to the achievement of the financial performance targets. The value that will be delivered to an individual on exercise will be the growth of the underlying share price above its strike price. Vesting occurs on the third, fourth and fifth anniversary of the date of allocation, to the extent that the performance condition has been met, but exercise may be delayed until the seventh anniversary.

The other two elements of the long-term incentive are equity-settled by way of full value shares. Full value shares do not have a strike price; the full value will accrue to the individual on vesting.

PERFORMANCE SHARES

Performance shares reward the future financial performance of the company; its share performance and targets are set in comparative terms. This award's vesting will be governed by Oceana's total shareholder return (TSR) performance in relation to the members of the JSE Industrial Index.

Performance shares are awarded to those individuals who can influence long-term strategic performance. The shares will vest on the third anniversary of their award, with the

number vesting being tied to the extent to which the company has met the performance criteria over the three-year period.

- If Oceana's TSR over the three-year period places it in 45th position (approximately the median), then the targeted number (one third of the maximum number) of performance shares awarded will vest.
- If Oceana's TSR over the three-year period places it in 15th position (the upper quartile) or better, then the maximum number (three times the targeted number) of performance shares awarded will vest.
- If Oceana's TSR over the three-year period places it in 75th position (lower quartile) or worse, then all performance shares awarded will be forfeited.
- If Oceana's performance over the three-year period lies between any of the above points, then a pro rated number of performance shares will vest. No retesting will be allowed, if any shares do not vest at the end of the three-year period, they are forfeited.

RESTRICTED SHARES

Share-based reward for individual performance and an opportunity to orientate performance variable pay towards the long term, is offered through the granting of restricted shares.

Executives and senior management are granted restricted shares on an annual basis, the number of which is calculated with reference to the prior year short-term incentive, thus ensuring a strong link to individual performance on an annual basis. A standard matching ratio based on an "on-target" bonus is defined as part of a reward strategy – pay mix policy; however this ratio is applied to the actual bonus earned, resulting in higher performers receiving larger grants.

Additionally the executive committee is offered on an annual basis the opportunity to elect to defer a portion (25%, 33% or 50%) of short-term incentive pay into Restricted Shares. Such an elective deferral effectively re orientates performance variable pay away from short term incentive pay for operational performance, and more towards reward for long term (share-based) performance.

The elective deferral is made well prior to the end of the performance period, but the number of Restricted Shares to be granted and matched, is only determined at the end of the period. The bonus calculation undertaken at the end of the performance period recognises and incorporates any elective deferral, and the cash bonus payment paid in the normal course of events is commensurately lower than it might have been if an elective deferral had not been made. However a commensurately higher number (depending on the level of deferral chosen) of Restricted Shares is granted

REMUNERATION

in terms of the Plan Rules, matched one for one with additional Restricted Shares.

All restricted shares, whether granted via straight bonus matching or elective deferral and matching, vest at the end of the three-year period, subject to continued employment. Although the primary link to performance of this element is the short-term incentive (and the performance criteria therein), all restricted share grants are still subject to claw-back should any unacceptable performance be subsequently identified.

PHANTOM SHARE OPTION SCHEME

In light of the new scheme detailed above, no new grants under the Phantom Share Option Scheme have been made (the grant made in 2013 was the final grant under this scheme). The intention is that the options previously granted under this scheme will continue to vest (in line with time and performance conditions) until all options have vested and the scheme is wound down.

The options in the Phantom Share Option Scheme are "cash-settled". Options may be exercised in tranches of one-third after three, four and five years from the date of grant and must be exercised within six years from date of grant. The cash settlement amount of an option is the difference between the volume weighted average price of an Oceana Group share on the JSE for the 30 trading days immediately prior to the exercise date, and the grant price.

All options from Grants 1 to 4 have either been exercised, or forfeited. Performance conditions were attached to the options granted from Grant 3 onwards. The performance condition (hurdle rate) attached to 50% of these grants is that the company's HEPS should increase by 3% per annum above inflation over the three-year performance period. The committee will allow retesting of the performance condition on the first and second anniversary of the end of the performance period. The target was set with regard to the cumulative HEPS over the performance period. All Grants have met their performance condition and are now subject to time-based vesting.

FOODCORP ACQUISITION

During February 2015, Oceana acquired Foodcorp's fishing business, which consisted of the business of catching, processing and selling deep-sea trawl hake, south coast lobster and pelagic fish. The remuneration practices were reviewed and the company is in the process of aligning these practices to that of Oceana.

DAYBROOK ACQUISITION

During 2015, Oceana acquired 100% of the share capital of the processing operations of US-based Daybrook and 25% of Westbank LLC, its related marine operations, by a combination of stock purchase and merger with Oceana US Holdings Inc. The acquisition was funded partly by equity raised through a rights offer in South Africa. As per the scheme rules of both the Long Term Incentive Plan 2013 and Phantom Share Option Scheme, the rights offer is considered a corporate event which affects the rights of participants. The participant's entitlements should therefore be adjusted to ensure that they retain the same proportion of share capital/number of options as they were previously entitled to. The holdings of participants were adjusted and

they are consequently in the same economic position they were in prior to the rights offer.

A separate sub-committee was established to assist the existing Oceana committees with overseeing the governance requirements prescribed in each committee's charter.

The reward pay practices within Daybrook are in the process of being reviewed. We are currently identifying ways to align these practices and remuneration philosophy with that of Oceana.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts. They have employment agreements with the company, which are subject to a three-month notice period by either party. The company may elect to pay the executive directors a cash sum in lieu of notice of termination. Executive directors retire from their positions at the age of 63. In the event of an executive director's services being terminated for operational reasons, creating an obligation on the company to pay a severance package, there is no contractually agreed severance package and the relevant provisions of the Labour Relations Act, 66 of 1995, and Basic Conditions of Employment Act, 75 of 1997, apply. The normal contractual notice period in respect of termination of the employment contract applies and it is not included in severance compensation calculations.

SUCCESSION PLANNING

As part of the group's talent management process, a succession plan for executives, senior management and critical skill positions is reviewed annually. Included in this process is the succession discussion for the chairman of the board. This is reviewed and agreed by the committee. The purpose of the plan is to ensure that succession is in place, and also to develop potentially suitable candidates for future placement. There is continuing focus on retention of key and critical skills in the business.

REMUNERATION DISCLOSURE

Remuneration of executive directors is set out in the full AFS. The gain on exercise of share options is made in the period during which the directors dispose of shares. Therefore, the gain is not related to the performance of the company in the 2015 financial year.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors' fees are paid in respect of membership of the Oceana Group board. Those serving on board committees are also remunerated for work done in that capacity. Remuneration is paid on an annual retainer basis to account for the responsibilities borne by the directors throughout the year. An attendance fee for formal meetings is not considered necessary, as the attendance record at meetings is considered satisfactory. An hourly rate for extraordinary work is in place and ad hoc expenses are reimbursed as required. These fees are reviewed annually and proposed adjustments are tabled by the chief executive officer for review by the committee. The board then considers the fees and makes a recommendation to shareholders for approval at the annual general meeting.

The non-executive directors' fees are detailed in the full AFS. Non-executive directors do not qualify for share options nor do they participate in the incentive bonus scheme.

In the four years since its establishment, the social, ethics and transformation committee (the “committee”) has diligently carried out its mandate and statutory obligation to direct and oversee the company’s activities relating to social and economic development, corporate citizenship, the environment, health and safety, and labour and employment issues. The committee’s charter requires a minimum of two meetings per year, which were duly held and fully attended by all members.

COMPOSITION OF THE COMMITTEE

The committee is chaired by NV Simamane, an independent non-executive director. The committee members are:

Committee members

- NV Simamane (Chairman) Independent non-executive director
- ABA Conrad – Group strategic services director
- F Kuttel – Chief executive officer
- TJ Tapela – Non-executive director
- The group company secretary acts as the secretary of the committee.

THE COMMITTEE’S ROLE AND RESPONSIBILITIES

The committee has an independent role with accountability to the board. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The overall role of the committee is to assist the board with the oversight of social, ethical and transformation matters relating to the company.

The committee performs all the functions as is necessary to fulfil its role as stated above, including its statutory duties. In fulfilling its statutory duties and performing its functions as delegated by the board, the committee considers and evaluates the sustainability of the group with reference to the company’s: ethical culture and values; approach to compliance; commitment to transformation and B-BBEE; safety record and environmental policy; labour relations; and corporate citizenship.

In fulfilling its functions, the committee has received and reviewed reports on the following issues:

- **Human rights practices within the company:** There have been no incidents of human rights abuses declared against the company in the year under review.
- **Labour and employment practices:** The committee reviewed the employee headcount with a focus on fixed-term contractors and temporary labour, progress of employment initiatives undertaken during the year, developments regarding wage negotiations, employment equity reporting, skills development reporting and legislative updates.
- **Transformation:** The committee reviewed the company’s performance against the dti’s B-BBEE scorecard relating to ownership, management and control (which includes both an assessment of the profile of the board and the company’s employment equity profile), skills development, enterprise and supplier development initiatives and expenditure and socio-economic development, as well

as the results of the annual independent B-BBEE audit. The committee also received reports on the Oceana Empowerment Trust early pay-out project and the Trust’s advocacy programme.

- **Corporate Social Investment (“CSI”):** The company’s CSI expenditure and its progress against planned initiatives during the year was assessed and found to be satisfactory. The target set in terms of the Codes of Good Practice to spend 1% of net profit after tax on income generating activities that benefit black beneficiaries, was met and exceeded.
- **Anti-corruption, ethics and compliance:** During the year the committee received various reports on ethics and compliance. All eligible new employees continue to undergo comprehensive training on Competition Law. Additionally, all eligible employees received and completed training on the Anti-bribery and corruption policy and related legislation, as well as training on Oceana’s Code of Business Conduct and Ethics and the Compliance Policy.
- **Environment, Health and Public Safety:** The environmental policy was reviewed and recommended to the board for approval. Annual progress against agreed targets for key environmental initiatives, the company’s participation in external accreditation surveys and the results of health and safety and environmental audits of company sites and vessels were reviewed and found to be satisfactory. The committee also received an update on product stewardship and public safety issues.
- **Customer Relationships:** The committee received and reviewed reports on the company’s advertising and public relations activities and stakeholder relations.

The company’s Sustainable Development Report which reflects more detail relating to the company’s activities can be found on the company’s website.

Committee self-assessment

The committee has assessed its performance and effectiveness in terms of the committee charter and work plan, and has reported the results of this self-assessment to the board for its consideration. The board reviewed the self-assessment results in November 2015 and found the results to be satisfactory. The committee chairman updates the board bi-annually on the work done by the committee.

REPORT TO SHAREHOLDERS

The committee has reviewed and was satisfied with the content in the integrated report that is relevant to the activities and responsibilities of the committee. The agenda for the company’s annual general meeting to be held on 18 February 2016 includes a report by the committee chairman to shareholders.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2015

	Notes	Year ended 30-Sep 2015 R'000	Year ended 30-Sep 2014 R'000	Change %
Revenue		6 168 777	5 039 134	22
Cost of sales		3 832 997	3 062 606	25
Gross profit		2 335 780	1 976 528	18
Sales and distribution expenditure		513 241	500 320	3
Marketing expenditure		69 775	57 804	21
Overhead expenditure		812 148	599 358	36
Net foreign exchange gain		(40 542)	(37 196)	
Operating profit before associate and joint venture income		981 158	856 242	15
Associate and joint venture income		26 097	23 324	12
Operating profit before abnormal items		1 007 255	879 566	15
Abnormal items	3	18 346		
Operating profit		1 025 601	879 566	17
Investment income		61 558	13 273	
Interest paid		(158 442)	(17 102)	
Profit before taxation		928 717	875 737	6
Taxation		286 515	266 818	7
Profit after taxation		642 202	608 919	5
Other comprehensive income				
Items that may be re-classified subsequently to profit or loss:				
Movement on foreign currency translation reserve		432 332	6 205	
Movement on cash flow hedging reserve		23 511	(7 346)	
Movement on fuel hedging reserve		(1 757)		
Other comprehensive income/(loss), net of taxation		454 086	(1 141)	
Total comprehensive income for the year		1 096 288	607 778	80
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		611 224	573 931	6
Non-controlling interests		30 978	34 988	(11)
		642 202	608 919	5
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		1 065 310	572 790	86
Non-controlling interests		30 978	34 988	(11)
		1 096 288	607 778	80
Weighted average number of shares on which earnings per share is based ('000)	9	104 005	103 278	
Adjusted weighted average number of shares on which diluted earnings per share is based ('000)		114 959	113 887	
Earnings per share (cents)				
– Basic*		587.7	555.7	6
– Diluted*		531.7	503.9	6
Dividends per share (cents)		365.0	377.0	(3)
Headline earnings per share (cents)	6			
– Basic*		588.2	549.2	7
– Diluted*		532.2	498.1	7

*Earnings per shares for the prior year has been restated due to the rights offer in the current year, as required by IAS 33: Earnings per share.

STATEMENTS OF FINANCIAL POSITION

at 30 September 2015

Condensed group
financial statements

	Note	30-Sept 2015 R'000	30-Sept 2014 R'000
ASSETS			
Non-current assets		6 502 886	859 640
Property, plant and equipment		1 537 293	512 342
Intangible assets		4 469 232	97 625
Deferred taxation		25 583	24 119
Investments and loans		470 778	225 554
Current assets		3 970 700	2 115 657
Inventories		1 316 266	838 615
Accounts receivable		1 473 161	933 039
Cash and cash equivalents		1 181 273	344 003
Non-current assets held for sale		39 478	
Total assets		10 513 064	2 975 297
EQUITY AND LIABILITIES			
Capital and reserves		3 564 286	1 746 906
Share capital and premium		1 187 399	35 245
Foreign currency translation reserve		444 040	11 708
Capital redemption reserve		130	130
Cash flow hedging reserve		25 353	1 842
Fuel hedging reserve		(1 757)	
Share-based payment reserve		73 111	65 202
Distributable reserves		1 755 638	1 563 243
Interest of own shareholders		3 483 914	1 677 370
Non-controlling interests		80 372	69 536
Non-current liabilities		5 000 698	439 403
Liability for share-based payments		86 147	81 888
Long-term loan		4 374 483	300 000
Derivative liability	5	209 963	
Deferred taxation		330 105	58 215
Current liabilities		1 948 080	788 988
Accounts payable and provisions		1 625 574	771 772
Taxation		322 506	17 216
Total equity and liabilities		10 513 064	2 975 297
Number of shares in issue net of treasury shares ('000)		116 588	100 512
Net asset value per ordinary share (cents)		2 988	1 669
Total liabilities excluding deferred taxation: Total equity (%)		180	67
Total borrowings: Total equity (%)		123	17

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2015

	Year ended 30-Sept 2015 R'000	Year ended 30-Sept 2014 R'000
Balance at the beginning of the year	1 746 906	1 789 371
Total comprehensive income for the year	1 096 288	607 778
Profit after taxation	642 202	608 919
Movement on foreign currency translation reserve	432 332	6 205
Movement on cash flow hedging reserve	23 511	(7 346)
Movement on fuel hedging reserve	(1 757)	
Shares issued	1 150 997	
Share option exercised		195
Movement in treasury shares held by share trusts	1 157	1 280
Recognition of share-based payments	7 917	5 875
Profit/(loss) on sale of treasury shares	1 078	(189)
Additional non-controlling interest arising on acquisition	2 807	
Distribution to Oceana Empowerment Trust beneficiaries	(15 469)	(291 524)
Oceana Empowerment Trust dividend distribution	(25 506)	(10 176)
Dividends paid	(401 889)	(355 704)
Balance at the end of the year	3 564 286	1 746 906
Comprising:		
Share capital and premium	1 187 399	35 245
Foreign currency translation reserve	444 040	11 708
Capital redemption reserve	130	130
Cash flow hedging reserve	25 353	1 842
Fuel hedging reserve	(1 757)	
Share-based payment reserve	73 111	65 202
Distributable reserve	1 755 638	1 563 243
Non-controlling interests	80 372	69 536
Balance at the end of the year	3 564 286	1 746 906

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2015

Condensed group
financial statements

Notes	Year ended 30-Sept 2015 R'000	Year ended 30-Sept 2014 R'000
Cash flows from operating activities		
	981 158	856 242
	206 716	56 335
	1 187 874	912 577
	(92 760)	325 800
	1 095 114	1 238 377
	59 264	24 476
	(158 442)	(17 102)
	(221 986)	(264 090)
		(291 524)
	(427 395)	(365 880)
	346 555	324 257
	(4 747 216)	(147 383)
	(160 613)	(158 950)
	(3 429)	(4 436)
	12 909	990
	4 (4 544 426)	
	(1 276)	
	105 049	8 573
	(97 099)	6 172
		268
	(56 321)	
	802	
	(2 812)	
	5 146 173	310 471
	1 154 615	1 286
	4 025 301	300 000
	(33 743)	9 185
	745 512	487 345
	344 003	(145 797)
	91 758	2 455
	1 181 273	344 003

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

for the year ended 30 September 2015

1. BASIS OF PREPARATION

The summarised consolidated financial statements are 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 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.

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 2015. These summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. Copies of the consolidated financial statements are available for inspection at the registered office of Oceana and are also available on the Oceana website at www.oceana.co.za or can be requested from the company's transfer secretaries.

2. SEGMENTAL RESULTS

An operating segment report is included on page 39.

	Year ended 30-Sept 2015 R'000	Year ended 30-Sept 2014 R'000
3. ABNORMAL ITEMS		
Transaction costs	80 815	
Forex gain on transaction	(97 734)	
Profit on the disposal of immovable property	(1 537)	
Impairment of equipment	110	
	(18 346)	
4. ACQUISITION OF BUSINESSES		
4.1 Foodcorp acquisition		
On 2 February 2015 the Group acquired hake, pelagic and lobster fishing rights and related assets from Foodcorp Proprietary Limited for a consideration of R355 million. Foodcorp Proprietary Limited was acquired to enhance the Group's hake, pelagic and lobster footprint.		
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment	148 037	
Intangible asset	90 890	
Goodwill	62 835	
Accounts receivables	26 745	
Taxation	97	
Inventories	39 815	
Cash and cash equivalents	52 899	
Non-controlling interest	(2 807)	
Deferred taxation	(26 840)	
Short-term loan	(170)	
Provisions	(2 114)	
Trade and other payables	(34 011)	
Consideration paid in cash	355 376	

	Year ended 30-Sep 2015 R'000	Year ended 29-Sep 2014 R'000
4. ACQUISITION OF BUSINESSES (continued)		
4.1 Foodcorp acquisition (continued)		
Net cash flow on acquisition of business		
Consideration paid in cash	355 376	
Less: Cash and cash equivalents balances acquired	(52 899)	
	302 477	
Goodwill on acquisition		
Consideration	355 376	
Less: Fair value of identifiable assets acquired and liabilities	292 541	
	62 835	
<p>The goodwill arising on the acquisition is attributable to the processing locations, as well as knowledgeable employees that did not meet the criteria for recognition as other intangible assets on the date of acquisition.</p> <p>Included in the consolidated operating profit for the year is a profit of R62,6 million attributable to the acquisition. Revenue for the year includes R357,1 million in respect of the acquisition. Had these business combinations been in effect as at 1 October 2014, the revenue of the Group would have been R6 297,4 million, and the profit for the year would have been R971,4 million. Management considers these estimated numbers to represent an approximate measure of the performance of the combined group for the year and cautions the use of the reference point for future comparisons due to seasonality and unpredictability of fishing.</p>		
4.2 Daybrook acquisition		
<p>On 30 June 2015 the Group acquired an effective 100% beneficial shareholding in Daybrook for a consideration of R4 641 million. Daybrook was acquired to enhance the Group's operations internationally in order to diversify its fishing rights and licenses, fish species, operational geography and currency exposure.</p> <p>The fair value of the acquired intangible assets and goodwill is provisional due to the uncertainty and nature in calculating the fair value and will be finalised on the determination of the purchase price agreement. The provisional fair value of the identifiable assets and liabilities are shown below.</p>		
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment	784 444	
Intangible asset	503 976	
Investments in associate	127 733	
Goodwill	3 191 027	
Accounts receivables	250 522	
Taxation	(212 441)	
Inventories	322 678	
Cash and cash equivalents	399 304	
Provisions	(160 344)	
Deferred taxation	(216 482)	
Derivative liability	(182 475)	
Trade and other payables	(166 689)	
Consideration paid in cash	4 641 253	
Net cash flow on acquisition of business		
Consideration paid in cash	4 641 253	
Less: Cash and cash equivalents balances acquired	(399 304)	
	4 241 949	
Goodwill on acquisition		
Consideration	4 641 253	
Less: Fair value of identifiable assets acquired and liabilities assumed	1 450 226	
	3 191 027	

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

for the year ended 30 September 2015

	Year ended 30-Sep 2015 R'000	Year ended 29-Sep 2014 R'000
4. ACQUISITION OF BUSINESSES (continued)		
4.1 Daybrook acquisition (continued)		
Included in the consolidated operating profit for the year is a profit of R179,6 million attributable to the acquisition. Revenue for the year includes R574,3 million in respect of the acquisition. Had these business combinations been in effect as at 1 October 2014, the revenue of the Group would have been R7 083,5 million, and the profit for the year would have been R1 234,7 million.		
5. DERIVATIVE LIABILITY		
The derivative liability is relating to the put option (USD 15 million) between Daybrook and the remaining shareholders of Westbank Fishing LLC.		
In terms of the Westbank LLC Agreement, notification of exercise of the put option can only be provided, at the earliest, during the second financial period following the transaction, following which the exercise will only be effective 12 months after the date of such notification. Should the put option be effectively exercised as described, there will be a cash outflow being the put option strike price of USD 31,5 million plus the put premium of USD 15 million (payable only if the put option is exercised within three years) as well as any unpaid distributions, while there will be a cash inflow, based on prevailing market values, from the new shareholder acquiring the 75% shareholding. When the put option is exercised the fair value of the put option liability will be derecognised from the statement of financial position and a corresponding entry will be made to reflect the cash payment. In the event that the put option is not exercised the fair value of the put option liability will be derecognised through profit and loss.		
6. DETERMINATION OF HEADLINE EARNINGS		
Profit after taxation attributable to shareholders of Oceana Group Limited	611 224	573 931
Adjusted for:		
Profit on the disposal of immovable property	(1 537)	(11 370)
Headline earnings adjustments – joint ventures	99	2 141
Net surplus on disposal of property, plant and equipment and intangible assets	(1 293)	(192)
Surplus on disposal of joint venture		(268)
Profit on change of interest in investment	(500)	
Loss on the dissolution of foreign subsidiary	3 455	
Impairment of equipment	110	
Total tax effect of adjustments	220	2 996
Headline earnings for the year	611 778	567 238
7. DIVIDENDS		
Estimated dividend declared after reporting date	301 964	272 389
8. SUPPLEMENTARY INFORMATION		
Amortisation	40 748	22 421
Depreciation	136 423	91 202
Operating lease charges	75 559	54 454
Share-based expenses	94 155	25 100
Cash-settled compensation scheme	86 339	19 225
Equity-settled compensation scheme	4 747	2 379
Oceana Empowerment Trust	3 069	3 496
Capital expenditure	164 042	163 386
Expansion	57 424	24 591
Replacement	106 618	138 795
Budgeted capital commitments	218 686	327 397
Contracted	34 297	22 479
Not contracted	184 389	304 918

	Number of shares '000	Number of shares '000
9. ELIMINATION OF TREASURY SHARES		
Weighted average number of shares in issue	120 227	119 526
Plus: Bonus issue on rights offer	2 775	2 878
Less: Weighted average treasury shares held by share trusts	(13 903)	(14 032)
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	104 005	103 278

Weighted average number of shares for the prior year has been restated by 2 878 due to the rights offer in the current year, as required by IAS 33: Earnings per share.

10. CONTINGENT LIABILITIES AND GUARANTEES

The company and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. The company has given a letter of support to Calamari Fishing Proprietary Limited. The company has guaranteed loans of R4 374 million (2014: R300 million). Furthermore, six (2014: two) of the subsidiaries in the group have guaranteed the loans.

11. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date the fishing vessel disclosed under non-current assets held for sale, the Desert Rose was disposed of and the transaction was completed on the 27 October 2015. No other events occurred that may have an impact on the group's and company's reported financial position at 30 September 2015.

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 144. A gross final dividend amounting to 259 cents per share, in respect of the year ended 30 September 2015, was declared on Wednesday, 11 November 2015, 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 220,15 cents per share.

The number of ordinary shares in issue at the date of this declaration is 135 526 154. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade <i>cum</i> dividend	Friday, 8 January 2016
Commence trading <i>ex</i> dividend	Monday, 11 January 2016
Record date	Friday, 15 January 2016
Dividend payable	Monday, 18 January 2016

Share certificates may not be dematerialised or re-materialised between Monday, 11 January 2016 and Friday, 15 January 2016, both dates inclusive.

SHAREHOLDER ANALYSIS

at 30 September 2015

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	1 612	61.8	643 088	0.5
1 001 – 10 000 shares	769	29.5	2 149 022	1.6
10 001 – 100 000 shares	166	6.4	5 441 531	4.0
100 001 – 1 000 000 shares	48	1.8	13 729 605	10.1
1 000 001 shares and over	13	0.5	113 562 908	83.8
	2 608	100.0	135 526 154	100.0
DISTRIBUTION OF SHAREHOLDERS				
Banks	38	1.5	6 626 174	4.9
Brokers	24	0.9	1 840 676	1.4
Close corporations	29	1.1	98 376	0.1
Empowerment	1	0.1	22 757 803	16.8
Individuals	1 871	71.7	3 076 716	2.3
Insurance companies	14	0.5	744 844	0.5
Investment companies	7	0.3	453 661	0.3
Mutual funds	92	3.5	12 740 304	9.4
Nominees and trusts	379	14.5	800 885	0.6
Other corporate bodies	35	1.3	192 496	0.1
Pension funds	43	1.6	9 252 702	6.8
Private companies	71	2.7	898 890	0.7
Public companies	1	0.1	57 104 774	42.1
Treasury shares held by share trusts	2	0.1	13 843 503	10.2
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
	2 608	100.0	135 526 154	100.0
SHAREHOLDER TYPE				
Non-public shareholders	47	2.0	99 133 930	73.1
Directors and employees	42	1.6	333 500	0.2
Treasury shares held by share trusts	2	0.1	13 843 503	10.2
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
Empowerment	1	0.1	22 757 803	16.8
Other holdings greater than 10%	1	0.1	57 104 774	42.1
Public shareholders	2 561	98.0	36 392 224	26.9
	2 608	100.0	135 526 154	100.0
Shareholders holding in excess of 5%				
Tiger Brands Limited			57 104 774	42.1
Brimstone Investment Corporation Limited			22 757 803	16.8
Oceana Empowerment Trust			13 827 003	10.2

Oceana Group Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1939/001730/06)

JSE share code: OCE

NSX share code: OCG ISIN: ZAE000025284

("the Company")

Notice is hereby given that the 98th annual general meeting ("Annual General Meeting") of the shareholders of the Company ("Shareholders") for the year ended 30 September 2015 will be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, on Thursday, 18 February 2016, at 14:00 to consider the matters, and proposed resolutions (with or without modification), set out below. Registration will start at 13:15. This notice of Annual General Meeting ("Notice") is available in English at the registered office of the Company at the 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town.

IDENTIFICATION

Section 63(1) of the Companies Act, 71 of 2008, as amended (the "Companies Act") requires that a person wishing to participate in the Annual General Meeting (including any representative or proxy) must provide satisfactory identification (such as identity documents, driver's licences or passports) before they may attend or participate in the Annual General Meeting.

MEMORANDUM OF INCORPORATION

Any reference in this Notice to the term "MOI" refers to the Company's existing memorandum of incorporation approved at the annual general meeting held on 14 February 2013, as amended.

The board of directors of the Company ("the Board" or "Directors") has determined that the record date for the purpose of determining which Shareholders are entitled to receive the Notice is Friday, 4 December 2015, and the record date for purposes of determining which Shareholders are entitled to participate in and vote at the Annual General Meeting is Friday, 12 February 2016. Accordingly, only Shareholders who are registered in the register of members of the Company on Friday, 12 February 2016, will be entitled to participate in and vote at the Annual General Meeting.

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification, at the Annual General Meeting or at any postponement or adjournment of the Annual General Meeting.

The purpose of the Annual General Meeting is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions set out below:

1. To present the audited consolidated annual financial statements of the Company and its subsidiaries ("the Group") (referred to below as the "AFS"), the directors' report, the audit committee report and the social, ethics and transformation committee report of the Company and the Group for the year ended 30 September 2015.

The AFS, directors' report and the audit committee report form part of the Oceana Group Limited Annual Financial Statements 2015 which can be viewed on the Company's website.

A Shareholder who wishes to receive a printed copy of the AFS should contact the Company's transfer secretaries.

A copy of the complete AFS will be presented at the Annual General Meeting.

In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the audit committee report, the directors' report and the social, ethics and transformation committee report at the Annual General Meeting. The directors' report and the audit committee report are set out on pages 3 to 5 of the AFS, available at <http://oceana-integratedreport.co.za/group-financialstatements>. The social, ethics and transformation committee report is set out on page 87 of the integrated report of which this Notice forms part.

2. In terms of article 20.3 of the Company's MOI the following Directors of the Company, namely ABA Conrad, PG de Beyer, TJ Tapela and I Soomra retire by rotation and, being eligible, offer themselves for re-election.

Ordinary resolution numbers 1.1 to 1.4: Re-election of Directors

Accordingly, Shareholders are requested to consider and, if Deemed fit, to elect the Directors named above by way of passing the separate ordinary resolutions set out below:

1. Ordinary resolution number 1.1: Election of Alethea Berenice Anne Conrad as Director

"Resolved that ABA Conrad who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

2. Ordinary resolution number 1.2: Election of Peter Gerhard de Beyer as Director

"Resolved that PG de Beyer who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

3. Ordinary resolution number 1.3: Election of Takula Jenkins Tapela as Director

"Resolved that TJ Tapela who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

4. Ordinary resolution number 1.4: Election of Imraan Soomra as Director

"Resolved that I Soomra who retires by rotation in terms of article 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a Director of the Company."

Reason for and effect of ordinary resolutions numbers 1.1 to 1.4

Each Director who retires by rotation is eligible for re-election at the Annual General Meeting in terms of section 61(8)(b) of the Companies Act, read with article 20.3 of the Company's MOI. The re-election will

be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for re-election as Directors are available on the Company's website, details of which are contained in the cross reference table on page below. The effect of passing the above ordinary resolutions will be to elect the persons concerned to the Board with effect from the date of the Annual General Meeting.

3. To re-appoint Deloitte & Touche as the independent auditor of the Company for the ensuing financial year.

Ordinary resolution number 2: To reappoint Deloitte & Touche as auditor.

"Resolved that Deloitte & Touche is hereby reappointed as the auditor of the Company for the ensuing financial year until the date of the next annual general meeting"

Reason for and effect of ordinary resolution number 2

In compliance with section 90(1) of the Companies Act, a public company must each year, at its annual general meeting, appoint an auditor. The audit committee has recommended the reappointment of Deloitte & Touche as auditor of the Company. Section 94(9) of the Companies Act entitles a company to appoint an auditor at its annual general meeting, other than one nominated by the audit committee, but if such an auditor is appointed, the appointment is valid only if the audit committee is satisfied that the proposed auditor is independent of the Company.

The effect of passing of this resolution will be to appoint Deloitte & Touche as the Company's auditor until the date of the next annual general meeting.

4. To elect an audit committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Ordinary resolution numbers 3.1 to 3.3: Election of audit committee

1. Ordinary resolution number 3.1: Election of Zarina Bibi Mahomed Bassa as a member of the audit committee

"Resolved that ZBM Bassa be and is hereby elected as member of the audit committee of the Company."

2. Ordinary resolution number 3.2: Election of Peter Gerard de Beyer as a member of the audit committee, subject to him being re-elected as a director of the Company.

"Resolved that PG de Beyer be and is hereby elected as a member of the audit committee of the Company, subject to him being re-elected as a director of the Company."

3. Ordinary resolution number 3.3: Election of Saamsoodein Pather as a member of the audit committee

"Resolved that S Pather be and is hereby elected as a member of the audit committee of the Company."

Reason for and effect of ordinary resolutions numbers 3.1 to 3.3

Section 94(2) of the Companies Act requires a public company, at each annual general meeting, to elect an audit committee comprising at least three members unless (i) the company is a subsidiary of another company that has an audit committee and (ii) the audit committee of that other company will perform the functions required under section 94 on behalf of the subsidiary company.

Section 94(4)(a) of the Companies Act requires, among other things, that each member of the audit committee must be a director of the Company. Brief curricula vitae of the candidates for election to the audit committee are available on the Company's website, details of which are contained in the cross reference table on page 104.

The effect of passing these resolutions will be to elect the above persons as members of the Company's audit committee.

5. Non-binding advisory vote on the remuneration policy of the Company:

Non-binding advisory vote: Approval of remuneration policy

"Resolved as a non-binding advisory vote that the remuneration policy of the Company, as set out on page 84 of the integrated report accompanying this Notice, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King Code of Governance for South Africa 2009."

Reason for and effect of non-binding advisory vote

In terms of principle 2.27 of the King Code of Governance for South Africa 2009, the Company's remuneration policy should be tabled to the Shareholders for a non-binding advisory vote at the Annual General Meeting. Accordingly, the Shareholders are requested to endorse the Company's remuneration policy by way of a non-binding advisory vote in the same manner as an ordinary resolution.

6. Financial assistance to related or inter-related companies and others

Special resolution number 1: Financial assistance to related or inter-related companies and others

"In terms of, and subject to, the provisions of section 45 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the requirements of the Company's MOI, the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") from time to time), and subject to compliance with section 45 of the Companies Act, at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the Company of any direct or indirect financial assistance contemplated in the Companies Act to a director or prescribed officer of the Company or of a related or inter-related company, or to any 1 (one) or more related or inter-related companies

or corporations, or to a member of a related company or corporation and/or to any persons related or inter-related to any such companies, corporations, directors, prescribed officers or members, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the Board, or any 1 (one) or more persons authorised by the Board from time to time for such purpose, may determine from time to time.”

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 1 is that the Company will have the necessary authority to provide such financial assistance to a director or prescribed officer of the Company or of a related or inter-related company, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related or inter-related company or corporation and/or to any persons related to any such companies, corporations, directors, prescribed officers or members, as contemplated in special resolution number 1 as and when required to do so. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

7. Non-executive directors' remuneration

Special resolution number 2: Remuneration of non-executive Directors

“Resolved that the annual remuneration of the non-executive Directors of the Company in their capacity as Directors for the period 1 October 2015 to 30 September 2016 as reflected below, be and is hereby approved.

	R
As chairman of the Board	592 250
As lead independent Director	279 800
As a member of the Board	207 800
As chairman of the audit committee	164 000
As a member of the audit committee	81 850
As chairman of the remuneration and nominations committee	112 000
As a member of the remuneration and nominations committee	67 700
As chairman of the risk committee	112 000
As a member of the risk committee	67 700
As chairman of the social, ethics and transformation committee	112 000
As a member of the social, ethics and transformation committee	67 700
As chairman of Daybrook sub-committee	112 000
As a member of the Daybrook sub-committee	67 700

and in addition that non-executive directors be paid an amount of R2 000 (two thousand Rand) per hour, in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the Company's remuneration and nominations committee and the chief executive officer.”

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to approve the annual remuneration of the non-executive directors of the Company to be paid for their services in their capacity as Directors only and their rate of remuneration for ad hoc services in extraordinary circumstances, in accordance with section 66(9) of the Companies Act, for the year ending 30 September 2016.

8. General authority to acquire shares

Special resolution number 3: General authority to acquire the Company shares

“Resolved that the Company hereby approves, as a general approval for purposes of section 48 of the Companies Act, the acquisition by the Company or any of its subsidiaries from time to time, of the issued shares of the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the Company's MOI, the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that the Company and its subsidiaries shall only be authorised to make a general repurchase or purchase as the case may be, of shares in the Company on such terms and conditions as the Board may deem fit, provided that the following JSE Listings Requirements (as they may be amended from time to time) are met:

NOTICE OF ANNUAL GENERAL MEETING

- 8.1 any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- 8.2 any such repurchase of ordinary shares is authorised by the Company's MOI;
- 8.3 at any point in time, the Company may only appoint one agent to effect any repurchase(s) on its behalf;
- 8.4 this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- 8.5 a paid press announcement containing full details of the acquisitions will be published not later than 08:30 on the second business day following the date on which the Company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% (three per cent) in aggregate of the initial number of that class acquired thereafter;
- 8.6 acquisitions by the Company of shares in the share capital of the Company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) of the Company's issued share capital or where such acquisitions relate to acquisition/s of shares in the share capital of the Company by a subsidiary/ies not more than 10% (ten per cent) of the Company's issued share capital, in aggregate, held by or for the benefit of the Company's subsidiaries;
- 8.7 in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the Company or its subsidiaries;
- 8.8 the Board by resolution has authorised the acquisition, and that the Company and its subsidiaries have passed the solvency and liquidity test, and that since the test was performed there have been no material changes to the financial position of the Group;

- 8.9 the Company and/or its subsidiaries shall not acquire shares in the Company during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- 8.10 any acquisitions are subject to exchange control approval at that point in time."

Reason for and effect of special resolution number 3

The reason for this special resolution is to grant the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting. The effect of the passing of this special resolution will be to authorise the Company or any of its subsidiaries to acquire shares issued by the Company.

The Directors are of the opinion that it would be in the best interests of the Company to extend the current authority for the repurchase of shares by the Company or its subsidiaries, allowing the Company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the Company through the order book of the JSE, should the market conditions and price, as well as the financial position of the Company, justify such action, as determined by the Directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the Directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the Company and its Shareholders.

Statement by the Board regarding special resolution number 3

Pursuant to and in terms of the JSE Listings Requirements, the Board hereby states that:

- a) the intention of the Directors is to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements or there are other good grounds for doing so. In this regard the Directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and the interests of the Company;
- b) in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the Directors will only make the acquisition if at the time of the acquisition:
 - the general repurchase has been authorised by the Board by resolution;
 - it reasonably appears that the Company and the Group will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the general repurchase;
 - the Board has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the Company and the Group will satisfy the solvency and liquidity test immediately after completing the general repurchase;
 - the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of the general repurchase;
 - the assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the Company and the Group for the next 12 (twelve) months after the date of the general repurchase;
 - the issued share capital and reserves of the Company and the Group will be adequate for ordinary business purposes of the Company or any acquiring subsidiary for the next 12 (twelve) months after the date of the general repurchase; and
 - the working capital available to the Company and the Group will be sufficient for ordinary business purposes for the next 12 (twelve) months after the date of the general repurchase.

For purposes of considering special resolution number 3 and in compliance with paragraph 11.26(b) of the JSE Listings Requirements, the integrated report accompanying this Notice provides details of:

- the major Shareholders of the Company on page 96;

- the authorised and issued shares of the Company in note 20 on page 37 of the AFS (noting that the number of authorised shares in the Company is proposed to be amended by way of special resolution number [4.1] below);
- an analysis of Shareholders (including beneficial Shareholders who hold 5% or more of the issued share capital of the Company – and of which the Company is aware, but who are not registered Shareholders) on page 96.

Material changes (paragraph 11.26(b)(iii) of the JSE Listings Requirements):

There have been no material changes to the Company and the Group's financial or trading position (other than as disclosed in the accompanying integrated report and AFS) since 30 September 2015.

Directors' responsibility statement

For purposes of special resolution number 3, the Directors, whose names are given on pages 72 to 73 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the statement by the Board above contains all information required by law and the JSE Listings Requirements.

9. Decrease in number of authorised shares of the Company.

Special resolution numbers [4.1] and [4.2]: Decrease in the number of authorised shares of the Company and corresponding amendment to the Company's MOI

- 9.1 Special resolution [4.1]: Decrease in the number of authorised shares of the Company

“Resolved that the number of authorised shares of the Company is reduced from 1 400 000 000 (one billion four hundred million) ordinary shares of no par value to 300 000 000 (three hundred million) ordinary shares of no par value.”

- 9.2 Special resolution number [4.2]: Amendment of MOI

“Resolved that subject to the passing of special resolution number [4.1], clause 7.1 of the Company's MOI is amended by deleting the words “1 400 000 000 (one billion four hundred million)” and replacing same with “300 000 000 (three hundred million)”.

Reason for and effect of special resolution numbers [4.1 and 4.2]

As set out in the circular to Shareholders dated 15 June 2015, the Company proposed a resolution to increase the authorised share capital of the Company by the creation of a further 1 200 000 000 (one billion two hundred million)

NOTICE OF ANNUAL GENERAL MEETING

ordinary no par value shares for the purposes of facilitating a rights offer, and undertook to propose, at the Annual General Meeting, a reduction of the authorised share capital of the Company to a more customary level, as determined by the directors, following the implementation of such rights offer, to the extent that such newly created ordinary shares in the Company were not required for purposes of the rights offer. The rights offer has now been implemented and, accordingly, the reason for special resolution numbers [4.1] and [4.2] is to honour such undertaking. The effect of special resolution number [4.1] is to decrease the number of authorised shares of the company from 1 400 000 000 (one billion four hundred million) ordinary shares of no par value to 300 000 000 (three hundred million) ordinary shares of no par value and the effect of special resolution number [4.2] is to amend the Company's MOI so as to accurately reflect the reduced number of authorised shares of the Company.

10. To authorise the Directors to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this Notice:

Ordinary resolution number 4: Authorisation of directors

“Resolved that any Director of the Company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1 to 3 and special resolutions 1 to [4] which are passed by the Shareholders.”

11. To present the social, ethics and transformation committee report, referred to under item 1 above, of the Company and the Group for the year ended 30 September 2015.

In terms of regulation 43(5)(c) of the Companies Act, the Company must present the social, ethics and transformation committee report at the Annual General Meeting of the Company. The social, ethics and transformation report is set out on page 87 of the integrated report of which this Notice forms part.

12. To transact such other business as may be transacted at an annual general meeting.

The percentage of voting rights of the votes, present in person, represented or by proxy at the Annual General Meeting, required for the passing of each special resolution proposed above is at least 75% (seventy five per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

As the approval of the remuneration report is not a matter that is required to be resolved or approved by Shareholders, no minimum voting threshold is required for the non-binding advisory vote. Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the remuneration report is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

GENERAL INSTRUCTIONS AND INFORMATION

All Shareholders are encouraged to attend, speak and vote at the Annual General Meeting and are entitled to appoint a proxy to attend, participate in and vote at the Annual General Meeting in the place of the Shareholder, or to appoint two or more proxies concurrently. The proxy duly appointed to act on behalf of a Shareholder need not also be a Shareholder. On a show of hands, every Shareholder present in person or represented shall have 1 (one) vote only. On a poll, every Shareholder present in person, by proxy or represented shall have 1 (one) vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own-name dematerialised Shareholder (i.e. have specifically instructed your Central Securities Depository Participant (“CSDP”) to hold your shares in your own name on the Company's subregister), then:

- you may attend and vote at the Annual General Meeting; alternatively
- you may appoint a proxy (who need not also be a Shareholder) to represent you at the Annual General Meeting by completing the attached form of proxy and, for administrative reasons, returning it to the office of the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the transfer secretaries in South Africa at the addresses on the inside back cover of the integrated report (see Administration) less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting). Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act.

Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited (Strate)), held through a CSDP or broker and are not registered as an "own name" dematerialised Shareholder, you are not a registered Shareholder of the Company, but appear on the subregister of the Company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the Annual General Meeting but wish to be represented at the Annual General Meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, may vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and, for administrative reasons, returning it to the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the Company's transfer secretaries in South Africa at the addresses on the inside back cover of the integrated report (see "Administration") less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting).

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them.

Shareholders which are companies and wish to participate in the Annual General Meeting may authorise any person to act as their representative at the Annual General Meeting.

ELECTRONIC PARTICIPATION

Shareholders may participate (but not vote) electronically in the AGM, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 (marked for the attention of Jillian Marais, Company Secretary) or by email to companysecretary@oceana.co.za by no later than 09:00 on Friday, 5 February 2016 that they wish to participate via electronic communication at the AGM ("Electronic Notice"). Teleconference facilities will be made available for this purpose, and may be accessed at the shareholder's cost. In order for the Electronic Notice to be valid it must contain:

- (a) if the shareholder is an individual, a certified copy of his identity document and/or passport;
- (b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- (c) A valid email address, telephone number and/or facsimile number [the contact address/number].

The Company shall use its reasonable endeavours on or before 09:00 on Monday, 15 February 2016, to notify each shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

Such shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable, (i) complete and submit the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

NOTICE OF ANNUAL GENERAL MEETING

CROSS REFERENCE TABLE

The below listed documentation has been incorporated by reference in this Notice. Such documentation shall be available for inspection, at no charge and during business hours, at the Company's registered office from the date of this Notice until 29 January 2016. Such documentation can also be accessed on the website as per the links specified below.

DOCUMENT	WEBSITE LINK
Brief <i>curricula vitae</i> of the candidates for re-election as Directors	www.oceana.co.za
Brief <i>curricula vitae</i> of the candidates for the audit committee	www.oceana.co.za

By order of the Board

OCEANA GROUP LIMITED

per: JC Marais

Company secretary

4 December 2015



Annual General Meeting Thursday, 18 February 2016

Oceana Group Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 1939/001730/06)
 JSE share code: OCE
 NSX share code: OCG
 ISIN: ZAE000025284
 ("the Company")

For use at the Annual General Meeting of shareholders of the Company ("Shareholders") to be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 on Thursday, 18 February 2016, at 14:00 ("Annual General Meeting") and at any adjournment or postponement thereof.

Not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless they are recorded on the subregister as "own-name" dematerialised Shareholders ("own-name dematerialised Shareholders"). Generally, a Shareholder will not be an own name dematerialised Shareholder unless the Shareholder has specifically requested the CSDP to record the Shareholder as the holder of the shares in the Shareholder's own name in the Company's subregister.

Only for use by certificated, own-name dematerialised Shareholders and CSDPs or brokers (or their nominees) registered in the Company's subregister as the holder of dematerialised shares.

Each Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a Shareholder) to attend, speak and vote in place of that Shareholder at the Annual General Meeting and any adjournment or postponement thereof.

Please note the following:

- the appointment of a proxy will be suspended at any time and to the extent that a Shareholder chooses to act directly and in person in the exercise his/her rights as a Shareholder at the Annual General Meeting;
- the appointment of the proxy is revocable; and
- a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company; and
- unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

Please note that any Shareholder of the Company which is a company may authorise any person to act as its representative at the Annual General Meeting. Please also note that section 63(1) of the Companies Act, 71 of 2008, as amended ("Companies Act") requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my behalf at the Annual General Meeting, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the Annual General Meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the Annual General Meeting by no later than 14:00 on Wednesday, 17 February 2016, being 24 hours before the Annual General Meeting to be held at 14:00 on Thursday, 18 February 2016; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my behalf at the Annual General Meeting.

Refer to notes that follow the resolutions.

To be returned to the transfer secretaries of Oceana Group Limited, namely

Computershare Investor Services Proprietary Limited
 70 Marshall, Street, Johannesburg, 2001
 PO Box 61051, Marshalltown, 2107

as soon as possible to be received, for administrative reasons, not later than 24 hours before the Annual General Meeting.

Form of proxy



I/we (full names)

of (address)

Telephone: Work

Cell

Home

being a shareholder(s) of the Company, holding

shares in the Company

hereby appoint (refer note 1):

or failing him/her,

or failing him/her,

or failing him/her the chairman of the Annual General Meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned Annual General Meeting of Shareholders which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the Annual General Meeting or to abstain from voting, in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the following instructions:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of shares in respect of which you desire to vote (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

Resolution		Votes		
		For	Against	Abstain
1.1	Ordinary resolution number 1.1: Re-election of ABA Conrad as director			
1.2	Ordinary resolution number 1.2: Re-election of PG de Beyer as director			
1.3	Ordinary resolution number 1.3: Re-election of TJ Tapela as director			
1.4	Ordinary resolution number 1.4: Re-election of I Soomra as director			
2.	Ordinary resolution number 2: Appointment of Deloitte & Touche as auditor			
3.1	Ordinary resolution number 3.1: Election of ZBM Bassa as audit committee member			
3.2	Ordinary resolution number 3.2: Election of PG de Beyer as audit committee member			
3.3	Ordinary resolution number 3.3: Election of S Pather as audit committee member			
4.	Non-binding advisory vote: Approve the Company's remuneration policy			
5.	Special resolution number 1: Approve and authorise the provision of financial assistance by the Company to related or inter-related companies and others			
6.	Special resolution number 2: Approve the non-executive directors' remuneration in their capacity as directors only			
7.	Special resolution number 3: General approval and authorisation for the acquisition of shares by the Company or its subsidiaries			
8.1	Special resolution number [4.1]: Decrease in the number of authorised shares of the Company			
8.2	Special resolution number [4.2]: Amendment of MOI			
9.	Ordinary resolution number 4: Authorisation for the Directors to do all such things, sign all such documents and to do all such things as may be necessary for or incidental to the implementation of the special and ordinary resolutions contemplated herein			

Signed at

on this

day of

2016

Signature

Assisted by (where applicable) signature

Name of signatory

Name of assistant

Capacity

Capacity

(Authority of signatory to be attached if applicable – see note 6)

Summary of Shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act.

Please note that in terms of section 58 of the Companies Act:

- this proxy form must be dated and signed by the Shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a Shareholder, to participate in and speak and vote at the Annual General Meeting on your behalf and may appoint more than one proxy to exercise voting rights attached to shares held by you;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the Company (at the venue of the Annual General Meeting), or (by the time specified in this proxy form) to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- if this proxy form has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the Annual General Meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then on the basis set out above.

The proxy form shall be valid and shall apply to any adjournment or postponement of the Annual General Meeting to which it relates and shall apply to any resolution proposed at the Annual General Meeting to which it relates and to such resolution as modified or amendment including any such modified or amended resolution to be voted on at any adjourned or postponed meeting of the Annual General Meeting to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

Please also read the notes overleaf.

Notes relating to form of proxy

1. A certificated or own-name dematerialised Shareholder or nominee of a CSDP or broker registered as a Shareholder in the Company's subregister may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialled by the Shareholder. The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy.
2. A Shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the Shareholder.
3. Proxy forms should be lodged with the Company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, or posted to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy should, for administrative reasons, be received by or lodged with the Company's transfer secretaries by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the Annual General Meeting (i.e. by 14:00 on Wednesday, 17 February 2016) but may be furnished to the chairman of the Annual General Meeting or his nominee at the time and venue of the Annual General Meeting (or any postponement or adjournment thereof) before your proxy exercises any of your Shareholder rights at such Annual General Meeting.
4. The completion and lodging of this proxy form will not preclude the relevant Shareholder from attending the Annual General Meeting (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.

Form of proxy

5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of Shareholders, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's transfer secretaries or waived by the chairman of the Annual General Meeting if he is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered as Shareholders in the Company's subregister voting on instructions from owners of shares registered in the Company's subregister, are requested to identify the owner in the subregister on whose behalf they are voting and return a copy of the instruction from such owner to the Company's transfer secretaries together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but will only be validly made if such alteration or correction is accepted by the chairman of the Annual General Meeting.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's transfer secretaries.
9. Certificated Shareholders which are a Company or body corporate may by resolution of their directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
10. The chairman of the Annual General Meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the Company's transfer secretaries or the registered office of the Company.
12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised Shareholder, then you are not a Shareholder of the Company, but appear as the holder of a beneficial interest on the relevant subregister of the Company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
 - if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
 - if you are unable to attend the Annual General Meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the Company's transfer secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

GLOSSARY

ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

AFS	Annual financial statements
Aids	Acquired immune deficiency syndrome
B-BBEE	Broad-based black economic empowerment
BCP	Blue Continent Products Proprietary Limited
CAGR	Compound annual growth rate
CCS	Commercial Cold Storage Group Limited
CEO	Chief Executive Officer
CSI	Corporate social investment
DAFF	Department of Agriculture, Forestry and Fisheries
DIFR	disabling injury frequency rate
dti	Department of Trade and Industry
EU	European Union
FAWU	Food and Allied Workers Union
GHG	Greenhouse gas
grt	gross registered tons
GSS	Group Strategic Services
HEPS	Headline earnings per share
HIV	Human immunodeficiency virus
HR	Human resources
IFFO RS	The International Fishmeal and Fish Oil Organisation Responsible Supply
IFRS	International Financial Reporting Standards
IQF	Individually quick frozen
IS	Information System
IT	Information technology
JSE	Johannesburg Stock Exchange
LBF	Lamberts Bay Foods Limited
LSM	Living standards measure
MFMR	Ministry of Fisheries and Marine Resources
MSC	Marine Stewardship Council
NGO	Non-governmental organisation
NSX	Namibian Stock Exchange
Oceana Group	Oceana Group Limited and subsidiaries
PMCL	Precautionary maximum catch limit
QSR	Quick service restaurant
RFA	Responsible Fisheries Alliance
RSW	Refrigerated sea water
SAMSA	South African Maritime Safety Association
SASSI	Southern African Sustainable Seafood Initiative
SENS	Stock Exchange News Service
TAC	Total allowable catch
TAE	Total allowable effort
TALFU	Trawler and Line Fishermen's Union
USA	United States of America
WWF	World Wide Fund for Nature
ZAR	South African rand

CORPORATE INFORMATION AND ADVISORS

Company secretary and address

JC Marais
9th Floor, Oceana House
26 Jan Smuts Street
Foreshore
Cape Town, 8001
(PO Box 7206, Roggebaai, 8012)
(PO Box 25549, Windhoek, Namibia)

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Corporate law advisor

Edward Nathan Sonnenbergs Inc.
(Registration number: 2006/018200/21)
1 North Wharf Square
Loop Street
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Sponsor

The Standard Bank of South Africa Limited
3rd Floor, East Wing
30 Baker Street
Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Sponsor in Namibia

Old Mutual Investment Services (Namibia) Proprietary Limited
Member of the Namibian Stock Exchange
(Registration number: 2004/081)
5th Floor, Mutual Platz
Post Street Mall
Windhoek, Namibia

Receiving office in Namibia

Transfer Secretaries Proprietary Limited
Shop 8, Kaiser Krone Centre
Post Street Mall
Windhoek, Namibia
Fax number: (061 248531)

Date of incorporation: 30 July 1918

Place of incorporation: South Africa

Sponsor



Corporate Law Advisor



Transfer secretaries



Sponsor in Namibia



Receiving office in Namibia

Transfer Secretaries
Proprietary Limited

