OCEANA GROUP

INTEGRATED REPORT 2016

CONTENTS

ABOUT THIS REPORT

NAVIGATING OUR 2016 REPORTS

Integrated report [IR]

Succinct review of our strategy and business model, operating context, operational performance and governance, targeted primarily at current and prospective investors and government.

Sustainable development report [SDR]

Reviews our approach to managing our significant economic, social and environmental impacts, and to addressing those sustainability issues of interest to a broad range of stakeholders.

Annual financial statements [AFS]

Detailed analysis of our financial results, with audited financial statements, prepared in accordance with IFRS.

United Nations Global Compact [UNGC]

United Nations Global Compact 2016

A communication on our progress in meeting the 10 principles of the UNGC covering human rights, labour, environmental and corruption issues.

Scientific reports [SR]

Scientific Reports 2016

Status reports for the species of fish harvested by the group including total allowable catch and fisheries management systems.

Carbon footprint assessment report

Carbon Footprint Assessment Report 2016

An overview of scope 1, 2 and 3 emissions related to our operating divisions in Southern Africa.

Notice of AGM and Proxy Form

Notice of Annual General Meeting and Proxy Form 2016

Notice of Annual General Meeting and Proxy Form is available in print and online as a PDF.

Online [WEB]

Each of these reports, with additional updated information, is available on our website: www.oceana.co.za

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.

SCOPE, BOUNDARY AND REPORTING CYCLE

Oceana Group Limited's 2016 integrated report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the financial year ended 30 September 2016. This report is supplemented by a range of additional reports (see box), all of which are available on our website: www.oceana.co.za.

This report focuses on the main operations and activities that contribute to Oceana's performance: canned fish; fishmeal and fish oil (Africa and USA); horse mackerel and hake; lobster and squid; and commercial cold storage and logistics (see page 55). Unless otherwise stated, all performance data is for the 12-month period ended 30 September 2016, and relates to all of the group's South African, US, Angolan and Namibian operations. 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 two changes to the group's organisational structure arising from the sale of the French fries operation and CCS fruit storage facility. There have been no significant restatements of data during the year other than the restatement of the financial results for the year ended 30 September 2015 as explained in note 2 on page 106 of this report.

REPORTING PRINCIPLES

Oceana has applied the principles contained in the 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 87 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 and Namibia (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 core purpose of efficiently converting global fishing resources into shared value.

This report focuses on those matters that we see as being most material to our capacity to create value, and to delivering on our core purpose. Our approach to managing these material matters is reflected in our strategic objectives (page 8). These objectives have been identified based on an assessment of how we create value (page 24), the impact of the external operating context on value creation (page 28), the material interests of our stakeholders (page 30), and the principal risks facing the group (page 32). 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 accompanying reports.

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 and the greenhouse gas emissions by GCX Africa. 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.

ALIGNING TO GLOBAL SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

17	169	15
ASPIRATIONAL OBJECTIVES	DEFINED TARGETS	YEARS 2016 – 2030

In September 2015, 193 member countries of the United Nations adopted the 2030 Agenda for Sustainable Development, pledging their support to meet 17 aspirational Sustainable Development Goals (SDGs) and 169 associated targets. These goals call for worldwide action among governments, business and civil society over the next 15 years to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. The SDGs explicitly call on all businesses to apply their innovation to solve sustainable development challenges.

Several SDGs are directly relevant to the fisheries and aquaculture sector, with one goal (SDG 14) expressly focusing on the oceans. The SDGs present an opportunity for us, at Oceana, to reflect how our business can most effectively contribute to alleviating some of the world's sustainability challenges.

In our accompanying sustainable development report, we review some of the actions that Oceana has been taking, and that we plan to take, in seeking to address those SDGs most relevant to Oceana.

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 matters that we have assessed as having a bearing on the group's capacity to create value. The 2016 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 2016, was approved by the board of directors on 5 December 2016, and signed on its behalf by

Mustaq Brey
Chairman

Francois Kuttel
Chief executive officer

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Oceana's financial condition, results, operations and businesses. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

5

Overview of our business

OVERVIEW OF OUR BUSINESS

OUR 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.

OUR KEY VALUE PROPOSITION

Our ability to convert fishing resources into value is greatly facilitated by being a large player in the sector. The diversity of operations and activities within a larger group ensures greater resilience in the context of cyclical fishing patterns and market volatility, facilitating the sustained provision of benefits to employees, service providers and neighbouring communities. Enhanced efficiencies enable a more cost-effective contribution to food security through the provision of low-cost protein.

A well-maintained, efficient and reliable fishing fleet, with state-of-the-art equipment, can contribute to scientific surveys and monitoring of the health of the biomass, to inform the appropriate setting of permit requirements.

OUR CORE PURPOSE

is to be Africa's most efficient converter of global fishing resources into shared value

OUR BUSINESS MODEL

Our business model (page 24) depicts the process of value creation at Oceana. It describes the activities we perform, outlines our value propositions and profit formula, and identifies the critical resources and relationships on which we depend. These resources and relationships can be conceived as different forms of 'capital stock' – the assets we need to protect and enhance in order to achieve our strategic objectives.

24

EMPLOYEES IN 2016

5 690

CUSTOMERS IN:
46 COUNTRIES WORLDWIDE

Ranked as one of the top 10 seafood companies in the world by market capitalisation, revenue growth, share price performance, EBITDA and mid-cycle return on invested capital

REVENUE	OPERATING PROFIT	MARKET CAP
R8,2 billion	R1,7 billion	R15,4 billion

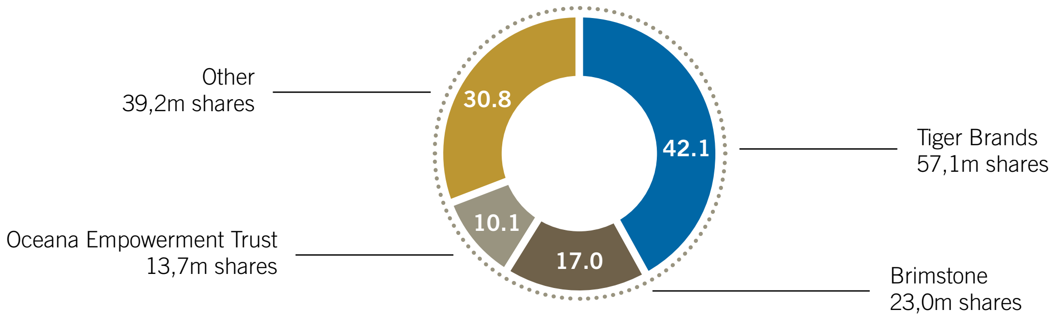
WHO WE ARE

Incorporated in 1918, Oceana Group is the largest fishing company in South Africa, ranked as one of the top 10 seafood companies in the world by market capitalisation, revenue growth, share price performance, EBITDA and mid-cycle return on invested capital. We are also an important participant in the Namibian fishing sector through our subsidiary, Erongo. We have expanded our fishmeal and fish oil footprint to the US through the Daybrook acquisition. We are publicly listed on both the Johannesburg (JSE) and Namibian (NSX) stock exchanges.

WHAT WE DO

Our core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, lobster, horse mackerel, squid and hake. The business includes mid-water trawling (horse mackerel), deep-sea trawling (hake), and in-shore 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 for consumers across the consumer spectrum, in many African countries, the USA, Asia, the EU and Australia. 47% of sales revenue comes from South Africa, with the remainder predominantly from the USA, Europe, Asia and Central and West Africa.

OWNERSHIP (%)



DELIVERING ON OUR STRATEGY: OUR 2016 PERFORMANCE

STRATEGIC OBJECTIVES

01

GENERATING SUSTAINED FINANCIAL RETURNS BY ANTICIPATING MARKET TRENDS

36

- Identifying opportunities for acquisitive and organic growth
- Achieving growth in headline earnings
- Delivering superior returns to shareholders

02

DRIVING TRANSFORMATION AND LOCALISATION

42

- Leader in terms of our transformation and localisation credentials
- Achieving an independently verified B-BBEE level 2 rating in South Africa

03

OPTIMISING OUR OPERATIONS

44

- Driving effectiveness and efficiency in our fleet and shore-based assets
- Actively evaluating and mitigating risk, and maintaining effective governance systems
- Attracting, developing and retaining the best available talent

04

LEADING STEWARDSHIP OF MARINE RESOURCES

48

- Harvesting our marine resource allocations responsibly
- Partnering with stakeholders to promote responsible fisheries management
- Monitoring, managing and mitigating the group's impact on the environment

05

BUILDING TRUSTED RELATIONSHIPS

50

- Encouraging pro-active engagement with key stakeholders
- Adhering to strict food safety standards
- Delivering value for local communities

- Revenue: R8 244,0 million *(2015: R6 169,8 million)*
- Operating profit before other operating items: R1 629,5 million *(2015: R1 007,3 million)*
- EBITDA: R1 990,1 million *(2015: R1 202,8 million)*
- Return on capital employed 19.8% *(2015: 12.5%)*
- Basic HEPS: 703,4 cents *(2015: 588,2 cents)* and diluted HEPS: 640,5 cents *(2015: 532,2 cents)*
- Dividend per share: 469 cents *(2015: 365 cents)*
- 5 year HEPS CAGR: 11.5%
- 5 year DPS CAGR 11.7%

- Rated South Africa's most empowered listed company in 2014 and 2015 and second most-empowered listed company in 2016
- Achieved level 1 B-BBEE status at the end of the 2016 financial year
- Black representation at executive management level: 56% *(2015: 44%)*
- Number of employees: 5 690
- 93.8% black employees
- Namibian employees in Oceana's Namibian operations: 97.7% *(2015: 96.2%)*
- 95.8% of South African preferential procurement spent with B-BBEE suppliers *(2015: 89.9%)*
- Investment in skills development of black employees: R29,6 million *(2015: R16,7 million)*

- 0.8 Disabling Injuries Frequency Rate
- Improvement in landings of South African industrial fish by 19%, gulf menhaden by 5%
- 520,000 tons of fish landed *(2015: 361,000 tons)*
- 279,000 tons of fish and fish products produced *(2015: 202,000 tons)*
- 12% increase in CCS occupancy
- Commissioned Angolan fishmeal plant
- Catch rates improved in hake, horse mackerel (South Africa), gulf menhaden (US) and industrial fish (South Africa)

- Targeted SA commercial fishing rights on SASSI green list: 85% *(2015: 99.5%)*
- Hake operations retained MSC chain of custody certification
- IFFO RS accreditation retained for Lucky Star's St Helena Bay, Laaiplek, Hout Bay and Daybrook's Empire, Louisiana fishmeal plants
- 15% energy usage intensity reduction at land-based facilities
- 1.06kl water consumption per ton of product output

- Zero days lost to industrial action at our operations
- CSI investment in South African fishing communities: R6,6 million *(2015: R4,9 million)*
- CSI investment in Namibian communities: N$4,3 million *(2015: N$8,4 million)*
- Lucky Star brand rated fifth in the *Sunday Times* TNS Top Brands survey in South Africa
- Second place in EY's Excellence in Integrated Reporting Awards 2016

GROUP PROFILE

LUCKY STAR

Contribution to revenue 52% **Contribution to operating profit 32%**

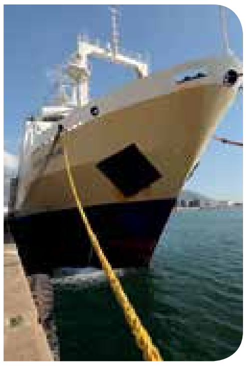
Lucky Star harvests, processes and procures small pelagic species, and markets and sells the derived products. Our primary product is canned fish, mainly pilchard, but also tuna, sardine, mackerel, salmon and mussels, all of which are marketed under the Lucky Star brand. Lucky Star markets fishmeal and fish oil in South Africa and internationally, primarily for the aqua feed and animal feed sectors. Lucky Star is the market leader in the canned fish category across South Africa and several other African markets. The division also markets Glenryck in the UK.

DAYBROOK

Contribution to revenue 23% **Contribution to operating profit 41%**

Daybrook is 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 by the beef and dairy cattle feed industries.

HORSE MACKEREL AND HAKE



Contribution to revenue 15% **Contribution to operating profit 17%**

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. Catches are processed at sea into frozen packs in the format required by targeted markets. All our vessels carry scientific observers or fisheries inspectors, who act as compliance observers, on each trip.
Horse mackerel is in high demand as an important source of affordable protein in Southern, Central and West Africa. Oceana's hake business is conducted through BCP and Amawandle Hake (AH). The hake deep-sea trawling fleet supply headed and gutted (H&G) hake to local and international markets in frozen form.

OCEANA LOBSTER AND SQUID

Contribution to revenue 5% **Contribution to operating profit 2%**

This division has two separate business units that are involved in the catching, processing and marketing of West and South Coast rock lobster and squid. The French fries division was sold on 1 August 2016.

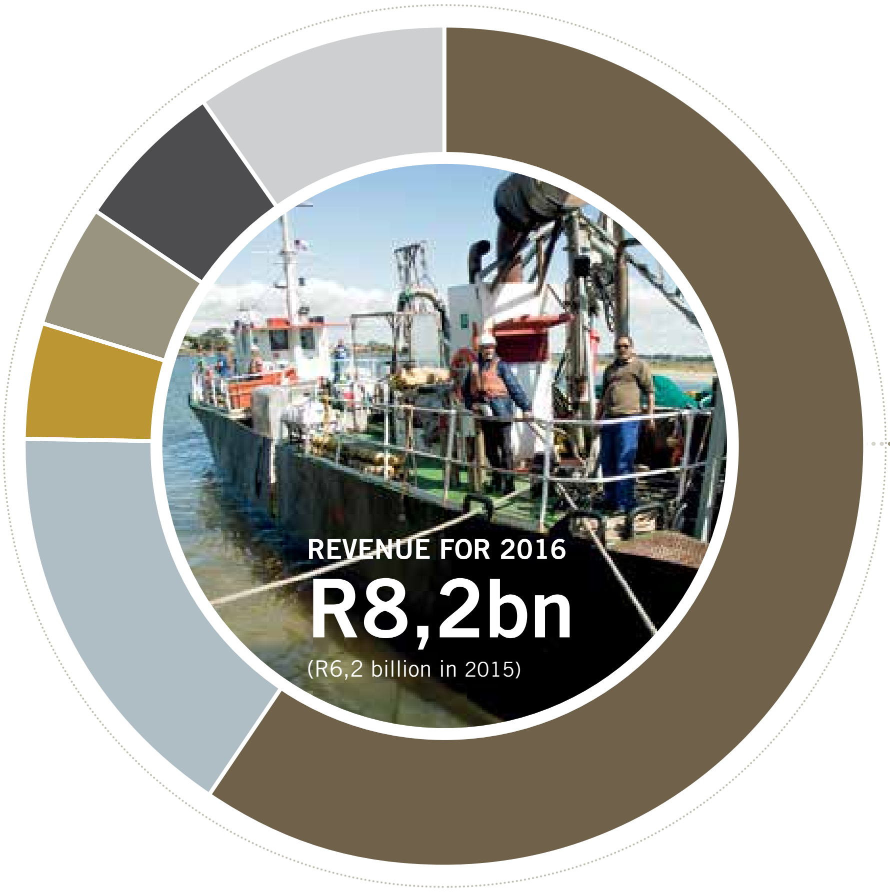
CCS LOGISTICS

Contribution to revenue 5% **Contribution to operating profit 8%**

Commercial Cold Storage (CCS) and 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.

VALUE ADDED

at 30 September 2016



VALUE DISTRIBUTED

PROCUREMENT ON GOODS AND SERVICES

R4,9bn

(R4,0 billion in 2015)

EMPLOYEES

R1,3bn

(R1,0 billion in 2015)

GOVERNMENT[1]

R375,0m

(R311,1 million in 2015)

LENDERS

R385,2m

(R158,4 million in 2015)

SHAREHOLDERS (DIVIDENDS)

R476,8m

(R427,4 million in 2015)

RETAINED

R793,6m

(R257,7 million in 2015)

[1] *This includes company taxation, skills development levy net of refunds, rates and taxes paid to local authorities, customs duties, import surcharges and excise taxes, and withholding taxes. It excludes amounts collected by the group on behalf of the government for VAT (net amount refunded), PAYE and SITE (withheld from remuneration paid) and UIF (contributions withheld from employees' salaries)*

CHIEF EXECUTIVE OFFICER'S REPORT

Chief executive officer | FRANCOIS KUTTEL

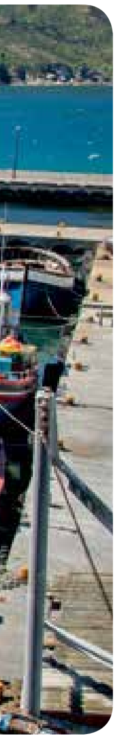
We are proud of our B-BBEE credentials and achieved a level 1 status in 2016.

As Africa's leading fishing company, we are responsible for setting the benchmark in terms of best practice within the industry. This relates to all facets of our operation – delivering strong financial performance across our divisions, driving efficiency throughout the business, setting the example of responsible fishing practice, building trusted relationships with our stakeholders, and maintaining our empowerment credentials in South Africa.

On the financial front we have achieved pleasing results, despite the challenging market conditions in Africa. This year, we realised 62% growth in operating profit before other operating items, up to R1 629,5m from R1 007,3m in 2015, marking significant value growth for the Oceana Group and our stakeholders. This result was driven by solid volume growth in most segments of our African business and the inclusion of Daybrook and Foodcorp assets.

The Lucky Star division continues to be one of South Africa's most popular brands, ranking 5th in the *Sunday Times* Top Brands Survey. I believe that Lucky Star's position, as a provider of affordable protein, is particularly important given the recent drought across South Africa. The costs of many staples rose dramatically this year, raising concerns about food security. Providing consumers with access to one of the most affordable forms of animal protein, and contributing to a more food-secure future, forms a key component of Oceana's core purpose: 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.

In delivering on this purpose, I am incredibly proud of our status as Africa's largest black owned and controlled fishing company. By delivering value through our authentic transformation activities, we are making a meaningful contribution to many of our most important stakeholders, while ensuring the long-term stability and profitability of our business. Oceana's 62.4% black ownership is well above the JSE listed-company black ownership average.



As Africa's leading fishing company, we are responsible for setting the benchmark in terms of best practice within the industry.

Job creation has also been an important achievement for us this year across the business. Even in situations where we have had to dispose of facilities, we have maintained the job security of those operations. Who we sell our non-core operations to, is as important to us as who we grow our business with.

Our acquisition of US-based Daybrook made ripples in the international fishing industry last year. In effect the Oceana Group had announced itself on the global stage as a serious player in the sector. Representing around 40% in value of Oceana's market capitalisation, we see the investment as a critical component of our commitment to securing long-term opportunities for value growth. We have already seen significant returns being brought back to our home base in Southern Africa, with performance ahead of what we had projected to the investment community 18 months ago. This year, Daybrook delivered revenue of R1,9bn and operating profit before other operating items of R668,2m. Given the significant challenges that many South African companies have faced in seeking to expand internationally, it has been pleasing to see how well we have executed and delivered on this expansion.

In this, our sixth integrated report, we seek to provide interested stakeholders with a candid and concise review of how Oceana creates value, and how we are performing in terms of delivering on our core purpose and our five strategic objectives. Aimed primarily at investors and government, this report should be of interest to any of our stakeholders seeking to make an informed assessment of how we generate and share value.

SOLID PERFORMANCE IN OUR OPERATIONS

Our five main divisions collectively delivered positive growth in net revenue and earnings despite the tough macro-economic conditions. Performance across divisions has generally been positive with Lucky Star, Daybrook and CCS Logistics leading the way.

Lucky Star: Canned fish and fishmeal

The Lucky Star division continues to be one of our best performers, despite adverse fishing conditions and reduced quota allocation for pilchard. In South Africa, quota has gradually declined over the last three years, from 90,000 tons in 2014 and 83,470 tons in 2015, down to 64,928 tons in 2016. The situation is even starker in Namibia, where quota declined from 25,000 tons in 2015 down to 14,000 tons in 2016, a decrease of 44%. These declines in allocated quota, coupled with the strong depreciation of the rand, presented challenges and provided us with a strong incentive to further improve efficiencies and identify creative solutions. These quota reductions would have had a far more significant impact on our operations if we had not successfully pursued and increased our frozen fish import strategy.

Lucky Star's import strategy has traditionally been focused on importing canned pilchards. This year we shifted processing away from Thailand and China, and doubled our production in South Africa and Namibia by increasing the import of frozen fish.

This has maximised our local production capacity, while supplementing the reduction in the local total allowable catch (TAC) over the past two years. Year-on-year we have grown the volume of frozen fish supplied to local factories, with local canned production increasing from 2,5 million to 5,2 million cartons. Our frozen fish strategy has utilised Lucky Star's spare production capacity. This has resulted in valuable benefits for local employment, providing 214 additional jobs, which equates to a 39% increase in the number of employees. As I outline further below in my review on job creation, by maximising local production capacity and investing in local facility improvements, we have delivered significant positive knock-on effects for previous Foodcorp employees, providing increased labour hours and improved net benefits for each employee.

The total pilchard market in South Africa continues to grow, accompanied by improvements in the availability and pricing of frozen pilchards for import. During the year we retained a strong focus on efficiency and cost management. Currently, 20-30% of the variable cost of a can of Lucky Star is the can itself, which is more expensive in South Africa than in other processing locations such as Thailand or China. Our labour and energy costs are also higher. This has forced us to become more competitive, improving efficiencies in processing and route-to-market, and redefining our approach from procurement, to final dispatch and end sales. Through these cost savings we have grown our margins and increased volumes of Lucky Star can sales, by 15% in South Africa and 13% overall across all regions. In local markets, Lucky Star has increased its volume share in retail channels to 76%, through a strong promotional campaign undertaken to draw market share from other competing proteins. At the same time we have managed to cap the price increase at 6% over the year. From a price and food inflation point of view we achieved growth, while maintaining product affordability, benefitting the consumer and contributing to food security.

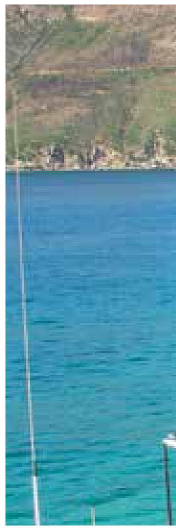
Lucky Star has also driven innovation in the pilchard category through the introduction of new products and flavours. With very little innovation in the market for pilchard category over the years, Lucky Star's innovation ensured that for the sixth consecutive year the brand featured in the Top 10 in the overall favourite brand category in the *Sunday Times* TNS Top Brands survey. I am pleased to report that this year we were rated fifth, up from sixth in 2015.

On the operational side, our industrial fishmeal business has done better in terms of volume than initially anticipated. Landings of industrial fish to the group's fishmeal plants were up almost 30%, largely due to additional supply from the Foodcorp integration and our Angolan operation. Although the South African anchovy TAC reduced to 354,326 tons compared to 450,000 tons in 2015, this did not negatively affect landings. We now have five fishmeal plants: three in South Africa, one in Walvis Bay, and one in Angola. In our Hout Bay facility, with some technical adjustments and a dedicated fishing fleet for the plant, we have improved profitability, safeguarding the longer term viability of the facility. We also made improvements in capacity in the St Helena Bay facility, and embarked on various projects to improve the quality of the fishmeal, with an incremental increase in the value of our products. The 2016 financial year was largely about operational improvements on board the vessels and in the fishmeal production process. Next year we will add capital investment to upgrade the fishmeal dryers in our St Helena Bay plant.

Our fishmeal plant investment in Walvis Bay was put on hold due to declining pilchard quotas. We will review that decision when the environment changes. We commissioned a fishmeal plant in Angola through our Oceana Boa Pesca joint venture, which contracts four vessels to operate in the Angolan sardinella fishery. Although initially we had a challenging start to the business, with the plant operating at only 25% of capacity, these challenges have since been resolved. Given available fish resources and plant readiness, the business is well positioned to perform to its full potential in the next financial year. Another key focus will be to expand markets by obtaining certification to export to the EU and China.

Daybrook

This has been Daybrook's first full year as an Oceana Group company. I have been very pleased with the transition and integration of Daybrook, and its 147 employees, from a closely held business to public ownership under the Oceana Group. Eighteen months into our acquisition of Daybrook, we have seen the business improve on a number of fronts, resulting in additional volumes. The fishing season, which runs from April to end October, saw positive landings with materially improved oil yields. The improved harvest rates were indicative of a robust gulf menhaden resource, as well as improved internal efficiencies in the catching process. We invested in maintenance of the processing plant, improved efficiencies and made



additions to the facility's capacity in the off-season, leading to good yields and sales. While the foreign currency conversion has clearly benefitted Oceana, we also benefit by having stability outside of the South African rand, allowing additional reserves for investment into the market should an opportunity arise. It was this diversification from a geographic standpoint, as well as an expansion into fishmeal and fish oil, that made Daybrook an attractive investment.

The fishmeal market has not been as bullish as we had hoped, primarily due to reasonable landings in the first 2016 Peruvian fishing season. While we did see some volume uptake in China, the market price was not as high as anticipated in the second half of the year. Slightly disappointing markets were compensated for by good operational efficiencies, and we finished the financial year with a better stock than last year.

Integration has been top of mind and some of the material benefits this year have been about building our intellectual capital. We now have a larger contingent of fishmeal, fish oil and fishing knowledge that is shared between divisions. We've seen good cross pollination of ideas on the technical sides of operations between our Daybrook and Lucky Star teams. Knowledge sharing has been a benefit to both operations. We appointed one of our seasoned South African managers, with over 16 years of experience at Oceana, as the new President of Daybrook.
His appointment, coupled with a strong focus on corporate governance and introducing Daybrook to the group's policies and reporting structures, has been a major focus for the year.

Horse mackerel and hake

An oversupply of fish, and tough trading conditions in our traditional African markets, put continued pressure on horse mackerel prices; the resulting weaker dollar prices were partially offset by the favourable rand exchange rate.

Although horse mackerel landings in our assigned South African fishing waters were marginally better than last year, the resource is still not as abundant as it should be. This year, the DAFF gave permission to start fishing west of the 20 degrees east latitude line, as it is generally believed that the resource has been shifting westwards. The *Desert Diamond* did not fish in South Africa during the first six months of the financial year as the vessel was deployed in Namibia for the latter part of the 2015 fishing season, after which she underwent a planned dry-dock for her Special Class renewal survey. Following her dry-dock, she returned to South African waters to fish, where catch rates improved, but continued to be sporadic. We continue to work with government, scientists and industry to better understand changes in the resource patterns.

This year, the PMCL for targeted horse mackerel decreased by 8% to 38,656 tons. Recognising the need for better data collection across the coast, we have been working to raise standards in the sector and have been engaging with other operators in this area, including dual permit holders for hake and horse mackerel that have no observers on board. We will continue to push for the requirement of observers on board any vessel that fishes in the horse mackerel sector.

In Namibia, the security of quota allocation continues to be a concern, despite the abundance of the horse mackerel resource. The 2016 TAC decreased by 4% to 335,000 tons. Reduced own-quota and expensive purchased-quota necessitated a critical review of the commercial performance of our third vessel, prompting the sale in October 2015 of the *Desert Rose*. This reduced capacity, coupled with our ability to keep our two remaining trawlers operating at full capacity, with catch rates remaining consistent, resulted in an increase in aggregate profit.

The continuing sustainability of our Namibian operations will be reliant on us developing long-term relationships with quota holders to correctly balance the short fall. The difficult operating environment in Angola led to us terminating our horse mackerel experimental fishing operations there.

Hake profitability improved significantly due to a combination of increased volumes following the Foodcorp acquisition, increased prices attributable to a favourable euro exchange rate, and the positive effect of lower fuel prices. We continued to see benefits from the aggregation of quota ownership. When we started this strategy five years ago we had 1.1% of the TAC. Our own and contracted quota now represents 12.5% of the Hake Deep Sea Trawl TAC, which makes us the third largest operator behind Sea Harvest and I&J. This has enabled us to gain efficiencies and to implement a reliable strategy.

Lobster and squid

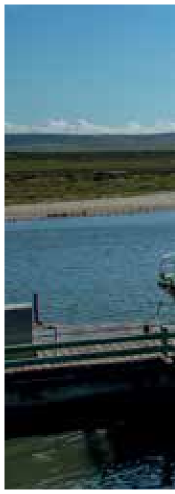
The west coast rock lobster business experienced lower catch rates and a lower live mix due to poorer fish quality, resulting in 76% of Oceana's lobster quota being landed for the period under review. This is consistent with fishing conditions experienced by the industry. Due to this, the business showed a decline in profitability. Our ten-year fishing rights expired and we continue to operate on an exemption, along with the entire industry. In addition to continuing uncertainty regarding quota allocations in terms of the Fishing Rights Allocation Process 2016 (FRAP 2016), which have yet to be announced by the Minister, we face various additional concerns. The long-awaited announcement of the implementation of the small-scale fisheries policy has yet to be made, and it is unclear how this will affect us. In addition, the resource has been allocated a draft 'red listing' on WWF's SASSI list this year, as a result of concerns due to elevated levels of fishing activity. There is the potential for a permanent status listing if the resource is not rebuilt. We will remain in the fishery to support WWF and other stakeholders involved in the fishery conservation plan, using our positioning to exert positive influence where needed.

We have submitted a proposal to government to leverage on our over-capacity and utilise our surplus operations to partner with and support small-scale communities. Our boats, infrastructure and marketing expertise would be an invaluable support for small players who do not have the assets and skills to establish a profitable lobster trading business. Our continued involvement in the industry will stave off job losses brought about by reallocating quota to small-scale fishers. We will therefore explore partnerships with the community and government to maximise on our capacity and contribute to shared value.

We spent significant time on reviewing our operations and systems this year, which has given us an ability to assess and understand the business better and bring efficiencies. We are exploring technological advances in reporting, tracking fishing routes and weather patterns to more efficiently access target areas. We have also put in place measures to safeguard our operations from any illegal fishing activities. To protect our crew and assets and ensure compliance, we have placed security on a rotational basis on every vessel. Our security personnel are also perfectly placed to identify any issues amongst other operators around the various fishing zones in which we operate, and we will notify DAFF about any illegal fishing activities if they arise.

We are seeing the full efficiency of our historical consolidation in the squid business come to fruition. Profits improved this year, due to increased prices as a result of the weaker exchange rate. It remains a challenging business with landings improving slightly on the prior year. We will be investing in sonars on two vessels, which will help us better understand fishing grounds and to target fish with less effort. If this proves successful, we will roll this out on all other squid boats. Our key focus going forward is to get more research done on the squid resource; we will work with the South African Squid Management Industrial Association (SASMIA) and the industry on this.

As part of our drive to focus on our core strengths, we took the strategic decision to sell the French fries business. This had been established initially as a social responsibility project to offset job losses resulting from the decline in fishing employment opportunities in the Lamberts Bay region. We not only secured the original jobs at the factory, but also managed to increase the number and quality of jobs, shifting from seasonal to year-round. We succeeded in making the business profitable, but it needed to grow. To avoid competing with a number of our other assets for capital allocation, we sold the business to Famous Brands, a vertically integrated fast food conglomerate with the vision and capacity to secure and grow the operations. Our decision to sell was based on an undertaking by the purchaser that the factory will remain in Lambert's Bay, securing the retention of jobs and continued community support.



CCS Logistics

CCS Logistics has continued to deliver revenue growth, driven by record occupancy levels in its 11 cold stores and supported by a sustained focus on effective cost management practices. Electricity remains a significant cost that has been partly offset by enhanced efficiencies. In response to growing demand for frozen storage, we upgraded our Paarden Eiland and City Deep facilities to utilise all available frozen capacity. The Midrand sites came to fruition, and we have converted most employees to permanent positions. We sold the fruit facilities in Durban as these were seen as non-core with inconsistent margins. We continued the focus on capacity expansion via ports closest to our current facilities. We opened a cold store in Angola, receiving its first product at the beginning of the 2016 financial year with good occupancy levels throughout the year. The transport services division, established two years ago, has continued to grow and we are exploring some innovative new service offerings in this area. Overall it was a busy and profitable year, reflecting how CCS continues to connect with their customer requirements.

DELIVERING ON OUR STRATEGY ACROSS THE GROUP

We continue to review the group's performance against our five strategic objectives (listed on page 8). As outlined throughout this report, we aim to show how we deliver significant value for our stakeholders through the effective implementation of our strategic objectives. This year I wish to single out two crosscutting themes that have emerged as important areas relevant to these objectives, namely food security and job creation. As you read our integrated report, I trust that you will get a sense of how important these issues are to achieving our core purpose.

Food security

With global population expected to increase to nine billion by 2050, and with a rapidly growing middle class in emerging economies, there will be increasing pressure globally on the production and distribution of food. This presents both risks and opportunities. Being generally low in saturated fats, carbohydrates and cholesterol, fish provides high-value protein and various essential micronutrients, including vitamins, minerals and polyunsaturated omega-3 fatty acids. We believe that the provision of a low-cost, low-carbon and healthy source of protein has an important role to play in addressing food security among low-income populations globally, and offers significant opportunities for sustained value creation. Our Lucky Star canned fish and our frozen horse mackerel products are currently delivered to over 15 markets in Africa, providing cost effective protein to financially stressed consumers.

In Southern Africa, the drought caused by the El Niño effect in 2015 was more severe than predicted, with inadequate rainfall two years in a row. Trends are showing that we may start experiencing drought conditions every three to five years. Drought is a major factor in the cost of land-produced food and we saw competing proteins, such as chicken and processed meats, experience cost-price inflation above that of canned pilchards. The main reason for the recovery and growth in retail for canned pilchards in 2016 was the increasing affordability versus other food categories. We feed over three million people a day on canned fish. In recent years, a significant quantity of fish would be processed in Thailand and China, before being imported as canned product to Southern African markets. Following the devaluation of the rand late in 2015, we chose instead to import frozen raw materials to South Africa and Namibia for canning. From a food inflation perspective, we have taken costs out of our business by bringing our canned production back here. Our frozen fish strategy has driven our volume and kept the market fully supplied with an affordable protein source.

The importance of cold storage and transport infrastructure is paramount to developing effective food supply chains. Several years ago, CCS Logistics was simply primary warehousing, and we were losing market share, as customers sought a more varied service offering. We shifted to providing customers with a one-stop-shop service, including transport arrangements and storage. Our flexibility in meeting customer needs has helped us to reverse the decline and grow the business, while providing the needed infrastructure to support food security. CCS is now the largest cold storage provider in South Africa. Following through on its strategic intent to expand its business into Africa and create a route-to-market for its customers, we opened a cold store in Angola. This is the only facility of its kind in Luanda, and provides us with vast potential for future expansion.

Job creation

There is no need to emphasise the importance of job creation in a region that continues to have some of the highest unemployment rates globally. Our acquisition of Foodcorp in 2015, saw Oceana take on an additional hake factory, hake vessels, pilchard vessels, a cannery and a fishmeal plant. One of the reasons for regulatory approval of the merger was that it would secure the survival of Foodcorp's fishing business (now known as Amawandle Pelagic and Amawandle Hake), including the Laaiplek canning processing facility where approximately 1 000 people are employed.

At Oceana, all pelagic seasonal workers have been guaranteed a minimum of two normal shifts of work per week during the fishing season, irrespective of whether fish is available to be processed. We are one of few in the industry to guarantee such a policy, which has been in place at Oceana for a number of years. Following the acquisition, we extended this benefit to the Foodcorp employees. In the 2016 financial year, we materially improved the Laaiplek plant through investments in repairs and maintenance, IT infrastructure, equipment upgrading and the installation of a thawing line to process frozen pilchards. Despite the reduction in TAC, this facility, together with the St Helena Bay facility, saw significantly improved utilisation, with the volume of cans of pilchards produced increasing materially. As a result of the increased production schedules, Amawandle Pelagic is able to employ seasonal workers for substantially longer periods during the year, resulting in 168% increase in hours worked and 153% increase in the average wages earned by our factory employees.

Local production has doubled and the number of employees at Amawandle Pelagic has increased by 39% to 767. In addition, the crew on the vessels are now contracted directly by Amawandle Pelagic, bringing associated benefits such as group personal accident cover and funeral cover. Pre-merger the crew did not have permanent contracts. Working conditions have improved, salaries have gone up and security of employment has been enhanced. This has had a positive impact on the Laaiplek community and local economy. The import of frozen fish for processing in our canneries has also had wider benefits for the South African economy, in terms of the associated logistics and storage facilities needed as support. It is fair to say that we are bringing a lot of additional revenue back to South Africa, and the business is well positioned for growth with a sustainable and growing supply of raw materials.

As a result of frozen fish imports, there were no job losses and labour hours increased. We also saw job creation in other aspects of our business, including the establishment of our fishmeal plant and operations in Angola, which created 143 new jobs in the Namibe Province.

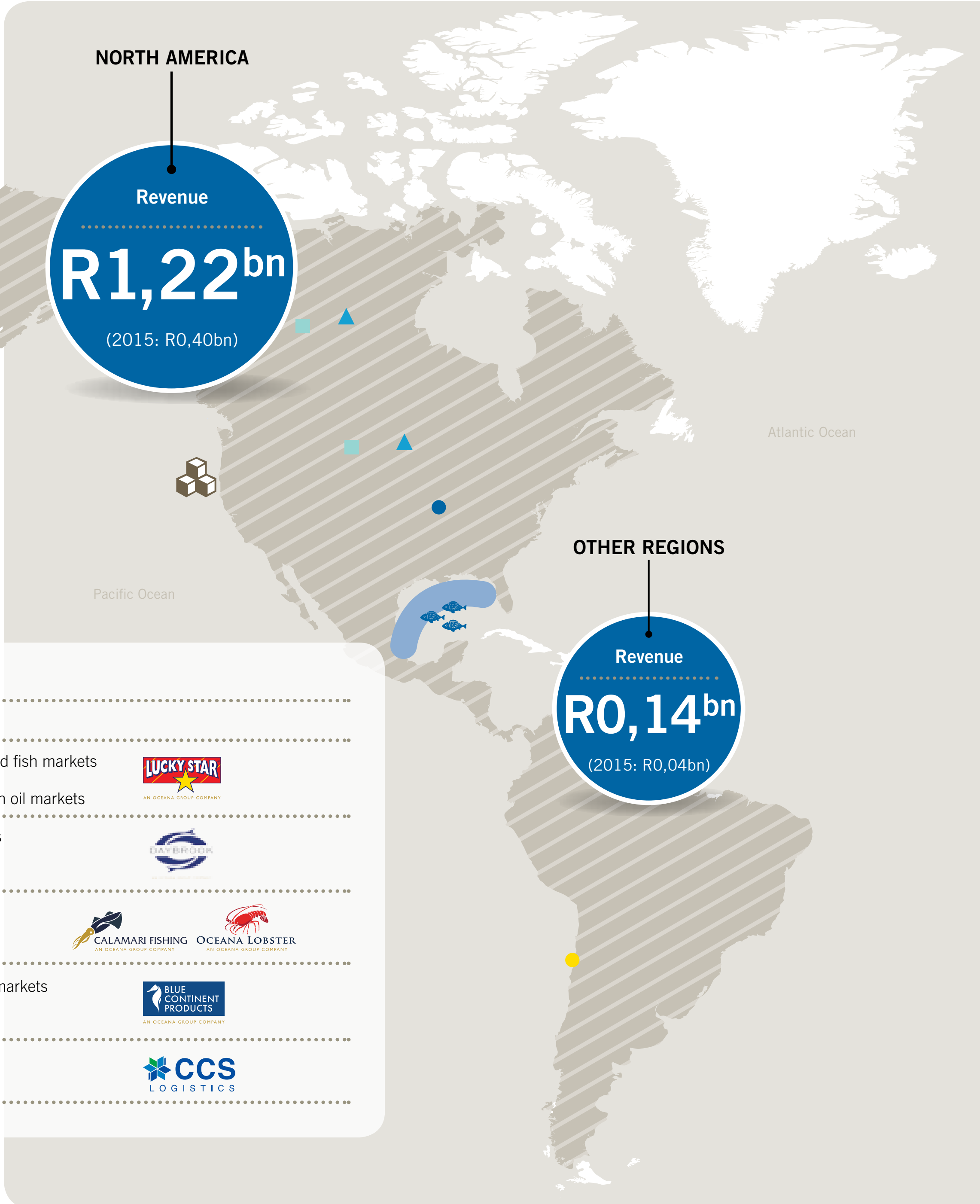
CONCLUSION AND OUTLOOK

Looking back at the past year and to our plans for the years ahead, I am confident that we are well placed to continue delivering on our core purpose. Through the scale and diversity of our business, the efficiency of our operations, and the nature of our investments, we have the capacity to most effectively convert global fishing resources into sustained value for our stakeholders. This is demonstrated by being the largest employer and most empowered listed company, the most progressive in the provision of employee benefits, and the sector's most significant contributor of investment into local economies, providing consumers one of the most affordable forms of healthy animal protein. We will continue to invest in our people, to achieve efficiencies of scale and acquire access to sustainable and well-managed fishing resources.

In closing, I would like to thank all our stakeholders – our shareholders, employees, customers, suppliers, government officials, community members and civil society – 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.

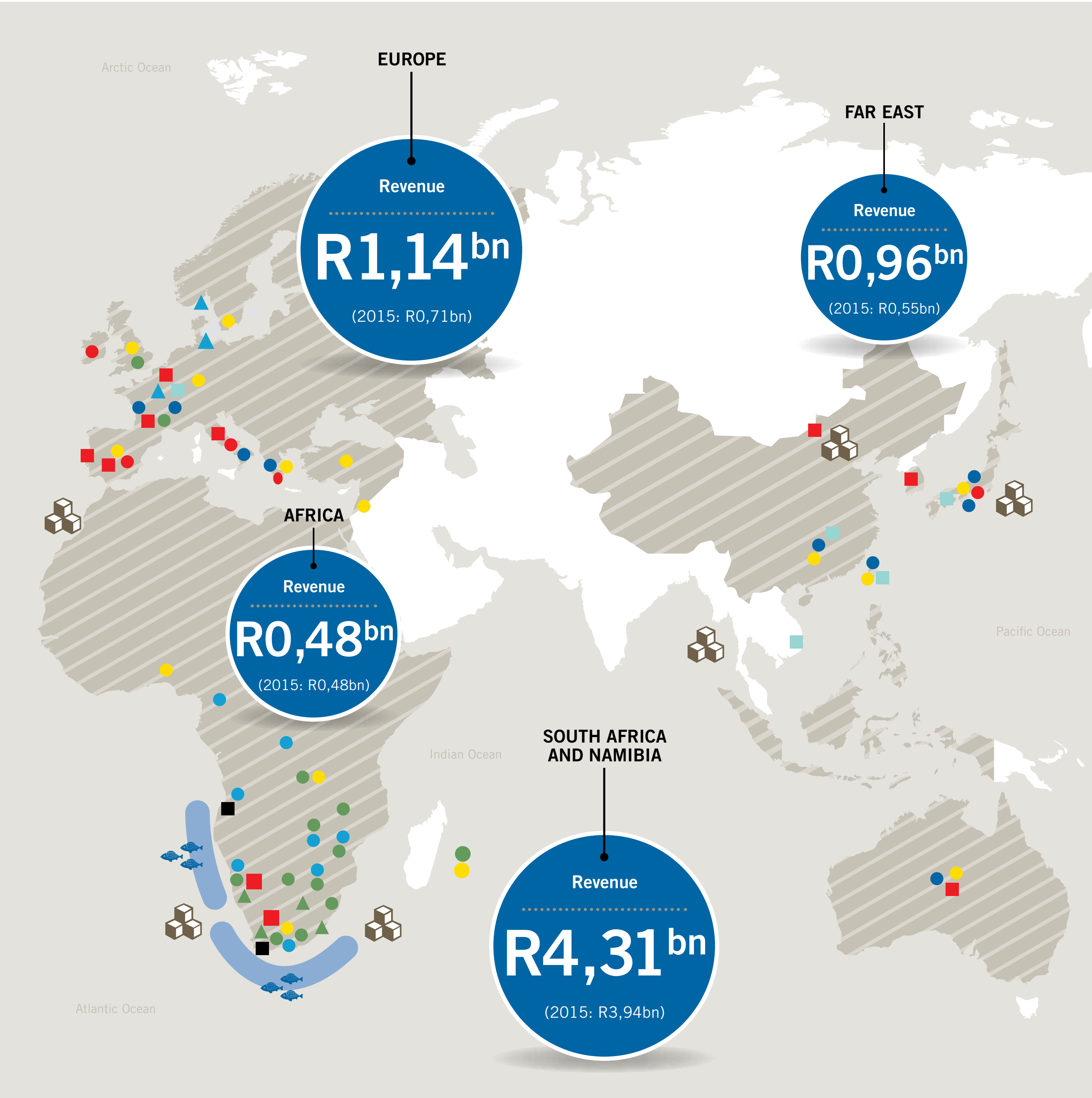
Francois Kuttel
Chief executive officer
5 December 2016

THE OCEANA GROUP AT A GLANCE

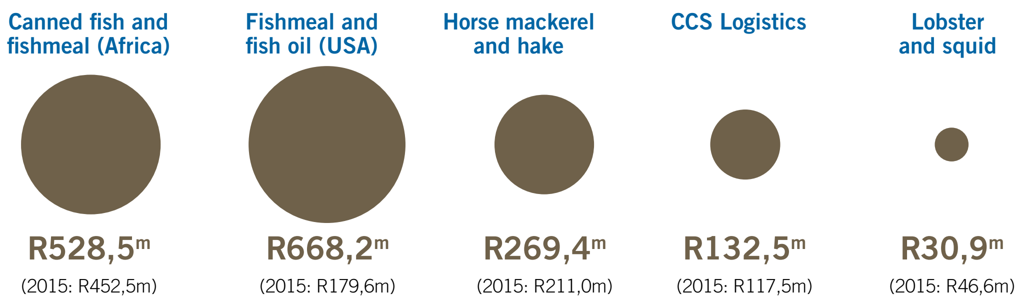


REVENUE

Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)	Horse mackerel and hake	CCS Logistics	Lobster and squid
R4,3bn	R1,9bn	R1,2bn	R436,3m	R373,8m
(2015: R3,4bn)	(2015: R574,3m)	(2015: R1,3bn)	(2015: R458,6m)	(2015: R412,1m)



OPERATING PROFIT



23

Business model and operating context

OUR BUSINESS MODEL

RESOURCES and RELATIONSHIPS

NATURAL CAPITAL

- Marine biomass: pilchards, gulf menhaden, horse mackerel, hake, anchovy, redeye herring, squid and lobster
- Energy, fuel and water

HUMAN CAPITAL

- Skilled, motivated employees
- Strong leadership team
- Service providers

SOCIAL AND RELATIONSHIP CAPITAL

- Positive employee relations
- Constructive engagement with government and regulators
- Investor confidence
- Sophisticated supply chain
- Customer relationships
- Community trust
- Collaborative partnerships

MANUFACTURED CAPITAL

- Fishing fleet (57 vessels)
- Three canneries
- Six fishmeal plants
- Two land-based hake factories
- 12 spotter planes
- Four lobster plants
- 11 cold storage facilities
- Head office and supporting facilities

INTELLECTUAL CAPITAL

- Company culture and skills
- Brand and reputation

FINANCIAL CAPITAL

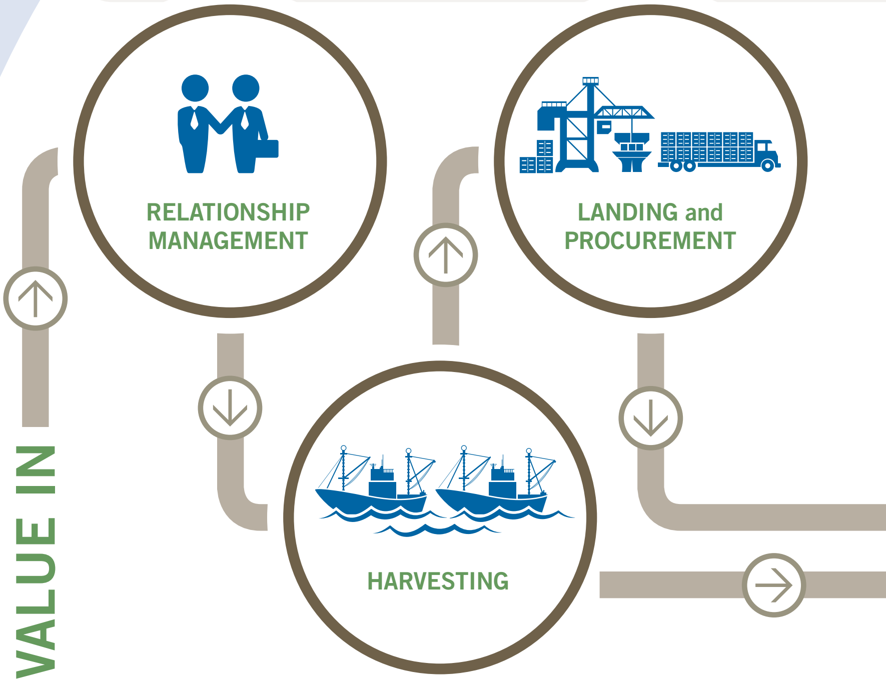
- Debt and equity financing
- Reinvestment

BUSINESS CONTEXT

EXTERNAL VARIABLES IMPACTING VALUE

28

- Currency volatility in South Africa
- Growth opportunities in African markets
- Rapidly expanding global aquaculture production
- Volatility of resource and catch rates
- Climate change, variability and extreme weather events



OUR PROFIT FORMULA

REVENUES

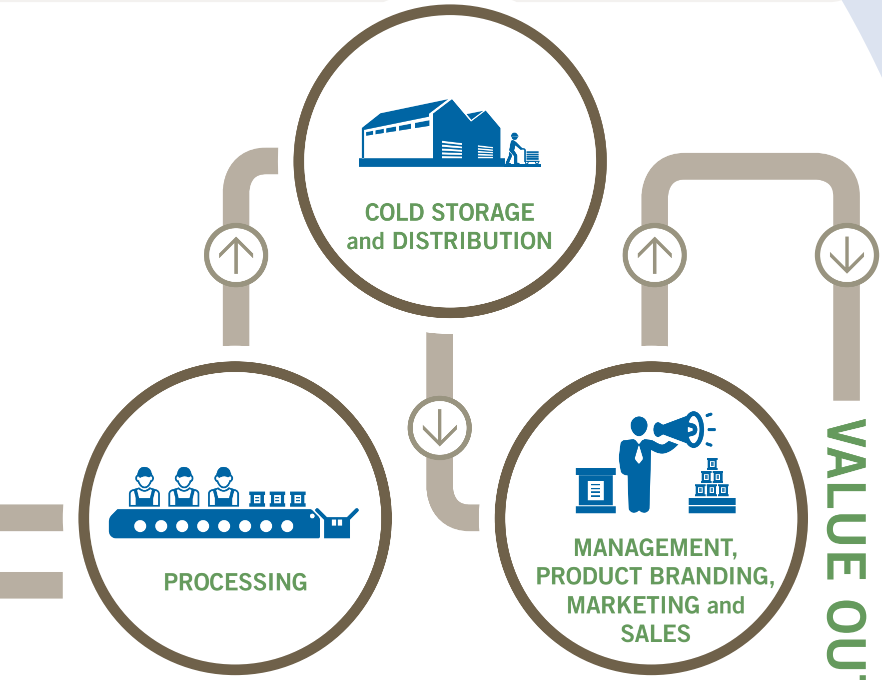
- Sale of fish and fish products to consumers in diversified global markets across most consumer segments
- Brand returns from Lucky Star products
- Cold storage facilities and distribution services
- Positive exchange rate impacts
- Diversified fish products

COSTS

- Investment in management and employees
- Purchase and maintenance of fleet, utilities and equipment
- Raw material and utility costs
- Distribution, storage and marketing
- Regulatory and compliance costs
- Supplier and support services
- Cost of financial capital
- Taxation
- Negative exchange rate impacts

OUR MATERIAL RISKS 32

1. Resource availability and ability to harvest
2. Reallocation of fishing rights
3. Portfolio imbalance
4. Inability to acquire additional fishing rights in SA impacting local growth strategy
5. Market volatility
6. Food safety
7. Scarcity of critical skills/succession planning
8. Legislative non-compliance
9. Cash flow management
10. Business interruption/Industrial action



OUR PRODUCTS AND OUTPUTS

- Canned fish, fishmeal and fish oil
- Frozen, chilled and live fish products
- Cold storage and distribution services

VALUE PROPOSITIONS

CUSTOMER

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

SHAREHOLDER

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

EMPLOYEE

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

SOCIETY

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

IMPACTS (OUTCOMES)

NATURAL CAPITAL

- Extracting fisheries resources, water and energy consumption
- Producing waste and atmospheric pollutants with potential consequences for key relationships
- Mitigating negative impacts of our environmental activities

HUMAN CAPITAL

- Generating value from the skills, wellbeing and motivation of employees, contractors and service providers
- Providing a safe working environment
- Encouraging local employment
- Investing in training
- Ensuring fair labour practices

SOCIAL AND RELATIONSHIP CAPITAL

- Maintaining positive relations with employees, regulators and other stakeholders
- Demonstrating performance on transformation
- Creating value for communities through investments in job security, education and food security

MANUFACTURED CAPITAL

- Generating longer term returns through significant financial investment in the purchase, development and maintenance of property, vessels, plants, storage facilities and equipment
- Maintaining business viability through changes in the application and use of key assets

INTELLECTUAL CAPITAL

- Ensuring the right people, in the right roles, informed by effective management systems and company culture
- Investing in skills, systems and innovative ways of working

FINANCIAL CAPITAL

- Accessing financial capital through consistent delivery of investor returns and sustained market confidence
- Consolidating the balance sheet and debt

HOW WE CREATE VALUE

OUR VALUE CHAIN ACTIVITIES

RELATIONSHIP MANAGEMENT

- Strong focus on maintaining trusted relationships with all critical stakeholders

HARVESTING, LANDING AND PROCUREMENT

- Maintain and expand own fishing rights, through delivery on government expectations
- Expand rights through partnership and acquisition
- Collaborate in ensuring sustainable fishing practices to maintain biomass
- Land and source fish stock efficiently
- Optimise operations and fleet to land assigned quota safely
- Source additional raw, frozen and canned fish through sophisticated supply chain processes

PROCESSING

- Operate efficient, safe onshore processing and canning operations
- Adhere to strict traceability and product quality and safety standards, including MSC and IFFO certifications

COLD STORAGE AND DISTRIBUTION

- 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

MANAGEMENT, PRODUCT BRANDING, 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

CONVERTING FISHING RESOURCES INTO VALUE: UNDERSTANDING TRADE-OFFS IN OUR CAPITALS

Through our people, technology and know-how, our fleet and equipment, our financial resources, and our positive relationships with critical stakeholders, we extract significant value from a renewable natural resource. By reinvesting this value in the capitals upon which our business depends, we maintain our capacity to create value into the future.

KEY OUTCOMES OF THE OCEANA GROUP ACTIVITIES	ACTIONS TO ENHANCE OUTCOMES

SOCIAL AND RELATIONSHIP CAPITAL

Key outcomes

- 3,783 direct jobs in South Africa and 430 direct jobs in Namibia
- 143 new jobs created in Angola through fishmeal plant operation
- R375m paid in taxes in South Africa and Namibia
- Zero days lost to industrial action at our operations
- Second most empowered company in South Africa
- 93.8% Black employees in South Africa
- 55.6% Black representation at top management level
- R4,9bn spent on preferential procurement with R2,1bn BEE suppliers in South Africa
- R6,6m CSI investment in fishing communities in the Western and Eastern Cape
- N$4,3m CSI investment in Namibian communities
- Oceana's engagement with DAFF, DPW, dti, DEA, MFMR and other government departments continued to improve
- 3,7 million Lucky Star meals consumed per day
- 64,328 tons of Oceana horse mackerel exported to 8 African countries
- 16% increase in local production in Southern Africa

Actions to enhance outcomes

- Protecting labour rights/managing relationships with employees and unions (pages 27 and 30 in the SDR) 27/30
- Increase in job security
- Quarterly transformation meetings with Divisional senior management attendance (page 99) 99
- Mitigating social impacts in relation to odour emissions (page 49 in the SDR) 49
- Making a positive social contribution in the communities where we operate (pages 55 to 59 in the SDR) 55/59
- Addressing stakeholder interests through continuous engagement, including with regulators and government scientific working groups (page 30) 30
- Focus on food security and affordable protein (CEO Report page 17) 17
- Benefits to the South African economy with additional revenue generation through local processing and demand for local services (CEO Report page 18) 18

HUMAN CAPITAL

- R1,1bn paid in salaries and R162m in employee benefits
- 75% increase equating to 783,206 more working hours brought back to Southern Africa due to frozen fish strategy
- 2 501 employee beneficiaries received R262,5m in dividends through the Oceana Empowerment Trust to date
- R33,9m invested in employee skills development
- 0.8 Disabling Injuries Frequency Rate
- Employee and indirect employee fatalities: 0

- Increasing job security in Southern Africa (CEO Report page 18)
- Employee benefits expanding to acquisitions, improving working conditions in investments (CEO Report page 18) 18
- Investing in an effective and engaged workforce (page 23 in the SDR) 23
- Ensuring a safe workplace through safety risk management system and promoting employee health and wellbeing (page 31 in the SDR) 31

NATURAL CAPITAL

- 520,000 tons of fish landed, all within government assigned TAC
- 4,934,142 cartons of Lucky Star produced locally
- 85% of our SA commercial fishing rights on the SASSI green list
- Hake deep-sea trawl fishery MSC-accredited; Hake operations retained MSC chain of custody certification
- IFFO RS-accreditation retained for Hout Bay, St Helena Bay, Laaiplek and Daybrook fishmeal plants; started accreditation process for Angola
- More than 90% reduction in accidental seabird mortalities in hake trawl sector
- 15% energy usage intensity reduction at land-based facilities
- Water usage per unit of activity 1.06kl

- Active participant on government scientific committees and industry associations for each species of fish harvested (page 18 in the SDR) 18
- Support the West coast rock lobster fisheries conservation plan (page 20 in the SDR) 20
- Resource stewardship: water and energy measures (pages 15 and 41 in the SDR) 15/41
- Climate change mitigation and adaptation (pages 49 and 50 in the SDR) 49/50
- Odour emissions and waste management (pages 49 and 52 in the SDR) 49/52

MANUFACTURED CAPITAL

- R241,6m capital investment
- R260,4m depreciation and amortisation
- 3 fishing vessels sold
- Greater utilisation of the Laaiplek canning facility following material capacity improvements with production volumes increasing by 245%

A shift in strategy on processing more frozen fish in Southern Africa has led to a reconfiguration of the group's local canning facilities. The resultant change in the use of assets locally is intended to mitigate currency volatility risks and increase local employment (CEO Report page 13) 13

INTELLECTUAL CAPITAL

- R11,7m investment in technical studies
- 47% increase in learnerships
- Successful roll-out of the group's governance processes in Daybrook
- Larger contingent of fishing, fishmeal and fish oil knowledge that is shared between Divisions since the acquisition of Daybrook
- Successful roll-out of the frozen fish strategy and management processes at the plants in South Africa and Namibia

There has been a strong focus this year in integrating the acquisitions of Daybrook and Foodcorp to align with group processes in terms of governance and reporting systems. The frozen fish strategy has seen a large investment in employment, skills training and innovative business thinking (CEO Report page 14) 14

FINANCIAL CAPITAL

- R8,2bn revenue
- R958,3m profit after taxation
- Normalised earnings per share: 785.8 cents
- R476,8m paid in dividends
- R793,6m retained in the group
- Diversification of business from a geographic standpoint has built stronger resilience against currency volatility

Initiatives put in place in 2016 to preserve cash, reduce debt and reposition the business have started to show valuable results (see Chief financial officer review on pages 36 to 41): 36-41

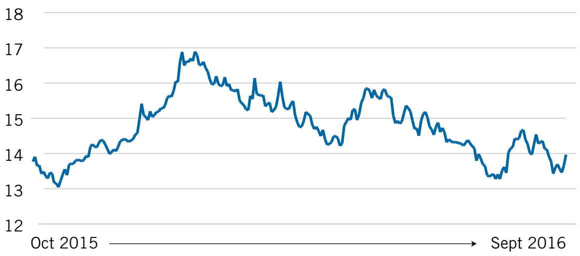
- Phase one of the finance shared services centre launched in December 2015, being the centralisation of the creditors function
- Net debt reduced by 1.5% to R3,4bn

OUR OPERATING CONTEXT: ISSUES IMPACTING OUR BUSINESS MODEL

CURRENCY VOLATILITY IN SOUTH AFRICA

The South African currency has been weakening for most of the past three years, driven by a weak local economy, a slump in international commodity prices, a rise in US interest rates and general political uncertainty. The rand lost 26% of its value in six months after turmoil gripped Chinese markets in June 2015, and was further negatively affected by the sudden reshuffling of the South African Minister of Finance in December 2015. This coincided with one of the worst droughts in South Africa's recent history, resulting in the fastest rate of food price inflation since 2011. With South Africa having to import up to half of its grain needs, the cost of food increased by 11.3% in July 2016, year-on-year[3]. While the rand on average strengthened slightly in 2016, geo-political risk factors in South Africa resulted in significant currency fluctuations. Although a weaker rand/dollar exchange rate has negative implications for those operations with high levels of imported raw materials (notably canned fish), it benefits our exports, particularly to northern markets in products such as fishmeal, fish oil, horse mackerel, hake, lobster and squid. Our frozen fish strategy – which saw us importing pilchard raw material, instead of finished canned products, to Southern Africa for local processing – was in direct response to the devaluation of the rand. Overall the exchange rate volatility was mitigated by very favourable forward cover positions and achieving reductions in dollar prices. Diversification of our business through our international investment in Daybrook also reduces vulnerabilities associated with exchange rate fluctuations.

ZAR/USD DAILY SPOT RATE: OCTOBER 2015 – SEPTEMBER 2016



[3] Statistics South Africa
[4] FAO, The State of World Fisheries and Aquaculture (SOFIA), 2016

GROWTH OPPORTUNITIES IN AFRICAN MARKETS

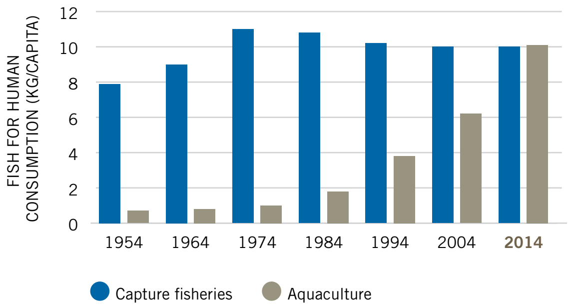
With significant projected increases in both population and per capita income in sub-Saharan Africa, the region offers significant potential for business growth. In 2016, the African environment was more challenging for both canned fish and frozen horse mackerel than it was two to three years ago, primarily as a result of declines in oil prices and constraints on foreign currency reserves in markets such as Angola and Mozambique. We remain optimistic, however, and predict that with population increase, imports will continue to rise, primarily for lower value fish. This is supported by World Bank projections that total fish food consumption in the region will grow by 30% between 2010 and 2030. We also see an African middle-class developing, and anticipate that higher value imported seafood will gradually increase over time, presenting opportunities for more product value addition. Currently the majority of our sales revenue is generated in South Africa and Namibia, followed by markets in Southern and West Africa, Europe and the Far East. We are seeking to realise the growth opportunities in Africa by expanding our product offerings into these markets, primarily in East and West Africa.

RAPIDLY EXPANDING GLOBAL AQUACULTURE PRODUCTION

World per capita fish supply reached a new record high of 20kg in 2014[4], thanks to vigorous growth in aquaculture, which now provides half of all fish for human consumption. It is expected that future growth in fish production and related fish consumption will originate mainly from aquaculture. Fishmeal and fish oil remain important high protein ingredients in feed for aquaculture and demand is expected to grow. Potential substitutes do not have the same high quality protein and amino acid content, and are not in significant volumes to replace fishmeal as a key aquaculture feed ingredient. Given the anticipated resulting strong demand, 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 period. As commodities, the prices of fishmeal and fish oil products are influenced by global supply and demand dynamics. In 2014, catches of anchovy in Peru (a major producing nation) fell to 2,3 million tons, half that of the previous year and the lowest level since the strong El Niño in 1998.

In 2015, catches recovered to more than 3,6 million tons[5], resulting in a reduction in average global pricing as Peruvian supply improved. With fishmeal making up 30% of our total revenue, we are looking at ways to convert from a largely commodity-based supplier, to a strategic protein ingredient supplier, minimising our exposure to uncertainty in markets, pricing and competition from potential substitutes. We are also continuing to explore opportunities over the medium and longer term for investing in aquaculture ventures.

RELATIVE CONTRIBUTION OF AQUACULTURE AND CAPTURE FISHERIES TO FISH FOR HUMAN CONSUMPTION



(Source: FAO, SOFIA 2016)

[5] SOFIA 2016

[6] World Bank Fish to 2030 (2013)

CLIMATE CHANGE, VARIABILITY AND EXTREME WEATHER EVENTS

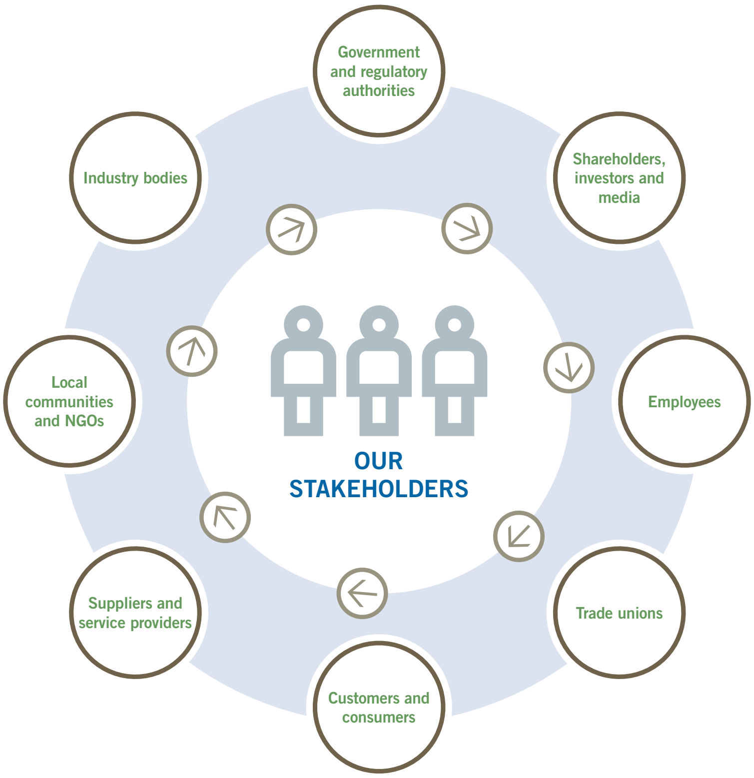
According to the FAO, climate change and extreme weather events pose threats to the sustainability of capture fisheries and aquaculture. Gradual atmospheric warming leads both to physical changes (in sea surface temperature, ocean circulation, waves and storm systems) and chemical changes (such as salinity content, oxygen concentration and acidification) of the aquatic environment. These impacts could result in changes in catch quantity and composition, and fish distribution. A recent report by the World Bank[6] suggests that while the aggregate impact to total fish supply would be negligible, the distribution of the catches would vary widely across regions. In principle, high-latitude regions are expected to gain, while tropical regions lose, capture harvest.

Extreme weather events and sea-level rise are anticipated to affect fisheries-related infrastructure such as ports and fleets, further raising the costs of fishing, processing and distribution activities. While Daybrook has not seen any material changes in fish distribution or catch, its physical infrastructure in the Gulf of Mexico is susceptible to regional adverse weather conditions such as tropical storms and hurricanes. We have implemented insurance programmes to adequately cover specific business risks. We continue to operate in fisheries that apply sustainable fishing practices and assist government and scientists on research and data capture. We have gradually diversified our raw material supply and product offerings, and we maintain strong relationships with suppliers and partners that would allow flexibility in response to any external changes.

ADDRESSING STAKEHOLDER INTERESTS

The oceans and their fishery resources are a contested space with strong interests from multiple sectors and stakeholders. Understanding and being responsive to the interests of our various stakeholders is critical to delivering on our core purpose.

Our stakeholder engagement manager supports various departments and divisions in delivering on our commitments to respond to the material interests of our stakeholders. Following below is a brief review of our key stakeholders, their most material interests, and our strategic response measures.



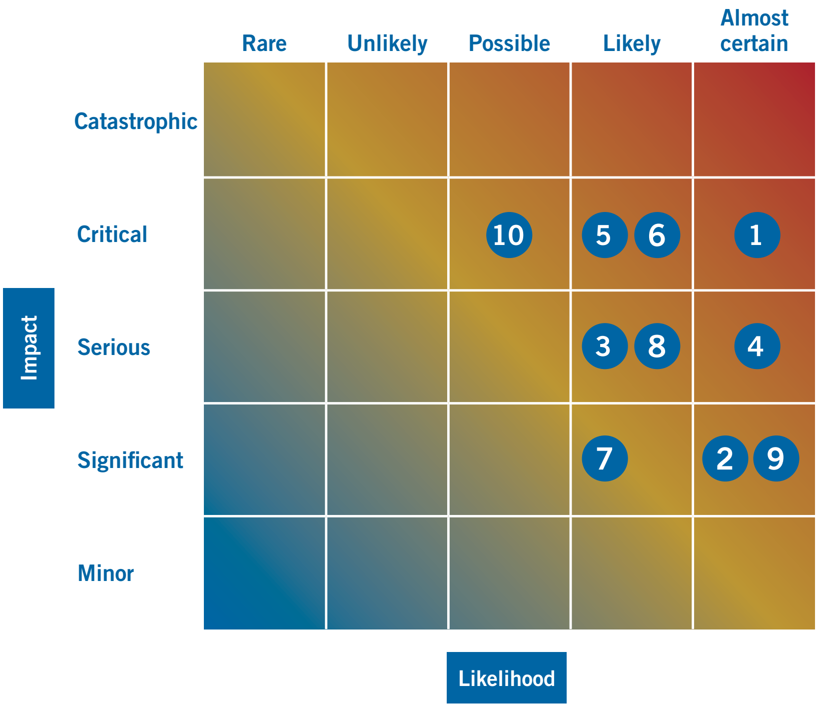
STAKEHOLDER GROUP	MATERIAL INTERESTS	OUR STRATEGIC RESPONSE
Government and regulatory authorities	• Oceana's contribution to economic development imperatives of food security, job creation, transformation/ localisation, and skills development • Compliance with permit and related requirements • Contribution to tax and trade balance	• Strong and continuing focus on job creation, preferential procurement and on transformation/ localisation initiatives and the 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, eg DAFF, DPW, dti, DEA and other government departments • Formal policies and operating procedures, training and reporting to facilitate compliance • Prompt response in instances of non-compliance, with disciplinary action as required

STAKEHOLDER GROUP	MATERIAL INTERESTS	OUR STRATEGIC RESPONSE
Shareholders, investors and media	• Sustainable growth in shareholder value through consistent earnings improvements, clear growth and capital expansion strategy • Responsible corporate governance practices • Receipt of quality information of interest to stakeholders and public	• 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
Employees	• 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 • Staff benefits, super-annuation funds, health awareness, life skills	• 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 • Employee education and compliance with health and safety regulations
Trade unions South Africa: FAWU, TALFU, NCFAWU, UDF and CWU Namibia: NAFAU and NATAW	• Engagement and negotiation in good faith • Market-related terms of employment • Job security, satisfaction and recognition • Safe, healthy and congenial working conditions	• 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
Customers and consumers	• Providing safe, quality products at competitive prices • Continuity of supply • Product information	• 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
Suppliers and service providers	• 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	• Regular direct communication with major suppliers • Group-wide code of business conduct and ethics, with supplementary policies • Monitoring B-BBEE procurement levels of suppliers and partners
Local communities, and NGOs	• 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	• 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
Industry bodies	• Contributing responsibly and credibly to the collective business voice	• Participation in and membership of relevant industry bodies and associations; Signatory to the UNGC

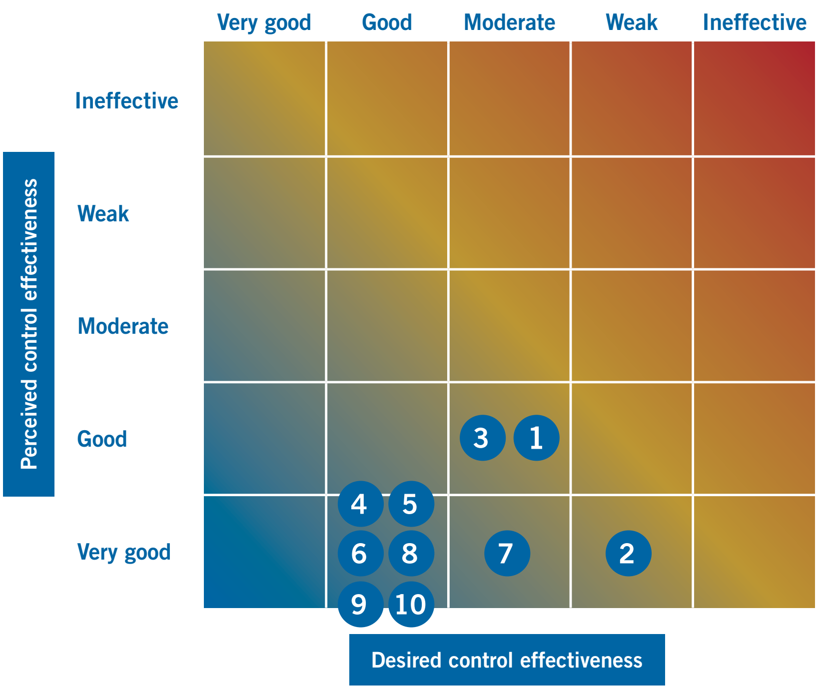
MANAGING OUR MATERIAL RISKS

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 92).

INHERENT RISK EXPOSURE



RESIDUAL RISK EXPOSURE



MATERIAL RISKS
(2015 risk ranking)

1. **Resource availability and ability to harvest (2)**
2. **Reallocation of fishing rights (1)**
3. **Portfolio imbalance (7)**
4. **Inability to acquire additional fishing rights in SA impacting local growth strategy (3)**
5. **Market volatility (11)**
6. **Food safety (4)**
7. **Scarcity of critical skills/ succession planning (8)**
8. **Legislative non-compliance (6)**
9. **Cash flow management (new)**
10. **Business interruption/ industrial action (10)**

OUR RISK CONTEXT	OUR RESPONSE MEASURES	STRATEGIC OBJECTIVE
• Significant reduction in SA horse mackerel resource beyond normal cyclical fish movements • Decrease in total allowable catch of certain species where resource appears under pressure • Changes in ecosystem from environmental factors • Impact of ocean-based mining activities	• Participate in and exert a positive influence on resource management initiatives with industry, government and scientific working groups • Compliance with regulations and responsible fishing practices • Utilise own resources to support research where appropriate and provide substantive input to government	4. Leading stewardship of marine resources
• Horse mackerel (Namibia) rights expire in 2018. Draft policy gives preference to allocating rights to Namibian nationals • WCRL, SA horse mackerel and hake in-shore long-term fishing rights expired in 2015 and in other sectors within the next six years • Exemption granted to WCRL for the 2016/17 fishing season and for hake inshore and horse mackerel until 31 December 2016. • WCRL allocation to be reduced by approximately 45% • Continuing uncertainty on 2015/16 SA fishing rights allocation policies and process • Allocation of fishing rights to small-scale fishers planned for 2016	• Monitor policy and legislative changes, and engage actively with relevant authorities (primarily in South Africa and Namibia) on policy and legislative framework • Ensure compliance with all relevant legislation and retention of highly credible empowerment credentials • Engage with government and communities on development of a co-operative business model where Oceana partners with community co-operatives • Maintain proactive compliance with legislation, participate in policy discussions and continue to demonstrate leadership in transformation and localisation	2. Driving transformation and localisation 5. Building trusted relationships
• Concentration of earnings in a particular unit exposes the group to greater earnings volatility	• Focus on growth to diversify the portfolio, building on recent acquisitions that have bolstered the smaller business units • Acquisition of Daybrook and investment in Angola	1. Generating sustained financial returns by anticipating market trends
• 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 by regulators, competitors and interested parties in the industry of Oceana's market dominance • Incorrect perception that Oceana may divest from South Africa	• 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 • Geographical diversification of operations (USA and Angola)	2. Driving transformation and localisation 5. Building trusted relationships
• Inability to maintain margins • Increase in costs • Decline in revenue	• Implement forex hedging policy • Fixed interest rate and interest rate caps/swaps	3. Optimising our operations
• 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 • Increase in counterfeit product	• 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	3. Optimising our operations 5. Building trusted relationships
• Capacity to ensure continued growth impacted by skills shortage and ability to attract, develop and retain talent	• Policies and guidelines in place for talent and recruitment management, remuneration, skills development and succession planning	2. Driving transformation and localisation 3. Optimising our operations 5. Building trusted relationships
• Need to maintain systems and skills to track, interpret and ensure effective compliance with often-changing legislative requirements in a highly regulated industry	• Comprehensive legislative compliance, monitoring, training and auditing systems in place • Engagement with regulators directly and through industry associations	2. Driving transformation and localisation 5. Building trusted relationships
• Projection and management of cash resources • Off-take below sales targets resulting in increased stock levels, and negatively impacting cash	• Formalisation of cash flow process and insight into future requirements • Rigorous review of capital and major maintenance expenditures • Timely enforcement of terms with regard to collection of debtors	3. Optimising our operations
• Potential loss of vessels • Loss of head office operations and IT infrastructure • Loss of factories and/or cold storage facilities • Unionised environment • Relationship with unions	• Group Business Continuity Plan including IT disaster recovery plan in place • Formal business continuity plans for land-based facilities in final development stage • Maintain insurance policies • Maintain good relationship with unions • Dispute resolution processes in place	3. Optimising our operations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35

Group performance against strategy

CHIEF FINANCIAL OFFICER'S REPORT

Chief financial officer I IMRAAN SOOMRA

GENERATING SUSTAINED FINANCIAL RETURNS BY ANTICIPATING MARKET TRENDS

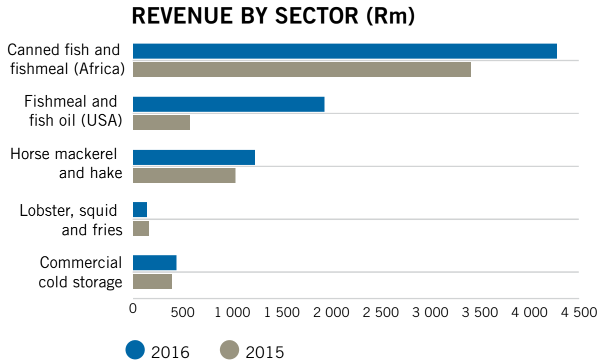
OUR 2016 PERFORMANCE

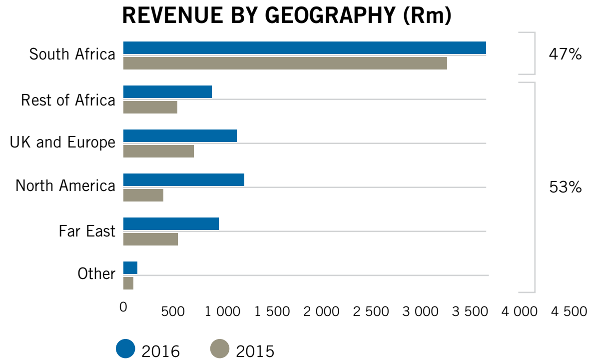
Our financial strategy for this year has focused primarily on delivering growth through improved performance of our African operations and incremental earnings arising from Daybrook and Foodcorp, while assertively extracting efficiencies from shared services and procurement initiatives. In addition, our strong focus on working capital management, particularly in light of our newly leveraged position, and our greater diligence in the allocation of capital, has been paramount to our success this year.

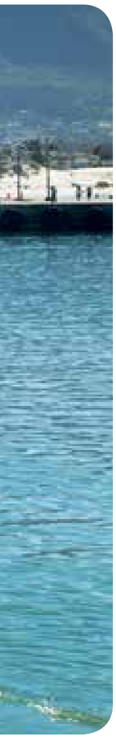
We have delivered superior returns to our shareholders for the 2016 financial year, while maintaining good financial discipline in the management of our balance sheet. We have also been agile in our allocation of cash resources, in order to enable medium term strategies, such as the procurement of additional frozen pilchards, that have placed additional demands on cash flow.

Superior returns

Revenue for the year increased by 34% to just over R8,2 billion, primarily due to the addition of Daybrook, supported by pleasing growth of 13% in our African operations. This growth has been achieved through strong volumes in canned fish, fishmeal and hake, underpinned by stable pricing and a weaker rand exchange rate.



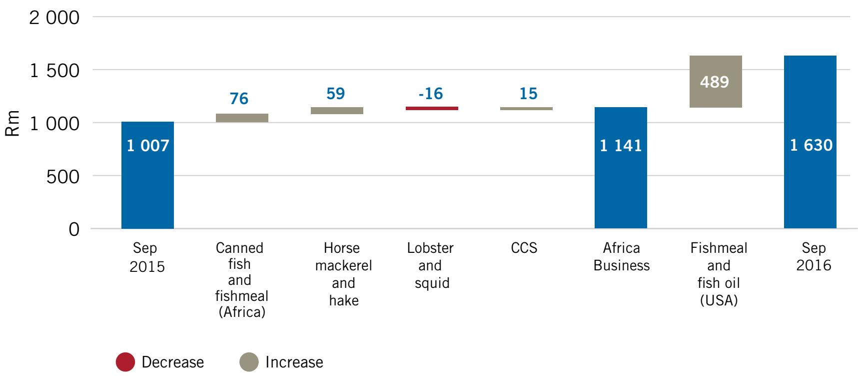




In the face of tough trading conditions, the African operations delivered a solid 24% increase in operating profit after other operating items. This has been attributed to the positive performance of the South African fishmeal and fish oil sector, hake and commercial cold storage and logistics divisions, as well as benefits resulting from our strong focus on extracting efficiencies in warehousing, logistics, freight and the renegotiation of certain key agreements. In addition, due to the positive performance and 12 month inclusion of Daybrook, overall operating profit growth is 69%.

All our divisions, with the exception of lobster and squid, have contributed positively to operating profit this year.

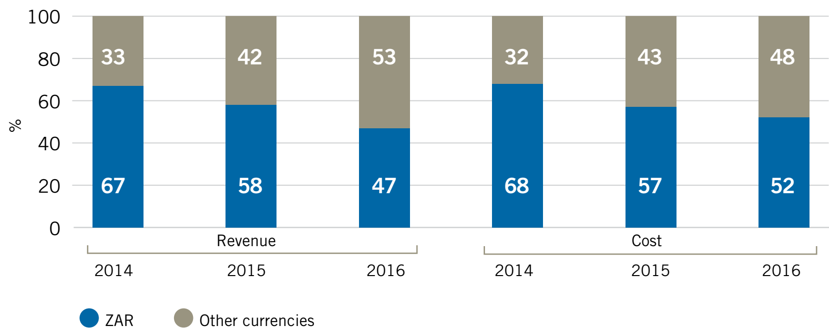
OPERATING PROFIT BY DIVISION



Other operating items consist mainly of profit attributable to the sale of French fries and CCS Logistics fruit businesses. The IFRS2 charge for share based payments has remained fairly consistent with the prior year, due to minor movements in the 30 day VWAP at year-end compared with the prior year. Our tax rate of 30% represents the benefit of once-off deductions in some of our subsidiaries. We expect our tax rate to normalise at 32% for future years.

Our earnings for the year includes the effect of exchange rate movements on revenue and cost of sales. Revenue earned in foreign currency contributed 53% to total revenue, increasing from 42% in 2015. Our costs are primarily ZAR based. This introduction of Daybrook has, however, increased costs in foreign currency to 48% of total costs from 43% in 2015.

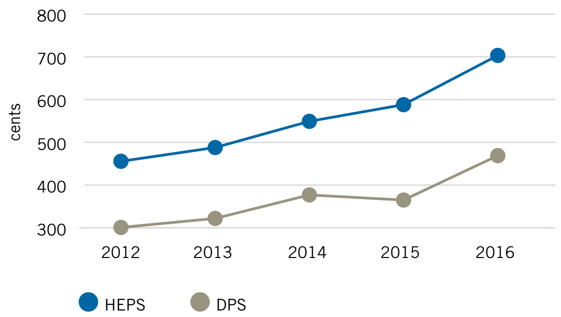
FOREIGN EXCHANGE



Net interest charge has increased over the year to R363 million *(2015: R97 million)*. This relates to finance cost incurred on additional working capital facilities and long-term borrowings. The average interest rate for 2016 was 7.1%, an increase on the rate of 6.2% in the prior year.

Group headline earnings have grown by 34% for the year. As a result of the rights offer concluded on 18 September 2015, the earnings per share for 2016 will reflect the dilutionary effect of the additional 12 million shares issued. Group HEPS therefore reflects growth of 20%, resulting in a five year CAGR in HEPS of 11.5%. We have maintained our dividend cover of 1.5 times resulting in a total dividend of 469 cents, an increase of 28% on the prior year.

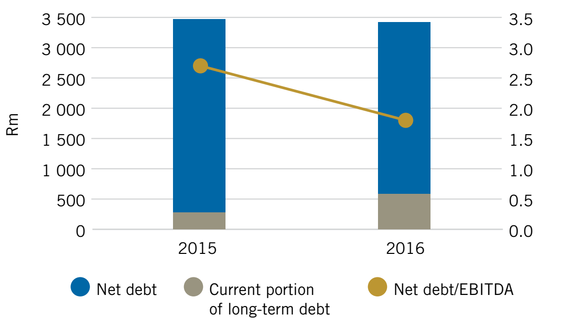
HEPS AND DPS



Financial discipline in balance sheet and cash flow

Our primary area of balance sheet focus has been debt management and adherence to covenants.
Our closing Net Debt to EBITDA is 1.7 times (2015: 2.9 times), an improvement on our target for the period. Our net movement in working capital has improved when compared with prior years despite an additional allocation of over R100 million to inventory of frozen fish to enable our local canning strategy for Lucky Star. This improvement has been brought about by good working capital management primarily through improvement of credit terms and focus on collection of receivables.

LEVERAGE POSITION



Cash movement for the year has been positive at R125,7 million, enabling all of our capital, interest and dividend requirements to be financed from the cash generated. During the period we sold non-core and under-performing assets. In total, this generated net proceeds of R187,7 million. We have not allocated this capital to any expansionary projects.

Key focus areas

In attempting to achieve solid financial returns for this year we focused our attention on the following:

- Full integration of Foodcorp and Daybrook
- Strong focus on cashflow management
- Consistency in foreign currency hedging
- Rollout of efficiency initiatives – finance shared services and group procurement
- Commencement of implementation of a group-wide ERP solution

We believe that these strategic focus areas have been well managed.

The swift and relatively seamless integration of Foodcorp and Daybrook has been critical to us delivering the promised returns on these acquisitions. The ability to track performance against key KPIs has enabled us to make important strategic decisions about these operations, assisting us in delivering better than anticipated returns.

During December 2015, we launched phase one of our finance shared services centre, resulting in the centralisation of all creditors' functions of our Africa operations. Some of the immediate tangible benefits have been the reduction in our supplier database, reduction in the number of payment runs and material improvement in creditors' days to 45 days (2015: 18 days).

Issues going forward

The group procurement division has commenced renegotiation of key supplier terms and tendering of material contracts. Having already achieved measurable savings for 2016, we have set ourselves an additional savings target of R65 million for 2017.

We commenced planning for a group-wide ERP implementation for 2017. The project will require an investment of R85 million (Africa operations) and is expected to go live in the last quarter of the 2017 calendar year. We continue to monitor and manage our net foreign currency, interest and debt exposures in South Africa and the USA. It is anticipated that we will review our debt term and tenure, particularly in South Africa, and will evaluate the benefits, if any, of restructuring.

Long-term financial strategy

Our intent is to continue to deliver sustainable returns by organic and expansionary growth, supported by solid cost control and efficient practices across the group. We remain acquisitive in nature and will continue to seek opportunities to increase diversification of species, geography and currency. We will manage our balance sheet, in particular our debt and equity levels, with this strategy in mind and seek to build financial capacity over the medium term to support our growth strategy.

Imraan Soomra
Chief financial officer
5 December 2016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STATISTICAL AND FINANCIAL DATA

	Notes	2016 R'000	Restated 2015 R'000	2014 R'000	Restated[16] 2013 R'000	2012 R'000
Statements of comprehensive income						
Revenue		**8 243 988**	6 168 777	5 039 134	4 701 224	4 647 951
Revenue by segment						
Canned fish and fishmeal (Africa)		**4 275 576**	3 408 988	3 086 476	2 631 686	2 582 636
Fishmeal and fish oil (USA)		**1 930 923**	574 328			
Horse mackerel and hake		**1 227 310**	1 314 747	1 203 470	1 373 824	1 435 082
Lobster, squid and French fries		**373 849**	412 147	405 497	369 394	350 443
Commercial cold storage and logistics		**436 330**	458 567	343 691	326 320	279 790
Operating profit before other operating items		**1 629 491**	1 007 255	879 566	743 559	711 025
Operating profit before other operating items by segment						
Canned fish and fishmeal (Africa)		**528 464**	452 504	380 931	214 914	318 941
Fishmeal and fish oil (USA)		**668 152**	179 612			
Horse mackerel and hake		**269 384**	211 020	347 251	422 504	296 578
Lobster, squid and French fries		**30 943**	46 574	44 870	23 343	29 538
Commercial cold storage and logistics		**132 548**	117 545	106 514	82 798	65 968
Other operating items		**100 187**	18 346			(47 955)
Operating profit		**1 729 678**	1 025 601	879 566	743 559	663 070
Investment income		**22 089**	61 558	13 273	16 451	36 279
Interest paid		**(385 202)**	(158 442)	(17 102)	(7 485)	(3 108)
Profit before taxation		**1 366 565**	928 717	875 737	752 525	696 241
Taxation		**408 276**	286 515	266 818	228 135	232 315
Profit after taxation		**958 289**	642 202	608 919	524 390	463 926
Attributable to non-controlling interests		**41 843**	30 978	34 988	33 374	20 136
Net profit attributable to shareholders of Oceana Group Limited		**916 446**	611 224	573 931	491 016	443 790
Headline earnings		**820 308**	611 778	567 238	489 325	456 158
Key performance indicators (%)						
Operating margin	1	**19.8**	16,3	17,5	15,8	15,3
Canned fish and fishmeal (Africa)		**12.4**	13.3	12.3	8.2	12.3
Fishmeal and fish oil (USA)		**34.6**	31.3			
Horse mackerel and hake		**21.9**	16.1	28.9	30.8	20.7
Lobster, squid and French fries		**8.3**	11.3	11.1	6.3	8.4
Commercial cold storage and logistics		**30.4**	25.6	31.0	25.4	23.6
EBITDA		**1 990 063**	1 202 772	993 189	845 927	750 262
Africa operations		**1 217 701**	1 012 930	993 189	845 927	750 262
US operations		**772 362**	189 842			
Tax rate (%)		**29.9**	30.9	30.5	30.3	33.4
Headline earnings per share – basic (cents)	2	**703.4**	588.2	549.2	487.9	455.7
Headline earnings per share – diluted (cents)	2	**640.5**	532.2	498.1	443.2	419.8
Earnings per share – basic (cents)	3	**785.8**	587.7	555.7	489.5	443.3
Earnings per share – diluted (cents)	3	**715.5**	531.7	503.9	444.8	408.4
Dividends per share (cents)	4	**469.0**	365.0	377.0	322.0	301.0
Headline dividend cover (times)		**1.5**	1.5	1.5	1.5	1.5

Notes:
1. *Operating profit before other operating items expressed as a percentage of revenue*
2. *Headline earnings per share for 2014 has been restated due to the rights offer in that year, as required by IAS 33: Earnings per share*
3. *Earnings per share for 2014 was restated due to the rights offer in that year, as required by IAS 33: Earnings per share*
4. *Dividend declared after reporting date included*

	Notes	2016 R'000	Restated 2015 R'000	2014 R'000	Restated[16] 2013 R'000	2012 R'000
Statements of financial position (key items)						
Property, plant and equipment	5	**1 669 373**	1 678 406	512 342	458 200	435 850
Intangible assets	6	**4 605 275**	4 609 802	97 625	102 802	88 638
Net current assets	7 and 8	**1 080 854**	859 962	982 666	1 301 468	850 293
Net cash and cash equivalents		**1 312 942**	1 181 273	344 003	(145 797)	231 604
Cash and cash equivalents		**1 312 942**	1 181 273	344 003	111 203	276 178
Bank overdraft					(257 000)	(44 574)
Long-term and current debt		**4 729 794**	4 651 690	300 000		
Statements of cash flows (key items)						
Cash operating profit before working capital changes		**1 726 577**	1 187 874	912 577	862 205	813 857
Working capital changes		**(95 483)**	(92 760)	325 800	(468 732)	(357 295)
Investment income received		**86 470**	59 264	24 476	9 886	25 312
Interest paid		**(337 497)**	(158 442)	(17 102)	(7 485)	(3 108)
Taxation paid		**(707 658)**	(221 986)	(264 090)	(317 873)	(242 588)
Dividends paid		**(476 827)**	(427 395)	(365 880)	(380 932)	(242 222)
Special distribution of profits to Oceana Empowerment Trust beneficiaries		**(15 469)**		(291 524)		
Net cash inflow/(outflow) from operating activities		**180 113**	346 555	324 257	(302 931)	(6 044)
Cash outflow from investing activities		**(56 352)**	(4 747 216)	(147 383)	(128 265)	(153 331)
Cash inflow from financing activities		**1 954**	5 146 173	310 471	10 908	7 987
Net increase/(decrease) in cash and cash equivalents		**125 715**	745 512	487 345	(420 288)	(151 388)
Key performance indicators						
Leverage Ratios						
Return on average net assets (%)	9 and 10	**20%**	29%	46%	41%	45%
Current ratio (:1)		**2.2**	2.1	2.7	2.3	2.4
Return on average shareholders' funds	11	**22**	32	44	30	31
Net Debt to EBITDA		**1.72**	2.89	(0.04)		
Net Debt to Equity		**0.85**	0.97	(0.03)		
Share performance						
Market price per share (cents)						
Year-end		**11 402**	9 640	7 400	8 424	5 400
Highest		**13 474**	11 902	9 200	9 876	5 999
Lowest		**9 550**	6 851	7 050	5 250	3 700
Price earnings ratio	12	**16,2**	16,0	13,1	17,3	11,8
Number of transactions	13	**45 101**	85 801	33 403	22 620	3 080
Number of shares traded ('000)	13	**17 703**	27 321	16 423	23 169	14 785
Value of shares traded (R'000)	13	**1 986 700**	2 678 132	1 360 682	1 727 682	673 300
Volume of shares traded as a percentage of total issued shares	13	**13,1**	20,2	13,7	19,4	12,4
Market capitalisation (R'000)	14	**15 452 692**	13 064 721	8 844 936	10 060 712	6 449 174
JSE food producers and processors index	15	**150.45**	136.14	126.21	110.54	100.00
JSE industrial index	15	**132.72**	123.23	129.75	122.30	100.00
Oceana Group share price index	15	**211.15**	178.52	137.04	156.00	100.00

Notes:

5. *Property, plant and equipment for 2015 have been restated due to finalisation of the Daybrook purchase price allocation*
6. *Intangible assets for 2015 have been restated due to finalisation of the Daybrook purchase price allocation*
7. *Accounts receivable for 2015 have been restated due to finalisation of the Daybrook purchase price allocation*
8. *Net current assets comprises current assets less cash and cash equivalents and current liabilities*
9. *Profit before taxation and other operating items (but excluding interest paid) expressed as a percentage of average net assets or average total assets*
10. *Net assets comprise total assets less non-interest-bearing liabilities*
11. *Headline earnings as a percentage of average shareholders' funds*
12. *Market price per share at year-end divided by HEPS*
13. *Figures based on JSE transactions only*
14. *Value of ordinary shares in issue at year-end price including treasury shares held by share trusts and subsidiary company*
15. *Adjusted base 2012 = 100*
16. *2013 numbers have been restated due to adoption of IFRS 11 in 2014, prior years have not been restated*

DRIVING TRANSFORMATION AND LOCALISATION

OUR FOCUS AREAS

- Being a sector leader in terms of our transformation and localisation credentials
- Promoting diversity within our managerial ranks and the representation of designated groups
- Contributing to the development and empowerment of small enterprises and our communities

Our 2016 performance

- Rated as South Africa's second most empowered JSE listed company this year
- Independently verified level 1 B-BBEE score 100.39
- 93.8% black employees
- 41.9% black female employees
- 97.7% Namibian employees in Namibian operations
- 55.6% black representation at executive management level
- 11.1% black female representation at executive management level
- 2,501 black employee beneficiaries hold 13,7 million Oceana shares
- R262,7 million paid in dividends to Oceana Empowerment Trust Beneficiaries to date
- 95.8% of total measured spend on B-BBEE suppliers
- R29,6 million spent on skills development of black employees

Leadership in transformation

Our ongoing commitment to transformation and the implementation of sound B-BBEE policies was recognised this year as we were rated the second most empowered JSE listed company in the Independent Media's JSE 100 Most Empowered Companies: New Codes ranking. By delivering shared value through our empowerment initiatives, we are making a meaningful contribution to many of our stakeholders, while ensuring the long-term stability and profitability of our business.

2016 is the second year that our B-BBEE performance has been measured against the Revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice (the Revised Codes), which came into effect on 1 May 2015. We continued to adapt our transformation strategy this year to provide for these changes and to ensure we continue to deliver value to our stakeholders and contribute to empowerment of designated groups in the country.

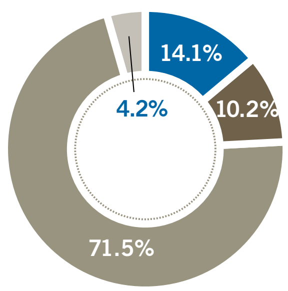
Our B-BBEE performance

We delivered a proactive and focused empowerment strategy and our quarterly transformation forum meetings enabled rigorous monitoring of our progress and engagement with divisional senior management teams. The commitment of the entire group to transformation has resulted in a Level 1 rating, with a score of 100.39 points out of 109. We also achieved a recognition rating of 135% for procurement in terms of the dti's B-BBEE Scorecard, and we have maintained our Empowering Supplier status.

A detailed review of our performance against the full scorecard is provided in our online sustainable development report. Some highlights of our 2016 performance:

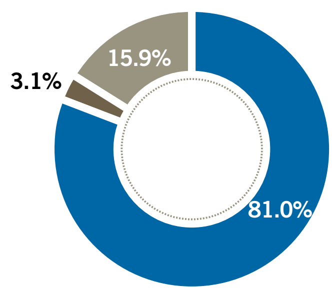
Ownership	We maintained our black-owned and black-controlled shareholding with three main shareholders who have continued to contribute to this status, with a combined black ownership holding of 62.4%. We were recognised as one of the top three companies in South Africa in the JSE 100 Most Empowered Companies Survey in this element of the scorecard.
Management and control	We achieved the maximum points at both black board member and black executive director levels. Black individuals now represent 56% of top management compared to the 24% reported in the Commission for Employment Equity Report for the 2015/2016 year. Our performance in the management control element of the scorecard was recognised in the top three companies in South Africa. We continue to make good progress in transforming our senior, middle and junior managerial ranks.
Skills development	We have continued to invest in developing our employees against the backdrop of the scarcity of skills in our sector. Recognised training expenditure on all South African black employees was R29,6 million (2015: R16,7 million). In 2016 we put 149 unemployed learners between the ages of 18-35 on our Unemployed Learnerships, Apprenticeships and Internship programmes.
Enterprise and supplier development	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. Our South African businesses spent 13,4% of NPAT on supplier development and 0,6% of NPAT on enterprise development.
Socio-economic development	Socio-economic development expenditure continued to be directed towards initiatives that meet the needs of the communities in which we operate. The focus remained on food security and education in line with our CSI Policy. 1.2% (R5,0 million) of the group's net profit after tax in South Africa was distributed, through socio- economic development activities, to beneficiaries that have a black base of at least 75%.
Oceana Empowerment Trust	The Trust is an important mechanism for our employees to grow with the company and at year-end it had 2,501 black beneficiaries holding 13,7 million shares in Oceana, representing 10.1% of Oceana's total issued shares. This allows real broad-based empowerment not only directly to our employees, but also to the communities in which they live.

PREFERENTIAL PROCUREMENT



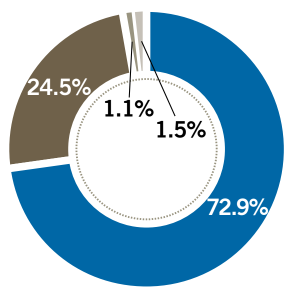
●	EME	14.1%
●	QSE	10.2%
●	Generic	71.5%
●	Non-B-BBEE	4.2%

SUPPLIER DEVELOPMENT INITIATIVES



●	Standard loan	81.0%
●	Short payment period	3.1%
●	Interest free loan	15.9%

ENTERPRISE DEVELOPMENT INITIATIVES



●	Interest free loan	72.9%
●	Grants	24.5%
●	Standard loan	1.1%
●	Other	1.5%

OPTIMISING OUR OPERATIONS

OUR FOCUS AREAS

- Driving effectiveness and efficiency in our fleet and operations throughout the value chain
- Extracting synergies and efficiencies through centralisation of key functions and implementing best practice processes
- Actively evaluating and mitigating risk and maintaining effective governance systems
- Attracting, developing and retaining the best available talent throughout the group.

Frozen fish strategy and supply chain optimisation

In response to the large reduction in the South African and Namibian pilchard TAC over the past two years, and the recent devaluation of the rand, we have increased the volume of frozen pilchard imported for processing in our canning facilities in South Africa and Namibia. This strategy resulted in local canned production increasing from 2,5 million cartons in 2015, to 5,2 million cartons in 2016. We also increased the overall production capacity in the Laaiplek plant by upgrading equipment and installing a thawing line to process the frozen pilchards. Together with the St Helena Bay facility, this facility is now able to employ seasonal workers for substantially longer periods during the year, resulting in production output increasing by 83%. Traditionally all seasonal workers were guaranteed a minimum of two normal shifts of work per week during the fishing season, irrespective of whether fish is available to be processed. The increased frozen pilchard production has resulted in a significant increase in hours worked and wages earned by our factory employees.

We also restructured our supply chain team to better support the increase in frozen pilchard imports destined for our South African canneries. Our Lucky Star and CCS divisions are now closely aligned to ensure efficient import and storage of this raw material for local production. This year we imported 46,230 tons of frozen fish compared to 15,421 tons in 2015. Our sourcing strategy now enables us to procure the entire pilchard requirement for Lucky Star with very limited reliance on outside producers of canned fish, thereby enhancing our capacity to deliver optimum quality and cost.

Technological advances for lobster and squid fishing vessels

We spent significant time reviewing our lobster operations and systems this year, identifying opportunities for enhanced efficiencies. We have been exploring technological advances in tracking and reporting fishing routes and weather patterns for our lobster vessels, so as to more efficiently access target areas. We have also introduced measures to safeguard our lobster operations from any illegal fishing activities. To protect our crew and assets and ensure compliance, we have placed security on a rotational basis on every vessel. Our security personnel are perfectly placed to identify any issues amongst other operators in the various fishing zones in which we operate, and we will notify DAFF about any illegal fishing activities if they arise. We have also invested in sonars on two squid vessels, which helped us to better understand fishing grounds and to target fish with less effort. If this proves successful, we will roll this out on all other squid vessels.

Streamlining procurement to support business objectives

A new group procurement function was established to facilitate a more synergised approach for all goods and services that support the business. These range from travel management services and office requirements, to freight services, gear, fuels, chemicals and other materials needed to support our fishing operations, as well as vessel repairs, and maintenance and security services. A three-year strategy has been developed to improve our approach to procurement and it is anticipated that this will lead to significant cost savings.

An enterprise-wide approach to risk management

In 2016, we further enhanced our enterprise-wide risk management system with the inclusion of senior management attendance at the group risk forum meetings, now known as the Oceana Exco Risk Forum meeting. These risk forum meetings had previously included managing directors of each operating division and functional heads, but now also include the chief executive officer and chief financial officer. This adds a further layer of governance to our risk approach. We manage our risks through a unitary framework aligned with our corporate governance responsibilities. Further details regarding our risk management system is provided in the risk management report on page 92. 92
Our risk heat maps, which set out our top 10 risks and mitigating strategies, can be found on page 32. 32

Group-wide ERP System to improve the way we do our business

We embarked on an exciting initiative to implement a group-wide ERP solution. Exponential growth across the group during the past decade saw the need for a single, integrated end-to-end ERP solution that can serve current and future business needs. Business information is essential for making strategic business decisions, and optimising our operations. The ERP will empower management with access to the right information, as well as improve business processes to ensure continued stability and growth of the business.

Attracting, developing and retaining our people

The challenges and opportunities we face in terms of attracting, developing and retaining talent differ across the multiple geographies that we operate in. Our human resources function and people practices continuously adapt and evolve to meet the needs of the group. We have made progress in identifying and attracting good talent in our operations and mitigating against business continuity risk.

South Africa and Namibia

Our focus in our South African and Namibian business is on being a leading employer in our industry and providing jobs in an environment where job security remains under threat, due to the tough economic environment, unpredictable fish landings and the reduction in quotas for some species. Following the Foodcorp acquisition, our focus was on integrating and aligning human resource policies, practices and reward and benefit structures. We remain one of the very few companies in the industry that provides minimum guaranteed hours to our seasonal employees, while operating in a very cyclical business.

Through a change in our fish processing strategy this year, the group has managed to provide more stable income to our seasonal employees. In line with regulatory requirements we continue to reduce our reliance on labour brokers and converted more than 60 employees from non-permanent to permanent in 2016. The use of labour brokers is limited to one division (CCS) and we ensure every agency that we use for that division has signed our supplier code of conduct, which includes compliance with labour laws and human rights concerns.

With scarcity of skills a key challenge to the business, our skills development and talent management initiatives remain critical focus areas. Our skills programmes are specifically focused on building scarce and critical skills in the areas of marine science, vessel crewing, artisans, engineering, supply chain, food safety, food quality and processing, IT and finance. In 2016 R33,9 million was invested in employee skills development in South Africa and Namibia. We also increased the number of learners, graduates and interns by 47% from 177 in 2015 to 260 in 2016.

Our continued investment in the development of leadership capabilities focuses on building foundational management skills in the areas of performance management, people development and talent management. This year, we trained 48 managers through our in-house programmes, with an additional 259 current and future managers participating in external supervisory and management development programmes. We also trained 75 employees in the performance management module. We believe strong and capable leadership will enable us to effectively engage the talents and potential of our people.

We continue to have strong and trusted relationships with our employees and labour unions. This is indicated by the relatively low employee turnover rate of 5.79%, as well as the zero number of days lost due to industrial action over the past five years. Labour relations and the increasing demands of the workforce across the industry in general has seen a substantial increase in requests for social housing and medical aid subsidies, amongst other things. Oceana has always provided good working conditions and benefits, a reason why many aspire to work for us. Aside from general wage increases, we are starting to see a host of other areas falling into the negotiation process. There is an expectation within the communities we operate in for Oceana to play a leadership role as well as a role in community development. We will continue to play such a role.

USA (Daybrook)

Management was pleased with the transition and integration of Daybrook and its approximately 147 employees into the Oceana Group. There were several additions to the management team, which included a president (formerly a managing director with Lucky Star), a financial manager (transferred from Oceana Group) and a sales manager. Oversight by the Oceana Group and various committees have provided the necessary corporate governance to ensure that procedures are being upheld and monitored. The management team of Daybrook has worked to implement charters and registers that have long been a part of Oceana Group, including the creation and maintenance of a risk register, the implementation of an incentive compensation scheme, and the employment of an Authorities Framework to delineate responsibility and accountability for decisions. Daybrook continues to look for improvements in the existing business to build upon the momentum being achieved.

Number of employees

	2016			2015		
Continuing businesses	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
Lucky Star	**2,333**	**749**	**3,082**	2,093	808	2,901
Daybrook	**147**	**220**	**367**	146	220	366
Horse mackerel and Hake	**1,100**	**27**	**1,127**	1,140	27	1,167
Lobster and Squid	**323**	**28**	**351**	314	28	342
CCS Logistics	**416**	**192**	**608**	393	223	616
Oceana Corporate Office	**154**	**1**	**155**	108	4	112
Subtotal	**4 473**	**1 217**	**5 690**	4 194	1 310	5 504
Disposed businesses*	**–**	**–**	**–**	355	202	557
Total	**4 473**	**1 217**	**5 690**	4 549	1 512	6 061

** There were no job losses as a result of businesses being sold*

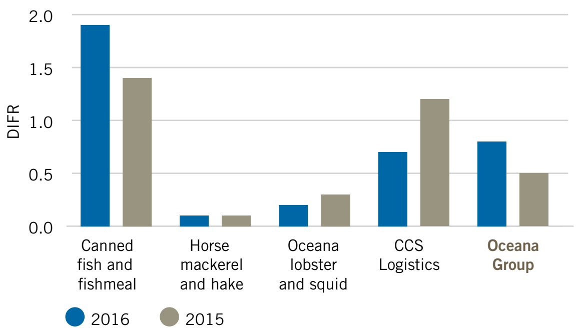
TRAINING SPEND	**2016**
Total amount invested in skills development	**R33,930,675**
Total spent as a % of leviable payroll on black employees	**3.7%**
Total spent on black employees as a % of total amount invested in skills development	**87.3%**
Total spent on disabled employees as a % of total amount invested in skills development	**7.9%**
Total spent as a % of leviable payroll on black disabled employees	**0.3%**

Health, safety and wellbeing

There are inherent health and safety risks associated with activities on board fishing vessels, as well as at our land-based facilities. Our response to managing these inherent health and safety risks includes: undertaking periodic external and internal safety audits on all sites and vessels; implementing effective safety monitoring, training and enforcement programmes; providing appropriate personal protective equipment; and ensuring effective incident tracking and investigation. The managing directors of all operating divisions are responsible for ensuring full compliance with relevant occupational health and safety legislation, and that the required structures are in place. Marsh Risk Consulting carries out health and safety audits on an annual basis, across all operations.

This year, the group's disabling injury frequency rate (DIFR) was 0,8 (2015: 0,7). Although the DIFR increased, it remained below the target of 2,0. A detailed analysis of injury incidents was undertaken resulting in the re-emphasis on preventative controls and operating processes.

DISABLING INJURY FREQUENCY RATE BY DIVISION



Respecting human rights

Oceana has been a signatory to the UNGC since 2012. The UNGC identifies universal human rights best practice associated with labour, health and safety, procurement, community engagement and security, and requires that we annually report on our progress. In 2016, we undertook an assessment of our compliance in terms of the requirements of the Global Compact Self-Assessment Tool and we achieved 79% with the applicable human rights indicators. Based on the findings of the UN assessment tool, we are implementing a plan of continual improvement.

Our human rights policy, which is applicable across all our operations, ensures that the human rights principles and requirements associated with the UNGC are implemented. Our organisational culture supports and respects local and internationally recognised human rights, including the principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO core conventions on labour standards.




ATLANTIC LEADER
PQ 1054P


LEADING STEWARDSHIP OF MARINE RESOURCES

OUR FOCUS AREAS

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

Our 2016 performance

- 85% of our targeted South African commercial fishing rights are on the SASSI green list
- Maintained MSC chain of custody accreditation for hake deep-sea trawl fishery
- IFFO RS accreditation retained for St Helena Bay, Laaiplek, Hout Bay and Empire fishmeal plants
- 15% energy usage intensity reduction at land-based facilities
- 1.06kl water consumption per ton of product output
- A- disclosure score for CDP in consumer staple sector

Promoting an ecosystem approach to fishing

Our ability to deliver value depends ultimately on accessing sustainably managed fish biomass and on having the required fishing permits and licences. Promoting an ecosystem approach to fishing and ensuring full compliance with the highly regulated requirements associated with the sector are key business imperatives. We engage with regulators and government departments on an on-going basis, and are active participants in the scientific working groups and industry associations related to every species that we harvest. Compliance with the Marine Living Resources Act, 18 of 1998 (MLRA), and the associated regulations and permit conditions, are entrenched across the various business units. Crew members receive training annually regarding permit conditions, with specific focus on catching and processing. All incidents of non-compliance are reported and if required, disciplinary action is taken.

As a founding member of the Responsible Fisheries Alliance and active partner with WWF, we play an important role in supporting responsible fishing practices. To date we have trained 299 seafaring employees (accounting for 53% of all applicable crew) on the importance of sustainable fisheries. *Desert Diamond*, our horse mackerel mid-water trawler, includes two scientific observers on board every trip to collect data for research and compliance purposes. The *Compass Challenger*, our deep-sea hake trawler, was used by DAFF to support their pelagic research survey efforts.

We harvest and source from fisheries that are considered well managed and commission fisheries audit reports on each species that we catch. All of our harvested commercial fishing rights remain on the SASSI list. In 2016, horse mackerel was amended to the orange category (due to uncertainty regarding its stock status and concerns around the management of the fishery), and the WCRL species was also reassessed. A red-listing, the highest threat status, has been proposed but not yet finalised, due to concerns in the decline in the health of the population, as well as issues relating to poaching and ecosystem impacts. WWF-SA and DAFF have committed to developing a FCP with key stakeholders to rebuild the stock and address the causes of the decline. The FCP work plan will include new effort controls, programmes to address poaching, training and multi-stakeholder engagements. As a key commercial quota holder and member of the sector association, we recognise the influential role we can play in this recovery plan and as a result we remain in the fishery in order to provide support to WWF and the fishery conservation process. With the FCP in place, the resource will be listed "under improvement".

IUU fishing undermines efforts to conserve and manage fish stocks and generally leads to the loss of social and economic opportunities, biodiversity and has a negative effect on food security. Oceana has a zero tolerance on IUU and our internal auditing procedures together with DAFF's surveillance measures ensure compliance with our own allocated fishing rights.

The Namibian horse mackerel stock is managed primarily through a TAC. Most of this is allocated to the mid-water trawl fishery, with a small proportion made available for value-added products, mainly through canning, in factories owned by purse seine operators. Currently, the stock is assessed using an age-structured production model, which incorporates the age distribution and biomass estimates from research surveys together with commercial data to assess the current state of the stock. The 2015 assessment indicated that the stock was above the maximum sustainable yield level and that recruitment for 2015 was estimated to be above the long-term.

In Angola, the offshore Sardinella fishery is a major fish resource and an important source of food, as well as a major employment avenue for the coastal population. The resource is largely managed on the basis of biomass estimates of the adult stock, obtained by standard hydroacoustic methods. To promote the sustainability of the fishery through our Oceana Boa Pesca joint venture, we intend to embark on an IFFO-RS certification process for our fishmeal plant and use the certification process as a catalyst to enhance the sustainability of the resource.

The fish resources utilised at our Daybrook fishmeal facility are managed according to a state and industry endorsed FMP. The goal of the gulf menhaden FMP is to provide a management strategy that allows annual maximum harvest, while ensuring the protection of the stock from overfishing. While the species contributes greatly to Daybrook's success, it is also an important fish for local fishers. According to the Gulf Menhaden Stock Assessment, completed for the Gulf States Marine Fisheries Commission in October 2016, the existing fisheries management plan is meeting its objectives as the Gulf of Mexico menhaden stock is "not experiencing overfishing and is not overfished". This status assessment was as per the stock status derived from the previous assessment undertaken in 2013.

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

MAINTAINING CERTIFICATION STANDARDS FOR RESPONSIBLE FISHING

Our hake operation retained the MSC chain of custody certification, which is considered the world's most rigorous eco-labelling initiative for fishing. Our St Helena Bay, Laaiplek, Hout Bay and Empire fishmeal plants retained their certification to the IFFO-RS.

Managing our environmental impacts

Our environmental impacts are managed through our ISO 14001-aligned ECS. This system monitors and controls priority environmental issues identified by the group. External ECS compliance audits conducted in 2016 focused on our own system compliance, but also compliance with relevant and applicable legal frameworks. Some of the major environmental initiatives we undertook this year include:

- ***Responsible management of odour and stack emissions***: Biannual air quality management meetings are held with the communities within which our fishmeal plants are located. We have also responded to the reporting requirements in terms of the South African National Atmospheric Emissions Inventory System, within the stipulated timeframes.
- ***Responsible use and disposal of water***: We submitted nine coastal water discharge applications to the DEA and in the interim the monitoring of discharge quality continues. Water consumption in relation to production output is monitored monthly against production targets.
- ***Improving energy efficiency and reducing consumption of non-renewable resources***: The group has implemented a number of initiatives geared to improving energy efficiency at our land-based facilities, with an ongoing investigation into energy efficient marine fuels. We have identified flagship initiatives per division, which will contribute towards meeting our energy efficiency objective.
- ***Minimising waste generation and responsible disposal of waste***: Our target is to ensure that no food that is fit for human or animal consumption is sent to landfills and instead, is directed to our fishmeal processing facilities. We significantly increased our product recycling efforts in 2016.
- ***Responding to climate change***: Our performance in the CDP (formally known as the Carbon Disclosure Project) over the past seven consecutive years has realised year-on-year improvements to our disclosure score. This year saw the introduction of a new approach to scoring and we were rated an overall performance score of A-.

Further details are provided in our online SDR.

BUILDING TRUSTED RELATIONSHIPS

OUR FOCUS AREAS

- Encouraging proactive engagement with key stakeholders
- Adhering to strict food safety standards and exceeding customers' product quality expectations
- Delivering value for local communities

OUR 2016 PERFORMANCE

- No industrial action at any of our operations
- R6,6 million CSI investment in South Africa
- N$4,3 million CSI investment in Namibia
- $800 000 CSI investment in the US

ENSURING PROACTIVE ENGAGEMENT WITH STAKEHOLDERS

We continue to deliver on our commitment to building trusted relationships with our stakeholders. Across our operations, the focus of our engagement has been with stakeholders that have a significant impact on our business. We have focused on building trusted relationships with government, industry bodies, statutory entities, shareholders, customers, suppliers, civil society and the communities in which we do business. An overview of our stakeholders and our core engagement activities is available on page 30.

30

MAINTAINING POSITIVE EMPLOYEE RELATIONS

We ensure positive employee relations through proactive engagements with our employees and union representatives at all levels. Engagements are facilitated through defined structures such as consultative forums that meet on a regular basis. These discussions identify initiatives that support diversity and inclusion, monitor progress against our employment equity and workplace skills plans and annual training reports, wellness in the workplace, the communication of relevant human resources policies, and education on relevant legislative developments.

Despite the tough economic climate and increased industrial action in the unionised environment across South Africa, we successfully concluded wage negotiations throughout the group. As in the previous 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.

ENGAGING WITH GOVERNMENT AND REGULATORY OFFICIALS

The group has continued efforts to build and maintain positive relationships with key government officials in each of the regions in which we operate.

Trade unions that represent our employees:

South Africa:

- FAWU
- TALFU
- NCFAWU
- UDF&CWU

Namibia:

- NAFAU
- NATAWU

Angola and USA:

- None

Industry bodies that negotiate wages and conditions on our behalf:

- Fishing Industry Bargaining Council (deep-sea, mid-water and in-shore trawling chambers)
- Employers Organisation for the Cephalopod and Associated Fisheries

In South Africa, the authorities we engaged with in 2016 included DAFF, DPW, dti and DEA, where various issues of strategic importance were discussed. Key focus areas issues include the Operation Phakisa initiative, marine protected areas and small-scale fisheries. Operation Phakisa aims to work across various sectors – including tourism, mining, oil and gas, ship repair and the fisheries sector – to unlock the economic potential of South Africa's oceans. Marine protected areas (MPAs), an important ocean conservation mechanism, have been a major discussion point, with government seeking to extend the areas covered by MPAs. We have also engaged actively with government on proposals to support the implementation of the small-scale fishing policy. Our proposal is based on the development of a co-operative business model where we collaborate with community co-operatives on technical expertise, vessels, processing facilities and infrastructure, thereby enabling the participation of small-scale fishers in the sector.

In Namibia, there has been continued development of our innovative Fish-4-Business initiative, aimed at developing model entrepreneurial fish shop businesses throughout Namibia and in doing so, ensuring food security and access to Namibia's ocean resource and protein feedstock. The success of the Fish-4-Business concept in rural Namibia has attracted widespread attention, not only in Namibia, but also in South Africa, as an example of an enterprise development initiative that addresses wider social and economic concerns particularly in rural communities.

The Namibian Equitable Economic Empowerment Framework (NEEEF) was made available for public comment in 2016 and remains in draft format. To ensure maximum preparation, we are compiling internal gap analysis against the existing framework for the three Namibian divisions. Once complete, corrective measures will continue to be undertaken to ensure compliance.

We continued regular, formal and informal engagements with the Ministry of Fisheries and Marine Resources (MFMR) in Namibia on issues of strategic importance for both the business and Namibian government.

In Angola, we maintain relationships with regulatory authorities through our partner company Boa Pesca, which facilitates the process of registering vessels and obtaining fishing permits.

In the US, Daybrook has a positive relationship with multiple governmental agencies that oversee, among other areas, sustainability, immigration, finance and marine safety. The relationships span several governmental agencies that encompass federal, state and local jurisdictions. One such local agency is the Gulf States Marine Fisheries (GSMFC), which comprises of industry and academic members that monitor the fish resources. Daybrook's sales executive, Scott Herbert, was recently selected as Chairman of the Menhaden Advisory Committee to GSMFC.

ADHERING TO STRICT FOOD SAFETY AND QUALITY STANDARDS

Our consumers rely on us to safeguard the integrity, quality and nutritional value of the products we produce, procure and sell. We strive to fulfil customers' expectations by providing products that are safe and produced to the highest quality. Our food safety systems, which extend along the full supply chain (from "ocean to plate"), are founded on internationally recognised technical regulations and standards aimed at protecting public health. We meet the requirements of these technical regulations administered in South Africa, as well as standards and principles of Codex Alimentarius and the International Organisation for Standardization (ISO). This approach is designed to address allergens, as well as biological, chemical, physical and regulatory 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 and science based approach.

All canned fish and fishery products sold under the Lucky Star label are inspected and approved by the National Regulator for Compulsory Specifications (NRCS) to assess compliance with technical regulations prior to release for sale on the local market. Lucky Star customer service includes a helpline and personal assistance to respond to and follow up on all product enquiries, concerns or complaints. All customer enquiries and complaints in 2016 were investigated and addressed. In relation to fishmeal and fish oil products, we use the World Organisation for Animal Health principles as the basis for animal health systems. Further details on food safety and quality systems are provided in the SDR.

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. This year we spent R6,6 million on CSI in these communities.

In accordance with the group's CSI Policy, the key focus areas for the 2016 financial year remained food security and education. We also looked to create opportunities for our CSI beneficiaries to become active participants in income-generating activities. This was part of our increased focus on job creation, in support of the South African and Namibian government's development agendas.

Ongoing engagement with school governing bodies, community stakeholders and departmental officials has also resulted in meaningful relationships being established with stakeholders, who regard Oceana as a key partner. This year, we continued with our upliftment programmes aimed at our long-standing beneficiaries in Hout Bay, St Helena Bay, Lambert's Bay and the Eastern Cape. We also built on the foundations of our engagement with newer beneficiary stakeholders in the areas of Velddrif, Ocean View, Elands Bay, and Port Elizabeth.

With an estimated 3,1 million South African children facing chronic hunger, the Oceana Foundation donated over R1 million worth of Lucky Star product to schools and early childhood development centres in all our areas of operation.

Oceana Boa Pesca's reputation is gaining ground in the local communities. Recent community development initiatives includes the donation of an additional pump, to upgrade the fresh water supply for the Tombwa community. The minister of fisheries, in Angola, Victoria de barros Nieto, inaugurated the facility in April 2016.

In the US, Daybrook's outreach is conducted primarily through the Daybrook Foundation.

A detailed list of our CSI projects can be found in our online SDR.

FEATURE CSI PROJECT IN SOUTH AFRICA

Lucky Star facilitates quality education through Kommunity Desk Programme

More than three million South African learners attend school daily without the benefit of a classroom desk. The shortage of this basic, yet critically important tool, is depriving many children of their basic human right of receiving a quality education. Over the last nine years the Lucky Star Kommunity Desk Programme has sponsored approximately 4 500 portable desks on an annual basis, amounting to 40 000 portable desks to date, giving children a stable and dedicated space from which to work and learn. Specific focus has been placed on the fishing communities of St Helena Bay and Paternoster along the West Coast, while rural communities in the Eastern Cape, where a substantial number of our fishing employees originate from, are also benefitting from the programme.

Kommunity Desk 'work zones' also aid learners when doing homework at home. It has been making high impact change in terms of literacy development and academic performance. Teachers have reported a significant improvement in academic outcome for learners, including motivation, handwriting, concentration and attention span, organisation and discipline during lessons, as well as an improvement in the quality of homework assignments.

FEATURE CSI PROJECT IN NAMIBIA

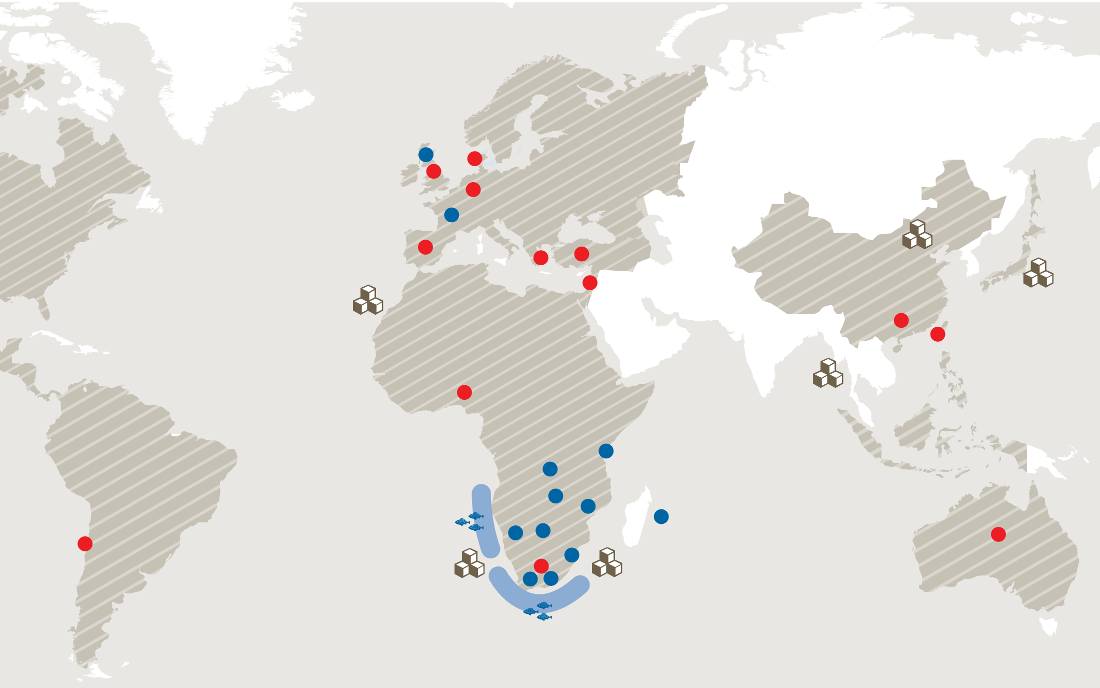
Erongo converts fishing rights into shared value

Erongo's flagship CSI initiative, Fish-4-Business, supports small business entrepreneurship in rural Namibia through empowerment and skills development, affording owners of small shops in rural villages the opportunity to grow their business while creating and sustaining jobs. This directly contributes to poverty alleviation, increased local fish consumption, and increased food security in Namibia's rural communities. In 2016, the Fish-4-Business programme launched a further six shops, creating opportunities for income-generation. The total investment per rural shop includes a walk-in cold storage unit, in-store display fridges, scales, painting and branding, and a start-up capital investment in the form of frozen horse mackerel for resale by the shop owner. In addition to this, each shop owner was given the opportunity to undergo specialised SME business training. The project is in partnership with Etosha Fishing, Oceana Namibia (Erongo) and SMEs Compete.


Supported by
CEANA FOUNDATION
LUCKY STAR

Divisional performance reviews

LUCKY STAR



Canned fish · Fishmeal and fish oil · Catch · Procurement

SOUTH AFRICA

26.2%

share of the pilchards TAC*

(2015: 26.1%)

SOUTH AFRICA

25.2%

share of the anchovy TAC*

(2015: 25.2%)

NAMIBIA

20.8%

share of the pilchards TAC*

(2015: 20.8%)

CANNED FISH MARKETS

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

FISHMEAL AND FISH OIL MARKETS

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

9 steel refrigerated seawater vessels in South Africa

4 steel refrigerated seawater vessels in Namibia

9 vessels wholly-owned, co-owned or joint ventures

3 canneries

5 fishmeal plants

* *Owned directly and through JVs*

AN OCEANA GROUP COMPANY

REVENUE

R4,3bn

(2015: R3,4 billion)

OPERATING PROFIT

before other operating items

R528,5m

(2015: R452,5 million)

PRODUCTS

- **Canned pilchards:** Marketed and sold mainly under Lucky Star brand in South African and African markets, and under Glenryck brand in the United Kingdom and France
- **Canned tuna, sardines, jack mackerel and mackerel:** Marketed and sold under Lucky Star brand in South Africa
- **Fishmeal and fish oil:** Derived from anchovy, redeye herring and associated bycatch and cannery offcuts

CANNED FISH

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Negative impact on cost due to variability of exchange rate	Mitigate cost increases by long-term forward cover	Achieved
Supply volatility due to variability of fish resource and lower local TAC	Increase global procurement network	Achieved
	Develop frozen fish processing capacity and maximise local cannery production by increasing the volume of imported frozen fish	Achieved

FISHMEAL AND FISH OIL

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Variability of industrial fish resources in South Africa	Expand into a second, more consistent, fishery and geography (Angola)	Achieved
	Identify plant throughput bottlenecks to capitalise on periods of high fish availability	In progress
Volatility of global fishmeal prices	Improve revenue performance by implementing projects that improve yields and quality	In progress

Achieved In progress

CANNED FISH

In 2016, we sold 9,4 million cartons of canned product (2015: 8,3 million). This 13% increase in volume on last year was primarily a result of being able to maintain the competitive pricing of our product against other proteins, despite the negative impact of the weaker exchange rate. Volumes on the international market, however, remained flat due to continued pressure experienced by certain target-market countries in accessing foreign currency. In the key staple food category, Lucky Star Pilchards maintained its market share of approximately 80%. In the second half of the year, we launched a consumer competition aimed at driving volumes and maintaining consumer loyalty.

In certain geographies, the impact of the oil price had a negative effect on consumers. As a result, despite our efforts to grow market share, Africa continues to be challenging, with Kenya in particular not delivering the volumes we had hoped for. We will continue to explore new opportunities in Africa, with Nigeria being our next potential opportunity. Building on the strong base that our brand has established in SADC markets, we delivered pleasing growth in Botswana, Namibia, Lesotho and Swaziland.

Global sourcing

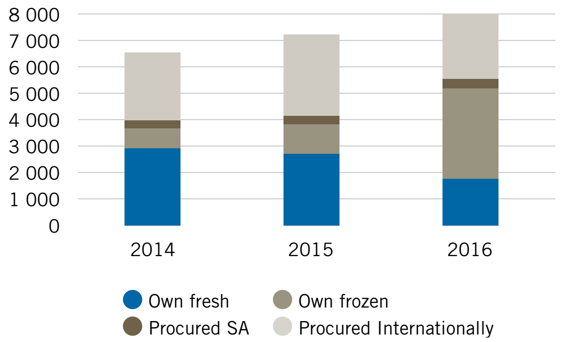
The TAC of pilchard in South Africa reduced from 83,470 tons in 2015 to 64,928 tons in 2016, effectively negating the positive impact of Amawandle Pelagic's additional catch following last year's acquisition. The volume of available local pilchards is not sufficient to meet the full requirements of the brand, and we thus still needed to secure additional raw fish and canned product from other sources.

This year our strategy was to ensure that the additional volume required was obtained through importing frozen pilchard volumes to process through our own canneries which enabled an overall reduction in canned fish imports, reduced foreign currency exposure, and had a positive impact on overhead recoveries and local employment. Our strategy is to continue to prioritise and maximise frozen production and employment in our own canneries to support our supply needs.

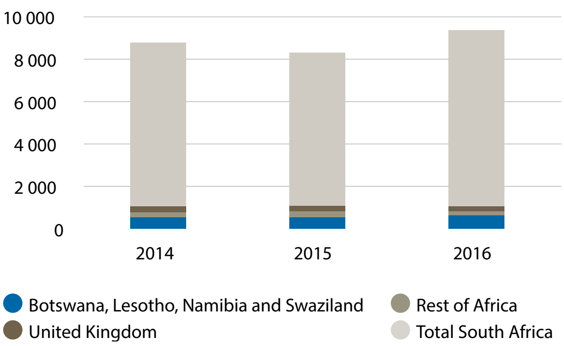
Owned South African and Namibian operations

Spatial management of the pilchard resource, which limits catches west of 20 degrees longitude to 45%, resulted in 85% of our quotas being caught by financial year end. It is expected that the remaining 2016 quota will be caught by the end of November 2016. The quota of our Namibian operation, Etosha Fisheries, was 2,912 tons (2015: 5,200 tons) of the total Namibian TAC of 14,000 tons (2015: 25,000 tons). The resource has been conservatively managed within a relatively low TAC for a number of years. Additional volumes of 4,256 tons (2015: 7,600 tons) of pilchard were also secured. Landing of this allocation was partially completed by 30 September 2016; we do not anticipate landing the balance by close of season on 31 December 2016. The South African fleet performed well in terms of pilchard landings during the early part of the year, and the availability, size and mix of fish were also good. Landings towards the latter part of the year were lower than expected. The canneries performed well in respect of processing both locally caught pilchards, as well as imported frozen pilchards. Capital investment has been mainly focused on increasing our capacity to process frozen fish, particularly at the Laaiplek facility. The South African canneries were working full time, all year round to meet the demand for canned fish.

IMPORT VS LOCAL PRODUCTION



CANNED FISH SALES VOLUMES



FISHMEAL AND FISH OIL

Sales volumes of fishmeal increased by 23%, driven mainly by the additional volumes produced at the Laaiplek facility, Amawandle Pelagic, as well as the Angolan facility, Oceana Boa Pesca. Fish oil sales volumes increased by 15%, on the back of the increased production from Angola. Fishmeal pricing in Dollar terms declined by 4% on average, but this was somewhat offset by a weaker exchange rate compared to prior years. Fish oil pricing (in US$) increased by 8%.

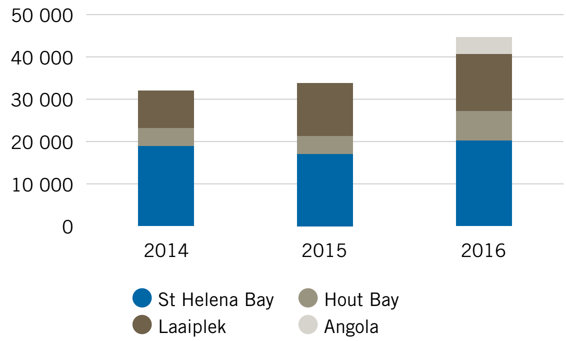
Landings of industrial fish

Landings of anchovy and redeye herring in South Africa increased by 20%, and were processed at three plants namely St Helena Bay, Laaiplek and Hout Bay. A further 13,000 tons were landed in Angola, and processed in our facility there. The Walvis Bay facility had limited amounts of raw material, as a result of reduced pilchard catches in Namibia. Good progress has been made in improving the quality of the fishmeal produced in South Africa, with particular focus on the freshness parameters of the product. Further capital investment will primarily be focused on projects to enable us to increase our utilisation of the fish resource and enhance the value of the derived fishmeal and oil.

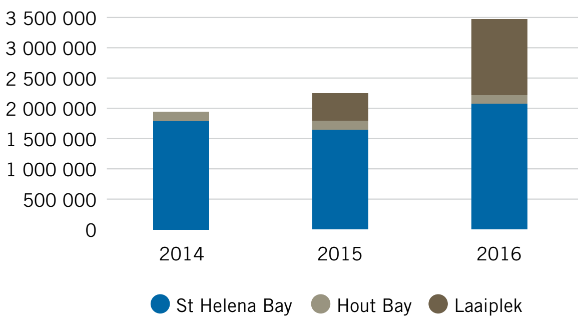
The first year of the Angolan operation presented challenges in respect of the regulatory environment and a delayed commissioning of the fishmeal plant. The business could not capitalise on the peak fishing period, and catches were materially lower than planned. These challenges have all been effectively addressed, and the business is well positioned to perform to its full potential. Another key focus will be to expand markets by obtaining certification to export to the EU and China.

The South African anchovy TAC reduced to 354,326 tons in 2016 compared to a TAC of 450,000 tons in 2015. The reduction did not negatively affect landings.

FISHMEAL AND OIL PRODUCTION



LABOUR HOURS



Key focus areas 2017:

Canned fish
Achieve global competitiveness in frozen fish processing to fuel canned fish growth in existing and new markets.

Fishmeal and fish oil
Maximise utilisation and value of available industrial fish resources both in Angola and South Africa.

DAYBROOK

PLANT

In Empire, Louisiana

CATCH

In the Gulf of Mexico, primarily off the Louisiana coast

FISHMEAL MARKETS

US, China, Canada and Norway

FISH OIL MARKETS

Scotland, Norway, Belgium and Canada

11 fishing vessels

12 spotter planes

1 production facility

AN OCEANA GROUP COMPANY

REVENUE

R1,9bn

(2015: R574,3 million)

OPERATING PROFIT

before other operating items

R668,2m

(2015: R179,9 million)

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

DAYBROOK

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Volatility of global fishmeal prices	Reinforce status of business from a commodity-based supplier to a strategic protein ingredient supplier	In progress
	Increase focus on oil and petfood sectors and achieve longer term supply contracts	In progress
Utilisation of plant capacity	Work with partner, Westbank, to increase quantity, improve quality and better-schedule deliveries of fish to processing plant	In progress
	Improve oil yields through technical change to water, oil and solids process management	Achieved
Storage and distribution of meal and oil	Introduce site-based oil discharge point (Riverdock)	In progress
	Avoid storage capacity constraints by reducing dwell-time of meal in warehouse	Achieved

Achieved   In progress

FISHMEAL AND FISH OIL

For the first full year of operation under Oceana ownership, Daybrook sold 53,699 tons of fishmeal and 24,367 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. The stability of the US pet food market remained in effect for 2016. The Chinese market demand and pricing continued to fluctuate in response to the uncertainty of Peru's harvest, which was impacted by El Niño weather patterns. It is anticipated that the El Niño effects will dwindle into the 2017 financial year.

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.

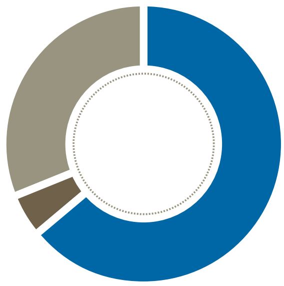
FISH LANDINGS AND PRODUCTION

For the 2016 fishing season, which runs from mid-April to end October, Westbank operated 11 fishing vessels and 12 spotter planes in our fishing area, primarily off the Louisiana coast. The fishing operations yielded 210,778 tons, which was the third-best season on record, behind the 2011 and 2012 season.

Fishmeal production for the financial year was 51,515 tons, which was in line with prior year. Fish oil increased due to larger fish caught and resulted in production of 27,288 tons, a 46% increase over the comparable time period.

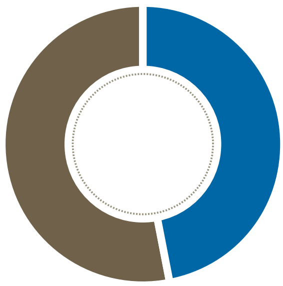
Outside of the fishing season, major repairs and capital projects were undertaken to improve the equipment and ensure that the production facility has maximum processing time. During the off season and before the 2016 season, the raw fish storage capacity was increased by 50%, to handle offload from the vessels more quickly and provide for longer run times, and a belt scale was added to weigh the fish coming into raw storage. Significant upgrades were made to training facilities and a cafeteria was built. Other improvements include implementing an infrared tester for faster lab results.

FISHMEAL SHIPMENTS (tons)



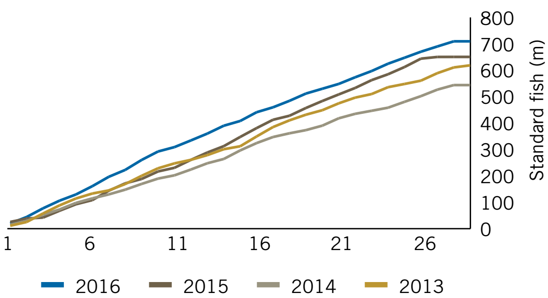
North America	32,969
Europe	2,576
Asia	15,970

FISH OIL SHIPMENTS (tons)



North America	12,467
Europe	11,056

LANDINGS COMPARISON



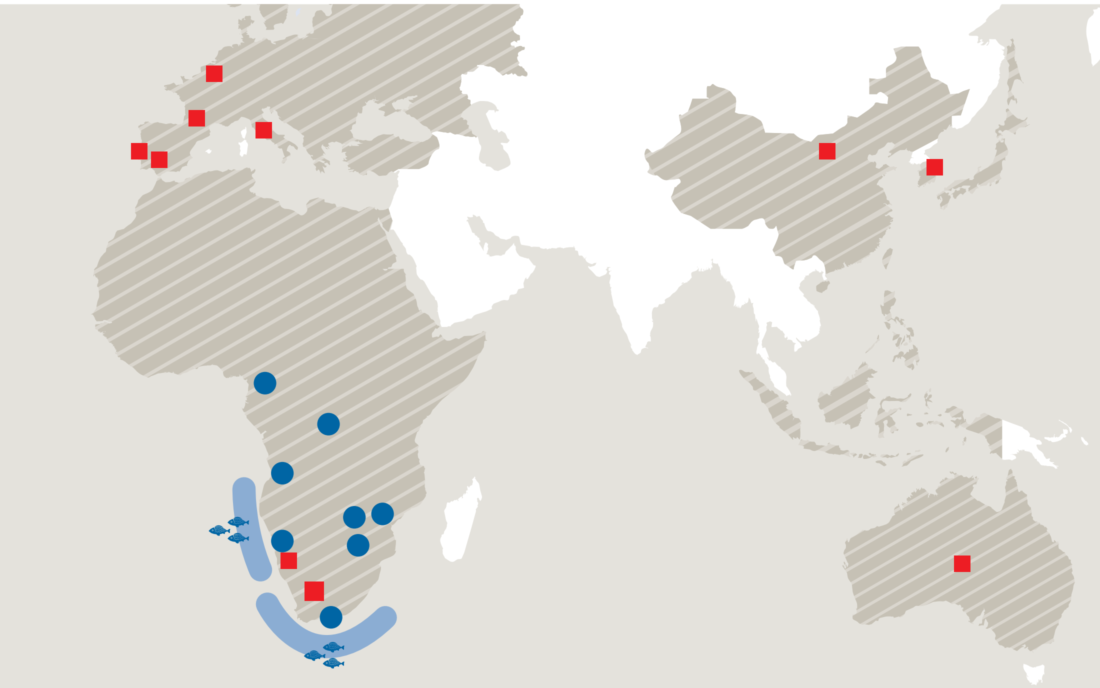
Key focus areas 2017:

- Enhance plant equipment and operations by improving technology which result in yield output for higher quality meal and oil products.
- Convert Daybrook from a commodity-based supplier to a strategic protein ingredient supplier.
- Augment logistics operation to improve efficient dispensing of product.

DAYBROOK

AN OCEANA GROUP COMPANY

BCP HORSE MACKEREL AND HAKE



Horse mackerel   Hake   Catch

HORSE MACKEREL SOUTH AFRICA

34.7%

share of the PMCL*

(2015: 34.7%)

HORSE MACKEREL NAMIBIA

7.8%

share of the TAC*

(2015: 9.0%)

HAKE SOUTH AFRICA

10.9%

share of the TAC*

(2015: 10.9%)

HORSE MACKEREL MARKETS

Markets mainly in Southern Africa and include Angola, Cameroon, Democratic Republic of Congo, Mozambique, Namibia, South Africa, Zambia and Zimbabwe

HAKE MARKETS

Australia, China, France, Italy, Korea, Namibia, Netherlands, Portugal, Spain and South Africa

1 horse mackerel trawler in South Africa

2 horse mackerel trawlers in Namibia

5 hake freezer trawlers

1 hake wet-fish trawler

2 production facilities

** Owned directly and through JVs*

BLUE CONTINENT PRODUCTS

AN OCEANA GROUP COMPANY

REVENUE

R1,2bn

(2015: R1,3 million)

OPERATING PROFIT

before other operating items

R269,4m

(2015: R211,0 million)

PRODUCTS

Horse mackerel: Sold in frozen whole form mainly in Southern, Central and West Africa

Hake: Sold headed and gutted to the European and South African food services market

HORSE MACKEREL

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Catch rates in South Africa	Extend fishing area to understand state of the resource and improve catch rates	◐
Allocation of fishing rights in Namibia	Continuous engagement and alignment with Namibian government objectives	◐
Rights renewal process in South Africa and Namibia	Maintain proactive engagement with South African and Namibian government	◐
	Promote localisation and job creation in South Africa and Namibia	●

● Achieved ◐ In progress

HAKE

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Resource availability due to the natural variation in catch rates and size mix	Ensure resource is well-managed and stable with ongoing co-operation between industry and DAFF	●
	Manage vessel catch-capacity to match available quota	◐
Equipment failure as a result of an ageing fleet	Ongoing upgrade and preventative maintenance programme in place	●
Scarcity of skills in the industry	Maintain strong long-term relationships with joint venture partners	●
	Realisation of further synergies following the consolidation of Foodcorp	◐

● Achieved ◐ In progress

BCP (South Africa)

The South African precautionary maximum catch limit (PMCL) for targeted catch of horse mackerel decreased by 8% to 38,656 tons (2015: 41,927 tons). The *Desert Diamond* did not fish in South Africa during the first six months of the financial year, as she was first deployed in Namibia for the last two months of the 2015 fishing season and thereafter underwent a planned dry-dock for her Special Class renewal survey. Following her dry-dock, she returned to South African waters to fish where catch rates have improved but continue to be sporadic. On average, the catch rates per fishing day have been above the levels experienced in 2015.

Desert Diamond sold a total of 7,149 tons of own and contracted quota in the 2016 financial year in South Africa (2015: 2,354 tons).

During the year, DAFF granted an extension to the permit conditions allowing the *Desert Diamond* to fish west of the traditional 20 degrees east latitude line. This permit effectively has given *Desert Diamond* permission to access additional areas where the horse mackerel resource may have migrated. As per 2015, the low volumes, coupled with dry-dock costs and the higher foreign-denominated costs due to the weaker exchange rate, resulted in high unrecoverable vessel costs. Consequently, the South Africa horse mackerel division showed a marginal operating loss for the year with the division achieving a profit in the second half. 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, but indications are that the resource is recovering.

ERONGO (Namibia)

The 2015 Namibian horse mackerel total allowable catch (TAC) decreased by 4% to 335,000 tons (2015: 350,000 tons). Reduced owned quota and expensive purchased quota necessitated a critical review of the commercial performance of our vessels; as a result the *Desert Rose* was sold in October 2015. The effect of the lower direct quota allocation, coupled with the increase in costs to secure contracted quota, has again put pressure on profitability during the 2016 financial year. Vessel costs per ton were higher due to higher quota fees and foreign denominated costs, as a result of the weaker exchange rate. Erongo sold a total of 57,179 tons of own and contracted quota in the 2016 financial year (2015: 80,325 tons) following the sale of the *Desert Rose*. Both of the 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 although with a smaller size mix. The horse mackerel resource in Namibia 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. During the year, overland prices in Namibian dollars were relatively unchanged; however, our transhipment markets and prices, in US dollars, were again under pressure as a result of an oversupply of fish, as well as tough trading conditions in Democratic Republic of the Congo and Mozambique. A weighted average price was however negatively impacted by the change in size mix with the favourable exchange rate partially offsetting the effect of weaker dollar prices.

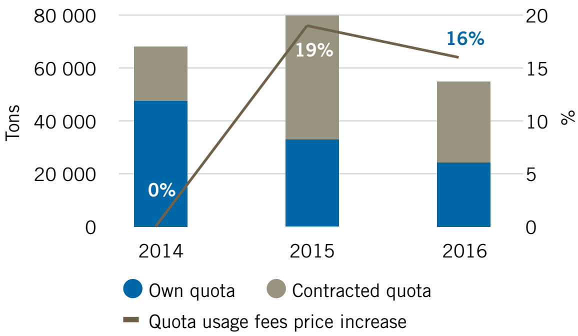
Despite weaker markets, margins in Namibia improved following the sale of excess fishing capacity and the termination of experimental fishing efforts in Angola when compared to the prior year.

Erongo continued to support the creation of land-based employment through its 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. A further initiative to align our strategic objectives with the Namibian government's objectives on adding value to horse mackerel, was the launch of the Fish-4-Business project during the year (see page 52 for details). 52

OCEANA INTERNATIONAL (OI)

OI was a joint venture between Oceana and Falcon Foods International that specialised in the procurement of primarily frozen horse mackerel and Sardinella from a variety of third-party fishing companies and sold into Angola and Cameroon. Following two difficult years for OI, as it struggled to replace the lost *Desert Diamond* horse mackerel volumes, and tough market conditions in Angola, a decision was made between the joint venture partners to close the distribution channels in both Angola and Cameroon, following which OI filed for voluntary dissolution.

HORSE MACKEREL IN NAMIBIA QUOTA AND QUOTA USAGE FEE PRICE

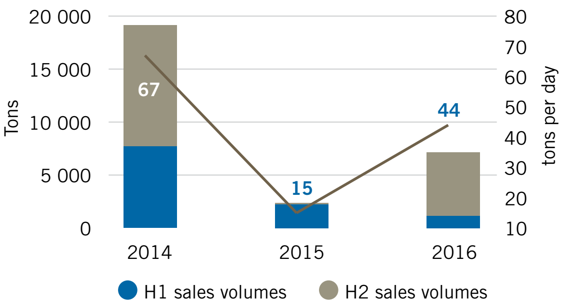


* *2015 and 2016 are calculated as percentage of 2014, using 2014 as the base year*

BLUE CONTINENT PRODUCTS

AN OCEANA GROUP COMPANY

HORSE MACKEREL SOUTH AFRICA SALES VOLUMES AND CATCH RATES



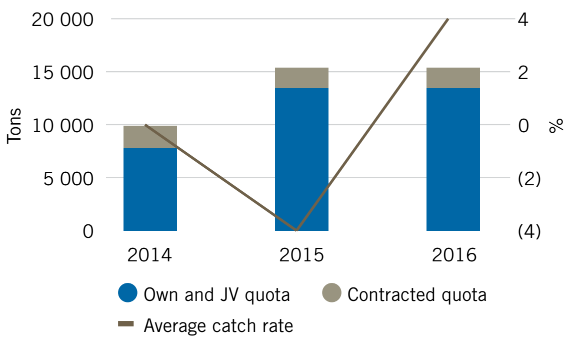
HAKE

Oceana's hake business is conducted through Blue Continent Products (BCP) and Amawandle Hake. The 2016 hake TAC remained unchanged at 123,020 tons from prior year. Turnover and sales volumes were above prior year due to the additional Amawandle Hake volumes (following the Foodcorp acquisition), specifically from the *Beatrice Marine* vessel, which has significantly contributed to the growth of our sea-frozen headed and gutted (H&G) volumes. All hake and by-catch caught on the deep sea trawlers are frozen at sea, improving freshness and quality and increasing the added value.

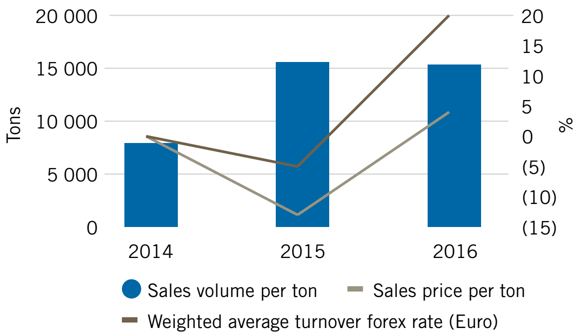
During the year, the *Maria Marine*, a wet-fish deep-sea trawler, was sold as the group looked to focus its hake strategy on sea frozen H&G product. The *Isabella Marine*, the other wet-fish deep-sea trawler purchased in the Foodcorp acquisition, still provides a small diversification of product offering to our customers. This year we continued to extract synergies from the consolidation of the BCP and Amawandle Hake operations; we believe that further synergies can still follow.

The *Compass Challenger* again assisted DAFF with three surveys during the financial year: the Pelagic Biomass Survey in November, the West Coast Hake Biomass Summer Survey in late February and early March, and the South Coast Hake Biomass Autumn Survey in May. The South African hake fishery again received its accreditation in compliance with the Marine Stewardship Council's (MSC) 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.

HAKE QUOTA, VESSELS AND CATCH RATES*



HAKE SALES VOLUME AND PRICES*



* *2015 and 2016 are calculated as percentage of 2014, using 2014 as the base year*

Key focus areas 2017:

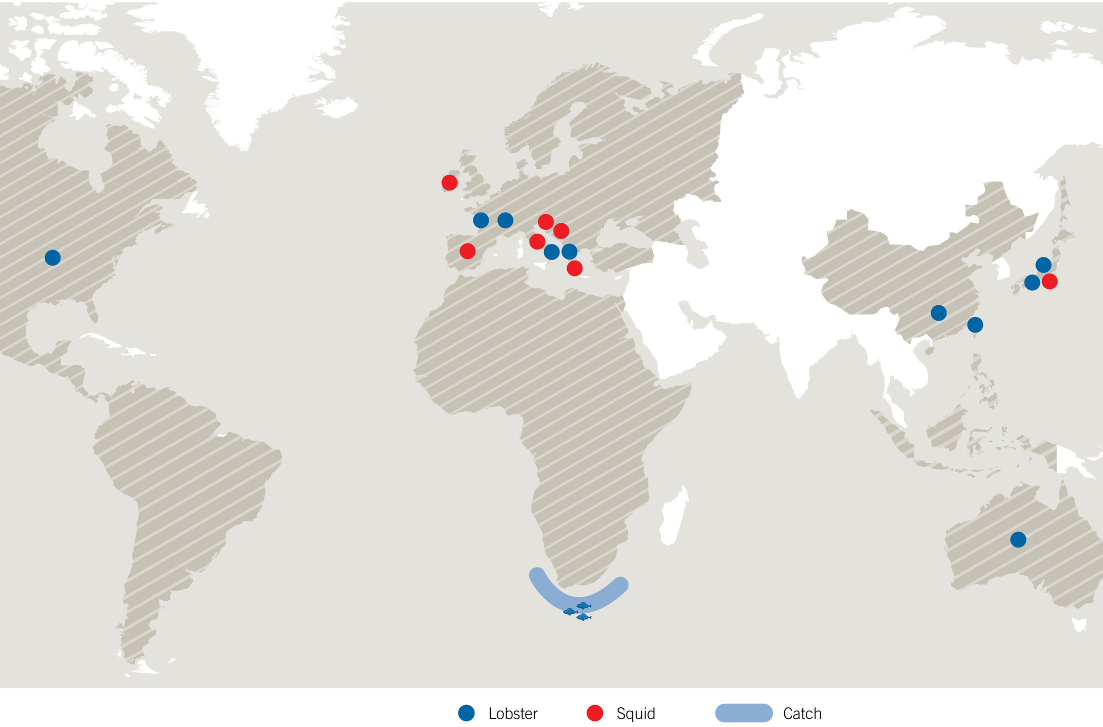
Horse mackerel

- Secure long-term rights in South Africa.
- Secure Namibian quota to match vessel capacity at an acceptable margin.
- Consolidation of Oceana's presence in Namibia.

Hake

- Vessel upgrade program (i.e. *Beatrice Marine* factory upgrade).
- Further extraction of Amawandle Hake synergies (i.e. Quay side consolidation).

OCEANA LOBSTER AND SQUID



SOUTH AFRICA

13.7%

West Coast rock lobster share of the TAC*

(2015: 13.2%)

4.2%

South Coast rock lobster share of the TAC

(2015: 4.2%)

4.2%

Squid share of the TAE

(2015: 4.3%)

LOBSTER MARKETS

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

SQUID MARKETS

Croatia, Greece, Ireland, Italy, Japan, Slovenia and Spain

9

West Coast lobster vessels wholly owned, co-owned

1

South Coast lobster vessel co-owned, JVs

4

Lobster facilities

5

Squid freezer vessels

* *Owned directly and through JVs*

OCEANA LOBSTER
AN OCEANA GROUP COMPANY

CALAMARI FISHING
AN OCEANA GROUP COMPANY

REVENUE

R373,8m

(2015: R412,1 million)

OPERATING PROFIT

before other operating items

R30,9m

(2015: R46,6 million)

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

OCEANA LOBSTER AND SQUID

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Lobster resource availability	Support research and engage actively with DAFF, industry associations and working groups	In progress
	Focus on own vessel operations compliance (training of crew together with monitoring and security on board vessels)	Achieved and ongoing
Rights renewal	Remain focussed on compliance with qualifying criteria for rights renewal	In progress
	Continue to engage with DAFF on our intent, interest and proposal to develop a partnership with the new WCRL sector (yet to be implemented) being the Small Scale Fishery	In progress
Extended period of cyclicality affecting availability of the squid resources	Accommodate seasonality and rebuilding of the resource with the continued implementation of a three-month additional closed period, with the support of the scientific working group comprising of DAFF and industry	Achieved

Achieved · In progress · Achieved and ongoing

LOBSTER

The total allowable catch (TAC) for WCRL was increased by 6.8% for the 2015/2016 season to 1,924 tons (2015: 1,801 tons). Oceana Lobster's share of 264 tons, coupled with contracted quota of 195 tons, resulted in a potential of 459 tons of raw material volumes being handled through the business. This was 2.3% improvement on prior year, as a direct result of the TAC increase.

Oceana Lobster landed its full allocation of South Coast rock lobster. However, the WCRL business experienced lower catch rates and a lower live mix due to poorer fish quality, resulting in 76% of Oceana's lobster quota being landed for the period under review. This is consistent with fishing conditions experienced by the industry. Due to this, the business showed a decline in profitability. Overall volumes through the business decreased by 25% compared to the prior year.

The demand for live lobster remained steady. We remain focussed to produce a higher live mix for our export markets. The sustainability objective to rebuild the West Coast rock lobster biomass to 2006 levels by 2021 remains firmly in place. Draft "red" listing status was announced by WWF – SASSI in the 2016 financial year, with a potential of permanent status listing if the resource is not rebuilt.

We continue to await the fishing rights application process outcome on lobster allocations and an exemption period was granted until September 2016.

The 10-year long-term rights issued in 2005 expired in June 2015. We continue to operate in terms of an exemption to catch WCRL and DAFF has announced a 3% TAC reduction for the 2016/17 commercial WCRL sector.

SQUID

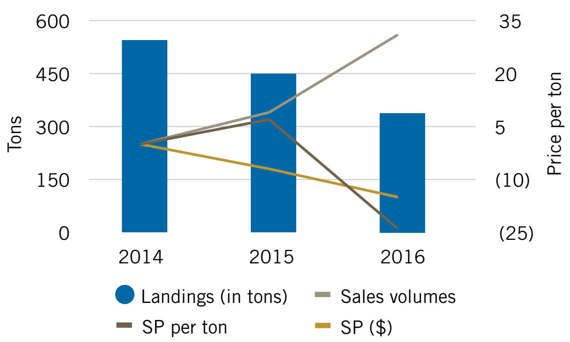
The squid business reported a second consecutive year of positive results, which was due to good landings and a weaker exchange rate. The reduced fixed cost structure is enabling the business to remain profitable on a sustainable basis.

The fishing resource remains stable, evident during the squid peak fishing season, and point to satisfactory catch expectations for the upcoming peak season (December 2016 to March 2017).

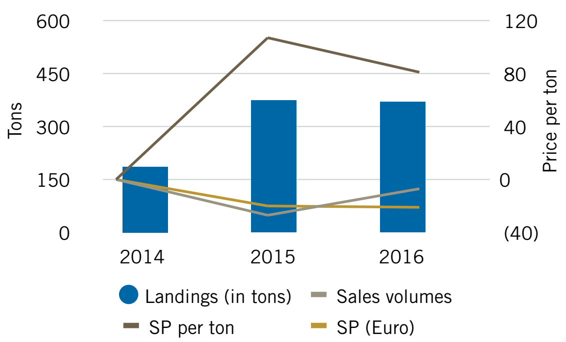
FRENCH FRIES

The French fries' business remained profitable for the year. On 26 May 2016 the group announced the sale of the business to Famous Brands Limited, which was subject to Competition Commission approval. Approval was obtained in July 2016 and the business was effectively sold on 1 August 2016.

LOBSTER



SQUID



Key focus areas 2017:

- Renew WCRL's off-shore long-term rights.
- Securing additional contracted quota through joint venture investment within the new small-scale fishing sector planned implementation from the 2016/2017 fishing season.

OCEANA LOBSTER
AN OCEANA GROUP COMPANY

CALAMARI FISHING
AN OCEANA GROUP COMPANY

CCS LOGISTICS

Cold Storage

659,000
pallets handled

125,000
storage pallets per week

South Africa, Namibia, Angola

9
cold store facilities in South Africa

1
cold store facility in Namibia

1
cold store facility in Angola

CCS
LOGISTICS
AN OCEANA GROUP COMPANY

REVENUE

R436,3m

(2015: R458,6 million)

OPERATING PROFIT

before other operating items

R132,5m

(2015: R117,5 million)

PRODUCTS/SERVICES

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

CCS LOGISTICS

Material risks affecting value: 2016	Strategic focus areas for the year	Outcome
Possible decline in food consumption and production in South Africa impacting occupancy	Improve annuity certainty by increasing fixed-space, long-term contracts	◐
Loss of customers due to competitors offering better range of services	Align to key customer supply chain service requirements	◐
	Expand the route-to-market footprint in South Africa and Africa to cater for customer requirements	◐
	Continue focus on differentiating into additional logistics service offerings	◐
Lease cost vs occupancy level risk and security of lease tenure	Mitigate lease costs and potential lease renewal risks by early engagement with landlords. Rental review negotiations are continuous	◐

● Achieved ◐ In progress

EFFICIENTLY UTILISING ALL AVAILABLE FROZEN CAPACITY

The high demand for storage space in 2015 continued into the 2016 financial year, with occupancy levels increasing on average from 88% in 2015 to 95% this year. Across the company, pallets stored per week increased by 13% from 111,000 pallets to 125,000.

The two Midrand facilities that opened in the 2015 financial year performed well based on healthy demand from dairy and poultry manufacturers. The City Deep facility underwent extensive upgrades to the freezer rooms and blast freezers. Additional demand for storage of frozen imported fish, as well as good local hake catches, had a positive impact on storage occupancy and throughput at all five facilities in Cape Town necessitating the conversion of 6,000 pallets of ambient space to frozen at the Paarden Eiland facility.

Our facility in Luanda, Angola welcomed its first customers in December 2015 and the two frozen chambers remained fully occupied. The third chamber, converted from ambient to frozen in June 2016, also reached full occupancy. Our Walvis Bay facility is well positioned within the Walvis Bay harbour, continued to experience high occupancy levels.

We sold two specialised fruit facilities (Maydon Wharf and Maydon Wharf Fruit Terminal, both in Durban port) to focus our efforts on core activities. Excluding the effect of the sold fruit business, CCS managed to maintain its cost base while storing and handling significantly more volumes, resulting in a 13% increase in profits year-on-year. CCS Bayhead facility saw a turnaround in performance and profitability after some years of poor results. This was supported by an increase in imported poultry through Durban, which positively affected the results of the remaining Durban facility. The relatively new transport services business doubled its profits in 2016, partly through the introduction of an additional service platform being launched.

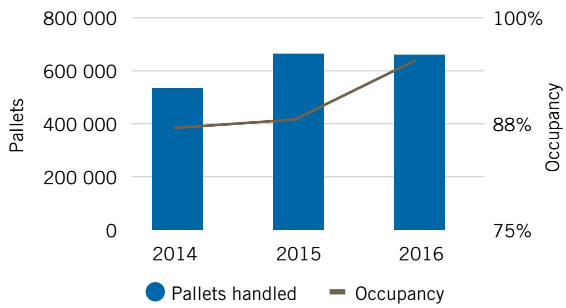
Operating margins were maintained, but remained under pressure due to lower margins in the new leased facilities in Midrand. The impact of lower margins was offset by achieving consistently high storage occupancy throughout the year, as well as delivering on our cost-reduction initiatives. Additional customer services and revenue streams introduced during the 2015 financial year performed well with transport revenue accounting 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

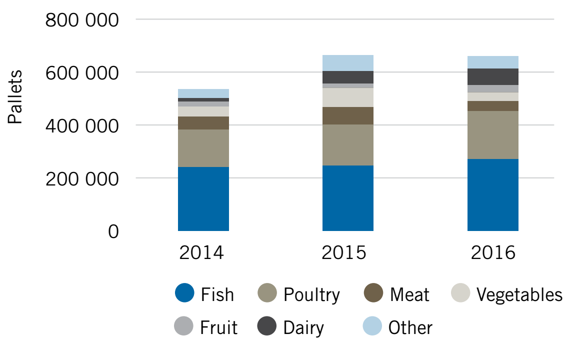
We continue to ensure good management of overheads. The increased electricity tariffs were partly offset by our focus on efficiencies. No significant health, safety or product quality incidents were experienced during the year, and we exceeded benchmarks for risk audits at all facilities. To further 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, guaranteed 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.

PALLETS AND OCCUPANCY



PRODUCT HANDLED PER CATEGORY



Key focus areas 2017:

- Explore viable expansion opportunities in South Africa and the rest of the African continent.
- Focus on cost efficiency while maintaining high occupancy levels.

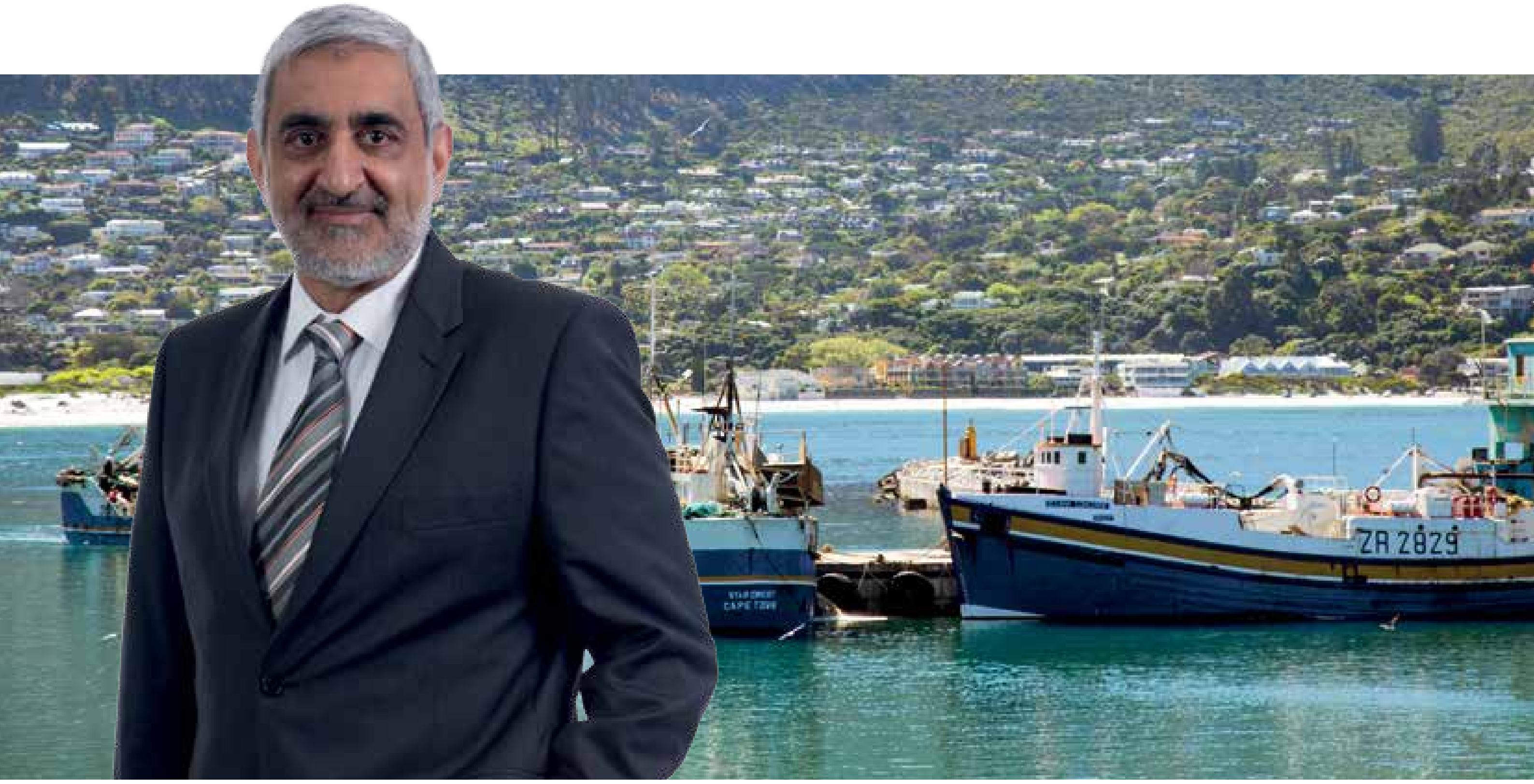
CCS
LOGISTICS
AN OCEANA GROUP COMPANY


PAULS


VEGKOP
CAPE TOWN

Governance

CHAIRMAN'S STATEMENT



Chairman I MUSTAQ AHMED BREY

Oceana's success in its overseas investment, an area where so many South African companies have failed, reflects the quality and experience of the management team.

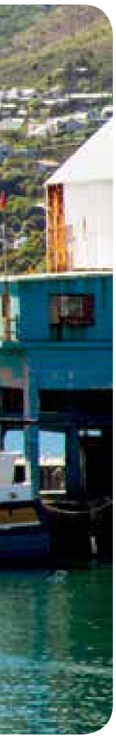
A YEAR OF INTEGRATION AND JOB CREATION

Investing in Daybrook was a big move for Oceana, and one that has proven a great success. In 2015 we took on debt and raised money from shareholders for the transaction in the US.

I am pleased to see that the performance has been in line with management projections, and in some cases has been exceeded. The conversion of revenue numbers back into South African rands has seen these substantial gains being brought back home. Oceana's success in its overseas investment, an area where so many South African companies have failed, reflects the quality and experience of the management team. When visiting Daybrook's facilities this year, I saw first-hand how well the integration has progressed.

Despite the challenging operating environment that Oceana has faced in Africa, it has maintained a strong commitment to job creation. Following its acquisition of both Lusitania and Foodcorp over the last two years, the company maintained a strong focus on ensuring the effective integration of the new workforce. Oceana now employs close to 6 000 people. Oceana's frozen fish strategy, and the resulting significant increase in local canning, has substantially increased local employment opportunities in South Africa and Namibia. By bringing in frozen pilchards for canning in local facilities, instead of purchasing canned product from overseas, Oceana has increased the number of working days from the guaranteed two days' pay to up to five days a week. We have also seen important indirect benefits: fish offcuts are being used to produce fishmeal, there has been increased demand for local canning supplies, and increased use of local storage facilities and transport services. Up to 20-30 trucks a day may be needed to deliver fish to its facilities.

Job security was also top of mind in the sale of the French fries unit this year. In executing the sale, Oceana insisted on choosing the right buyer to secure the existing jobs, and ensure continued production and support for the local economy in Lambert's Bay. It is clear that through these activities, Oceana has been growing the pie for everyone.



Oceana has not only created a lot of value for its shareholders, but it is now ranked as one of the top 10 seafood companies in the world.

STRONG PERFORMANCE OVER THE YEARS

The board and Oceana shareholders are pleased with the company's performance. We have been invested in Oceana for more than 20 years during which time Oceana has created significant value for its shareholders. The market capitalisation in 1995 was R260 million, while today the current market cap is in excess of R15 billion. In 1995 the share price was around R2.60 a share, and now the current dividend is around R4.00 per share, representing phenomenal returns. Oceana has not only created a lot of value for its shareholders, but it is now ranked as one of the top 10 seafood companies in the world by market capitalisation, revenue growth, share price performance, EBITDA and mid-cycle return on invested capital. It is also ranked as one of the most empowered companies in South Africa based on current transformation criteria.

> It is also ranked as one of the most empowered companies in South Africa based on current transformation criteria.

ENGAGEMENT AND BUILDING A COMMON VISION

Oceana's engagement with key government departments in South Africa has continued to improve. The real challenge remains for all these stakeholders to develop common objectives for the country on issues such as food security, job creation, quota allocation and so forth. If we work towards a common vision amongst management, staff, regulators and trade unions, the outcome will be better for us all. Multiple challenges at a country level require multiple stakeholders to tackle these issues simultaneously.

The work that Oceana has done in Namibia in canning horse mackerel and diverting products to communities in need, is something that has never previously been done. Oceana's canned product is sold to the Namibian market and now provides an affordable and healthy protein source for poverty stricken areas impacted by the drought. This is a good example of how solutions emerge when multiple parties come together on food security concerns. Lucky Star products remain amongst the cheapest proteins per rand, and have become a major source for school feeding schemes and charities in South Africa and Namibia.

In South Africa when DAFF faced problems with its research vessel not being fit for sea, Oceana made the *Compass Challenger* available to support scientific studies, despite the vessel being needed to catch hake. Oceana supported the government on their research and rescheduled harvesting to the next calendar year.

PROMOTING GOOD GOVERNANCE

Ensuring a strong focus on compliance and good governance remains a critical value driver for the

organisation. The commercial fishing industry is a highly regulated sector and access to fishing quota is managed through a very competitive application process. As we get closer to the reallocation of quotas an area everyone needs to be cognisant of is that if quotas are substantially reduced it will have a major impact on employment. More than 2 700 of Oceana's staff are shareholders in the company so they have a financial interest as well. We need to ensure that their investments remain secure.

The delivery of transformation in South Africa and localisation in Namibia remains a top strategic imperative for the group. 2015 was the first year Oceana was rated against the scorecard of the new B-BBEE code and this year was more about clarification and application to the business. Quarterly transformation meetings with the managing directors of the Divisions ensure that everyone plays their part. Oceana is also in the process of reviewing the NEEEF to ensure compliance once it has been gazetted in Namibia.

I welcome the Draft King IV Report on Corporate Governance for South Africa 2016. Although King IV does not represent a significant departure from the philosophical underpinnings of King III, there has been a useful refining of concepts and aligning the principles of good corporate governance with international best practice. Oceana's governance systems are robust and adaptable to ensure adherence to the King IV principles. In the meantime we will continue to be transparent and accountable in line with the expectations of King III. Our integrated report this year seeks to provide a more concise account of the group's business model and value drivers, our strategic approach to addressing key risks and opportunities, and our performance in delivering on our commitment to shared value. It also continues to provide assurance about the application of good governance principles but in a more succinct format.

The delivery of transformation in South Africa and localisation in Namibia remains a top strategic imperative for the group.

LOOKING TO THE FUTURE

In the immediate future an important focus at Oceana will be on consolidation, and ensuring the complete integration of Daybrook. The group has had many acquisitions and the balance sheet has debt. While Oceana is certainly not over-indebted, there is a need to consolidate the business, pay down the debt and continue to maximise the value from these acquisitions. The successful implementation of the ERP system will go a long way in supporting management in this process.

Oceana has made some progress with its Africa strategy, with its new fishmeal plant and cold store in Angola. Continuing work is being taken in extending the market for Lucky Star products into Africa, which remains a challenge going forward. Eastern Kenya and western Nigeria remain important testing markets.

Another area where Oceana can play a significant role as a larger player in the industry is to extend support to the small-scale fishers and work with them to maintain a sustainable fishing industry. We have seen the impacts of irresponsible fishing practice with abalone in South Africa, and we do not want the same to happen to other species. We should take this as a lesson and be better prepared, such as in the case of the potential red listing of WCRL. Oceana will actively engage in the fisheries conservation process to ensure that the resource gets the attention it deserves. As one of the largest quota holders in South Africa, Oceana has an important role to play in securing the future sustainability of its natural resources.

APPRECIATION

I wish to thank the Oceana board of directors and executive team for their diligence, commitment and expertise in delivering on their fiduciary responsibilities and ensuring good governance across the group. We have a very good team of independent directors with vast expertise, including in international interactions. This was particularly evident during Oceana's investment into Daybrook and I must compliment my colleagues on the Board for their guidance.

On the executive side I would like to thank the management team under the leadership of Francois Kuttel and Imraan Soomra for their role in the successful execution of the Daybrook transaction. This was a giant leap for the company and the way in which they conducted the interaction was superb. The journey is not complete, but the fact that they communicate successfully between South Africa and the US, while ensuring smooth running of the local operations, is a reflection of their expertise and strong commitment to their home-base. From an operational point of view the implementation of the ERP system and the impact on staff and change management has taken significant hard work on behalf of the management and the team.

A number of local awards also attest to how successful this year has been. Lucky Star achieved the top five rating in the overall favourite brand category in the *Sunday Times* TNS Top Brands survey and Oceana received EY's Excellence in Integrated Reporting Award 2016, coming second place in a survey of the top 100 JSE-listed companies. These are great acknowledgments for Oceana. These things don't just happen – Oceana has had to work hard to get there.

One of Oceana's executive directors, Alethea Conrad, retired this year. She worked for Oceana for many years and was heavily involved in the previous rounds of quota allocation. I would like to thank her for her contribution to the group's efforts in achieving its core purpose. We welcome the appointment of a new member to the Board, Lawrence Mac Dougall, CEO of Tiger Brands, Oceana's biggest Shareholder.

I would also like to extend particular thanks to Takula Jenkins Tapela who also retired from the board of directors and has done a sterling job over the years. I wish him well in his retirement. He has been replaced by Brimstone's new executive financial director Geoff Fortuin. As a non-executive director to Oceana's Board he brings new skills, knowledge and experience and I am confident this will have a positive impact on strategy development and oversight going forward.

Mustaq Brey
Chairman
4 December 2016

OUR LEADERSHIP

DIRECTORATE

1 Mustaq Ahmed Brey† (62) ●

Chairman, non-executive director

CA(SA)

Appointed to the Board in 1995

Mustaq qualified as a Chartered Accountant in 1978 and started his own practice, M Brey & Associates, which became the largest black auditing practice in the country and later merged with Ernst & Young. He serves on a number of listed and unlisted companies' boards and on several Audit Committees. Mustaq is active in his community and has set up various community development structures.

2 Francois Paul Kuttel°#•⊘ (48) ●

Chief executive officer

BAA (University of San Diego)

Appointed to the Board in 2009

On graduation, Francois joined his family's US-based fishing operations. He returned to South Africa in 1995 as Managing Director of Namibian Sea Products. He was chief executive officer of I&J for three years prior to being appointed to the Oceana Board as Chief Executive Officer in 2009.

3 Imraan Soomra°#⊘ (41) ●

Group financial director

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

Appointed to the Board in 2013

Imraan is an experienced Chartered Accountant who has worked in a diverse set of industries during the course of his career. He held the position of financial director of Netcare Limited's Hospital Division from 2010 to 2013 and was previously with MultiChoice from 2003 until 2010, as Head of Channels at SuperSport International as well as Director of M-Net and SuperSport.

● Executive directors

● Non-executive director

4 Saamsoodein Pather*†⊘ (66) ●

Audit committee and DGC chairman, Remcom chair in respect of nomination matters, Lead independent director

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

Appointed to the Board in 1996

Since graduating from the University of Cape Town in 1973, Shams has been actively involved in investment management, which has included senior executive functions at Colonial Mutual Assurance Company, Southern Life and Real Africa Holdings. He is currently a Chairman of Coronation Fund Managers and Director of KTH Holdings (Pty) Ltd.

5 Zarina Bibi Mahomed Bassa*#⊘ (52) ●

Risk committee chairperson, independent non-executive director

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

Appointed to the Board in 2011

Zarina sits on several boards, including Kumba Iron Ore, Vodacom South Africa, Sun International, Investec, the financial services board and Woolworths Holdings. Zarina was Executive Director responsible for private banking at Absa and was a Partner at Ernst & Young prior to that. Zarina was named Top Woman in Business at the Top Women in Business and Government awards in 2007 and Top Business Personality in Financial Services: Banking in 2008.

* Audit committee
\# Risk committee
† Remuneration and nominations committee
° Executive director
• Social, ethics and transformation committee
⊘ Daybrook Governance committee (DGC)

6 Noel Patrick Doyle[#⊘] (50)

Non-executive director

FCS, CA(SA)

Appointed to the Board in 2013

Noel qualified as an Accountant in Ireland in 1988 before joining Pricewaterhouse in Johannesburg in 1989, where he worked for six years. In 1995, he joined Southern Sun in a financial role and when he left Southern Sun in 1998 to join Tiger Brands he was corporate financial services director. He was appointed to the Tiger Board in 2006 as chief financial officer. Noel left Tiger Brands in 2008. After serving as chief executive officer of diversified Motor Group Bluespec Holdings for a year, Noel joined Nando's as chief executive officer of the Southern African business in 2009. He re-joined Tiger Brands in July 2012 as Business Executive responsible for the grains portfolio. Noel was appointed chief financial officer of Tiger Brands as from 1 August 2016.

7 Peter Gerard de Beyer[*†⊘] (61)

Remcom chairman, independent non-executive director

BBusSc (Cape Town), FASSA

Appointed to the Board in 2008

Director of Companies

Peter joined Old Mutual in 1978, was appointed Deputy Managing Director of Old Mutual Life Assurance Company (South Africa) in 2000, and retired in November 2008. He sits on a number of boards, including Real People Investment Holdings and certain Old Mutual Group subsidiary companies. Peter is a Fellow of the Actuarial Society of South Africa.

8 Geoffrey George Fortuin[•#] (49)

Non-executive director

BCom (Acc) Cum Laude, BCom (Acc) (Hons) (UWC), CA(SA)

Appointed to the Board in 2016

Geoff is a chartered accountant and was a Partner at Deloitte & Touche for 15 years, during which time he was responsible for the audit of a number of South African listed companies. He was also a member of the Deloitte South Africa Board. Geoff is currently the financial director of Brimstone Investment Corporation Limited and serves on the Board of Quantum Foods Holdings Limited. He was appointed to the Board on 12 May 2016.

9 Nomahlubi Victoria Simamane[•†⊘] (57)

SETCOM chairperson, independent non-executive director

BSc (Hons): UBS – Botswana

Appointed to the Board in 2009

Nomahlubi graduated as a biochemist and worked for Unilever for 12 years and for British American Tobacco as Marketing Director for five years. In 1999 she was appointed Managing Director of BLGK Bates. Nomahlubi sits on several boards including JSE-listed Cashbuild and Foschini Group. She was the 2009 winner of the Top Businesswoman of the Year Award in the National Business Awards run by Topco Media and named the Businesswoman of the Year at the 2009 Black Business Awards run by BBQ.

10 Lawrence Charles Mac Dougall[†] (59)

Non-executive director

Appointed to the Board in 2016

Lawrence was appointed as a Non-Executive Director on 13 July 2016. He is currently the Chief Executive Officer of Tiger Brands Limited since his appointment in March 2016. Prior to joining Tiger Brands, Lawrence served as the President of Eastern Europe, Middle East & Africa at Mondelez International, from November 2012 to March 2016 after his role as the executive vice president. Lawrence has held numerous leadership positions in the FMCG Industry and brings with him a wealth of experience.

11 Peter Bambatha Matlare[†] (57)

Independent non-executive director

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

Appointed to the Board in 2008

Peter's career spans executive positions with the Urban Foundation, Citibank, the Chamber of Mines, the Primedia Group, the South African Broadcasting Corporation, and the Vodacom Group. He is a past chairman of the National Association of Broadcasters,
a director of the Association of Advertisers, and a founding director of the National Electronic Media Institute of South Africa.
Most recently, Peter was the chief executive officer of Tiger Brands. Peter was appointed deputy chief executive officer for the Barclays Africa business outside of South Africa as from 1 August 2016.

OUR LEADERSHIP

EXECUTIVE COMMITTEE

OCEANA GROUP LIMITED

Francois Paul Kuttel

Imraan Soomra

Nomaxabiso Norma Teyise

AFRICA OPERATIONS

Derrick Bonga Mavume

Lourens de Waal

Suleiman Salie

Neville Donovan Brink

Jayesh Jaga

Naudé Rademan

USA OPERATIONS

Gavin Andrew Rhodes-Harrison

OCEANA GROUP LIMITED

Francois Paul Kuttel°#●△□⊘ (48)

Chief executive officer

BAA (University of San Diego)

Number of years' service – 7

On graduation, Francois joined his family's US-based fishing operations. He returned to South Africa in 1995 as Managing Director of Namibian Sea Products. He was Chief Executive Officer of I&J for three years prior to being appointed to the Oceana Board as Chief Executive Officer in 2009.

Imraan Soomra°#△□⊘ (41)

Group financial director

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

Number of years' service – 4

Imraan is an experienced Chartered Accountant who has worked in a diverse set of industries during the course of his career. He held the position of Financial Director of Netcare Limited's Hospital Division from 2010 to 2013 and was previously with MultiChoice from 2003 until 2010, as Head of Channels at SuperSport International as well as Director of M-Net and SuperSport.

Nomaxabiso Norma Teyise (37)

Group human resources executive

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

Number of years' service – 1

Nomaxabiso graduated with a postgraduate degree in Industrial and Organisational Psychology from the Nelson Mandela Metropolitan University in 1999. She has worked both as an HR generalist and specialist in the banking sector since the year 2000. The companies she has worked for include Standard Bank, Deutsche Bank and Nedbank.

AFRICA OPERATIONS

Derrick Bonga Mavume (42)

Managing executive of Africa operations

BSc (Hons) University of Fort Hare; MBA University of Stellenbosch

Number of years' service – less than 1 year

Bonga brings a wealth of experience to his new role as Oceana Group's Managing Executive of Africa Operations, having previously held key positions in a number of other leading South African companies including; Director of Business Development at RCL Foods, Managing Director of Foodcorp Sunbake Bakeries and Agricultural Director at Rainbow Chicken.

Bonga Mavume graduated from Fort Hare University in 1997 with honours in a Bachelor of Science in Agriculture before completing a MBA at the University of Stellenbosch.

Lourens de Waal (50)

Managing director of Lucky Star Marketing and Sales

HND in Cost & Management Accounting (CapeTech)

Number of years' service – 4

Lourens worked for I&J from 1994 to 2000 as the administration manager and then national and export distribution manager. He joined Vector in 2000, holding the position of general manager for sales and distribution while it was part of the I&J business and was then appointed as customer and supply chain Director at Vector Logistics in 2007. Lourens attended the Executive Development Programme of UCT and Michigan University and is a member of several international industry bodies. He joined Oceana on 1 December 2011.

Suleiman Salie (49)

Managing director of Lucky Star Operations

BSc Mech Eng (Cape Town)

Number of years' service – 6

Suleiman graduated in 1989 and joined I&J in 1990 as a graduate engineer. After progressing into management positions in the engineering and production disciplines of I&J's processing plants, he was appointed operations director in 2004. In this position, which he held until 2010, he provided strategic leadership to I&J's fishing operations. He represents Oceana on a number of fishing industry associations.

Neville Donovan Brink (56)

Managing director of Blue Continent Products

Number of years' service – 20

Neville obtained his marketing qualifications with the Institute of Marketing Management in Johannesburg. He worked in various marketing and sales positions at Adcock Ingram, before moving to Federal Marine, and then Oceana as marketing director of the Oceana Fishing Division. Neville was appointed managing director of Oceana Lobster, Calamari Fishing and Lambert's Bay Foods in 2005 and assumed the position of managing director of Blue Continent Products from 1 February 2011.

Jayesh Jaga (46)

Managing director of Oceana Lobster and Squid

BA (Law) LLB (UWC)

Number of years' service – 14

Jayesh has been employed within the Oceana Group for the past 14 years and has held various managerial positions, namely that of commercial manager for BCP, commercial director for Lobster, Squid, Fries, and International New Business Manager for Lucky Star and for Oceana as Group Compliance and Risk Manager. He has experience and knowledge in the fishing industry through his portfolios in commercial, legal, new business development, compliance, and risk.

Naudé Rademan (38)

Managing director of CCS Logistics

BCom (Stellenbosch University)

Number of years' service – 2

Naudé has been working in the Logistics and Supply Chain industry for the last 12 years, he was previously the general manager of Value Logistics, responsible for the Western Cape and Namibian operations. Prior to this, he was the general manager at Vector Logistics, responsible for the Western Cape, Eastern Cape and Namibian operations, a position he held for five years. He holds an Economic and Logistics Degree from the University of Stellenbosch. He joined Oceana on 3 November 2014.

USA OPERATIONS

Gavin Andrew Rhodes-Harrison (63)

President of Daybrook Fisheries

BSc Bldg Mgmt (UND)

Number of years' service – 17

On graduation, Gavin held various managerial and senior leadership positions in project management, specialised engineering and construction and general management. Gavin joined the Oceana Fishing Division in 1999 and was appointed managing director of Oceana Operations in 2002 and of Lucky Star in 2005. Gavin was appointed as the President of Daybrook in February 2016.

CORPORATE GOVERNANCE

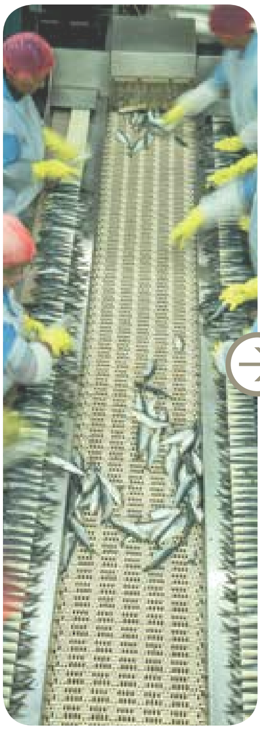
Good corporate governance is a keystone of Oceana's operations and workplace culture. Oceana's Board remain committed to the principles of accountability, fairness and transparency. This section of the report explains the Board's approach to governance as well as the structures, framework, policies and 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



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.

Code of business conduct and ethics

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.

Conflict of interest

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.

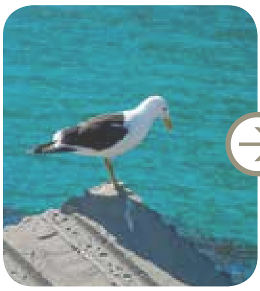
Whistleblowers

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.

Policy on trading in company securities

The company has a policy on trading in company securities. Directors and employees are prohibited from trading in company securities during closed periods.

STRATEGIC OVERSIGHT



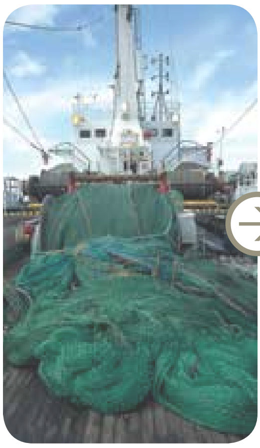
- The Board oversees the strategic direction of the company considering the company's strengths, weaknesses, risks and opportunities.
- The Board appreciates that strategy, risk, performance and sustainability are inseparable.
- Annual strategic plans are compiled and formally approved at both group 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 by management.

REINFORCING A RISK CULTURE

- 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.

PRINCIPLE	ACTION

STEWARDSHIP

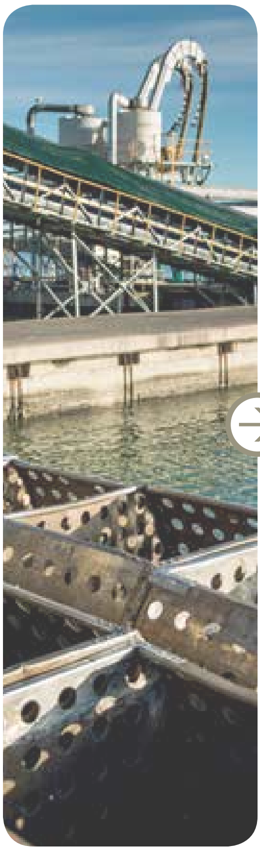


- The Board and management understand their respective roles and responsibilities as stewards of Oceana and Oceana's impact on the environments in which it operates.
- A disciplined reporting structure ensures that the Board remains fully appraised of the activities of its subsidiaries as well as the risks and opportunities within its operating environment. All controlled entities in the group are required to subscribe to the relevant principles of the King code.
- The Board reviews and approves its authorities framework annually, which provides a clear and transparent delegation of authority across the group.
- The Board ensures comprehensive management disciplines are in place. These include the annual preparation of budgets.
- The Board has reviewed, confirmed and approved the AFS and the information contained in this integrated report.

ACCOUNTABILITY

The Board and management communicate with Oceana's various stakeholders in an appropriate and timeous manner.

ADHERING TO KING III



The directors are satisfied that the group has substantially complied with the principles and spirit of King III and going forward will ensure that it substantially complies with the requirements of King IV. The group has elected not to apply the following recommendations contained in King III:

- The chairman of the Board, while being a non-executive director, is not independent in terms of the King III definition. Oceana has a unitary Board structure and the offices of chairperson and chief executive officer are separate, with segregated duties. 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 satisfy 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.
- The company has a combined Remuneration and Nominations Committee (Remcom). In accordance with a dispensation granted by the JSE to the company, the remuneration section of the Remcom is chaired by PG de Beyer, being an independent non-executive director, and the nominations section of the Remcom is chaired by S Pather, being the lead independent director.
- The company has amended its Remcom work plan so that the lead independent director is the chair for nomination matters.
- 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 contributed to matters to be considered at meetings.
- An initial assessment of the requirements of King IV has been done to adequately prepare the group for the implementation thereof.

PRINCIPLE	ACTION

COMPLIANCE WITH LAWS AND REGULATIONS

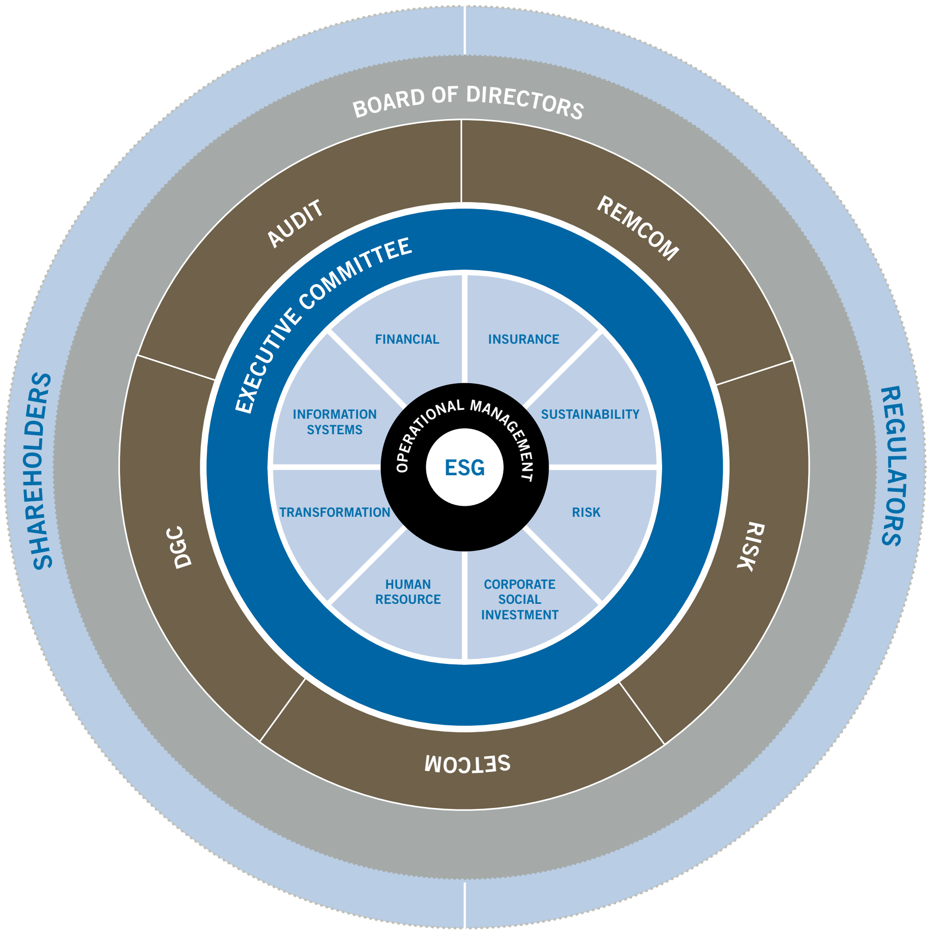
- The company remains committed to ensuring compliance with all laws and regulations.
- The compliance portfolio is managed by the group company secretary. The Board receives a quarterly compliance report, which includes briefings on changes in policy.
- The company incurred minor regulatory penalties in respect of tax, custom and excise matters which were paid during the year.

COMPLIANCE WITH JSE AND NSX LISTINGS REQUIREMENTS

The company has fully complied with the requirements of the JSE and the NSX.

The JSE, as part of its proactive monitoring of financial statements, addressed a list of questions to the company, which the company duly answered and addressed, as relevant, following which the matter was closed.

GOVERNANCE STRUCTURE



BOARD CHARTER

The Board has a formal charter setting out, among other things, 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

82

Details on the composition of the Board can be found on pages 82 and 83.

The Board currently has 11 members, two of whom are executive directors. Of the nine non-executives, five are independent. The Board is comfortable with the conclusion of the Remcom, that as nine 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 place with a policy that details 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. Directors 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 Remcom. 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. 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. An independent third party assisted with the formal evaluation. The evaluation process included an appraisal of the chairman 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 chairman 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, that Oceana's five 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 group company secretary is available to assist the directors should they request or 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.

ABA Conrad and TJ Tapela resigned from the Board during the year. LC Mac Dougall and GG Fortuin were appointed as directors during the year.

BOARD COMMITTEES

Audit committee

Charter and responsibilities – the audit committee's charter 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*); PG de Beyer; ZBM Bassa

The committee comprises solely independent non-executive directors.

Committee's activities – One of the tasks of 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 is satisfied that an appropriate information technology governance framework exists and is functioning effectively. The committee met twice during the year.

Nominations committee (Remcom)

Charter and responsibilities – The Remcom's charter 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 – PG de Beyer (*chairman*); MA Brey; LC Mac Dougall; PB Matlare; S Pather; NV Simamane

Remcom comprises six non-executive directors, four of whom are independent. Both the chairman of the Board and the lead independent director are members of the Remcom.

The Remcom is chaired by PG de Beyer and S Pather, lead independent non-executive directors, chairs the Committee for any nomination matters to be dealt with.

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's charter 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 – ZBM Bassa (*chairman*); I Soomra; FP Kuttel; NP Doyle; GG Fortuin

92

Committee's activities – Please refer to the risk management section on page 92 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 – The SETCOM's charter 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 – NV Simamane (*chairman*); FP Kuttel; GG Fortuin

The committee comprises one non-executive director, one executive director and one independent non-executive director who chairs the committee. The managing executive of Africa operations, the group company secretary who is responsible for compliance and the group human resources executive attend committee meetings as subject matter experts. The Board is satisfied that the current members of the 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 can be found on page 99 of this report.

99

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 Remcom, that the group company secretary has the necessary qualifications, competence and expertise and that she has maintained an arm's-length relationship with the Board and its directors. The group company secretary does not serve as a director of the company or any of its subsidiaries.

SPECIAL COMMITTEES

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)*; PG de Beyer; NV Simamane; I Soomra; FP Kuttel; ZBM Bassa and NP Doyle

Committee activities

Two meetings were held during the year with presentations from Oceana's internal and external auditors, as well as the Daybrook external auditors. The president and chief financial officer of Daybrook attend the committee meetings. The integration of Daybrook has progressed well and the governance aspects have been duly covered over the course of the two committee meetings. The Board is satisfied that the committee has duly complied with its mandate.

BOARD ATTENDANCE DURING 2016

The Board meets quarterly with at least one further meeting during the year to review and approve the strategic plans. The Board met six times during the 2016 financial year.

Attendance	Board service years	Board	Audit	Remcom	Risk	SETCOM	Daybrook Governance Committee
Number of meetings scheduled for the year		6	2	4	2	2	2
MA Brey	21	6/6		4/4			
ZBM Bassa	5	6/6	2/2		2/2		2/2
ABA Conrad Resigned 30 April 2016	8	1/1			0/2	0/2	
PG de Beyer	8	6/6	2/2	4/4			2/2
NP Doyle	3	6/6			1/2		2/2
GG Fortuin Appointed 12 May 2016	4 months	3/3			1/1	1/1	
FP Kuttel	4	5/5		4/4	2/2	2/2	2/2
LC Mac Dougall Appointed 13 July 2016	2 months	2/2		1/4			
PB Matlare	8	3/6		4/4			
S Pather	20	6/6	2/2	4/4			2/2
NV Simamane	7	6/6		4/4		2/2	2/2
I Soomra	3	5/5			1/2		2/2
T Tapela Resigned 12 May 2016	6	3/3			2/2	1/2	
Internal Auditors – KPMG Attends Audit; Risk; Daybrook governance			2/2		2/2		1/1
External Auditors – Deloitte & Touche Attends Audit and Daybrook governance			2/2				1/1

RISK MANAGEMENT

Oceana has 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. The principal risks that have a material impact on Oceana's ability to create value are outlined in detail on pages 32 to 33.
32
Risk heat maps set out the group's top 10 risks, movements in the top 10 risks between 2015 and 2016, and key mitigating strategies. During the 2016 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.

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.

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.

Committee members include the CEO, the group financial director and three of its non-executive directors. It is chaired by an independent non-executive director. In accordance with its charter, the committee meets at least twice per year. The committee met twice during the year. The group's internal auditors are also invited to the meetings, together with the group risk manager and the rest of the executive committee. 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 executive forum, which is appointed by the CEO. The forum has its own terms of reference and comprises divisional managing directors, the group human resources executive and the group financial director, who also chairs the forum.

RISK MANAGEMENT PLAN

Risk committee and executive 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.

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 executive forum, and biannually by the 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 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 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 2016. In the same period, 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 committee's effectiveness self-assessment scores; and we reviewed and approved the amended Risk Management Policy and Framework.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REMUNERATION

This report provides an overview of Oceana's remuneration policy and practices. It focuses on the remuneration of executive and non-executive directors.

ROLE OF REMUNERATION AND NOMINATIONS COMMITTEE

The main role of the committee is to oversee and advise the Board on matters which relate to all aspects of remuneration. The committee operates in terms of a formally approved charter that is reviewed annually. The following responsibilities are delegated by the Board to the committee:

- Determine the group's remuneration philosophy and policy to ensure alignment to the company's strategy;
- Review and approve the composition of remuneration packages for executive directors and senior management to ensure that the company remunerates fairly and responsibly;
- Recommend the remuneration of non-executive directors;
- Determine the performance criteria and targets for both short-term and long-term incentives;
- Approve the allocation and award of options and shares in terms of the group's 2013 long-term incentive plan rules; and
- Consider the composition and performance of the Board as well as succession planning for the CEO, executive committee and chairman of the Board.

REMUNERATION POLICY AND PHILOSOPHY

In line with the company's HR and business strategies, the objective of the remuneration policy is to align the reward practices to create sustainable shareholder value.

The principles of the Remuneration Policy are designed to attract, retain, motivate and to reward employee performance and contributions made to the strategic direction of the business. Remuneration is fully integrated into other human resource processes such as performance management and talent management. On an annual basis, employee remuneration is reviewed to ensure that employees who have the potential to enhance group performance are remunerated in line with their individual performance and the market. Remuneration is regularly benchmarked against appropriate surveys.

A condition of employment for employees is to be a member of one of the group's retirement funds. Contributions to the funds are used primarily for retirement funding and risk benefits. The risk benefits include benefits such as death, disability, funeral and temporary income disability cover (only provident fund members). 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 invested in a conservative balance fund. The executive and senior management are members of the Oceana Group Executive Provident Fund, which also offers investment choice.

EXECUTIVE REMUNERATION

Executive remuneration is determined on a total cost to company basis and consists of the following:

REMUNERATION			
GUARANTEED PAY		VARIABLE PAY	
BASIC SALARY	BENEFITS	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
Salaries are reviewed annually and set at related benchmark salaries tailored to roles and performance.	Market-related benefits including pension/ provident, motor vehicle allowances, medical aid.	Bonuses are paid on an annual basis for the achievement of financial and non-financial targets made.	Share schemes are designed to incentivise the delivery of long-term Shareholder expectations in the form of: • Share appreciation rights • Restricted shares • Performance shares • Daybrook employees benefit from a deferred compensation plan. Nominated employees can receive an allocation equal to 25% of their guaranteed salary. This allocation would vest to the employee after three years. Where employment is terminated before the three years, the contribution value will be forfeited.

Guaranteed pay is reviewed annually and benchmarked to appropriate market data. The market data takes into account the size, complexity and profitability of the company. When setting guaranteed package levels, individual performance and overall responsibility is also considered. The intention of the Board is to target guaranteed pay within a range of between 80% and 120% of the market median levels as reflected by the relevant survey in order to attract and retain talent.

The variable pay includes a short-term incentive scheme (incentive bonus), which requires achievement of individual performance criteria and predetermined financial targets, as well as a long-term incentive scheme.

SHORT-TERM INCENTIVES

The purpose of the scheme is to incentivise the delivery of predetermined short-term performance targets. On an annual basis, these targets are reviewed by the committee. Targets are based on financial performance and the achievement of agreed strategic and individual performance objectives. These are measured through the group's performance management system.

The incentive scheme for 2016 was based on a sliding scale of weighting, which consists of a financial and non-financial component. For senior executives, there is a higher weighting on financial performance, of which contributes to 80% of the overall targets, while the remaining 20% is 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 HEPS with a stretch target set at 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 key strategic performance objectives, such as sustainability and transformation objectives, as well as key operational and personal performance objectives.

During the year, the Committee made a decision to extend participation of the scheme to junior management in order to ensure that the contribution of these employees is recognised. For 2017, the incentive scheme structure is likely to be the same as the 2016 scheme.

LONG-TERM INCENTIVES

Oceana has two long-term incentive plans, namely the Phantom Share Option Scheme and the Oceana Group 2013 Share Plan. The purpose of the schemes is to retain, motivate and reward those senior managers who are able to influence the performance of the company and align their interests with those of the company's shareholders.

PHANTOM SHARE OPTION SCHEME

All options under this scheme from Grants 1 to 5 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 has been set with regard to the cumulative HEPS over the performance period. All grants have met their performance conditions and are now subject to time-based vesting.

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.

THE OCEANA GROUP 2013 SHARE PLAN

This scheme, which is a hybrid long-term incentive scheme, was implemented in February 2014. The purpose of introducing this scheme in 2014 was to provide better focus on, and align rewards with performance. A weighted combination of three elements is offered on an annual basis, namely:

- Share appreciation rights
- Full value performance shares
- Full value restricted shares

The three elements align rewards to performance through combining a growth element (appreciation right), rewarding company performance (performance share) and individual performance and retention of talent (restricted share).

	SHARE APPRECIATION RIGHTS	PERFORMANCE SHARES
Purpose of the scheme	The purpose of the schemes is to retain, motivate and reward those senior managers who are able to influence the performance of the company and align their interests with those of the company's shareholders.	
Eligibility	All executives and senior managers.	All executives and senior managers.
Mechanics and performance condition	The share appreciation right element is, in essence, similar to the Phantom Share Option Scheme. This element is similarly cash-settled. 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 which stipulates 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.	Performance shares reward the future financial performance of the company and its share and targets were set in comparative terms. The vesting of this award will be governed by Oceana's TSR (total shareholder return) 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. They will vest on the third anniversary of their award, 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 (approx. 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 (approx. upper quartile) or better, then the maximum number (three times the targeted number) of performance shares awarded will vest. If Oceana TSR over the three-year period places it in 75th position (approx. 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 prorated 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.

PERFORMANCE VESTING IN TERMS OF HEPS OVER 3, 4 & 5 YEAR PERIODS

Real heps growth	Vesting Percent
>0% and < 0.5%	**5%**
>=0.5% and < 1%	**10%**
>=1.0% and < 1.5%	**16%**
>=1.5% and < 2%	**27%**
>=2.0% and 2.5%	**44%**
>=2.5% and < 3%	**75%**
>=3.0%	**100%**

RESTRICTED SHARES

Share-based rewards 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 members of the group executive committee are 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 reorientates 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 in terms of the Plan Rules, matched one-for-one with additional restricted shares.

Restricted shares granted via straight bonus 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.

In order to encourage a greater participation in the elective deferral scheme amongst senior executives, the restricted shares resulting from the elective deferral by the executive are treated differently should the executive resign prior to the standard vesting period.
The portion deferred by the executive will vest in full, as it is effectively a voluntary investment by senior executives in support of shareholder alignment, while the matched portion will be forfeited.

This adjustment to policy can be accommodated within the existing Plan Rules.

SHARE DILUTION LIMITS

In terms of the 2013 Share Plan, the maximum aggregate number of shares that may be acquired by participants is not to exceed 2 000 000 shares. For any one participant the maximum aggregate numbers is not to exceed 400 000. As at 30 September 2016, the actual number of shares that may be acquired by participants under the 2013 Share Plan is, in aggregate, 462 779 shares.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The executive directors do not have fixed-term contracts. They have permanent 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 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

A succession plan for executives, senior management and critical skill positions is reviewed annually as part of the group's talent management process. 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 to develop potentially suitable candidates for future placement. There is continuing focus on retention of key and critical skills in the business.

DAYBROOK ALIGNMENT

In 2015, Oceana acquired US-based Daybrook. As part of the integration of Daybrook into Oceana a review of the remuneration policies and practices was undertaken. As a result the short-term incentives scheme was aligned to that of Oceana. Further alignment of other benefits and HR policies will continue, taking cognisance of the prevailing local conditions and regulatory requirements.

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 2016 financial year.

NON-EXECUTIVE DIRECTOR'S REMUNERATION

Non-executive directors' fees are paid in respect of membership of the Oceana Group Board, and 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.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

In the five years since its establishment, the social, ethics and transformation 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:

- FP Kuttel – chief executive officer
- GG Fortuin – non-executive director (appointed 12 May 2016)
- TJ Tapela – non-executive director (resigned on 12 May 2016)

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.

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.

Oceana's SDR, which reflects more detail relating to our activities, can be found on our 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 2016 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 16 February 2017 includes a report by the committee chairman to shareholders.


LUCKY STAR

Summarised consolidated financial statements

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Notes	Year ended 30-Sept 2016 R'000	Restated* Year ended 30-Sept 2015 R'000	Change %
Revenue		**8 243 988**	6 168 777	34
Cost of sales		**5 051 014**	3 832 997	32
Gross profit		**3 192 974**	2 335 780	37
Sales and distribution expenditure		**599 036**	513 241	17
Marketing expenditure		**62 702**	69 775	(10)
Overhead expenditure		**1 022 029**	812 148	26
Net foreign exchange gain		**(72 723)**	(40 542)	79
Operating profit before associate and joint venture income		**1 581 930**	981 158	61
Associate and joint venture income		**47 561**	26 097	82
Operating profit before other operating items		**1 629 491**	1 007 255	62
Other operating items	4	**100 187**	18 346	446
Operating profit		**1 729 678**	1 025 601	69
Investment income		**22 089**	61 558	(64)
Interest paid		**(385 202)**	(158 442)	143
Profit before taxation		**1 366 565**	928 717	47
Taxation		**408 276**	286 515	42
Profit after taxation		**958 289**	642 202	49
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve		**716**	422 910	
Movement on foreign currency translation reserve from associate and joint ventures		**(24 847)**	9 422	
Movement on cash flow hedging reserve		**(49 517)**	23 511	
Movement on fuel hedging reserve		**1 757**	(1 757)	
Income tax related to loss recognised in equity		**2 508**		
Other comprehensive (loss)/income, net of taxation		**(69 383)**	454 086	
Total comprehensive income for the year		**888 906**	1 096 288	(19)
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		**916 446**	611 224	50
Non-controlling interests		**41 843**	30 978	35
		958 289	642 202	49
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited		**847 063**	1 065 310	(20)
Non-controlling interests		**41 843**	30 978	35
		888 906	1 096 288	(19)
Earnings per share (cents)				
– Basic		**785.8**	587.7	34
– Diluted		**715.5**	531.7	35
Weighted average number of shares on which earnings per share is based ('000)	13	**116 626**	104 005	
Adjusted weighted average number of shares on which diluted earnings per share is based ('000)		**128 076**	114 959	
Headline earnings per share (cents)	10			
– Basic		**703.4**	588.2	20
– Diluted		**640.5**	532.2	20

** Refer to note 2*

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2016

	Notes	30-Sept 2016 R'000	Restated* 30-Sept 2015 R'000
ASSETS			
Non-current assets		**6 735 686**	6 784 569
Property, plant and equipment		**1 669 373**	1 678 406
Intangible assets		**4 605 275**	4 609 802
Derivative assets	5	**7 636**	
Deferred taxation		**27 714**	25 583
Investments and loans		**425 688**	470 778
Current assets		**4 371 115**	3 989 315
Inventories		**1 393 337**	1 316 266
Accounts receivable		**1 551 170**	1 463 836
Taxation		**113 666**	27 940
Cash and cash equivalents		**1 312 942**	1 181 273
Non-current assets held for sale			39 478
Total assets		**11 106 801**	10 813 362
EQUITY AND LIABILITIES			
Capital and reserves		**4 007 699**	3 564 286
Stated capital		**1 188 680**	1 187 399
Foreign currency translation reserve		**419 909**	444 040
Capital redemption reserve		**130**	130
Cash flow hedging reserve		**(21 656)**	25 353
Fuel hedging reserve			(1 757)
Share-based payment reserve		**102 083**	73 111
Distributable reserves		**2 215 919**	1 755 638
Interest of own shareholders		**3 905 065**	3 483 914
Non-controlling interests		**102 634**	80 372
Non-current liabilities		**5 121 783**	5 300 996
Liability for share-based payments		**100 126**	86 147
Long-term loan		**4 145 142**	4 374 483
Derivative liabilities	6	**176 301**	209 963
Deferred taxation		**700 214**	630 403
Current liabilities		**1 977 319**	1 948 080
Accounts payable and provisions		**1 341 938**	1 348 367
Current portion – Long-term loan		**584 652**	277 207
Taxation		**50 729**	322 506
Total equity and liabilities		**11 106 801**	10 813 362
Number of shares in issue net of treasury shares ('000)		**116 672**	116 588
Net asset value per ordinary share (cents)		**3 347**	2 988
Total liabilities excluding deferred taxation: Total equity (%)		**160**	180
Total borrowings: Total equity (%)		**118**	123

** Refer to note 2*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016

	Year ended 30-Sept 2016 R'000	Restated* Year ended 30-Sept 2015 R'000
Balance at the beginning of the year	**3 564 286**	1 746 906
Total comprehensive income for the year	**888 906**	1 096 288
Profit after taxation	**958 289**	642 202
Movement on foreign currency translation reserve	**716**	422 910
Movement on foreign currency translation reserve from associate and joint ventures	**(24 847)**	9 422
Movement on cash flow hedging reserve	**(49 517)**	23 511
Movement on fuel hedging reserve	**1 757**	(1 757)
Income tax related to loss recognised in equity	**2 508**	
Shares issued		1 150 997
Decrease in treasury shares held by share trusts	**1 281**	1 157
Recognition of share-based payments	**28 973**	7 917
Profit on sale of treasury shares	**1 136**	1 078
Additional non-controlling interest arising on acquisition		2 807
Non-controlling interest on disposal of business	**(56)**	
Special distribution of profits to Oceana Empowerment Trust beneficiaries		(15 469)
Oceana Empowerment Trust dividend distribution	**(24 632)**	(25 506)
Dividends	**(452 195)**	(401 889)
Balance at the end of the year	**4 007 699**	3 564 286
Comprising:		
Stated capital	**1 188 680**	1 187 399
Foreign currency translation reserve	**419 909**	444 040
Capital redemption reserve	**130**	130
Cash flow hedging reserve	**(21 656)**	25 353
Fuel hedging reserve		(1 757)
Share-based payment reserve	**102 083**	73 111
Distributable reserve	**2 215 919**	1 755 638
Non-controlling interests	**102 634**	80 372
Balance at the end of the year	**4 007 699**	3 564 286

** Refer to note 2*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2016

	Notes	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000
Cash flows from operating activities			
Operating profit before associate and joint venture income		**1 581 930**	981 158
Adjustment for non-cash and other items		**144 647**	206 716
Cash operating profit before working capital changes		**1 726 577**	1 187 874
Working capital changes		**(95 483)**	(92 760)
Cash generated from operations		**1 631 094**	1 095 114
Investment income received		**86 470**	59 264
Interest paid		**(337 497)**	(158 442)
Taxation paid		**(707 658)**	(221 986)
Special distribution of profits to Oceana Empowerment Trust beneficiaries		**(15 469)**	
Dividends paid		**(476 827)**	(427 395)
Cash inflow from operating activities		**180 113**	346 555
Cash outflow from investing activities		**(56 352)**	(4 747 216)
Capital expenditure		**(210 307)**	(160 613)
Replacement of intangible assets		**(31 281)**	(3 429)
Proceeds on disposal of property, plant and equipment		**1 382**	12 909
Proceeds on disposal of non-current assets held for sale	7	**114 314**	
Proceeds on disposal of businesses	8	**73 371**	
Acquisition of businesses	9		(4 544 426)
Acquisition of fishing rights			(2 812)
Repayment received on preference shares			105 049
Movement on loans and advances		**6 564**	(97 099)
Acquisition of additional shares in subsidiary			(1 276)
Increased contribution/acquisition of a joint venture		**(10 078)**	(56 321)
(Increase)/decrease of investment		**(317)**	802
Cash inflow from financing activities		**1 954**	5 146 173
Proceeds from issue of share capital		**2 417**	1 154 615
Short-term borrowings repaid		**(281 438)**	(33 743)
Long-term loan raised		**300 000**	4 025 301
Cost associated with debt raising		**(19 025)**	
Net increase in cash and cash equivalents		**125 715**	745 512
Cash and cash equivalents at the beginning of the year		**1 181 273**	344 003
Effect of exchange rate changes		**5 954**	91 758
Net cash and cash equivalents at the end of the year		**1 312 942**	1 181 273

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2016 (continued)

1. BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements. 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 to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated 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 2016. 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 www.oceana.co.za or can be requested from the Company's transfer secretaries.

2. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

The audited financial results for the year ended 30 September 2015 have been restated as to:

2.1 The finalisation of the purchase price allocation of the Daybrook business combination

The group acquired a 100% beneficial shareholding in Daybrook Fisheries Incorporated in the prior year. The initial accounting for the Daybrook business combination in the prior year was prepared using provisional values as permitted in terms of IFRS 3 *Business Combinations* paragraph 45. Subsequent to the end of the prior reporting period the Daybrook purchase price allocation was finalised within the measurement period, being a period not exceeding one year from the acquisition date, on the 21 June 2016 and the provisional values adjusted in terms of IFRS 3 paragraph 49. The adjustments to the prior period statement of financial position are summarised as follows.

Assets acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	30-Sept 2015 R'000 Adjusted closing balance
Property, plant and equipment	784 444	122 639	907 083	18 474	925 557
Intangible assets	503 976	525 435	1 209 411	79 150	1 108 561
Investment in associate	127 733		127 733		127 733
Goodwill	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012
Accounts receivables	250 522	16 178	266 700	2 437	269 137
Inventories	322 678		322 678		322 678
Cash and cash equivalents	399 304		399 304		399 304
Taxation	(212 441)		(212 441)		(212 441)
Provisions	(160 344)		(160 344)		(160 344)
Deferred taxation	(216 482)	(260 984)	(477 466)	(39 314)	(516 780)
Derivative liability	(182 475)		(182 475)		(182 475)
Trade and other payables	(166 689)		(166 689)		(166 689)
Consideration paid in cash	4 641 253		4 641 253		4 641 253

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

2. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

2.1 The finalisation of the purchase price allocation of the Daybrook business combination (continued)

Asset acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	30-Sept 2015 R'000 Adjusted closing balance
Net cash flow on acquisition of business					
Consideration paid in cash	4 641 253		4 641 253		4 641 253
Less: Cash and cash equivalents balances acquired	(399 304)		(399 304)		(399 304)
	4 241 949		4 241 949		4 241 949
Goodwill on acquisition					
Consideration	4 641 253		4 641 253		4 641 253
Less: Fair value of identifiable assets acquired and liabilities assumed	(1 450 226)	(403 268)	(1 853 494)	(60 747)	(1 914 241)
	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012

2.2 Other comprehensive income – movement on foreign currency translation reserve from associate and joint venture

Movement in the foreign currency translation reserve in the statement of comprehensive income and statement of changes in equity arising from investments accounted for under the equity method have been presented in a separate line.

Movement on foreign currency translation reserve – previously reported	432 332
Movement on foreign currency translation reserve from associate and joint venture	(9 422)
Movement on foreign currency translation reserve – restated	422 910

2.3 Current portion of long-term loan

The current portion of the long-term loan has been reclassified from accounts payable into a separate line on the face of the statement of financial position.

Accounts payable – previously reported	1 418 484
Current portion of long-term loan	(277 207)
Accounts payable – restated	1 141 277

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2016 (continued)

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal (Africa)	**4 275 576**	3 408 988
Fishmeal and fish oil (USA)	**1 930 923**	574 328
Horse mackerel and hake	**1 227 310**	1 314 747
Lobster, squid and French fries	**373 849**	412 147
Commercial cold storage and logistics	**436 330**	458 567
Total	**8 243 988**	6 168 777
Operating profit before other operating items		
Canned fish and fishmeal (Africa)	**528 464**	452 504
Fishmeal and fish oil (USA)	**668 152**	179 612
Horse mackerel and hake	**269 384**	211 020
Lobster, squid and French fries	**30 943**	46 574
Commercial cold storage and logistics	**132 548**	117 545
Total	**1 629 491**	1 007 255
Total assets		
Canned fish and fishmeal (Africa)	**2 500 368**	2 069 746
Fishmeal and fish oil (USA)	**6 301 086**	6 326 364
Horse mackerel and hake	**550 458**	679 403
Lobster, squid and French fries	**40 958**	125 703
Commercial cold storage and logistics	**268 871**	294 642
	9 661 741	9 495 858
Deferred taxation	**27 714**	25 583
Financing[3]	**1 417 346**	1 291 921
Total	**11 106 801**	10 813 362
Total liabilities		
Canned fish and fishmeal (Africa)	**829 927**	700 772
Fishmeal and fish oil (USA)	**413 793**	934 466
Horse mackerel and hake	**289 200**	175 755
Lobster, squid and French fries	**25 455**	43 854
Commercial cold storage and logistics	**90 170**	88 507
	1 648 545	1 943 354
Deferred taxation	**700 214**	630 403
Financing[3]	**4 750 343**	4 675 319
Total	**7 099 102**	7 249 076
Revenue per region[1]		
South Africa and Namibia	**4 305 056**	3 937 878
Other Africa	**480 669**	476 096
North America	**1 218 840**	400 470
Europe	**1 139 988**	710 302
Far East	**959 091**	546 955
Other	**140 344**	97 076
Total	**8 243 988**	6 168 777
Non-current assets per region[2]		
South Africa and Namibia	**873 666**	863 285
North America	**5 400 982**	5 424 923
Total	**6 274 648**	6 288 208

Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation.

Notes:

1 Revenue per region discloses the region in which product is sold
2 Non-current asset per region discloses where the subsidiary is located, includes property plant and equipment and intangible assets
3 Financing includes cash and cash equivalents and loans receivable and payable

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000
4. OTHER OPERATING ITEMS		
Transaction costs arising from business combination	**(2 040)**	(80 815)
Forex gain on transaction arising from business combination		97 734
Profit on the disposal of immovable property		1 537
Loss on disposal of fishing vessel	**(3 536)**	
Profit on disposal of non-current assets held for sale	**74 836**	
Profit on disposal of business interests	**31 521**	
Impairment of equipment	**(594)**	(110)
	100 187	18 346
5. DERIVATIVE ASSETS		
Non-current		
Interest rate caps held as hedging instruments		
Opening balance		
Additions	**18 569**	
Fair value adjustments recognised in profit and loss (ineffective portion)	**(2 732)**	
Fair value adjustments recognised in other comprehensive income (effective portion)	**(8 201)**	
Closing balance	**7 636**	

Interest rate caps and swaps recorded in the cash flow hedging reserve, derivative asset and derivative liability (note 6) are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Interest rate caps were executed on 17 March 2016, with a maturity date of 20 July 2018. Interest rate caps were designated as cash flow hedges and executed to hedge the interest that is payable under various debt facilities with principal values of R1 810,0 million. The amount of the principal value designated as a hedged item is R980,0 million.

	2016 R'000	2015 R'000
6. DERIVATIVE LIABILITIES		
Opening balance	**209 963**	
Business combination		182 475
Loss recognised in other comprehensive income	**6 513**	
Gain recognised in profit and loss	**(42 623)**	
Foreign currency translation adjustment	**2 448**	27 488
Closing balance	**176 301**	209 963
Put option	**170 053**	209 963
Interest rate swap	**6 248**	
	176 301	209 963

The put option recorded in the derivative liability is regarded as a level 3 instrument for fair value measurement. Level 3 fair value instruments are those derived from inputs that are not based on observable market data (unobservable inputs). The fair value of the put option is determined using discounted cash flow analysis.

In terms of the Westbank operating agreement the remaining shareholders of Westbank Fishing Limited Liability Company ("Westbank") can put their 75% equity stake in Westbank to Daybrook Fisheries Incorporated ("Daybrook") or its nominee for a fixed price of USD31,5 million ("put option strike price"). If notice of the intention to exercise the put option is given by 30 November 2016, Daybrook will pay the remaining shareholders in Westbank an additional USD15 million when the put option becomes effective on 15 November 2017 ("put premium"). Should the put option be effectively exercised as described there will be a cash outflow, being the put option strike price plus the put premium as well as any unpaid distributions while there will be a cash inflow, based on prevailing market values, from a new US based shareholder acquiring the 75% Westbank shareholding.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2016 (continued)

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000

6. DERIVATIVE LIABILITIES (continued)

The put option liability was remeasured to fair value at 30 September 2016 by measuring the put option strike price plus the put premium to the fair value of Westbank Fishing Limited Liability Company. Westbank Fishing Limited Liability Company was valued using a discounted cash flow model and unobservable inputs including forecast annual revenue growth rates of 1.8% to 2.0%, forecast EBITDA margin of 22.6% to 25.6% and a risk-adjusted discount rate of 8.2%. A change in the discount rate by 1% would increase or decrease the fair value by R70 million. During the year a fair value gain of R42.6 million was recognised in operating profit.

The notional principal amount of interest rate swaps at 30 September 2016 amounts to R1 136 million. This comprises hedges on the term debt of R1 894 million. The swap is to hedge the interest that is payable under the debt facility. During the year a fair value loss of R6,5 million was recognised in other comprehensive income.

7. DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE

7.1 Seasonal fruit business (CCS)

On 30 April 2016, the group disposed of the commercial cold storage fruit business.

Non-current assets held for sale	13 163	
Consideration received	69 609	
Net profit on disposal	56 446	

7.2 Vessel – *Desert Rose*

On 27 October 2015, the group disposed of the Mfv *Desert Rose* fishing vessel

Non-current assets held for sale	26 315	
Consideration received	44 705	
Net profit on disposal	18 390	
Net cash inflow from non-current assets held for sale	114 314	

8. DISPOSAL OF BUSINESSES

8.1 Lamberts Bay Foods Limited

On 1 August 2016, the group disposed of its 100% shareholding in Lamberts Bay Foods Limited.

Assets and liabilities disposed of:		
Property, plant and equipment	13 017	
Inventories	38 361	
Accounts receivables	36 934	
Provisions	(435)	
Trade and other payables	(43 624)	
Taxation	(1 324)	
Deferred taxation	(1 268)	
Net assets disposed	41 661	
Consideration received	69 471	
Bank overdraft disposed of	3 531	
Net cash inflow	73 002	
Net profit on disposal	31 341	

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000
8. DISPOSAL OF BUSINESSES (continued)		
8.2 Nommer Sewe Bootbelange Eiendoms Beperk		

On 1 February 2016, the group disposed of its 74% interest in Nommer Sewe Bootbelange Eiendoms Beperk, a subsidiary of Oceana Lobster Limited.

Assets and liabilities disposed of:		
Property, plant and equipment	**22**	
Accounts receivables	**361**	
Taxation	**32**	
Trade and other payables	**(170)**	
Non-controlling interest	**(56)**	
Net assets disposed	**189**	
Consideration received	**369**	
Net profit on disposal	**180**	
Net cash inflow from disposal of businesses	**73 371**	

9. ACQUISITION OF BUSINESSES

9.1 Foodcorp acquisition

The group acquired hake, pelagic and lobster fishing rights and related assets from Foodcorp Proprietary Limited for a consideration of R355 million in the prior year. 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 assets		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
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

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.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2016 (continued)

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000

9. ACQUISITION OF BUSINESSES (continued)

9.2 Daybrook acquisition

The group acquired a 100% beneficial shareholding in Daybrook Fisheries for a consideration of R4 641 million in the prior year. Daybrook was acquired to enhance the group's operations internationally in order to diversify its fishing rights and licences, fish species, operational geography and currency exposure.

At the time of reporting the results for the year ended 30 September 2015, the purchase price allocation of the Daybrook acquisition was not yet completed and hence the fair values of the identifiable assets and liabilities were provisional due to the uncertainty and nature in classifying intangibles and determining the useful life of the identified intangibles. The purchase price allocation was completed within the 12 months measurement period and the final fair value of the identified assets and liabilities are shown below. The statement of financial position at 30 September 2015 has been restated. Refer to note 2 for details regarding the purchase price allocation finalisation.

	2016 R'000	2015 R'000
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment		907 083
Intangible assets		1 029 411
Investment in associate		127 733
Goodwill		2 787 759
Accounts receivables		266 700
Inventories		322 678
Cash and cash equivalents		399 304
Taxation		(212 441)
Provisions		(160 344)
Deferred taxation		(477 466)
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		(1 853 494)
		2 787 759

The goodwill arising on the acquisition is attributable to the strategic business advantages acquired, key fishing and processing locations, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

	2016 R'000	2015 R'000
Net cash outflow from acquisition of businesses		4 544 426

10. DETERMINATION OF HEADLINE EARNINGS

	2016 R'000	2015 R'000
Profit after taxation attributable to shareholders of Oceana Group Limited	**916 446**	611 224
Adjusted for:		
Profit on the disposal of immovable property		(1 537)
Insurance proceeds	**(1 330)**	
Profit on disposal of non-current assets held for sale	**(74 836)**	
Headline earnings adjustments – joint venture	**(16 030)**	99
Profit on change of interest in investment		(500)
Profit on disposal of business interests	**(31 521)**	
Loss on the dissolution of foreign subsidiary		3 455
Impairment of equipment	**594**	110
Total net loss/(profit) on disposal of property, plant and equipment and intangible assets	**7 030**	(1 293)
Non-controlling interest in above	**4 362**	
Total tax effect of adjustments	**15 593**	220
Headline earnings for the year	**820 308**	611 778

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Year ended 30-Sept 2016 R'000	Year ended 30-Sept 2015 R'000
11. DIVIDENDS		
Estimated dividend declared after reporting date	**416 519**	301 964
Dividends per share (cents)	**469.0**	365.0
12. SUPPLEMENTARY INFORMATION		
Amortisation	**57 051**	40 748
Depreciation	**203 334**	136 423
Operating lease charges	**112 039**	75 559
Share-based expenses	**87 512**	94 155
Cash-settled compensation scheme	**58 539**	86 339
Equity-settled compensation scheme	**26 600**	4 747
Oceana Empowerment Trust	**2 373**	3 069
Capital expenditure	**241 588**	164 042
Expansion	**13 883**	57 424
Replacement	**227 705**	106 618
Budgeted capital commitments	**226 708**	218 686
Contracted	**25 386**	34 297
Not contracted	**201 322**	184 389

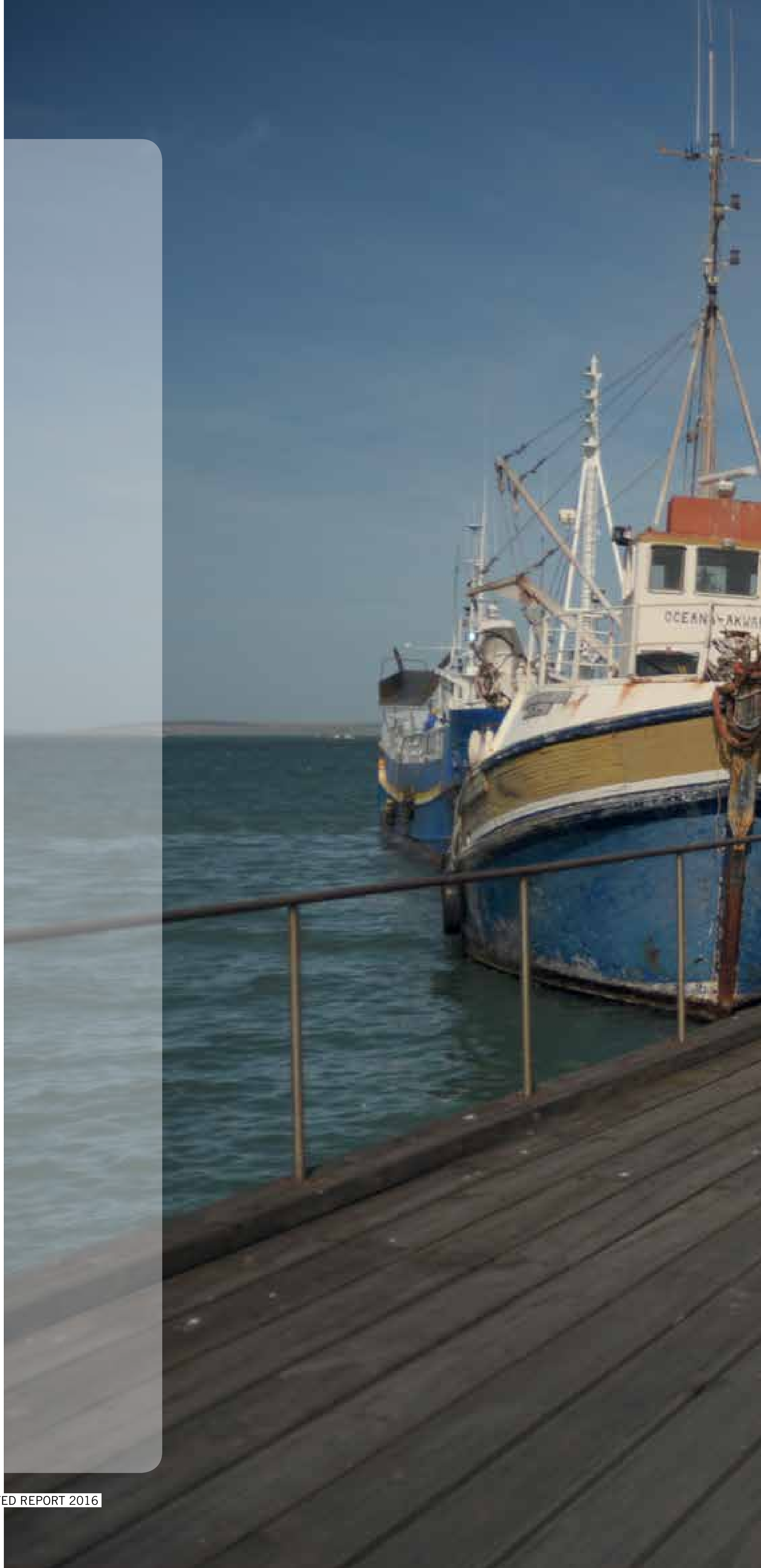
	Number of shares '000	Number of shares '000
13. ELIMINATION OF TREASURY SHARES		
Weighted average number of shares in issue	**135 526**	120 227
Plus: Bonus issue on rights offer		2 775
Less: Weighted average treasury shares held by share trusts	**(13 806)**	(13 903)
Less: Weighted average treasury shares 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	**116 626**	104 005

14. 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, Oceana Lobster Limited and Blue Continent Products Proprietary Limited. The company has guaranteed the long-term loan of R2 891,9 million (2015: R2 745,9 million). Furthermore, six (2015: six) of the subsidiaries in the group have guaranteed the loan.

15. EVENTS AFTER THE REPORTING DATE

Effective 1 November 2016, the remaining shareholders of Westbank Fishing Limited Liability Company exercised the put option in terms of the Westbank operating agreement. The exercise of the put option triggers the payment of the put option strike price plus the put option premium as well as any unpaid distributions on the put closing date, being 15 November 2017 (please refer to note 6). The exercise of the put option has no financial effect on the group's financial position at 30 September 2016. No other events occurred subsequent to the reporting date that may have an impact on the group's reported financial position at 30 September 2016, or require separate disclosure in the financial statements.



Shareholder information

SHAREHOLDER ANALYSIS

at 30 September 2016

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	1 599	63.2	608 427	0.4
1 001 – 10 000 shares	698	27.6	1 992 788	1.5
10 001 – 100 000 shares	178	7.0	6 085 202	4.5
100 001 – 1 000 000 shares	42	1.7	13 019 453	9.6
1 000 001 shares and over	12	0.5	113 820 284	84.0
	2 529	100.0	135 526 154	100.0
DISTRIBUTION OF SHAREHOLDERS				
Banks	49	1.9	10 393 228	7.7
Brokers	15	0.6	196 143	0.1
Close corporations	27	1.1	225 401	0.2
Empowerment	1	0.0	23 007 113	17.0
Individuals	1 804	71.3	2 842 334	2.1
Insurance companies	17	0.7	509 746	0.4
Investment companies	5	0.2	61 956	0.0
Mutual funds	112	4.4	11 734 320	8.7
Nominees and trusts	346	13.7	676 955	0.5
Other corporate bodies	32	1.3	258 857	0.2
Pension funds	58	2.3	9 316 695	6.9
Private companies	59	2.3	344 827	0.3
Public companies	1	0.0	57 104 774	42.1
Treasury shares held by share trusts	2	0.1	13 759 455	10.2
Treasury shares held by subsidiary	1	0.0	5 094 350	3.8
	2 529	100.0	135 526 154	100.0
SHAREHOLDER TYPE				
Non-public shareholders	44	1.9	99 297 692	73.3
Directors and employees	39	1.5	332 000	0.2
Treasury shares held by share trusts	2	0.1	13 759 455	10.2
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
Empowerment	1	0.1	23 007 113	17.0
Other holdings greater than 10%	1	0.1	57 104 774	42.1
Public shareholders	2 485	98.1	36 228 462	26.7
	2 529	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			23 007 113	17.0
Oceana Empowerment Trust			13 742 955	10.1

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
Rosebank Towers
15 Bierman Avenue, Rosebank
Johannesburg, 2196
(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)

Date of incorporation: 30 July 1918
Place of incorporation: South Africa

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
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Fax number: (061 248531)

Sponsor
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Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Sponsor

Standard Bank

Corporate Law Advisor

ENS AFRICA

Transfer secretaries

Computershare

Sponsor in Namibia

OLDMUTUAL
Old Mutual Investment Services (Namibia) (Pty) Ltd
Sponsor, Member of the Namibian Stock Exchange

Receiving office in Namibia

Transfer Secretaries Proprietary Limited

GLOSSARY

AFS	Annual financial statements
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BCP	Blue Continent Products Proprietary Limited
CAGR	Compound annual growth rate
CCS	Commercial Cold Storage Group Limited
CDP	Carbon Disclosure Project
CEO	Chief executive officer
CSI	Corporate social investment
DAFF	Department of Agriculture, Forestry and Fisheries (South Africa)
DEA	Department of Environmental Affairs
DIFR	Disabling Injury Frequency Rate
dti	Department of Trade and Industry (South Africa)
DPS	Dividend per share
DPW	Department of Public Works (South Africa)
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECS	Environmental control system
ERP	Enterprise resource planning
ESG	Environmental Social and Corporate Governance
FAO	Food and Agricultural Organisation
FAQ	Fair average quality
FAWU	Food and Allied Workers Union
FCP	Fisheries Conservation Project
FMP	Fisheries Management Plan
FRAP	Fishing Rights Allocation Process
GHG	Greenhouse gas
Group	Oceana Group Limited and its subsidiaries
GSMFC	Gulf States Marine Fisheries
HACCP	Hazard Analysis and Critical Control Points
HEPS	Headline earnings per share
HR	Human resources
IFFO RS	The International Fishmeal and Fish Oil Organisation Responsible Supply
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IQF	Individually quick frozen
IR	Integrated reporting
IUU	Illegal, unreported and unregulated
JSE	JSE Limited
JV	Joint venture
MFMR	Ministry of Fisheries and Marine Resources
MPA	Marine protected area
MSC	Marine Stewardship Council
OECD	The Organisation for Economic Co-operation and Development
NAFAU	Namibia Food and Allied Workers Union
NATAW	Namibia Transport and Allied Workers Union
NCFAWU	National Certificated Fishing And Allied Workers Union
NEEEF	New Equitable Economic Empowerment Framework
Net debt	Long-term loans less cash and cash equivalents
NGO	Non-governmental organisation
NPAT	Net profit after tax
NSX	Namibian Stock Exchange
PMCL	Precautionary maximum catch limit
RFA	Responsible Fisheries Alliance
SASSI	Southern African Sustainable Seafood Initiative
SDR	Sustainable Development Report
SENS	Stock Exchange News Service
SME	Small- and medium-sized enterprise
SOFIA	State of World Fisheries and Aquaculture
TAC	Total allowable catch
TALFU	Trawler and Line Fishermen's Union
UDF&CWU	United Democratic Food and Combined Workers Union
UNGC	United Nations Global Compact
VWAP	Volume weighted average price
WCRL	West Coast Rock Lobster
WWF	World Wide Fund for Nature
ZAR	South African Rand

NOTES

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