2015 ANNUAL RESULTS PRESENTATION

Francois Kuttel & Imraan Soomra

OCEANA GROUP

LUCKY STAR DAYBROOK BLUE CONTINENT PRODUCTS CCS LOGISTICS OCEANA LOBSTER CALAMARI FISHING LAMBERTS BAY FOODS

AGENDA

Group Overview

Financial Review

Operational Review & Outlook

Guidance

GROUP OVERVIEW

- South Africa's most empowered listed company – 2nd year running

- **Updated core purpose** – be a proudly African company, efficiently converting global fishing rights into shared value.

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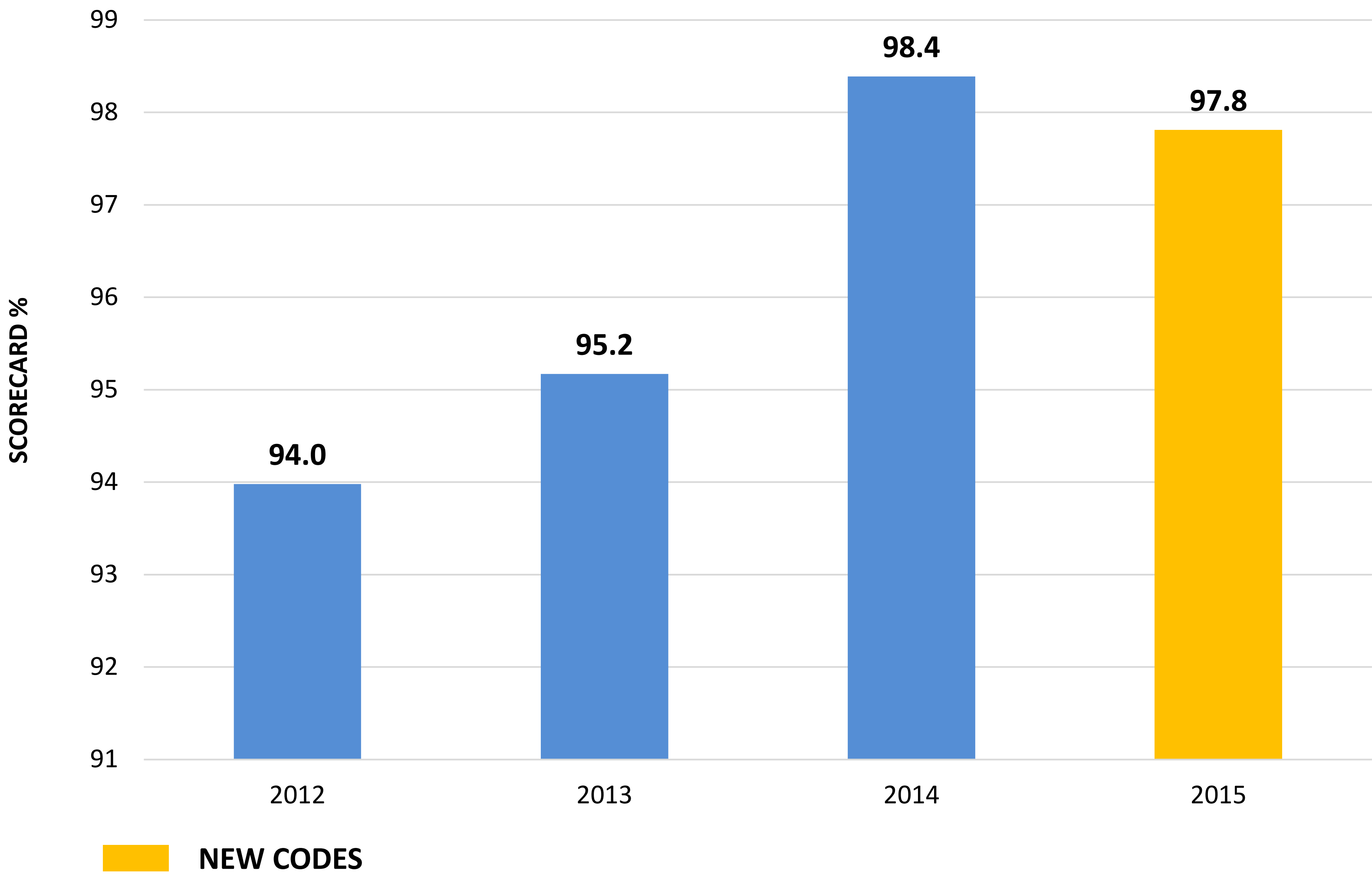
B-BBEE AUDIT RESULTS



THE OCEANA GROUP

…is the largest fishing company in Africa and is listed on both the Johannesburg and Namibian stock exchanges…

Incorporated in **1918**

Important provider of food security with a significant **protein footprint** in Africa, USA, Europe and the Far East

6,503 Employees of which **4,033** are directly employed

Level 2 B-BBEE contributor, **most** empowered company on the JSE

3m Lucky Star servings /day in Africa and **1.4m** estimated servings of horse mackerel/day in Africa.
135,000 tons of fishmeal and fish oil traded (annualised)

99.7 % of targeted rights on Sassi green list

Trade over **275,000 tons** of product each year

LUCKY STAR · DAYBROOK · BLUE CONTINENT PRODUCTS · CCS LOGISTICS · OCEANA LOBSTER · CALAMARI FISHING · LAMBERTS BAY FOODS · OCEANA GROUP

GROUP OVERVIEW

LUCKY STAR – AN OCEANA GROUP COMPANY

- ★ **9** steel refrigerated seawater vessels in South Africa
- **3** steel refrigerated seawater vessels in Namibia
- ★ **8** vessels, wholly owned, co-owned or joint ventures
- ★ **3** canneries
- ★ **4** fishmeal plants

BLUE CONTINENT PRODUCTS – AN OCEANA GROUP COMPANY

- **1** horse mackerel trawler in South Africa
- **3** horse mackerel trawler in Namibia
- ★ **5** hake freezer trawlers
- ★ **2** hake wet fish trawlers
- ★ **2** hake facilities

OCEANA LOBSTER – AN OCEANA GROUP COMPANY / **CALAMARI FISHING** – AN OCEANA GROUP COMPANY

- ★ **10** west coast lobster vessels
- **1** south coast lobster vessel
- **4** lobster facilities
- **5** freezer vessels for squid
- **1** French fries processing plant

CCS LOGISTICS – AN OCEANA GROUP COMPANY

- ★ **13** stores in South Africa, Namibia and Angola
- ★ **137 000** pallets for cold storage

DAYBROOK – AN OCEANA GROUP COMPANY

- ★ **1** production facility
- ★ **11** fishing vessels
- ★ **10** spotter planes

LUCKY STAR | DAYBROOK | BLUE CONTINENT PRODUCTS | CCS LOGISTICS | OCEANA LOBSTER | CALAMARI FISHING | LAMBERTS BAY FOODS | OCEANA GROUP

2015 REVIEW

TAILWINDS

- Improved volumes Fishmeal and Fish Oil, Hake, Namibian Horse Mackerel
- Weaker R/$ on exported products
- CCS two new sites and improved throughput, high occupancies maintained
- Foodcorp approved Dec ‘14, successfully integrated Feb ‘15
- Daybrook – pay away exchange rate R12/$, opening cash balances positive, good fishing season, production yields solid

HEADWINDS

- Canned fish - SA volumes under pressure and import cost increases
- Namibian Horse Mackerel – cost of quota negatively impacted margin
- SA Horse Mackerel – historical volumes not restored

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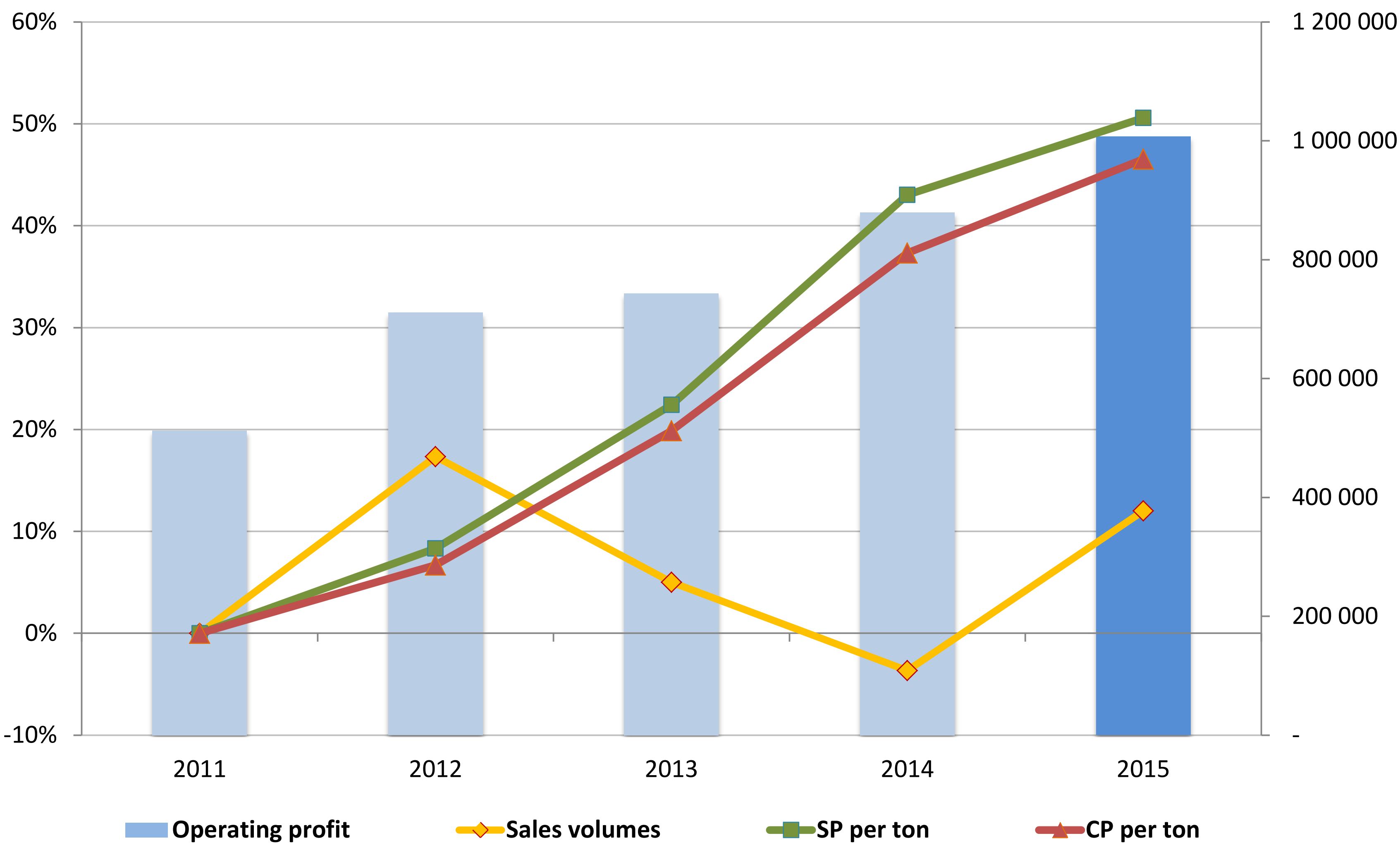
GROUP VOLUME & PRICE ANALYSIS



LUCKY STAR · DAYBROOK · BLUE CONTINENT PRODUCTS · CCS LOGISTICS · OCEANA LOBSTER · CALAMARI FISHING · LAMBERTS BAY FOODS · OCEANA GROUP

INCOME STATEMENT

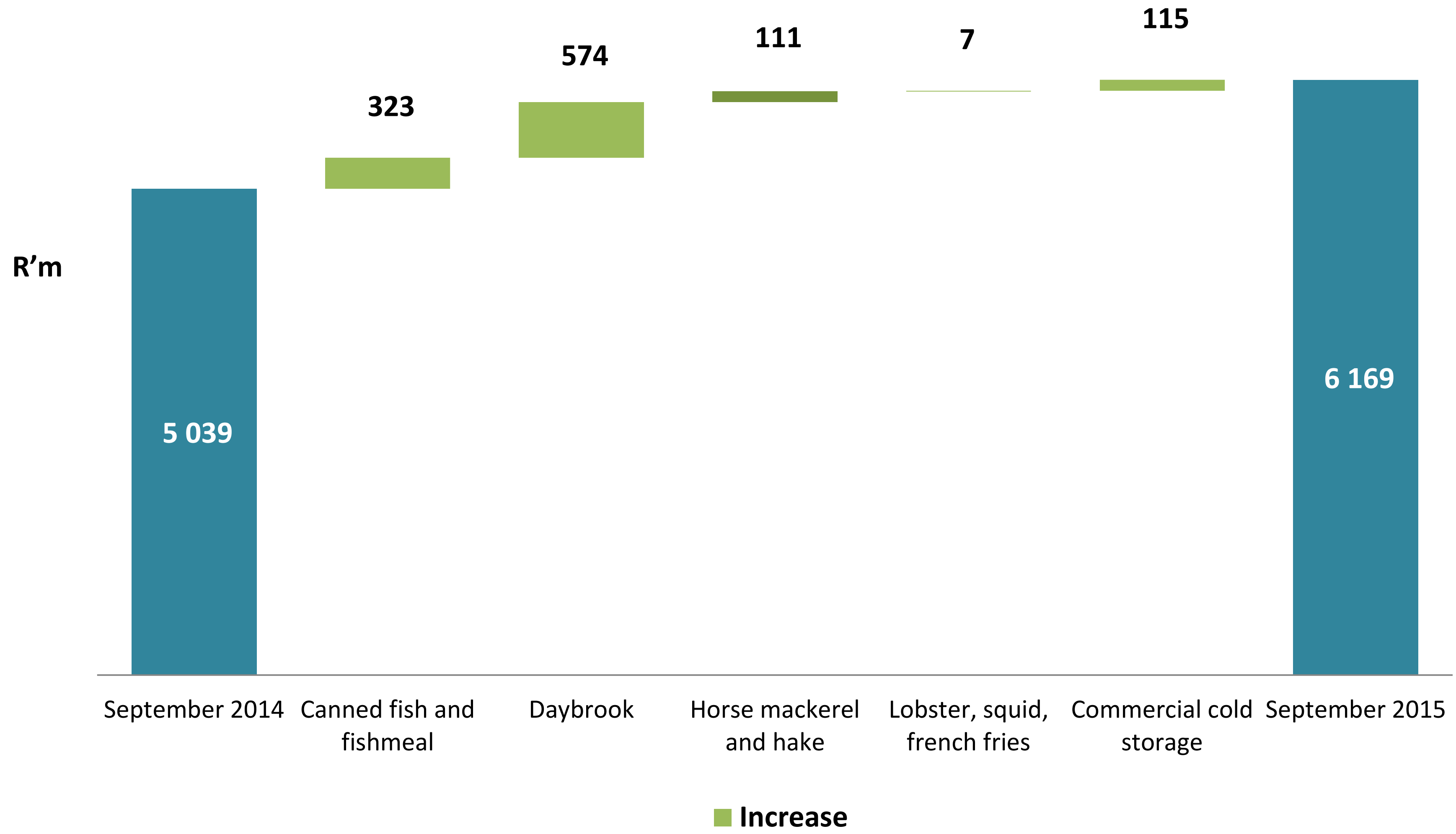
Group income statement	2015 R'000	Var	2014 R'000
Revenue	**6 168 777**	**22%**	**5 039 134**
Gross profit	2 335 780	18%	1 976 528
GP margin	38%	-3%	39%
Operating profit before share based payments	1 098 341	22%	901 169
Share-based payments	(91 086)		(21 604)
Operating profit before abnormal items	**1 007 255**	**15%**	**879 565**
Abnormal items	18 346		0
Operating profit	1 025 601	17%	879 565
Net interest	(96 884)		(3 829)
Headline earnings	**611 778**	**8%**	**567 238**
HEPS (cents)	**588**	**7%**	**549**

Transaction costs R80,8m
Forex gain R97,7m

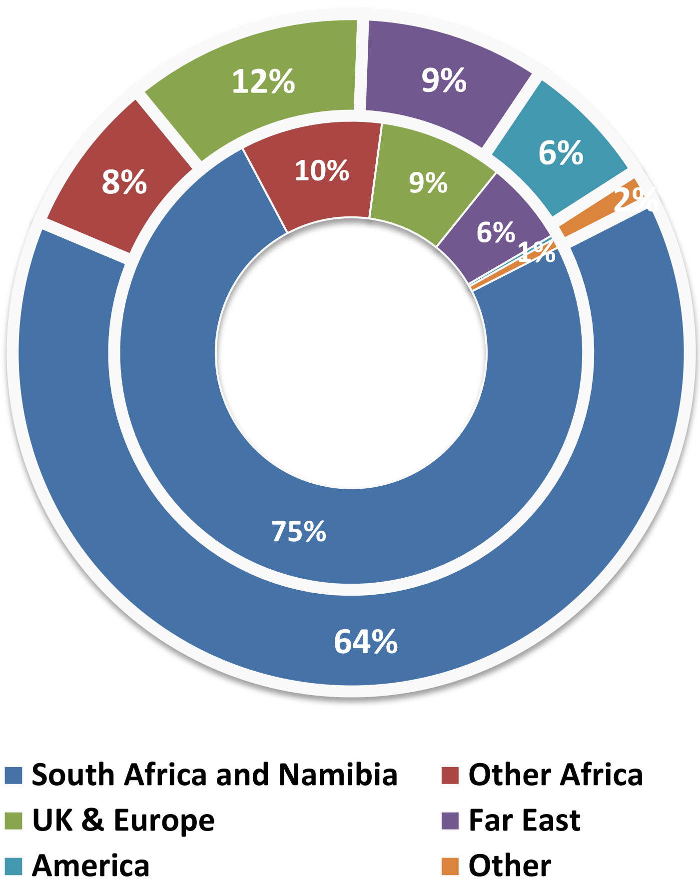
INCOME STATEMENT – DAYBROOK EFFECT

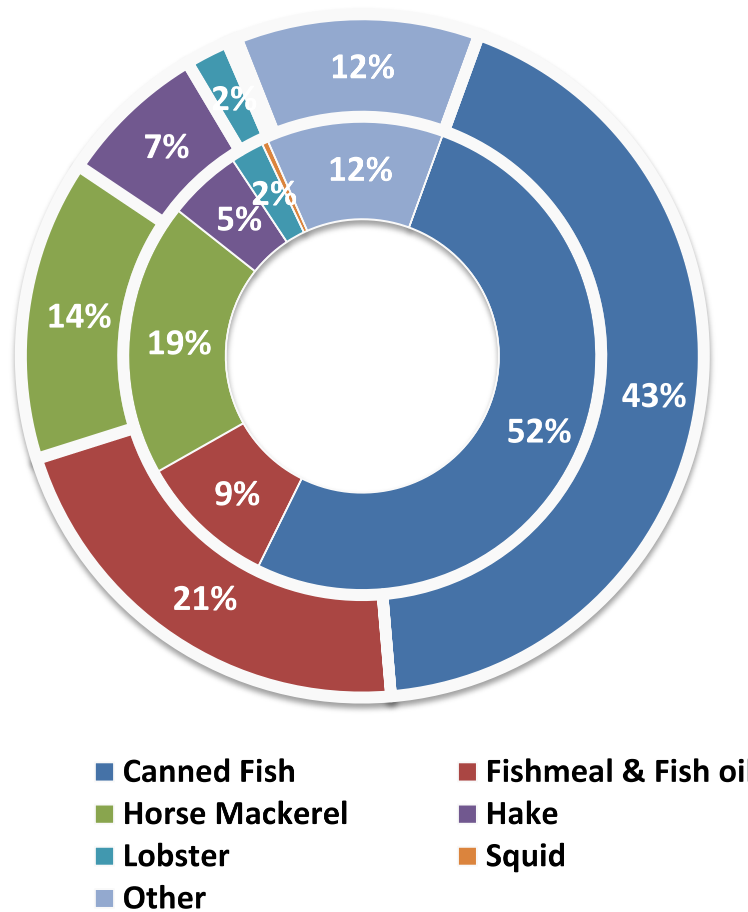
Group income statement	2015 R'000	Var	SA Business (excl Daybrook) R'000	Var	2014 R'000
Revenue	**6 168 777**	**22%**	**5 594 450**	**11%**	**5 039 134**
Gross profit	2 335 780	18%	2 088 513	6%	1 976 528
GP margin	38%	-3%	37%	-5%	39%
Operating profit before share based payments	**1 098 341**	**22%**	**885 908**	**-2%**	**901 169**

REVENUE MOVEMENT – SEGMENT



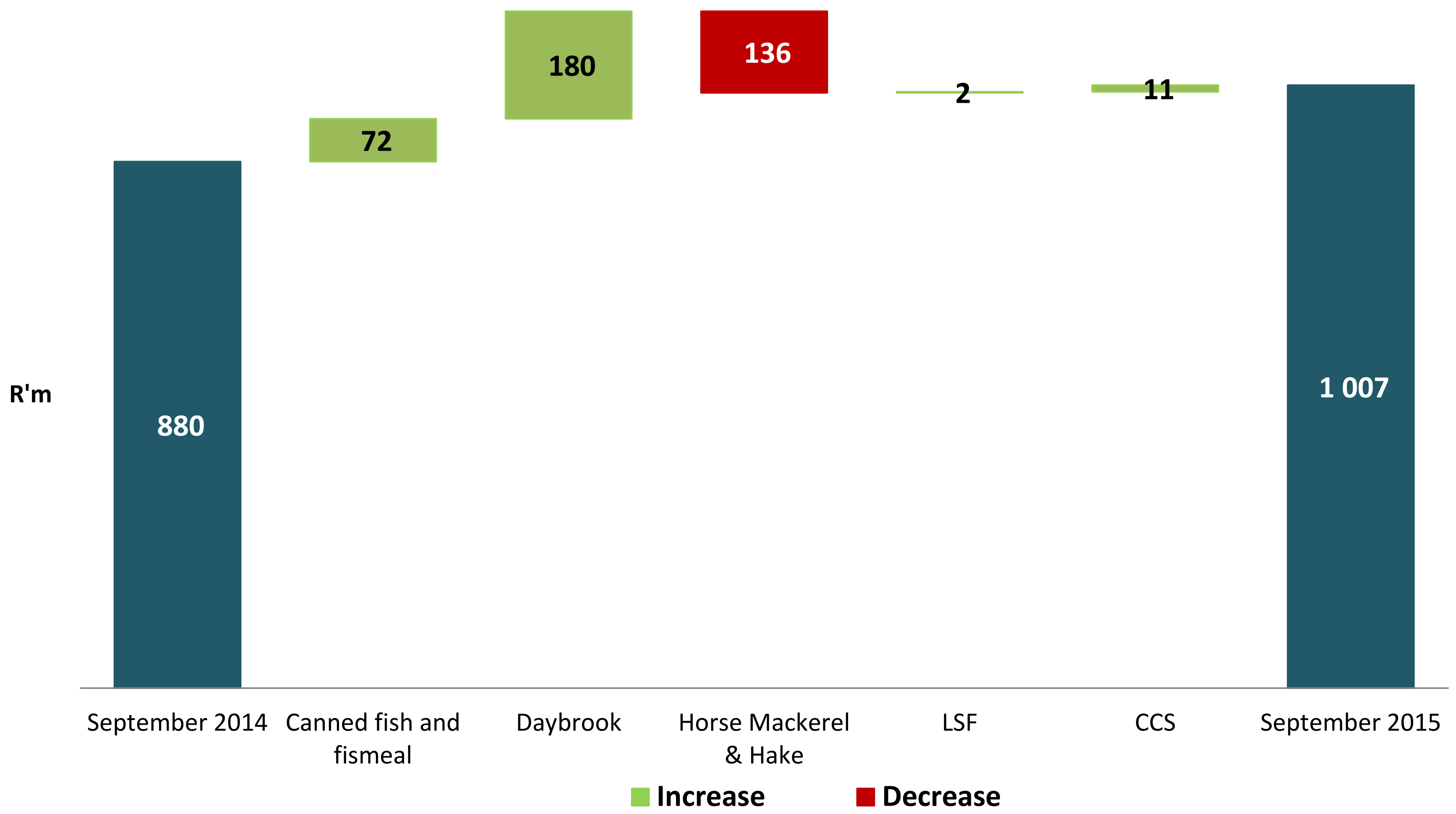
REVENUE GEOGRAPHIC AND SPECIES



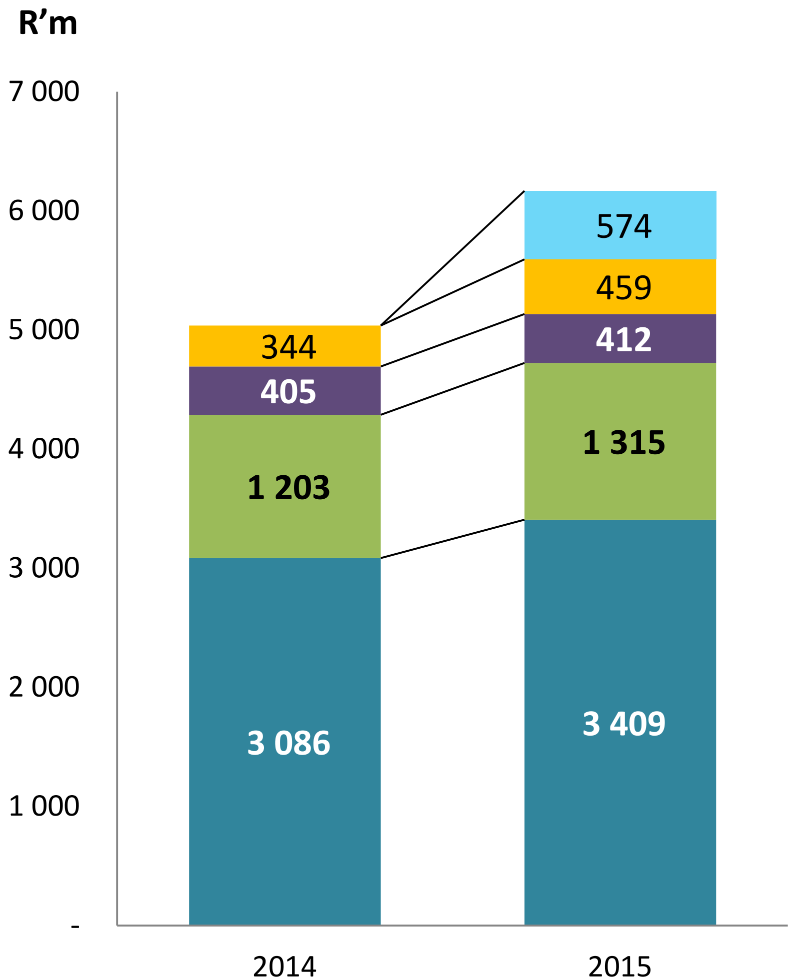


2015	Outer circle
2014	Inner circle

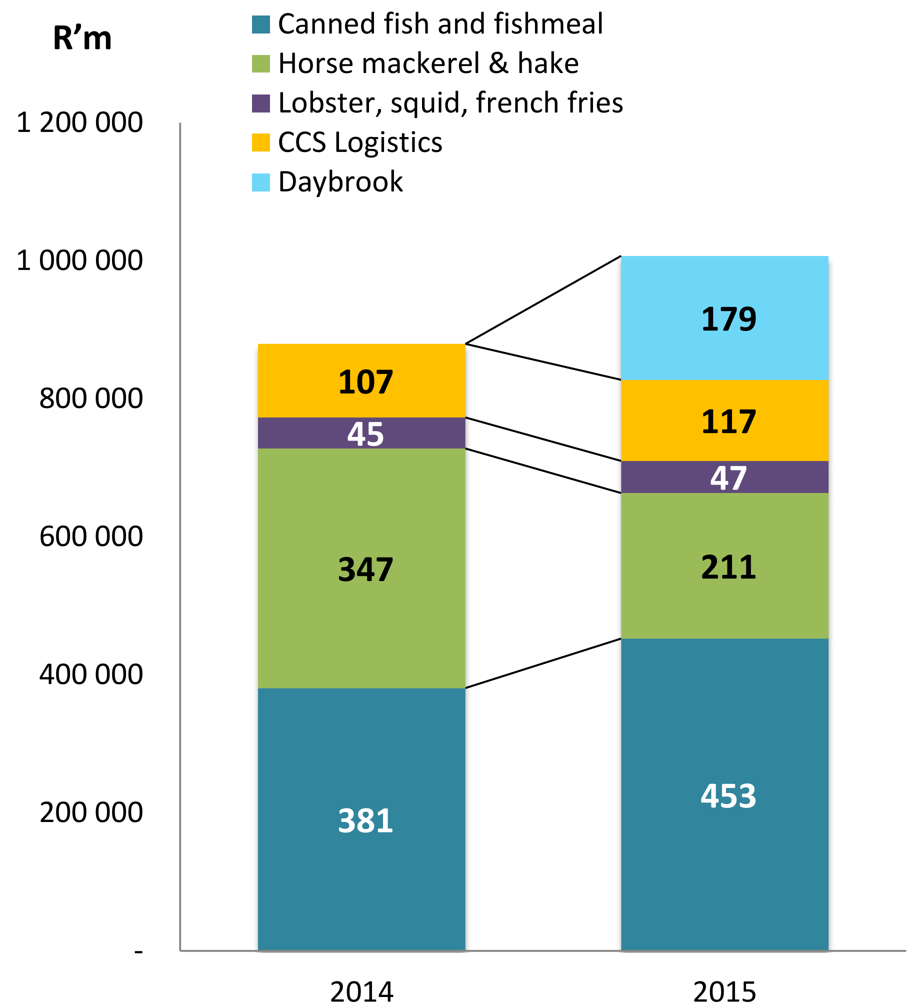
OPERATING PROFIT MOVEMENT



REVENUE & OPERATING PROFIT CONTRIBUTION

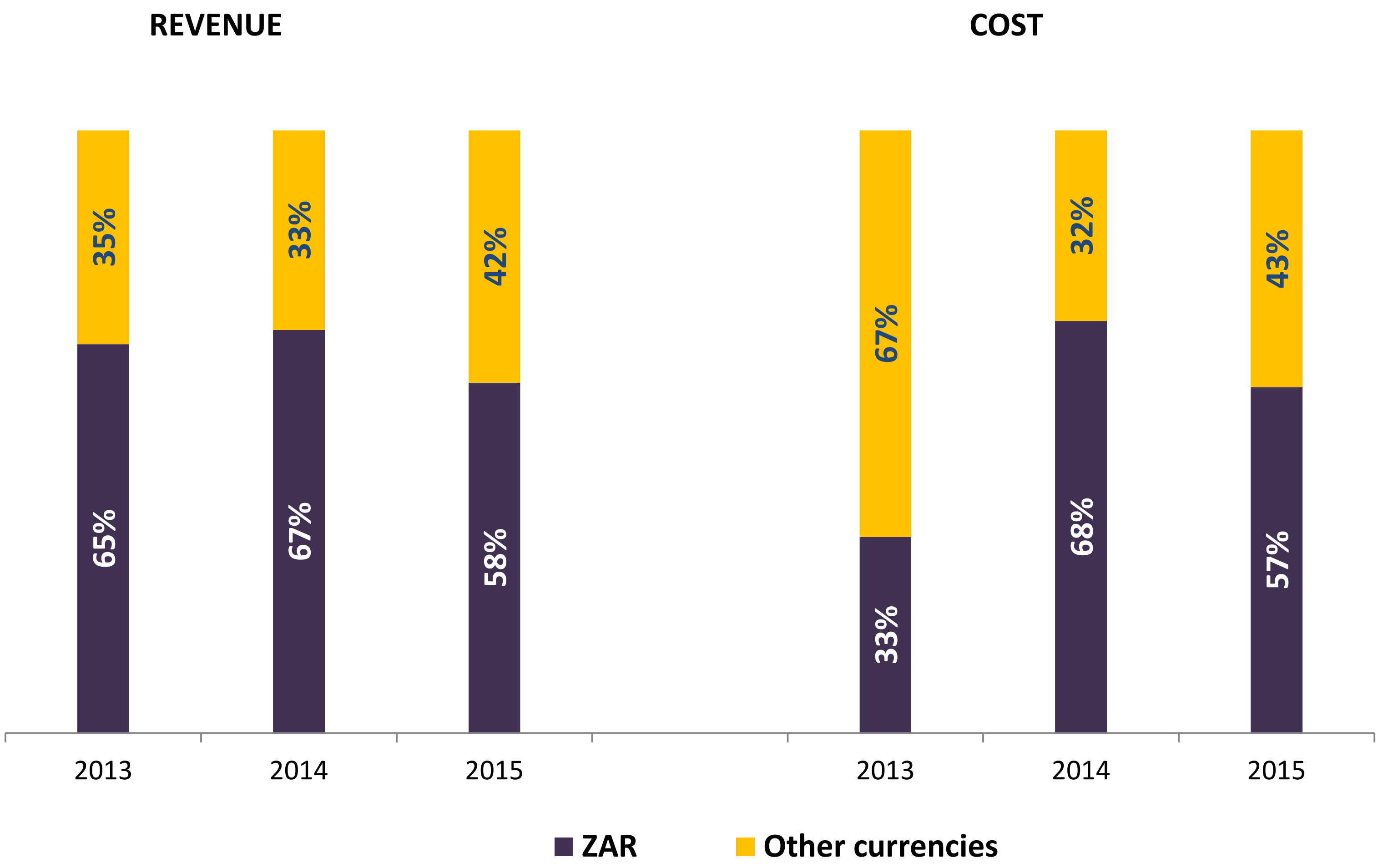


REVENUE



OPERATING PROFIT

CURRENCY ANALYSIS

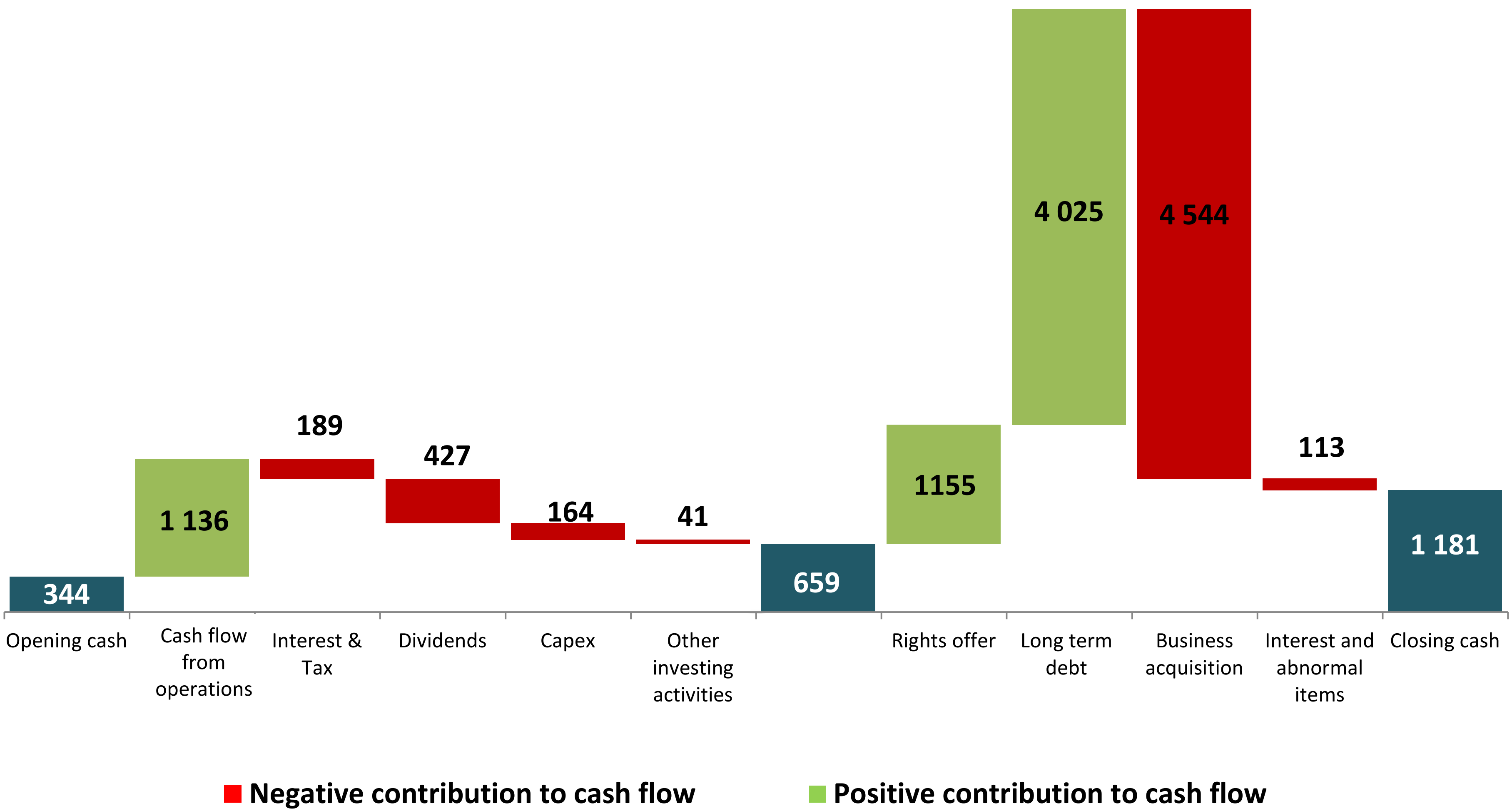


FINANCIAL POSITION

Group Balance Sheet	2015 R'000	2014 R'000
Property, plant and equipment	**1 537 293**	524 146
Intangible assets	**4 469 232**	85 821
Deferred taxation	**25 583**	24 119
Investments and loans	**470 778**	225 553
Current assets	**2 789 427**	1 771 655
Stock days	**85**	89
Debtors days	**39**	37
Net Cash	**1 181 273**	344 003
Non-current assets held for sale	**39 478**	-
Total assets	**10 513 064**	2 975 297
Shareholders interest	**3 483 913**	1 677 370
Non-controlling interest	**80 372**	69 536
Deferred taxation	**330 105**	58 215
Long term loans	**4 374 483**	305 628
Other liabilities	**2 244 192**	864 548
Creditors days	**35**	33
Total equity and liabilities	**10 513 064**	2 975 297

SA R394m
USA R787m

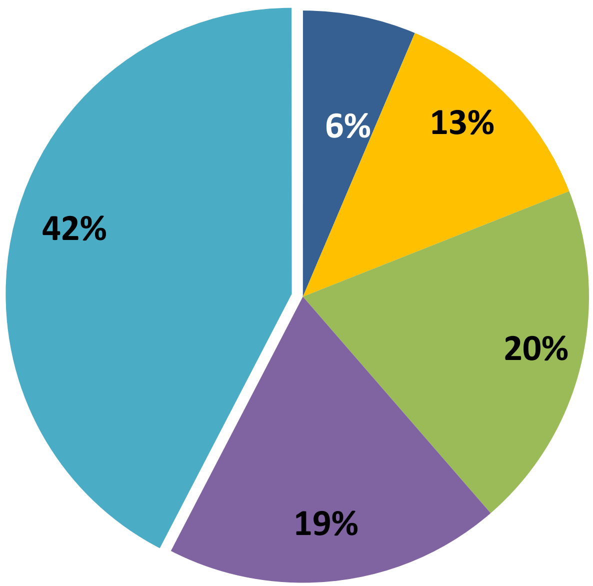
CASH FLOW



344
1 136
189
427
164
41
659
1155
4 025
4 544
113
1 181
Opening cash
Cash flow from operations
Interest & Tax
Dividends
Capex
Other investing activities
Rights offer
Long term debt
Business acquisition
Interest and abnormal items
Closing cash
Negative contribution to cash flow
Positive contribution to cash flow

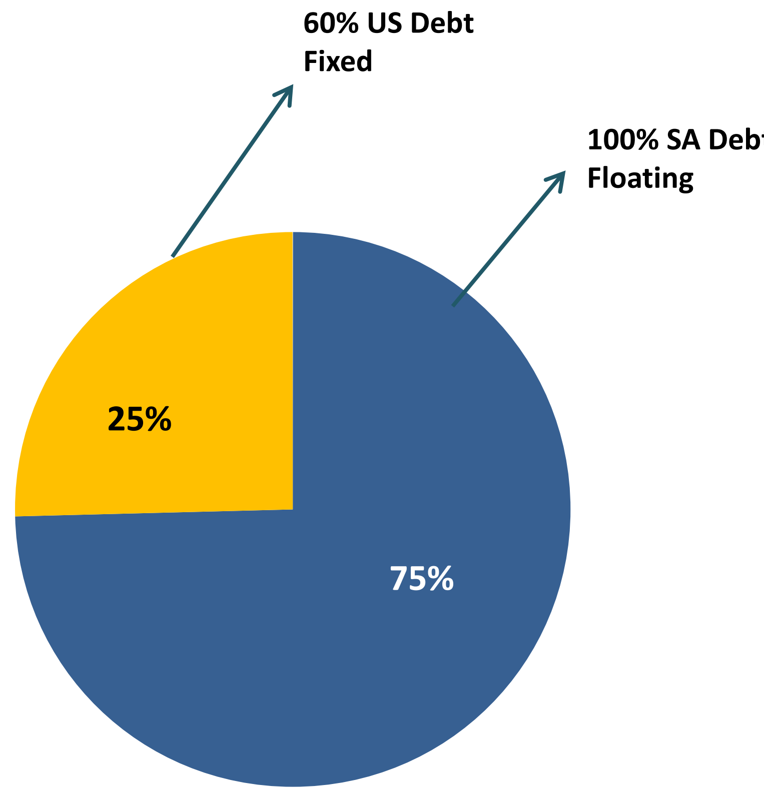
DEBIT AND INTEREST

LONG TERM DEBT



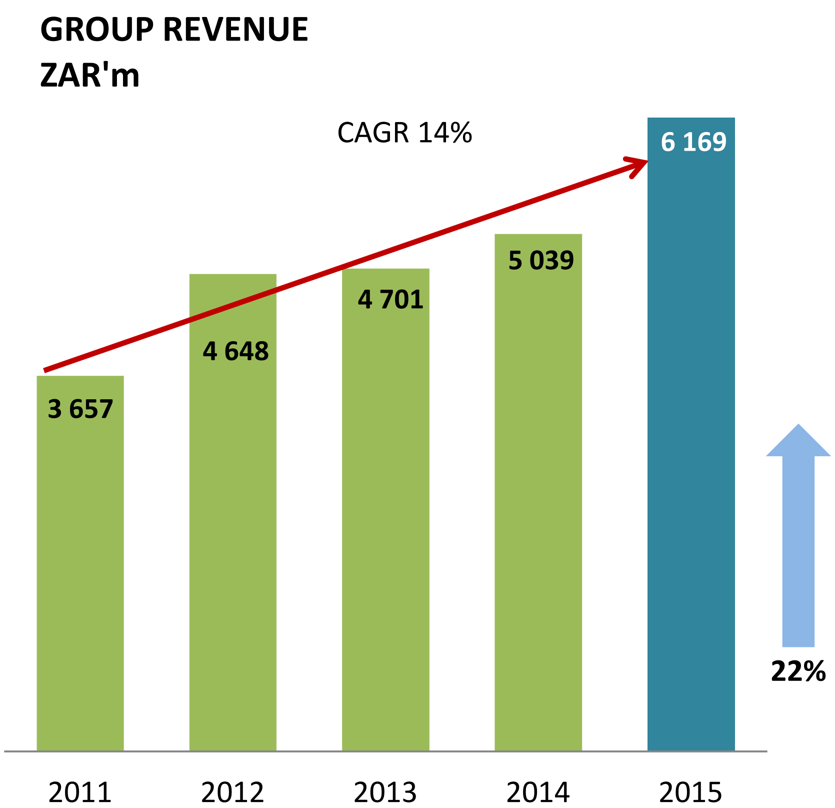
WEIGHTED AVERAGE RATE 6.2%

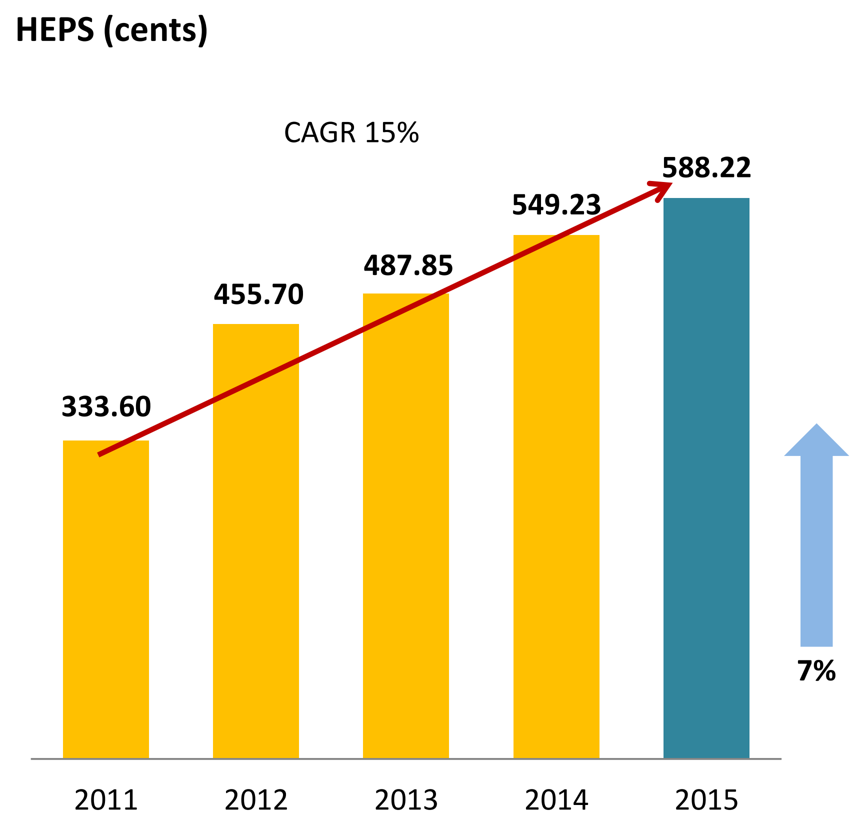
- OET 3 year bullet
- 3 year bullet
- 4 year bullet
- 5 year amortisation
- US Debt



- Floating
- Fixed

REVENUE AND HEPS





DIVIDENDS

		2015	var	2014
Headline earnings	R000's	611 778	8%	567 238
Dividend required to maintain 1.5 times cover	R000's	407 852	8%	378 932
Number of shares in issue (net of treasury shares)	000's	116 588	16%	100 512
Weighted average number of shares	000's	104 005	1%	103 278
Headline earnings per share*	cents	588	7%	549
Dividends per share (weighted)	cents	392	7%	366
Dividends per share	cents	365	-3%	377
Interim dividend	cents	106		106
Final dividend	cents	259		271

* headline earnings per share based on weighted average number of shares in issue.

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CANNED FISH & FISHMEAL

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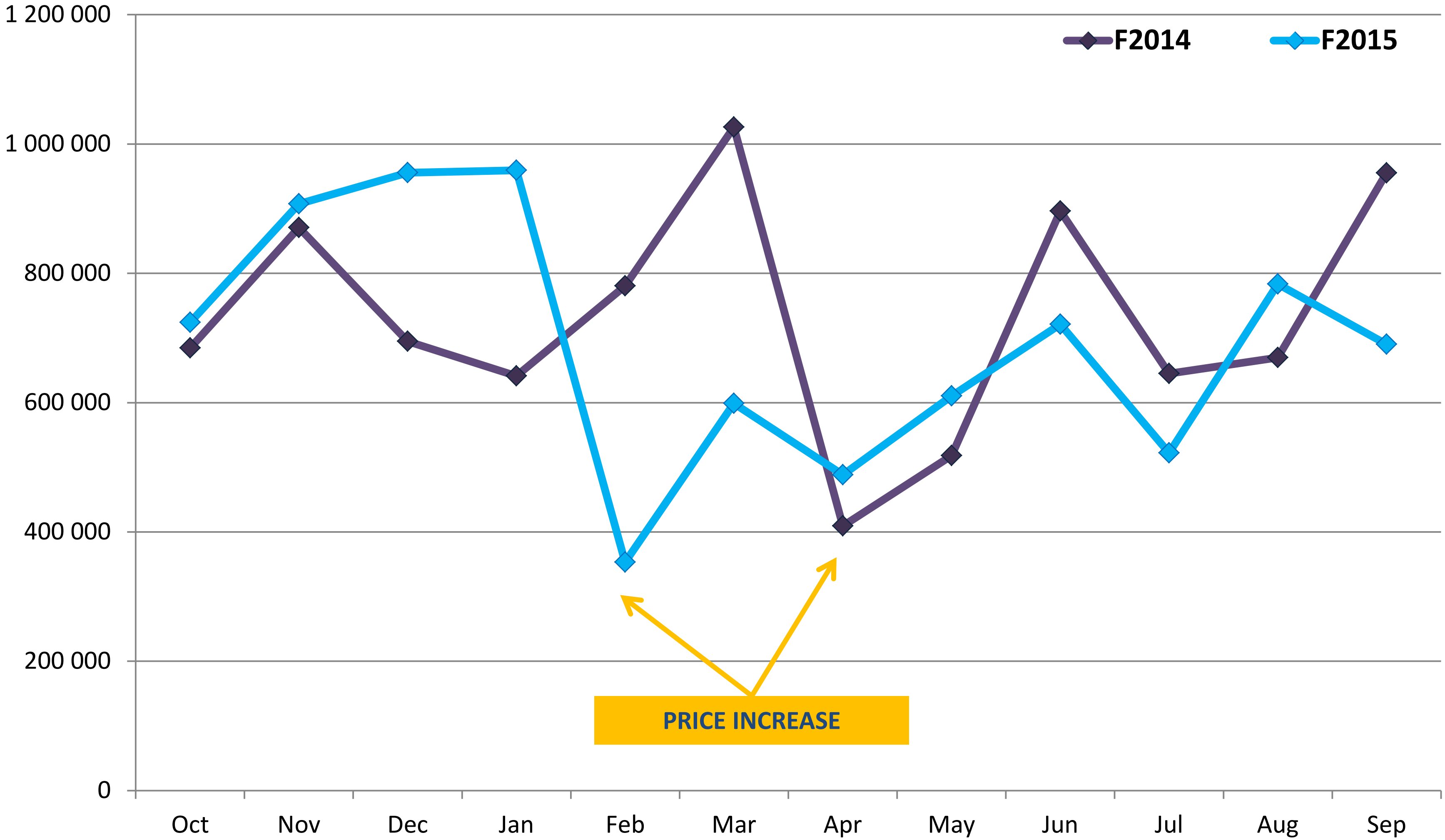
2015 - CANNED FISH REVIEW

- Local sales volumes flat in H1 and declined in H2
- Continued consumer pressure and xenophobic attacks negatively impact H2 volumes
- Price increase in February of 8%
- Overall SA market share remained intact
- Positive signs in the rest of Africa – volumes up 6%
- Cost of imported product negatively impacted by weaker ZAR
- Partially offset by renegotiating lower dollar import prices
- Focus on reducing costs in warehousing and distribution has yielded positive results (R22m)
- Operating profit growth in this segment and margins maintained
- Good contributor to working capital improvements – enhanced NRCS process, improved demand & supply planning

MONTHLY CANNED FISH VOLUMES - SA



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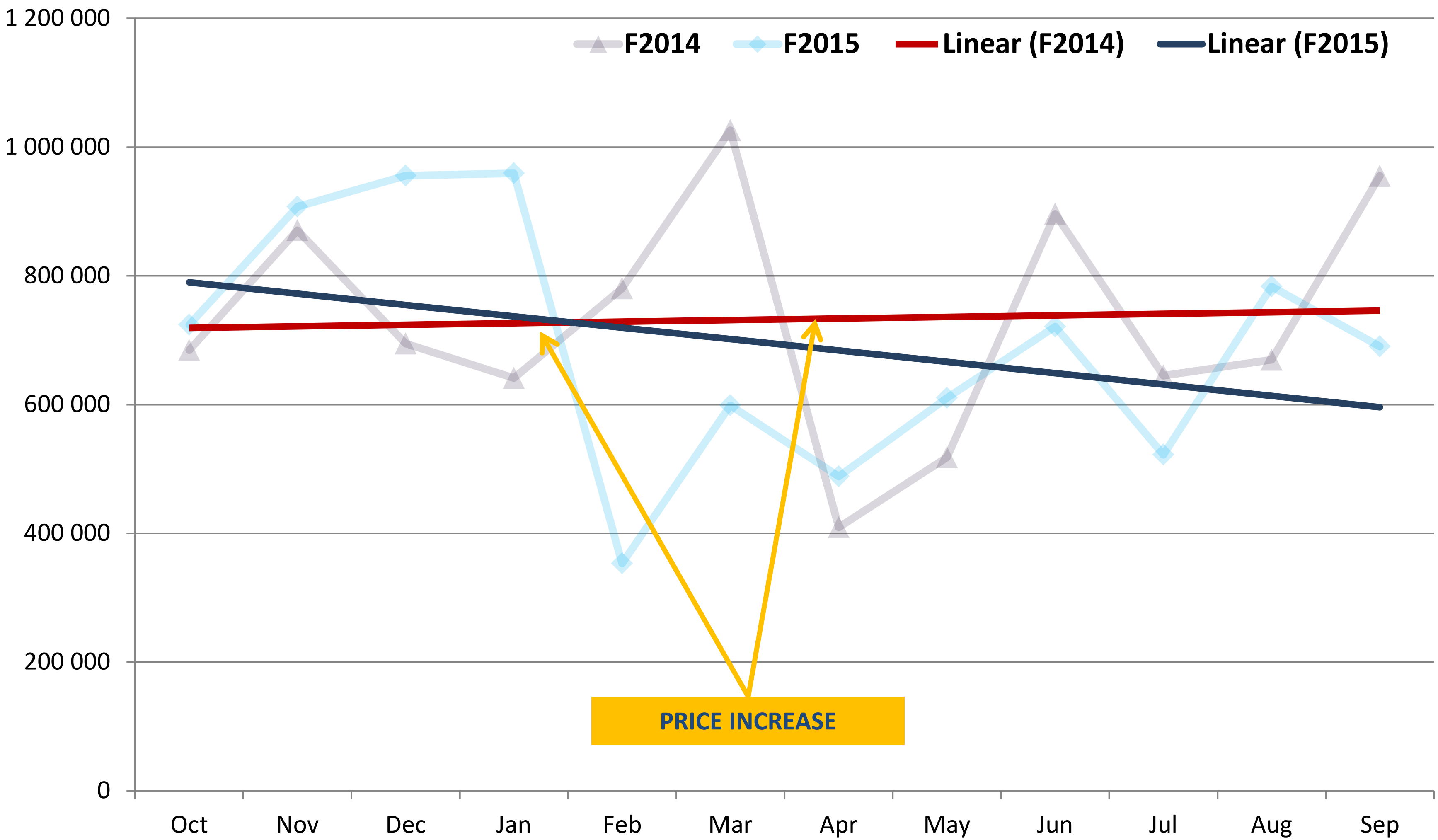
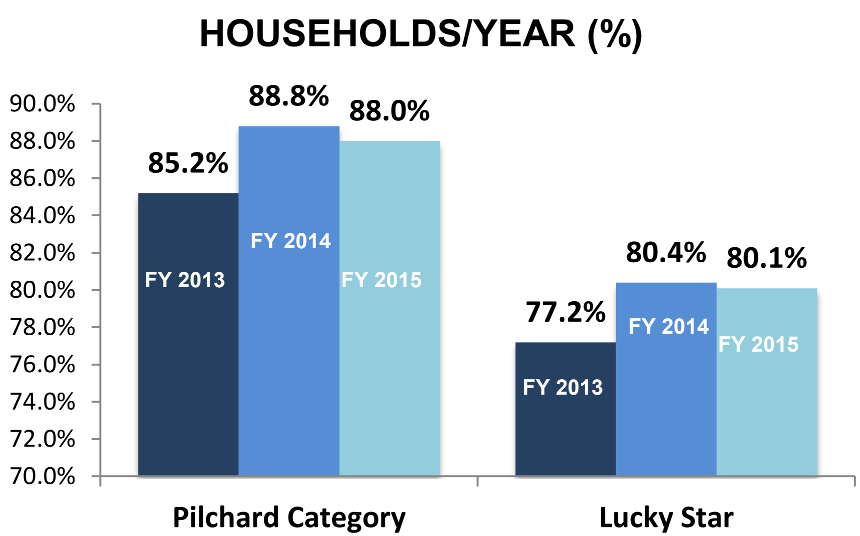
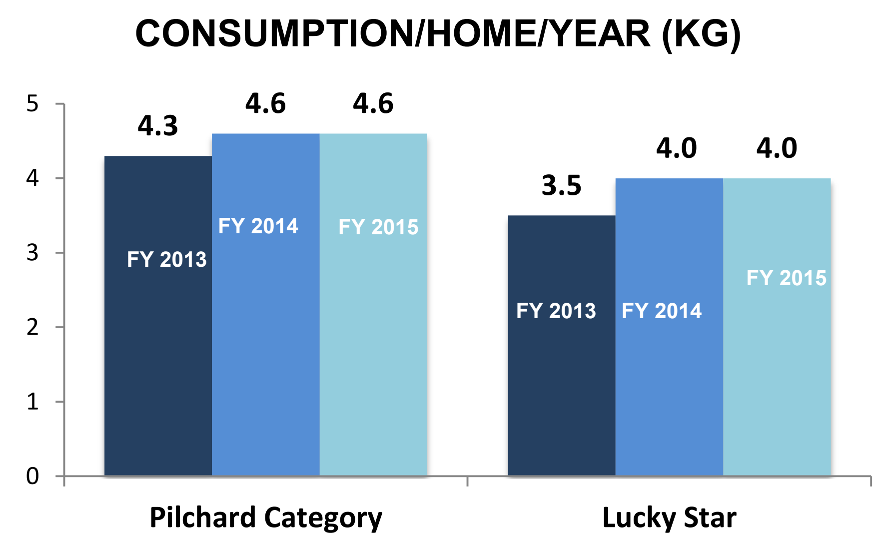
MONTHLY CANNED FISH VOLUMES - SA



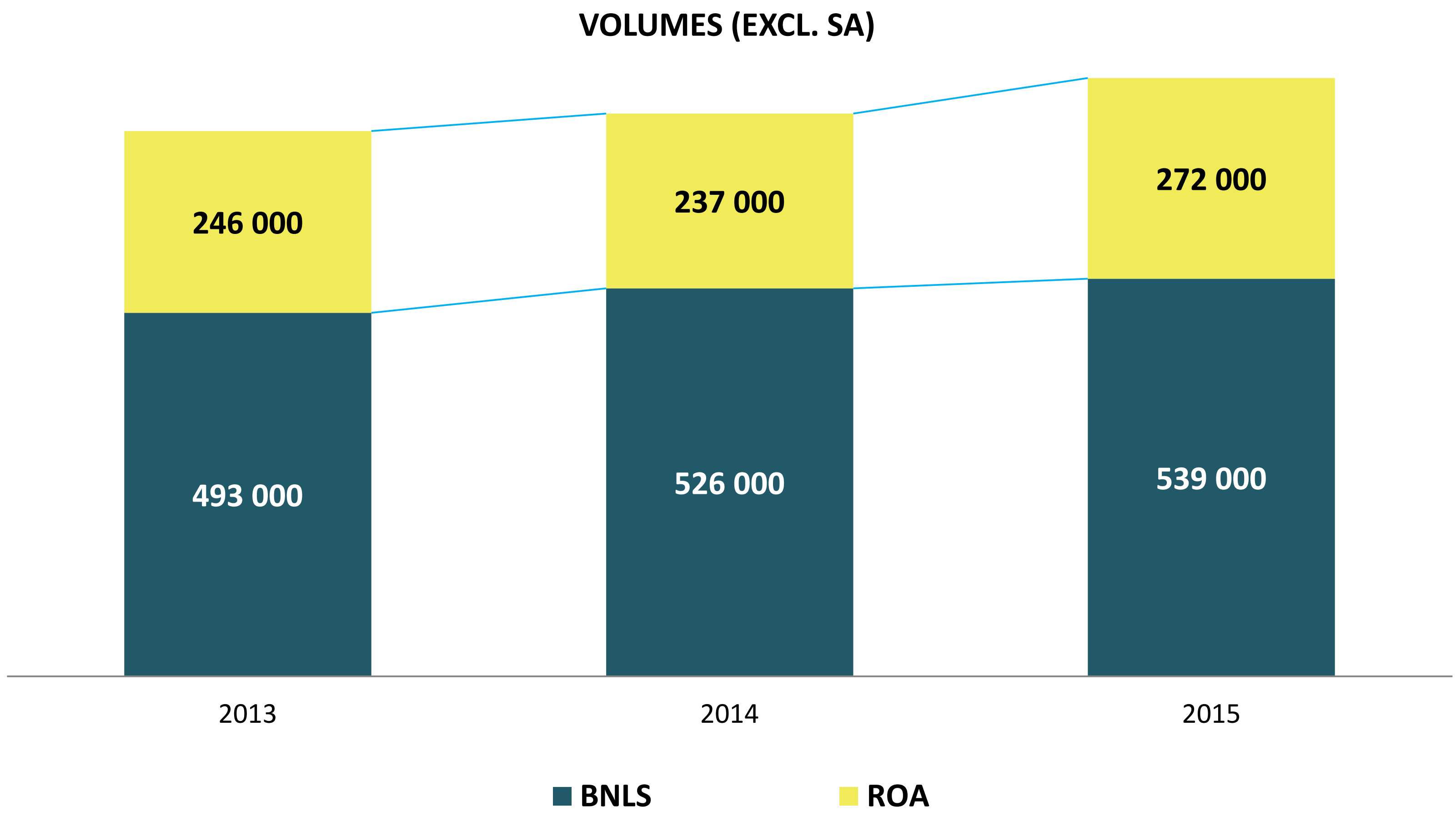
MARKET SHARE - SA

	Oct'13 – Sept'14 vol. share	Oct'14 – Sept'15 vol. share	Last 3 month vol. share
Lucky Star in Retail	70,0 %	70.1 %	68,1 %
Pilchards in Retail	- 2,0 %	+0,1 %	- 5,4 %





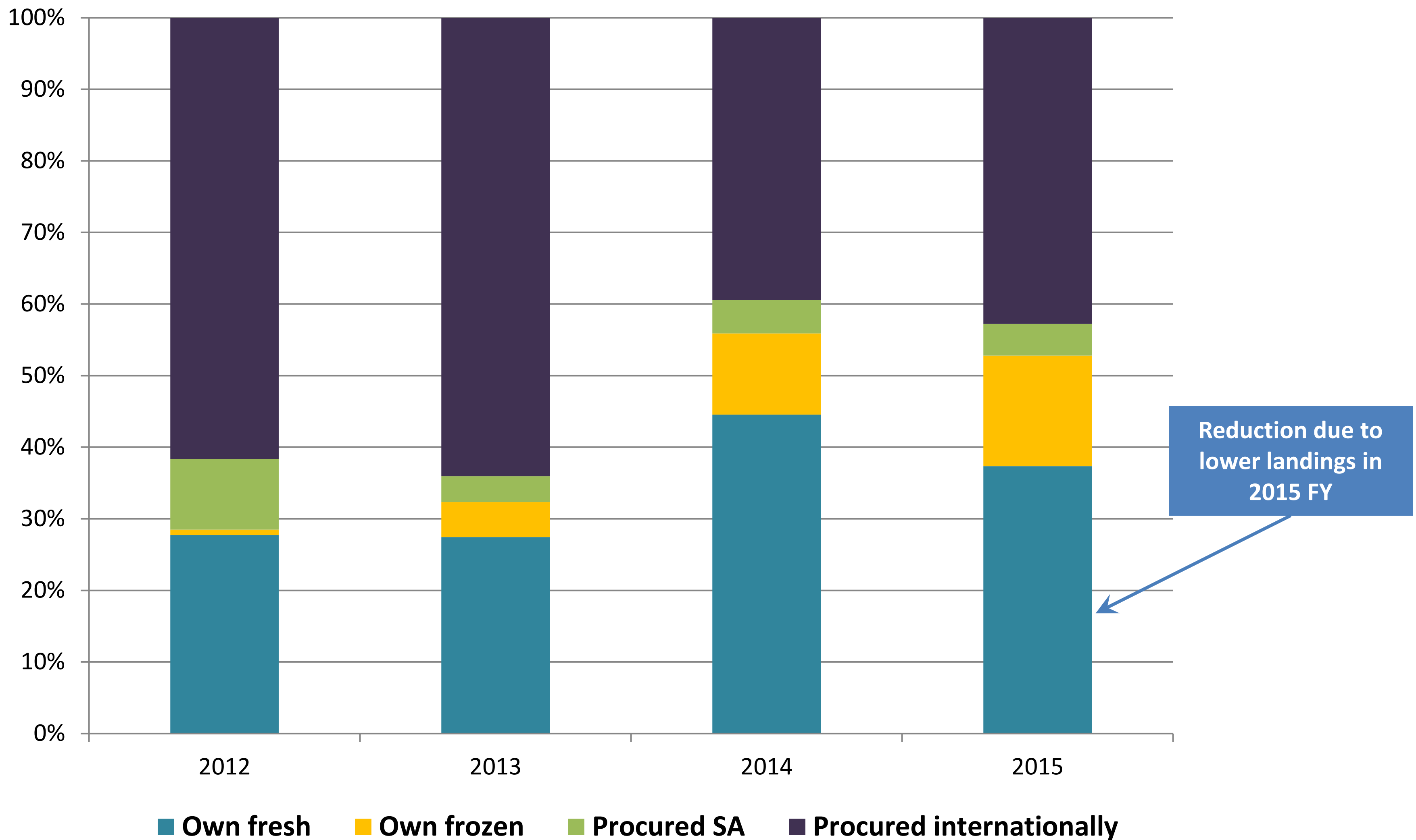
CANNED FISH VOLUMES - REST OF AFRICA



CANNED FISH PRODUCTION

- Material increase in cost of imported product. Average converted rate of R12.11 compared to R10.50 in 2014
- Focus has shifted to utilising spare capacity in local plants (SA and Namibia) to augment expensive imports with frozen local production
- Poor weather conditions have affected local landings in September and October

IMPORTS vs LOCAL PRODUCTION (cartons '000)

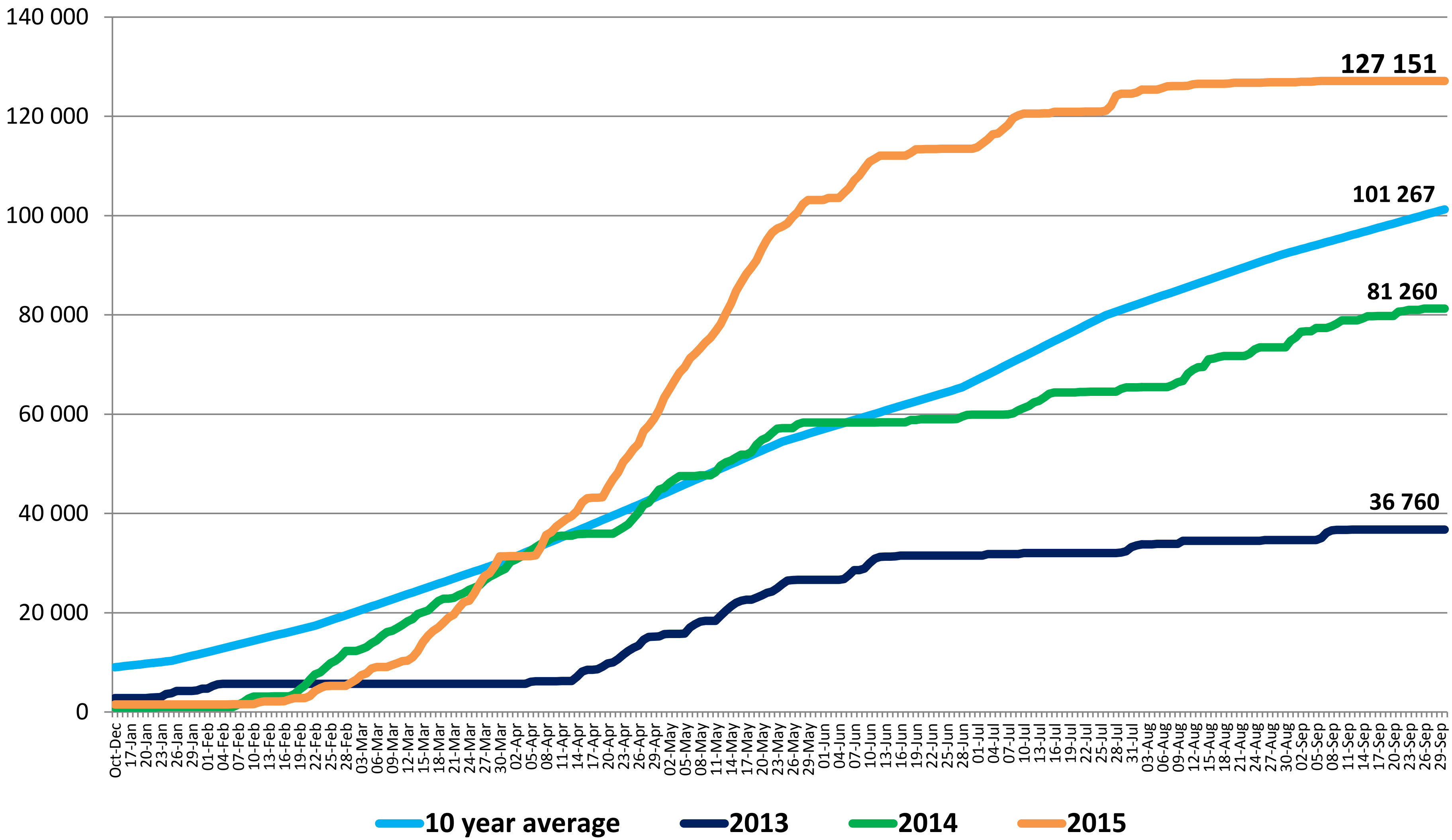


FISHMEAL REVIEW

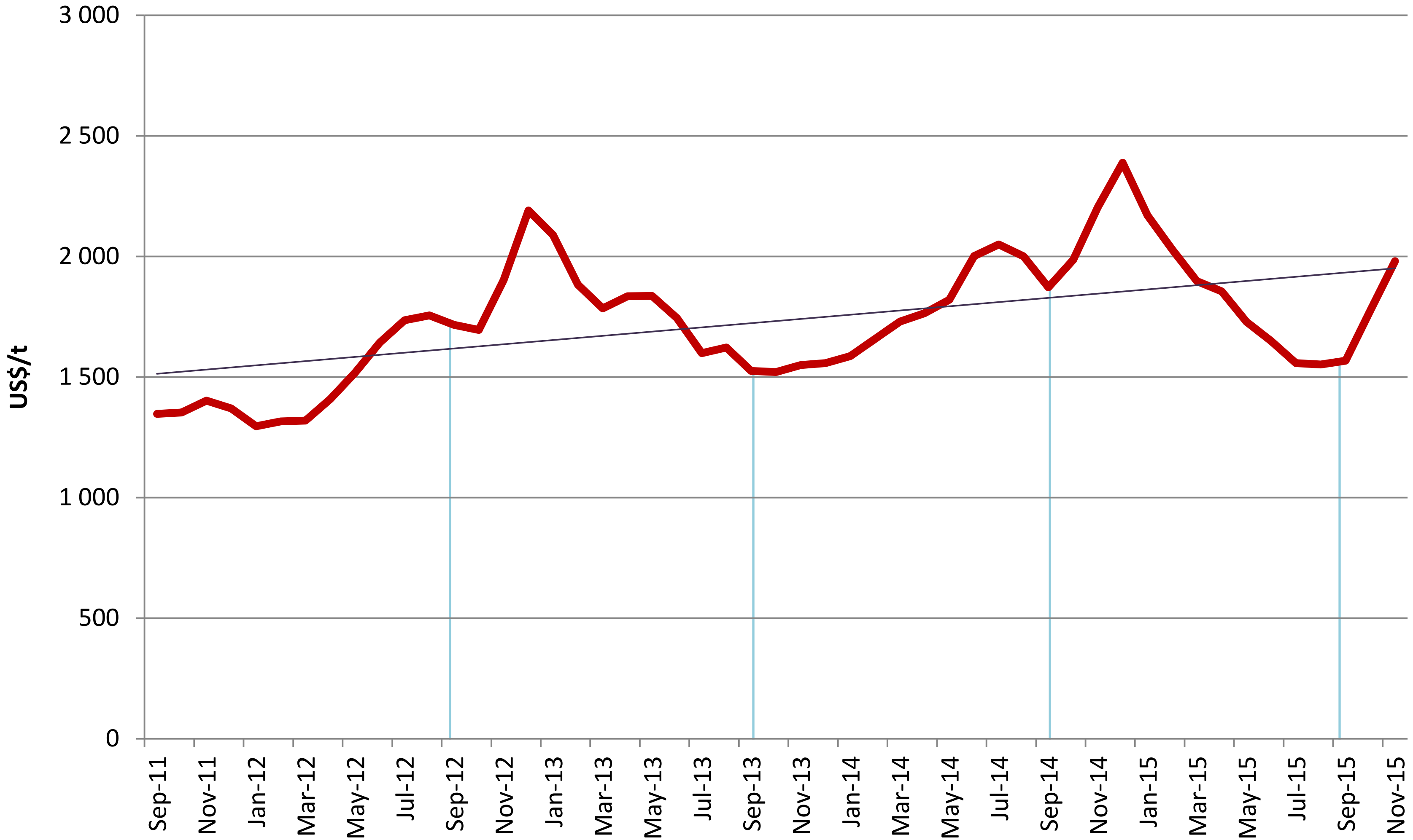
- Significant improvement in landings over the period
- Overall weather conditions more favourable compared to prior year
- Added benefit of Foodcorp volumes
- International pricing reduced during the period due to Peruvian production back on line during H1
- Pricing – improvement in H2
- Weaker exchange rate has had a positive effect on export sales

LANDINGS

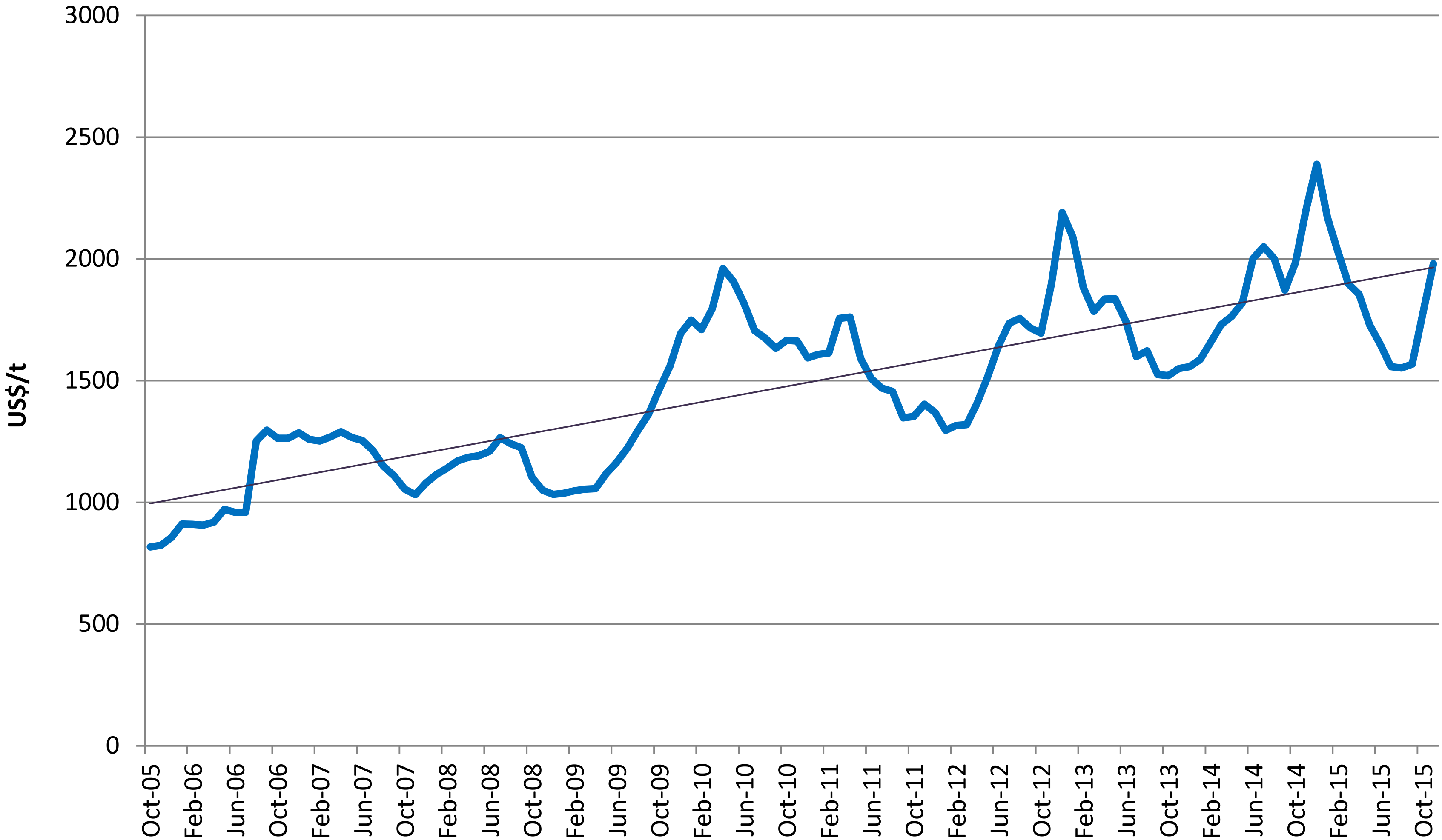
DAILY LANDINGS TO SHB, HTB & AP FMP'S
FIN YEARS



HISTORIC FISHMEAL PRICES – 4 year view



HISTORIC FISHMEAL PRICES – 10 year view

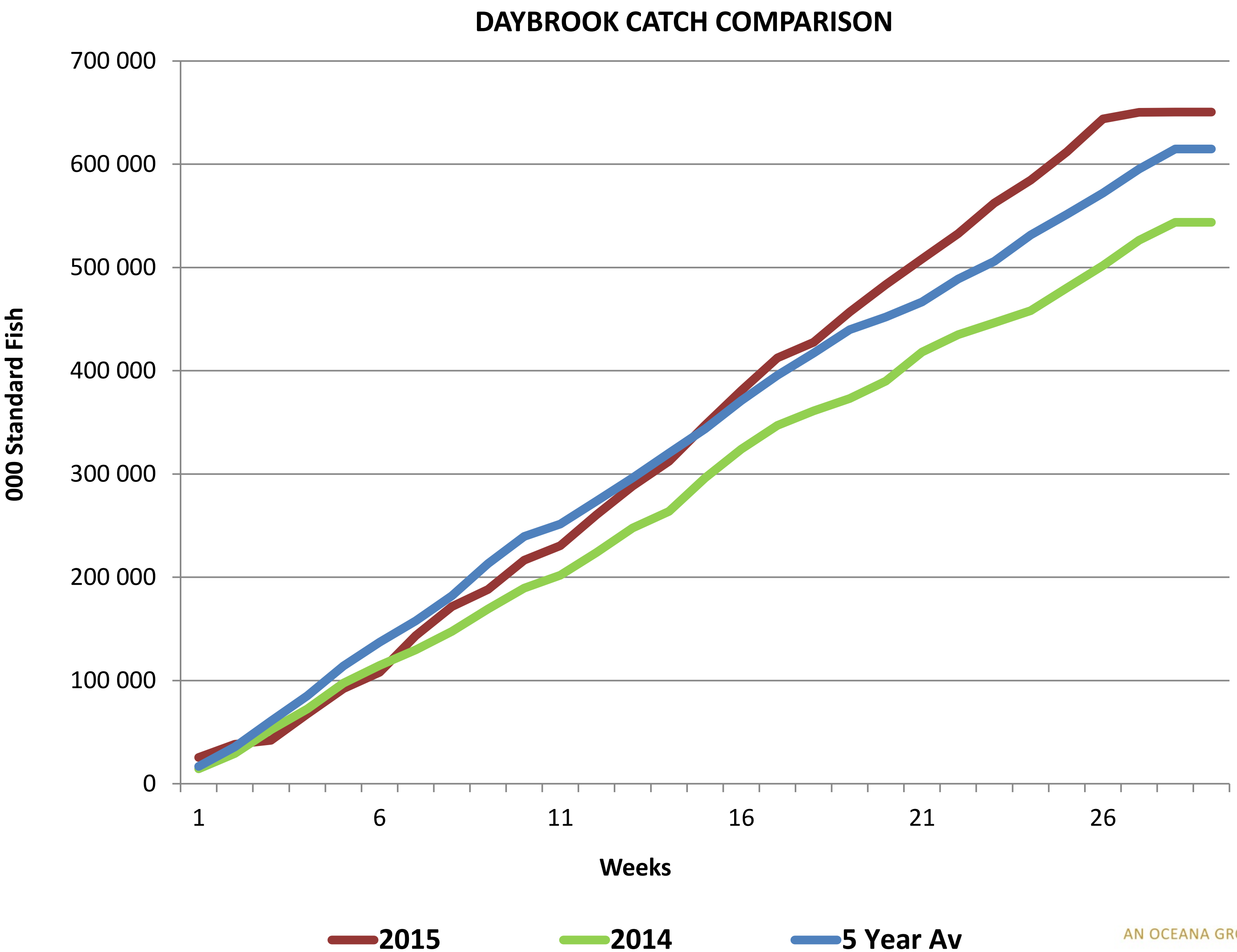


DAYBROOK

DAYBROOK

- Fully integrated into Oceana structures
- Management team in place – New MD and CFO have been appointed (names to be announced in due course)
- Landings improved by 20% on last season
- Overall production output improved on business plan
- Stock levels at year end better than expected

LANDINGS COMPARISON



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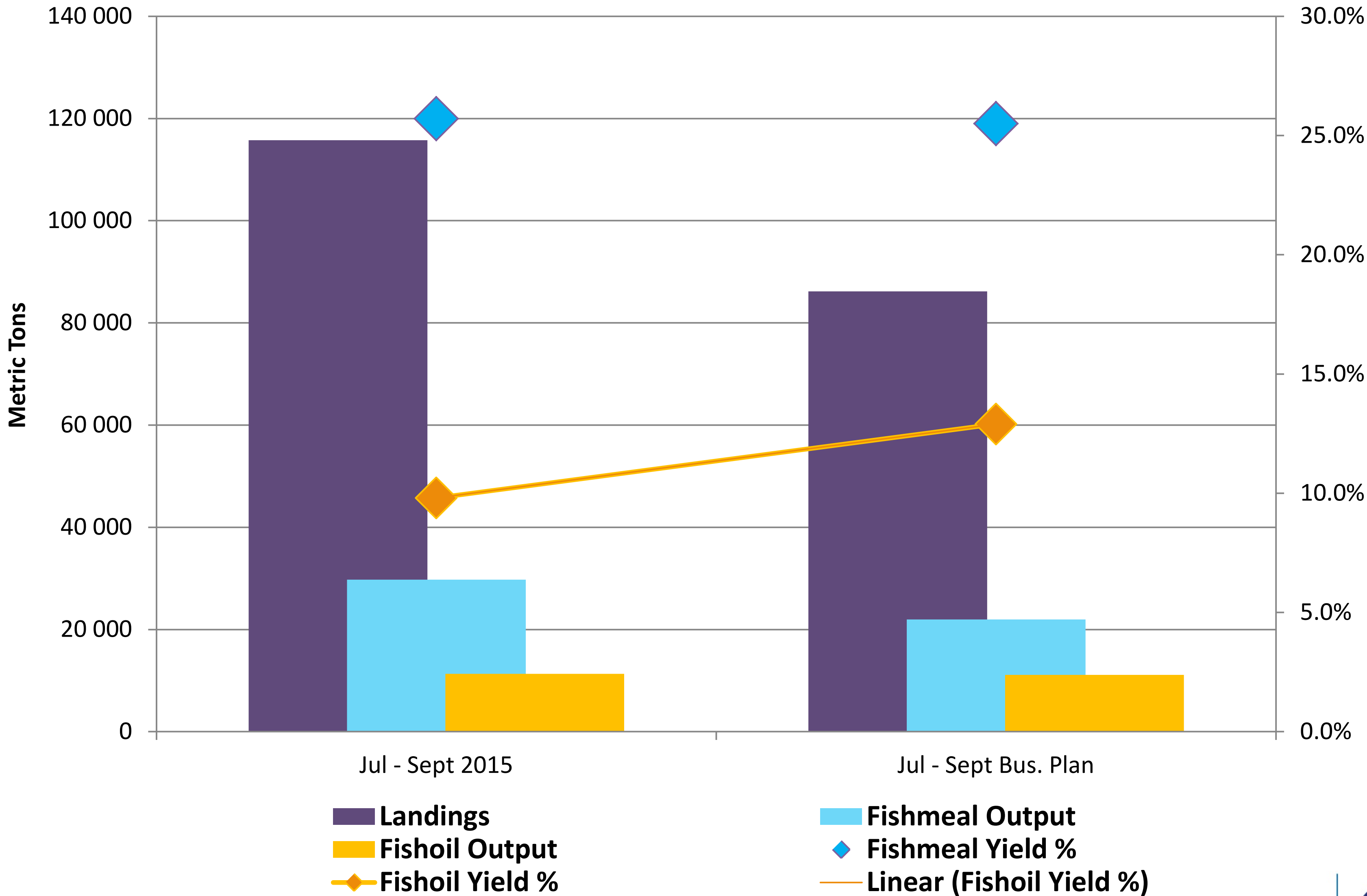
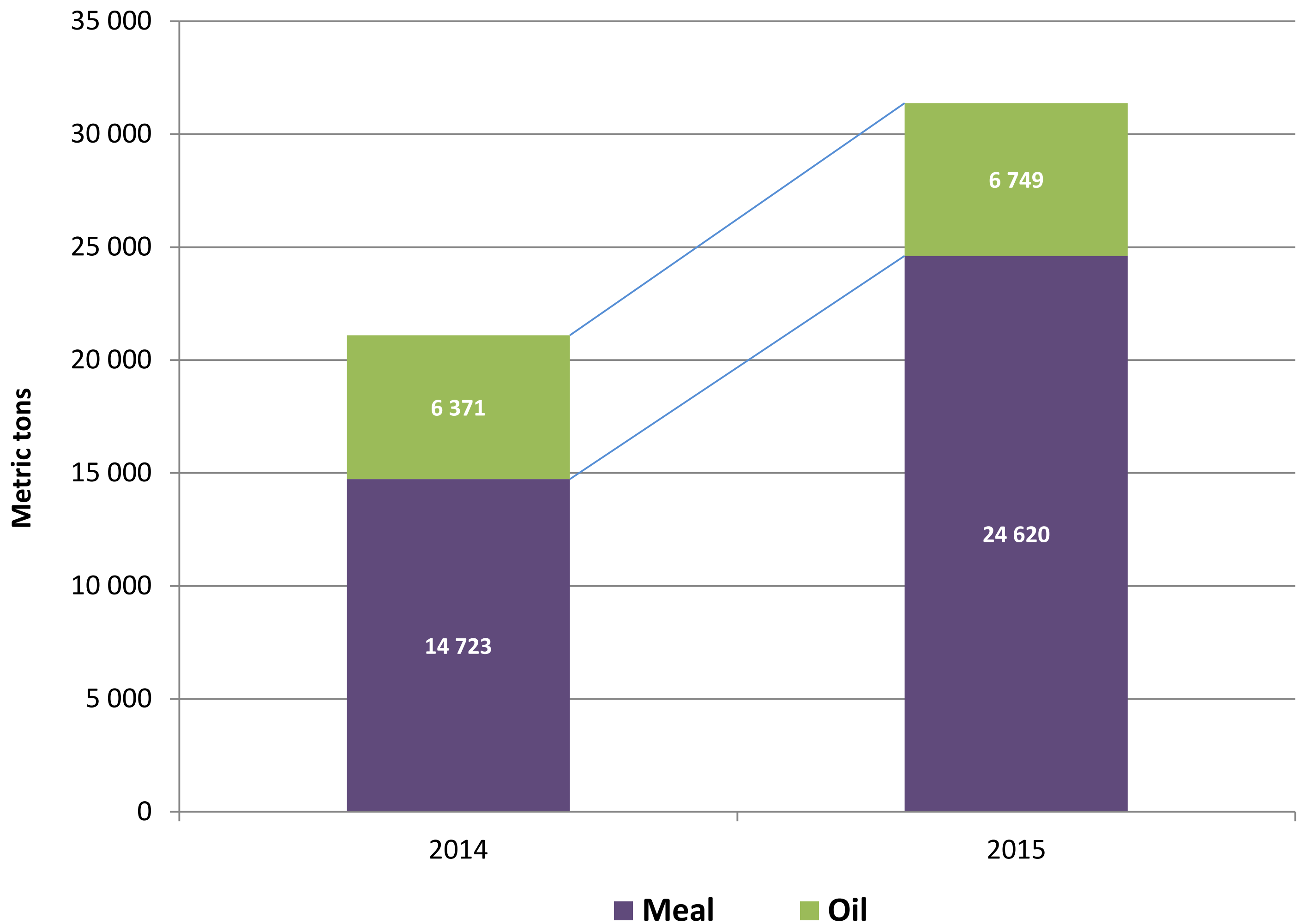
PRODUCTION STATS



INVENTORY



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HORSE MACKEREL & HAKE

OCEANA GROUP

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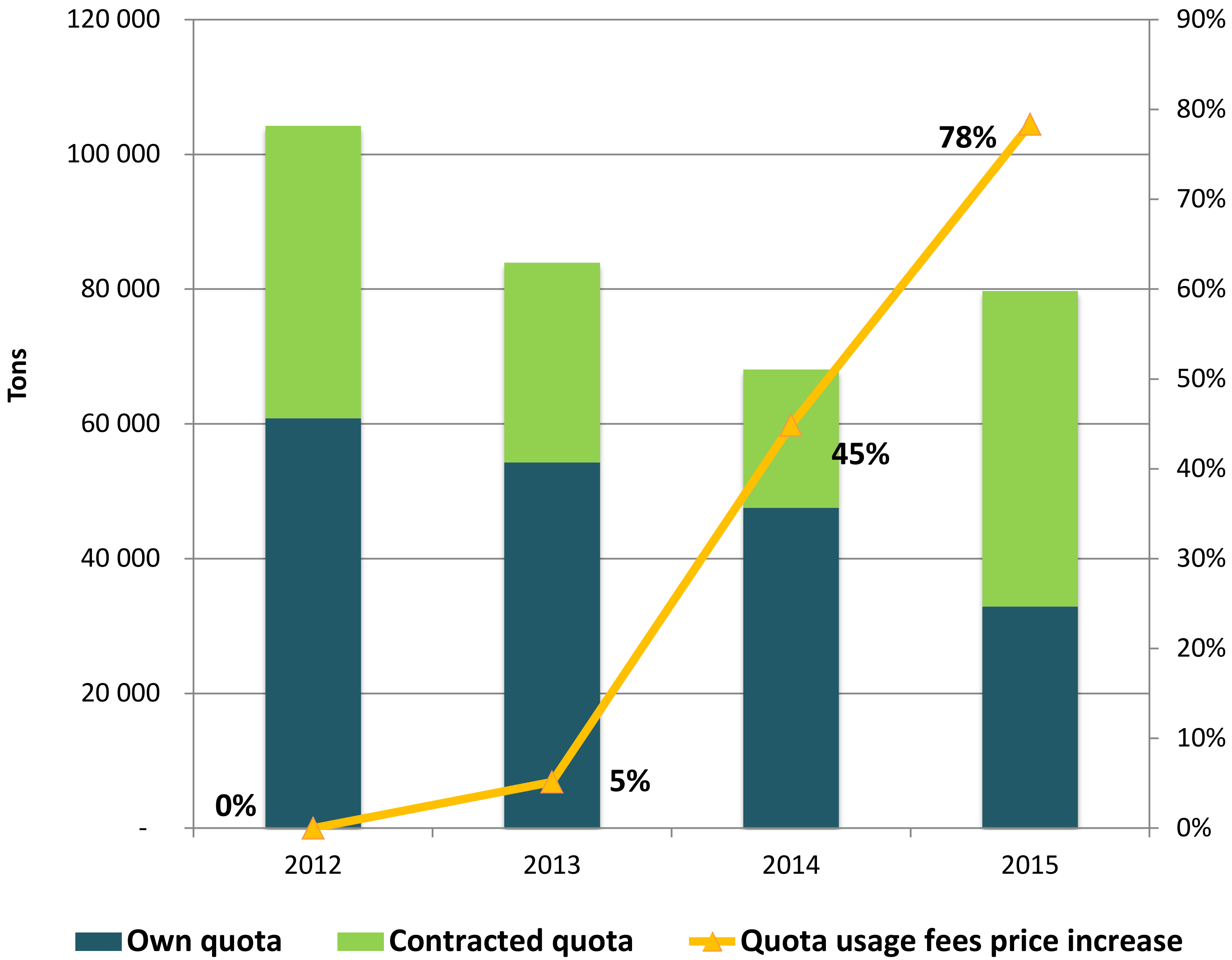
2015 HORSE MACKEREL SA

- Reduced landings in the period
  - 1st Quarter: Rudder repair and then fished in Namibia on contracted quota
  - 2nd Quarter: Returned to SA and caught 35 mt/day
  - 3rd Quarter: Fished in Namibia on expensive contracted quota
  - 4th Quarter: Returned to SA and caught at 4mt/day and was laid up thereafter
  - Oceana and DAFF scientists exploring reasons for decline

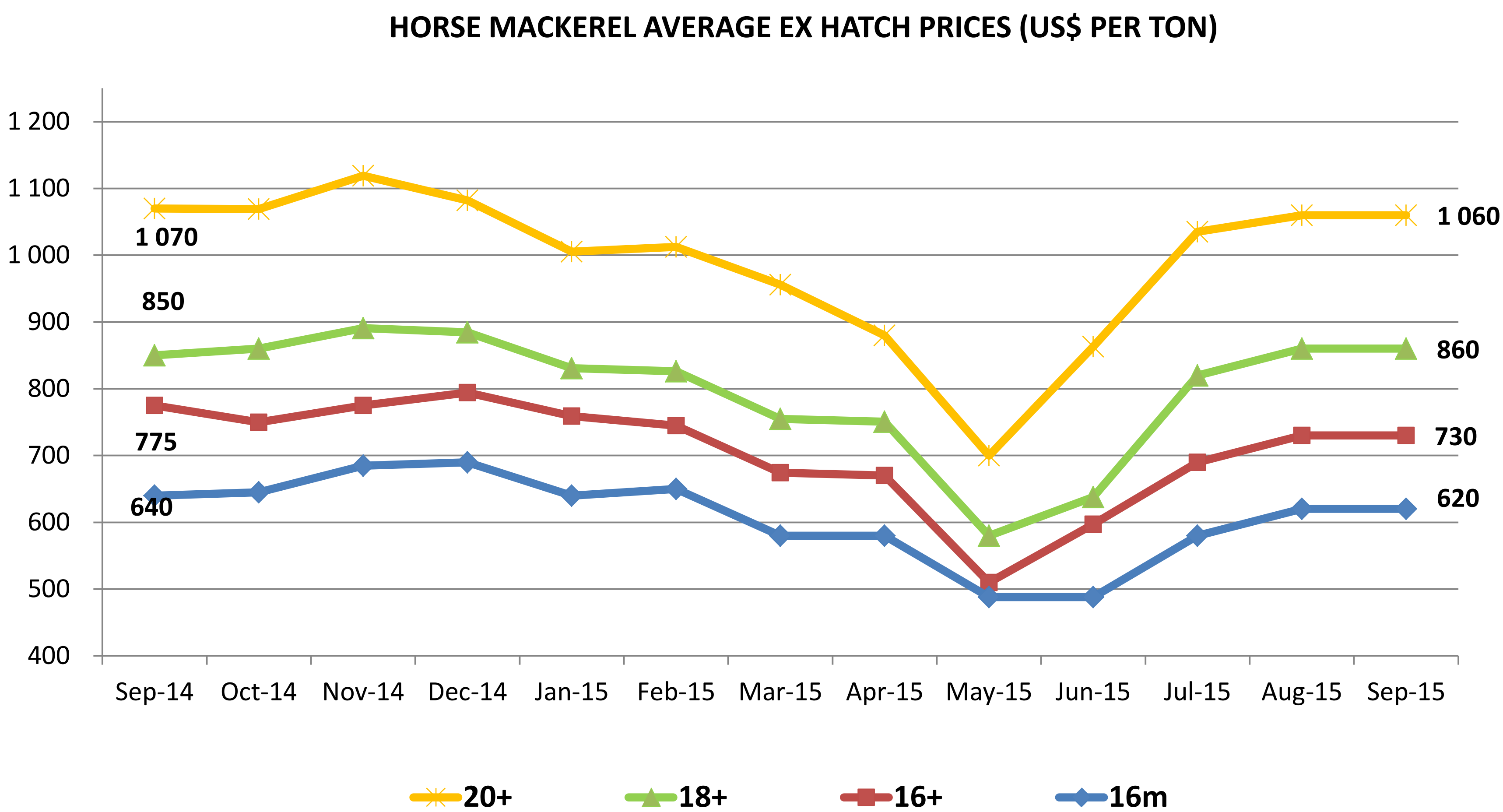
2015 HORSE MACKEREL NAMIBIA

- TAC unchanged but own quota reduced
- Significant increase in purchase quota costs
- Landings have increased over the period
  - Jewel in Angola for H1 – excess capacity in Namibia
  - Diamond assisted in H2 when additional quota was purchased
- Pricing remained fairly stable in USD terms
- Profit margins reduced to almost two thirds of prior year

HORSE MACKEREL NAMIBIA



HORSE MACKEREL PRICING



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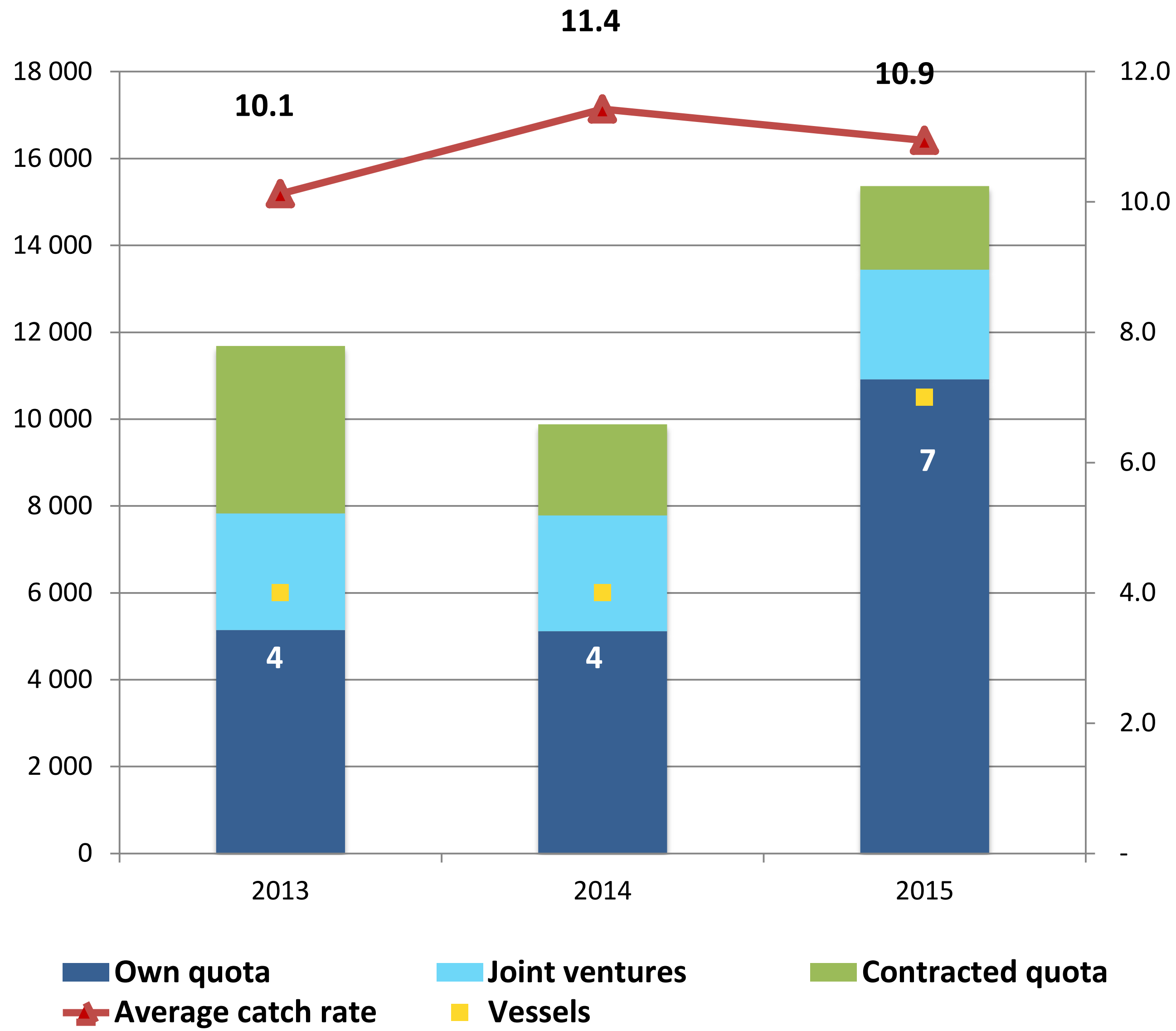
BLUE CONTINENT PRODUCTS

HAKE REVIEW

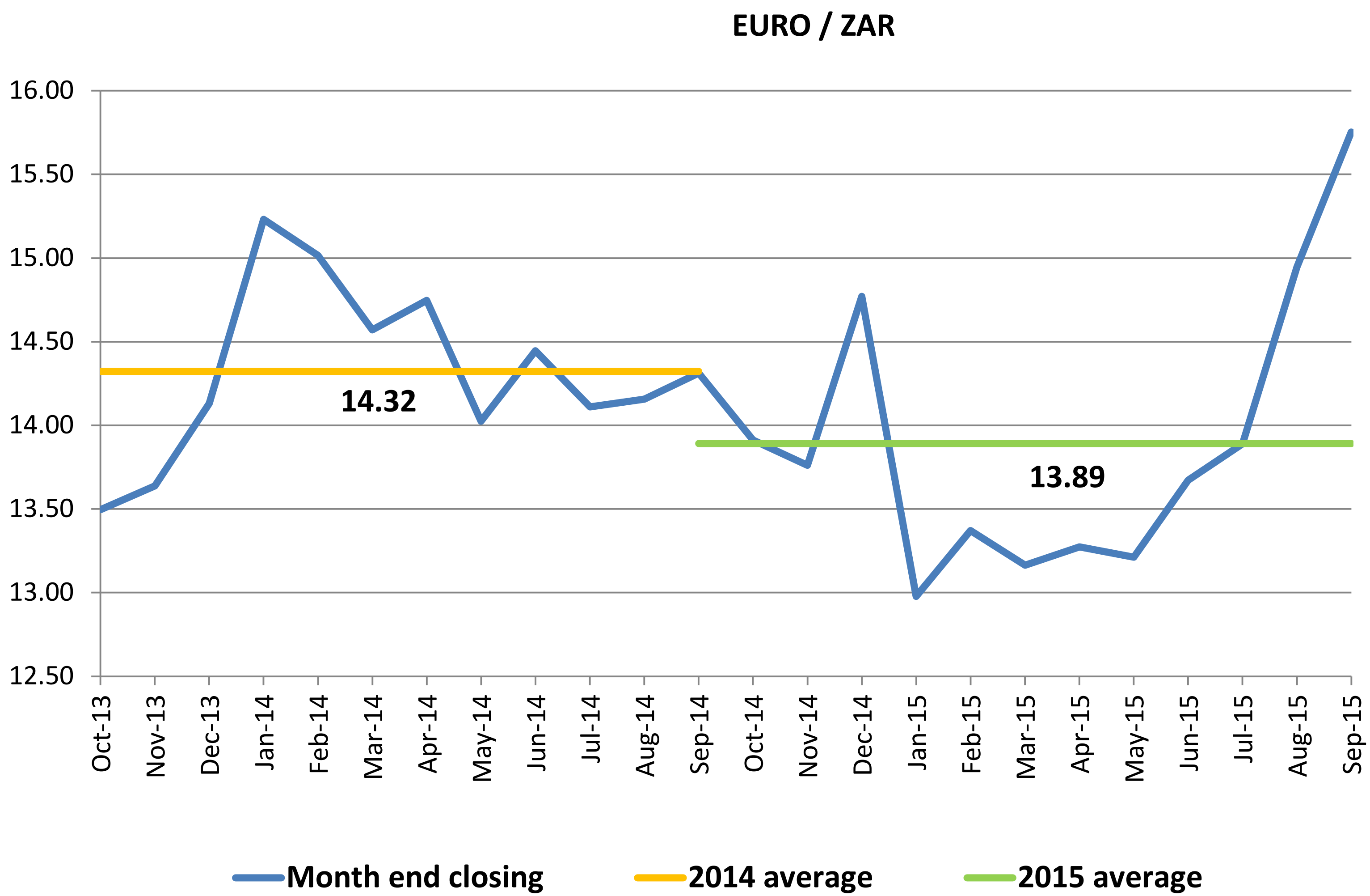
- Solid overall performance – bolstered by Foodcorp volumes and capacity
- Vessel utilisation and catch rates on frozen fleet have improved
- Revenue negatively impacted by
  - smaller size mix
  - ZAR strength against Euro

HAKE CATCH STATS



AN OCEANA GROUP COMPANY BLUE CONTINENT PRODUCTS

IMPACT ON HAKE SALES PRICES



LOBSTER, SQUID & FRIES

2015 REVIEW

- **Lobster**
  - Volumes up – 100% of quota landed, production mix improved
  - Pricing stable in USD, exchange rate benefit

- **Squid**
  - Volumes doubled
  - Euro pricing down 20%

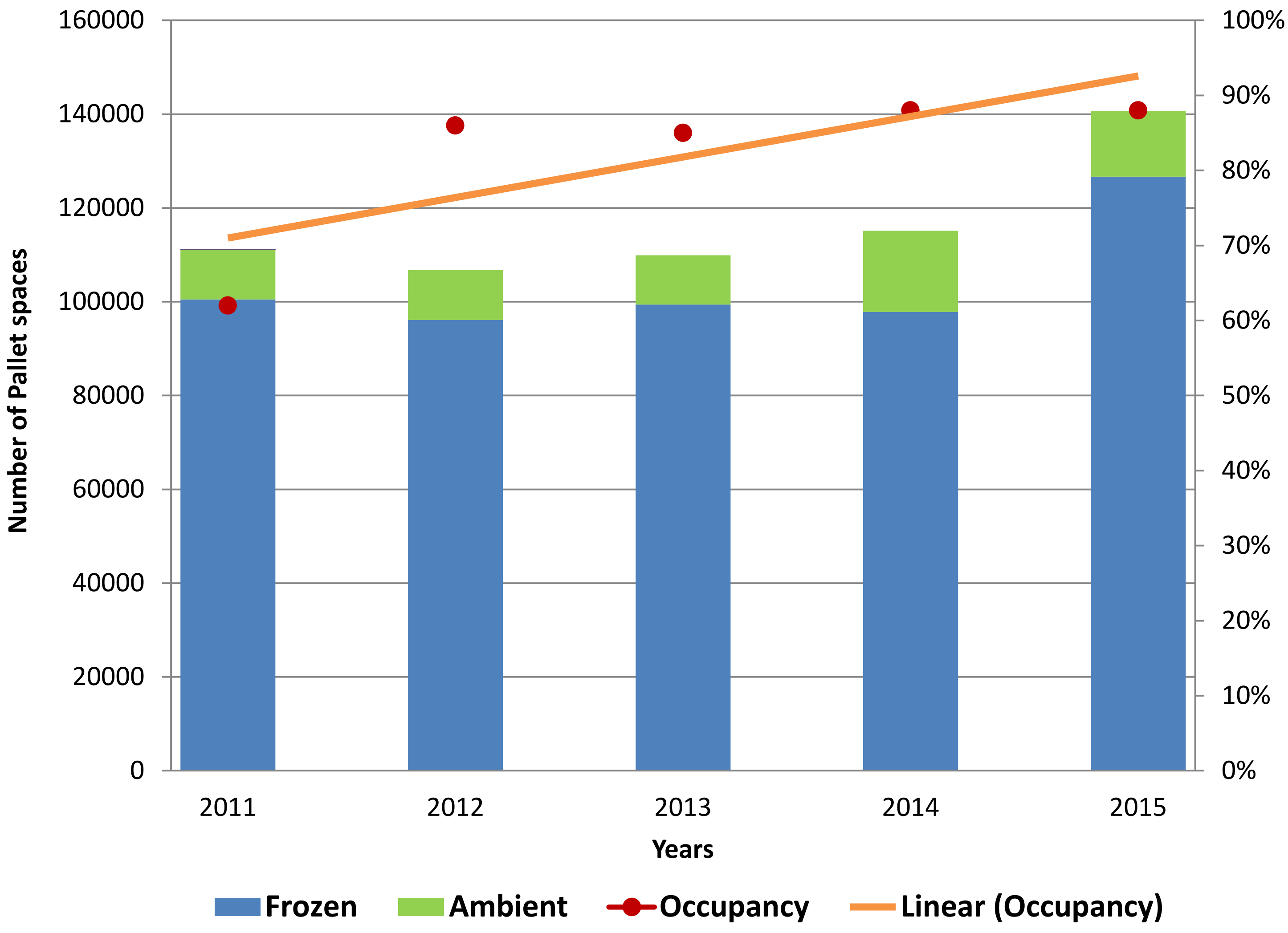
- **Fries**
  - Volumes down due to load shedding and lower quality raw material
  - Margins negatively impacted by lower production volumes and raw material cost pressures

CCS LOGISTICS

2015 REVIEW

- Consistently high occupancy levels – average 88% for 2015
- 24% increase in number of pallets handled
- New sites – Midrand 1 and 2 have been positive contributors
- Fruit performance solid
- Transport business growing steadily off a low base
- Angola site opened – September 2015

PALLET CAPACITY & OCCUPANCY



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CCS LOGISTICS

OUTLOOK

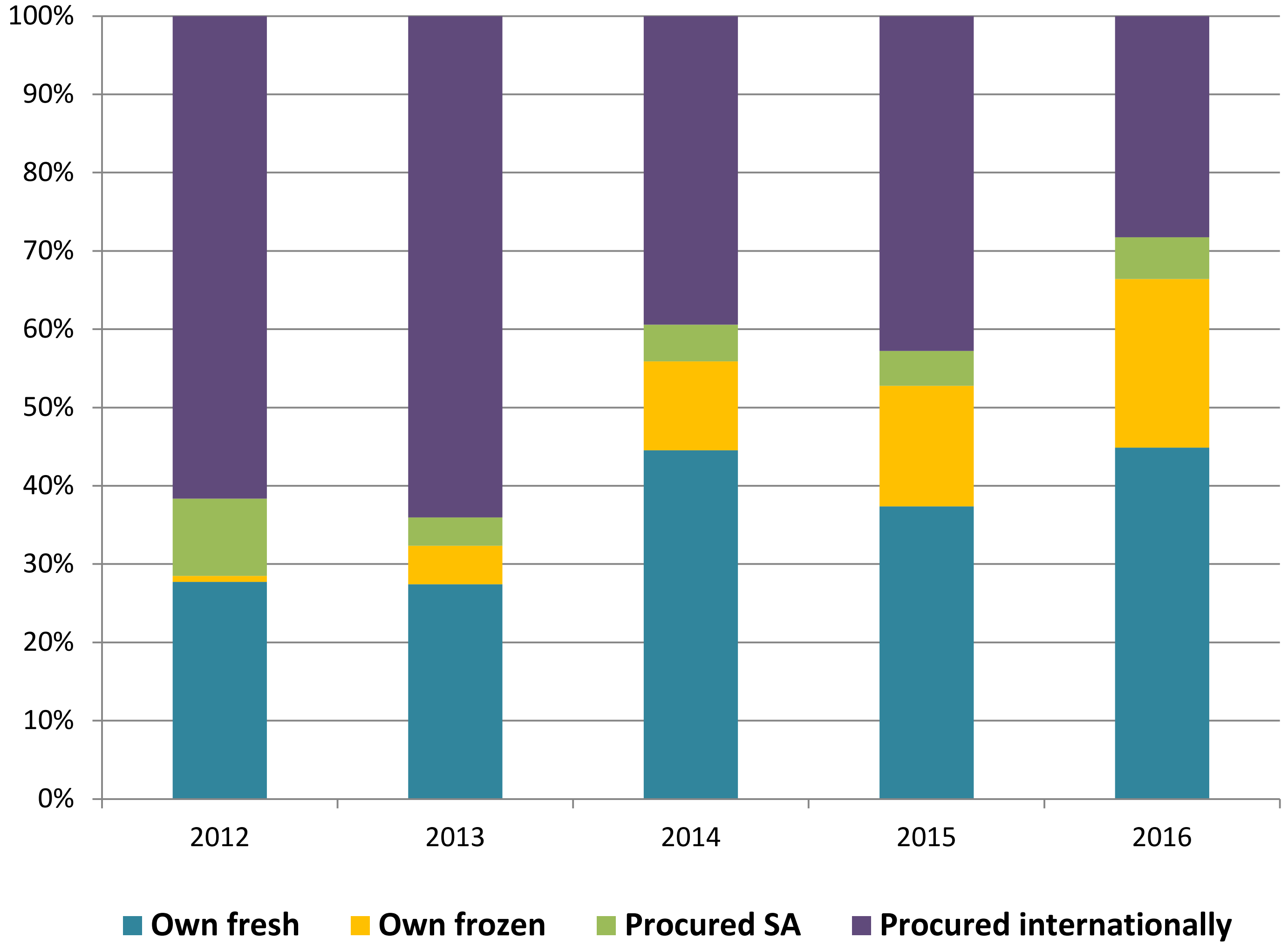
2016

- **Canned Fish South Africa**
  - price increases will be kept to a minimum, timing planned to coincide with expected higher food inflation period
  - increase in promotional activity
  - local production ramping up
  - further efficiencies on merchandising, freight and distribution costs

- **Canned Fish Rest of Africa**
  - growth steady off low base
  - moving origin from Thailand to SA/Namibia reduces import duties

- **Fishmeal and fish oil**
  - effect of Peru El-Nino on pricing
  - Angola fishmeal plant commissioned 1 December 2015
  - additional vessel from mid November

PRODUCTION STATS



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MERCURY

ANGOLA

2016

- **Horse Mackerel Namibia**
  - Excess and underperforming capacity has been sold, expect margin improvement as a result
  - volumes owned and contracted 60,000 tons (50/50 split)

- **Horse Mackerel SA**
  - Frap 2016
  - approval to fish West of 20 degrees East
  - TAC reduction of 8% expected

- **Hake**
  - FRAP 2016 inshore
  - further synergies from Foodcorp integration
  - wet fish margin improvement

2016

- **Lobster** – 11% TAC increase, FRAP 2016
- **Squid** – resource looks healthy and similar catches expected
- **Fries** – steady demand expected, potato crops early indicators look positive
- **CCS**
  - Angola now online
  - high occupancy levels expected to continue
  - Brownfield expansion opportunities being considered
  - ‘Namibianisation’ of CCS Walvis Bay (30% sale to local partner)

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GUIDANCE 2016

- Effect of Daybrook and Foodcorp for full 12 months
- CAPEX will remain at current levels
- Fishmeal pricing positively impacted by El-Nino
- Export businesses impacted by ZAR/USD rate movements
- Continue to extract efficiencies
  - Finance shared services
    - Phase 1 launch 1 December 2015
    - Supplier list reduced more than threefold
  - Centralised procurement
    - Targeted savings R70m in 2016
  - Human Resources
  - Group logistics costs

THANK YOU

OCEANA GROUP