Oceana Group Limited
Incorporated in the Republic of South Africa
(Registration number 1939/001730/06)
JSE Share Code: OCE
NSX Share Code: OCG
ISIN Number: ZAE 000025284
("Oceana" or "the company" or "the group")

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2019

Condensed consolidated statement of comprehensive income
for the period ended 31 March 2019

	Note	Unaudited six months ended 31 Mar 2019 R'000	Restated* Unaudited six months ended 31 Mar 2018 R'000	Change %	Restated* Audited year ended 30 Sep 2018 R'000
Revenue	3	3 557 416	3 452 824	3	7 657 311
Cost of sales		2 238 209	2 176 284	3	4 823 816
Gross profit		1 319 207	1 276 540	3	2 833 495
Sales and distribution expenditure		224 886	213 743	5	500 298
Marketing expenditure		20 820	23 143	(10)	55 184
Overhead expenditure		487 330	494 411	(1)	1 102 907
Net foreign exchange (profit)/loss		(4 846)	21 414	123	(19 248)
Operating profit before associate and joint venture loss		591 017	523 829	13	1 194 354
Associate and joint venture loss		(36 726)	(29 132)	26	(5 447)
Operating profit before other operating items		554 291	494 697	12	1 188 907
Other operating (expense)/income items	5	(770)	(15 922)	(95)	(14 091)
Operating profit		553 521	478 775	16	1 174 816
Investment income		16 246	22 063	(26)	40 767
Interest expense		(146 371)	(169 887)	(14)	(332 532)
Profit before taxation		423 396	330 951	28	883 051
Taxation expense/(income)	6	121 979	(46 731)	(361)	810
Profit after taxation		301 417	377 682	(20)	882 241
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement on foreign currency translation reserve including hyperinflation effect		106 717	(488 743)		212 903
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect		4 174	(31 299)		8 214
Movement on cash flow hedging reserve		(11 831)	8 469		24 845
Income tax related to profit/(loss) recognised in equity		2 918			(5 813)
Other comprehensive income, net of taxation		101 978	(511 573)	120	240 149
Total comprehensive income for the period		403 395	(133 891)	401	1 122 390
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited		288 667	364 873	(21)	857 831
Non-controlling interests		12 750	12 809	-	24 410
		301 417	377 682	(20)	882 241
Total comprehensive income for the period attributable to:					
Shareholders of Oceana Group Limited		390 645	(146 700)	366	1 097 980
Non-controlling interests		12 750	12 809	-	24 410
		403 395	(133 891)	401	1 122 390
Earnings per share (cents)					
Basic		247.0	312.5	(21)	734.6
Diluted		227.1	286.6	(21)	674.6

* The prior period and September 2018 revenue, sales and distribution expenditure and overhead expenditure line items have been restated, as a result of the adoption of the new accounting standards. The impact of the restatement is a reclassification between these line items only with all other line items unchanged. Refer to note 2 for further information.

Condensed consolidated statement of financial position
at 31 March 2019

Unaudited	Unaudited	Audited

	Notes	31 Mar 2019 R'000	31 Mar 2018 R'000	30 Sep 2018 R'000
ASSETS				
Non-current assets		6 771 542	5 732 916	6 685 126
Property, plant and equipment		1 638 926	1 444 943	1 586 626
Intangible assets		4 691 433	3 901 285	4 617 278
Derivative assets	7	3 524	11 594	17 398
Deferred taxation		45 072	27 178	29 338
Investments and loans		392 587	347 916	434 486
Current assets		3 274 871	3 321 484	4 014 355
Inventories		1 668 137	1 035 551	1 467 239
Accounts receivable		1 381 485	1 366 554	1 502 331
Taxation		31 489	62 642	29 725
Cash and cash equivalents	10	193 760	856 737	1 015 060
Total assets		10 046 413	9 054 400	10 699 481
EQUITY AND LIABILITIES				
Capital and reserves		4 734 634	3 596 402	4 721 969
Stated capital		1 192 138	1 187 724	1 189 482
Foreign currency translation reserve		597 920	(254 130)	487 029
Cash flow hedging reserve		(2 029)	(3 679)	6 884
Share-based payment reserve		85 134	86 617	90 535
Retained income		2 765 398	2 499 021	2 851 418
Interest of own shareholders		4 638 561	3 515 553	4 625 348
Non-controlling interests		96 073	80 849	96 621
Non-current liabilities		3 649 986	3 414 375	3 818 656
Liability for share-based payments		9 609	11 134	10 145
Long-term loans	9	3 162 214	2 918 015	3 339 750
Deferred taxation		478 163	485 226	468 761
Current liabilities		1 661 793	2 043 623	2 158 856
Accounts payable and provisions		1 224 765	1 175 841	1 711 483
Current portion - long-term loan	9	427 037	844 062	427 351
Taxation		9 991	23 720	20 022
Total equity and liabilities		10 046 413	9 054 400	10 699 481

Condensed consolidated statement of changes in equity
for the period ended 31 March 2019

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
Balance at the beginning of the period	4 721 969	3 756 629	3 756 629
Total comprehensive income for the period	403 395	(133 891)	1 122 390
Profit after taxation	301 417	377 682	882 241
Movement on foreign currency translation reserve including hyperinflation effect	106 717	(488 743)	212 903
Movement on foreign currency translation reserve of associate and joint ventures including hyperinflation effect	4 174	(31 299)	8 214
Movement on cash flow hedging reserve	(11 831)	8 469	24 845
Income tax related to profit/(loss) recognised in equity	2 918		(5 813)
Decrease in treasury shares held by share trusts			1 853
Share-based payment expense	3 473	8 041	12 456
Share-based payment exercised	(6 218)	(10 480)	(11 017)
Profit on sale of treasury shares			1 671
Oceana Empowerment Trust dividend distribution	(19 317)		(7 304)
Dividends paid	(368 668)	(23 897)	(154 709)
Balance at the end of the period	4 734 634	3 596 402	4 721 969
Comprising:			
Stated capital*	1 192 138	1 187 724	1 189 482
Foreign currency translation reserve	597 920	(254 130)	487 029
Cash flow hedging reserve	(2 029)	(3 679)	6 884
Share-based payment reserve*	85 134	86 617	90 535
Distributable reserves	2 765 398	2 499 021	2 851 418
Non-controlling interests	96 073	80 849	96 621
Balance at the end of the period	4 734 634	3 596 402	4 721 969

* R2.7 million (March 2018: R3.5 million) was transferred between stated capital and share-based payment reserve during the period.

Condensed consolidated statement of cash flows
for the period ended 31 March 2019

	Notes	Unaudited six months ended 31 Mar 2019 R'000	Restated* Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
Cash flow from operating activities				
Operating profit before associate and joint venture loss		591 017	523 829	1 194 354
Adjustment for non-cash and other items		124 069	132 774	297 905
Cash operating profit before working capital changes		715 086	656 603	1 492 259
Working capital changes		(521 164)	(245 797)	(189 366)
Cash generated from operations		193 922	410 806	1 302 893
Investment income received		16 246	33 390	41 607
Interest paid		(137 314)	(155 717)	(296 845)
Taxation paid		(148 375)	(108 649)	(217 036)
Dividends paid		(387 985)	(23 897)	(162 013)
Cash (outflow)/inflow from operating activities		(463 506)	155 933	668 606
Cash outflow from investing activities		(128 736)	(67 777)	(180 928)
Capital expenditure		(138 831)	(68 602)	(163 742)
Replacement of intangible assets		(6 905)	(14 615)	(20 469)
Proceeds on disposal of property, plant and equipment		1 719	9 952	10 031
Proceeds on disposal of business	8	17 500		8 000
Movement on loans and advances		(2 219)	5 492	(14 748)
Acquisition of subsidiary			(2)	
Acquisition of a joint venture			(2)	
Cash outflow from financing activities		(229 658)	(393 418)	(720 152)
Proceeds from issue of share capital				3 523
Short-term borrowings repaid		(223 440)	(200 353)	(507 589)
Equity-settled share-based payment		(6 218)	(7 833)	(11 017)
Costs associated with debt financing	9			(2 170)
Settlement of put option			(185 232)	(202 899)
Net decrease in cash and cash equivalents		(821 900)	(305 262)	(232 474)
Cash and cash equivalents at the beginning of the period		1 015 060	1 222 040	1 222 040
Effect of exchange rate changes		600	(60 041)	25 494
Cash and cash equivalents at the end of the period	10	193 760	856 737	1 015 060

* The prior period numbers have been restated, refer to note 2 for further information.

Notes to the condensed consolidated financial statements
for the period ended 31 March 2019

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and Companies Act of South Africa. The condensed consolidated interim financial statements have been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2018, except for the adoption of new standards that became effective during the current period, as detailed in note 2. The condensed consolidated interim financial information was prepared under the supervision of the interim chief financial officer, T Giles CA(SA).

The results have not been audited or reviewed by the group's auditors, Deloitte & Touche.

2. ADOPTION OF NEW ACCOUNTING STANDARDS AND PRIOR PERIOD RESTATEMENTS

2.1.1 Effect of adopting IFRS 15: Revenue from Contracts and Customers

The group has adopted IFRS 15 and applied it retrospectively to each prior reporting period presented. This resulted in the restatement of comparative periods in the statement of comprehensive income.

The standard establishes a five-step model that will apply to revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The group recognises revenue from the sale of goods and services relating to storage, handling and transport of goods. The majority of the groups revenue is recognised when the groups significant risk and rewards have transferred or when services are rendered consistent with the applications of IFRS 15.

Bulk and distribution allowances: IFRS 15 requires the group to estimate the value of the allowances and recognise the amount against revenue, this was disclosed under selling and distribution under IAS 18.

In terms of IFRS 15, incidental income from customers has been restated in the prior period from overheads to revenue.

The impact of the restatement on the statement of comprehensive income is a reclassification between revenue, sales and distribution expenditure and overhead expenditure with all other line items unchanged. The effect of the restatement is disclosed below:

	Unaudited as previously reported six months ended 31 Mar 2018 R'000	Unaudited IFRS 15 restatement 31 Mar 2018 R'000	Restated Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000	Unaudited IFRS 15 restatement 30 Sep 2018 R'000	Restated year ended 30 Sep 2018 R'000
Revenue	3 489 151	(36 327)	3 452 824	7 732 692	(75 381)	7 657 311
Cost of sales	2 176 284		2 176 284	4 823 816		4 823 816
Gross profit	1 312 867	(36 327)	1 276 540	2 908 876	(75 381)	2 833 495
Sales and distribution expenditure	268 550	(54 807)	213 743	610 553	(110 255)	500 298
Marketing expenditure	23 143		23 143	55 184		55 184
Overhead expenditure	475 931	18 480	494 411	1 068 033	34 874	1 102 907
Net foreign exchange loss/(profit)	21 414		21 414	(19 248)		(19 248)
Operating profit before associate and joint venture profit/(loss)	523 829		523 829	1 194 354		1 194 354

2.1.2 Effect of adopting IFRS 9: Financial Instruments

This standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity.

Based on an assessment the applications of IFRS 9 has no material impact on the prior year financial results or financial position. Trade receivables do not have a significant financing component as the average credit terms are 30 - 45 days, this will therefore fall within the simplified model. IFRS 9 requires an allowance to be raised for the full lifetime expected credit loss, on initial recognition, based on history of default and claims. Expected credit losses are reassessed at each reporting date. Whilst IFRS 9 requires that expected credit losses be discounted, the impact on Oceana is considered to be immaterial. An assessment has been conducted on provisions carried under IAS 39 as at September 2018 and concluded that there are no material differences to expected credit losses to be recognised under IFRS 9. Accordingly, no restatement to retained earnings is considered necessary.

Excluding the abovemention adjustments, there are no other material impact from application of IFRS 15 and IFRS 9.

2.1.3 Restatement of Cash flow from investing activities

The settlement of the put option has been reclassified from investing activities to financing activities in the prior year comparative cash flow statement in order to align with disclosure in the 2018 audited annual financial statement.

The put option was settled in the prior year, following the remaining shareholders of Westbank Fishing Limited Liability Company exercising the put option in terms of the Westbank operating agreement.

	Unaudited six months ended 31 Mar 2018 R'000	Unaudited reclassification 31 Mar 2018 R'000	Restated Unaudited six months ended 31 Mar 2018 R'000
Cash outflow from investing activities	(253 009)	185 232	(67 777)
Cash outflow from financing activities	(208 186)	(185 232)	(393 418)

		Unaudited six months ended 31 Mar 2019 R'000	Restated Unaudited six months ended 31 Mar 2018 R'000	Restated Audited year ended 30 Sep 2018 R'000
3.	REVENUE			
	The main categories of revenue are set out below:			
	Sale of goods			
	Canned fish and fishmeal (Africa)	1 962 027	1 838 704	3 944 346
	Fishmeal and fish oil (USA)	654 487	614 361	1 789 118
	Horse mackerel and hake	636 032	672 053	1 287 067
	Lobster and squid	87 858	102 357	180 510
	Rendering of services			
	Commercial cold storage and logistics	206 832	206 869	421 396
	Other non-trade revenue(1)			
	Canned fish and fishmeal (Africa)	3 672	9 388	15 761
	Horse mackerel and hake	5 473	3 632	7 290
	Commercial cold storage and logistics	1 035	5 460	11 823
		3 557 416	3 452 824	7 657 311

Note:
(1) Other non-trade revenue includes commission, quota fees received and rental income.

	March 2019 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel and hake R'000	Lobster and squid R'000	Commercial cold storage and logistics R'000	Deferred taxation R'000	Financing(3) R'000	Total R'000
4.	SEGMENTAL RESULTS								
	Revenue	1 965 699	654 487	641 505	87 858	207 867			3 557 416
	Operating profit before other operating items	221 753	118 172	158 328	21 701	34 337			554 291
	Other operating items					(770)			(770)
	Operating profit	221 753	118 172	158 328	21 701	33 567			553 521
	Investment income	6 634	5 633	3 678		301			16 246
	Interest expense	(102 620)	(40 713)	(2 958)		(80)			(146 371)
	Profit before taxation	125 767	83 092	159 048	21 701	33 788			423 396
	Taxation expense	36 076	19 467	47 923	5 999	12 514			121 979
	Profit after tax for the period	89 691	63 625	111 125	15 702	21 274			301 417
	The above profit for the period include the following:								
	Depreciation and amortisation	32 130	51 080	37 359	1 329	10 436			132 334
	Statement of financial position								
	Total assets	2 469 714	6 328 427	594 955	32 740	257 468	45 072	318 037	10 046 413
	Total liabilities	795 552	28 267	268 286	29 766	102 788	478 163	3 608 957	5 311 779
	The above amounts of assets and liabilities includes the following:								
	Interest in associate and joint ventures	71 284	196 588		1				267 873

March 2019 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue(1)	2 164 454	350 330	564 152	372 877	95 456	10 147	3 557 416
Non-current assets(2)	831 368		5 498 991				6 330 359

March 2018 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel and hake R'000	Lobster and squid R'000	Commercial cold storage and logistics R'000	Deferred taxation R'000	Financing(3) R'000	Total R'000
Restated Revenue	1 848 092	614 361	675 685	102 357	212 329			3 452 824
Operating profit before other operating items	178 541	72 618	175 769	27 003	40 766			494 697
Other operating items	(7 526)	(11 893)	3 497					(15 922)
Operating profit	171 015	60 725	179 266	27 003	40 766			478 775
Investment income	19 036		3 067		(40)			22 063
Interest expense	(120 997)	(45 814)	(2 893)	(78)	(105)			(169 887)
Profit before taxation	69 054	14 911	179 440	26 925	40 621			330 951
Taxation expense/ (income)	25 645	(152 181)	56 344	7 520	15 941			(46 731)
Profit after tax for the period	43 409	167 092	123 096	19 405	24 680			377 682
The above profit for the period include the following:								
Depreciation and amortisation	31 241	45 548	44 316	1 386	10 804			133 295
Statement of financial position								
Total assets	2 058 917	5 138 513	553 727	57 492	252 330	27 178	966 243	9 054 400
Total liabilities	770 359	67 511	231 037	38 895	80 642	485 226	3 784 328	5 457 998
The above amounts of assets and liabilities includes the following:								
Interest in associate and joint ventures	132 738	105 670		1				238 409

March 2018 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Restated Revenue(1)	1 980 704	341 770	530 611	311 101	216 060	72 579	3 452 825
Non-current assets(2)	853 428		4 492 800				5 346 228

September 2018 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel and hake R'000	Lobster and squid R'000	Commercial cold storage and logistics R'000	Deferred taxation R'000	Financing(3) R'000	Total R'000
Restated Revenue	3 960 107	1 789 118	1 294 357	180 510	433 219			7 657 311
Operating profit before other operating items	436 710	392 638	255 615	32 212	71 732			1 188 907
Other operating items		(25 588)	3 497		8 000			(14 091)
Operating profit	436 710	367 050	259 112	32 212	79 732			1 174 816
Investment income	32 275	1 544	6 870	72	6			40 767
Interest expense	(226 241)	(99 814)	(5 789)	(153)	(535)			(332 532)
Profit before taxation	242 744	268 780	260 193	32 131	79 203			883 051
Taxation expense/ (income)	68 937	(194 012)	86 158	9 180	30 547			810
Profit after tax for the year	173 807	462 792	174 035	22 951	48 656			882 241
The above profit for the year include the following:								
Depreciation and amortisation	62 465	95 828	85 746	2 704	21 963			268 706
Statement of financial position								
Total assets	2 214 412	6 476 246	533 082	28 312	280 950	29 334	1 137 145	10 699 481
Total liabilities	946 144	376 923	284 807	27 725	93 583	468 761	3 779 569	5 977 512
The above amounts of assets and liabilities								

includes the following:

Interest in associate and joint ventures	89 257	222 733		1				311 991

September 2018 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Restated Revenue(1)	3 866 735	778 539	1 199 893	1 161 660	432 238	218 246	7 657 311
Non-current assets(2)	849 191		5 354 713				6 203 904

The segments have been identified based on both the geographic region of primary group operations and the different products sold and services rendered by the group.

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

Canned fish and fishmeal R562.6 million (2018: R503.9 million), horse mackerel and hake R18.2 million (2018: R18.0 million) and commercial cold storage and logistics R41.5 million (2018: R28.2 million).

Notes:
(1) Revenue per region discloses the region in which product is sold and services rendered.
(2) Non-current assets 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.

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
5. OTHER OPERATING (EXPENSE)/INCOME ITEMS			
Transaction costs(2)			
		(19 419)	(25 588)
Profit on disposal of fishing vessel		3 497	3 497
(Loss)/profit on disposal of business(1)	(770)		8 000
	(770)	(15 922)	(14 091)

Note:
(1) The R0.8 million relates to the loss on sale of the CCS V&A cold store assets. The R8.0 million in the prior period relates to profit on sale of the CCS Linebooker transport business.
(2) Transaction costs in the prior period relates to the extension of the Westbank Fishing Limited Liability Company ("Westbank") operating agreement and subsequent change in Westbank shareholding.

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature and are identified by management as warranting separate disclosure are disclosed under other operating items in the statement of comprehensive income. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangibles assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
6. TAXATION EXPENSE/(INCOME)			
Current taxation	135 973	103 230	240 950
Current year	127 131	86 014	254 820
Capital gains tax			1 794
Withholding tax	8 842	5 323	9 943
Adjustments in respect of previous years		11 893	(25 607)
Deferred taxation	(13 994)	(149 961)	(240 140)
Current year	(13 994)	10 629	(1 271)
Adjustments in respect of previous years			(1 049)
Adjustments in respect of change in tax rate(1)		(160 590)	(237 820)
	121 979	(46 731)	810

Note:
(1) This adjustment in the prior period relates to a USD13 million (September 2018: USD18.6 million) release in Daybrook Fisheries Incorporated following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%.

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
7. DERIVATIVE ASSETS			
Non-current			
Interest rate caps and swaps held as hedging instruments			
Opening balance	17 398	1 837	1 837
Fair value adjustments recognised in profit or loss (ineffective portion)	(264)	(1 712)	(5 331)
Fair value adjustments recognised in other comprehensive income (effective portion)	(13 820)	11 644	20 139
Reclassified from derivative liability		207	207
Foreign currency translation adjustment	210	(382)	546
Closing balance	3 524	11 594	17 398
Interest rate caps	74	928	586
Interest rate swaps	3 450	10 666	16 812
	3 524	11 594	17 398

Interest rate caps and swaps recorded in the cash flow hedging reserve and derivative assets 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 in the 2016 financial year, with a maturity date of 20 July 2018 and 20 July 2020. 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 million. The amount of the principal value designated as a hedged item is R390 million (2018: R980 million). Gains or losses on interest rate caps held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified to profit or loss in the same period that the hedge cash flows affect profit or loss. During the period a fair value loss of R0.2 million (March 2018: gain R2.3 million) was recognised in other comprehensive income.

The notional principal amount of the interest rate swaps at 31 March 2019 amounts to R1 581 million (March 2018: R832 million). This comprises hedges on the term debt of R1 581 million (March 2018: R1 388 million). The swap is to hedge the interest that is payable under the debt facility. During the period a fair value loss of R13.6 million (March 2018: gain R9.3 million) was recognised in other comprehensive income. The interest rate swap was reclassified to derivate assets in the prior period.

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
8. DISPOSAL OF BUSINESSES			
8.1 V&A Cold Store (CCS)			
The group disposed of the V&A cold store assets within the commercial cold storage and logistics segment on the 11 January 2019 and 28 February 2019.			
Assets disposed:			
Property, plant and equipment	8 270		
Goodwill	10 000		
	18 270		
Consideration received	17 500		
Net loss on disposal	(770)		
8.2 Linebooker transport business (CCS)			
The group disposed of the commercial cold storage Linebooker transport business in the prior period.			
Consideration received			8 000
Net profit on disposal			8 000

9. DEBT REFINANCE

During the prior year a R1 420.0 million facility was refinanced in terms of which R500.0 million was restructured as an amortisation payment facility maturing in 5 years, R738.0 million was restructured as a bullet payment facility maturing in 4 years and R182.0 million as a bullet payment facility maturing in 3 years. Debt refinancing cost of R2.2 million was incurred.

10. NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents	193 760	856 737	1 015 060

Daybrook Fisheries Incorporated ("Daybrook") received $17.3 million (net of legal costs) in the prior year following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizen oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizen oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received, net of any taxation and legal costs, were accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At the end of the prior period, these restricted funds (R246.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative. The funds were settled in full to the shareholder representative on 4 February 2019.

	Unaudited six months ended 31 Mar 2019 R'000	Unaudited six months ended 31 Mar 2018 R'000	Audited year ended 30 Sep 2018 R'000
11. DETERMINATION OF HEADLINE EARNINGS			
Profit after taxation attributable to shareholders of Oceana Group Limited	288 667	364 873	857 831
Adjusted for:			
Headline earnings adjustments - joint ventures			(72)
Net profit on disposal of property, plant and equipment and intangible assets	(397)	(3 472)	(3 491)
Loss/(profit) on disposal of business	770		(8 000)
Total non-controlling interest in above	115		(3)
Total tax effect of adjustments	2 654	972	2 793
Headline earnings for the period	291 809	362 373	849 058
Headline earnings per share (cents)			
- Basic	249.7	310.4	727.1
- Diluted	229.5	284.6	667.7
12. DIVIDENDS			
Dividend declared after reporting date	143 785	130 763	355 300
Dividends per share (cents)	123.0	112.0	416.0
Number of shares in issue net of treasury shares	116 898	116 753	116 875
13. SUPPLEMENTARY INFORMATION			
Amortisation	31 103	27 649	59 315
Depreciation	101 231	105 646	209 391
Operating lease charges	42 542	45 304	110 400
Share-based expenses	4 807	6 569	9 958
Cash-settled compensation	1 334	(1 472)	(2 498)
Equity-settled compensation	3 473	8 041	12 456
Capital expenditure	138 831	68 602	163 742
Replacement	138 831	68 602	163 742
Budgeted capital commitments	169 581	136 649	318 086
Contracted	51 014	43 489	23 218
Not contracted	118 567	93 160	294 868

	Number of shares '000	Number of shares '000	Number of shares '000
14. ELIMINATION OF TREASURY SHARES			
Weighted average number of shares in issue	135 526	135 526	135 526
Less: Weighted average treasury shares held by share trusts	(13 546)	(13 679)	(13 654)
Less: Weighted average treasury shares held by subsidiary company	(5 094)	(5 094)	(5 094)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	116 886	116 753	116 778
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	127 131	127 313	127 164

15. CONTINGENT LIABILITIES AND GUARANTEES

The group has given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company.

During the prior year a customer of Commercial Cold Storage Proprietary Limited (CCS) sent a letter of demand for alleged damages suffered to their products. The amount claimed in the letter of demand was R24.4 million. Legal proceedings have subsequently been instituted by the customer in terms of which the damages are being claimed from CCS in the sum of R27.7 million for the value of the product lost and R3.4 million for alleged ancillary expenses incurred as a result of the loss suffered. In terms of legal advice obtained, the customer's legal action is being contested. No provision has been made in the March 2019 financial statements as management do not consider there to be any likelihood of probable loss.

Oceana Group Limited (the "Guarantor") has issued a guarantee in favour of Standard Bank de Angola, S.A (the 'Beneficiary'). The Guarantee was issued pursuant to the facility agreement dated 22 December 2017 between the Beneficiary and Oceana Boa Pesca, LDA (the 'Borrower'), in which the Beneficiary agreed to provide certain banking facilities to the Borrower on condition of a Guarantee issued by the Guarantor in favour of the Beneficiary for an amount not exceeding AOA 300 million (R13.6 million). The overdraft balance at reporting date was AOA 294 million (R13.4 million).

16. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the group's reported financial position at 31 March 2019 or require separate disclosure in these financial statements.

Comments

FINANCIAL RESULTS

Overall financial performance of the Group for the six months ended 31 March 2019 has been positive driven primarily by increased canned fish sales volumes, and production efficiencies in the Group's local canneries. Stronger fishmeal and fish oil prices, good hake and horse mackerel catch rates and prices combined with higher cold store occupancy levels in the South African coastal stores are also factors contributing to the improved performance.

Group revenue increased by 3% to R3 557 million (March 2018: R3 453 million) with good volume growth in the local canned fish segment partially offset by lower export volumes in the horse mackerel and hake segments due to planned vessel maintenance. In the United States of America (USA), Daybrook's revenue increased by 7% in Rand terms mainly due to firmer fishmeal and oil pricing and the weaker Rand.

Group operating profit before other operating items increased by 12% to R554 million (March 2018: R495 million).

Net interest expense related to finance costs on facilities and long-term borrowings has reduced by 12% for the period to R130 million (March 2018: R148 million). The average interest rate for all debt is currently 7.0% (March 2018: 6.8%).

Group profit before taxation increased by 28% to R423 million (March 2018: R331 million). The prior period group profit before taxation included non-recurring operating expenses of R16 million and fair value losses of R36 million.

TAXATION

Taxation expense of R122 million for the period is materially higher than the prior period (March 2018: taxation income R47 million) due to a once-off release of deferred taxation amounting to R161 million in the prior year following the reduction in the federal corporate tax rate in the USA from 35% to 21%.

HEADLINE EARNINGS AND DIVIDEND

Accordingly headline earnings for the period decreased by 19% compared to the prior period. Excluding the effect of the once-off deferred tax adjustment, fair value adjustments and other operating items, headline earnings increased by 17%.

An interim dividend of 123 cents per share (March 2018: 112 cents per share) has been declared.

FINANCIAL POSITION AND CASH FLOW

Cash generated from operations for the period decreased to R194 million (March 2018: R411 million) due mainly to increased frozen fish stock holdings due to additional global sourcing to supplement the reduction in the 2019 South Africa pilchard Total Allowable Catch (TAC). As a result, cash balances reduced to R194 million (March 2018: R 857 million).

At 30 March 2019 group long term debt is R3 589 million (March 2018: R3 762 million) of which R1 581 million (March 2018: R1 388 million) is denominated in US dollars.

REVIEW OF OPERATIONS

CANNED FISH AND FISHMEAL (AFRICA)

The canned fish business delivered a strong performance for the half aided by volume growth of 11% to 4.9 million cartons

(March 2018: 4.4 million cartons). Affordable pricing, increased promotional activity and a marketing strategy focused on increasing the number of meal occasions drove consumer demand in a sluggish South African consumer market.

A further reduction this year in the TAC for pilchards has resulted in increased international procurement of frozen fish to supplement local fish supply for Lucky Star's canned pilchard product. Consequently, local canneries have benefited from the consistent supply of frozen product for processing resulting in both improved cannery efficiencies and labour productivity.

Operating profit in the canned fish business increased materially as a result.

The South African Anchovy TAC increased in 2019 by 10% and early season landings have been promising. In addition, extra fishing capacity due to the reduction in the pilchard TAC has increased fishing efforts for industrial fish landings.

Fishing and processing operations have been suspended in Angola in view of growing concerns over the long-term sustainability of the sardinella resource. The status of the resource will continue to be monitored. Despite this challenge overall profitability in the Africa fishmeal business has improved with higher sales volumes and realised prices in South Africa and lower losses in Angola following suspension of operations.

FISHMEAL AND FISH OIL (USA)

Adverse weather conditions in October 2018 resulted in landings below historical averages which contributed to lower fishmeal and fish oil volumes in Daybrook toward the end of the calendar year. As a result, in USD terms, Daybrook's revenue reduced by 4% to USD 45.9 million (March 2018: USD 47.6 million) due mainly to lower sales volumes of 29,317 tons (March 2018: 31,489 tons).

As expected, due to continued demand, pricing of fishmeal in USD terms improved by 1% with fish oil prices showing strong recovery of 10% on prior period prices.

Daybrook's operating profit benefited from the weaker Rand on translation when consolidating into the Group's results, increasing by 10% in Rand terms on the prior period.

The 2019 fishing season commenced on 15 April 2019 and will run until the end October 2019. During the off-season Daybrook invested approximately USD 5 million in plant improvements and efficiency projects to stimulate throughput and production quality.

HORSE MACKEREL AND HAKE

The overall performance in this sector has been characterised by good catch rates and strong demand in both local and foreign markets for horse mackerel and hake but negatively impacted by a reduction in fishing days across our fleet due to maintenance and scheduled dry-docks. The financial performance for this sector was negatively impacted by a decline in weighted average fishing days of 21% compared to the prior period.

In Namibia, the 2019 horse mackerel TAC increased by 3% to 349,000 tons. The Ministry of Fisheries and Marine Resources made an initial allocation of 179,000 tons (March 2018: 236,000 tons) for the 2019 fishing season. Our allocation has remained proportionally consistent with the prior period.

The performance of our Namibian vessels has been positive with higher catch rates during the period offset by lower volumes landed due to reduced fishing days resulting from vessel maintenance. Firm sales prices and a weaker Rand offset the effect of lower sales volumes resulting in the Namibian horse mackerel business contributing an operating profit in line with the prior period.

In South Africa, the Precautionary Maximum Catch Limit (PMCL) for targeted catch of horse mackerel increased by 8.5% to 27,670 tons (March 2018: 25,500 tons). Quota available to Oceana through own and joint venture allocations remained in line with 2018. The 2017 Fishing Rights Application Process (FRAP) allocation remains under appeal.

Fishing days for the Desert Diamond were materially lower due to a scheduled dry-dock during the period which reduced landings and sales volumes. Consistently improving catch rates, solid USD pricing and the weaker Rand contributed positively to overall performance which was negatively impacted by lower sales volumes.

The 2019 hake offshore TAC increased by 10.0% to 122,423 tons (March 2018: 111,294 tons). Strong European demand and pricing and a weaker Rand partially offset the effect of lower sales volumes brought about by reduced fishing days due to planned maintenance.

LOBSTER AND SQUID

The 2019 TAC for West Coast Rock Lobster (WCRL) reduced by 44% due to ongoing concerns about the health of the lobster resource. Revenue and operating profit accordingly decreased but were mitigated by strong pricing due to Chinese demand for live lobster, the weaker Rand and cost reduction initiatives.

Fishing rights allocated to the squid business remained unchanged over the period. Lower landings resulted in the squid business reporting lower revenue and operating profit.

COMMERCIAL COLD STORAGE AND LOGISTICS (CCS)

Revenue for this segment improved due to increased occupancy levels, storage rates and pallets handled. Performance at our coastal facilities benefitted from increased procurement of frozen fish for the canned fish business. Occupancy levels in Namibia were lower in the first quarter due to lower volumes arising from the delayed announcement of the 2019 Namibian Horse mackerel TAC and in the inland facilities, increased electricity and labour costs offset the higher revenue from improved occupancy levels. Additionally, once off debt write offs of R7 million, has offset the positive operating performance for the period.

TIGER BRANDS LIMITED ("TIGER BRANDS") UNBUNDLING

Further to the Tiger Brands announcement on 5 April 2019, Tiger Brands unbundled its entire shareholding in Oceana to its shareholders effective 29 April 2019.

Subsequent to the unbundling, Mr Lawrence Mac Dougall and Mr Noel Doyle resigned as directors to the Oceana board of directors ("Board"), effective 30 April 2019. The Board thanks Lawrence and Noel for their support and valued contributions during their respective Board tenures and wishes them both well with their future endeavours.

Following Tiger Brands decision to unbundle its Oceana shares, the Board formed a sub-committee and appointed independent advisors to consider the implications and opportunities of the unbundling. The Board has concluded that it does not expect the unbundling to impact Oceana's operations or its business plan and strategic outlook.

FURTHER DIRECTORATE AND COMPANY SECRETARY CHANGES

Mr Nisaar Ahmed Pangarker was appointed as a non-executive director to the Board with effect from 1 March 2019 and Ms Lesego Sennelo was appointed as an independent non-executive director to the Board effective 18 March 2019. The Board wishes both Nisaar and Lesego well in their new roles.

Jillian Marais will resign as Company Secretary with the appointment of Adela Fortune to the position, effective 1 June 2019 and will assume the role of Group Executive: Risk and Compliance.

PROSPECTS

Local demand for Lucky Star's canned fish remains strong but will be impacted by a tougher trading environment and the negative impact of a weaker rand on imported frozen fish. Firmer global fishmeal and fish oil prices are expected due to projected lower global production volumes for 2019. Early season landings in the USA and South Africa remain positive.

The second half performance will also be underpinned by improved vessel utilisation in the horse mackerel and hake segment and planned efficiencies in the CCS business.

In Namibia, the fishing industry awaits the delayed announcement of the Namibian long term fishing rights. In South Africa, engagement with the Department of Agriculture, Forestry and Fisheries will continue ahead of the 2020 Fishing Rights Allocation Process.

Any forward-looking statements set out in this announcement have not been reviewed or reported on by the auditors.

On behalf of the Board

MA Brey	I Soomra
Chairman (non-executive)	Chief executive officer

9 May 2019

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 150. A gross interim dividend amounting to 123 cents per share, for the six months ended 31 March 2019, was declared on Thursday, 9 May 2019, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 20% will result in a net dividend amounting to 98.4 cents per share.

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

Last day to trade cum dividend	Tuesday, 25 June 2019
Commence trading ex dividend	Wednesday, 26 June 2019
Record date	Friday, 28 June 2019
Dividend payable	Monday, 1 July 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 June 2019 and Friday, 28 June 2019, both dates inclusive.

By order of the Board

JC Marais
Company secretary

9 May 2019

Directorate and statutory information

Directors:	MA Brey (chairman), I Soomra* (chief executive officer), ZBM Bassa, PG de Beyer, S Pather, NA Pangarker, L Sennelo, NV Simamane. (*Executive)
Change to Directors:	NA Pangarker has been appointed as a non-executive director to the Board, effective 1 March 2019. L Sennelo has been appointed as an independent non-executive director to the board, effective 18 March 2019. L Mac Dougall and N Doyle have resigned as directors to the Board, effective 30 April 2019.
Prescribed Officer:	T Giles (Interim chief financial officer).
Registered Office:	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
Transfer Secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107)
Sponsor - South Africa:	The Standard Bank of South Africa Limited
Sponsor - Namibia:	Old Mutual Investment Services (Namibia) Proprietary Limited
Auditors:	Deloitte & Touche
Company Secretary:	JC Marais will resign as Company Secretary with the appointment of A Fortune to the position, effective 1 June 2019.
JSE share code:	OCE
NSX share code:	OCG
ISIN:	ZAE000025284

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