THIS OPERATING REVIEW DESCRIBES THE MAIN TRENDS AND FACTORS UNDERLYING THE PERFORMANCE OF THE GROUP DURING THE YEAR ENDED 30 SEPTEMBER 2010.

INTRODUCTION TO THE FISHING INDUSTRY IN SOUTHERN AFRICA

Regulation by government

The South African fishing industry is regulated by Marine and Coastal Management (MCM), a branch of the Department of Agriculture, Forestry and Fisheries (DAFF). In Namibia, the Ministry of Fisheries and Marine Resources (MFMR) regulates the affairs of the industry. Both South Africa and Namibia manage their fisheries strictly in terms of a regulated system. No fishing, whether commercial, subsistence or recreational, may occur without a fishing right and permit.

Oceana is largest commercial fishing company

Oceana is overall the largest commercial fishing company in South Africa. It is involved in the commercial fisheries as outlined in the table below:

Oceana's quotas

The following table describes the total allowable catch (TAC) by fish species and Oceana's share thereof.

		Total allowable catch (tons)		Oceana's quota %	
		2010	2009	**2010**	2009
Pilchard	– South Africa	**90 000**	90 000	**14,3**	14,4
	– Namibia	**25 000**	17 000	**10,3**	9,3
Anchovy		**573 183**	569 437	**16,8**	16,8
Horse mackerel	– South Africa	**31 500**	31 500	**18,8**	18,8
	– Namibia	**247 803**	243 000	**25,3**	26,6
Hake	– trawl	**100 124**	99 078	**1,1**	1,1
	– longline	**7 815**	7 727	**1,4**	1,4
Lobster	– west coast	**2 393**	2 340	**21,3**	21,3
	– south coast	**345**	363	**3,2**	3,2
Squid		**2 423**	2 423	**4,3**	4,3

Value of fishing industry

The gross value of the 650 000 tons of fish landed by the South African commercial fishing industry in 2005 was approximately R4,5 billion (U$750 million). South Africa's most valuable fishery is the hake fishery worth more than 40% of the total. The small pelagic fishery (anchovy and sardine) is responsible for the largest quantum of fish landed of all the commercial fisheries, being approximately 400 000 tons of fish.

Allocation of long-term fishing rights

In 2006, the South African Government, through the Department of Environmental Affairs and Tourism, allocated long-term commercial fishing quotas for eight to 15 years depending on the fishery. South Africa's fisheries are managed using a number of input and output controls, including:

- TACs – this is the total regulated catch from a stock in a given time period, usually a year, and includes horse mackerel, pilchard, hake and west coast lobster
- Total applied effort controls – this involves restricting vessel numbers or gear, crew numbers or sea days (or a combination of the three), and applies to squid
- Marine protected areas or closed areas
- Closed seasons
- By-catch precautionary upper catch limit

Fleet and landings

Oceana's fleet and landings for the financial year:

	Number of operating vessels		Financial year landings (tons)	
Sector	**2010**	2009	**2010**	2009
Oceana Brands				
Pelagic fleet	**11**	13		
– Pilchard			**15 978**	24 457
– Industrial (anchovy and redeye herring)			**103 915**	90 752
Oceana Lobster and Squid				
– West coast lobster	**10**	10	**390**	375
– South coast lobster (tail weight)	**1**	1	**43**	53
– Squid	**5**	5	**568**	395
Blue Continent Products				
– Horse mackerel (Namibia)	**3**	3	**73 957**	63 243
– Horse mackerel (South Africa)	**1**	1	**25 635**	24 877
– Hake	**3**	3	**3 595**	3 592

OCEANA BRANDS

The division is engaged in fishing for small pelagic species (pilchard, anchovy and redeye herring) and in the production, importation, marketing and distribution of branded canned fish products, fishmeal and fish oil. Canned pilchard is marketed under the Lucky Star label in southern Africa and the Glenryck label in the United Kingdom (UK). Canned products required in excess of production from our cannery at St Helena Bay and Etosha Fishing Corporation at Walvis Bay are sourced from other local and offshore producers. Apart from canned pilchard, Oceana Brands sells imported canned tuna and jack mackerel under the Lucky Star brand and a range of pet foods under the Lucky Pet label.

CANNED PILCHARD

Good pilchard resources combined with efficient offshore procurement operations facilitated and improved canned fish sales' performance. The division was able to satisfy local demand for canned pilchard for the first time in many years.

Oceana's pilchard fleet consists of three vessels with chilled or refrigerated holds, with additional capacity from smaller vessels resulting in an optimal combination for the harvesting of the resource and the requirements of Oceana's canning operations.

Oceana's pilchard quota and those of joint ventures in which it was a partner, together with ad hoc suppliers, were landed directly to the cannery in St Helena Bay.

A total of approximately 87,8% of our share of the South African pilchard quota (versus industry at 80%) was landed by financial year-end with the resource readily available when weather conditions were conducive to fishing. The size and quality of the fish caught was good, contributing to improved canning yields. The cannery processed a total of 17 060 tons of fresh fish and 4 734 tons of frozen fish from Morocco for the year under review (2009: 21 382 tons).

Etosha's full quota of 25 000 tons in Namibia was landed, with the bulk of the fish being caught close to Walvis Bay.

Etosha also processed frozen pilchard sourced from Morocco. Additional canned pilchard, produced in compliance with National Regulator for Compulsory Specifications' health and safety criteria and Oceana's own product quality specifications, was imported from several well-established international suppliers. This availability of stock enabled Lucky Star to return to a full marketing programme from the middle of the fiscal year which accelerated the growth of the pilchard market and further strengthened Lucky Star's leading market share position.

Demand for Lucky Star-branded canned pilchards continued to be strong in meeting consumer demand locally in addition to other African markets.

In the UK, Glenryck Foods continued to face significant challenges in terms of turnover and market share. Volumes overall were 32% lower than 2009, and 56% lower than 2008. A restructuring process was implemented, in terms of which a number of non-core product lines were terminated. Oceana Brands will continue marketing and distributing certain products using the Glenryck label through an independent distributor.

As a product with excellent health benefits and strong branding, demand for Lucky Star canned fish is very strong. The strength of the brand was illustrated when it was placed second in the tinned foods category of the *Sunday Times Brand Leaders* survey. The brand was also placed in joint-eighth position in the overall favourite brand category, the first time it has made the overall favourite top 10 list, beating many larger local and international brands. This strong equity of the brand positions it well to lead the development of the canned fish category, competing for a larger share of the protein category.

From an economic point of view, to ensure the sustainability of the brand, the challenge is to increase market size by retaining loyalty, bringing back lapsed customers, increasing the frequency of use, raising the status of the product and acquiring new customers. Currently, markets are reached through a combination of television and print advertisements and advertising in 11 vernaculars on radio.

It is positive that sardine numbers have increased appreciably, according to independent scientific sources as summarised below:

The sardine recruit biomass of just under 0,5 million tons was much greater than the long-term average of 0,16 million tons and a great deal higher than that measured over the past few years, and in fact the highest since 2003. In numbers, the recruit estimate of 35,6 billion fish was also similar to that measured in 2003 and appreciably higher than during the past six years. The larger than average recruit weight also suggested that recruit survival was likely to be higher than average for this population. This excellent recruitment is crucially important for rebuilding the sardine stock. Through careful and conservative management, a continuing increase in the spawner biomass is anticipated.[1]

Oceana Brands operates in compliance within a stringent regulatory framework, which includes permit conditions relating to vessels, nets, mass of fish, composition of catch and by-catch. Contract vessels often carry independent observers, and catching practices are constantly refined to mitigate impact on non-targeted marine species.

With the local resource and offshore procurement fully operational, Oceana Brands is likely to be able to continue to fully meet local demand for pilchards for the first time in many years. The strength of the market-leading Lucky Star brand positions us to focus on growing canned fish consumption and increasing its share of the much larger protein category. The improved state of the resources may also enable us to continue to contribute to direct and indirect job creation in the country.

FISHMEAL AND FISH OIL

Demand for fishmeal was strong and prices were firm for most of the year. Margins improved due to the higher prices, good management of costs and favourable exchange rates in the early part of the year.

Oceana's industrial fishing fleet consists of eight vessels, some of which are co-owned and managed with joint venture partners, and four contracted privately managed vessels, operating from St Helena Bay. Landings are directed to the nearest Oceana processing plant at either St Helena Bay or Hout Bay to ensure good quality and high protein levels in the fishmeal produced.

Etosha in Namibia processes mainly horse mackerel plus trimmings from the canning process into fishmeal.

High-quality fishmeal is sold as a speciality ingredient in the manufacture of feed for aquaculture species, piglets, chickens and petfood, both internationally and domestically.

International fishmeal prices increased substantially this year due mainly to early concerns of an international market shortage. International demand was strong which more than off-set the decline in local demand.

Landings of anchovy and redeye herring to the group's fishmeal plants were higher compared to 2009. In the twelve months to 30 September, input into Oceana's fishmeal plants was 132 801 tons (2009: 112 834 tons) from Oceana Brands' own quota plus those of the divisions' joint venture and supply partners and including catches of redeye herring and trimmings from the cannery.

At 31 August Oceana had completed 51,9% of its A season quota, ahead of the industry total of 40,4%.

At 31 October 4,7% of the B season quota (4,2 tons) was landed, which is allocated for catching from 1 September to 31 December.

Fishmeal production from Oceana's South African factories was 30 977 tons (2009: 28 049 tons). Etosha produced 2 229 tons of fishmeal (2009: 2 339 tons).

The strong performance of the rand contributed to off-setting the higher selling prices realised in the international market.

Overall, anchovy resources are extremely healthy and growing, according to an independent scientific report, as summarised:

(Anchovy) appear to be widespread and in high to very high density in most areas, although on the west coast they are mainly confined to inshore areas. The current anchovy biomass of nearly 3,8 million tons is similar to levels recorded in 2008. The amount of anchovy added to the exploitable stock each year due to growth or migration into the fishing area (the recruit biomass) averaged 1,69 million tons, which was appreciably higher than the long-term average of about 0,84 million tons and the highest since 2001. The number of anchovy recruits (anchovy of a certain age) estimated at 383 billion is far above the long-term average recruitment for anchovy of 232 billion. The adult

[1] Acknowledgements: Janet Coetzee (Department of Agriculture, Forestry and Fisheries, South Africa) and Dr Awie Badenhorst (Consultant Biologist)

biomass of anchovy will in all likelihood grow significantly by the end of 2010, ensuring a healthy spawning stock to provide recruits for 2011.[2]

Oceana strives to adhere to its environmental management plan and is constantly implementing initiatives and appropriate technology to reduce the emissions from its processing facilities. These facilities compare favourably to most of the modern fishmeal processing plants across the world.

With the resource in an extremely healthy state, the outlook for the fishmeal business looks positive, provided that fishing conditions, world demand, pricing and the exchange rate remain favourable.

BLUE CONTINENT PRODUCTS

HORSE MACKEREL

Good catches combined with efficiencies at sea and upgraded vessels, resulted in an excellent year for horse mackerel, despite the strong rand.

Oceana operates three horse mackerel vessels in Namibia and one in South Africa, which fish all year round. Horse mackerel is widely consumed in many central and southern African countries, including South Africa, Namibia, Cameroon, Angola, Mozambique, Nigeria and the Democratic Republic of the Congo (DRC).

Demand for horse mackerel continues to be strong. Oceana's markets are differentiated by fish size. The larger fish (25 – 30 cm) are preferred by Cameroon, which was the largest consumer of Oceana's South African horse mackerel catch, accounting for 64% of its sales volume this year.

Sales in South Africa increased to 26 077 tons (2009: 24 311 tons) for the financial year.

South Africans prefer the smaller fish (16 – 20 cm), which are caught off the Namibian coast. Sales in South Africa account for 21% of the Namibian catch, a decrease since 2009 due to competitors undercutting prices. The market increased in Mozambique to 16% (2009: 11%) and in the DRC 40% (2009: 38%). Angola increased its consumption in the latter part of this year as the port in Luanda reopened for transhipment of fish after being closed for 19 months.

In Namibia, where the TAC is 247 803 tons for the calendar year, Oceana continues to catch and process its own and contracted allocation of 96 717 tons. This large increase (2009: 76 124 tons) is due to additional quota contracted in the current year. The full quota is expected to be caught before the end of the quota year (31 December), the higher catches made possible by good catch rates, upgrades to *Desert Ruby* and *Desert Jewel* in 2009 and the additional freezing capacity installed this year.

The currency in the African horse mackerel business is the US dollar. Financial results are therefore affected by rand/dollar exchange rate movements. A significant amount of costs are also incurred in US dollars, therefore the exchange rate impact on sales is somewhat off-set by fuel, labour and imported equipment and spares.

The horse mackerel resource is stronger in Namibia than it has been for many years, due to various measures implemented by MFMR involving reduction in the TAC and limitation of fishing to areas deeper than 200 metres.

The resource in South Africa is also stable, as the following extract from an independent scientific study indicates:

The results of a routine assessment of the South African horse mackerel fishery done in 2007 were very similar to those obtained previously. No negative impacts from recent levels of catch were detected and maintenance of the current levels of catch limitation is considered appropriate. No further updates have been carried out since as there is very little new data available, and it is clear that these would not have changed the results to the extent that would have necessitated a change in management advice.[3]

Oceana's South African vessel, the *Desert Diamond*, has scientific observers on board for every trip. In Namibia, the vessels carry two compliance observers.

HORSE MACKEREL IS WIDELY CONSUMED IN MANY CENTRAL AND SOUTHERN AFRICAN COUNTRIES.

Oceana invested in additional quality controllers and trainee marine engineers to operate its fully-fledged quality control function in South Africa and Namibia.

HAKE

Although a good year in terms of the size and abundance of fish, financial results from hake operations declined due to global recession, an unfavourable exchange rate and a breakdown on the vessel *Compass Challenger*.

Oceana's hake catch is made up of its own quota allocation, as well as that of its joint venture partners. This is caught using two deep-sea trawlers and a longline vessel. In 2010, Oceana's total quota available for trawl, including that of its joint venture partners, was 3 216 tons (2009: 3 182 tons) , while the total for longline was 291 tons (2009: 286 tons). These quotas are allocated for the calendar year and are expected to be landed by year-end. Hake is either headed and gutted, or filleted. All trawl hake is boxed and frozen at sea. The longline product is typically gutted and air freighted to markets in Spain and Portugal.

Oceana's main export markets are Spain and Portugal. Western Europe has been particularly affected by the recession and this has impacted on prices, which were 16% lower in rand terms than last year. This has been additionally impacted by the strong rand against the euro. Sales of the monk by-catch to the Netherlands and Korea have also been affected. Local demand remains fair, but prices have been low.

[2] Acknowledgements: Janet Coetzee (Department of Agriculture, Forestry and Fisheries, South Africa) and Dr Awie Badenhorst (Consultant Biologist)

[3] Based on an independent scientific report for Oceana by Dave Japp: CapFish and Fisheries and Oceanographic Support Services (FOSS) cc: September 2010

The hake TAC has been conservatively managed over the last few years. As a result, the resource has improved considerably since its decline between 2002 and 2008, although caution must still be exercised, as reported below:

There appears to be a notable increase in the availability of both hake species. The most recent baseline assessment suggests that the M. capensis stock is being fished at a level that will maintain sustainability. However, the deepwater stock, M. paradoxus, is in an overfished state and requires a rebuilding strategy, primarily through the maintenance of the TAC at a level below what could be optimally caught in any one year and by closely monitoring the changes in the stock annually and responding accordingly through the operational management procedure.[4]

Blue Continent Products has been awarded a Marine Stewardship Council (MSC) certificate for compliance with the MSC chain of custody requirements for its hake products. The South African hake fishery is MSC certified, which confirms compliance with the MSC's rigorous standards concerning responsible and sustainable fishing.

OCEANA LOBSTER, SQUID AND FRENCH FRIES

LOBSTER

Good catches, lower costs, a new water treatment system and record prices combined to make an excellent year.

Oceana Lobster catches west coast lobster off the Cape west coast and south coast lobster off the east coast, using a fleet of eleven vessels. Lobsters are sold in frozen or live form. The TAC for west coast lobster was 2 393 tons (2009: 2 340 tons). The additional 53 tons were allocated to artisanal fishermen. Oceana's share is 348 tons, the same as last year. For south coast lobster, Oceana has 10,9 tons (2009: 11,4 tons) of the TAC of 345 tons (2009: 363 tons). This year, all rights holders suffered a 5% cut in the TAC of the south coast lobster.

Apart from South Africa, the world is experiencing a decline in lobster biomass, possibly as a result of global warming. In some areas, specifically in Western Australia, lobster resources decreased from a high a few years ago of approximately 14 000 tons to a low this year of approximately 5 000 tons.

Although all Oceana's markets were affected by the global recession at the start of the year, the market in China recovered well. The shortage of lobster combined with renewed demand saw prices of over U$60 per kilogram achieved for the first time.

Demand for lobster declined in the Western European and US markets.

Catch rates of west coast lobster were extremely good which meant less days at sea, resulting in lower catch and processing costs. The general quality of the lobster was very good.

The new live lobster water treatment system, installed last year, ensures that lobsters arrive in an optimal condition in China, Japan and Europe. This has influenced the higher prices realised.

Oceana complies with all industry standards regarding environmental issues.

Of concern this year, are the high levels of over-catching by interim relief fishermen and general poaching. Oceana is addressing the impact that this is having on the sustainability of the resource through the West Coast Rock Lobster Association, which represents the majority of small and large commercial rights holders.

According to an independent scientific research report:

... an estimated 20% to 30% of the west coast TAC is being poached annually. It is possible that the 2011 TAC will be adjusted down to account for this over-catch (either completely or in part). A cut in south coast lobster is also likely due to a rebuilding strategy by MCM. It is crucial that government implements regular and effective controls to monitor all catches and control poaching.[5]

With the recovery of the market for live lobster in China, the outlook for markets and prices looks good. This may be off-set by the strong rand, however, if it remains at current levels. The recovery of markets in Europe and the US will also have a bearing on lobster sales next year.

Oceana's position as a major supplier of good quality, low mortality lobster has been enhanced due to the excellent water reticulation system. However, it seems likely that a lower TAC will be introduced next year, in part because of over-catching by interim relief fishermen and continued high levels of poaching.

SQUID

Although catch rates were slightly up this year, export markets remain depressed.

Oceana conducts its squid operations through subsidiary Calamari Fishing, based in Port Elizabeth. Fishing is regulated on an effort basis, rather than a TAC system. Oceana currently operates five vessels and 104 catching permits. These remained the same as the previous year (as did the rest of the industry).

Oceana sold 90% of its squid to Spain and Italy. These markets were severely depressed this year and demand has declined significantly. Fortunately for South African suppliers there was a shortage of squid

[4] Based on an independent scientific report for Oceana by Dave Japp: CapFish and Fisheries and Oceanographic Support Services (FOSS) cc: September 2010

[5] Based on an independent scientific research report prepared by Mike Bergh of OLRAC (Ocean and Land Resource Assessment Consultants) for Oceana: August 2010

worldwide which resulted in market prices being slightly better than the previous year although most of this gain was off-set by the strong rand.

Oceana's vessels operated at satisfactory levels in terms of catch rates and cost controls.

An innovation, two years in the making, of an onboard individual quick freeze squid packing system is now in operation. This capacity allows individual squid to be frozen at sea. Oceana is the first company in South Africa to introduce this facility, which means that the consumer can defrost squid one by one rather than as a block. This innovation also makes the presentation of squid more pleasing and has had financial benefits for Oceana.

From an environmental and economic point of view, squid resources are stable and it is unlikely that there will be any additional closed seasons, according to an independent scientific report, which is summarised below:

This forecast is based on the revision of the Bayesian assessment model for squid fishing. Previously, there had been concerns around the inconsistencies of data from companies and MCM records, regarding catches and numbers of vessels. The revision gives a more optimistic assessment of the squid biomass and suggests that effort levels could even be increased. [6]

An important development for the social sustainability of the squid fishery is the recent regulation of wages. Oceana has supported the drive for a regulated industry, which levels the playing field and augurs well for future stable labour relations.

Given the good resource levels and stability in labour, Oceana is cautiously optimistic about the business.

FRENCH FRIES

An extremely tough year for French fries due to severe frost damage to the potato crop resulting in very high potato prices, and a strong surge of cheap imports from European competitors.

Oceana's subsidiary, Lamberts Bay Foods Limited, produces French fries and value-added potato products at its factory in Lambert's Bay. Although originally established in 1995 as a social responsibility project to off-set job losses in the region due to the decline in fishing employment opportunities, the business has grown to be a profitable, well-run operation. However, 2010 was an extremely difficult year.

The plant operates according to best practice standards for French fries and is regarded by customers as having the lowest product defect level in the industry. The factory is audited annually by independent technicians appointed by key customers.

The potatoes used in the plant are specifically grown as processing potatoes and only those that pass stringent quality specifications are accepted. We have developed strong long-term relationships with key farmers to ensure that they continue to meet the potato quality standards demanded by customers.

Importantly, the plant continues to provide direct employment for 241 people in the Lambert's Bay community and surrounds. A recent socio-economic study has shown that the plant has an indirect contribution to over 2 000 people. North of St Helena Bay, it is the largest single employer on the west coast. Oceana is also very involved in community upliftment in the area.

Lamberts Bay Foods is one of three French fries producers in South Africa, enjoying a number of blue-chip clients in its customer profile. The growth of convenience fast food outlets has seen the ongoing increase in demand for quality French fries.

The plant performed at a consistently high level, with good efficiencies. However, two factors impacted on the overall economic performance of the business this year. Severe frosts all but destroyed potato crops between October and January, driving input prices up. The second factor was competition brought about by imports of French fries from Western Europe due to a decline in their own markets and the strong rand, which impacted on volumes and margins.

The business is well poised in terms of its capacity and niche marketing. Investments to grow the business include a modern value-added plant, which will produce products such as wedges, hash browns and coated French fries, thereby enhancing the overall product offering.

[6] Based on an independent scientific research report prepared by Mike Bergh of OLRAC (Ocean and Land Resource Assessment Consultants) for Oceana on the squid jigging industry: September 2010

COMMERCIAL COLD STORAGE

A busier year for cold storage with frozen occupancy levels and inbound volumes up on those of last year.

Commercial Cold Storage (CCS) owns and manages public refrigerated warehouse facilities in the main industrial centres and harbours of South Africa and Namibia. It provides commercial cold storage and fruit-handling services to producers, importers, exporters, traders, wholesalers and retailers primarily in the frozen food industries. The eight cold storage facilities provide in excess of 100 000 pallets of storage capacity for poultry, fish, meat, vegetable, dairy and fruit suppliers.

The cold storage business continues to be a competitive and price-sensitive one. Strong local production volumes of poultry coupled with weak consumer demand, resulted in rising inventories for producers who continually examined options for reducing their holding costs.

Cold-room occupancy levels and inbound pallet volumes are the key performance drivers in this business. Overall, CCS experienced stronger inbound frozen volumes this year which, coupled with weak South African consumer demand, resulted in far higher in-store occupancy levels than last year. A general strike in the ports of Durban and Cape Town occurred for three weeks in May. This had a negative effect on inbound volumes both during and after the strike.

Fruit volumes handled were significantly down on last year. This was partly caused by the strike, which saw customers diverting their fruit exports away from Durban to other regional ports such as Maputo. The loss of a major fruit exporting client resulted in reduced volumes of steri-fruit to the Japanese market and severely affected the profitability of the fruit business in Durban.

During October 2009, CCS closed its Cape Town fruit-handling facility at Paarden Eiland, which resulted in the retrenchment of seven staff members who elected not to take up vacant positions elsewhere in the division.

Cost containment proved challenging in areas such as electrical expenses and quayside property rentals. The division managed to control the escalation of its labour costs relatively well, by negotiating increases on par with the inflation experiences in South Africa and Namibia, as well as matching labour resources with operational activity wherever opportunities arose. No industrial action occurred at any of the sites during the year.

The City Deep cold storage facility in Johannesburg is in the process of being expanded to a total of 26 000 pallets. The site will have a state-of-the-art frozen store, incorporating the latest technology for the control of energy consumption and insulation efficiencies that are in line with the group's sustainability focus of operating in an environmentally beneficial manner.

The Duncan Dock cold store in Cape Town has installed a minus 60 degree celsius room for sashimi producers, with around 500 pallets dedicated to this product with its unique storage temperature requirements.

Aside from the expansion of the Johannesburg facility, the most significant advancement was the replacement of the computerised warehouse management system in order to provide clients with greater access, visibility and control over their inventory and enable online access to their inventory information. The new warehouse management system went live at the end of June, with the operational crossover successful and without any significant business interruption experienced.

The division's carbon footprint is dominated by electricity consumption used by the refrigeration plants providing cooling to cold-room chambers. Our environmental focus is primarily on managing and optimising the electricity usage. Efficient energy usage is achieved through ongoing maintenance and asset replacements at older cold-room facilities with more efficient equipment. Construction processes and materials used in all new cold-room expansions incorporate the latest innovations to ensure energy efficient operations. The replacement of computerised energy management technology is scheduled for 2011 to improve the efficiencies for refrigeration plant and electrical equipment in line with international best practices.

All sites now have low energy lighting installed, which has reduced energy consumption from 1 000 w to 250 w per light unit.

CCS continues to monitor opportunities to develop its business in the broader southern African region.