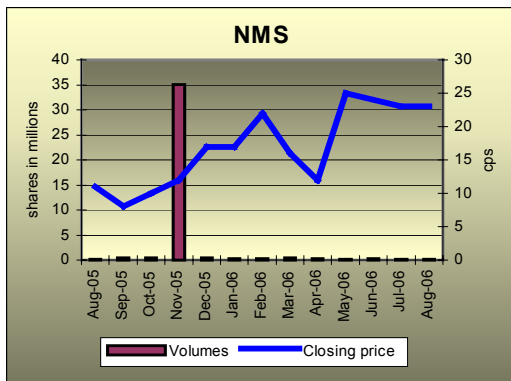




NSX Share code	NAS
JSE Share code	NMS
Share price (cps)	23
12-month average volumes	N\$3.2m
Market Capitalisation	N\$27m



Namibian Sea Products Limited (Namsea) released interim results for the period ended 30 June 2006.

The group reported a 10.4% drop in revenue to N\$45.6m. Profit before tax increased by 119.4% from N\$294 000 to N\$645 000. The main reason for the increase was a surplus on disposal of assets amounting to N\$150 000. Headline EPS remained flat over the period at 0.4cps, while basic EPS increased slightly from 0.4 to 0.6cps.

The Board states that a return to positive to headline earnings for the group is dependent on recommencing fishing operations in Angola. We do not expect constraints currently faced by local companies fishing in Angola to ease in the short-medium term. This and the low pilchard stock levels in local and surrounding waters requires fishing companies to diversify into related industries as a means of staying afloat. We believe this is the last reporting period of the group in its present form.

The offer to all shareholders other than the Bidvest group remains open and Namsea issued a cautionary as they are in discussions with Bidvest regarding potential restructuring within the group.

The Namibian pilchard quotas have remained flat since the last pilchard allocation and quota allocation by the Ministry of Fisheries and Marine Resources will most likely be influenced by the new group structure.

We believe that Bidvest's acquisition was largely influenced by the group's pilchard quota and strategic location. The market for canned pilchard remains firm and Namibian pilchard is a favourite in international markets.

We are of the view that the restructuring will be inclusive of Namibian shareholders, in particular, contributing right holders. Due to the present state of the Namibian pilchard fishery we do not expect a recovery of the group's fishing operations over the short-medium term.

In our opinion a truly broad-based restructuring of the group will secure Namsea shareholder value through periods of depressed stock levels. Through Bidvest's exposure to fishing, consumer industrial and branding operations we expect that the true value of Namibian pilchard will be unlocked as the stock recovers while the diversity of income streams will improve.

Branding and other value adding services have always been under explored aspects of Namibia's entire fishing industry. The potential for employment growth and skills transfer to the local community must be exploited.

The outcome of the restructuring discussions will determine the extent of benefits of the deal to Namsea shareholders, coastal communities and the local fishing industry. Strategic shareholders may stand to benefit from holding out until discussions are concluded.



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