

Oceania Capital Partners Limited

ABN: 52 111 554 360

Half-year Financial Report

31 December 2011

Oceania Capital Partners Limited
Half-year Financial Report – 31 December 2011
Contents

	Page
Directors' Report	3
Lead Auditor's Independence Declaration	7
Financial Report	
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	13
Notes to the Consolidated Financial Statements	14
Directors' Declaration	29
Independent Auditor's Review Report	30

Oceania Capital Partners Limited Directors' Report for the half-year ended 31 December 2011

The Directors present their report together with the financial report of the Consolidated Entity comprising Oceania Capital Partners Limited ("the Company" or "OCP") and its controlled entities (together "the Consolidated Entity") for the half year ended 31 December 2011 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the reporting period are:

Current Directors	Appointed
Ian Tsicalas (Chairman)	25 July 2007
Robert Moran (Managing Director)	25 July 2007
Michael Brogan	10 August 2007
Peter Yates	12 November 2004

Michael Jacobson and Brian Scheiner, representing HCI Australian Operations Pty Limited, the Company's largest shareholder, will be appointed as additional directors of the Company with effect from 1 March 2012.

Principal Activity

The principal activity of the Company during the course of the current and prior reporting periods was investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary objective has been on investing capital in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

The Company, either directly or through subsidiary entities, has invested in a number of businesses that operate in the financial services, healthcare technology and security industries. The investment in the security industry was exited in April 2011. The investment in the healthcare technology industry was exited in July 2011.

Significant Changes in the State of Affairs

The Consolidated Entity realised its investment in iSOFT Group Limited and received repayment of the convertible notes held in iSOFT Group Limited on 29 July 2011. Further details are provided in the **Operating and Financial Review** section below.

On 16 December 2011, the shareholders of the Company approved a pro rata return of capital to eligible shareholders of 30.0 cents per share. The return of capital of approximately \$27.6 million was paid to eligible shareholders from cash reserves on 5 January 2012.

On 16 December 2011, shareholders also approved that the Company undertake an equal access off-market share buy-back to buy back and cancel up to 66,243,540 shares at a price of \$2.15 per share (maximum funding requirement of \$142.4 million). Eligible shareholders were invited to tender some or all of their shareholding into the buy-back. The tender period for the buy-back ran from 5 January 2012 to 3 February 2012. On 6 February 2012, the Company bought back and cancelled 66,243,538 shares pursuant to the buy-back. Payment of the buy-back proceeds of \$142.4 million was made to participating shareholders from the cash reserves of the Company on 9 February 2012.

There were no other significant changes in the affairs of the Consolidated Entity during the financial period.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2011

Operating and Financial Review

Result for the period

The net profit after tax of the Consolidated Entity for the half year ended 31 December 2011 was \$819,000 (31 December 2010 - \$23,163,000 loss).

The result includes:

- interest income earned on funds held on interest bearing deposit with banking institutions of \$4.6 million (2010 - \$0.7 million);
- an accounting gain of \$2.7 million recognised upon realisation of the investment held in iSOFT Group Limited;
- an equity accounted profit contribution of \$1.1 million from Baycorp (2010 - \$2.3 million); and
- a loss of \$3.2 million before tax reflecting the net impact on the Consolidated Entity's result following receipt of the determination issued by the independent expert in connection with the dispute over the Signature completion date adjustment statements. The effect of the determination has been recognised notwithstanding that the Sellers are still reviewing the determination and considering next steps. Further detail is provided in the **Events Subsequent to Reporting Date** section below.

The prior period results included:

- a profit after tax contribution from Signature Security Group of \$2.0 million. The sale of the investment in Signature Security Group completed on 29 April 2011; and
- an unrealised loss of \$25.5 million arising from the reassessment of the fair value of the shares, convertible notes and warrants held in iSOFT Group Limited at 31 December 2010.

The results for the comparative period have been re-presented to reflect the disclosure as a discontinued operation of the movement in fair value of the shares, convertible notes and warrants previously held in iSOFT Group Limited.

Cash reserves and capital management

At balance date the Consolidated Entity had cash at bank or on deposit of \$158.9 million. Deposits are interest bearing and held with major Australian banking institutions. In addition, \$27.6 million was held in a trust account by the Company's share registry for payment of the 30.0 cents per share pro-rata return of capital that was paid on 5 January 2012 as described below.

Further, an amount of \$10.0 million of the cash proceeds received from the sale of the investment in Signature Security Group is held in an escrow account by an approved escrow agent. An amount of \$5.0 million was due to be released after 29 October 2011 subject to any outstanding claims, including warranty claims. This amount remained in escrow pending the outcome of the Completion Date Adjustment Statements dispute described in the **Events Subsequent to Reporting Date** section below. The balance of the escrow monies are to be released on 29 April 2013 subject to any outstanding claims, including warranty claims.

On 16 December 2011, the Company's shareholders voted in favour of a capital management proposal that included the payment to eligible shareholders of up to \$170.0 million by way of a combination of a pro-rata return of capital (30.0 cents per share) and an equal access off-market share buy-back (\$2.15 per share for up to 66,243,540 shares subject to the outcome of a tender process) and recommencement of new investment activities. The return of capital was paid to eligible shareholders on 5 January 2012. The share buy-back completed on 9 February 2012. Further details are provided in the **Events Subsequent to Reporting Date** and the **Likely Developments and Prospects** sections below.

The on-market share buy-back that was first announced on 27 August 2008, and subsequently extended as required, was cancelled on 26 August 2011. No shares were bought back and cancelled during the period from 1 July 2011 to 26 August 2011.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2011

Carrying amounts of investments

Investments are carried at fair or recoverable value in the balance sheet. In assessing the appropriateness of carrying amounts, the directors have had regard to a number of factors, including:

- objectively observable information;
- the appropriate valuation methodology and comparative company valuation multiples;
- the business plans and the investment thesis for each transaction;
- financial analysis taking into account current and budgeted earnings;
- independent assessment reports;
- the assessed risks to the forecast outcome being achieved over the expected holding period of each investment; and
- the Company's business model to actively assist and oversee the management of the businesses that the Company has invested in with a view to enhancing the value of those businesses over the expected holding period.

Borrowings

The Consolidated Entity had no borrowings at 31 December 2011.

Dividends

No final dividend for 2010/2011 was proposed or declared.

No interim dividend has been proposed or declared for the period ended 31 December 2011.

A dividend reinvestment plan has not been activated.

Events subsequent to reporting date

The Consolidated Entity completed the sale of its investment in Signature Security Group ("**Signature**") to Tyco International Security Group Pty Limited ("**Tyco**"), a subsidiary of Tyco International Ltd, on 29 April 2011. The final net proceeds were subject to completion date adjustments in accordance with the terms of the Share Sale Agreement ("**Completion Date Adjustment Statements**"). In July 2011, Tyco served on OCP and the former minority shareholders in Signature ("**the Sellers**") two different versions of documents purporting to represent the Completion Date Adjustment Statements. One of the versions served by Tyco appeared to claim a \$3.1 million negative adjustment to the purchase price. The second version appeared to claim a \$20.1 million negative adjustment to the purchase price. OCP, on behalf of the Sellers, wrote to Tyco rejecting both forms of the documents that it served on the Sellers. An independent expert was appointed to make a determination on disputed matters in accordance with the terms of the Share Sale Agreement. The independent expert issued a determination to the parties in February 2012 assessing an amount payable by the Sellers to the Buyer of \$4.2 million. Under the terms of the Share Sale Agreement, the determination of the independent expert is final and binding on the parties. Both the Sellers and Tyco have previously reserved their rights in relation to this matter. OCP is reviewing the expert's determination and considering next steps. A provision for the determination assessed by the independent expert has been recorded in the 31 December 2011 financial statements.

Payment of a return of capital of 30.0 cents per share (approximately \$27.6 million) was made on 5 January 2012. The payment was made from the cash reserves of the Company. A liability for the payment was recognised at 31 December 2011 as all required approvals had been obtained. A corresponding debit was made against the share capital account.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2011

Payment of \$142.4 million pursuant to an equal access off-market share buy-back of OCP shares was made on 9 February 2012. The payment was for the buy-back and cancellation of 66,243,538 shares at the buy-back price of \$2.15 per share following a tender period that ran from 5 January 2012 until 3 February 2012. The payment was made from the cash reserves of the Company and will be debited against the share capital account. A liability for the payment was not recognised at 31 December 2011 as the tender process had not yet been conducted.

The directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.

Likely Developments and Prospects

On 16 December 2011, the Company's shareholders voted in favour of a capital management and corporate strategy proposal that involves the Company recommencing new investment activities. Following payment of the return of capital and completion of the share buy-back, the Company has cash reserves of approximately \$26.5 million (including restricted cash). The directors consider the cash reserves will be sufficient to meet known obligations as they arise. The Company has entered into an agreement with HCI Australian Operations Pty Ltd (HCI) under which the Company has the right to issue to HCI, in the 12 months from 23 February 2012, up to \$10 million of new shares at \$2.15 per share. The purpose of this agreement is to enable the Company to supplement its cash reserves, if required. The issue of any new shares is at the Company's option and will be subject to compliance with applicable regulatory requirements, including obtaining any required shareholder approvals. Without constraining the rights of the Company, it would be the Board's intention to provide all other shareholders with the opportunity to subscribe for new shares at the same time and on the same terms as HCI should additional capital be sought from HCI.

The reduced cash reserves are likely to constrain the Company's flexibility to pursue the resumed investment strategy until such time as further cash reserves are available.

Following completion of the share buy-back, HCI's ownership of the Company has increased to 71.6 per cent and it is now substantially the largest shareholder in the Company and will have 2 representatives on the Board with effect from 1 March 2012.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the period ended 31 December 2011.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Ian Tsicalas
Chairman

Dated at Sydney this 29th day of February 2012



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Oceania Capital Partners Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Brendan Twining
Partner

Sydney

29 February 2012

Oceania Capital Partners Limited
Consolidated Income Statement
for the half-year ended 31 December 2011

	<i>Note</i>	31 December 2011 \$'000	31 December 2010 Re-presented \$'000
Continuing Operations:			
Interest income		4,636	693
Total revenue		4,636	693
Share of profit of jointly controlled entities	6	1,079	2,341
Other operating income		109	5
Total operating income		5,824	3,039
Due diligence, capital management and transaction costs		(801)	(452)
Net loss recognised from Signature dispute determination		(3,150)	-
Employee benefits expense		(1,421)	(846)
Other operating expenses		(1,502)	(1,329)
Total profit (loss) before financing costs, tax and depreciation		(1,050)	412
Depreciation		(8)	(18)
Total profit (loss) before financing costs and tax		(1,058)	394
Financing costs		-	-
Profit (loss) before income tax		(1,058)	394
Income tax benefit (expense)		(783)	(80)
Profit (loss) from continuing operations		(1,841)	314
Discontinued Operations:			
Profit (loss) from discontinued operations and assets held for sale, net of income tax	14	2,660	(23,477)
Profit (loss) for the period		819	(23,163)
Attributable to:			
Equity holders of the parent entity		819	(23,255)
Non-controlling interests		-	92
Profit (loss) for the period		819	(23,163)
Total:		Cents	Cents
Basic earnings (loss) per share attributable to ordinary equity holders		0.89	(25.30)
Diluted earnings (loss) per share attributable to ordinary equity holders		0.89	(25.30)
Continuing operations:			
Basic earnings (loss) per share attributable to ordinary equity holders		(2.00)	0.34
Diluted earnings (loss) per share attributable to ordinary equity holders		(2.00)	0.34

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Comprehensive Income
for the half-year ended 31 December 2011

	<i>Note</i>	31 December 2011 \$'000	31 December 2010 Re-presented \$'000
Profit (loss) for the period		819	(23,163)
Other Comprehensive Income			
Net change in fair value of cash flow hedges (discontinued)	9	-	621
Share of reserves of jointly controlled entities	9	(141)	(686)
Foreign currency translation differences (discontinued)	9	-	(312)
Income tax on other comprehensive income	9	42	(185)
Other comprehensive income for the period, net of income tax		(99)	(562)
Total comprehensive income for the period		720	(23,725)
Attributable to:			
Equity holders of the parent entity		720	(23,817)
Non-controlling interests		-	92
Total comprehensive income for the period		720	(23,725)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Financial Position
as at 31 December 2011

	<i>Note</i>	31 December 2011 \$'000	30 June 2011 \$'000
Current assets			
Cash and cash equivalents	3	158,884	102,546
Receivables	4	449	1,938
Other financial assets	5	32,576	86,872
Current tax assets		1,225	-
Total current assets		<u>193,134</u>	<u>191,356</u>
Non-current assets			
Other financial assets	5	5,000	5,000
Investments accounted for using the equity method	6	53,872	52,934
Property, plant and equipment		32	40
Total non-current assets		<u>58,904</u>	<u>57,974</u>
Total assets		<u>252,038</u>	<u>249,330</u>
Current liabilities			
Creditors and payables		782	3,277
Current tax liabilities		-	1,879
Employee entitlements		621	300
Provision for return of capital payable to shareholders	8	27,576	-
Other provisions	15	4,184	-
Total current liabilities		<u>33,163</u>	<u>5,456</u>
Non-current liabilities			
Deferred tax liabilities		3,147	1,302
Employee entitlements		42	30
Total non-current liabilities		<u>3,189</u>	<u>1,332</u>
Total liabilities		<u>36,352</u>	<u>6,788</u>
Net assets		<u>215,686</u>	<u>242,542</u>
Equity			
Issued capital	8	371,064	398,640
Reserves	9	24,686	24,785
Retained earnings (accumulated losses)	10	(180,082)	(180,901)
Total equity attributable to equity holders of the parent entity		<u>215,668</u>	<u>242,524</u>
Non-controlling interests		18	18
Total equity		<u>215,686</u>	<u>242,542</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2011

Attributable to owners of Oceania Capital Partners Limited

Consolidated	Contributed equity \$'000	Equity reserve \$'000	Share of reserves of interests in joint ventures using the equity method \$'000	Retained earnings (accum- ulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total Equity \$'000
Balance at 1 July 2011	398,640	25,690	(905)	(180,901)	242,524	18	242,542
Profit (loss) for the period	-	-	-	819	819	-	819
Other comprehensive income for the period, net of tax	-	-	(99)	-	(99)	-	(99)
	398,640	25,690	(1,004)	(180,082)	243,244	18	243,262
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	-	-	-	-	-	-	-
Provision for return of capital to shareholders	(27,576)	-	-	-	(27,576)	-	(27,576)
	(27,576)	-	-	-	(27,576)	-	(27,576)
Balance at 31 December 2011	371,064	25,690	(1,004)	(180,082)	215,668	18	215,686

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2011

Attributable to owners of Oceania Capital Partners Limited

Consolidated	Contributed equity \$'000	Equity reserve \$'000	Cashflow hedge reserve \$'000	Foreign currency translation reserve \$'000	Share of reserves of interests in associates and joint ventures using the equity method \$'000	Retained earnings (accum- ulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total Equity \$'000
Balance at 1 July 2010	398,640	25,690	(973)	(1,675)	(499)	(199,097)	222,086	3,472	225,558
Profit (loss) for the period	-	-	-	-	-	(23,255)	(23,255)	92	(23,163)
Other comprehensive income for the period, net of tax	-	-	435	(517)	(480)	-	(562)	-	(562)
	398,640	25,690	(538)	(2,192)	(979)	(222,352)	198,269	3,564	201,833
Transactions with owners in their capacity as owners:									
Dividends provided for or paid	-	-	-	-	-	-	-	-	-
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Balance at 31 December 2010	398,640	25,690	(538)	(2,192)	(979)	(222,352)	198,269	3,564	201,833

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Cash Flow Statement
for the half-year ended 31 December 2011

	31 December 2011 \$'000	31 December 2010 \$'000
	<i>Note</i>	
Cash flows from operating activities		
Receipts from customers	-	45,334
Payments to suppliers and employees	(2,504)	(33,174)
Interest received	5,260	855
Other operating income	9	-
Income taxes (paid) refunded	(2,000)	(35)
Net cash from operating activities	<u>765</u>	<u>12,980</u>
Cash flows from investing activities		
Proceeds from realisation of financial assets	84,532	-
Payments for due-diligence and other transaction costs	(754)	(1,136)
Payments for property, plant and equipment	-	(3,887)
Proceeds from sale of property, plant and equipment	-	9
Payments for dealer line acquisitions	-	(1,982)
Net cash from (used in) investing activities	<u>83,778</u>	<u>(6,996)</u>
Cash flows from financing activities		
Funds for return of capital deposited with share registry	(27,576)	-
Payments for capital management proposals	(629)	-
Repayment of borrowings	-	(3,493)
Interest paid	-	(4,051)
Net cash from (used in) financing activities	<u>(28,205)</u>	<u>(7,544)</u>
Net increase (decrease) in cash and cash equivalents	56,338	(1,560)
Cash and cash equivalents at 1 July	102,546	33,421
Effect of exchange rate fluctuations on cash and cash equivalents	-	(75)
Cash and cash equivalents at 31 December	<u>158,884</u>	<u>31,786</u>
Cash and cash equivalents are allocated to:		
Continuing operations	3 158,884	27,363
Assets held for sale	-	4,423
	<u>158,884</u>	<u>31,786</u>

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

1. Significant accounting policies

This general purpose consolidated financial report for the half-year ended 31 December 2011 comprises Oceania Capital Partners Limited (“the Company” or “OCP”), and its subsidiaries (together referred to as the “Consolidated Entity”) and the Consolidated Entity’s interest in associates and jointly controlled entities.

Oceania Capital Partners Limited is a limited liability company incorporated and domiciled in Australia.

The half-year financial report was approved by the Board of Directors on 29 February 2012.

(a) Statement of compliance

This consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB134 *Interim Financial Reporting* and the Corporations Act 2001.

This consolidated half-year financial report does not include all of the information required for a full annual financial report. Accordingly, this report is to be read in conjunction with the 30 June 2011 consolidated financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Comparative results presented in the Income Statement and the Statement of Comprehensive Income reflect the classification or reclassification during the period of either discontinued operations or assets held for sale in compliance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. Refer (d) below.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(b) Basis of preparation

The accounting policies applied by the Consolidated Entity in this consolidated half-year financial report are the same as those applied by the Consolidated Entity in its 30 June 2011 consolidated financial report.

(c) Use of estimates and judgements

The preparation of the consolidated half-year financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the remainder of this financial year and the next financial year are the measurement of the recoverable amount of equity accounted investments (Note 6) and tax losses (Note 7).

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

(d) Investments classified as discontinued operations or held for sale

The shares, convertible notes and warrants held in iSOFT Group Limited were realised on 29 July 2011. The current period profit resulting from the realisation has been reported as a discontinued operation in the income statement as the investment exposure was classified as a separately identified reportable segment. The relevant comparatives have been re-presented in the income statement.

The investment in Signature Security Group (Signature) was classified as an asset held for sale during the 2011 financial year (with disposal completed on 29 April 2011) in accordance with the requirements of AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. Signature's net result after tax for the period from 1 July 2010 to 31 December 2010 is reported in the comparatives in the income statement as a single line item rather than consolidated on a line-by-line basis.

(e) Preparation of financial statements on a going concern basis

The consolidated financial statements have been prepared on the going concern basis. In determining that the going concern basis is appropriate, regard has been had to the effect on the financial position of the Company following:

- (a) approval by shareholders on 16 December 2011 of the "Revised Continuation Alternative" that included up to \$170 million of cash reserves being used to fund a pro-rata return of capital and equal access off-market share buy-back (Refer notes 8 and 15) and approval for the Company to resume new investment activities;
- (b) the outcome of the Signature completion date adjustments dispute for which a determination was issued by an independent expert in February 2012 (Refer note 15); and
- (c) a review of the forecast financial and operating expenditure commitments of the Consolidated Entity for the next 12 months.

(f) Addition of new and revised accounting standards

There were a number of Australian Accounting Standards and Interpretations applicable for the current reporting period. Details of standards and interpretations that have not been early adopted and that are potentially relevant to financial disclosures and information of the Consolidated Entity are provided below.

Title	Description	Operative Date	Note
AASB 10	Consolidated Financial Statements	1 January 2013	A
AASB 11	Joint Arrangements	1 January 2013	A
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	B
AASB 13	Fair Value Measurement	1 January 2013	A
AASB 119 (2011)	Employee Benefits	1 January 2013	A
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	B
AASB 2011-7	Amendments to Australian Accounting Standards arising from Consolidation and Joint Arrangements Standards	1 January 2013	A
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	A
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	1 July 2012	B
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013	A

Table Notes:

A: These changes are not expected to have a significant financial impact, if any.

B: These changes will only impact disclosures when preparing an annual financial report.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

2. Segment reporting

Operating segments are determined based on the industry sectors in which the Consolidated Entity has invested which is consistent with the business plan to invest in operating businesses. The primary operating segments during the reporting period were:

- Healthcare Technology Development and licencing of software to the healthcare industry (until 29 July 2011)
- Financial Services Receivables management

In the comparative period, the Consolidated Entity also had a security system installation and monitoring operating segment. The investment that comprised this operating segment was sold with completion occurring on 29 April 2011. The Security segment was previously classified as a business operation held for sale.

Segment information is disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Maker and on a financial reporting basis to reflect that the Consolidated Entity does not fully own and, therefore, does not consolidate all the businesses in which it has invested.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

The Consolidated Entity operates in one geographical area being the Asia Pacific region.

(a) Business segment basis

	Healthcare Technology (discontinued) \$'000	Financial Services \$'000	Security (discontinued) \$'000	Total \$'000
31 December 2011				
External revenues				
Business segment revenue	-	29,372	-	29,372
Inter-segment revenue	-	-	-	-
Business segment EBITDA	-	6,628	-	6,628
Business segment EBIT	-	6,116	-	6,116
31 December 2010 (Re-presented)				
External revenues				
Business segment revenue	-	30,980	39,354	70,334
Inter-segment revenue	-	-	-	-
Business segment EBITDA	-	8,853	13,924	22,777
Business segment EBIT	-	8,859	7,654	16,513

Comparative Business segment basis results for the Financial Services operating segment have been re-presented to reflect changes in reporting by the business.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

(b) Consolidated entity basis

	Healthcare Technology (discontinued) \$'000	Financial Services \$'000	Security (discontinued) \$'000	Other \$'000	Total \$'000
31 December 2011					
External revenues					
Reported revenues	-	-	-	4,636	4,636
Other income	-	1,079	-	109	1,188
Total reported operating income	-	1,079	-	4,745	5,824
Interest income	-	-	-	4,636	4,636
Financing costs	-	-	-	-	-
Depreciation and amortisation	-	-	-	(8)	(8)
Profit before financing costs, tax and discontinued operations					
Share of profit of jointly controlled entities	-	1,079	-	-	1,079
Other reportable segment profit before financing costs and tax	-	-	-	(2,137)	(2,137)
Total reported profit (loss) before financing costs, tax and discontinued operations	-	1,079	-	(2,137)	(1,058)
Financing costs	-	-	-	-	-
Income tax expense	-	-	-	(783)	(783)
Profit (loss) from discontinued operations or classified as held for sale, net of income tax	2,660	-	-	-	2,660
Profit (loss) for the period	2,660	1,079	-	(2,920)	819

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

	Healthcare Technology (discontinued) \$'000	Financial Services \$'000	Security (held for sale) \$'000	Other \$'000	Total \$'000
31 December 2010					
External revenues					
Reported revenues	-	-	-	693	693
Other income	-	2,341	-	5	2,346
Total reported operating income	-	2,341	-	698	3,039
Interest income	-	-	-	693	693
Financing costs	-	-	-	-	-
Depreciation and amortisation	-	-	-	(18)	(18)
Profit before financing costs, tax and assets held for sale					
Share of profit of jointly controlled entities	-	2,341	-	-	2,341
Other reportable segment profit before financing costs and tax	-	-	-	(1,947)	(1,947)
Total reported profit (loss) before financing costs, tax and assets held for sale	-	2,341	-	(1,947)	394
Financing costs	-	-	-	-	-
Income tax expense	-	-	-	(80)	(80)
Profit (loss) from discontinued operations or classified as held for sale, net of income tax	(25,494)	-	2,017	-	(23,477)
Profit (loss) for the period	(25,494)	2,341	2,017	(2,027)	(23,163)

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

(c) Reconciliations

	31 December 2011 \$'000	31 December 2010 \$'000
Business segment revenue	29,372	70,334
Less: Financial Services and Security revenue	(29,372)	(70,334)
Plus: Share of profit of jointly controlled entities	1,079	2,341
Plus: Other revenue and income	4,745	698
Total reported operating income	5,824	3,039
Business segment EBIT	6,116	16,513
Less: Financial Services and Security EBIT	(6,116)	(16,513)
Plus: Share of profit of jointly controlled entities	1,079	2,341
Plus: Other profit (loss) before financing costs and tax	(2,137)	(1,947)
Total reported profit (loss) before financing costs, tax and discontinued operations	(1,058)	394

The net assets of the Consolidated Entity reduced in the period from 1 July 2011 to 31 December 2011 mainly as a result of the raising of a provision at 31 December 2011 for the 30.0 cents per share (\$27.6 million) pro-rata return of capital payable to eligible shareholders. Payment was made on 5 January 2012.

3. Cash and cash equivalents

	31 December 2011 \$'000	30 June 2011 \$'000
Cash at bank and on hand	215	475
Deposits at call	5,466	49,545
Term deposits	153,203	52,526
	158,884	102,546

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

4. Receivables

	31 December	30 June
	2011	2011
	\$'000	\$'000
Interest receivable	96	720
Other receivables	200	772
Prepayments	153	446
	449	1,938

5. Other financial assets

	31 December	30 June
	2011	2011
	\$'000	\$'000
Restricted cash	32,576	5,000
Other financial assets at fair value through profit and loss	-	81,872
Current	32,576	86,872
Restricted cash	5,000	5,000
Non-current	5,000	5,000

Restricted cash refers to:

- (a) \$10.0 million of the cash proceeds received from the sale of the investment in Signature Security Group that is held in an escrow account. An amount of \$5.0 million was due to be released after 29 October 2011 subject to any outstanding claims, including warranty claims. This amount remained in escrow pending the outcome of the Completion Date Adjustment Statements dispute (Refer Note 15). The balance of the escrow monies are to be released on 29 April 2013 subject to any outstanding claims, including warranty claims.
- (b) \$27.6 million transferred to a trust account with Computershare Investor Services Pty Limited to fund the 30.0 cents per share return of capital that was paid on 5 January 2012.

The Consolidated Entity held shares, convertible notes and warrants in iSOFT Group Limited at 30 June 2011. Fair value of the shares and warrants was assessed at 30 June 2011 having regard to the iSOFT share price at that date. Fair value of the convertible notes was assessed having regard to the status and risk to completion of the scheme of arrangement proposal for iSOFT that was announced in April 2011. On 29 July 2011, the Consolidated Entity received \$84.5 million from the completion of the acquisition by Computer Sciences Corporation ("**CSC**") of all the issued shares of iSOFT Group Limited via the scheme of arrangement proposal. The proceeds received were for the transfer to CSC of shares and cancellation of warrants held in iSOFT and the repayment by iSOFT, as part of the proposal, of convertible notes held by the Consolidated Entity.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

6. Investments accounted for using the equity method

The Consolidated Entity accounts for investments in jointly controlled entities using the equity method. Investments are in companies incorporated in Australia unless otherwise specified.

Name of entity	Principal activity	Economic ownership interest	
		31 December 2011	30 June 2011
		%	%
Baycorp Holdings Pty Limited	Receivables Management	52.55	52.55

The Consolidated Entity's ownership interest in Baycorp Holdings Pty Limited (Baycorp) increased to 52.55% during the 2011 financial year as a result of Baycorp using excess cash resources to buy back and cancel shares held by a minority shareholder. Notwithstanding the increase in ownership above 50.0%, the Consolidated Entity does not have the capacity to control the activities and decision making of Baycorp as the investment remains a jointly controlled entity under the terms of the Shareholders' Agreement. Accordingly, the equity method of accounting continues to be applied.

The equity accounted results for the period and the carrying amounts of investments in jointly controlled entities at balance date are:

Name of entity	Contribution to net profit		Equity accounted carrying amount	
	31 December 2011	31 December 2010	31 December 2011	30 June 2011
	\$'000	\$'000	\$'000	\$'000
Baycorp Holdings Pty Limited	1,079	2,341	53,872	52,934
	<u>1,079</u>	<u>2,341</u>	<u>53,872</u>	<u>52,934</u>

The movements in carrying amounts of investments in associates and jointly controlled entities during the period are:

	31 December 2011	30 June 2011
	\$'000	\$'000
Carrying amount at the beginning of the financial period	52,934	48,452
Share of net equity accounted profits after tax	1,079	5,062
Share of post acquisition movements in reserves	(141)	(580)
Carrying amount at the end of financial period	<u>53,872</u>	<u>52,934</u>

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

In assessing the appropriateness of the carrying amount of the investment in Baycorp, the directors have had regard to a number of factors, including:

- the appropriate valuation methodology and comparative company valuation multiples;
- the business plans and the investment thesis for the transaction;
- financial analysis taking into account current and forecast earnings;
- independent assessments of the recoverable value prepared having regard to both fair value less costs to sell and value in use methodologies;
- the assessed risks to the forecast outcome being achieved over the expected holding period of the investment; and
- the Company's business model to actively assist and oversee the management of the businesses in which the Consolidated Entity has invested in with a view to enhancing the value of those businesses over the expected holding period.

Key estimates used in assessing recoverable value of the investment in Baycorp included:

- a range of trading multiples of comparable companies;
- a 5 year forecast period;
- discount rates, based on weighted average cost of capital, ranging from 10.5% to 11.5%
- utilising exchanges rates against the Australian dollar as at 31 December 2011; and
- terminal year revenue growth rates of approximately 3.0%.

7. Income Tax Losses

	31 December 2011	30 June 2011
	\$'000	\$'000
Unused tax losses for which no deferred tax asset has been recognised	187,014	-
Potential benefit at 30%	56,104	-

The tax losses at 31 December 2011 arose following realisation of the investment in iSOFT Group Limited in July 2011. The unused tax losses were incurred by Australian entities.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

8. Issued capital

	31 December 2011 Shares	30 June 2011 Shares	31 December 2011 \$'000	30 June 2011 \$'000
Ordinary shares fully paid	91,921,295	91,921,295	398,640	398,640
Return of capital to be paid to shareholders	-	-	(27,576)	-
	<u>91,921,295</u>	<u>91,921,295</u>	<u>371,064</u>	<u>398,640</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

A pro-rata return of capital of 30.0 cents per share (approximately \$27.6 million) was approved by shareholders on 16 December 2011 and paid on 5 January 2012. The liability for the return of capital has been recognised at 31 December 2011 with a corresponding debit in the share capital account.

Shareholders approved on 16 December 2011 that the Company undertake an equal access off-market share buy-back to buy back and cancel up to 66,243,540 shares at a price of \$2.15 per share (maximum funding requirement of \$142.4 million). Eligible shareholders were invited to tender some or all of their shareholding into the buy-back. The tender period for the buy-back ran from 5 January 2012 to 3 February 2012. On 6 February 2012, the Company bought back and cancelled 66,243,538 shares pursuant to the buy-back. Payment of the buy-back proceeds of \$142.4 million was made on 9 February 2012 to participating shareholders from the cash reserves of the Company. A provision for the buy-back was not made at 31 December 2011 as the final quantum of the buy-back was not known because it remained subject to the outcome of the tender process. Following the payment on 9 February 2012, a corresponding debit has been made against the share capital account.

An on-market share buy-back that was first announced on 27 August 2008, and subsequently extended as required, was cancelled on 26 August 2011. No shares were bought back and cancelled during the period from 1 July 2011 to 26 August 2011 or during the 2011 financial year comparative period.

The Company and its largest shareholder, HCI Australian Operations Pty. Ltd. (HCI) entered into an agreement on 14 November 2011 under which OCP has the right, but no obligation, to issue to HCI in the 12 month period following 23 February 2012, up to \$10 million of new shares at a price of \$2.15 per share. The purpose of the agreement is to enable the Company to supplement its cash reserves, if required, following completion of the share buy-back and the pro-rata return of capital. The issue of any new shares is solely at the option of the Company and subject to compliance with applicable regulatory requirements, including obtaining any required shareholder approvals.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

9. Reserves

	31 December 2011 \$'000	30 June 2011 \$'000
Equity reserve		
Opening balance 1 July	25,690	25,690
Total equity reserve	<u>25,690</u>	<u>25,690</u>
Cash flow hedging reserve		
Opening balance 1 July	-	(973)
Transfer to the income statement on disposal of subsidiary entities	-	1,390
Tax effect of net gain/(loss)	-	(417)
Total cash flow hedging reserve	<u>-</u>	<u>-</u>
Foreign currency translation reserve		
Opening balance 1 July	-	(1,675)
Transfer to the income statement on disposal of subsidiary entities	-	1,675
Total foreign currency translation reserve	<u>-</u>	<u>-</u>
Share of reserves of interests in jointly controlled entities using the equity method		
Opening balance 1 July	(905)	(499)
Share of reserves during the period	(141)	(580)
Tax effect of net gain (loss)	42	174
Total share of reserves of interests in jointly controlled entities using the equity method	<u>(1,004)</u>	<u>(905)</u>
Total reserves	<u>24,686</u>	<u>24,785</u>

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

10. Retained earnings (accumulated losses)

	31 December 2011	30 June 2011
	\$'000	\$'000
Opening balance	(180,901)	(199,097)
Net profit (loss) for the period	819	18,196
Dividends paid	-	-
	(180,082)	(180,901)

11. Dividends

	31 December 2011	30 June 2011
	\$'000	\$'000
Dividends paid		
Dividends provided for or paid during the period	-	-
Dividends proposed		
Dividends not recognised at the end of the period	-	-

No interim dividend has been proposed for payment (2011 - \$nil).

12. Commitments

(a) Lease commitments

Commitments in relation to non-cancellable operating leases, contracted for at the reporting date but not recognised as liabilities, are payable as follows:

	31 December 2011	30 June 2011
	\$'000	\$'000
Within one year	2,132	2,251
Later than one year but not later than five years	1,786	2,747
Later than five years	-	-
	3,918	4,998

The lease commitments represent payments due for leased premises under non-cancellable operating leases, and payments for motor vehicles under operating leases.

Included in lease commitments are amounts totalling \$3.8 million (30 June 2011: \$4.9 million) relating to lease commitments of jointly controlled entities. The Consolidated Entity has no obligation for the lease commitments of jointly controlled entities.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

(b) Other commitments

The Company has committed to provide an additional \$10.0 million of equity funding to Baycorp Holdings Pty Ltd (Baycorp) to assist with the acquisition of debt ledgers. The funding will be provided as required by Baycorp subject to specified conditions for drawdown being met (including co-contribution by other shareholders of Baycorp). An amount of \$5.0 million remains committed to be contributed (30 June 2011 - \$5.0 million). No provision has been raised at balance date as the conditions for drawdown have not yet been met.

The Company has guaranteed the performance obligations of the selling shareholders under the terms of the share sale agreement for the investment in Signature Security Group. This guarantee includes being required to make any due payment that a selling shareholder fails to make under the terms of the share sale agreement as if the Company were the principal obligor in respect of that amount. Any such amounts paid would then be recoverable from the relevant selling shareholder.

13. Contingent Liabilities

At 31 December 2011, an equal access off-market share buy-back that was approved by shareholders on 16 December 2011 remained subject to completion of a tender process that commenced on 5 January 2012 and closed on 3 February 2012. Refer Notes 8 and 15.

The Consolidated Entity had no other material contingent liabilities at 31 December 2011.

14. Discontinued operations and operations classified as held for sale

The Consolidated Entity realised its exposure to iSOFT Group Limited during the reporting period. The current period profit resulting from the realisation has been reported as a discontinued operation as the investment exposure was classified as a separately identified reportable segment. The relevant comparatives have been re-presented to be shown on the same basis.

The Consolidated Entity sold its investment in Signature Security Group (Signature) during the 2011 financial year with completion occurring on 29 April 2011. The investment was designated as an asset held for sale during the 2011 financial year and classified as such up until the date of sale. The results of Signature's operations for the comparative period to 31 December 2010 are shown below under the caption "Assets held for sale". Signature Security Group operated in its own reportable segment.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

	31 December 2011 \$'000	31 December 2010 Re-presented \$'000
Results of discontinued operations and operations held for sale		
Discontinued Operations		
Revenue	-	-
Expenses (being impairment of financial assets to fair value)	-	(25,494)
Results from operating activities of discontinued operations	-	(25,494)
Gain (loss) on realisation of discontinued operations	2,660	-
Income tax (expense) benefit on gain on sale of discontinued operations	-	-
Profit (loss) for the period - discontinued operations	2,660	(25,494)
 Assets held for sale		
Revenue	-	39,354
Expenses	-	(36,824)
Results from operating activities of assets held for sale	-	2,530
Income tax (expense) benefit	-	(513)
Profit (loss) for the period - assets held for sale	-	2,017
Profit (loss) for the period	2,660	(23,477)
Attributable to:		
- Equity holders of the parent entity	2,660	(23,569)
- Non-controlling interests	-	92
	2,660	(23,477)
	Cents	Cents
Basic earnings (loss) per share attributable to ordinary equity holders	2.89	(25.64)
Diluted earnings (loss) per share attributable to ordinary equity holders	2.89	(25.64)

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2011

	31 December 2011 \$'000	31 December 2010 \$'000
Cash flows from (used in) operations classified as discontinued or held for sale		
Net cash from (used in) operating activities	-	14,018
Net cash from (used in) investing activities	84,532	(6,555)
Net cash from (used in) financing activities	-	(7,545)
Net cash from (used in) operations classified as held for sale	84,532	(82)

Effect of disposal on the financial position of the Consolidated Entity

Other financial assets	(81,872)	-
Net consideration received, satisfied in cash	84,532	-
Cash and cash equivalents disposed of	-	-
Net cash inflow	84,532	-

15. Events subsequent to balance date

The Consolidated Entity completed the sale of its investment in Signature Security Group (“**Signature**”) to Tyco International Security Group Pty Limited (“**Tyco**”), a subsidiary of Tyco International Ltd, on 29 April 2011. The final net proceeds were subject to completion date adjustments in accordance with the terms of the Share Sale Agreement (“**Completion Date Adjustment Statements**”). In July 2011, Tyco served on OCP and the former minority shareholders in Signature (“**the Sellers**”) two different versions of documents purporting to represent the Completion Date Adjustment Statements. One of the versions served by Tyco appeared to claim a \$3.1 million negative adjustment to the purchase price. The second version appeared to claim a \$20.1 million negative adjustment to the purchase price. OCP, on behalf of the Sellers, wrote to Tyco rejecting both forms of the documents that it served on the Sellers. An independent expert was appointed to make a determination on disputed matters in accordance with the terms of the Share Sale Agreement. The independent expert issued a determination to the parties in February 2012 assessing an amount payable by the Sellers to the Buyer of \$4.2 million. Under the terms of the Share Sale Agreement, the determination of the independent expert is final and binding on the parties. Both the Sellers and Tyco have previously reserved their rights in relation to this matter. OCP is reviewing the expert's determination and considering next steps. A provision for the determination assessed by the independent expert has been recorded in the 31 December 2011 financial statements.

Payment of a return of capital of 30.0 cents per share (approximately \$27.6 million) was made on 5 January 2012. The payment was made from the cash reserves of the Company. A liability for the payment was recognised at 31 December 2011 as all required approvals had been obtained. A corresponding debit was made against the share capital account. Refer Note 8.

Payment of \$142.4 million pursuant to an equal access off-market share buy-back of OCP shares was made on 9 February 2012. The payment was for the buy-back and cancellation of 66,243,538 shares at the buy-back price of \$2.15 per share following a tender period that ran from 5 January 2012 until 3 February 2012. The payment was made from the cash reserves of the Company and will be debited against the share capital account. A liability for the payment was not recognised at 31 December 2011 as the tender process had not yet been conducted. Refer Notes 8 and 13.

The directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.

Oceania Capital Partners Limited
Directors' Declaration
for the half-year ended 31 December 2011

In the opinion of the Directors of Oceania Capital Partners Limited:

- (a) the financial statements and notes set out on pages 8 to 28 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that Oceania Capital Partners Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Ian Tsicalas', is written over a faint, light blue grid background.

Ian Tsicalas
Director

Dated at Sydney this 29th day of February 2012



Independent auditor's review report to the members of Oceania Capital Partners Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Oceania Capital Partners Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2011, consolidated statement of comprehensive income, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Oceania Capital Partners Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Oceania Capital Partners Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Brendan Twining
Partner

Sydney

29 February 2012