Half Year Results Announcement

Summary

- OCP net profit after tax of $5.5 million
- Return of capital of $0.30 per share ($27.6 million) proposed, subject to required approvals
- No impairment to carrying amounts of iSOFT, Signature or Baycorp
- Net assets per share of $5.01 at 31 December 2009 based on asset carrying values and $3.94 based on a mark to market basis

Financial result

Oceania Capital Partners Limited ("OCP") today announced a net profit after tax of $5.5 million for the half year ended 31 December 2009. The result comprises the contributions of each of OCP's underlying investee entities as well as its own result at the corporate level.

Both Baycorp and Signature Security showed an increased contribution to OCP for the half year compared with the prior comparable period ("pcp"). The iSOFT contribution was lower, with the business impacted by unfavourable exchange rate movements, but its underlying performance was broadly consistent with plan.

The Company has also proposed a further pro-rata return of capital to eligible shareholders of $0.30 per share ($27.6 million) subject to approval by shareholders and a ruling to be issued by the Australian Taxation Office. This is in addition to the $0.65 per share return of capital and $0.06 per share dividend that were paid to eligible shareholders in the last half year.

Performance of investee entities

iSOFT (ASX:ISF) announced its half year results on 16 February 2010.

The revenue for the period was $237 million and EBITDA $40.8 million which was lower than the pcp. The result was impacted by the strong appreciation of the AUD versus most ISF trading currencies (in particular GBP and EUR). However, on a local currency basis, the business performed broadly to plan, with the ANZ and Asian, Middle East and African business segments the only ones not to meet budget for the half year. These segments represent approximately 17% of the iSOFT Group revenues. The core business continued to experience growth, and in particular the UKI business (excluding the National Programme) grew 11% year on year. Importantly, the backlog of contracted revenues, excluding the National Programme, grew 48% versus pcp (31 December 2009 currency basis), demonstrating strong growth in many parts of the underlying business.

During the period iSOFT renegotiated a new 2 year contract with CSC that will provide the business greater revenue visibility going forward and also allow iSOFT the opportunity to sell directly to the NHS Trusts. On 30 December 2009 iSOFT also renegotiated its debt facilities, extending the term of the facilities and relaxing some of the debt covenants.

OCP remains confident about the prospects for its investment in iSOFT. Notwithstanding the currency effect, the business is demonstrating growth in its core segments. There is continued momentum in the development of its next generation software, Lorenzo and the global health IT industry is still an attractive and growing sector in which iSOFT can be a key player.

Signature Security continues its strong performance, despite some challenging trading conditions.

The business achieved revenue and underlying EBITDA growth of 4% and 11% respectively versus pcp.

This result was driven by a strong trading performance in NZ, where Signature won several large contracts for monitoring and ongoing maintenance services, continued growth in the NZ Personal Emergency Response ("PER") market and lower than expected customer attrition. This was offset somewhat by lower than expected installation sales in WA and QLD which experienced tougher trading conditions compared with financial year 2009.

In December, Signature launched MyLife, its PER trading name, in Australia after growing strongly in that segment in New Zealand for a number of years. The PER market is growing rapidly owing to population demographics and is highly complementary to Signature's core security monitoring services.

Baycorp had a solid operating performance with significant stabilisation relative to financial year 2009.

The underlying EBITDA was slightly lower the pcp but higher than the second half of 2009. Collection rates improved owing to benefits from investment in technology and collection processes which offset the impacts of the economic environment.

Cash collections from existing Purchased Debt Ledger ("PDL") assets performed to expectations with the business benefitting from an increase in its payment arrangement book over the last 12 months. However, prices for new PDLs increased beyond Baycorp's assessment of value, given the still uncertain economic outlook. Accordingly, despite having significant capital to pursue further PDL acquisitions, the business remained prudent in its PDL expenditure which was lower than previous periods.

The contingency and legal and field division recovered after difficult trading in the second half of 2009, with higher debt loads in NZ and the Australian business benefitting from the contribution from its new WA call centre and strong debt loads from major clients.

Carrying amount of investments

Based on the reported carrying amounts at 31 December 2009, net assets of OCP represented $5.01 per share, as shown in the table below. If the shares in iSOFT are marked to market as at the close of business on 24 February 2010 - rather than the investment being carried on an equity accounted basis - then the adjusted net asset value per share is $3.94 based on the current iSOFT share price.

The Board have assessed the carrying amounts of each of iSOFT, Signature and Baycorp and concluded that the current values remain supportable if the underlying investments are held and dealt with in the ordinary course of OCP's business. The Board obtained independent assessments for all three entities.

Table 1: Net assets per share

	Carrying value at 31 Dec 2009 [2]		Basis for	iSOFT marked to market [1]	
	$m	$ / share	carrying value	$m	$ / share
iSOFT	275.7	3.00	Equity accounted	177.1	1.93
Signature net assets	76.1	0.83	Consolidated	76.1	0.83
Baycorp	47.5	0.52	Equity accounted	47.5	0.52
Realisable securities	14.9	0.16	Marked to market	14.9	0.16
Cash and cash equivalents [3]	44.5	0.48	Actual	44.5	0.48
Other	2.1	0.02	Actual	2.1	0.02
Total net assets	460.8	5.01		362.2	3.94

1. iSOFT market value calculated at $0.565 per share / convertible note, representing the closing price as at 24 February 2010
2. Includes 1H10 contributions from equity accounted investments (iSOFT and Baycorp)
3. Available cash at OCP (not including consolidated cash from Signature) including cash that would be used for the proposed return of capital

Capital management

OCP continues to enjoy a strong balance sheet with no recourse debt attributable to the Company.

The Company has today proposed a further pro-rata return of capital of $0.30 per share (total of $27.6m). This is in addition to the $0.65 per share return of capital and $0.06 per share dividend that were paid to eligible shareholders in the last half year.

A ruling from the Australian Taxation Office is required to be obtained to confirm the taxation treatment of the capital return. Once that ruling is obtained, OCP will convene a general meeting of shareholders to seek approval of the capital return and announce the entitlement date for participation in the capital return. The return of capital will be funded from the cash reserves of the Company and will reduce the net asset value per share.

No interim dividend has been declared.

Realisation strategy

OCP continues to be very pleased with the positioning of each of its investments. Equity markets continue to be volatile but it is certainly reduced as compared with April 2009 when our current strategy in relation to our investments was put in place. There are signs of increased activity from both financial and trade purchasers of businesses, supported by a general increase in the availability of credit for acquisitions.

The business development and growth of our investments in Signature (acquired January 2006) and Baycorp (acquired July 2006) suggest that we should be in a position to move to realisation within our original investment timeframes.

We remain of the view that the best way to maximise the value in our investment in iSOFT is to continue to hold that stake as an influential and stable parcel together with the rights embodied under the Subscription Agreement with iSOFT. The iSOFT business continues its transition to a global participant in the healthcare

IT sector, a sector with immense opportunity. OCP and its representatives continue to be actively involved in assisting iSOFT towards its business objectives.

* * *

Further information is contained in the Appendix 4D, 31 December 2009 Half Year Financial Report and Results Presentation slides released today.

For further information, please contact:

Robert Moran	David Neufeld
Managing Director	Chief Financial Officer
Oceania Capital Partners Limited	Oceania Capital Partners Limited
Tel: 02 8243 2200	Tel: 03 8626 9888

25 February 2010

Oceania Capital Partners Limited – Results for Announcement to the market (Appendix 4D) for the period ended 31 December 2009

Oceania Capital Partners Limited announces the following results for the Company and its controlled entities (together the Consolidated Entity) for the half year ended 31 December 2009:

Results for announcement to the market

Extracted from the 31 December 2009 Half Year Financial Report	Six months to 31/12/2009 $A'000	Six months to 31/12/2008 $A'000	Change %
Revenue from ordinary activities	46,323	49,176	(5.8)
Net profit from ordinary activities after tax attributable to members	5,493	5,154	6.6
Net profit after tax attributable to members	5,493	5,154	6.6

The current period result reflects:

- interest income earned on funds held on interest bearing deposit with banking institutions of $0.6 million (2008 - $3.2 million). The reduction in interest income mainly reflects the lower levels of cash held on deposit by the Company following the return of capital paid to eligible shareholders in July 2009 ($59.7 million);
- a profit before financing costs, depreciation, amortisation and tax of $13.7 million (2008 - $12.6 million) earned by Signature Security Group from sales and associated service revenue of $38.6 million (2008 - $37.0 million);
- an equity accounted profit contribution of $2.4 million (2008 - $0.5 million loss) from Baycorp;
- an equity accounted profit contribution of $1.4 million from the Consolidated Entity's interest in iSOFT Group Limited (2008 - $2.9 million); and
- an accounting profit before tax for the period recognised on the sale of listed securities of $1.9 million (2008- $nil).

The prior corresponding period result also included:

- net fees, interest income and fair value accounting impacts on the warrants held in iSOFT Group Limited (then IBA Health Group Limited) totalling of $5.6 million earned by the Consolidated Entity for providing loan funding to IBA Health Group Limited for the iSOFT plc acquisition completed in October 2007; and
- a cumulative mark to market unrealised loss of $4.0 million before tax on available-for-sale listed securities held at 31 December 2008 that, in accordance with accounting standards, the directors determined should be taken through the income statement rather than retained in an equity reserve.

Please refer to the accompanying results announcement, 31 December 2009 Half Year Financial Report and Results Presentation for further information.

t. +613 8626 9800
f. +613 8626 9811
info@oceaniacapital.com.au
www.oceaniacapital.com.au
ACN 111 554 360

Oceania Capital Partners Limited
Level 35
101 Collins Street
Melbourne VIC 3000

Dividends for half year ended 31 December 2009

No interim dividend has been declared (2008 – 4.0 cents per share, fully franked).

Net Tangible Assets per Share

	31/12/2009 $A per share[1]	31/12/2008 $A per share[1]
iSOFT Group	3.00	3.81
Signature net assets	0.83	0.74
Baycorp	0.52	0.49
Cash and cash equivalents	0.48	0.75
Realisable securities	0.16	0.29
Other net assets (liabilities)	0.02	(0.10)
Net Assets per Share	5.01	5.98
Less intangible assets (mainly comprising goodwill arising from the acquisition of Signature Security Group (SSG), monitoring contracts acquired by SSG and deferred tax assets)	(1.56)	(1.53)
Net Tangible Assets per Share	3.45	4.45

[1] based on 91,921,295 issued shares

The decrease in Net Assets per Share from $5.98 at 31 December 2008 to $5.01 at 31 December 2009 mainly reflects the impact of:

- the 65.0 cents per share return of capital paid to eligible shareholders in July 2009;
- dividends totalling 10.0 cents per share paid during the 12 month period; and
- a fall in the carrying value of the investment in iSOFT Group Limited as a result of foreign currency impacts affecting iSOFT's balance sheet and results. The Consolidated Entity is required to record its share of these impacts as the investment is equity accounted.

The remainder of the information requiring disclosure to comply with ASX Listing Rule 4.3A is contained in the accompanying results announcement, 31 December 2009 Half Year Financial Report and Half Year Results Presentation slides.