Oceania Capital Partners Limited

1H11 Results Presentation
25 February 2011

Contents

Overview

- Reported net loss after tax of $23.2m for 1H11
  - Loss attributed primarily to reduction in the carrying value of iSOFT Group Limited ("iSOFT")
  - Net profit of $2.3 million prior to reduction in fair value of iSOFT investment
- Signature sold for $171 million Enterprise Value but sale is subject to ACCC approval and third party consents
  - The ACCC are undertaking market soundings
  - Realisation equivalent to OCP's carrying value of the investment of approximately 90 cents per OCP share
  - Signature reported as an asset held for sale as at 31 December 2010 because of sale process
  - OCP directors to consider a capital return to shareholders following completion of the sale after taking account of possible warranty retentions and all the company's cash needs
- iSOFT share price fell from 17.0 cents per share at 30 June 2010 to 7.3 cents per share at 31 December 2010 resulted in a fair value reduction (loss) of $25.5 million
- Positive trading period for Signature Security ("Signature") and Baycorp Collections ("Baycorp")
- iSOFT remains a challenging investment, although restructuring efforts starting to show benefits.
- The iSOFT strategic review process has gained momentum
  - The aim of the review is to consider strategies that will enable iSOFT to repay its existing bank facilities [1]
  - The outcome of the review might take the form of a new strategic investor or a change in control transaction [1]
  - OCP's response and/or participation will be decided once that process progresses
- OCP continues to enjoy a strong balance sheet
  - No recourse debt to OCP balance sheet
  - Cash available of $27.4 million or 30.0 cents per OCP share
- Investments are individually financed, with no recourse to OCP or other investments
- OCP net assets per share of $2.20 as at 31 December 2010 down from $2.45 as at 30 June 2010 based on fair value of all assets (with iSOFT shares marked to market at 7.3 cents per share and convertible notes at an assessed net present value of 46.0 cents per note at 31 December 2010)

1. iSOFT Annual General Meeting 30 November 2010

Net assets per share – 31 December 2010

- The table below shows the net asset value per share based on:
  - the 31 December 2010 balance sheet carrying values; and
  - marking shares held in iSOFT to its current share price as at 24 February 2011[1]
- The Directors have assessed that the current carrying values at 31 December 2010 for Signature and Baycorp are not impaired and the values as disclosed in the following table are supportable
- iSOFT convertible notes carried at $21.1 million ($0.23 per share) compared with face value of $39.7 million ($0.43 per share). Notes repayable by iSOFT in October 2012 unless converted by OCP earlier

	Carrying value at 31 Dec 2010		Basis for carrying value	Carrying value at at 24 Feb 2011 [1]	
	$m	$ / share		$m	$ / share
Signature net assets	82.8	0.90	Asset held for sale	82.8	0.90
Baycorp	50.1	0.55	Equity accounted	50.1	0.55
iSOFT shares	19.2	0.21	Market value	17.9	0.19
iSOFT convertible notes	21.1	0.23	Net present value	21.1	0.23
Cash and cash equivalents	27.4	0.30	Actual	27.4	0.30
Other	1.2	0.01	Actual	1.2	0.01
Total net assets	201.8	2.20		200.5	2.18

1. iSOFT market value of shares at $0.068 cents per share representing the market value at 24 February 2011. Convertible notes assessed at a net present value at 31 December 2010 of $0.46 per note

1. 1H11 financial results

Statutory financial results summary – 1H11

- Reported net loss after tax of $23.2m. Loss attributed to the reduction in the assessed fair value of the iSOFT investment with the iSOFT share price falling to 7.3 cents per share as at 31 December 2010
- Signature reported as an asset held for sale therefore no longer consolidated on a line-by-line basis

AIFRS results utilising AASB9 (A$m)	6 months to 31 Dec 2010	6 months to 31 Dec 2009 [1]
Interest & dividend income ($m)	0.7	4.3
Baycorp profit after tax ($m) (OCP 50% share)	2.3	3.0
Increase or impairment of financial assets to fair value ($m) [2]	(25.5)	36.7
Other income	-	2.0
Operating costs including due diligence and transaction costs ($m)	(2.7)	(2.6)
Taxation ($m)	-	(0.8)
Profit (Loss) after tax ($m) – continuing operations	(25.2)	42.6
Signature profit after tax (classified as an asset held for sale) ($m)	2.0	1.6
Profit (Loss) after tax pre fair value increment or impairment($m)	2.3	7.5
Net Profit (Loss) after tax ($m)	($23.2)	44.2
Earnings per share [3]	(25.3) cents	48.0 cents

1. 6 months to 31 December 2009 re-presented for AASB9 and AASB5
2. Fair value impairment in Dec 2010 HY based on iSOFT share price of 7.3 cps. Increase in fair value in Dec 2009 HY based on iSOFT share price of 77.0 cps
3. Based on 91,921,295 issued ordinary shares attributable to equity holders of the parent entity

2. Portfolio company review

Signature – company overview

Key facts	
Acquired	January 2006
% Owned	95%
Co-Investors	Management (5%)
OCP Equity Investment	$74.0
Head Office	Sydney
Operations	Australia, New Zealand
Employees	Approximately 400

- A leading electronic security services company in both Australia and New Zealand
- The security industry is generally not cyclical and is expected continue to grow steadily, driven by advancement in technology, more complex requirements from the commercial sector and increased awareness of security needs in the community
- Services include the installation, security monitoring, maintenance, sale and leasing of electronic security equipment to residential and commercial customers, and personal emergency response monitoring
- Signature provides 24/7 monitoring services to over 90,000 premises. One of the few security companies in the industry with a network of Australian Grade A1 (or New Zealand equivalent) monitoring stations
- Over 65% of revenues are recurring revenues representing customers obligation to make regular monthly payments for monitoring and related services

Signature – FY10 financial results

A$m	6 months to 31 Dec 2010	6 months to 31 Dec 2009	*%*
Total revenue	39.4	38.7	*2%*
EBITDA	13.9 [1]	13.7	*2%*
EBITDA margin	*35%*	*35%*	
EBIT	7.7 [1]	7.3	*6%*
EBIT margin	*20%*	*19%*	
Net profit after tax	2.0	1.6	*25%*
	Dec 2010	**Dec 2009**	
Net debt	75.7	82.4	*(8%)*
Net assets	82.8	76.1	*9%*

1. EBITDA and EBIT before expensing $0.7 million of sale related costs incurred during the period

Signature – commentary

- Contract for sale entered into on 23 February 2011. Sale price equivalent to 11.6 times FY10 EBIT. Sale subject to ACCC clearance and third party consents
- The OCP Directors assessed fair value for Signature is by reference to the sale value
- Prior to $700k of sale related costs and despite some challenging economic and trading conditions
  - revenue growth of 2% 1H11 over 1H10
  - EBITDA up 2% 1H11 over 1H10
  - EBIT up 6% 1H11 over 1H10
  - Net debt down 5% from 30 June 2010
- Reported EBITDA & EBIT affected by the sale process of the business with $700k of non recurring costs expensed
  - Reported EBITDA was down 4% on the prior period after expensing the sale costs
  - Reported EBIT was down 5% on the prior period after expensing the sale costs
- Litigation between Signature and ADT to terminate upon completion of the sale transaction

Baycorp – company overview

Key facts	
Acquired	June 2006
% Owned	50%
Co-Investors	Funds managed by Propel Investments
OCP Equity Investment	$42.6 million
Head Office	Sydney
Operations	Australia, New Zealand
Employees	Approx. 400

- Baycorp is a leading receivables management specialist operating in Australia and New Zealand
- Products and services include:
  - Outsourced receivables management services: commission and fee for service based contingency collection services and full legal recovery services. Revenue is earned as a % of total debt collected or on a fee per accounts processed basis
  - Purchased Debt Ledgers ("PDLs"): Baycorp acquires portfolios of defaulted consumer debt (mainly from financial institutions and telecommunications companies). Profit is earned by collecting total cash in excess of the original purchase price over time

Baycorp – financial results – 1H11

AIFRS results utilising AASB9 (A$m)	6 months to 31 Dec 2010	6 months to 31 Dec 2009 [1]	%
Total revenue [2]	30.5	26.6 [3]	*15%*
PDL income [2]	17.7	13.8	*28%*
Contingency, legal and field income	12.8	12.8	-
Operating expenditure	(21.6)	(19.1) [3]	*13%*
Underlying EBITDA	8.9	7.5 [3]	*19%*
Reported EBITDA	6.1	8.4 [3]	*(27%)*
Underlying EBIT	8.4	6.9 [3]	*22%*
Reported EBIT	8.9	10.2 [3]	*(13%)*
Underlying EBIT margin	*28%*	*26%*	-
Net profit after tax	4.7 [4]	6.0 [4]	*(22%)*

Cash flow summary (A$m)	6 months to 31 Dec 2010	6 months to 31 Dec 2009	%
Total cash receipts	51.7	45.2	*14%*
Cash receipts from PDLs	37.8	32.1	*18%*
Cash receipts from contingency, legal and field and other [5]	13.9	13.1	*6%*
Total cash payments [5]	(22.9)	(19.4)	*18%*
Cash flow before interest and tax	28.8	25.8	*12%*
Capital expenditure (including PDL investment) [6]	(22.0)	(17.8)	*24%*
Balance Sheet (A$m)	**Dec 2010**	**Dec 2009**	
PDL asset balance	87.8	80.4	*9%*
Net debt	41.9	48.5	*(14%)*
Net assets	105.1	97.3	*8%*

Note: Owing to differences in the way accounting policies have been applied, the Baycorp AIFRS results may not be directly comparable to some listed peers. Cash flow before interest and tax is a more comparable number to the published EBITDA figures of Baycorp's listed peers

1. Restated because of the early adoption of AASB9
2. 1H11 Revenues and PDL income include a $1.7m gain on the sale of a portfolio of PDL's & $1.0m of cash over collected, 1H10, gain on sale – nil & $1m of cash under collected
3. 1H10 EBITDA, & EBIT restated for AASB9 with restatements of revenue, & operating costs
4. 1H11 fair value change of Collection House (CLH) shares was a decrement of $750K. 1H10 NPAT as reported last year was $4.8m . The largest effect on the 1H10 AASB9 restatement was the $2.0m positive change in the fair value of the CLH shares
5. Difference between total cash receipts and revenue from contingency, legal and field and other and total cash payments and operating expenses relates to movements in receivables and payables over the period and other non-recurring cash items
6. Majority of capital expenditure relates to investment in PDLs (1H11 $21.8m, 1H10 $17.3m)

Baycorp – commentary

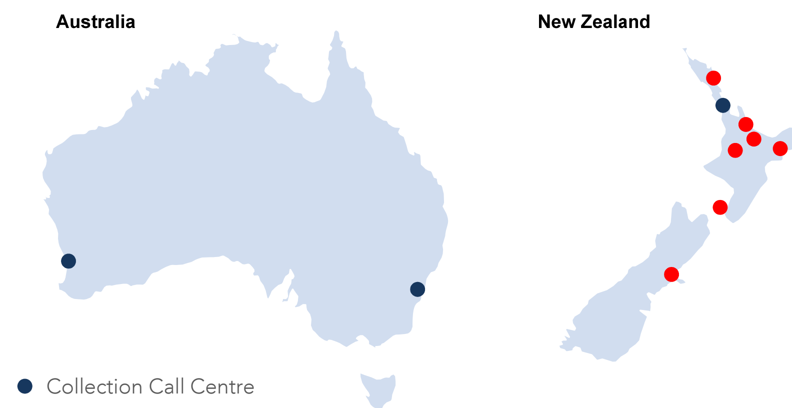
- Baycorp had a solid operating performance in 1H11
  - PDL income up 28% boosted by higher collections than the prior comparable period and the sale of an aged PDL portfolio
  - Contingency and legal & field revenue remained flat; affected by the flat performance of the New Zealand economy and its effect on credit providers
  - Underlying EBITDA up 19% on the prior comparable period
  - Underlying EBIT up 22% on the prior comparable period
  - Operating expenditure increased 13% 1H11 over 1H10 due to 28% increase in FTE PDL collectors
- Collections on existing PDL assets performed 3% ahead of expectations
  - Baycorp acquired its first portfolio of active loans (non-impaired accounts)
  - PDL expenditure of $21.8m in 1H11 was $4.5m higher than 1H10
- Contingency and legal & field performance steady
  - Slight improvement in contingency recovery rates improving returns to clients
- Even with increased PDL expenditure the solid operating cash flow allowed Baycorp to reduce its net debt by $4.8m during 1H11
- 1H11 Net debt 47.8% of PDL book value down from 53.8% at FY10 and 60.3% in 1H10
- Baycorp takes a community responsible approach and suspended collection activities in affected areas after the Christchurch earthquakes in September 2010 and February 2011 and the Queensland & Victorian floods in December 2010/January 2011
- Longer term effects of these natural disasters to be determined over the next few months

Baycorp – operations overview

Overview

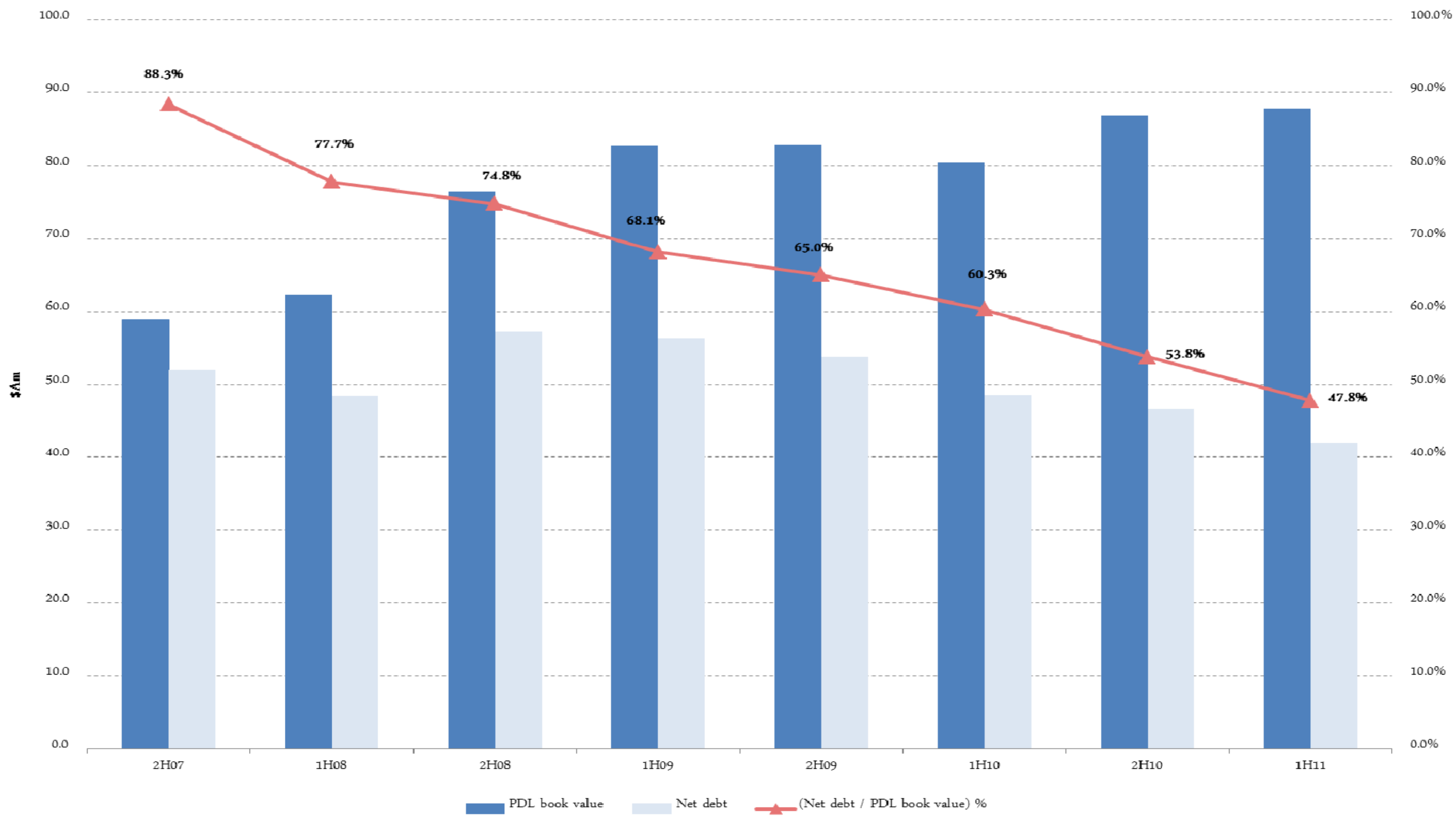
- Baycorp operates three collection call centres spread across Australia and New Zealand, in Sydney (Parramatta), Auckland and Perth
  - Perth call centre acquired in July 2009
- Having a fully integrated, multi-location call centre across multiple time zones provides a unique advantage
  - 17 hours of debtor contact time per day resulting in greater ability to manage calling times
  - access to multiple employment markets
  - e.g. Auckland call centre operators provide dedicated collection capability on Australian debt ledgers
- Baycorp has 7 regional offices in New Zealand that provide local client management services with coverage across the entire country, however collections operations are centralised in Auckland
  - whole market client coverage in NZ, from Government and large corporates to SMEs
- In May 2010, the Perth office commenced providing Bailiff services to the Western Australian government

Geographic coverage



Baycorp – PDL assets and debt

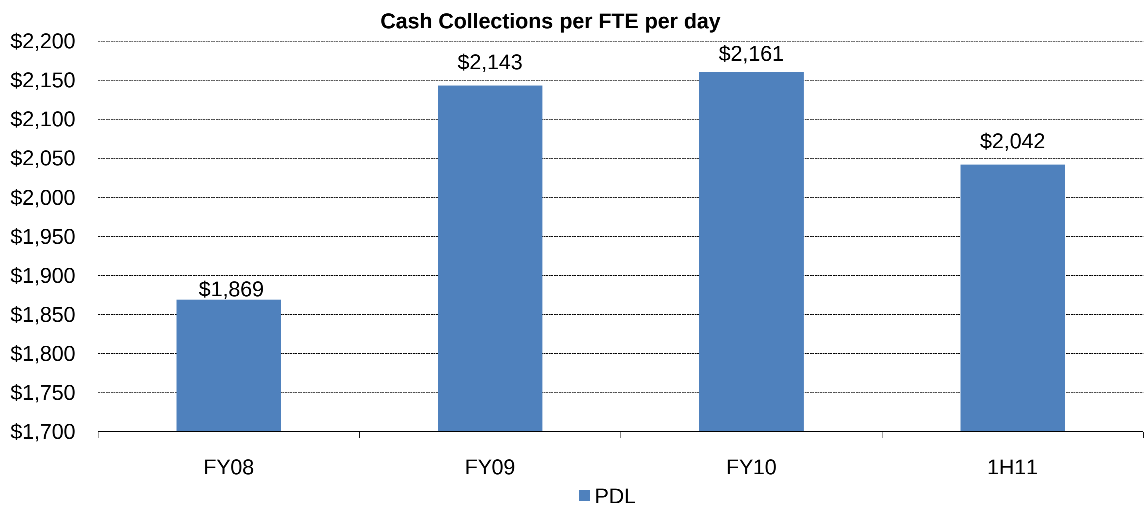
Baycorp has been reducing its debt over the last 4 years compared to the growth in its PDL assets



(1) Adjusted for adoption of AASB9

Baycorp – increasing capacity and operational effectiveness remains a core focus

- PDL FTE collector head count increased 28% over the prior comparable period, building capability and capacity in Baycorp's contact centres through higher levels of staffing, ongoing training and skills development, and improvements of systems and technology
  - This placed short term downward pressure on cash collected per FTE as new collectors were on-boarded and trained
- The business recognises that being an efficient and effective operator is key to success in the sector, and it continues to build capability by recruiting and training additional collectors
- All customer contact is now digitally recorded providing enhanced governance & compliance, improved training, and dispute resolution
- The ongoing Operational Excellence Program is delivering better use of people, data and technical resources



iSOFT – company overview

Key facts	
Acquired	October 2007
% Owned	27.7% effective ownership[1]
ASX Code	ISF.AX
OCP holdings Ordinary Shares Convertible Notes Warrants	 262.8 million 46.0 million 4.2 million
Head Office	Sydney, Australia
Operations	Australia, NZ, UK, Cont. Europe, Middle East, Asia, Central America
Employees	Approx. 4,700

- iSOFT is a leading developer of software applications for healthcare, and the largest health information technology company listed on the ASX
- iSOFT designs, develops and delivers fully integrated healthcare IT solutions which support workflows across hospitals, GPs, specialists, aged and community care providers, the primary care sector as well as claims and payment processes
- Leading market positions in UK, Australia, New Zealand, Netherlands, Germany and in some parts of Asia. Key position in England's National Health Service's National Programme for IT (NPfIT)
- iSOFT's systems are installed in over 13,000 health provider organisations in 40 countries

1. Effective ownership shown on fully diluted basis including OCP's ordinary shares and convertible notes

iSOFT – commentary

Commentary

- iSOFT investment carried at fair value with the market price determining the fair value of OCP's iSOFT ordinary shareholding
  - iSOFT share price was 7.3 cents per share at 31 December 2010 compared to 17.0 cents per share at 30 June 2010
  - Fair value reduction was $ 25.5 million for 1H11

- The iSOFT strategic review process has gained momentum
  - The aim of the review is to consider strategies that will enable iSOFT to repay its existing bank facilities [1]
  - The outcome of the review might take the form of a new strategic investor or a change in control transaction [1]
  - OCP's response and/or participation will be decided once that strategic review process progresses

- OCP continues to assist iSOFT in accordance with our business strategy of active involvement with our investments
  - 2 representatives on iSOFT board
- Convertible Notes held in iSOFT mature in October 2012. OCP is carrying the Convertible Notes at an assessed fair value of 46.0 cents per note (face value 86.4 cents per note)
- iSOFT will release its results on 25 February 2011

1. iSOFT Annual General Meeting 30 November 2010

3. Strategy, dividends & capital management

OCP strategy, dividends & capital management

- Upon realisation of any investment, further capital returns to shareholders will be considered subject to the need to support the remaining investments and working capital requirements
- OCP directors to consider a capital return to shareholders from the Signature net proceeds following completion of the sale, after taking account of possible warranty retentions and all the company's cash needs
- Continuing with an orderly realisation of OCP investments in Baycorp and iSOFT over an appropriate investment timeframe that maximises shareholder value. This might necessitate OCP utilising some of its cash reserves to support these investments in the interim. The iSOFT strategic review process is at an early stage and OCP's response and/or participation will be decided once that process progresses
- The OCP shareholder vote on the strategic direction of the Company will be held once there is greater certainty around the Signature sale completion and the iSOFT strategic review process
- No interim dividend has been declared
- Capacity to conduct on market buy-back continues to exist - not utilised in 1H11
- OCP cash balance
  - $27.4 million at 31 December 2010 held on deposit with major Australian banks
  - remaining cash to be used to support existing investments and working capital

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