

Tuesday, 13 October 2015

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 September 2015

Month Ending:	% Change	30 September 2015 Consolidated	31 August 2015 Consolidated
Net tangible assets (NTA) (before tax)		\$8.540m	\$8.720m
Pre-Tax NTA Backing per share	-0.73%	\$0.546	\$0.550
Net tangible assets (after tax)		\$8.540m	\$8.720m
Post-Tax NTA Backing per share	-0.73%	\$0.546	\$0.550
Based on total issued share capital		15,649,228	15,849,228

During September 2015, the Company bought back 200,000 shares on-market¹ at a total cost of \$44,419 and at an average buy-back cost (including brokerage) of \$0.222 per share.

The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (BEL)	4.038	4.227
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	* 0.490	0.851
(b) Other listed securities	0.090	0.092
Investment in units in managed fund	0.258	0.260
Investment in property (held for development/resale)	1.350	1.350
Agribusiness assets	2.038	2.041
Net cash/receivables/payables/other assets/provisions	0.276	(0.101)
Pre-Tax NTA	\$8.540	\$8.720
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	\$8.540	\$8.720

* The Company accepted BEL's off-market cash takeover bid for SRK of 5.5 cents per share on 2 September 2015 in respect of 6,690,802 SRK shares and received the bid consideration of \$367,994 on 14 September 2015. The Company retains 10,000,000 SRK shares (being a 6.88% relevant interest in SRK).

1 Refer Orion's ASX announcement – [Appendix 3C – Announcement of Buy-Back dated 5 June 2015](#)



Notes:

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements.
- Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity (refer note 1.3 (Summary of Accounting Policies - Investments in Associates) at page 23 of the Company's [2015 Full Year Report](#)).
- Accordingly, as at 30 September 2015, the Company's 20,513,783 shares (27.32% interest) (31 August 2015: 20,513,783 shares and 27.42%) in BEL have a carrying value of \$0.1976 per share (\$4.054m); this compares with BEL's last bid price on ASX of \$0.14 per share (\$2.872m) and BEL's after-tax NTA backing of \$0.236 per share (\$4.849m) at month end.
- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 August 2015: 16,690,802 shares) with a value of \$0.049 per share (based on the closing bid price on 30 September 2015) (31 August 2015: \$0.051).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Units invested in the managed fund are valued at the audited unit price published by the investment manager, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (5) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015 (refer note 1.13 (Summary of Accounting Policies - Property held for Resale) at page 26 of the Company's 2015 Full Year Report).
- (6) Agribusiness assets comprise a 143 hectare property comprising olive grove freehold land (with a water licence entitlement), olive trees (with approximately 64,500, 16 year old plantings) and depreciable plant and equipment. The land (with the water licence entitlement) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015 and the olive trees and depreciable plant and equipment are carried at net realisable value (refer note 1.14 (Summary of Accounting Policies - Property, Plant and Equipment) at page 26 of the Company's [2015 Full Year Report](#)).
- (7) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset).

FURTHER INFORMATION:

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