

Wednesday, 14 September 2016

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 31 August 2016

Month Ending:	% Change	31 August 2016 Consolidated	31 July 2016 Consolidated
Net tangible assets (NTA) (before tax)		\$7.031m	\$7.238m
Pre-Tax NTA Backing per share	-3%	\$0.449	\$0.463
Net tangible assets (after tax)		\$7.031m	\$7.238m
Post-Tax NTA Backing per share	-3%	\$0.449	\$0.463
Based on total issued share capital		15,649,228	15,649,228

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)	3.020	3.200
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	0.460	0.420
(b) Other listed securities	0.011	0.007
Investment in units in managed fund	0.280	0.284
Investment in property (held for development/resale)	1.350	1.350
Agribusiness assets	2.001	2.004
Net cash/receivables/payables/other assets/provisions	(0.091)	(0.027)
Pre-Tax NTA	\$7.031	\$7.238
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	\$7.031	\$7.238

On 31 August 2016, Bentley Capital Limited (ASX: BEL) announced its intention to pay a fully-franked dividend of 0.5 cent per share on or about 29 September 2016. Orion's entitlement to such dividend would be \$102,569.

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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 22 (Investments in Associates) at page 44 of the Company's [2016 Full Year Report](#)).
- Accordingly, as at 31 August 2016, the Company's 20,513,783 shares (27.20% interest) (31 July 2016: 20,513,783 shares and 27.20%) in BEL have a carrying value of \$0.147 per share (\$3.02m); this compares with BEL's last bid price on ASX of \$0.135 per share (\$2.769m) and BEL's after-tax NTA backing of \$0.198 per share (\$4.068m) at month end.
- (2) The fair value of investments in ASX-listed Strike Resources Limited (**SRK**) comprise 10,000,000 shares (31 August 2016: 10,000,000 shares) with a value of \$0.046 per share (based on the closing bid price on 31 August 2016) (31 July 2016: \$0.04).
- (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 12 (Property held for Resale) at page 38 of the Company's [2016 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, 17 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 13 (Property, Plant and Equipment) at page 39 of the Company's [2016 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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