

Friday, 27 September 2013

MARKET ANNOUNCEMENT

Corporate Update

The Company is pleased to provide the following corporate update:

Capital Management – On-Market Share Buy-Back

On 5 August 2013, the Company announced its intention to conduct an on-market share buy-back of up to 1,600,000 shares within the “10%/12 month” limit prescribed under the Corporations Act (**Buy-Back**).¹

The Buy-Back has successfully commenced and as at 25 September 2013, a total of 367,500 shares have been bought back at an average price of \$0.2522 per share.

1,232,500 shares may still be bought-back.

The Company notes that it only intends to buy back shares each month between the trading day after the Company announces its monthly NTA backing (usually on or about the 14th of the month) and the last trading day of that calendar month (subject otherwise to the Company’s [Share Trading Policy](#)).

Reduction in Corporate Overheads

The Company has conducted a review of various overheads associated with its ongoing operations as an ASX listed company with particular reference to its office and administration expenses. The objective of such review is to identify savings and efficiencies in the operations of the Company to maximise value for all shareholders.

As part of such review, the Company has implemented a series of changes to reduce its ongoing corporate overhead expenses including:

- securing alternate office accommodation at a significant reduced rental upon the expiry of its previous lease on 30 June 2013;
- a consolidation of office administration personnel; and
- instituting a general pay freeze for office personnel for the 2013 calendar year.

The Company continues to review a number of overheads associated with its ongoing operations as an ASX listed company including share registry and audit costs, the use of external advisers and office and administration expenses.

¹ Refer ASX [Appendix 3C - Announcement of Buy-Back dated 5 August 2013](#)

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Investment Performance

Orion's pre and post tax net tangible asset (NTA) backing as at 31 August 2013 has increased by 5.8% from \$0.517 to \$0.547 per share since the start of the financial year.

Orion has earned a net profit of \$0.54 million in the first 2 months of the financial year (ending 31 August 2013) primarily from:

- \$0.384 million being a 27.97% (20,513,783 shares) interest ASX-listed Bentley Capital Limited's (**BEL**) (an Associate entity) net profit over the same period; and
- \$0.284 million unrealised gains on the Company's (16,690,802 shares) investment in ASX-listed Strike Resources Limited (**SRK**) which increased in value from \$0.043 to \$0.060 per share during the period.

Orion is the largest shareholder in Bentley and the second largest shareholder in Strike.

The Company is pleased to see the appreciation in the Strike share price since the start of the financial year and looks forward to Strike's continued improved prospects and shareholder value under the leadership of Managing Director, William Johnson (a former Orion Director).

Orion has also been the recipient of regular distributions (recently one cent per share, twice a year via returns of capital) from Bentley Capital Limited - \$0.410 million return of capital was received in 2012/2013 and \$1.231 million return of capital and \$0.697 million fully franked dividend were received in 2011/2012.

Bentley also has significant franking credits (\$1.85 million as at 30 June 2013) and has paid a distribution every year (save for 4 years) since its admission to ASX in 1986.

On 30 August 2013, Bentley announced its intention to seek shareholder approval (at the upcoming 2013 AGM) to undertake a further one cent per share return of capital. Subject to receipt of Bentley shareholder approval, Orion's entitlement under the return of capital is \$205,138.

Orion also notes that Bentley is advancing towards the launch of its innovative Internet and social media applications products with its first development, 'Rdrct.it' earning revenues during beta testing.

FURTHER INFORMATION:

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