

CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING 2014

29 JULY 2014

I will make some brief comments on the performance and activities of the business over the past year and will then hand over to Brian Scheiner to provide more details on each of the underlying businesses and future strategy.

In May of this year OCP announced a number of changes to the board and management of the Company. At the end of this meeting Michael Brogan and I will step down from the board. From 1 July 2014 Michael Jacobson and Brian Scheiner assumed the role of executive directors with Robert Moran shifting to a non-executive capacity. Robert will take over from me as non-executive Chairman of the Company. These changes, which importantly have the support of HCI, OCP's 68% shareholder, are aimed at reducing the annual running costs of the business.

The past year was characterised by:

- the making of an off-market bid for Keybridge - followed by a complete exit from that investment;
- the successful transition of the Sunshine Coast radio stations to a stand-alone business from previously being part of the large Southern Cross Austereo network and the raising of an acceptable amount of debt in the radio station's capital structure;
- significant progress in the "focus and fix" programme at Baycorp; and,
- consideration and detailed exploration of a number of investment opportunities.

For the financial year to 31 March 2014 the Group reported a loss before tax of \$5.1 million of which \$6 million is the equity accounted loss contribution of Baycorp. This \$6 million can be broken down between OCP's \$5 million share of a goodwill write off at the Baycorp level (incurred at Baycorp's then year-end of 30 June 2013) and \$1 million of other operating losses at Baycorp. As previously reported, the first quarter of OCP's financial year saw Baycorp under-perform, but the last nine months of OCP's financial year have seen Baycorp deliver a stronger result as the management and operational changes implemented over the last 12 months have started taking hold.

The Sunshine Coast radio stations contributed close to \$2m profit before tax while the disposal of the investment in Keybridge yielded a current year profit of about \$1 million. OCP's net asset value per share as reported at 31 March 2014 is \$2.24 down from the \$2.34 reported at 31 March 2013, driven largely by impacts of accounting for Baycorp's performance over the year.

I will now hand over to Brian Scheiner to provide more detail on the performance of, and outlook for, OCP's underlying investments.

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Brian Scheiner

Thank you Ian.

I would like to begin by thanking Ian and Michael for their valuable contribution to OCP as board members over the last 7 years. As noted by Ian, Robert Moran will assume the role of non-executive chairman. We are indeed fortunate to be able to continue to draw on Robert's skills and experience.

I will now provide a brief overview of our underlying investments.

Baycorp

We have previously noted that we were hopeful of aligning Baycorp's year end with that of OCP. Baycorp has now changed its year end to 31 March, with its 31 March 2014 report covering the nine month financial period from 1 July 2013. This change will rectify timing differentials in reporting. As noted by Ian, Baycorp had a poor last quarter in its financial year ending 30 June 2013, culminating in a goodwill write down of \$10 million. While the current truncated financial period once again makes it difficult to draw direct comparisons I note that in its nine months to March 2014 Baycorp contributed \$1.05m to OCP's earnings.

Baycorp has spent the majority of this financial period implementing the previously reported on "Focus and Fix" strategy. This program targeted the business' operational performance and collection methodologies. Focus and Fix has been an extremely ambitious and transformative program of work for the business but under the stewardship of Grant Jorey and his team I am pleased to report that the program is nearing the end of its execution and the results emanating from the implemented changes have been very positive. Baycorp has also recently opened its offices in Manila and this development will allow us to be more operationally competitive. These developments all bode well for the future performance of the business.

In New Zealand with new management in place we are confident that the business is now well positioned and poised to grow going forward.

The Purchased Debt Ledger (PDL) market in Australia remains extremely competitive with very full prices being paid by competitors for PDLs. With fresh new capital having been raised and deployed into the market it seems as if this situation may remain for some time. At Baycorp we have continued to remain disciplined and only buy debt on which we can earn an acceptable return. What the Focus and Fix program has meant is that due to our improved collection rates we are able to improve our pricing to some degree and still earn an acceptable return. Notwithstanding this we have still not been able to buy as much debt as we would like owing to current market pricing levels. This will have negative implications for the business if the situation persists. Diversity of our business and revenue sources will insulate us from the aforementioned more so than some of our competitors who are more narrowly focused in this particular market.

We would like to convey our thanks to Grant Jorey and his team for their efforts in what has been a very busy and transformative period for Baycorp.

EON

The EON group was formed for the acquisition of the two Sunshine Coast radio stations: 91.9 Sea FM and 92.7 Mix FM operated by Sunshine Coast Broadcasters. In our annual report we noted that much of management's time since the acquisition has been taken up with the successful transition of the stations from part of the SCA radio and television group to being a stand-alone business consisting of the two radio stations.

With the transition now complete the focus has shifted to growing the revenue base and delivering a quality product that will maintain the stations' premier positions in their market. As part of this effort 92.7 Mix FM announced in May that it has secured the services of the highly regarded local duo of Todd and Sami to host an afternoon drive show. Additionally, plans are in place to upgrade the broadcast and transmission facilities of the stations.

Our thanks go to General Manager John Williams and his entire team for successfully managing the transition of the radio stations to our ownership and for the wholly satisfactory performance of this business.

During the year a modest amount of bank debt was introduced into the EON group. The debt amortises over a four year period leaving a balance of \$3 million which will have to be refinanced at that time.

Over the past year the EON group has actively sought out additional radio and other media related investments. Concentration of ownership of radio assets together with recently observed vendor price expectations mean that there has been little change of ownership in this segment. While we are keen to acquire further radio assets, we are equally happy with our current stand-alone investment.

Keybridge

In November 2013 OCP launched an off-market bid for Keybridge Capital Limited. At the time OCP held approximately 20% of the issued shares of Keybridge and in making the offer was seeking to create optionality around this holding. In February 2014 OCP had acquired 30% of the issued capital of Keybridge and successfully exited the entire investment, realising a total profit of about \$1.5 million, or a 28% return on the cost of our holding immediately prior to the offer (\$1 million during the current financial year).

Future investment strategy

At 31 March 2014 the Group reported cash of \$34million of which \$33 million is held directly by the Company and is available for investment. With 50 year record low cash interest rates a decision was made to allow for the investment of a portion of this cash in a portfolio of ASX200 stocks. It is hoped that this strategy will result in achieving a better overall return on funds while not significantly reducing liquidity.

OCP continues to actively seek out other investment opportunities and has over the last year conducted due diligence on a number of investment opportunities. There is no change in the overall strategy of investing in businesses to increase the total value of the Company's investments.

I will now hand you back to Ian for the formal parts of the meeting.