

ASX Announcement



27 July 2018

Chairman's and Executive's Addresses to Annual General Meeting

Attached is a copy of the Chairman's and Executive Director's Addresses to be presented at the 2018 Annual General Meeting of Oceania Capital Partners Limited being held today.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Lionel Baldwin", with a horizontal line extending to the right.

Lionel Baldwin
Company Secretary

**Annual General Meeting 2018
27 July 2018**

Chairman's address

I will make some brief comments on the performance and activities of the Company 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 summary, the principal investments that we currently hold are:

- a 95% ownership of EON Broadcasting;
- a 85.5% ownership of Radio 2CH; and
- a 97% ownership of Crimsafe

OCP also holds in excess of 5% of each of Pureprofile Limited ("PPL") and Mach 7 Technologies Limited, both of which are listed on the ASX.

During the year we exited our remaining stake in Baycorp for \$18.2m, which was the carrying value of the investment. We also received the earn-out consideration from the sale of Cohort, which we had disposed of in the prior year.

Our focus continues to be on maximising shareholder value. OCP's reported net asset value per share, after accounting for minority interests, as at 31 March 2018 was \$2.79, which compares favourably to the net asset value as at 31 March 2017 of \$2.66.

A final dividend of 3 cents per share was paid on 21 June 2018.

We continue our efforts to expand our investment portfolio both in businesses related to our existing businesses and in new areas. This can be a difficult objective when markets are buoyant as we still subscribe to the old adage that much of the success of an investment is determined by the point and value at which you make the investment. The balance of our efforts for the year has been in strategically growing each of the underlying businesses.

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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Executive's address

Thank you, Robert. I will now provide a brief overview of our underlying investments.

EON Broadcasting

Our radio stations, 92.7 MixFM and 91.9 SeaFM on the Sunshine Coast have had an impressive trading year, again delivering meaningful year on year increases in revenue and profit contribution. Our stations are the clear number 1 and 2 on the Sunshine Coast and our focus continues to be on ensuring that everything that is broadcast is high quality, entertaining, varied and, has a local focus.

The data from Commercial Radio Australia tells us that more people listen to radio today than ever before and we believe that this trend is even more strongly observable in regional Australia, where much of the media that can be accessed is national and syndicated capital city programming. We offer a careful blend of local and national material.

Besides the general positive level of growth in the Sunshine Coast Region, a key to the success of our stations in the 2018 financial year has been the stability and commitment of our dedicated team based in Maroochydore, which delivers what we believe to be among the best broadcast radio in regional Australia.

The start of the 2019 financial year has seen the business move to new premises in a new building and the installation of new digital-ready studios.

Radio 2CH

It has been just over a year since our acquisition of the AM radio station 2CH in Sydney and its associated DAB+ digital radio spectrum. This investment was always viewed as a turnaround as we had to build an entire business around a radio licence and brand, with Macquarie Media having been forced to sell the station by ACMA following its merger with Fairfax Radio. Our support for this strategy was based on our experience with EON Broadcasting and the support of our very experienced management team. Like the Sunshine Coast, our strategy with 2CH is to make it local - it is everything Sydney.

The 2CH listener demographic is largely over 55 years old and these people are closely and actively connected to their station. We are working hard on continuing to support our loyal listeners while also growing the influence and reach of the station so that we can attract additional advertising revenue. There is clearly a balance that needs to be reached between gaining new listeners with different offerings and not losing the current listeners.

Given the turnaround nature of the business, the sales effort required is significant and the success is gradual as it involves forming long term relationships with clients. But once on board with successful campaigns our clients become loyal and the revenue book builds over time and we are starting to see that build from what was really a standing start for the business.

Crimsafe

As noted in our commentary on the 2018 results, while the consolidated result for Crimsafe is down on the prior year, the revenue of the core business in Australia was up 6%. We remain confident in the strength of the brand and the superior product offering of Crimsafe, with Crimsafe being the leading provider of stainless steel security screens in Australia. Importantly, this business continues to invest in its brand and relentlessly improve its product offering through continued testing and research and development to position it well for the future with a focus on superior quality and safety features.

The expansion of the business into the USA continues to have a negative effect on the financial results of the consolidated group but we believe that the product is well suited to the US market with there being no significant competing product in that market with an equivalent level of quality and protection. Crimsafe is working on growing its distribution in the US to facilitate the roll out of its product. We are also exploring expansion of the product into other jurisdictions where we believe the Crimsafe product is suitable for the relevant market.

Finally, our objective is to create an environment in which our underlying businesses can prosper and grow by empowering and assisting the underlying management teams and we believe our approach is delivering results. We are, as always, grateful to the management and staff of our underlying businesses and we take this opportunity to thank them all for their hard work and dedication.

Thank you

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