



HALF YEAR REPORT

31 December 2011

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2011 ANNUAL REPORT OF THE COMPANY



ASX Code: OEQ

Orion Equities Limited
A.B.N. 77 000 742 843

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CORPORATE DIRECTORY**BOARD**

Farooq Khan	Executive Chairman
William Johnson	Executive Director
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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ASX CODE

OEQ

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APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.

Current Reporting Period: 1 July 2011 to 31 December 2011

Previous Corresponding Period: 1 July 2010 to 31 December 2010

Balance Date: 31 December 2011

Company: Orion Equities Limited (Orion or OEQ)

Consolidated Entity: Orion and controlled entities.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Dec 2011 \$	Dec 2010 \$	% Change	Up/ Down
Total revenues	375,048	2,485,829	85%	Down
Total expenses	(4,123,313)	(1,195,909)	245%	Up
Profit/(Loss) before tax	(3,748,265)	1,289,920	391%	Profit Down
Income tax expense	-	-		
Profit/(Loss) attributable to members of the Company	(3,748,265)	1,289,920	391%	Profit Down
Basic and diluted earnings/(loss) per share	(21.0)	7.2	392%	Earnings Down

Consolidated Entity	Dec 2011	Jun 2011	% Change	Up/ Down
Pre-tax NTA backing per share	0.764	0.975	22%	Down
Post-tax NTA backing per share	0.764	0.975	22%	Down

BRIEF EXPLANATION OF RESULTS

Revenues include:

- (1) \$336,831 income from olive grove operations (December 2010: \$172,234).

Expenses include:

- (1) \$1,731,769 net loss on financial assets held at fair value through profit or loss (December 2010: \$1,520,804 net gain);
- (2) \$987,980 share of Associate entity's net loss (net of dividend received from Associate of \$697,469) (December 2010: \$785,400 net profit net of dividends received from Associate of \$205,138);
- (3) \$658,610 olive grove and oil operations (which does not include depreciation expenses) (December 2010: \$367,612);
- (4) \$39,195 olive grove depreciation expenses (December 2010: \$50,719);
- (5) \$327,755 personnel costs (including Directors' fees) (December 2010: \$318,472); and
- (6) \$153,346 land operations costs (December 2010: \$292,681).

APPENDIX 4D HALF YEAR REPORT

The principal components of the \$1,731,769 net loss on financial assets held at fair value through profit or loss are:

- (a) \$1.00 million unrealised loss on the Company's share investment in ASX listed Strike Resources Limited (**SRK**) which declined in value from 24.5 to 18.5 cents per share during the half year; and
- (b) \$0.73 million unrealised loss on the Company's share investment in ASX listed Alara Resources Limited (**AUQ**) which declined in value from 36.5 to 25 cents per share during the half year.

The Company notes that these investments have appreciated in value subsequent to the half year end Balance Date, as follows:

- (a) The SRK share price has appreciated to 21 cents as at 27 February 2012, generating an unrealised gain of \$0.417 million; and
- (b) The AUQ share price has appreciated to 34 cents as at 27 February 2012, generating an unrealised gain of \$0.57 million.

Please refer to the Directors' Report and Financial Report for further information on a review of the operations and the financial position and performance of Orion Equities for the half year ended 31 December 2011.

DIVIDENDS

The Directors have not declared a dividend in respect of the half year ended 31 December 2011.

ASSOCIATE ENTITIES

Orion Equities has accounted for the following share investment at Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 27.97% interest in ASX listed Bentley Capital Limited (**BEL**) (30 June 2011: 28.3%).

CONTROLLED ENTITIES

The Company did not gain or cease control of any entities during the half year.

For and on behalf of the Directors,



Date: 29 February 2012

Victor Ho
Executive Director and Company Secretary

Telephone: (08) 9214 9797
Email: vho@orionequities.com.au

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited (**Company** or **Orion Equities** or **OEQ**) and its controlled entities (the **Consolidated Entity**) for the half year ended 31 December 2011 (**Balance Date**).

Orion Equities is a public company limited by shares that was incorporated in New South Wales and has been listed on the Australian Securities Exchange (**ASX**) since November 1970 (ASX Code: OEQ).

OPERATING RESULTS

Consolidated Entity	Dec 2011 \$	Dec 2010 \$
Total revenues	375,049	2,485,829
Total expenses	(4,123,314)	(1,195,909)
Profit/(Loss) before tax	(3,748,265)	1,289,920
Income tax expense	-	-
Profit/(Loss) attributable to members of the Company	(3,748,265)	1,289,920

Revenues include:

- (1) \$336,831 income from olive grove operations (December 2010: \$172,234).

Expenses include:

- (1) \$1,731,769 net loss on financial assets held at fair value through profit or loss (December 2010: \$1,520,804 net gain);
- (2) \$987,980 share of Associate entity's net loss (net of dividend received from Associate of \$697,469) (December 2010: \$785,400 net profit net of dividends received from Associate of \$205,138);
- (3) \$658,610 olive grove and oil operations (which does not include depreciation expenses) (December 2010: \$367,612);
- (4) \$39,195 olive grove depreciation expenses (December 2010: \$50,719);
- (5) \$327,755 personnel costs (including Directors' fees) (December 2010: \$318,472); and
- (6) \$153,346 land operations costs (December 2010: \$292,681).

The principal components of the 1,731,769 net loss on financial assets held at fair value through profit or loss are:

- (a) \$1.00 million unrealised loss on the Company's share investment in ASX listed Strike Resources Limited (**SRK**) which declined in value from 24.5 to 18.5 cents per share during the half year; and
- (b) \$0.73 million unrealised loss on the Company's share investment in ASX listed Alara Resources Limited (**AUQ**) which declined in value from 36.5 to 25. cents per share during the half year.

The Company notes that these investments have appreciated in value subsequent to the half year end Balance Date, as follows:

- (a) The SRK share price has appreciated to 21 cents as at 27 February 2012, generating an unrealised gain of \$0.417 million; and
- (b) The AUQ share price has appreciated to 34 cents as at 27 February 2012, generating an unrealised gain of \$0.57 million.

DIRECTORS' REPORT

LOSS PER SHARE

Consolidated Entity	Dec 2011	Dec 2010
Basic and diluted earnings/(loss) per share (cents)	(21.04)	7.24
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings/(loss) per share	17,814,389	17,814,389

FINANCIAL POSITION

Consolidated Entity	Dec 2011 \$	Jun 2011 \$
Cash	789,676	289,140
Financial assets at fair value through profit and loss	4,738,234	6,470,003
Investments in listed Associate entity	4,377,607	7,088,745
Inventory	2,421,024	2,799,430
Receivables	115,603	106,554
Intangibles	782,058	782,058
Other assets	1,753,886	1,794,954
Deferred tax asset	716,707	1,165,887
Total Assets	15,694,794	20,496,771
Other payables and liabilities	(580,053)	(1,184,586)
Deferred tax liability	(716,707)	(1,165,887)
Net Assets	14,398,033	18,146,298
Issued capital	19,374,007	19,374,007
Reserves	419,523	(1,647,232)
Retained earnings / (Accumulated losses)	(5,395,497)	419,523
Total Equity	14,398,033	18,146,298

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	Dec 2011 \$	Jun 2011 \$
Net tangible assets (before tax)	13,615,976	17,364,240
Pre-Tax NTA Backing per share	0.764	0.975
Less net deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	13,615,976	17,364,240
Post-tax NTA Backing per share	0.764	0.975
Based on total issued share capital	17,814,389	17,814,389

DIRECTORS' REPORT

DIVIDENDS

The Directors have not declared a dividend in respect of the half year ended 31 December 2011.

SECURITIES IN THE COMPANY

At Balance Date and the date of this report, the Company had 17,814,389 shares on issue (31 December 2010: 17,814,389). The Company does not have other securities on issue at the date of this report.

REVIEW OF OPERATIONS

(a) Investment Portfolio Details as at 31 December 2011

Asset Weighting

	% of Net Assets	
	December 2011	December 2010
Australian equities	63%	76%
Agribusiness ¹	16%	16%
Property held for development and resale	13%	7%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	8%	1%
TOTAL	100%	100%

Major Holdings in Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Bentley Capital Limited	3.28	22.80%	BEL	Diversified Financials
2. Strike Resources Limited	3.09	21.45%	SRK	Materials
3. Alara Resources Limited	1.58	11.00%	AUG	Materials
TOTAL	7.95	55.25%		

(b) Strike Resources Limited (ASX Code: SRK)

Strike Resources Limited (**Strike**) is a resources company with iron ore exploration and development projects in Peru. Orion Director, William Johnson is on the board of Strike as a Non-Executive Director.

The Company holds 16,690,802 shares, being 11.71% of Strike's issued ordinary share capital (30 June 2011: 16,690,802 shares and 11.71%).

¹ Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged oils)

DIRECTORS' REPORT

The value of Orion's holdings in Strike declined by \$1 million during the course of the half year, from \$4.09 million (at \$0.245 per share as at 30 June 2011) to \$3.09 million (at \$0.185 per share on 31 December 2011).

The Strike share price has appreciated to \$0.21 as at 27 February 2012, generating an unrealised gain of \$0.417 million subsequent to the 31 December 2011 balance date.

Historically, the shareholding in Strike have predominantly been earned through the sale of various mining assets to Strike. These assets were acquired and funded to the point of sale to Strike at a cost of approximately \$1.25 million. They were subsequently on sold to Strike in tranches for a total consideration of \$19 million comprising 11,166,667 Strike shares and 3.5 million unlisted Strike options (with exercise prices of \$0.178 and \$0.278 per option, which were converted into shares in February 2011 at a cost of \$0.79 million). Orion has also acquired 2,024,135 additional Strike shares on-market and via the conversion of listed options at \$0.20 each.

(c) Alara Resources Limited (ASX Code: AUQ)

Alara Resources Limited (**Alara**) is a minerals exploration and development company with precious and base metals projects in Saudi Arabia, Oman and Chile. Orion Directors, Farooq Khan and William Johnson are both on the board of Alara as Non-Executive Directors.

The Company holds 6,332,744 shares, being 3% of Alara's issued ordinary share capital (30 June 2011: 6,332,744 shares and 3%), in Alara.

The value of Orion's holdings in Alara declined by \$0.728 million during the course of the half year, from \$2.31 million (at \$0.365 per share as at 30 June 2011) to \$1.58 million (at \$0.25 per share on 31 December 2011).

The Alara share price has appreciated to \$0.34 as at 24 February 2012, generating an unrealised gain of \$0.57 million subsequent to the 31 December 2011 balance date.

Historically, the shareholding in Alara occurred through the sale of Orion's 25% interest in various uranium tenements to Alara in conjunction with Strike Resources Limited (who held the balance of 75% interest in the same). These assets were acquired and funded to the point of sale to Strike previously at a cost of approximately \$0.05 million. Orion's residual 25% interest was free-carried by Strike thereafter. Orion's interests in these mining tenements were subsequently on-sold to Alara for vendor shares in the initial public offering (**IPO**) of Alara for a consideration of \$1,562,500 comprising 6,250,000 Alara shares. Orion also acquired 3,082,744 additional Alara shares via the Alara IPO, on-market purchases and via an in-specie distribution from Strike.

(d) Bentley Capital Limited (ASX Code: BEL)

Bentley is a listed investment company with a current exposure to Australian equities. Orion Directors, Farooq Khan and William Johnson are on the board of Bentley as Chairman and Executive Director respectively.

Orion holds 27.97% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the parent company of Orion) holding 2.37% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2011: Orion held 20,513,783 shares (28.26%) and Queste held 1,740,625 shares (2.4%).

Bentley had net assets of \$19.33 million as at 31 December 2011 (30 June 2011: \$28.81 million) and incurred an after tax net loss of \$3.497 million for the financial half year (31 December 2010: \$2.837 million net profit).

Bentley's asset weighting as at 31 December 2010 was 60.2% Australian equities (30 June 2011: 98.9%) and 39.8% net cash/ other assets (30 June 2011: \$1.1%).

DIRECTORS' REPORT

Orion has been in receipt of significant dividend and return of capital payments from Bentley, with recent distributions as follows:

- (i) Bentley paid one cent fully franked interim and final dividends (being a total of 2 cents) during the 2011 calendar year (with Orion's share being \$410,276) (2010: 2 cents, with Orion's share being \$410,276), which represents a grossed up dividend yield of 17.23% (December 2010: 11.45%) based on Bentley's volume weighted average share price of 16.58 cents (December 2010: 24.96 cents) during the calendar year.
- (ii) Bentley paid a 2.4 cent fully franked special dividend in September 2011 (with Orion's share being \$492,331)
- (iii) Bentley returned 5 cents per share to shareholders in October 2011 (with Orion's share being \$1,025,689) under a return of capital approved by Bentley shareholders on 4 October 2011.

(e) Agribusiness Assets

The Company owns the ultra premium "Dandaragan Estate" Extra Virgin Olive Oil business and a 143 hectare commercial olive grove operations located in Gingin, Western Australian (approximately 100 kilometres North of Perth) producing olive oil from approximately 64,500, 12 year old olive tree plantings.

The 2011 harvesting season (completed in May 2011) yielded ~1,200 tonnes of fruit from which ~200,000 litres of oils were extracted (2010: ~400 tonnes of fruit and ~81,000 litres of oils). The increase in tonnes processed reflects the biennial cycle of growth and production from olive trees whereby trees exhibit alternating years of high and low bearing fruit.

A summary of olive grove operations during the financial half year are as follows:

- (i) Olive grove operation expenses were \$658,610 (which does not include depreciation expenses) (31 December 2010: \$367,612);
- (ii) Olive grove depreciation expenses were \$39,195 (31 December 2010: \$50,719);
- (iii) Inventory – Bulk Oils of \$524,170 reflects the cost of harvesting and processing during the 2011 season incurred up to balance date (30 June 2011: \$890,093); and
- (iv) Inventory – Packaged Oils of \$96,854 (30 June 2011: \$103,875).

The carrying values of the olive grove property (\$1,028,470), trees (\$65,500) and water licence (\$682,062) are based on an independent valuation of the assets undertaken for the 30 June 2011 accounts.

(f) Other Property Assets

This relates to property located in Mandurah, Western Australia, which was originally acquired as a multi-unit development site. In 2009/2010 Orion sought development approval for the subdivision of the property into 4 survey-strata title lots. This application was rejected by the Western Australian Planning Commission. Subsequently Orion undertook a sale process of the property by way of public auction, with such auction failing to attract any bids.

Orion has renovated and rented out the property.

The carrying value of \$1,800,000 is based on an independent valuation of the property undertaken for the 30 June 2011 accounts.

DIRECTORS' REPORT

BOARD OF DIRECTORS

Information concerning Directors in office during or since the financial half year is as follows:

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris, LLB. (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares - directly 9,063,153 shares - indirectly ²
<i>Special Responsibilities</i>	Chairman of the Company and the Investment Committee
<i>Other current directorships in listed entities</i>	(1) Executive Chairman and Managing Director of Queste Communications Ltd (QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (BEL) (director since 2 December 2003) (3) Non-Executive Director of Alara Resources Limited (AUG) (director since 18 May 2007)
<i>Former directorships in other listed entities in past 3 years</i>	(1) ITS Capital Investments Ltd (now known as Yellow Brick Road Holdings Limited) (27 April 2006 to 18 March 2011) (2) Strike Resources Limited (3 September 1999 to 3 February 2011) (3) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

William M. Johnson	Executive Director
<i>Appointed</i>	28 February 2003.
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	Mr Johnson commenced his career in resource exploration and has held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Throughout his career, Mr Johnson has been actively involved in the strategic analysis of a diverse range of business and investment opportunities, and the execution of many corporate transactions. As Executive Director, Mr Johnson is part of the Investment Committee of the Company. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other current directorships in listed entities</i>	(1) Executive Director of Bentley Capital Limited (BEL) (since 13 March 2009) (2) Non-Executive Director of Alara Resources Limited (AUG) (director since 26 October 2009) (3) Non-Executive Director of Strike Resources Limited (SRK) (director since 14 July 2006)
<i>Former directorships in other listed entities in past 3 years</i>	None

² Held by Queste Communications Ltd (QUE); Farooq Khan (and associated companies) have a deemed relevant interest in the OEQ shares in which QUE has a relevant interest by reason of having greater than 20% voting power in QUE.

DIRECTORS' REPORT

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has extensive experience in the structuring and execution of commercial and corporate transactions, capital raisings, capital management matters, public company administration, corporations law and stock exchange compliance and shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	Company Secretary of: <ol style="list-style-type: none"> (1) Queste Communications Ltd (QUE) (since 30 August 2000) (2) Bentley Capital Limited (BEL) (since 5 February 2004) (3) Alara Resources Limited (AUG) (since 4 April 2007)
<i>Former directorships in other listed entities in past 3 years</i>	<ol style="list-style-type: none"> (1) Strike Resources Limited (secretary between 9 March 2000 and 30 April 2010 and director between 12 October 2000 and 25 September 2009) (2) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	Mr Khan holds a Masters degree in Business and has worked as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been involved in the structuring and ASX listing of a number of public companies and in subsequent executive management. Mr Khan brings considerable international experience in corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Non-Executive Director of Queste Communications Ltd (QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* forms part of this Directors Report and is set out on page 12. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

DIRECTORS' REPORT

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



Farooq Khan
Chairman

29 February 2012



William Johnson
Director

29 February 2012

The Board of Directors
Orion Equities Limited
Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia, 6000

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF
ORION EQUITIES LIMITED**

As lead auditor for the review of Orion Equities Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orion Equities Limited and the entities it controlled during the period.



Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 December 2011

		31-Dec-11	31-Dec-10
	Note	\$	\$
Revenue from continuing operations	2 a	342,459	179,625
Other income			
- Net change on financial assets held at fair value through profit or loss		-	1,520,804
- Share of Associate entity's net profit		-	785,400
- Other		32,589	-
		<u>375,048</u>	<u>2,485,829</u>
Expenses			
Net change on financial assets held at fair value through profit or loss	2 c	(1,731,769)	-
Share of Associate entity's net loss	5	(987,980)	-
Costs of goods sold in relation to olive oils operations		(697,805)	(418,331)
Other costs in relation to land operations		(153,346)	(292,681)
Occupancy		(61,344)	(42,786)
Personnel		(327,756)	(318,471)
Financing		(1,472)	(2,399)
Borrowing cost		(20,060)	(1,356)
Corporate		(43,001)	(27,168)
Other administration expenses			
- depreciation		(1,763)	(1,422)
- other		(97,017)	(91,295)
		<u>(3,748,265)</u>	<u>1,289,920</u>
Profit/(Loss) before income tax		<u>(3,748,265)</u>	<u>1,289,920</u>
Income tax benefit/(expense)		-	-
		<u>(3,748,265)</u>	<u>1,289,920</u>
Profit/(Loss) after income tax		<u>(3,748,265)</u>	<u>1,289,920</u>
Other comprehensive income			
Changes in asset revaluation reserve, net of tax		-	-
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the half year attributable to members of Orion Equities Limited		<u>(3,748,265)</u>	<u>1,289,920</u>
Basic earnings/(loss) per share	3	(21.0)	7.2

The above consolidated income statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	31-Dec-11	30-Jun-11
Note	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	789,675	289,140
Financial assets held at fair value through profit and loss	4,738,234	6,470,003
Trade and other receivables	82,780	73,731
Inventories - Olive Oils	621,024	999,430
Other current assets	3,892	5,057
TOTAL CURRENT ASSETS	6,235,605	7,837,361
NON CURRENT ASSETS		
Trade and other receivables	32,823	32,823
Inventories - Land	1,800,000	1,800,000
Investments accounted for using the equity method	4,377,607	7,088,745
Property, plant and equipment	1,684,494	1,724,397
Olive trees	65,500	65,500
Intangible assets	782,058	782,058
Deferred tax assets	716,707	1,165,887
TOTAL NON CURRENT ASSETS	9,459,189	12,659,410
TOTAL ASSETS	15,694,794	20,496,771
CURRENT LIABILITIES		
Trade and other payables	470,980	1,100,349
Provisions	109,074	84,237
TOTAL CURRENT LIABILITIES	580,054	1,184,586
NON CURRENT LIABILITIES		
Deferred tax liabilities	716,707	1,165,887
TOTAL NON CURRENT LIABILITIES	716,707	1,165,887
TOTAL LIABILITIES	1,296,761	2,350,473
NET ASSETS	14,398,033	18,146,298
EQUITY		
Issued capital	19,374,007	19,374,007
Reserves	419,523	419,523
Accumulated Losses	(5,395,497)	(1,647,232)
TOTAL EQUITY	14,398,033	18,146,298

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2011

	Note	Issued Capital \$	Reserves \$	Retained earnings/ (Accumulated Losses) \$	Total \$
At 1 July 2010		19,374,007	611,348	1,110,987	21,096,342
Profit for the half year		-	-	1,289,920	1,289,920
Total comprehensive income for the half year		-	-	1,289,920	1,289,920
At 31 December 2010		19,374,007	611,348	2,400,907	22,386,262
At 1 July 2011		19,374,007	419,523	(1,647,232)	18,146,298
Loss for the half year		-	-	(3,748,265)	(3,748,265)
Total comprehensive loss for the half year		-	-	(3,748,265)	(3,748,265)
At 31 December 2011		19,374,007	419,523	(5,395,497)	14,398,033

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2011

	Note	31-Dec-11	31-Dec-10
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		341,238	172,244
Sale proceeds from trading portfolio		-	967,780
Payments to suppliers and employees		(1,068,438)	(1,062,284)
Interest received		5,628	5,541
Interest paid		-	(1,366)
Dividends received		697,469	206,988
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>(24,103)</u>	<u>288,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,051)	(10,308)
Loan from controlling entity		150,000	250,000
Loan repaid to controlling entity		(650,000)	(250,000)
Return of capital		1,025,689	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		<u>524,638</u>	<u>(10,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from partly paid shares		-	-
Dividends paid		-	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE IN CASH HELD		500,535	278,595
Cash and cash equivalents at beginning of the financial year		289,140	397,531
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL HALF YEAR		<u><u>789,675</u></u>	<u><u>676,126</u></u>

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in the annual financial statements and shall be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2011 to the date of this report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2011.

2. CONSOLIDATED PROFIT/(LOSS) FOR THE HALF YEAR

	31-Dec-11	31-Dec-10
	\$	\$
Profit/(Loss) for the half year includes the following items of revenue and expenses below.		
(a) Revenue from continuing operations		
Income from sale of olive oils	336,831	172,234
Dividends received	-	1,850
Interest received - other	5,628	5,541
	<u>342,459</u>	<u>179,625</u>
(b) Other income		
Net change on financial assets held at fair value through profit or loss	-	1,520,804
Share of Associate entity's profit	-	785,400
Other income	32,589	-
	<u>32,589</u>	<u>2,306,204</u>
	<u>375,048</u>	<u>2,485,829</u>
(c) Expenses from continuing operations		
Net change on financial assets held at fair value through profit or loss	1,731,769	-
Share of Associate entity's loss	987,980	-
Costs in relation to olive oil operations		
- Cost of goods sold	648,527	349,723
- Depreciation expenses	39,195	50,719
- Other expenses	10,083	17,889
Costs in relation to land operations		
- Other expenses	153,346	292,681
Personnel - remuneration and other	303,878	314,468
- employee entitlements	23,878	4,003
Occupancy expenses	61,344	42,786
Corporate expenses - Consultancy	14,071	6,778
- Other corporate expenses	28,930	20,390
Finance expenses	1,472	2,399
Borrowing cost	20,060	1,356
Administration expenses		
- Professional fees	68,141	27,136
- Communications	4,086	6,398
- Realisation cost of share portfolio written back	(14,974)	13,401
- Brokerage fees	-	5,322
- Depreciation expenses - other assets	1,763	1,422
- Write off fixed assets	-	1,020
- Other expenses	39,764	38,018
	<u>4,123,313</u>	<u>1,195,909</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

3. EARNINGS/(LOSS) PER SHARE		31-Dec-11	31-Dec-10
Basic earnings/(loss) per share (cents)		(21.0)	7.2
Profit/(loss) used to calculate earnings per share (\$)		(3,748,265)	1,289,920
Weighted average number of ordinary shares during the period used in the calculation of basic earnings per share		17,814,389	17,814,389
4. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS		31-Dec-11	30-Jun-11
		\$	\$
Current			
Listed securities at fair value		4,738,234	6,470,003
5. INVESTMENTS IN ASSOCIATE ENTITY			
		Carrying Amount	
Name of Associate	Principal Activity	Ownership Interest	
		31-Dec-11	30-Jun-11
		\$	\$
Bentley Capital Limited (BEL)	Investments	27.97%	28.30%
		4,377,607	7,088,745
Movement in Investments in Associate			
Shares in listed Associate entity brought forward		7,088,745	7,331,989
Share of profit/(loss) before income tax expense		(987,980)	167,032
Dividend from Associate entity		(697,469)	(410,276)
Return of capital		(1,025,689)	-
Carrying amount at the end of the financial period		4,377,607	7,088,745
Fair value of listed investments in Associate		3,282,205	4,513,032
Net tangible asset value of listed investments in Associate		5,413,022	8,139,662
Share of Associate's profits			
Profit/(loss) before income tax		(987,980)	167,032
Share of income tax expense		-	-
Profit/(loss) after income tax		(987,980)	167,032
Group share of Bentley Capital Limited			
Summarised Financial Position of Associate			
Current assets		5,474,596	8,139,451
Non current assets		21,212	21,580
Total assets		5,495,808	8,161,031
Current liabilities		(58,413)	(18,028)
Non current liabilities		(6,232)	(5,154)
Total liabilities		(64,645)	(23,182)
Net assets		5,431,163	8,137,849
Revenues		44,966	573,751
Profit/(loss) after income tax of Associate		(987,980)	181,205
Bentley Capital Limited - Lease Commitments			
BEL and its subsidiary, Scarborough Equities Pty Ltd , have the same lease commitments as disclosed in Note 8.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

6. SEGMENT INFORMATION

The Board has considered the product and geographical perspective of the operating results and determined that the Consolidated Entity operates only in Australia with segments in Investments and Olive Oils. Unallocated items comprise mainly corporate assets, office expenses and income tax assets and liabilities.

	Investments	Olive Oil	Unallocated	Total
	\$	\$	\$	\$
6 months to 31-Dec-11				
Total segment revenue	32,589	336,831	5,628	375,048
Adjusted EBITDA	(1,108,737)	(355,524)	(510,347)	(1,974,608)
Total segment asset	10,915,841	3,219,858	1,559,095	15,694,794
Total segment liabilities	-	(248,486)	(1,048,275)	(1,296,761)
6 months to 31-Dec-10				
Total segment revenue	2,308,054	172,234	5,541	2,485,829
Adjusted EBITDA	489,247	(214,141)	(441,214)	(166,108)
30-Jun-11				
Total segment asset	15,957,949	3,628,772	910,050	20,496,771
Total segment liabilities	(54,915)	(577,909)	(1,717,649)	(2,350,473)

(i) Segment revenues	31-Dec-11	31-Dec-10
	\$	\$
Any sales between segments are carried out at arm's length and are eliminated on consolidation.		
Total segment revenue	369,420	2,480,288
Unallocated:		
Interest received - other	5,628	5,541
Total revenue from continuing operations (Note 2)	<u>375,048</u>	<u>2,485,829</u>

(ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	31-Dec-11	31-Dec-10
The adjusted EBITDA excludes net change in fair value in investments and impairment of assets.		
Adjusted EBITDA	(1,974,608)	(166,108)
Interest revenue	5,628	5,541
Net change on financial assets held at fair value through profit or loss	(1,731,769)	1,520,804
Depreciation	(40,958)	(52,141)
Realisation cost of share portfolio written back	14,974	(13,401)
Finance cost	(21,532)	(3,755)
Fixed assets written off	-	(1,020)
Profit/(Loss) before income tax	<u>(3,748,265)</u>	<u>1,289,920</u>

(iii) Segment assets	31-Dec-11	31-Dec-10
Unallocated:		
Cash and cash equivalents	789,675	289,140
Trade and other receivables	34,868	33,547
Other current assets	3,892	5,057
Property, plant and equipment	13,953	15,620
Deferred tax asset	716,707	566,686
Total assets as per the Statement of Financial Position	<u>15,694,794</u>	<u>20,496,771</u>

(iv) Segment liabilities	31-Dec-11	31-Dec-10
Unallocated:		
Trade and other payables	(222,494)	(647,318)
Provisions	(109,074)	(84,238)
Deferred tax liability	(716,707)	(986,093)
Total liabilities as per the Statement of Financial Position	<u>(1,296,761)</u>	<u>(2,350,473)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

8. COMMITMENTS	31-Dec-11	30-Jun-11
	\$	\$
Not longer than one year	85,391	104,929
Between 12 months and 5 years	43,737	110,176
	129,128	215,105
	129,128	215,105

The non-cancellable operating lease commitment is the Consolidated Entity's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

9. RELATED PARTY DISCLOSURES

(a) Controlling entity

ASX listed Queste Communications Ltd (QUE) is deemed to control the Consolidated Entity as QUE has 50.88% (30 June 2011: 50.88%) of the Company's total issued share capital.

(b) Loan from controlling entity

During the half year, the Company repaid a loan advanced by QUE totalling \$650,000 plus interest of \$36,772. The loan was advanced pursuant to an unsecured facility expiring on 30 June 2012 (with an interest rate of 10% per annum).

(b) Transactions with related parties

During the financial half year, there were transactions between the Company, QUE and BEL (Associate entity), pursuant to shared office and administration expense arrangements.

	31-Dec-11	31-Dec-10
	\$	\$
Amount owing to Queste Communications Ltd	92,556	-
The following transactions also occurred with related parties:		
Dividends received from Bentley Capital Limited	697,469	205,138

9. CONTINGENT ASSETS AND LIABILITIES

(a) Directors' Deeds

The Company and OEQ have entered into deeds of indemnity with each of their Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Company. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Royalty on Tenements

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL 47/1328 and PL 47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited), EL 24879, 24928 and 24929 and ELA 24927 (the Bigryli South Project tenements in the Northern Territory, currently held by Alara Resources Limited (Alara)) and EL 46/629 and a right to earn and acquire a 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

10. EVENTS AFTER BALANCE DATE

- (a) On 28 February 2012, Associate entity, Bentley Capital Limited, announced its intention to seek shareholder approval to undertake a one cent per share return of capital (Return of Capital). The Return of Capital is to be effected by the Company seeking shareholder approval for a reduction in the share capital of the Company by returning one cent per share to shareholders – this equates to an aggregate reduction of share capital by approximately \$0.733 million based upon the Company's 73,350,541 shares currently on issue. No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital will have no effect on the number of shares on issue. The Return of Capital is subject to shareholder approval which will be sought at a general meeting of shareholders anticipated to be held in mid-April 2012. If all conditions are met for payment, including shareholder approval, Orion's and Queste's share of the Return of Capital will be ~\$205,138 and ~\$17,400 respectively.

No other matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Orion Equities Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman

29 February 2012



William Johnson
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ORION EQUITIES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orion Equities Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orion Equities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Orion Equities Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orion Equities Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

Brad McVeigh
Director

Perth, Western Australia
Dated this 29th day of February 2012

SECURITIES INFORMATION

as at 31 December 2011

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 1000	270	139,640	0.784
1,001- 5000	220	524,309	2.943
5,001- 10,000	60	466,358	2.618
10,001 – 100,000	98	3,158,223	17.728
100,001 and over	20	13,525,859	75.927
Total	668	17,814,389	100%

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD *	9,063,153	50.875
2	CLEOD PTY LTD *	211,000	
	CELLANTE SECURITES *	712,038	
	Sub-total	923,038	5.181
3	JP MORGAN NOMINEES AUSTRALIA LIMITED	866,000	
	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	24,485	
	Sub-total	890,485	4.999
4	MR SIMON ROBERT EVANS & MRS KATHRYN MARGARET EVANS <KAMIYACHO SUPER FUND A/C>	397,320	2.230
5	REDSUMMER PTY LTD	225,000	1.263
6	MS HOON CHOO TAN	211,538	1.187
7	MRS PENELOPE MARGARET SIEMON	201,355	1.130
8	VIKAND CONSULTING PTY LTD <VIKAND SUPER FUND A/C>	184,798	1.037
9	MR BRUCE SIEMON	173,351	0.973
10	MR SEAN DENNEHY	171,500	0.963
11	MRS TAMI ELSIE VARNEY	150,000	0.842
12	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES <HOPERIDGE ENT P/L SUPER A/C>	133,000	0.747
13	MR DONALD GORDON MACKENZIE & MRS GWENNETH ENDA MACKENZIE	126,189	0.708
14	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT <LAMBERT RETIREMENT A/C>	125,000	0.702
15	MR EDWARD JAMES STEPHEN DALLY & MRS SELINA DALLY <LEKDAL FAMILY A/C>	125,000	0.702
16	OPTION OPPORTUNITY FUND	120,403	0.676
17	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER <THE KILLER SUPER A/C>	120,000	0.674
18	MANAR NOMINEES PTY LTD <ZELWER SUPER BENEFIT A/C>	105,488	0.592
19	MR JOHN CHENG-HSIANG	103,726	0.582
20	MR LAWRENCE BRIAN CUMMINGS & MRS FRANZIE NANERRE CUMMINGS <CUMMINGS FAMILY S/F A/C>	100,000	0.561
	TOTAL	13,650,336	76.624%

* Substantial shareholders of the Company