KEYBRIDGE
CAPITAL LIMITED

December 2012
Half Year Results

Welcome.

My name is Mark Worrall, Keybridge's Managing Director, and I am pleased to present to you the Company's financial results for the half year to 31 December 2012.

The Company has continued to successfully achieve acceptable realisations over the past six months in its goal to retire its corporate debt, so as to be given the opportunity to consider recommencing business investment, or continuing the wind down program and return capital to shareholders.

We presently also have an agreement in place (albeit at this date, non-binding) to sell the Company's last remaining significant aviation asset, which if completed as expected, will result in the Company being debt-free and some $7 million cash-on-hand by the end of March 2013.

This has all been achieved through patience, diligence and hard work by a small executive and very focused Board, whom I have been privileged to lead over the past 15 months. I leave the Company in good hands with a small but very dedicated team, and in a stronger financial condition to allow the current management and Board to consider its future.

I will now run through the results for the half year.

Summary

- Operating profit of $1.6 million for the six month period
- Net loss (after impairments) of $2.5 million
- 28 February 2013 debt repayment milestone met before due date
- Net tangible assets equal to 25.2 cents per share
- Sale of aviation interests progressing as anticipated

Keybridge reported an overall loss of $2.5 million after impairments for the half-year to 31 December 2012. While another loss is obviously disappointing, it was necessary to reflect current market conditions in the realisation of one of the Company's aviation assets, for which the Company virtually had no alternative option, but to consent to the asset sale.

Positively, Keybridge delivered a cash operating profit of $1.6 million for the period. This operating profit was however offset by the requirement to reflect a provision against our aviation assets. Keybridge was effectively compelled to consent to the sale of one of its aircraft investments, given the inability of the asset's senior lender to accept the credit of a replacement lessee (which had been secured by GMT, after some 12 months of marketing the aircraft for sale/lease). Given the age of the aircraft, despite significant efforts, it was also not possible to source another lender, so rather than forego the new lease, which had been secured on current market terms, it was decided to sell the asset so as to deliver the best financial outcome for all parties. If we had not have moved down this path, we would have risked not recovering any loan proceeds from this aircraft at all. This sale has now concluded (transaction closed on 15 February 2013), and we received USD2.4 million on 20 February 2013.

Provided the sale of our remaining significant aviation assets continues as expected, resulting in the repayment in full of the Company's remaining corporate debt, there should be no reason for KBC to have to realise any further assets at less than present book value, unless a discount for liquidity is deemed to be the most prudent decision at that relevant time.

The Company has continued its successful process of realising assets and paying down corporate debt. We have achieved all debt milestones imposed by our lenders either on time or earlier than required.

Shareholders' funds as at 31 December 2012 are $43.3 million and represent net tangible assets of 25.2 cents per share. This is a reduction of approximately 1.4 cents per share from 30 June 2012 and arose solely due to the aviation impairment, which was required to reflect the expected outcome to KBC.

Profitability

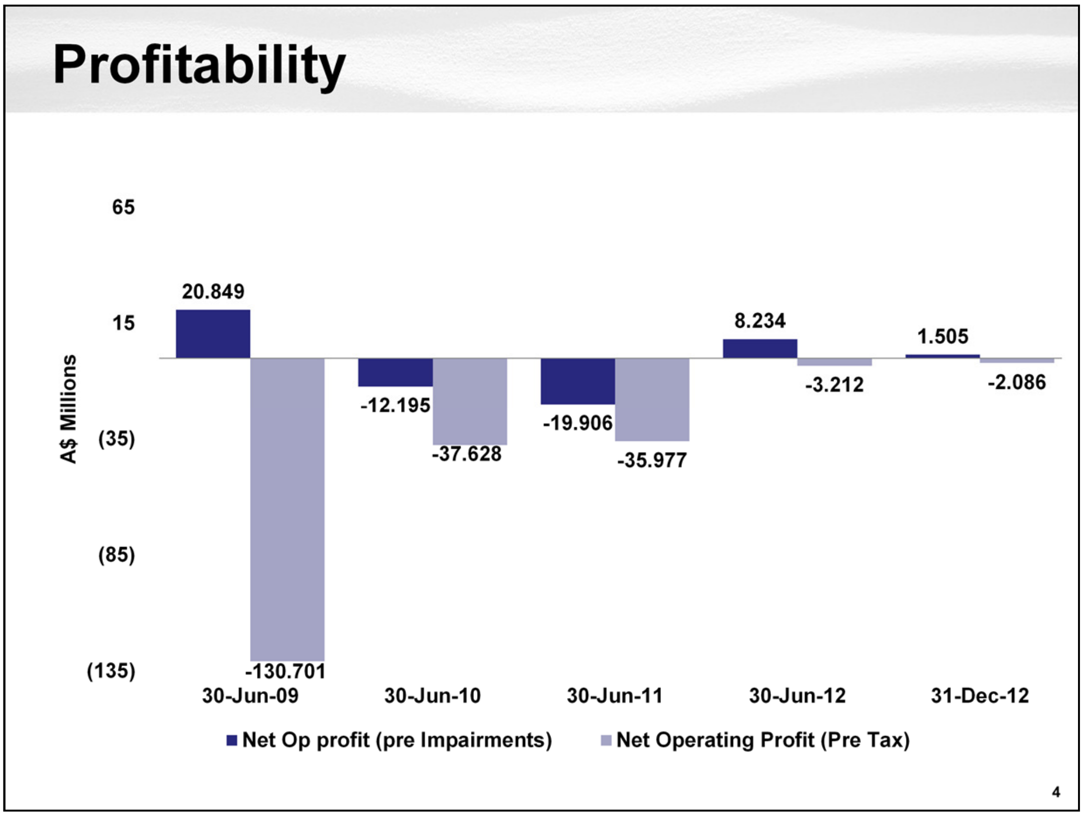
	6 Mths To Dec 2012 $m	6 Mths To Dec 2011 $m
Income	3.9	5.3
Borrowing Costs	(1.2)	(1.5)
Operating Costs	(1.1)	(1.8)
Pre Tax Operating Profit	1.6	2.0
Foreign Exchange Gain	(0.1)	0.4
Net Impairments	(3.6)	(6.5)
Income Tax	(0.4)	-
NPAT	(2.5)	(4.1)

3

Borrowing costs in the latest period continued to reduce in line with lower overall bank debt. Of particular note is an accrual of $0.4 million representing a 'risk sharing fee' due to the Company's banks. This accrual is based on an additional 150bp's on the outstanding loan balance over the period. This fee will no longer apply (and will be reversed in the second half) given satisfaction of all required interim debt milestones.

Operating costs are also lower due to a reduction in employee numbers. Partially offsetting this have been certain necessarily incurred legal costs involved in managing the recovery and protection of several of our investments, however these costs are not expected to continue at anything near these previous levels. Income tax expense for the period was $0.4 million arising solely from a requirement to withhold taxes payable by the Group in the US from the realisation of the one of the PE Fund's assets. The Company has significant Australian tax losses which should be available to offset future Australian sourced income for a considerable period provided the Company is able to regrow. These carried forward losses were not available to be offset against the US taxes payable on the PE realisation, however we expect that these retained funds will be able to be recouped over the next 12 months, depending on any future distributions from the PE Fund.

The impairments arose from the write down of aviation assets to reflect the expected sale proceeds from one of the Company's aviation investments as previously mentioned.



This graph demonstrates Keybridge's financial results over the past five years.

Operating profit for the six months to 31 December 2012 is lower than 30 June 2012, as the results for the full year to 30 June 2012 included the recognition of a significant uplift in the asset value of the Company's investment in the PE Fund.

On a cash basis, the Company was, and remains, currently profitable.

Balance Sheet

	Dec 2012 $m	Jun 2012 $m
Investments	68.2	81.8
Cash & Other Assets	1.7	3.3
Liabilities	(26.6)	(39.2)
SHF	43.3	45.9

December 2012 NTA : $0.25 per share

Currency	Assets	Liabilities	Net
US Dollars	38.7m	27.0m	11.1m
Australian Dollars	25.3m	0.7m	24.6m
Euros	5.5m	-	5.5m

5

The Company's shareholders' funds were $43.3 million as at 31 December 2012.

The reduction in NTA from 26.6 cents to 25.2 cents per share is represented by a reduction in shareholders' funds since June 2012 arising solely from the new provision against the Company's aviation investments of USD4.3 million. This was partially offset by an investment receipt of USD0.5 million from one of the Company's shipping assets previously written off in full.

Keybridge continues to have an excess of foreign currency assets over foreign currency liabilities, which means that the Company remains exposed to movements in exchange rates, albeit far less materially than in the past.

Operating Cash Flow

Half Year To December 2012	$m
Operating Costs - current period	(1.0)
- prior period	(0.1)
Interest Payments	(0.8)
Total Cash Flow Commitments	(1.9)
Interest Income	2.9
Income Component of Realisations	0.3
Total Cash Income	1.3

Average Cash Holdings	2.5

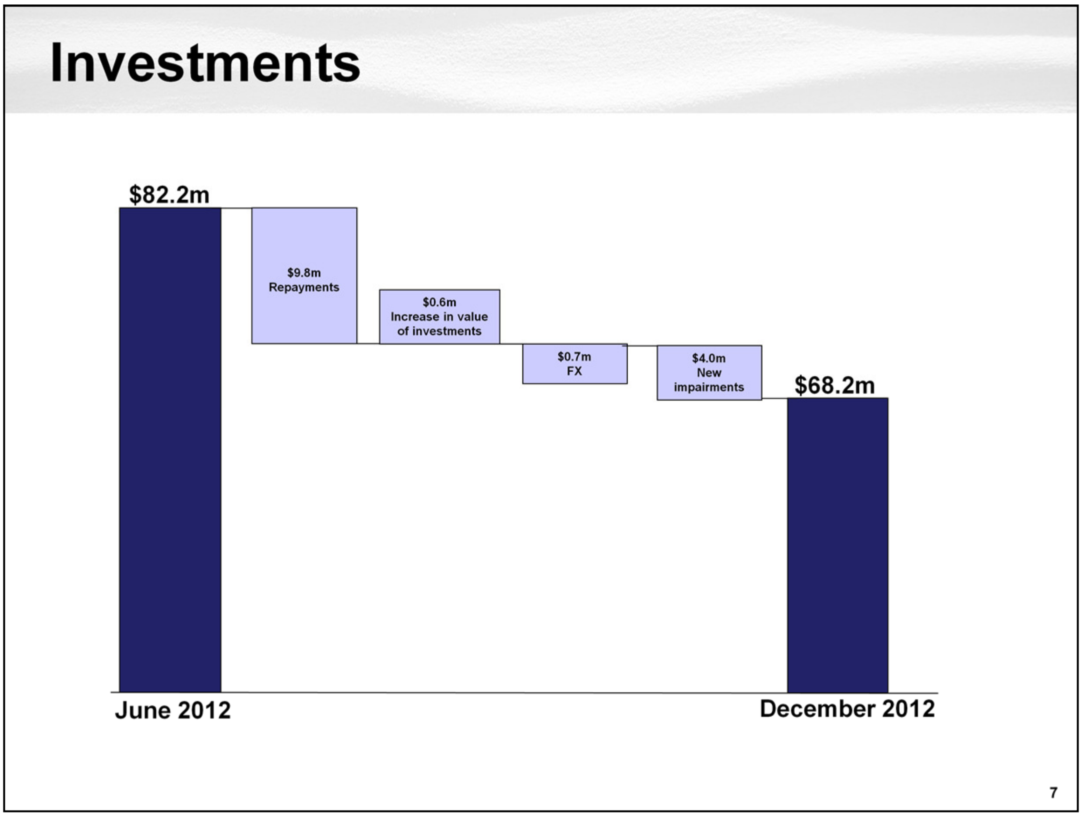
6

Liquidity management remains a high priority for the Company. As has been the case for several years, many of Keybridge's investments have not been paying cash income to the Company. In some cases, the underlying cash flow is continuing to be paid for the use of the relevant asset, but cash is being used within those transactions (as contracted) to accelerate senior debt reduction or to meet other commitments (e.g. asset maintenance events), rather than to make distributions to equity or mezzanine lenders. This is so to ensure that assets are maintained to their best possible condition, and that senior asset debt is reduced as quickly as feasible, so as to deliver the possibility to Keybridge of future cash distributions and asset realisations, once the senior lender has been satisfied.

With the current and pending realisations of our main aviation assets, and the resultant repayment in full of the corporate debt, cash inflow needs will effectively then be limited to covering operating costs.

On a positive note, continuing the trend over the prior six months period, Keybridge was able to meet its fixed commitments of interest and operating expenses from operating cash flow, and projections for the next six month period indicate that this cash flow position will be at least breakeven.

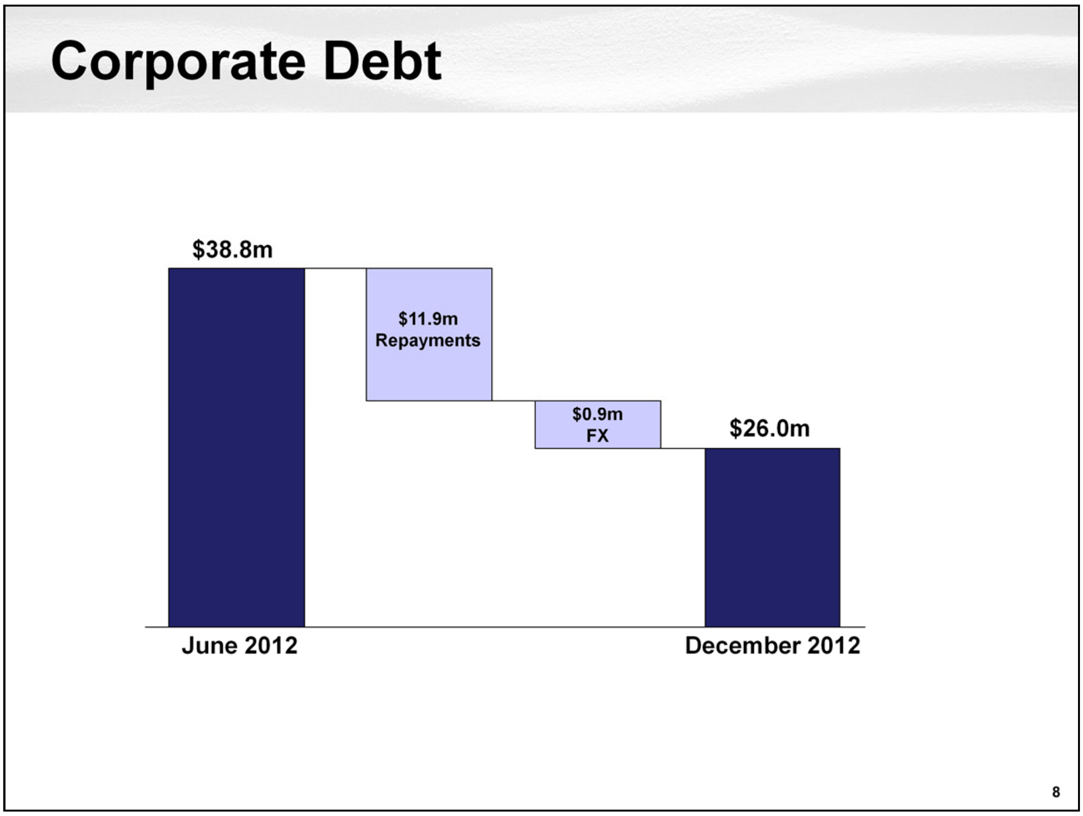
The Company however continues to operate under a cash sweep with its lenders, whereby all cash flow (in excess of agreed minimum working capital requirements) is applied to debt reduction. For so long as this sweep persists, the Company is unable to make new investments or pay dividends to shareholders, and hence why the focus of the Company over the past 12 months in particular, has been to realise best value on its remaining portfolio so as to repay this corporate debt in full.



Over the course of the last six months, the value of Keybridge's investments portfolio has reduced from $82.2 million to $68.2 million. This was as a result of:

– Investment repayments and realisations of $9.8 million;
– Unrealised gain on ASX listed PTB shares $0.6 million;
– Net foreign exchange negative movements of $0.7 million; and
– New net impairments of $4.0 million (USD4.3 million) (Note the USD0.5 million receipt on shipping was income to the P&L).

The majority of the Company's investments are denominated in US Dollars. Keybridge has one remaining investment denominated in Euro (the solar farm in Spain). Over the past six months, the Australian Dollar appreciated against the US Dollar but depreciated against the Euro, leading to net decrease in value (in Australian Dollar terms) of Keybridge's investments. As can be seen on the next slide, approximately 70% of this foreign exchange movement on assets was offset by changes in the value in Australian Dollar of the Company's US Dollar borrowings. This is the Company's only 'natural' hedge, as the terms of our existing bank facilities do not allow for the Company to carry out any hedging activities.



At 31 December 2012, Keybridge had reduced its outstanding corporate borrowings to $26.0 million (USD25.95 million).

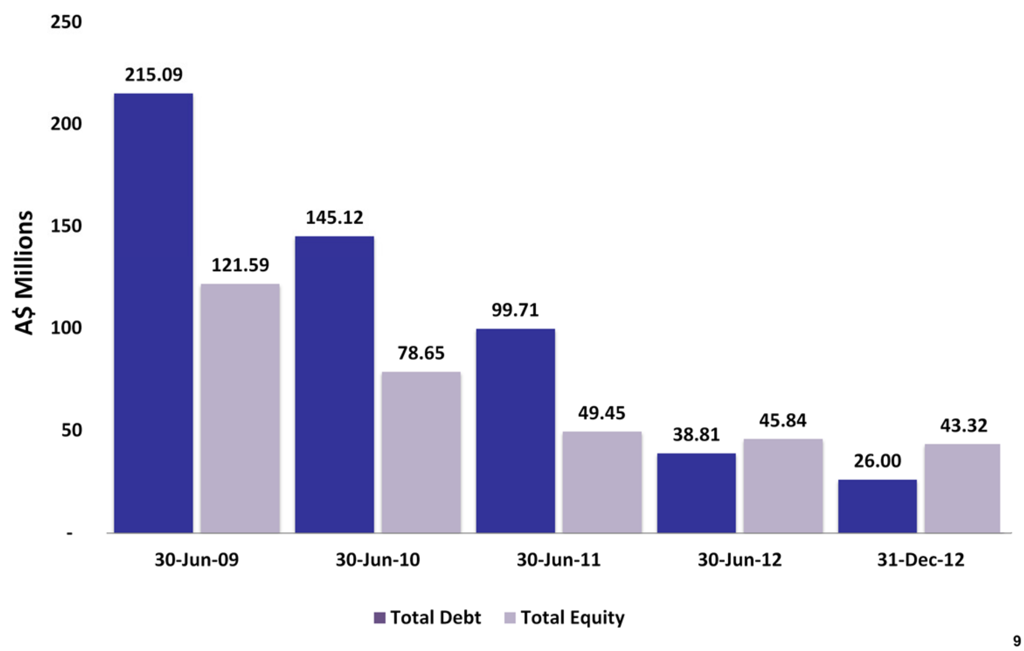
Over the course of the past six months, borrowings reduced in AUD-equivalent dollars by a net $12.8 million. Of this, $11.9 million was due to debt repayments which increased by $0.9 million as a result of foreign exchange movements. This debt has been reduced further since balance date to $24.22 million (USD24.95 million).

The key terms and conditions of the Company's secured corporate debt are;

- denominated in US Dollars;
- maturity date of 3 June 2013;
- milestone due 28 February 2013 (debt no greater than USD25 million) was met on 15 February 2013;
- from 15 February 2013 onwards margin reduced from 5.5% pa to 5.0% plus LIBOR; and
- the additional fee of 1.50% per annum calculated on the outstanding principal from time to time will no longer be charged (and past accrual will be reversed).

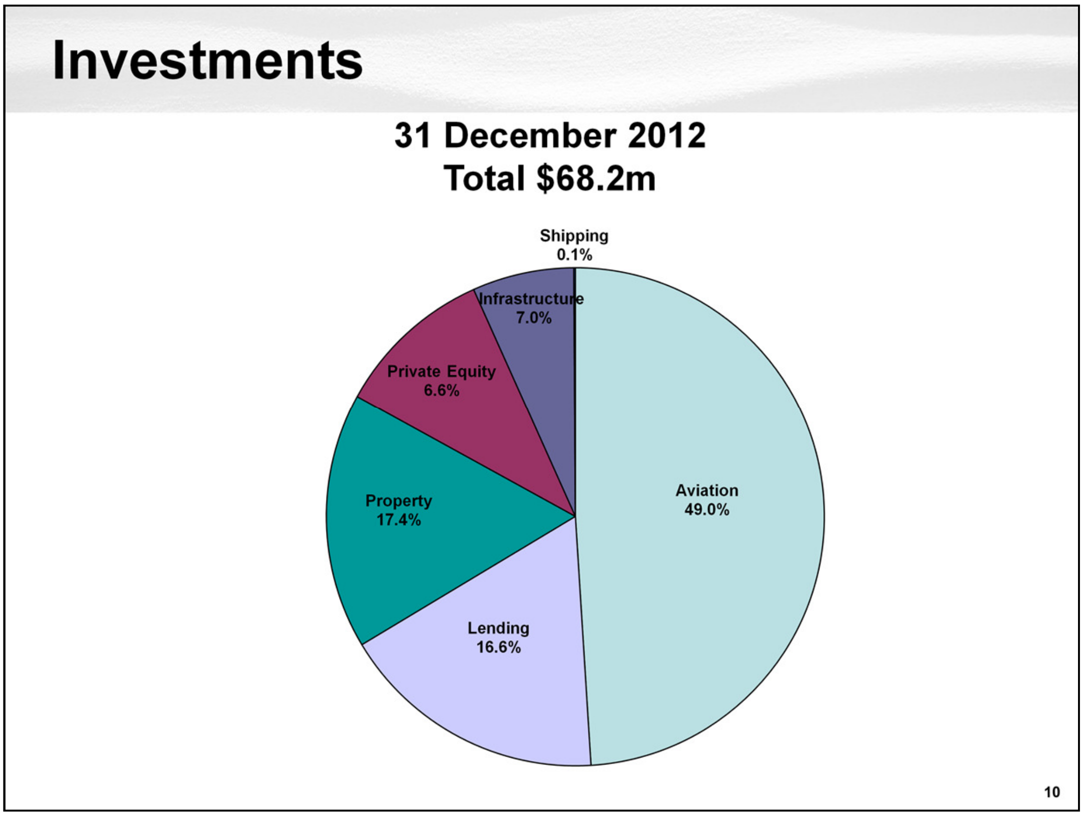
The debt facility however continues to require the Company to sweep all spare cash to the lenders. This prevents the Company making new investments and the payment of dividends to shareholders.

Debt to Equity Profile



Looking at the Group's debt and equity position over the past four and a half years, we can see the significant improvements that have been achieved, particularly the past 12 months.

The Group's debt to equity ratio has reduced from over 201% as at 30 June 2011 to 60% as at 31 December 2012. With the additional realisations and consequent corporate debt reduction achieved post balance date, this ratio now stands (as at today's date) at 56%.



At 31 December 2012, the total book value of the Company's investment portfolio was $68.2 million. The largest asset class was aviation, representing 49.0% of investments.

The Property asset class represents at 17.4% of the portfolio, Lending 16.6%, Private Equity 6.6%, Infrastructure 7.0% and Shipping 0.1%. This shipping value relates solely to a short term bridging loan due to Keybridge from one of its remaining shipping interests. As at the date of this presentation, we have received USD0.08 million which repays the receivable in full.

I will now go through each of the asset classes in detail.

Investments

Aviation

- Total book value $33.4 million
- One material investments remaining; mezzanine loans secured by three passenger jet aircraft
- Sale completed in February on one Airbus A330-300
- Sale of remaining three Airbus A330-300 progressing as anticipated
- Impairments of $4.1 million for the year

11

The Group's remaining aviation transactions are mezzanine loan investments in four passenger jet aircraft and an equity investment in an ASX-listed general aviation company. In the past six months, the Group received no repayments of principal from the aviation portfolio.

Our aviation asset manager on the passenger aircraft, GMT Global Republic Aviation Ltd ("GMT"), sourced a new lessee for one of these aircraft and a non-binding LOI was then executed for the sale of this aircraft to a third party leasing company. This sale, in a challenging market, was required due to the deterioration of the particular circumstances surrounding the non-recourse asset-based financing of, and the committed new lease on this aircraft. The sale completed on Friday 15 February 2013, with loan repayment proceeds of USD2.4 million expected to be repaid to Keybridge 20 February 2013. As a consequence of these changed circumstances, a provision of USD4.3 million ($4.1 million) was recognised in the first six months to 31 December 12 to reflect the expected (and now realised) financial outcome to Keybridge arising from this disposal.

For the remaining aircraft in the portfolio, GMT has now executed a non-binding Letter of Intent ("LOI") with an experienced leasing company subsidiary of a major financial institution to sell the three A330-300 aircraft in which Keybridge is the mezzanine lender, which are currently on lease to a European airline. This LOI is subject to the satisfaction of usual conditions precedent and due diligence, as well as board and investment committee approvals by both seller, seller's financiers and purchaser, with the sale is expected to be completed by no later than 29 March 2013. The completion of the sale of these three aircraft will result in loan repayment proceeds to Keybridge of approximately USD30 million.

Keybridge also holds 5.8 million shares in PTB Group Limited, an ASX-listed general aviation company.

Investments

Property

- Total book value $11.9 million
- Two material investments remaining
- Both transactions progressing well however the residential development will not deliver distributions before mid 2015
- Commercial Mortgages is now delivering distributions, $1.2 million received by the end of February 2013
- Nil repayments in six months to December 2012

12

Keybridge has two remaining property-backed investments. The first investment is a subordinated secured loan to the project developer of a multi-staged residential development in the inner city of Sydney. This development has now achieved successful completion of its first two stages, with all developed properties now sold. The third stage is now under construction and has achieved all required pre-sales to meet its construction finance hurdles. Funding for Stage 4 has been approved in principle and construction is expected to commence in first quarter 2013 once documentation and required finance conditions are satisfied. This development is expected to complete late 2014, and, assuming everything proceeds as currently planned, Keybridge should receive its investment repaid, together with interest, on completion of settlement from this stage during the course of the first half of 2015.

The other remaining property investment is a subordinated loan secured by a pool of Australian commercial mortgages. The pool continues to be reduced via the refinancing of the underlying loans as they either mature, or the underlying securities are realised, with the senior lender to the pool being repaid first. All the loans in the pool are first ranking. The senior lender was repaid in full in January 2013 following one such refinancing. Keybridge is now the sole lender to the remaining portfolio, thereby deriving interest income and future realisations as loans are refinanced and/or realised. $0.5 million was received by Keybridge from this pool in January, and a further $0.825 million will be received by the end of February. It may take a further one to two years for Keybridge to be repaid the remainder of its present carrying value, however the collateral value of the mortgage pool is presently sound and Keybridge is undertaking various strategies to accelerate this asset's early realisation. In the past twelve months, Keybridge did not receive any income or repayments from its property loans and receivables, as all proceeds are being swept to the pool's senior lender.

Investments

Lending

- Total book value $11.3 million
- One investment remaining
- Negotiations continue on the sale of the underlying motor vehicle leasing business
- $2.0 million of proceeds via syndication at par in July 2012 of its participation in this asset

This investment now consists of one subordinated loan to a non-conforming motor vehicle leasing business based in Australia. The subordinated loan pays interest each month as contracted.

As previously advised, the owners of Keybridge's borrower have signed a non binding Heads of Agreement to sell its vehicle leasing business to a major international corporation. To facilitate completion of confirmatory due diligence and purchase documentation by the parties, Keybridge agreed loan extension terms on its mezzanine loan facility to this business which was otherwise due at 30 September 2012. The new loan term is to 28 February 2013 after the purchaser met all necessary conditions to automatically extend the loan, pending expected completion of the sale by that date.

However, the Company has now been recently advised that the purchaser wishes to amend the terms of its offer, which will require further negotiations and agreement between Keybridge, its borrower and the purchaser prior to 28 February 2013. If the amended terms are agreed by all parties, and if the transaction is then approved by the purchaser, the sale will not complete by the current loan maturity, and accordingly the borrower has formally sought a further term extension. The terms of, or any extension to the maturity date of this loan are yet to be agreed, but are presently being negotiated between Keybridge and the Borrower.

In the past six months, the Group however, received $2.0 million of proceeds via syndication at par in July 2012 of its participation in this asset.

Investments

Infrastructure

- Total book value $7.0 million
- Equity investment in solar facility in Spain
- Affected by retrospective change in legislation
- Plant operating at full capacity

14

The Group has one remaining infrastructure investment, being a loan to, and an equity accounted investment in, a 1 MW solar electricity facility in Spain. The plant is now performing at the agreed performance levels in accordance with the original contract, following the successful replacement of the sub-standard solar panels under warranty. Further panels will also be replaced by the end of 2013 so as to maximise productive output from the plant, in line with legislated removal of production caps presently in place.

However the Spanish Government has also recently announced its intention to legislate for various changes to taxes on such facilities; though such legislation has as yet not been released. The delay in this legislation creates some uncertainty for future potential buyers of the plant; therefore the Company is not actively seeking to dispose of this investment at this stage until this tax position is more certain. As soon as this situation is clarified, Keybridge will actively seek a buyer of this plant through an open market tender process.

In the six months to 31 December 2012, Keybridge received income from this investment as expected.

Investments

Private Equity

- Total book value $4.5 million
- One investment remaining
- Material repayment achieved in August 2012 after the sale of the funds largest asset in the portfolio
- $7.0 million of repayments in six months to December 2012

15

This investment is a preferred equity investment in a closed-end private equity fund based in the United States. In the past six months, the Group received a net USD6.8 million (USD7.3 million before withholding tax) repayment after the private equity fund realised its largest asset in the portfolio in August 2012. This distribution represents the effective return of all Keybridge's initial capital invested into the fund, together with our base expected investment return on that capital.

The remainder of the underlying investee entities in which the fund has invested, are all performing in line with the fund manager's expectations. Keybridge is however reviewing its future ownership of this investment through current discussions with the fund manager, Republic Financial Corporation, the US parent of GMT, Keybridge's aviation asset manager on the Airbus aircraft in which Keybridge is the majority mezzanine lender.

Investments

Shipping

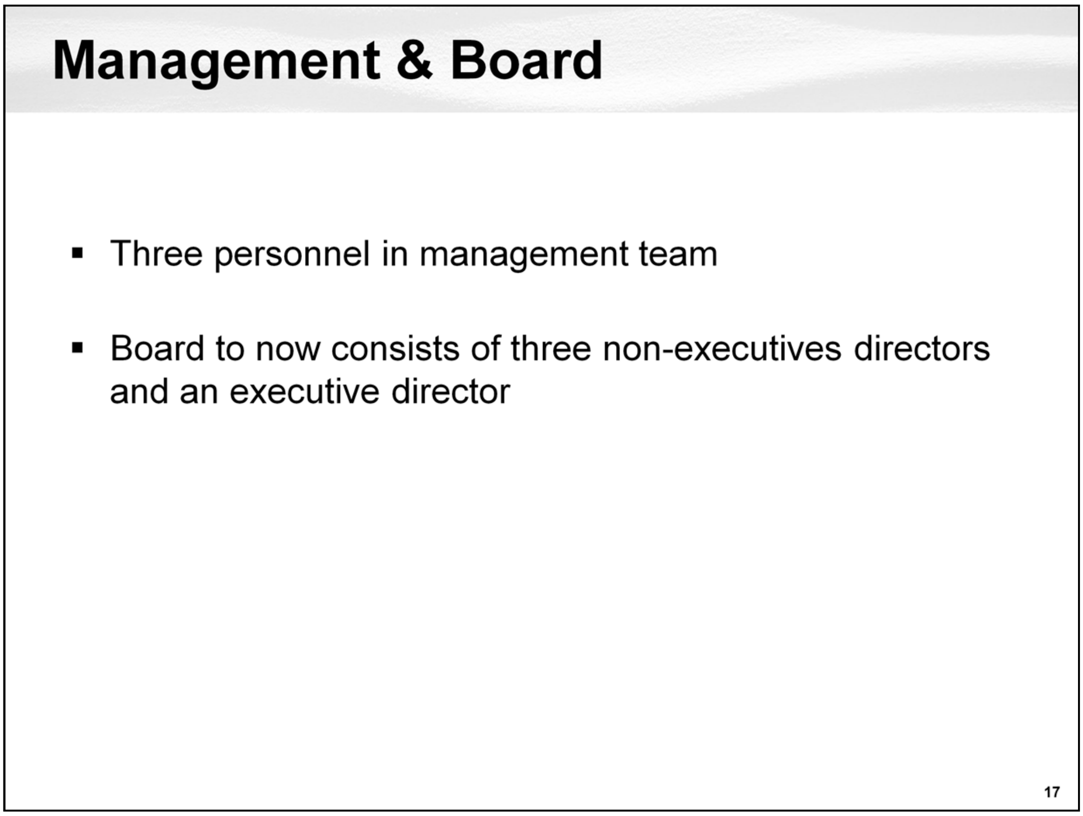
- Total book value $0.1 million (repaid in full since balance date)
- Two investments remaining; equity investments in chemical carrying vessels with a nil carrying value
- Market still deeply impacted by vessel oversupply and low demand resulting in low charter rates & secondary market prices
- $0.5 million realised in six months to December 2012

16

Keybridge continues to assign no value to the remaining four vessels in the shipping portfolio due to current independent market values for these vessels being lower than the senior loans attached to these vessels. However, at 31 December 12, there remained a loan receivable of $0.08 million provided by the Company to facilitate a change in the operational arrangements on one of the vessels, which, since balance date, has been repaid in full.

The vessels are being employed and managed by our partner and co-investor Tufton Oceanic Limited of London, UK. The Company continues to maintain an active dialogue with Tufton, with the aim to seek to recover some future value, should markets improve. Any realisation of value is however dependent on the patience of the assets' respective senior lender to also ride out the very poor current market conditions.

In the six months to 31 December 2012, the Group received $0.5 million of repayments from one of its shipping transactions and recognised a nil profit on the equity-accounted investments.



Keybridge presently has a three person executive team (including the Managing Director), and a Board of three Non-executive Directors. Transaction management is handled by the Managing Director and one other part-time executive, with the other two staff assisting in day-to-day financial management, corporate governance and compliance for the Company.

The present Managing Director, Mark Worrall, will leave the Company on 22 February 2013 and Nicholas Bolton, presently a Director of, and consultant to, Keybridge, and who represents the Company's largest shareholder, Australian Style Group (20.5%), has been appointed as a full time Executive Director effective from 22 February 2013. Nicholas will report to the remaining three person Board, comprising independent Chairman, Peter Wood, Independent Non-executive Director, Bill Brown, and Non-executive Director, Robert Moran, Managing Director of Oceania Capital Partners Ltd, the Company's second largest shareholder (19.99%).

Outlook

- Completion of sale of aircraft and lending assets
- Priority is to repay Company's debt
- Once debt is repaid, the Board will consider its alternatives as to what may be in the best interests for the Company's shareholders, be it a continued wind-down and return of capital to shareholders, or to recommence investment activity via a sensible and robust new business plan

18

Now turning to the outlook for Keybridge.

As has been the case for the past three years, Keybridge is not able to make new investments. As required by the terms of our banking facility, our priority has been and remains the continuing orderly realisation of existing investments to repay our debt facility. The Group however, is for the first time, very close to achieving this goal and has managed, thanks to the support of its banks and asset managers, to deliver material reductions in this debt, whilst still retaining as much value for shareholders as possible.

Keybridge is presently cash flow positive and continues to improve its net debt to equity position. This improved financial position allows the Company to consider the possibility of taking the business in a new direction.

We now only have one debt obligation left, having met all interim milestones on or ahead of target. This is to meet our residual debt liability by 3 June 2013.

As the corporate debt now stands at USD24.95 million, we are confident that this milestone will be achieved on or before its due date through either the completion of the sale of the remaining significant aviation assets (for an expected USD30m) or the refinancing of the residual debt.

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19

Thank you for your time today. If you have any follow-up questions, please contact directly any of my colleagues whose details are above .