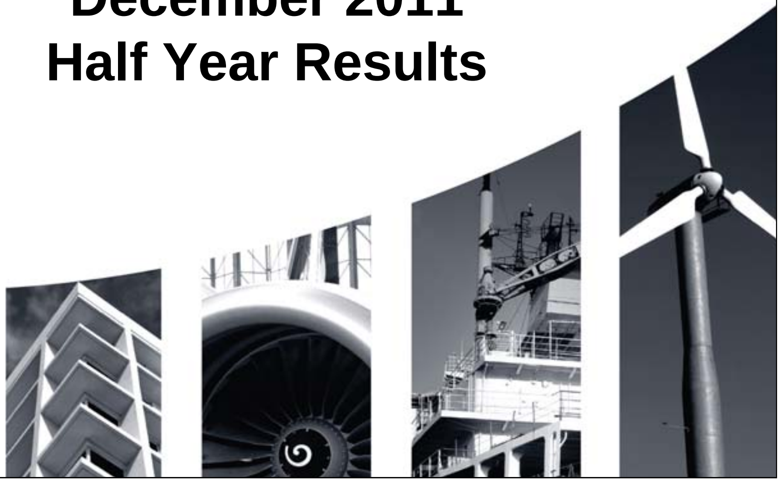
KEYBRIDGE®
CAPITAL LIMITED

December 2011
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 2011 . I will also look at the status of the Company's balance sheet, its portfolio of assets, and the outlook for the business.

The Company has come a long way over the past 2.5 years in its goal to retire its corporate debt so as to be given the opportunity to consider recommencing business investment, or continuing the asset realisation program and return capital to shareholders. We have achieved some very significant hurdles over these past 6 months, and while we still have a way to go, there is a brighter light at the end of what has been a very long tunnel.

I will now look at the results for the half year.

Summary

- Overall loss for the half-year of $4.1 million (after impairments of $6.5 million)
- Asset write-downs contained to shipping investments.
- Significant reduction in debt of $56.5 million made during half placing Keybridge in stronger financial position
- Net tangible assets $0.26 cents per share
- Objective remains to further reduce borrowings.
- Discussions proceeding with banking syndicate to extend debt maturity to June 2013

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Keybridge reported an overall loss after impairments of $4.1 million for the half-year to 31 December 2011. While a loss is obviously disappointing, this represents a material improvement from the prior corresponding period (loss of $20.6 million) and also the period to 30 June 2011 (loss of $34 million). Both prior periods were impacted by material negative FX movements (total of $28.5 million) as well as asset impairments ($19.9 million).

Keybridge delivered a cash operating profit of $2.0 million for the period, its first cash operating profit in since December 2009 on a like for like basis (i.e. only cash booked as income). This operating profit was however offset by a provision against one of the Company's remaining shipping investments. This provision reflects the continuing weakness in shipping markets which remain severely effected by a large supply/demand imbalance, causing charter rates and asset values to remain at historically low levels. Additionally, the specific investment against which this provision was made is under stress due to financial difficulties now being experienced by the underlying charterer, and the consequent present negotiations to early terminate the charter arrangement. I will explain this in further detail later in this presentation.

The Company achieved two significant investment repayments during the period resulting in a material reduction in debt outstanding. Keybridge's debt as at 31 December, now stands at $43.2 million (USD 43.9 million), a reduction of $56.5 million during the six month period to 31 December 2011 (repayments of $61.6 million offset with FX loss of $5.1 million). (The Company's debt has since been reduced by a further $2 million (USD1.9 million) since 31 December). This has placed the Company in a stronger financial position, and thereby enhances the prospects of bringing forward the timetable for a return of value to shareholders. The Company's remaining investments however, continue to be subject to relative market illiquidity and hence may be difficult to realise in the shorter term.

Shareholders' funds as at 31 December 2011 are $44.9 million and represent net tangible assets of approximately 26 cents per share. This is a reduction of 2 cents per share from 30 June 2011 due to the shipping impairment.

The key objective for Keybridge is to continue to deliver investment realisations so as to repay the Company's corporate debt in full, consistent with the Board's strategy introduced three years ago. As further debt reductions are achieved, as we firmly believe will be the case, or the Company is able to refinance its residual corporate debt on more 'normalised' terms, the Keybridge Board can begin to consider when distributions to shareholders may be able to resume and whether the Company should consider a re-commencement of investment activity, or the continuing orderly wind down of the business.

Profitability

	6 Mths To Dec 2011 $m	6 Mths To Dec 2010 $m
Income	5.3	4.0
Borrowing Costs	(1.5)	(6.7)
Operating Costs	(1.8)	(2.3)
Pre Tax Operating Profit	2.0	(5.0)
Foreign Exchange Gain	0.4	(13.0)
Net Impairments	(6.5)	(3.8)
Income Tax	-	1.2
NPAT	(4.1)	(20.6)

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Over the last three years, the majority of the Company's investments ceased paying cash income to Keybridge. This has been due principally to the effects of the global financial crisis, and specifically the relevant provisions of certain underlying asset loan terms, which have required all available asset cashflow from those particular transactions to be used to accelerate repayment of transaction-specific senior debt. This was caused primarily due to reductions in asset values, resulting in loan to value breaches at the specific asset level. Underlying lessee performance in general remains as expected, with rents being paid on most aircraft, ships, properties etc, but payments of interest (and principal) to subordinated lenders such as Keybridge was (and remains) in most cases not possible. However, all investment repayments scheduled to be made to Keybridge during the six months to 31 December 2011 were made, and all income recorded in the latest period was received as cash. The reason for the increase in cash income from the prior corresponding period was primarily from the realisation of one of the Company's material lending investments for an amount in excess of its carrying value. [Note: there remains a potential warranty claim of up to USD1.6 million against these proceeds. This warranty expires at 30 June 2012].

All investment realisations achieved in the past 6-12 months have been from assets that have not been delivering cash flow to Keybridge, so that corporate debt has been repaid from realised capital inflows. The remaining portfolio however continues to deliver the company's reoccurring cash income flow, which has been the case over the past 3 years.

The impact of foreign exchange movements during the six month period to 31 December 2011 was also far less pronounced than in prior periods. Keybridge continues to have a surplus (albeit much reduced than in the past) of foreign currency assets over foreign currency liabilities. This means that movements in the Australian dollar continue to impact the Company's financial results. The majority of the Company's investments are denominated in US Dollars, with the balance in AUD and EURO. Keybridge has sought to mitigate this exposure by denominating its borrowings in US Dollars, so that the Company has now hedged approximately 80% of its US Dollar assets. The Company has one remaining Euro-denominated asset which is unhedged. Through the course of the half year to December 2011, the Australian Dollar depreciated in value against the US Dollar and appreciated in value against the Euro (compared to 30 June 2011) resulting in an overall small unrealised foreign exchange gain.

Net new asset impairments in the latest half year were materially lower than the corresponding period last year. We had hoped that no further impairments would be required, however the impairment taken has been driven by the continuing difficult operating environment in shipping markets. An impairment of $6.5 million was taken against one of the Company's remaining shipping investments, given the continuing poor state of the shipping markets together with specific difficulties being experienced by the underlying charterer of the vessel concerned. I will provide more details on this later in this presentation.

Borrowing costs in the latest period were significantly lower than last year due to a lower level of average borrowings as a result of investment realisations. The average level of borrowings in the half year to December 2011 was $83 million, compared with $128 million in the corresponding period last year. The average cost of borrowings was 4% per annum in the latest half, versus just over 10.4% per annum last year. This decrease in the average cost of borrowings reflects the removal of an additional 1.75% per annum fee being charged by the Company's banks as a result of repayment milestones being exceeded, and the expiry of expensive interest rate swaps that were entered into at a time of high interest rates. These interest rate swaps matured during the half year to June 2011.

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 our investments portfolio, however these costs are not expected to continue at anything near these previous levels. Income tax expense for the period was nil. The Company has significant tax losses which should be available to offset future income for a considerable period provided the Company is able to regrow.

Balance Sheet

	Dec 2011 $m	Jun 2011 $m
Investments	84.5	145.1
Cash & Other Assets	4.3	5.4
Liabilities	(43.9)	(101.4)
SHF	44.9	49.4

December 2011 NTA : $0.26 per share

Currency	Assets	Liabilities	Net
US Dollars	54m	44m	10m
Australian Dollars	28m	1m	27m
Euros	6m	-	6m

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The Company's shareholders' funds were $44.9 million as at 31 December 2011. This represented net tangible assets (NTA) of 26 cents per share, a reduction from 28 cents per share at 30 June 2011 arising from the shipping impairment.

The reduction in NTA is represented by a reduction in shareholders' funds since June 2011 arising solely from the new provision against the Company's shipping investments. This was partially offset by an investment realisation from the Company's lending portfolio being achieved at above the carrying value for that particular investment.

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 Cashflow

Half Year To December 2011	$m
Operating Costs - current period	(1.8)
- prior period	(1.0)
Interest Payments	(1.5)
Total Cashflow Commitments	(4.3)
Interest Income	3.0
Income Component of Realisations	2.3
Total Cash Income	5.3

Average Cash Holdings	3.8

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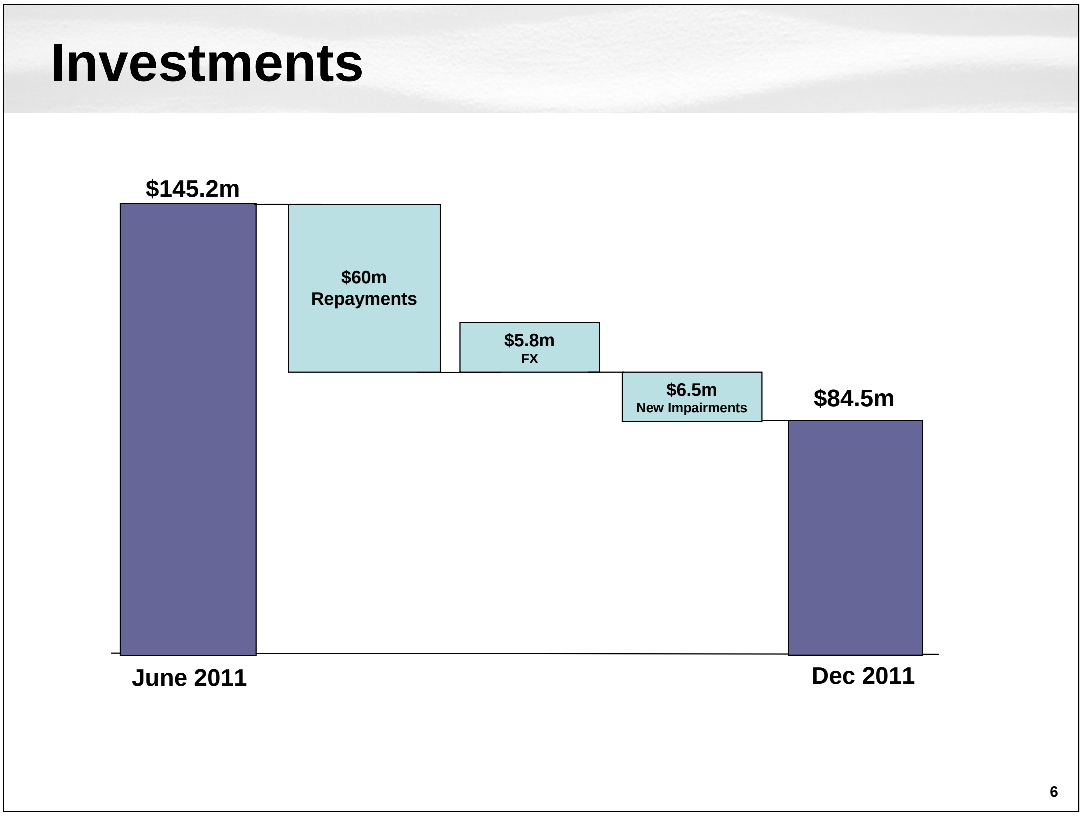
Liquidity management remains a high priority for the Company. As mentioned, most of Keybridge's investments are not currently paying cash income to the Company. In many cases, the underlying cashflow is continuing to be paid for the use of the relevant asset, but cash is being used within those transactions (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.

On a positive note, for the first time since our asset realisation strategy was implemented three years ago, over the past six month period, Keybridge was able to meet its fixed commitments of interest and operating expenses from operating cashflow, and projections for the next six month period indicate that this positive cashflow position will be retained.

The Company continues to operate under a cash sweep with its lenders, whereby all cashflow (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. During the six months to 31 December 2011, the Company's cashflow commitments totalled $4.3 million, being $1.8 million of operating costs from the current period, $1.0 million accrued from the prior period and $1.5 million of interest payments to Keybridge's banks. To meet these commitments, Keybridge received $3.0 million of interest and distribution income from its investments and a further $2.3 million of income from investment realisations, where the amount realised was in excess of the carrying value of that investment.

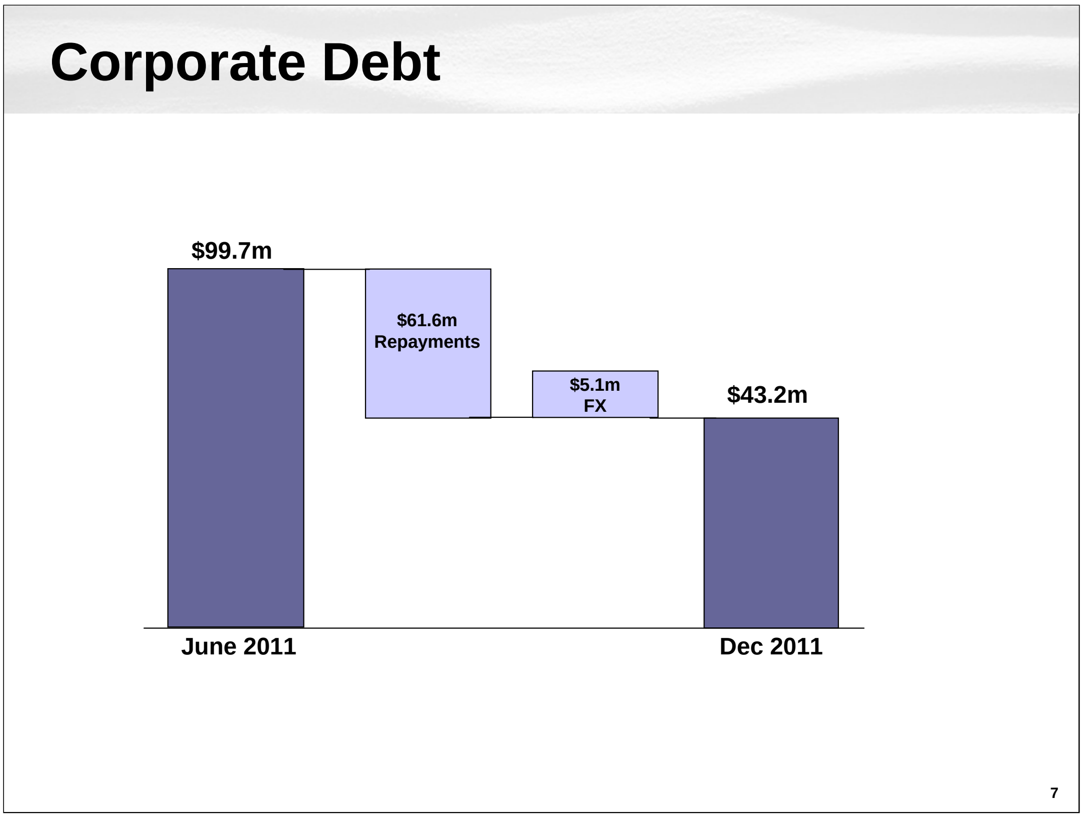
Looking forward, it is anticipated that over the next six months, the Company will continue to be able to meet its fixed opex and interest commitments from a combination of interest & fee income and, where required, from investment realisations and cash-on-hand.



Over the course of the last twelve months, the value of Keybridge's investments portfolio has reduced from $145.2 million to $84.5 million. This was as a result of:

- Investment repayments of $60 million;
- Net foreign exchange positive movements of $5.8 million; and
- New impairments of $6.5 million.

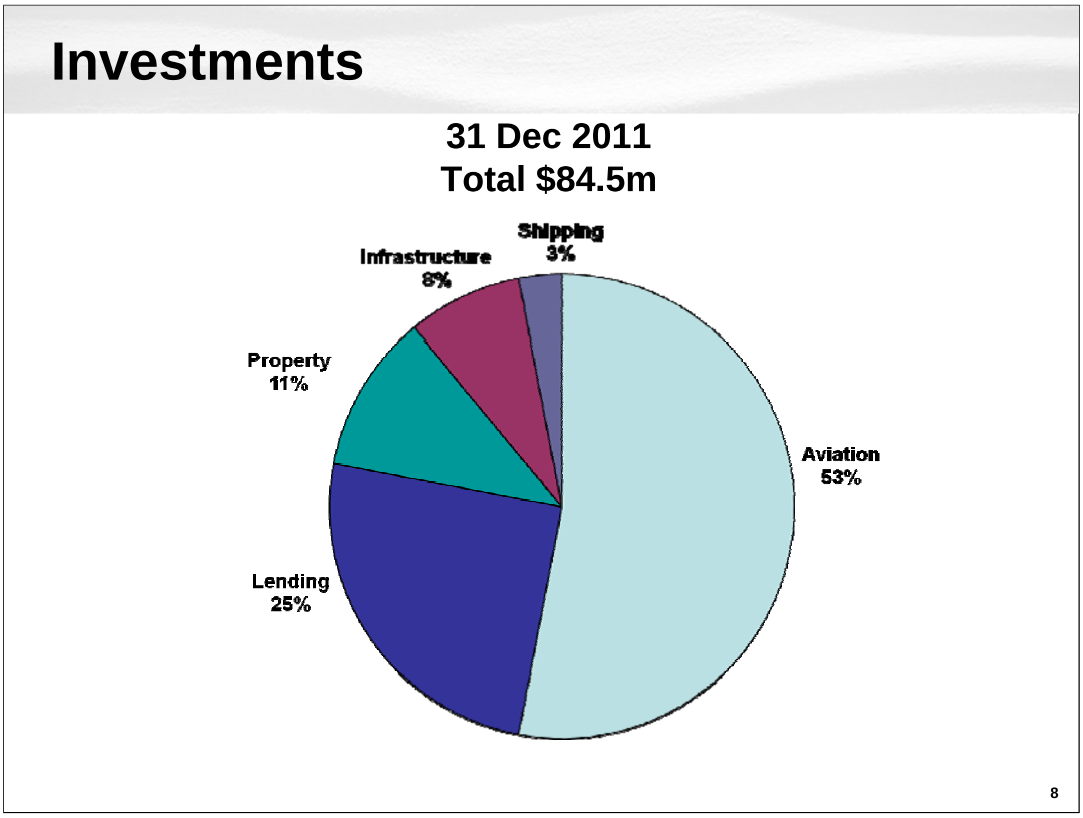
The majority of the Company's investments are denominated in US Dollars. Keybridge has one remaining investment denominated in Euro. Over the past six months, the Australian Dollar depreciated against the US Dollar but appreciated against the Euro, leading to net increase in value (in Australian Dollar terms) of Keybridge's investments. As can be seen over the page, approximately 80% of this foreign exchange movement on assets was offset by changes in the value 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 2011, Keybridge had reduced its outstanding corporate borrowings to $43.2 million. Over the course of the past six months, borrowings reduced by a net $56.5 million. Of this, $61.6 million was due to debt repayments which was offset by $5.1 million as a result of foreign exchange movements.

During the past six month period, the Company satisfied in full all interim debt repayment obligations, including satisfaction of a minimum repayment threshold, which triggered a reduction in the effective borrowing margin under the debt facility from 5.25% per annum to 3.75% per annum. The lending facility continues to require the Company to sweep all spare cash to the banks. As previously mentioned, this prevents the making of new investments and the payment of dividends to shareholders.

The Company has commenced constructive discussions with its lenders to extend the term of its existing facility from 2 June 2012.



At 31 December 2011, the total book value of the Company's investment portfolio was $84.5 million. The largest asset class was aviation, representing 53% of investments.

Lending transactions represented 25% of the portfolio, property 11%, infrastructure 8% and shipping 3%.

I will now go through those relevant investments in detail.

Investments

Aviation

- Total book value $44.6 million
- One material investment remaining; mezzanine loan secured by 3 passenger jet aircraft
- Aviation market still recovering
- $47.3 million of repayments in six months to December 2011

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The Group's aviation portfolio predominantly involves a cross collateralised mezzanine loan to four Airbus A330-300 passenger jet aircraft, built between 1993 and 1996 and managed by Republic Financial Corporation of Denver, Colorado. All four aircraft are leased to major European airlines, with 3 aircraft leased to one airline to December 2018, and the fourth leased to another to November 2012. All aircraft and lease transactions have to date performed as expected and contracted.

Aviation markets have however remained flat in the past six months, with aircraft valuations either declining or showing little improvement, especially in older aircraft assets. Our 4 aircraft are however a popular asset, which continues to be in demand from airlines globally. Airbus continues to build the A330, with orders in hand for deliveries through to 2017. The aviation industry however continues to be impacted by reduced airline profitability, lower secondary market prices of aircraft (mainly due to opportunistic buyers pushing down prices) and a restricted availability of senior bank debt. Selective realisations do however occur with patience and persistence, as evidenced by the fact that in the past six months, Keybridge received USD45.1 million from its largest aviation asset in October 2011. This repayment arose as a result of the sale of the underlying aviation leasing business into which Keybridge had provided a preferred loan. A further $1.8m was derived from the Republic portfolio via a sell down to Republic of a portion of Keybridge's mezzanine loan to that portfolio. This was done as part of a restructure of those loan arrangements in October 2010, so as to better align Republic to a long term successful outcome across the portfolio.

Keybridge receives monthly distributions of principal and interest from these remaining aviation transactions; however the portfolio is under constant review so as to seek an early realisation at acceptable values.

Keybridge also holds some 5.8 million shares in a small listed general aviation company, PTB Group Limited. This represents a material minority shareholding in PTB Group, and we remain in regular communication with the company so as to monitor its own recovery progress and future business strategy.

Investments

Lending

- Total book value $20.7 million
- Two material investments remaining
- Material repayment received during past six month period
- $15.2 million of repayments in six months to December 2011

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Keybridge's investments today consist of two remaining material transactions. Over the past six months, Keybridge received $15.2 million from another of its lending transactions.

The first of the remaining investments is a subordinated loan to an Australian motor vehicle leasing business based in Queensland. This transaction has performed as expected since inception and now repays principal and interest to Keybridge each month in accordance with its terms. We currently anticipate that this investment should be repaid from cashflow from the borrower over time, although there is a possibility that the borrower may refinance this loan within the next twelve months.

The second of the transactions is a preferred equity investment backed by substantial equity interests in five unlisted US manufacturing companies. This investment is managed by our transaction partner, Republic Financial Corporation, which owns the ordinary equity in the portfolio. While the fund does not presently distribute any income to Keybridge, it has done so in the past and the performance of the underlying businesses in which the fund has invested has materially improved over the past 6-months. These businesses are subject to the state of the underlying US domestic economy and are generally performing at levels at or below what was originally forecast, so recovery of Keybridge's investment has been delayed as a result. The portfolio is regularly reviewed by both the manager and Keybridge with the aim to seek to realise on one or more of the underlying assets at the earliest opportunity so as to enable distribution of income and capital to recommence as soon as practical.

Investments

Property

- Total book value $9.6 million
- Two material investments remaining
- Each transaction progressing but will be at least 18 months to two years before Keybridge receives cashflow
- No realisations in six months to December 2011

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Keybridge has two material property investments remaining for which it retains a carrying value. One is a subordinated loan backed by a multi staged residential development project in Zetland in Sydney. This development is progressively meeting its required staged milestones, however the later stages have been delayed from their original timing expectations for a variety of reasons. Thus, it is likely to take at least a further 18 months or so for Keybridge to be repaid once the underlying developments are completed and sold. Each stage requires substantial pre sale commitments so that the developer is able to secure senior development finance for that stage and to date, all 3 stages have achieved or bettered their expected sale outcomes once the relevant stage has been completed. Keybridge has no reason to believe therefore that the remaining two stages that are required to be completed so that Keybridge will be repaid, will not be financed and developed as expected.

The other property investment is a subordinated mezzanine loan secured by a pool of Australian commercial mortgages. The pool is gradually being reduced via the refinancing (or payout through sale) of the underlying loans, with the senior lender in that pool being repaid first. All the commercial loans in the pool are first ranking over Australian properties. Baring any sale of Keybridge's position in the portfolio, it is however likely to take a further 2 to 3 years for Keybridge to be repaid, as all underlying income and capital realisations are swept first to the senior lender. Once this party is repaid in full, Keybridge will then start collecting ongoing income and realisations from the residual portfolio.

Keybridge did not receive any repayments from its investments in this sector over the 6-months to 31 December 2011.

Investments

Infrastructure

- Total book value $7 million
- Equity investment in solar facility in Spain
- Affected by retrospective change in legislation
- Majority of faulty panels now replaced, plant should now operate closer to full capacity, compensation for underperformance being sought

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The Company has one remaining infrastructure transaction, being an equity and loan investment in a 1 MW solar electricity facility in Spain. This investment has no senior debt at the asset level.

The decision by the Spanish Government in December 2010 to alter legislation to reduce the income able to be earned by all solar facilities in Spain has caused secondary market prices for infrastructure investments to fall, primarily through a reduction in income earned but also due to investor confidence surrounding the asset class and the political risk of future law changes, given Spain's difficult economic state. Keybridge's carrying value has taken these factors into account.

We have also advised previously that there have been some production issues at this plant as a result of sub-standard solar panels having been installed during the construction process in late 2008. The head contractor and manager of the plant, being a large global engineering and construction company, is progressively replacing the faulty panels, with all work expected to be completed within the next few months. The plant however now is achieving its required performance targets due to additional work done to improve performance by the contractor, but income has been limited through to 2013 due to the legislative changes in December 2010.

This transaction generates monthly cash income for Keybridge. Once rectification of the sub standard PV panels is complete, Keybridge will seek to sell this asset for the best possible outcome by way of a limited tender.

Investments

Shipping

- Total book value $2.6 million
- Two material investments remaining; equity investments in cargo carrying vessels
- Market still deeply impacted by vessel oversupply and low demand resulting in low charter rates & secondary market prices; impairments of $6.5 million during half
- $0.7m realised in six months to December 2011

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The book value of the Company's shipping transactions has been reduced following the material provisioning one of the Company's remaining shipping investments.

The demand for vessels in certain sectors, particularly tankers, is failing to keep pace with the number of new ships being built. Most shipping markets have seen a steady decline of charter rates and asset values during the course of 2011. The cashflow situation for many ship owners has started to become severely stressed, and the number of foreclosures by banks and bankruptcy filings by shipping companies has started to increase materially over the past few months.

While Keybridge has investments in six vessels, all of which requires active management, only one material shipping transaction now remains on the balance sheet. This remaining asset is a minority equity investment in and loan to associates that own three 9,000 DWT ships chartered to a successful, private Singaporean shipping company for a remaining term of 15 months. The ships are employed in the chemical/palm oil and petroleum products sectors, and the Charter is performing according to its terms. Keybridge received a repayment of approximately $0.7 million during the six months to 31 December 2011 from this investment.

Another charterer in an underlying shipping investment, which Keybridge has provisioned in this period, has recently requested to terminate its bareboat charter obligations 20 months prior to maturity of the underlying 5-year charter term due to the distressed state of the markets resulting in this party suffering significant losses. Keybridge is currently working with its investment partner, Tufton Oceanic Limited, to reach an acceptable early termination outcome with the charterer, and then to source new employment for the vessel in the short term to maximise its ongoing long term value. While at this date, no acceptable early termination agreement has been finalised, the Company has reduced its carrying value for this investment to zero, in light of the continuing worsening shipping market and the likely losses to be incurred arising from exposing the vessel (and hence its investors) to a depressed trading market consequent on any agreement to early terminate the present charter arrangement.

Keybridge also retains a subordinated loan to a further two large 103,000 DWT oil, bulk, ore carriers (knows as OBO's). This loan has been previously provisioned in full, as both vessels have now been returned from charter and are trading in the open voyage charter market under provisional consent from both Keybridge and the assets' senior lender. This arrangement is monitored weekly, and provided the vessels continue to obtain employment which covers their operating costs and the senior lenders interest, with some repayment of principal, Keybridge is endeavouring to retain option value in the future possible recovery from these vessels. Any such recovery will not possible however until the senior lender has been repaid in full.

Management & Board

- Four personnel in management team
- Board consists of three non-executives directors & one executive director
- Cost containment remains a key focus

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Following the resignation of Mark Phillips in November 2011, Keybridge now has a four person executive team (including the Managing Director), and a Board of a further three non-executive directors. Transaction management is handled by the Managing Director and one other executive, with the other two staff assisting in day-to-day financial management, corporate governance and compliance for the Company.

Our current priority is to continue the program of reducing the Company's corporate debt via orderly realisations of the Company's assets. We are also highly focused on managing operating costs. The recent reduction in head count, together with material reduction in the Company's debt position, will contribute to substantial cost savings for the following periods. One element of costs which has increased over the past couple of years are legal costs, which have been necessarily incurred in managing and pursuing recovery of a small number of our significant investments. Some of the more material investment realisations that have necessitated this expenditure have now been achieved and, as such, Keybridge expects its ongoing legal costs to reduce materially.

Outlook

- Not making new investments
- Priority is to further reduce Company's debt and finalise extension of the current debt facility
- The Company will continue to identify appropriate growth strategies however further material debt reduction required before such a strategy could be implemented

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Now turning to the outlook for Keybridge.

Until the sweep mechanism is removed from the debt facility, we are not able to make new investments or pay any distributions to shareholders. Our priority is to achieve realisations of existing investments to repay our debt facility as quickly as possible. It is only then that the Keybridge Board can begin to consider when distributions to shareholders may be able to resume and whether the Group should commence investing again.

Improvements initially seen in key markets in which the Company operates have been clouded somewhat by the delicate situation in European financial markets. Overall, secondary markets for the assets remaining in our portfolio continue to be characterised by relatively low levels of liquidity and lending. Thus, realising Keybridge's outstanding investments in the shorter term at acceptable prices remains challenging. Our expectation is that realisation of remaining investments will occur over a period of approximately two to three years, however all efforts will continue to be made to accelerate this process.

A key objective for the Company in the current half year will be extending the term of its corporate debt. It is imperative that Keybridge achieves ongoing terms from its lenders that enable it to continue realising assets in the ordinary course. The Company is in constructive discussions with its banks to achieve this.

In due course, our objective is to position Keybridge to rebuild a long-term viable and valuable business or to permit a return of capital to shareholders. Whilst we are focused, for now, on debt repayment, we continue to look for ways in which the Company may recommence its investing activities. Implementation of any such strategy will only be possible after further progress has been made with regards to repayment, or the refinancing of present outstanding debt.

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Thank you for your time today. If you have any follow-up questions, please contact me directly.