

**- ASX Release -**

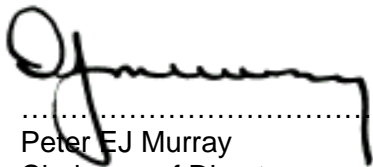
**Market Update - Portfolio Values continue to rise**

Directors advise that the value of **London City's investment portfolio** has continued to rise since 31 December. The portfolio has benefited markedly from its 7% shareholding in Fiducian Group Limited, a successful financial services operator that has experienced positive appreciation since the handing down of the Royal Commission's final report. London City's Board acknowledges Fiducian's ongoing increases in profits and dividends.

Directors presently estimate that the **unaudited net assets** of London City are in the order of \$10.1 million or 44 Cents per share. As shareholders know, the portfolio's appreciation carries no tax impost because of past tax losses. A complete uplift in net asset values has been restrained by the Board's policy to write-off immediately all legal costs relating to the Ernst & Young litigation (see below).

The **legal action** taken in the Supreme Court of NSW by London City and related parties against Ernst & Young continues. Ernst & Young were the former auditors of South Australian Company Penrice Soda Holdings Limited which went into liquidation in July 2014. We are awaiting judgement on the recent hearing from Justice E Fullerton on the acceptability of the extensive Statement of Claim submitted against Ernst & Young. There is insufficient information at this juncture to estimate future benefits that might arise or costs that might be incurred with this action.

For and on behalf of the Board



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Peter EJ Murray  
Chairman of Directors

11 April 2019

