

Keybridge Capital Limited
2014 Annual General Meeting
3.00 pm Friday, 28th November 2014
The Sebel Manly Beach Conference Centre
8-13 South Steyne, Manly 2095

Welcome

Welcome to the Keybridge Capital Limited 2014 Annual General Meeting. As it has turned 3.00 PM, and I am reliably informed a quorum is present, I declare the meeting open.

Introductions

I am Andrew Moffat, Chairman of your Company and will chair today's meeting.

With me today are fellow director's Nicholas Bolton, Bill Brown, Craig Coleman and Antony Sormann. I note that you will find details of your director's background and experience contained within the Annual Report.

I would also like to introduce Madeleine Mattera, who is representing our Auditors - KPMG. Unfortunately our Company Secretary, Adrian Martin is unable to join us today.

Format of the Meeting

Before moving on to the formal part of the meeting, I would first like to briefly outline the manner in which I propose to deal with the business of the day as set out in the agenda, including a number of procedural matters.

Following my brief address, I will invite our Managing Director, Nicholas Bolton, to provide an overview to last year's results as well as comment on the key challenges in the current financial year.

I will then open the floor to any questions on the presentation before finally moving to the formal part of meeting.

Chairman's Address

2014 has been a year of transition for Keybridge. The year started with Management continuing their work in maximising realisations on legacy assets. To this end the management team was able, over the course of the year, to recover \$14.9 million worth of realisations from very difficult investments.

In late November 2013, our then largest shareholder, Oceanic Capital Partners, launched a takeover bid which was successfully defended by Keybridge. Following the resolution of the takeover bid and Oceanic Capital Partners divestment of their Keybridge shareholding, Robert Moran and Peter Wood resigned from the Keybridge Board. I thank both Robert and Peter for their effort during their respective terms as directors. Also during the year, Craig Coleman, Antony Sormann and I were appointed to the Keybridge Board. Nicholas Bolton was appointed our Managing Director, and Antony Sormann was appointed Executive Director. This new board possesses an appropriate blend of skills and experience as Keybridge continues the legacy asset realisation work, whilst looking towards a new phase of considering reinvestment opportunities into higher risk adjusted return investments.

In 2014, Keybridge reported a net loss after asset impairments of \$2.9 million. At year-end, the Group had shareholders' funds of \$37.0 million, equating to approximately 23.0 cents per share. During the course of the year Keybridge repurchased 15.8 million shares (or 9% of issued share capital) through an active share buyback. The Company has not declared a dividend payable for the past year.

The major drivers of the reported results are:

- \$1.4 million of costs, largely in third party professional costs, of recovery actions necessary in obtaining the \$14.9 million of asset realisations during the course of the year.
- \$0.6 million of costs associated with the defence of the Oceanic Capital Partners takeover.
- \$4.0 million decline in investment income as legacy assets were converted into cash.
- \$2.0 million of non cash impairment provisions and unrealised share losses.

In essence these results reflect the transitional nature of Keybridge's operations, as it continues the process of transitioning from its troubled portfolio of legacy investments and prior to it commencing a new investment phase as it recycles the recovered investment capital.

With the combination of a capable management team and Board, the unique attributes of being an ASX listed vehicle with significant available tax losses, franking credit reserves and cash on hand, I believe we are in a wonderful position to create value for our shareholders going forward.

On behalf of the Board and management, I thank you for your support over the past year.

I now request Nicholas Bolton to provide his Managing Director's address.

Andrew Moffat
28 November 2014