

10 November 2014

Market Update and Net Tangible Assets
as at 31 October 2014

Repayment of investment in Lending Portfolio

On 31 October 2014, Keybridge Capital received a repayment of approximately \$1.48 million from the proceeds of the sale of the AMX business, previously managed under Administration. The AMX business was acquired by Keybridge as part of the acquisition of PR Finance Group (PRFG) in June 2013 and placed into Administration in October 2013. The payment recovers in full the carrying value of the PRFG loan net of provisions.

An additional loan to the purchasers valued at approximately \$1.45 million remains outstanding and is currently in default. Keybridge has not yet ascribed any additional value to this asset, and will consider the appropriate carrying value at our Half Year asset review.

Keybridge continues to pursue further recovery against the former directors of PRFG.

Operating Costs

The Company continues to work towards a lower and more sustainable operating cost base within the Keybridge business. Over the past few months we have successfully:

- Reduced our office and related expenses by relocating of our head office to a shared environment with an investee company in both Sydney and Melbourne.
- Reduced our future audit and tax expenses with the Company's auditor.
- Determined not to award discretionary bonuses to Executives in the 2014 financial year, despite a considerable number of successes for the Company, as the Company reported a headline loss.
- Replaced a history of discretionary Executive bonuses by introducing a long term incentive scheme for Executives and Directors (subject to shareholder approval), that directly aligns success with sustained share price performance.
- Reached an agreement with Executives and Directors to reduce salaries and fee-related costs to the Company by approximately \$150,000 per annum, subject to shareholder approval of long term incentive scheme.

Monthly Net Tangible Assets Per Share – October 2014

Date	Unaudited NTA per share after tax*
31 October 2014	23.1 cents
30 September 2014	23.2 cents

* Based on 158,693,510 shares on issue.

As at 31 October 2014, the value of the Company's investments by asset class was as follows:

	October 2014		September 2014	
	\$ million	% of total	\$ million	% of total
Net Cash [#]	12.4	34%	10.9	30%
Infrastructure	6.4	18%	6.8	18%
Private Equity	5.7	16%	5.8	16%
Listed Equity	5.5	15%	5.5	15%
Foundation Life	3.4	9%	3.4	9%
Property	2.8	8%	2.8	8%
Lending	0.2	0%	1.6	4%
	36.5	100%	36.8	100%

[#] Net of short-term creditor payment obligations.

Currency Exposure

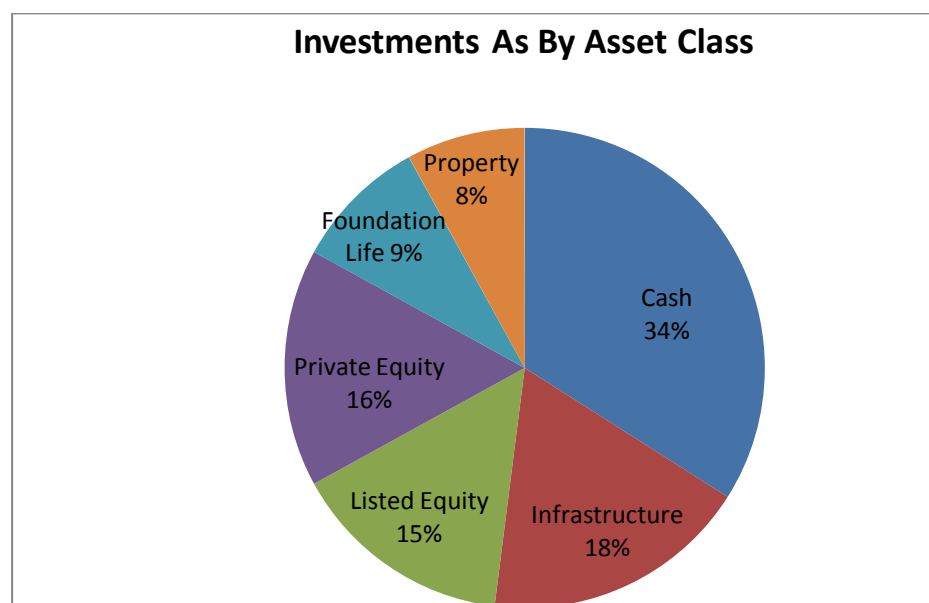
The approximate breakdown of the Company's foreign currency assets and liabilities is as follows:

	Assets	Liabilities	Net
US Dollars	5.1m	-	5.1m
Euros*	12.2m	-	12.2m
NZ Dollar	3.8m	-	3.8m

*Includes cash Euro7.5m

The 31 October 2014 month-end foreign exchange rates used were: AUD1.00 = USD0.88090, EUR0.70100 and NZD1.12559.

This net foreign currency asset position means that the Company incurs translation losses when the Australian Dollar appreciates in value against the US Dollar, Euro and NZ Dollar.



Keybridge Capital is a financial services company that has invested in, or lent to, transactions which predominantly are in the core asset classes of infrastructure, listed equity, private equity, lending and property.

For further information, please contact:

Adrian Martin
 Chief Financial Officer
 Tel: +61 2 8622 6692
 Email: amartin@keybridge.com.au
www.keybridge.com.au