

TAU CAPITAL PLC

INSTITUTIONAL ROADSHOW

MAY 2009

PHILIP LAMBERT, CHAIRMAN

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Tau Capital plc

Aim of Fund

- Long fund to invest in Central Asia
- Target
 - 50% Kazakhstan
 - 50% surrounding countries
- Asset Allocation
 - 50% public equities
 - 50% private equities
- Ability to use leverage and derivatives

Performance Since Inception

	USD/£	NAV (\$)	NAV (£)	KASE	FTSE 100	MSCI World index (\$)
9 May 2007	1.9913	\$0.96	£0.48	2712.82**	6549.60	1602.48
31 May 2007	1.9773	\$0.95	£0.48	2646.91	6621.40	1616.87
31 March 2008	1.9885	\$0.98	£0.49	2567.10	5702.10	1437.40
31 March 2009	1.4339	\$0.54	£0.38	683.64	3926.14	805.14
Return since inception	-	-43.8%	-20.8%	-74.8%	-40.1%	-49.8%

*Admission date: 9 May 2007 at \$1.00 (\$0.96 after launch costs)

** 10 May 2007

Source: Numis

2008/2009 Bubble Bursting

	2 January 2008	31 March 2009	% Change
Oil \$	\$91.78	\$50.56	-45%
Copper \$	\$306	\$185.40	-39%
Almaty Property sq.m	2650	1261 (F)*	-52%
KZT/\$	120.68**	150.89	-20%

* Visor Capital forecasts

** 1 January 2008

Source: Numis

Strategy – March 2008

- Cautious on banks
- Private equity still expensive
- Reduce public equity
- Insurance through put options

Banking Sector

Share prices	31 March 2008	31 March 2009	% Change
Halyk Bank	£8.31	£1.41	-83%
KKB	£8.31	£2.11	-75%
Alliance Bank	KZT 21000*	KZT 1100	-95%
BTA	KZT 72500	KZT 3151**	-96%

* 3 April 2008

** 2 April 2009

Source: Numis

Policy Change – December 2008

- Marchenko of Halyk Bank reappointed Governor of National Bank
- Implies devaluation
- Banks will be let go
- *“The Government should not maintain KZT 120/\$”*
- *“The Government should not support the weaker banks”*
 - Public responses to Richard Horlick’s questions at Credit Suisse conference in Spring 2008

Current Strategy

Asset Allocation

Public equity	30%
Private equity	30%
Gross cash	40%
Long Gold futures	25%
Net cash	15%

2009 Themes

- Continue to avoid banks
- Cautious on strength of rally
- Private equity focus on convertible shareholder bonds / loans

Context of Private Equity Investments in Kazakhstan

- No equity culture, majority of companies historically debt financed until credit crunch / financial crisis
- Post credit crunch, limited lending accessible to SMEs
- Little understanding of private equity concept
- Inexperienced management teams

But... opportunities emerging

Private Equity Investment – Digital TV (“DTV”)

- Business
 - Cable TV operator in 7 cities
 - Triple play capability in Almaty
- Structure of investment
 - \$18.5m as shareholder loans
 - Equity participation up to regulatory limit
 - Entitlement to ‘economic interest’ above limit
- Alem Communications
 - Joint venture in cable, WiMax and telecommunications
 - Partner Midas Telecom, private Kazakh telecom enterprise
- Exit strategy
 - Injection of DTV into Alem Communications
 - Blocking stake retained until \$120m capitalisation reached

Private Equity Investment – Teniz Service LLP

- Business
 - Infrastructure company to support Caspian oil production and exploration
 - 49% owned by KMG; 51% by Waterford International

- Structure of investment
 - \$19.5m mezzanine loan
 - 3 year term
 - Coupon 18% p.a

- Exit strategy
 - Coupon convertible into equity of Waterford
 - Maximum upside of 5.13% ownership of Teniz and repayment of principal in full, or
 - Cash coupon paid in full

Conclusion

- Remain positive on long-term outlook
- Oil above \$40 is critical
- Short-term caution on economy and market
- Seeking opportunities in private equity

Biographies

Philip Lambert - Chairman and Independent Non-Executive Director

Throughout his career Philip has been extensively involved in the European pension industry in Europe. He was a member of the Pension Managers Advisory Committee to the Board of Directors of the New York Stock Exchange. Philip was a member of the Investment Committee of the National Association of Pension Funds in the UK. He was a member of the Advisory Committee to the ABN AMRO Investment Funds and is now a member of the Investment Committee of the ABN AMRO Pension Fund. In the past Philip Lambert has taken on several external appointments. He was chairman of the Dutch National Association of Company Pension Funds (OPF) and chairman of the Dutch Real Estate Board (ROZ). During the period 1991 to 1994 he was chairman of the European Federation for Retirement Provision (EFRP). Philip started his career with Unilever in 1975. In 1983 he was appointed Managing Director of the Dutch Unilever Pension Fund. In 1993 he was appointed Pension Officer and Head of Corporate Pensions Division of Unilever with responsibility for pension schemes and pension fund investments worldwide. Philip took a civil law degree at Leiden University in 1970.

Richard Horlick - Non-Executive Director

Richard was a founding partner of Spencer House Capital Management in 2006. Prior to this, he was a main board director of Schroders plc where he was head of investments and a member of the General Management Committee. From 1994 to 2002, Richard held a number of positions at Fidelity. He was President and CEO of Fidelity Management Trust Co, the institutional investment arm of Fidelity in the US and also the Trust Bank for the Fidelity Mutual funds. Richard was previously responsible for the investment and development of Fidelity's institutional business outside the US, and was a member of the operating committee of Fidelity International. Between 1984 and 1994, he was a Director and Portfolio Manager at Newton Investment Management. Prior to this, he was a corporate finance executive specialising in M&A at Samuel Montagu & Co. Richard graduated from Cambridge University with a Masters degree in Modern History.

Darius Daubaras – Fund Manager responsible for managing private equity and special situations for the Fund

Darius joined Spencer House Capital Management in June 2008 and is responsible for identifying and executing private equity opportunities for Tau Capital plc. He began his investment banking career at Citigroup (previously Salomon Brothers) in 1997 where he focused on telecommunications, media and technology sectors and worked in New York, Hong Kong and London, advising clients on a variety of M&A and other corporate finance transactions in the US, Europe and Asia. Following his MBA studies in 2003, Darius joined Merrill Lynch in London and in 2004 he moved to Credit Suisse's Media & Telecom investment banking team, where he advised clients on a number of M&A, private equity, debt and equity financing transactions across Europe and Emerging Markets. Prior to joining SHCM, Darius was a Vice President in the Equity Capital Markets group, where he advised Russian, CIS and emerging markets clients on IPOs and private placement transactions. Darius holds a BSBA with Summa Cum Laude Honours (major in Finance) from the University of Denver and obtained his MBA degree (major in Finance) from The Wharton School at the University of Pennsylvania in 2003. Darius is fluent in English, Russian and Lithuanian.

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