

A light blue silhouette of a world map is centered in the background of the slide, showing the outlines of continents and major islands.

Aureos Capital

Building Mid-Market Businesses

Fund Manager's Perspective

- **Introduction to Aureos**

- Aureos In Africa - Unique Positioning
 - West Africa/Nigeria Experience
- 
- A light blue silhouette of a world map is positioned in the background of the slide, centered behind the text. The map shows the outlines of all major continents.

Introducing Aureos

A Unique Global Platform for Private Equity



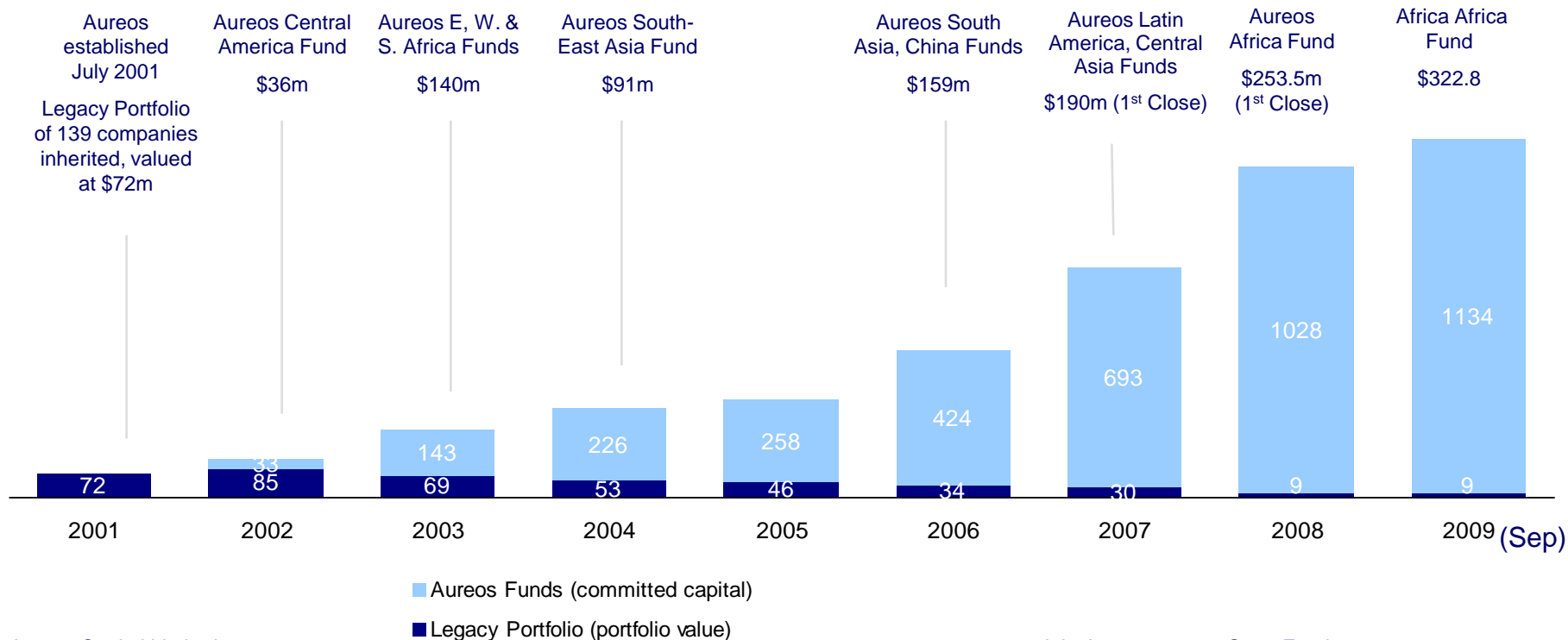
- **Aureos** was established in July 2001 as a JV between CDC Group Plc (“**CDC**”) and the Norwegian Investment Fund for Developing Countries (“**Norfund**”).
- Aureos focuses on investments in **small to mid-cap** enterprises in emerging markets, transforming them into significant & enduring regional businesses.
- Increased funds under management to over **US\$1.2billion** since inception.
- An impressive network of **28** offices with over **95** investment professionals in **Africa, Asia** and **Latin America**. Network of offices enables development of long-term relationships with local business communities as well as acquires strong local market intelligence.
- **20-year** track record (including management of Legacy Portfolio) with over **270** investments in **50+** countries, Aureos has built a distinctive approach to helping businesses overcome emerging markets challenges.
- In 2008, there was a Management Buyout (**MBO**) of Aureos Capital from CDC and Norfund.

Introducing Aureos (Cont'd)

History



Timeline: Funds Under Management* 2001 to 2009



Aureos Capital Limited (ACL) formed as 50:50 joint venture between CDC Group plc and Norfund.

Jul - Aureos employees acquire 26.5% of ACL from CDC and Norfund. FMO invests \$2m in preference shares, and in principle commits \$100m to Aureos funds.

Sep - Employees exercise option to hold 49% of ACL.. MBO - to acquire balance 51% of ACL completed in December.

*Fund sizes show final close amounts unless otherwise indicated, therefore some differences occur between annual increases in FUM and fund sizes; Closings of specialist Aureos Funds (EMERGE, Kula II, Brunei, Malaysia and South Asia I) are not shown, but their committed capital is included in FUM. Also includes conditional commitments.

Introducing Aureos (Cont'd)

Unique Global Platform for Private Equity



- Introduction to Aureos

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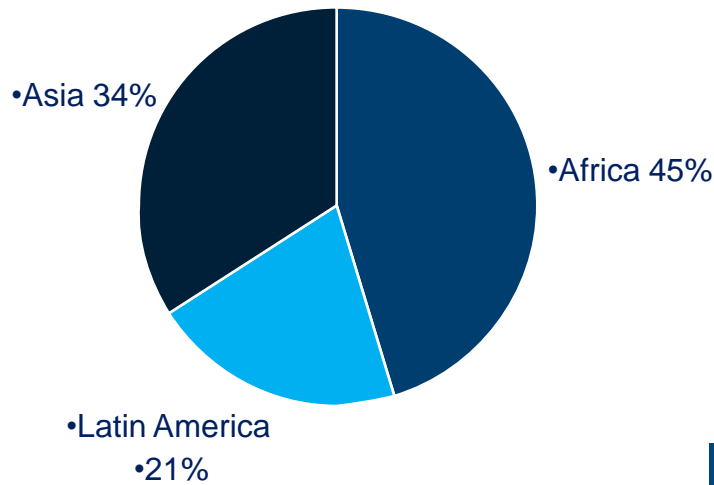
- **Aureos In Africa - Unique Positioning**

- West Africa/Nigeria Experience

Aureos in Africa

Building the Next Generation of African Businesses

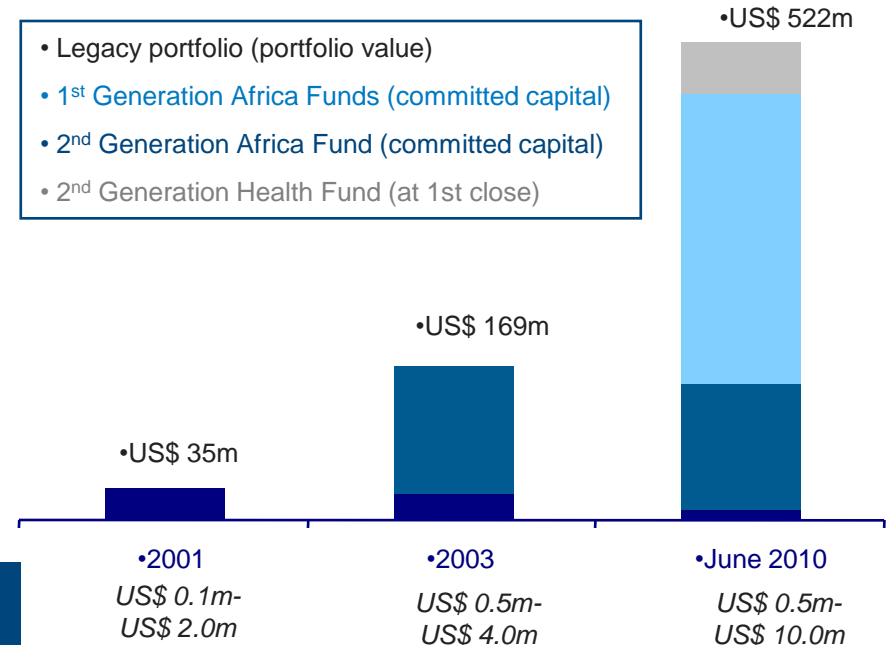
•Aureos Funds Under Management (“FUM”)



Transaction
size

•Timeline - Funds Under Management in Africa

- Legacy portfolio (portfolio value)
- 1st Generation Africa Funds (committed capital)
- 2nd Generation Africa Fund (committed capital)
- 2nd Generation Health Fund (at 1st close)



- 45% of FUM underlines our strong commitment to Africa
 - Africa is a core component of the group’s strategy in emerging markets
- Growth in investment size over time
 - Execution of our strategy to build regional medium sized businesses

Africa Experience

Investments across the continent...



- *Fostering sustainable growth through the development of professionally managed small and medium-sized businesses*

Aureos' Investment Strategy

Focused Approach



Unique Focus

- Global emerging markets focus with over US\$ 1bn FUM.
- Niche investor in small to mid-size companies.

Unrivalled Infrastructure

- Coverage of over 50 emerging markets, over 100 investment executives worldwide.
- Local professionals, local networks, local access.

Proven Investment Strategy

- Building regional businesses, focusing on growth, buyouts, consolidations.
- Generating yield throughout investment cycles.
- Capital preservation through deal structuring.

Sustainable Investing

- Providing capital & experience to the “Missing Middle”.
- Value creation through improved corporate governance.
- Introducing environmental and social best practices.

Aureos Investment Strategy (Cont'd)

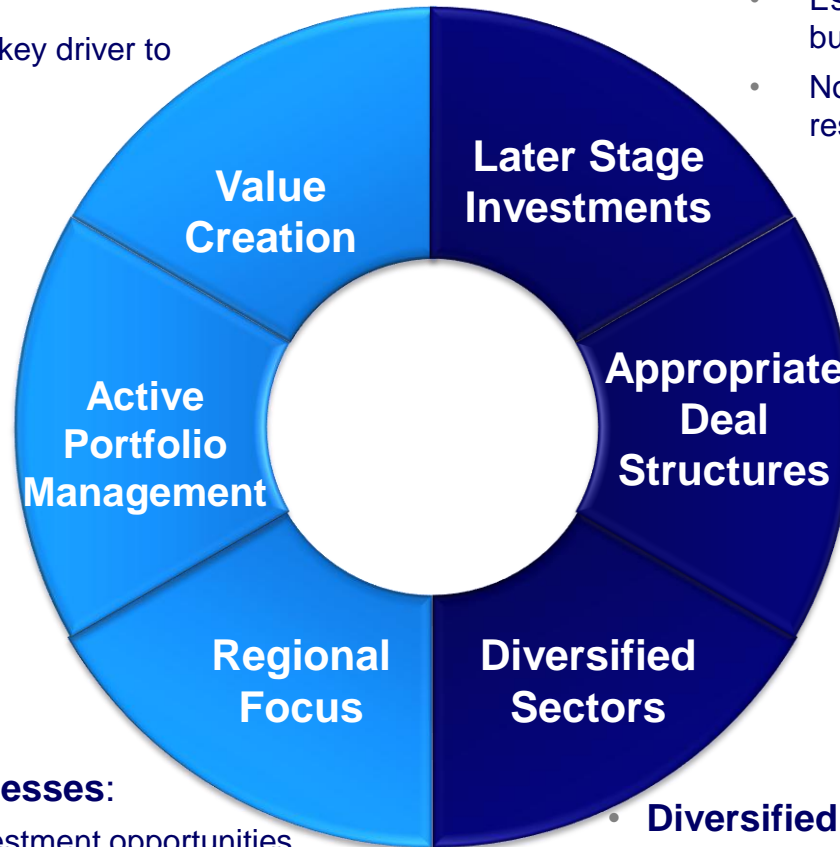
How we make money – Maximising Upside While Managing Market Risk

- **Value realisation:**

- Alignment on exit.
- Proactive.
- Earnings growth the key driver to returns.

- **Focus on deal type:**

- Relationship based investing.
- Established, cash positive businesses.
- No start ups/early stage, rescues or restructurings.



- **Value addition to portfolio companies:**

- Strengthening internal controls & governance.
- Focus on environmental and social value addition.
- Board representation.

- **Matching investment to company's cashflow:**

- Complement equity and quasi-equity with debt instruments.
- Flexibility.
- Capital preservation.

- **Building regional businesses:**

- Actively creating investment opportunities.
- Mitigating country risk.
- Enhancing exit value.

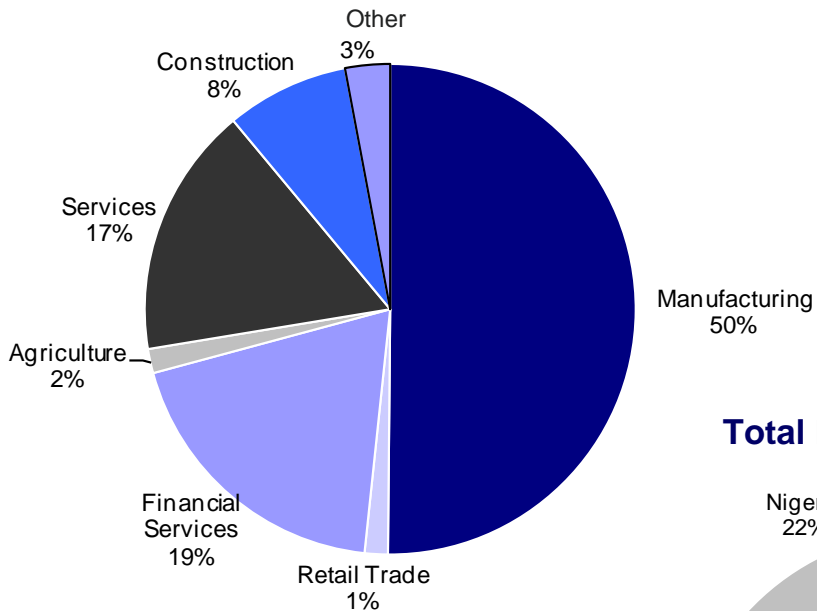
- **Diversified country/ sector approach:**

- Investments across economies and various strategic sectors.

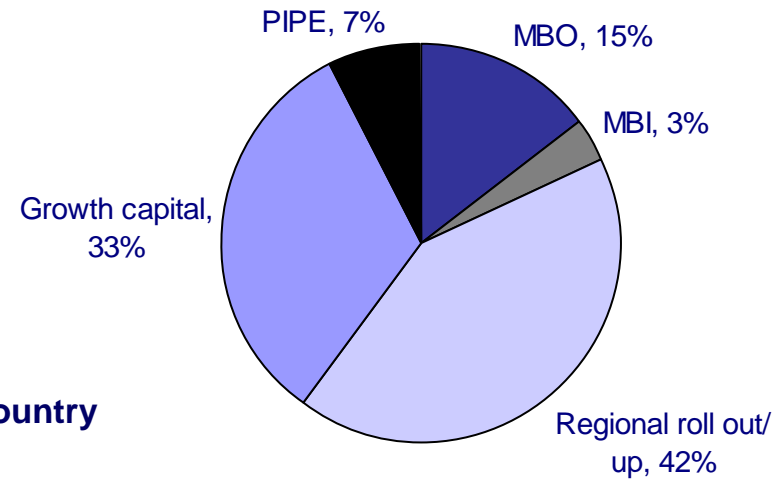
Aureos Investment Strategy (Cont'd)

Diversified portfolio across sector, deal type & geography

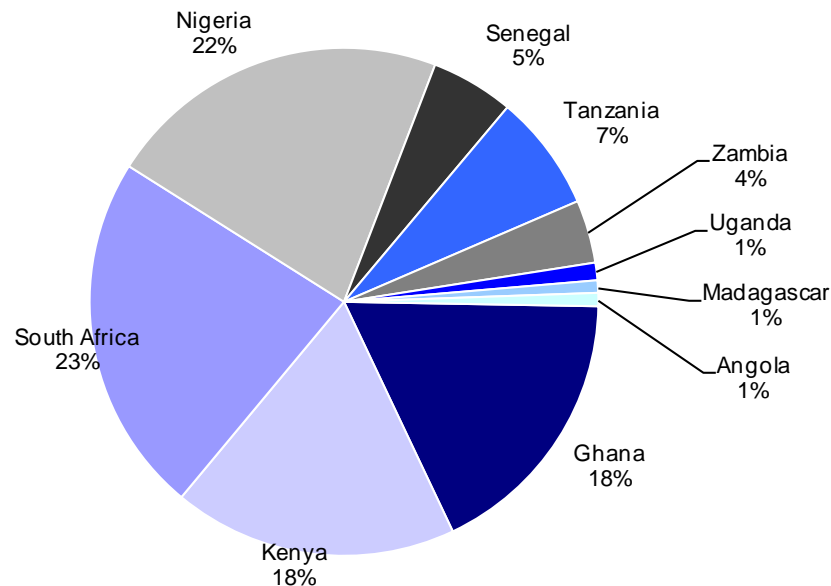
Total Investments By Sector



Total Investments By Deal Type



Total Investments By Country



Aureos' Investment Strategy (Cont'd)

Challenges & Risks



- **Understanding PE**
- **Power Issues**
- **Changing Government Policies**
- **Corporate Governance Issues**
- **Exit**
- **Currency**
- **Management Capacity**
- **Lack of Information**

Aureos' Investment Strategy (Cont'd)

Prioritising Investments with Limited Funds



- **Portfolio/Risk Management**

- Investment will depend on Aureos Funds' Target Portfolio. There are sectorial and country limits for Aureos Funds

- **Sector Prospects**

- Choice of Investments also depends on growth potentials of Individual Sectors

- **Profitability analysis & Exit Potentials**

- Choice of Investments depends on outcome of profitability scenarios

- **Investee's Track Records**

- Choice of Investments may also depends on track records of Investee Companies

- Introduction to Aureos
- Aureos In Africa - Unique Positioning
- **West Africa/Nigeria Experience**

Our West African Experience

Portfolio Companies, Investment Type & Status



Aureos Regional Funds: Portfolio Companies					
Industry	Sector	Geography	Transaction Type	Status	
Industrial					
1	Portland Paints Nigeria	Paints	Nigeria	MBO	Partially Exited (IRR:24.6%)
2	Nycil	Chemicals (Resins)	Nigeria	Expansion/Control	Current Holding
3	Les Ciments du Sahel ("CDS")	Construction	Senegal	Expansion	Current Holding
4	BioPlastics	Packaging	Ghana	Expansion	Current Holding
Consumer Products					
5	Fruitpack	FMCG – Biscuits	Ghana	Expansion	Full Exit (IRR:-19.6%)
6	Voltic International	FMCG - Water & Juices	Nigeria/Regional	Expansion/Roll Out	Full Exit (IRR: 53.6%)
7	Deli Foods Nigeria Ltd	FMCG – Biscuits	Nigeria	Expansion/Control	Full Exit (IRR:44.4%)
Financial Services					
8	Leasafric Ghana Ltd	Leasing	Ghana/Regional	Expansion/Roll Out	Current Holding
9	C&I Leasing	Leasing	Nigeria/Regional	PIPE/Roll Out	Partially Exited (IRR:135.8%)
10	Custodian & Allied Insurance	Insurance	Nigeria	Expansion	Current Holding
11	HFC Bank Ltd	Banking	Ghana	Expansion	Current Holding
General Services					
12	Aviance Ghana Ltd	Aviation Logistics	Ghana	Expansion/Roll Out	Current Holding
13	Matforce	Technical Services	Senegal	Expansion/Roll Out	Current Holding
14	AOS/Orwell	Oil & Gas Services	Nigeria	Expansion	Current Holding

Our West African Experience (Cont'd)

Portfolio Companies, Investment Type & Status



Aureos Regional Funds: Portfolio Companies					
	Industry	Sector	Geography	Transaction Type	Status
Telecommunication					
15	Private Networks Nigeria	ICT	Nigeria	Expansion	Current Holding
16	Computer Warehouse Group	ICT	Nigeria	Expansion	Current Holding
Real Estate					
17	Regimanuel	Gated Housing	Ghana/Regional	Expansion/Roll Out	Partially Exited (IRR:15.5%)

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THANK YOU

Aureos Nigeria Advisers Limited