



Year End Results to 31 March 2010



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Introduction



Introduction

- Aurora Russia Limited, the AIM quoted private equity fund, raised £75 m in 2006
- Raised an additional £15 m in 2010 through the Placing of 37.5 m shares
- Strategy focused on investing in and growing the operations of small and mid-sized private Russian companies targeting the following specific sectors:
 - Business services
 - Consumer services
 - Financial services
- Intention to return up to £105 m over time to shareholders from the proceeds of the sale of the Company's investments

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Highlights



Highlights

- Invested in five investments at a cost of £73.9 m
- Three of the five investments are considered leaders in their particular field
- Investment valuation at 31 March 2010 shows a 24.8% increase over cost
- Net asset value of the company at 31 March 2010 was £ 98.99m or 88p per share
- Every investee company is focusing on growth as the economy has started to recover
- Strategic investor interest in Russia, as a growth market, appears to be returning

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Overview of the Russian Economy

Russia's macroeconomic update

Key figures*

Population (period average), m	142.1
GDP per capita, \$	11,811
Number of people with disposable incomes in excess of \$1,000	21.8m
Average nominal wage, RUB/month	17,238
Personal income tax rate	13%

*Based on 2008 figures
Source: OECD Economic Survey, Federal Statistics Service

Macroeconomic Indicators, 2006-2011E

	2006	2007	2008	2009E	2010E	2011E
Urals oil, \$/bbl, average	61.8	69.5	95.1	60.4	83.0	97.7
GDP (% real change)	7.4%	8.1%	5.6%	-7.9%	4.9%	4.0%
CPI inflation, Dec/Dec	9.0%	11.9%	13.3%	8.8%	7.6%	7.7%
Real wages, Dec/Dec	14.3%	16.4%	4.7%	0.6%	3.3%	4.3%
USD/RUB, average	27.2	25.6	24.8	31.7	28.7	27.4
FX reserves, \$ b	304	478	427	439	538	691

Source: Rosstat, VTB Capital Research

Short to medium-term:

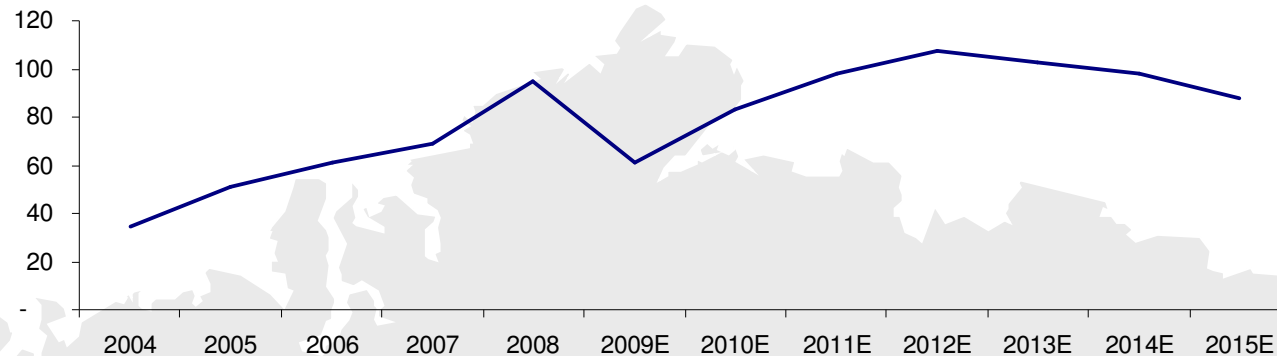
- In 2009 Russia suffered the most dramatic reversal of growth momentum among the G10 countries due to its exposure to commodity producing sectors.
- Russia's **anti-crisis stimulus** was one of the largest in the world supported by over \$400 billion in FX reserves. **Recovery** started gaining momentum at the end of 2009 and in 1Q 2010 GDP grew 2.9% over 1Q 2009. The World Bank has recently forecast GDP growth of 4.5% for 2010.
- **Russia's balance sheet** is one of the most solid in the world
- The activity in the **Russian services sector** measured through VTB Capital's Russian **Services PMI indicator** rose for the tenth consecutive month in May 2010
- With **improving visibility** for the corporate sector and income for the household sector banks have started announcing **rate cuts** and we should soon see a **growth in lending**
- Higher-priced segment of the retail market is unlikely to recover to pre-crisis consumption levels until 2011, while the **lower-priced segment will see continued growth.**

Source: VTB Capital

Russia's 2020 growth strategy aims for innovation-driven growth

Oil price forecast

Average US\$/bbl



Source: IEA, VTB Capital Research Forecasts Oct 2009

Longer term:







- Positive oil price outlook as the market is set to move into deficit in 2010-12 with demand growth driven by China and the rest of Asia
- The government is determined to implement its 2020 growth strategy aiming for growth driven by innovation, investment and human capital and reduced reliance on production of the raw materials. Over the last 8 months, modernization has superseded “doubling GDP in 10 years” as the key policy of the state
- Russian retail is expected to grow at 13.8% CAGR in 2010-2012
- Lending is expected to increase at CAGR of 17% in 2009-2013

Source: VTB Capital

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Investments

Investments

	Description	Equity stake
 	A leading Russian money transfer bank	26%
	A financial supermarket	100%*
	A retail and commercial banking operation	100%*
	A leading records and information management service provider in CEE	95.5%
	A leading Russian DIY retailer in the Urals	24.3%

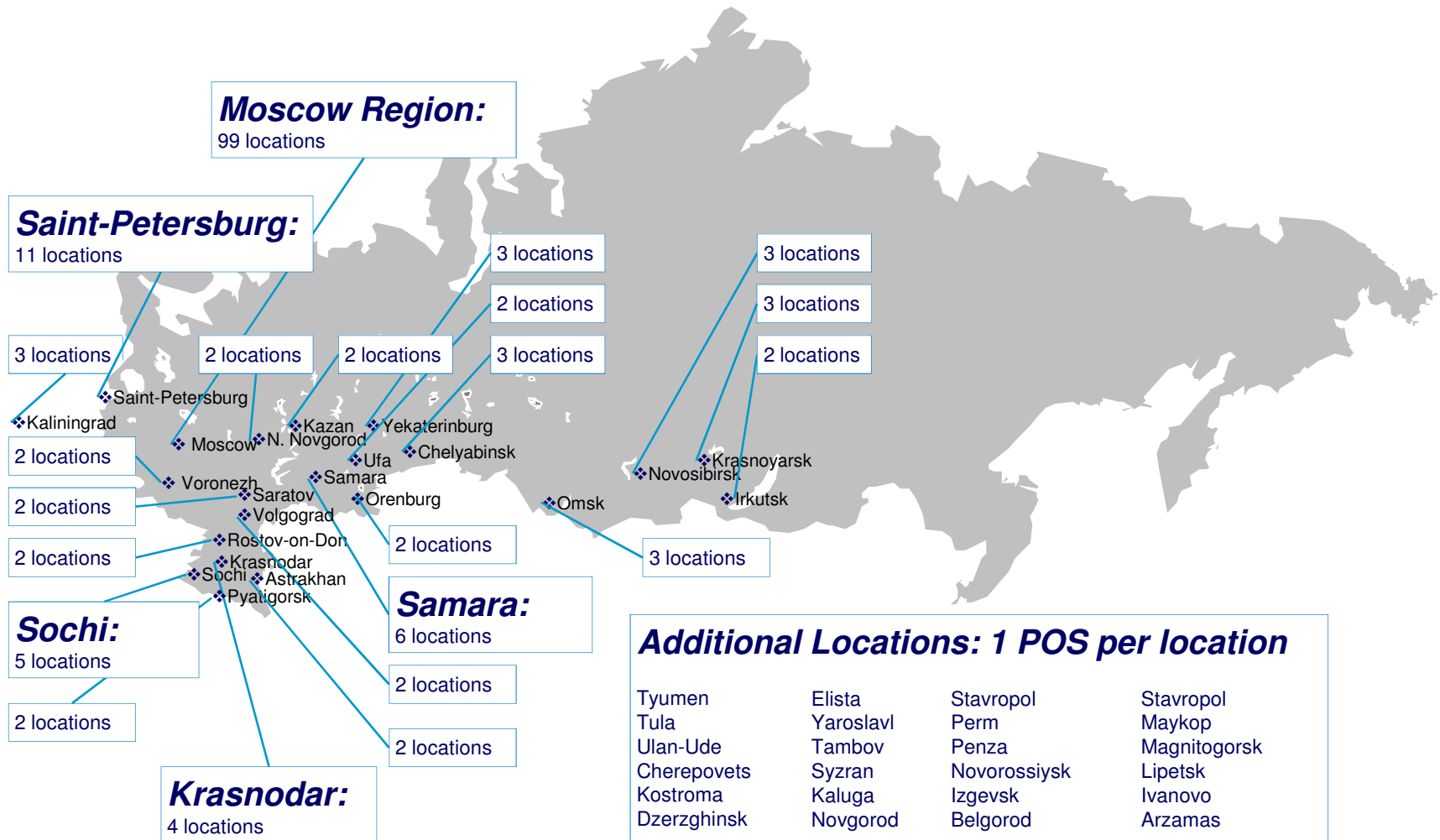
*Before ESOP

Profile	<ul style="list-style-type: none">■ The leading money transfer provider in Russia outbound remittances■ Circa 21% market share in Russia-outbound remittances as of Q1 2010■ 187 proprietary locations + c.2400 agent locations in Russia as of Q1 2010■ International operations in the UK, Cyprus, Germany and Greece
Mission	<ul style="list-style-type: none">■ Become a leading global money transfer company with 3.3% market share by 2015■ Leverage IT to offer the most competitive and convenient money transfer product to its customers
Strategy	<ul style="list-style-type: none">■ Short-term: rationalize distribution channels and resume growth as market picks up■ Target markets: aggressive growth in intra-Russia, CIS to Russia and selective expansion internationally■ Longer-term: Potential for IPO in 2012-13
Opportunities	<ul style="list-style-type: none">■ Opportunity to increase market share in intra-Russia corridor■ New channels (mobile, top-up terminals, etc) and new markets with sizable traffic to/from CIS■ Potentially acquire smaller money transfer companies

Geographical presence (proprietary distribution)



Unistream operates 99 POS in the Moscow region and 88 POS in the regions*



Note: As of Q1 2010
Doesn't include agent locations

Investment in Unistream and Aurora's value-added



General information

Country	Russia
Industry	Money Transfer
Year established	2003

Initial investment information

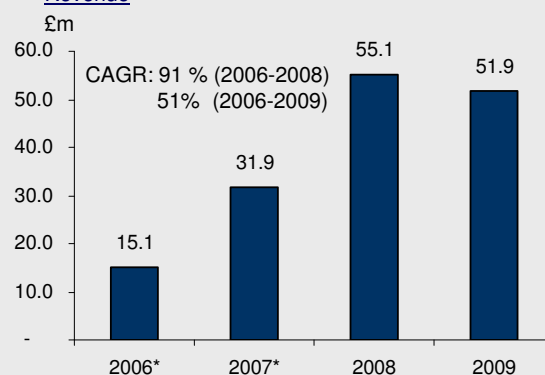
1 st Transaction date	Apr 2007
2 nd Transaction date	Jul 2007
Total equity investment	£10.4m
Aurora's stake	26%

Investment is shown at historical rates

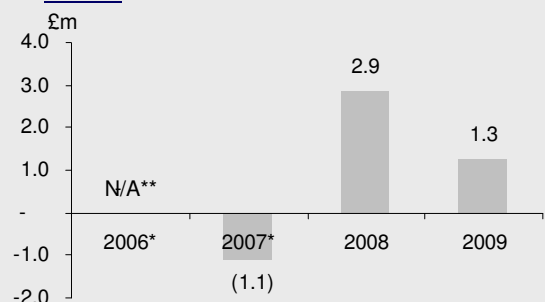
31 Mar 2010 valuation assumptions

Main methodology	Market approach
Comparable companies	Western Union
Recent M&A transactions	N/A
Valuation multiples used	High: 2.5x Revenue 09A Low: 8.4x EBITDA 10E
Liquidity discount range	15%-20%
BV of Aurora's stake	£24.4m

Revenue



EBITDA



Note: * 2006-2007 – financials based on management accounts
2008 -2009 financials are based on IFRS group accounts, 2009 – draft IFRS
**Unistream was still part of Uniastrium Bank and had its costs in Uniastrium's P&L

Q1 2010 Update*

£m	Q1 2009	Q1 2010
Revenue	9.9	9.2
EBITDA	(1.3)	(0.5)

- Revenue is 7% down y-o-y despite closing c.90 unprofitable cash desks
- £3.9m cash in bank (in excess of WC)

* Financials are based on unaudited management accounts

Exchange rate: 1GBP=RUR 44.20

Corporate enhancement since investment

- Completed spin-off from Uniastrium bank
- Put in full executive board and best practice governance
- Hired a non-executive director with experience in money transfer industry
- Management accounts prepared monthly
- Audited by Big 4 audit firm
- Recruited CFO
- Introduced long-term financial planning

Operational enhancement since investment

- Revenue grew at 51% CAGR (2006-2009)
- Reached break-even in 2008
- Expanded into regions in Russia
- Rationalized proprietary distribution by closing unprofitable locations in Q1 2010

Profile

- First to the market, and transparent distribution platform taking advantage of inefficiencies in financial and retail banking distribution in Russia
- Worldwide financial crisis in 2009 had a severe impact on the Company's core product (mortgages). Mortgage market began to return in 2Q2010 as developers restarted new construction and banks began to seek mortgage assets

Mission

- Capture Russia's underserved mortgage and financial services sector by securing proprietary distribution channels
- Provide a compelling value proposition for clients through interest rate and fee discounts offered to Kreditmart customers by partners
- Provide cost-efficient distribution for partners through a scalable system of loan shops, points of sales, and the internet

Strategy

- Niche player with a primary focus on mortgage products with cross-sell of other financial services products. Kreditmart serves as the front-end sales distribution while Flexinvest Bank serves as the back-end originator for re-sale to partner banks
- Grow market share by securing deal flow through developers, real estate agent network, and the internet

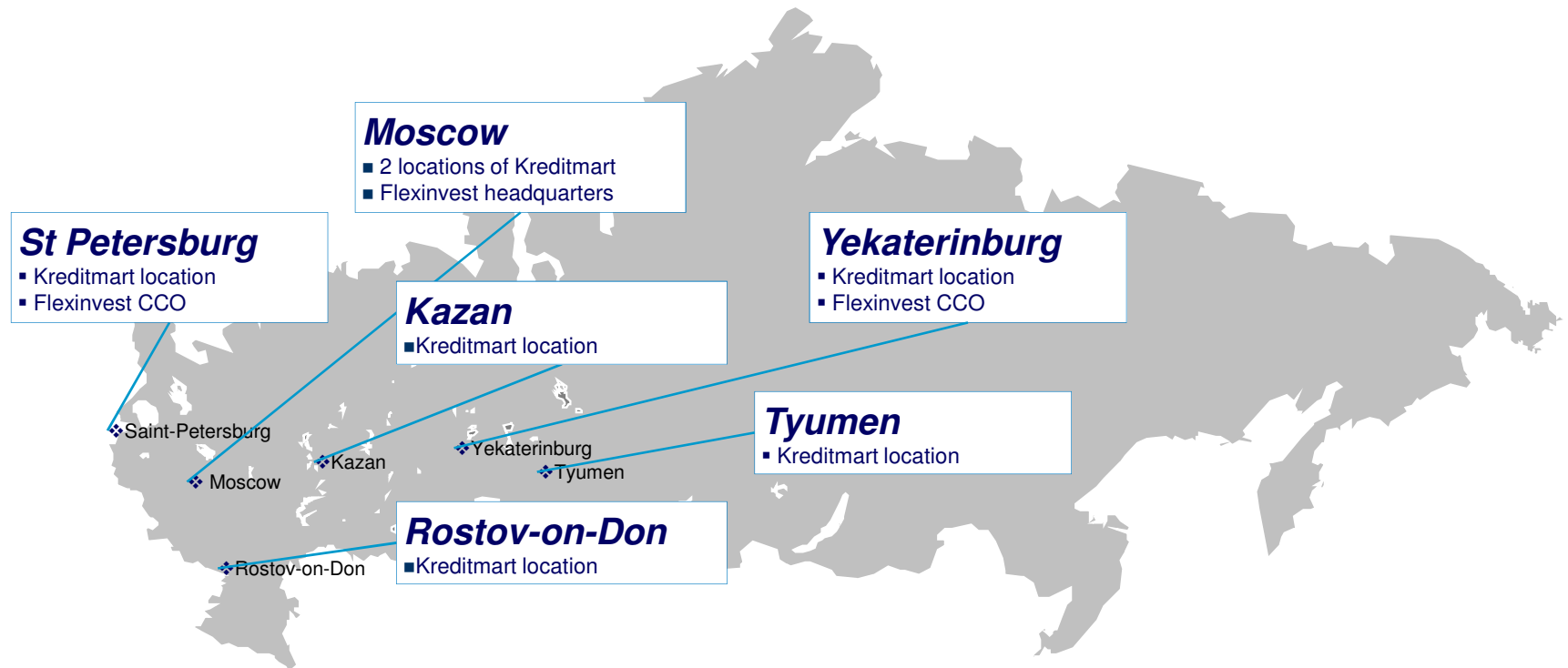
Opportunities

- Opportunity to capture a leading market position in Russia's underserved mortgage sector (still less than 3% GDP)
- Control distribution through developers, real estate agents, and the internet (cost comparison site)
- Transparent, scalable, platform with proprietary distribution will be an attractive acquisition target for strategics

Geographical presence



Kreditmart is a leading broker in Russia operating in 6 regions



Kreditmart has steadily grown its network of partners among banks, insurance companies and other financial services providers. Kreditmart partners with major mortgage providers in Russia along with the leading non-mortgage providers for cross-sale (insurance, pension funds, and asset management)

Investment in Kreditmart & Flexinvest Bank



General information

Country	Russia
Industry	Financial services
Year established	2006

Initial investment information

1 st Transaction date	Sep 2006
2 nd Transaction date	Sep 2007
Bank purchase	May 2008
Total equity investment	£29.1m
Aurora's stake	100%

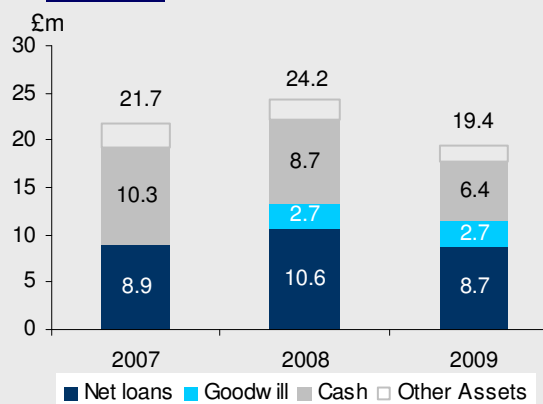
Investment is shown at historical rate

31 Mar 2010 valuation assumptions

Methodology	Adjusted net assets
Main Assets	Loans, cash, banking licence, brand
Recent M&A transactions	N/A*
BV	£22.2m

*Although small Russian banks were bought and sold in 2009, there is very limited data on prices that could be used in the valuation

Total Assets



- Goodwill of £2.7m paid for Flexinvest Bank
- Sold a mortgage portfolio of £6.3m in 2008
- Kept large cash balance in 2008/2009 to weather liquidity crunch
- Adequate loss provision: 15.6% coverage as of 2009

Translated at historical exchange rates

Q1 2010 Update

	Q1 2009	Q1 2010
Interest Income	0.32	0.34
Fee Income*	0.05	0.10
Op. Income (Loss)**	(1.51)	(0.55)

- Reduced costs: operating loss cut by 64%
- Fee income is up 90% y-o-y in Q1 2010

Financials are based on unaudited management accounts

* Fee income includes broker revenue and bank fees

**Calculated as net loss before tax adjusted to remove FX gain/loss

Exchange rate: translated at historical exchange rates

Corporate governance

Put in full executive board and best practice governance	<input checked="" type="checkbox"/>
Monthly board meetings	<input checked="" type="checkbox"/>
Management accounts prepared monthly	<input checked="" type="checkbox"/>
Audited by Big 4 audit firm	<input checked="" type="checkbox"/>
Full compliance with CBR requirements	<input checked="" type="checkbox"/>

Operational achievements

Brokered £29.5 mortgages in 2008 up 85% y-o-y	<input checked="" type="checkbox"/>
Acquired a banking platform and received CBR approval	<input checked="" type="checkbox"/>
Transferred Flexinvest bank to Moscow	<input checked="" type="checkbox"/>
Cut quarterly operating expenditure by 26% y-o-y by Q1 2010	<input checked="" type="checkbox"/>
Refocused strategy on consumer loans and insurance products in 2009	<input checked="" type="checkbox"/>
Since Q1 2010 – back to the original mortgage strategy	<input checked="" type="checkbox"/>

Market leader in DIY in the Urals

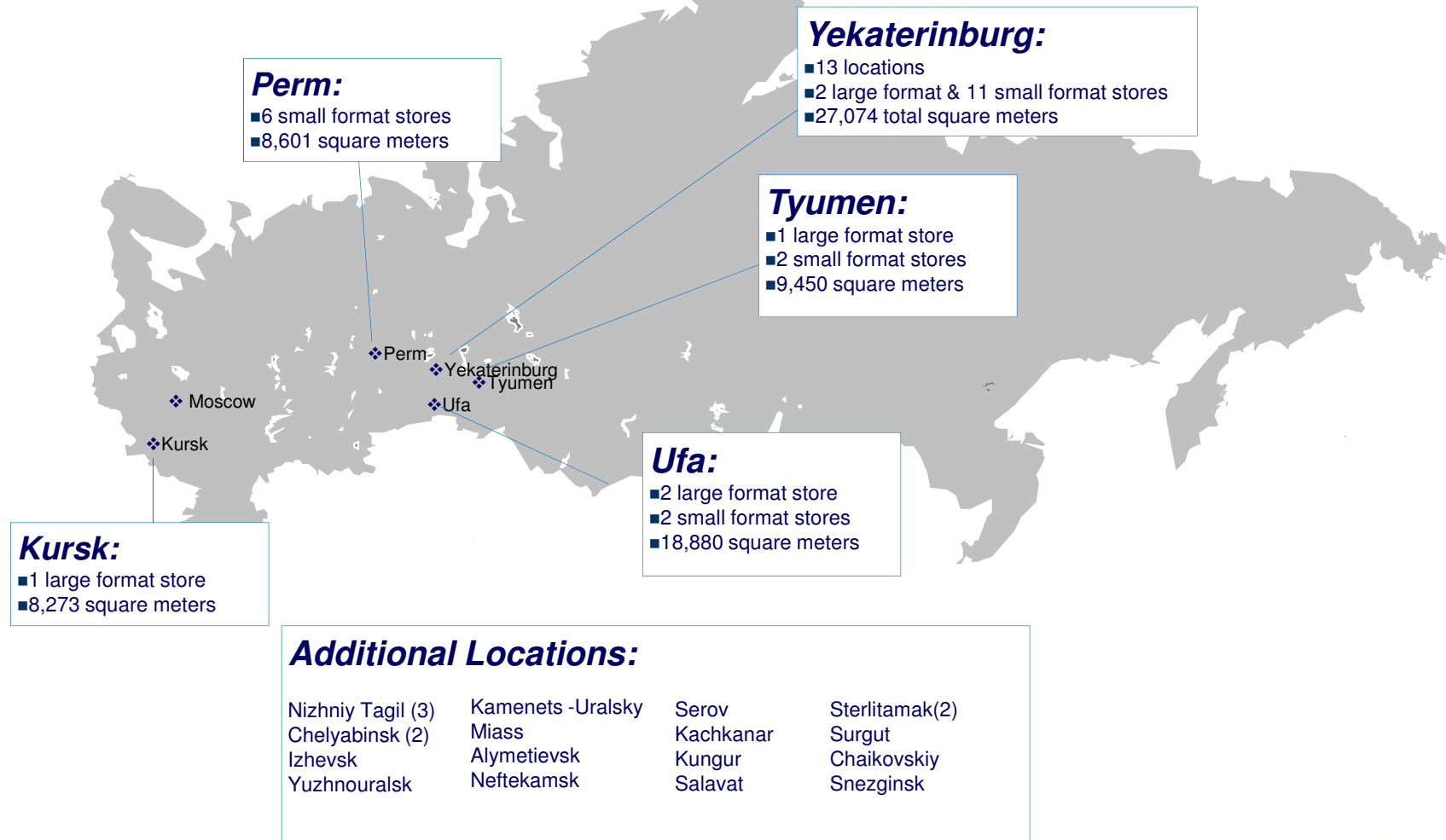
<p>Profile</p>	<ul style="list-style-type: none"> ■ #1 in the Urals with 46 stores* ■ Among top 10 largest DIY retailers if ranked by 2009 turnover. Potentially #2 Russian DIY retailer**
<p>Mission</p>	<ul style="list-style-type: none"> ■ Become # 1 Russian DIY retailer helping customers realize their dreams of making their homes and surroundings better
<p>Strategy</p>	<ul style="list-style-type: none"> ■ Short-term: Strengthen market leader position in the Urals ■ Medium-term: continue cluster expansion in Central Russia and the Urals ■ Longer-term: Potential for IPO in 2012-13. May become the 1st public Russian DIY retailer
<p>Opportunities</p>	<ul style="list-style-type: none"> ■ Opportunity to increase market share as crisis-weakened chains scale down ■ Improve gross margin by leveraging economies of scale in purchasing, managing product assortment and optimizing logistics, obtaining supplier discounts for early settlement ■ Potentially acquire real estate to secure prime sites and provide stability ■ Reduce short-term debt

*As of May 2010

**According to the RBK DIY market research 2010. Based on the estimated turnover figures for the largest retailers operating in Russia

Geographical presence

SuperStroy is the leading DIY chain in the Urals with 46 locations*
Approximately 20 million people live in the Urals region



*As of May 2010.

Initial investment and Aurora's value-added



General information

Country	Russia
Industry	DIY Retail
Year established	1993

Initial investment information

Transaction date	Dec 2007
Total equity investment	£16.6m
Aurora's stake	24.3%

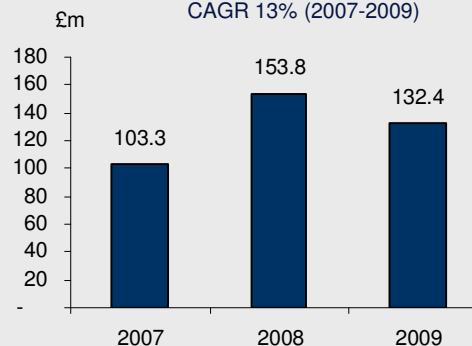
Investment is translated at historical rate

31 Mar 2010 valuation assumptions

Main methodology	Market approach
Comparable companies	Russian retailers
Recent M&A transactions	N/A
Valuation multiple range	High: 0.9x Revenue 09A Low: 6.0x EBITDA 11E
Liquidity discount range	15-20%
BV of Aurora's stake	£ 17.5m

Revenue

Grew 49% in 2008
CAGR 13% (2007-2009)



EBITDA



Note: Financials are based on IFRS group accounts, adjusted for the non-recurring costs.

Q1 2010 Update*

£m	Q1 2009	Q1 2010
Revenue	30.1	28.0
EBITDA	(0.8)	(0.9)

- Revenue is 7% down y-o-y hit by unusually cold winter
- EBITDA flat as costs are lower than in 2009

* Financials are based on unaudited management accounts

Exchange rate: 1GBP=RUR 44.20

Corporate enhancement since investment

- Hired two independent directors with DIY & retail experience both in Russia and Western Europe
- Implemented finance and strategic committees
- Management accounts prepared monthly
- Changed management motivation system
- Implemented best practices in tax compliance
- Introduced long-term financial planning

Operational enhancement since investment

- Opened 13 new stores in 2008
- Revenue grew 49% in 2008 (CAGR 13% 2007-2009)
- Expanded outside the Urals
- Cut costs in 2009, grew EBITDA
- Reduced net debt by 36% in 2008
- Began new store expansion in May 2010 opening 3 new stores

Market leader in Central & Eastern Europe (CEE)

Profile

- Leading records and information management service provider in CEE
- Strong market presence in attractive markets (Russia, Poland, Ukraine, Kazakhstan and Bulgaria)
- Rapidly growing and diverse client base
- Has shown resilience to the economic downturn

Mission

- Provide the best records management solution and high quality service to its clients
- Become the records management partner of choice

Strategy

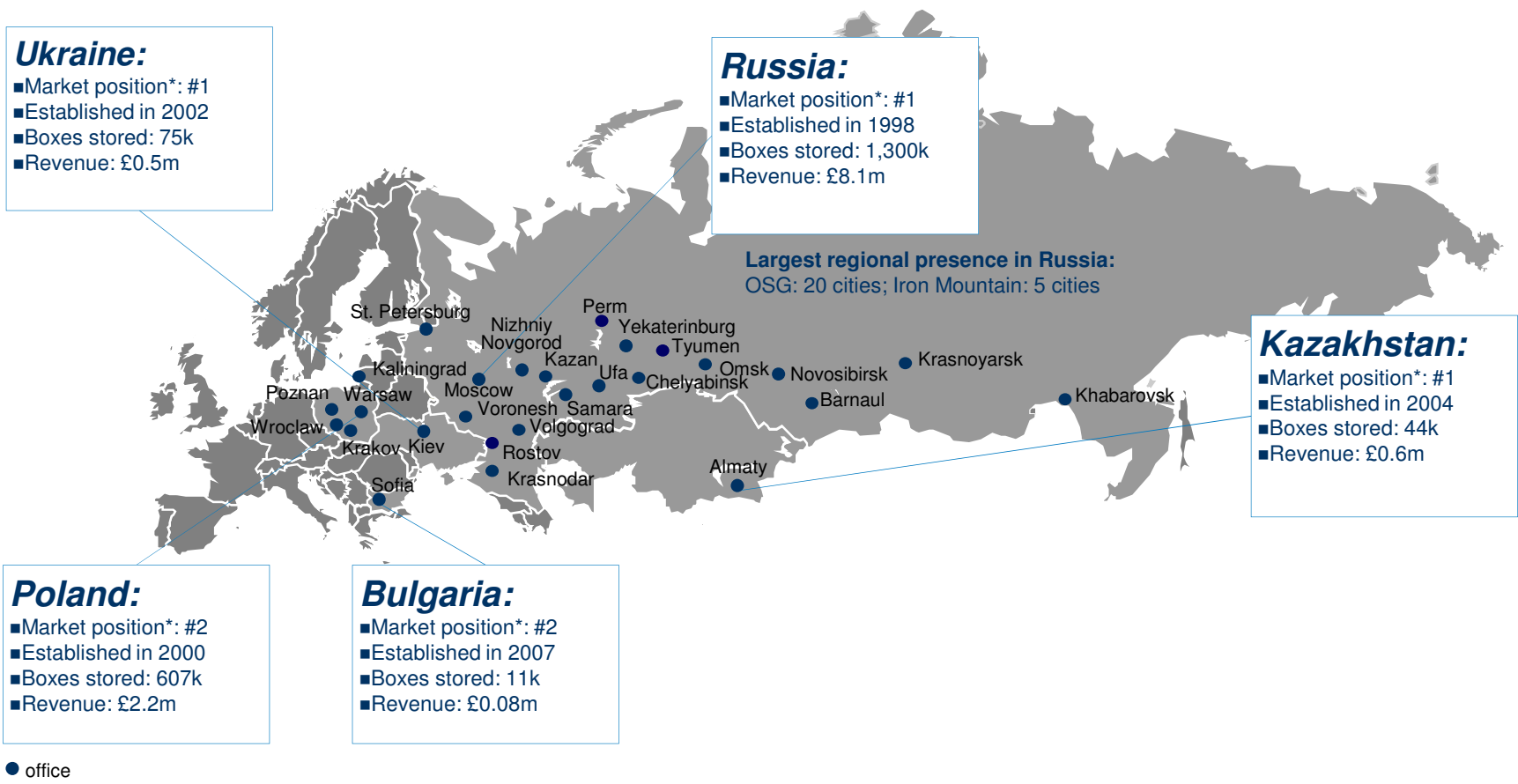
- Strengthen market leader position and expand market share
- Develop and introduce new innovative industry specific products and solutions
- Continue premium pricing and strive for constant optimization of storage cost per box

Opportunities

- Strong platform to take advantage of growth opportunities in attractive markets
- Leverage economies of scale and take advantage of opportunities in the property market
- Opportunity to develop e-archiving solutions
- Enter other CIS markets

Geographical presence

OSG operates 27 offices and 32 storage facilities located in 5 countries



Note: Revenue as of 2009; boxes as of 1Q 2010
 *According to OSG's management market analysis
 Exchange Rate: 1GBP = 1.51 USD

Initial and follow on investments and Aurora's value-added



General information

Country	Russia, Poland, Ukraine, Kazakhstan, Bulgaria
Industry	Business Services
Year established	1998

Investment information

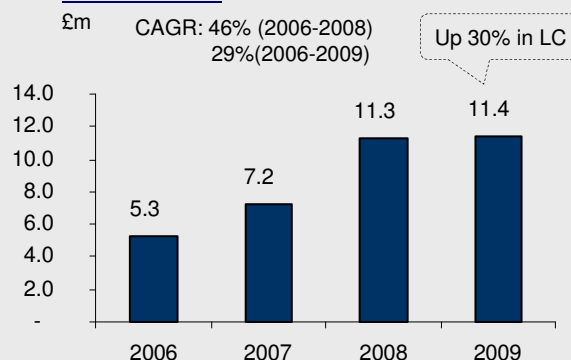
Initial transaction date	July 2006
Initial equity investment*	£5.3m
Convertible loan facility**	£3.3m
Follow-on investment date	Jan 2010
Follow-on investment amount	£9.2m
Amount approved, not drawn down	£2.6m
Aurora's stake as of 31 March 2010	95.5%

*Investments are shown at historical rates with transaction costs
 **Includes both initial 5m USD and follow-on 1m USD facilities

31 March 2010 valuation assumptions

Main methodology	Market approach
Comparable companies	Iron Mountain
Valuation multiple	High: 7.5x EBITDA 2012E Low: 9.8x Adj.EBITDA 2009A
Liquidity discount range	15-20%
BV of Aurora's stake	£ 28.1m

Revenue Growth



EBITDA



Note: * Financials are based on IFRS group accounts, adjusted for the current group structure and legal restructuring costs. 2009 – draft IFRS

Exchange rate: 1GBP = USD 1.51

Q1 2010 Update*

£m	Q1 2009	Q1 2010
Revenue	2.7	3.0
EBITDA	0.2	0.4

- Revenue grew 12% y-o-y in £ (reporting currency)
- Russia grew 13% y-o-y in RUR terms
- £2.0m cash in bank (£1.0m net of lease financing)

* Financials are based on unaudited management accounts

Exchange rate: average for the period as OSG now reports in GBP

Corporate enhancement since investment

- Put in full executive board and best practice governance
- Management accounts prepared monthly
- Appointed a new auditor
- Replaced CEO and hired Finance Controller
- Changed management motivation system
- Introduced long-term financial planning
- Completed legal restructuring

Operational enhancement since investment

- Reduced headquarter costs by 34%
- Expanded into regions in Russia
- Changed strategy to divest non-core operations and focus management on what is core
- Revenue grew at 29% CAGR (2006-2009)
- Rent cost per box reduced by 26% since 2007
- Improved EBITDA (15% in 2009)

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Conclusion



Summary

- Stakes in three market leading companies in Russia
- All companies expected to grow in 2010 and to benefit from Russia's recovery
- Companies have little or no debt
- Investment valuation at 31 March 2010 shows a 24.8% increase over cost
- Strategic investor interest in Russia, as a growth market, appears to be returning

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Appendix

Investment Team



James Cook

- Over 17 years experience in the Russian marketplace
- Previously Chairman & CEO of GE Money Bank in Russia, Executive Vice President of Delta Capital, Chairman of Delta Financial Services Group and the founder, Chairman & CEO of DeltaCredit Bank
- Co-founder & Chairman of DeltaLeasing (now known as Europlan) and Chairman & CEO of ZAO DeltaBank, one of Russia's pioneers in consumer finance and the major provider of VISA credit cards in Russia
- Currently a non-executive director of ZAO Forus Bank and ICICI Bank in Russia
- Serves on the boards of Aurora Investment Advisors, Aurora Russia, OSG, Kreditmart, Flexinvest Bank and Unistream Bank



John McRoberts

- Over 14 years experience in the Russian marketplace
- Established and led the Corporate Finance Advisory business of Deloitte & Touche in Moscow
- Set up and ran Altium Capital's corporate finance business (formerly Apax Partners & Co. Corporate Finance) in Russia
- Adviser for a petrochemical and petroleum product trading company on upstream acquisitions in Russia
- Sits on boards of Aurora Investment Advisors, Aurora Russia, SuperStroy, Kreditmart, Flexinvest Bank and Unistream Bank



Andrey Gurin

- Over 12 years of finance experience: 8 years of experience in corporate finance jobs and 4 years in Private Equity
- Previously Manager of Finance at GE Medical Systems (Middle East & Africa), Manager of Finance at GE Oil & Gas (Global Services) and Finance Controller and Treasurer at GE Money Bank (Russia)
- Sits on the boards of Kreditmart, Flexinvest Bank and IESE Alumni Association in Russia



Mikhail Shorokhov

- Over 16 years of banking experience in Russia working in Accounting, Financial Control and Treasury departments
- Previously Chief Financial and Operational Officer of Citifinancial Russia – the consumer finance business of Citigroup Inc. and prior to that the Financial Controller of Renaissance Capital Consumer Finance group (“RCCF”)
- Current CFO of OSG and Flexinvest Bank – both Aurora portfolio companies
- Sits on the management board of Flexinvest Bank