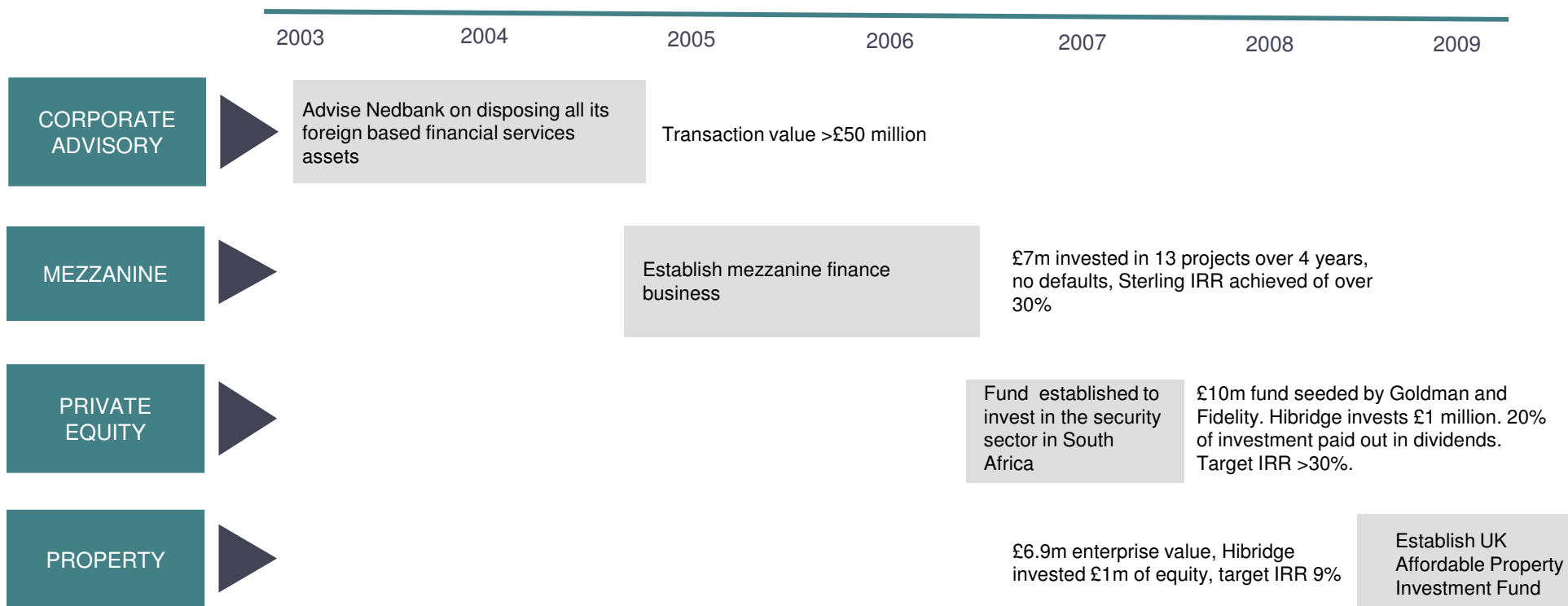




Introduction to Hibridge Capital



KEY EVENTS



- Hibridge is a unique, owner managed, investment advisory business with a track record of delivering positive non correlated returns
- We are not constrained in our investment approach by size, geography or asset class
- The majority of our remuneration is received in performance equity rather than in fees
- The founders of Hibridge generally invest their own capital in ventures. As such, our interests are fully aligned with our investors.



Mark Olivier , 40 years

- Managing Director, Hibridge Capital
- over 16 years investment banking experience providing corporate finance advice particularly to the UK financial services sector
- a member of the Executive Committee responsible for the establishment and management of a UK based asset management and private banking business with over £2bn under management
- Chairman of Trellicor Holdings Limited
- qualified chartered accountant, previous employment:
 - Hawkpoint (MBO of Natwest Markets Corporate Finance)
 - BoE (Corporate Finance and asset management)
 - KPMG London (Transaction Services)



Mark Faulkner , 41 years

- over 21 years experience in providing financial planning advice to high net worth individuals
- an equal partner in Roundhouse Financial Services one of the most successful, London based, independent financial advisory businesses catering to high net worth individuals
- co-founded one of the largest privately owned property groups investing in ex local authority housing in London in 1995
- Non Executive Director of a venture capital fund, Octopus Titan VCT 1 and 2. The Fund focuses on providing early stage, development and expansion funding to unquoted companies domiciled in the UK with a typical deal size of £0.5 million to £2 million

CLIENT PROFILE

HIGH NET WORTH INDIVIDUALS

wanting exposure to non traditional investment or owners of private companies wanting corporate advice

CORPORATES

whose requirements fall below the level of qualification at traditional investment banks

INSTITUTIONS

wanting exposure to alternative asset classes or in emerging markets

WHAT WE DO

INVESTMENT IN PRIVATE EQUITY

- We raise capital for specific investment opportunities – clients will support us if we deliver
- Eclectic approach, no specific sector focus – we adapt to a changing environment
- Proprietary investments – sourced through a broad network of existing contacts
- Active management – based on a creative plan with growth visibility

INVESTMENT IN MEZZANINE FINANCE

- Asset and/or cash flow backed and secured by second charge
- Robust credit culture – use of reputable professionals and defined financial covenants
- Double digit returns to investors and low correlation with other asset classes
- Sourced through partnerships - debt originators (owned), professional firms and banks
- Average investment size £400,000 and average term is less than eighteen months

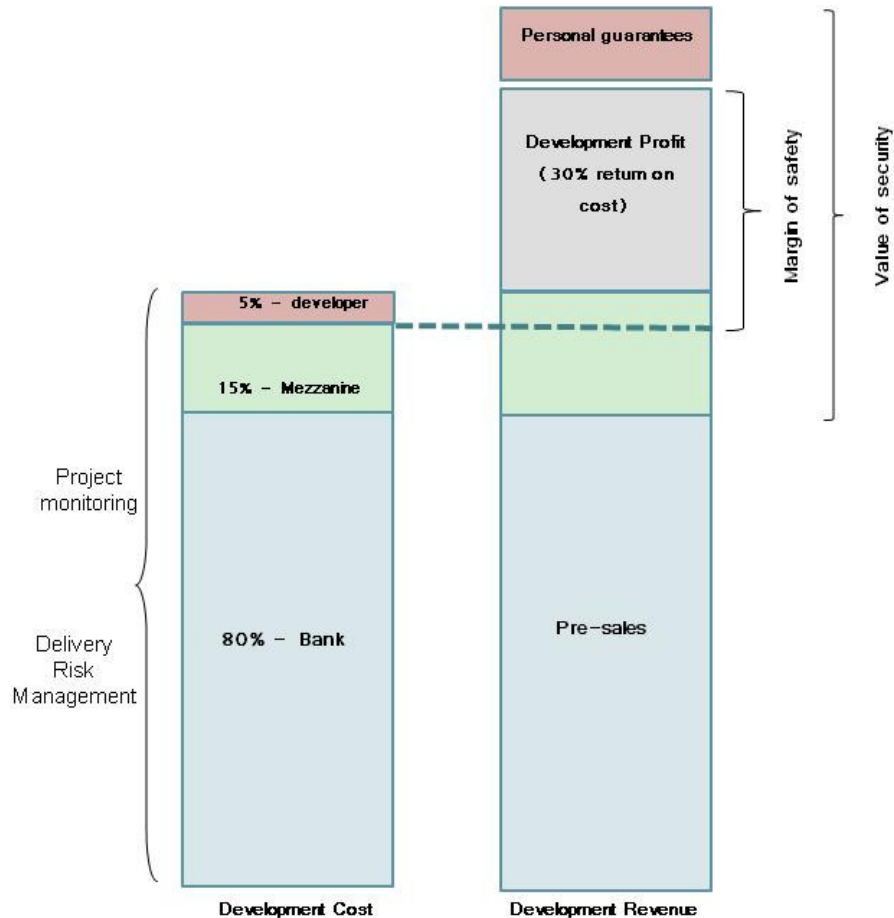
CORPORATE ADVICE

- Acquisitions – transactions size is generally less than £10m or out of home market
- Disposals – we aim to maximise price and reduce execution and legacy risk
- Financial restructure – arrange equity, debt and mezzanine finance
- Consulting – due diligence management, valuations and strategic advice

Credentials – mezzanine finance



THE FINANCIAL MECHANICS OF MEZZANINE FINANCE



IRR ACHIEVED ON ALL MEZZANINE FINANCE INVESTMENTS

Investment Date	Term (months)	Nature of Facility	Invested amount (Rand)	Invested amount (Sterling)	IRR
01/08/2004	20	mezzanine	7,000,000		36.0%
01/08/2004	3	bridging	4,000,000		24.0%
09/12/2004	6	bridging	4,000,000		63.6%
01/06/2005	30	senior debt	2,400,000		18.6%
10/12/2005	31	mezzanine	10,000,000		26.2%
19/12/2005	14	bridging		588,500	34.7%
18/10/2006	21	mezzanine	10,000,000		33.3%
08/12/2006	4	bridging		400,000	29.4%
30/05/2007	5	bridging	7,000,000		25.6%
12/06/2007	6	bridging	5,500,000		24.7%
30/06/2007	7	mezzanine		1,000,000	32.3%
08/04/2008	12	mezzanine	20,250,000		70.0%
21/11/2008	5	bridging		300,000	38.4%
			70,150,000	1,988,500	

- Key objective is to achieve consistent, non correlated returns through investing in a diverse pool of loans secured by a first or second charge over property
- Early investment focus on hotel developments in Cape Town ahead of the World Cup Football tournament in 2010
- Current investment themes:
 - Local authority backed affordable housing projects in the UK
 - Affordable housing in close proximity to South African mines

Credentials – private equity



SOUTH AFRICA INVESTMENT OPPORTUNITIES FUND (“SAIOL”)

- SAIOL was seeded by Goldman Sachs Partners’ Fund and Fidelity Emerging Markets Fund to invest in the security sector in South Africa. Hibridge Capital invested £1 million.
- The performance of the security sector is strongly correlated with levels of crime. In this respect, SAIOL is well positioned to benefit from the projected increase in crime driven by higher levels of unemployment and commensurate social unrest
- SAIOL’s enterprise value (equity at cost) is around £14 million with balance sheet capacity of a further £6 million
- In 2006, SAIOL acquired Trellicor which is South Africa’s leading physical barrier security company:
 - excess of 50% market share
 - 40 year old brand, the generic name for barrier security
- Since acquisition Trellicor has distributed dividends to shareholders and acquired back its shares, returning approximately 20% of SAIOL’s equity investment
- Despite the economic turmoil, SAIOL remains on target to deliver an IRR to investors of in excess of 30% after all fees and costs

STRONG RELATIVE EARNINGS GROWTH UNDERPINNED BY CRIME

R'M	EBIT (actual)			Forecast	Actual growth	
	2006	2007	2008	2009	09/08	06 - 09
Trellidor	27.3	47.5	52.1	45.5	(13%)	19%
Roll-Up	5.1	3.8	5.1	5.5	8%	3%
Coroma	2.3	(0.5)	0.3	0.5	52%	
Holdings	(0.1)	(1.2)	(0.6)	0.0		
	<u>34.6</u>	<u>49.6</u>	<u>56.9</u>	<u>51.5</u>	<u>(10%)</u>	<u>14%</u>

STRONG BALANCE SHEET – WELL POSITIONED FOR ACQUISITION GROWTH

R'M	30/06/2009 Forecast
PPE	50.0
Intangibles	10.0
Cash and cash equivalents	25.0
Net working capital	<u>52.0</u>
Invested capital	137.0
Debt	48.3
Equity	<u>88.7</u>
Capital invested	137.0

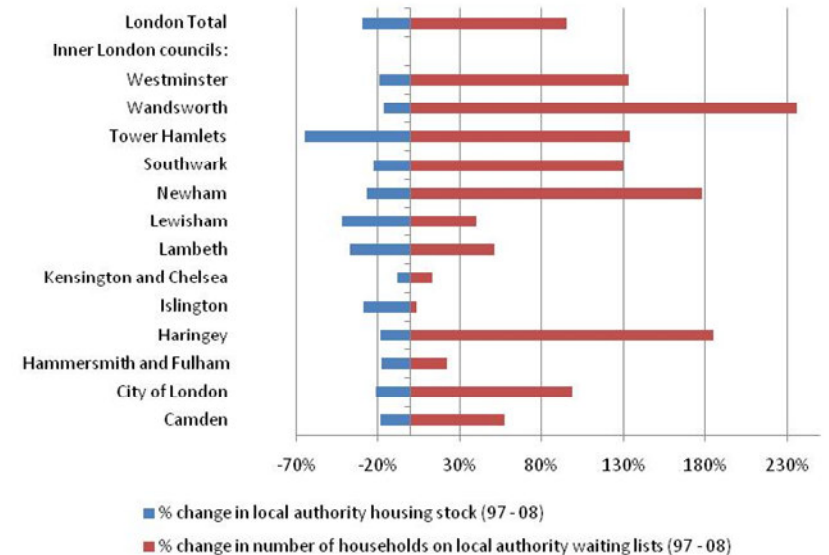
Credentials – property



AFFORDABLE PROPERTY INVESTMENTS FUND (“API”)

- API is an actively managed affordable housing property fund established to profit from the downturn in house prices in the UK
- API invests in a demographic (local authorities, key workers and students) and geography (London) that has good defensive qualities
- Target IRR is in excess of 9% with a low volatility and correlation with other asset classes
- API invests in predominantly ex local authority properties located in inner London within close proximity to universities, schools and hospitals
- Tenants are students, housing associations, local authorities, people on housing benefit and key workers
- API will also acquire affordable housing from property developers that are constrained by capital
- Demand for affordable housing is underpinned by growing unemployment, increasing number of foreign students and single family households
- Supply of affordable housing is constrained by high levels of public debt, the collapse of private sector construction and stricter lending covenants imposed on developers and buy-to-let landlords by banks

SUPPLY AND DEMAND PRESSURES IN THE AFFORDABLE HOUSING SECTOR



CURRENT PORTFOLIO PROFILE

- Number of properties: 37
- Property valuation (31 March 2009): £6.6 million
- Gross rental yield: 8%
- Rental growth last 12 months: >5%
- Voids in last 12 months: <2% of rental income
- Average lease term: 1 year
- Location of properties: predominantly Wandsworth/Roehampton, London
- Debt quantum: £4.8m
- Debt terms: base rate plus 1%, swap at 6.46% until November 2015
- Debt covenants: 75% loan to value, 1.2x interest cover

Credentials – selection of advisory mandates the team has worked on

 <p>Sale of Nedcor's Fund Administration business to HSBC</p> <p>£5 million</p>	 <p>Sale of Chiswell Investment Management to Bank Sarasin & Co Ltd</p> <p>£25 million</p>	 <p>Advised a family on the sale of their controlling stake in a ship repair business to management</p> <p>£20 million</p>	 <p>Advice to and valuation of Copenhagen Stock Exchange</p>
 <p>Advised on the establishment of a property fund investing in Montenegro</p> <p>£17 million</p>	 <p>Advised Abbey National on the acquisition of Flemings Premier Banking</p> <p>£105 million</p>	 <p>Sale of Pantheon Ventures to Russell Investment Group (Fund of Private Equity fund)</p> <p>Confidential</p>	 <p>Sale of Societe Generale Investment Management</p> <p>£5 million</p>
 <p>Advised on the restructure of a UK specialist healthcare business</p> <p>£10 million</p>	 <p>Sale of Nedcor's with profits life assurance business to London and Capital</p> <p>£20 million</p>	 <p>MBO of Dental practice</p> <p>£3 million</p>	 <p>Advised a UK based private client on the recovery of a loan in South Africa</p> <p>£2 million</p>