



Will economic growth lead to more bond issuance in KZT?

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Head of Debt Capital Markets & Structured Finance

September 2010

“The last thing Kazakhstan needs is a repeat of what happened in 2005-2007 where foreign creditors were simply looking at the oil fund and giving them cheap funding and not paying attention to how the money was being used”

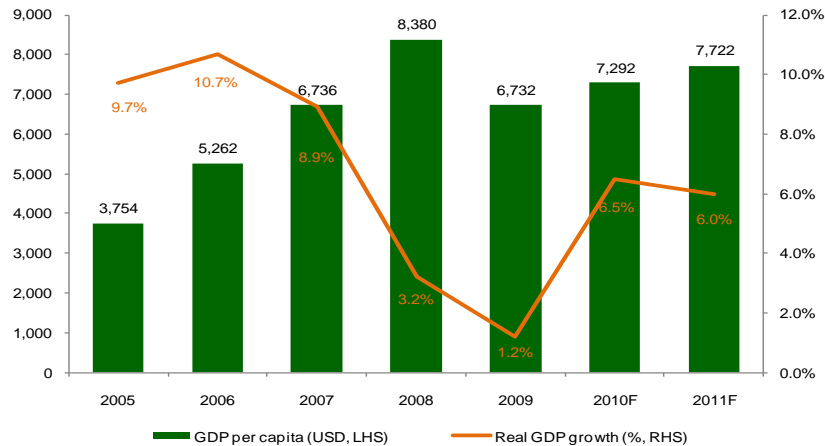
John Litwack – lead economist for Kazakhstan, the World Bank



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- I. Kazakhstan – economic overview
 - II. Kazakh local bond market overview
 - III. Visor Capital credentials

Kazakhstan – economy supported by high commodity prices and strong growth potential

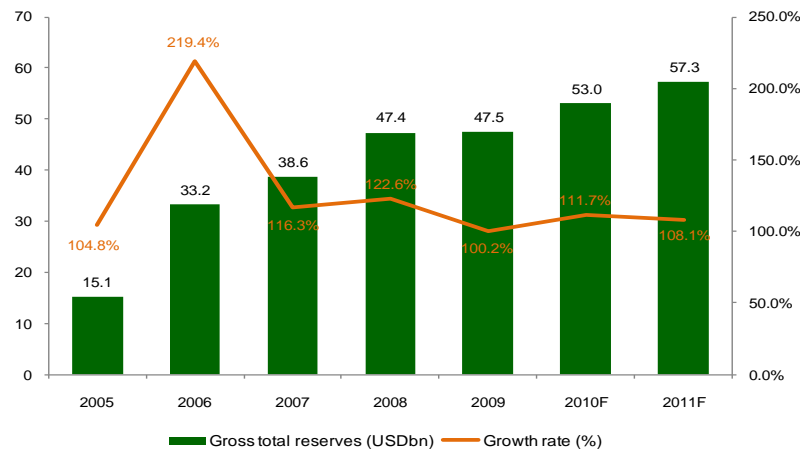
Focus is on growth



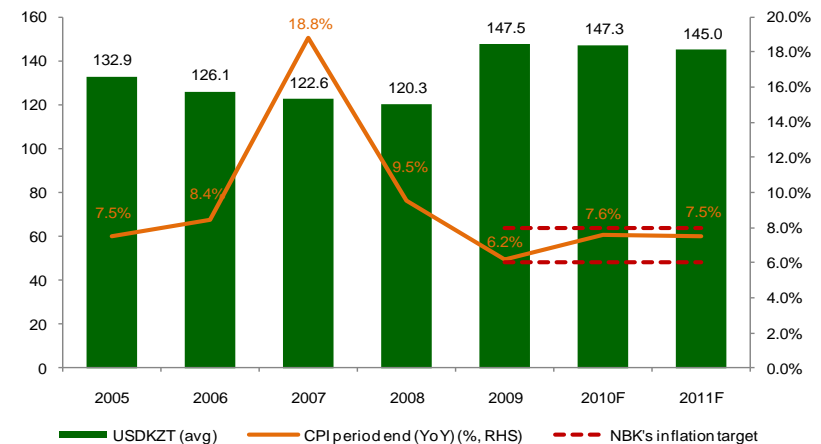
Key considerations

- Real GDP growth for 1H 2010 was 8.8% yoy. The economic recovery is likely to be further accelerated primarily by resource driven industries
- Despite the anti-crisis measures taken by the Kazakh government at the height of the global financial crisis, total national reserves increased by 28.8% yoy
- In the short-term, NBK is expected to carefully balance its decisions on KZT rate appreciation keeping in mind economic growth, its inflation targets (6.0%-8.0%) and the global financial market conditions. **In the longer-term, KZT appreciation is likely to be imminent given the strong growth expectations in the region**

National reserves



Inflation headline number is in line with government targets

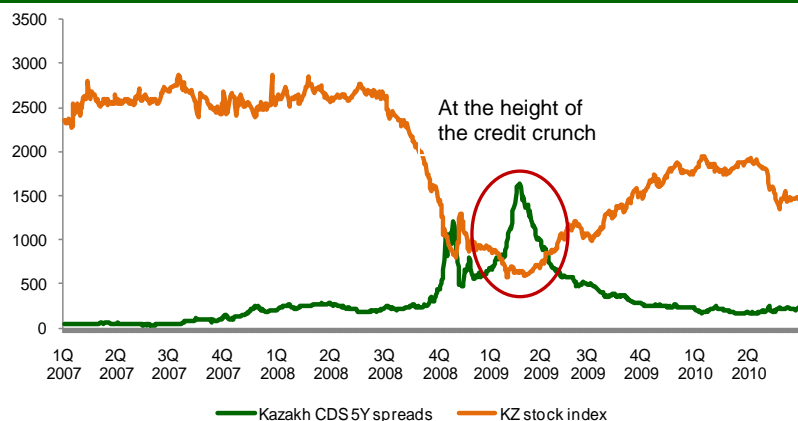


Kazakhstan economic performance enhances its attractiveness in the universe of frontier markets

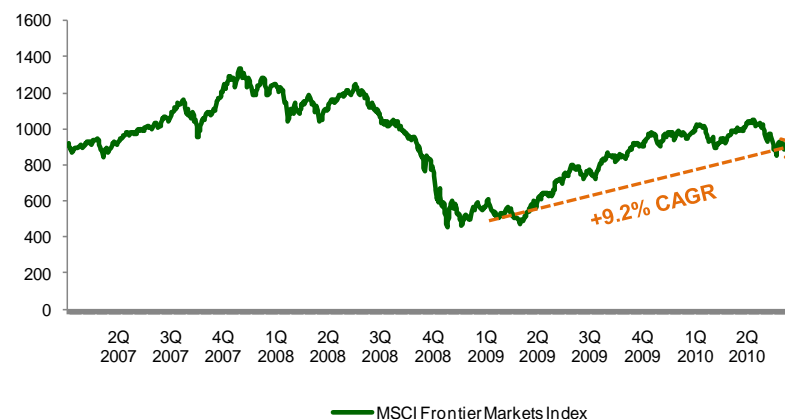
MSCI Frontier Markets Index – country coverage

Americas	Central and Eastern Europe and CIS	Africa	Middle East	Asia
Argentina (B3/B-/B)	Bulgaria (Baa3/BBB/BBB-)	Kenya (NR/B/B+)	Bahrain (A3/A/A)	Bangladesh (Ba2/BB-/NR)
Trinidad & Tobago (Baa1/A/NR)	Croatia (Baa3/BBB/BBB-)	Mauritius (Baa2/NR/NR)	Jordan (Ba2/BB/NR)	Pakistan (B3/B-/NR)
	Estonia (A1/A/A)	Nigeria (NR/B+/BB-)	Kuwait (Aa2/AA-/AA)	Sri Lanka (NR/B/B+)
	Kazakhstan (Baa2/BBB-/BBB-)	Tunisia (Baa2/BBB/BBB)	Lebanon (B1/B/B)	Vietnam (Ba3/BB/B+)
	Lithuania (Baa1/BBB/BBB)		Oman (A1/A/NR)	
	Romania (Baa3/BB+/BB+)		Qatar (Aa2/AA/NR)	
	Serbia (NR/BB-/BB-)		UAE (Aa2/NR/NR)	
	Slovenia (Aa2/AA/AA)			
	Ukraine (B2/B+/B)			

Kazakh CDS 5Y spreads have stabilised

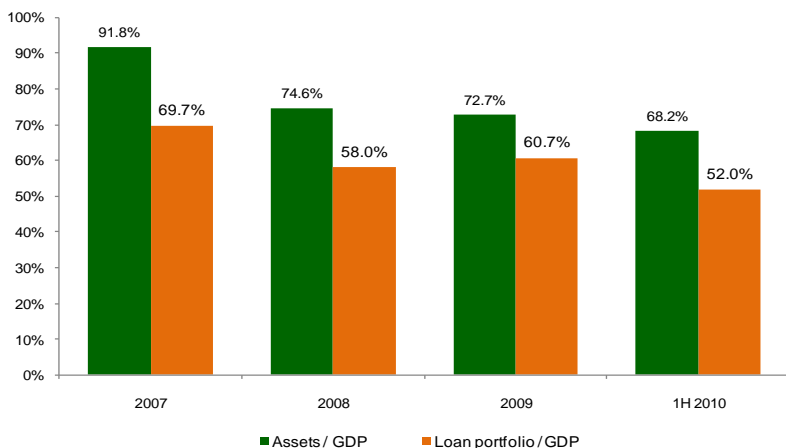


International investors are finding frontier stocks attractive



Banking sector – early signs of downward trend reversing but full recovery is some way off

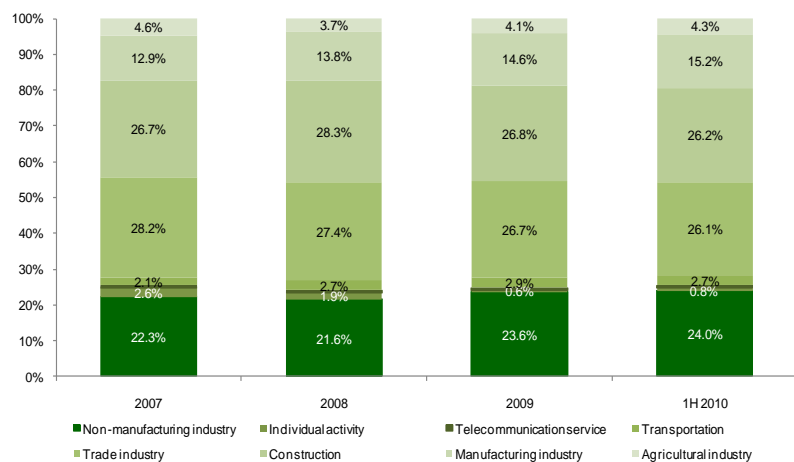
Assets and loan portfolio relative to GDP



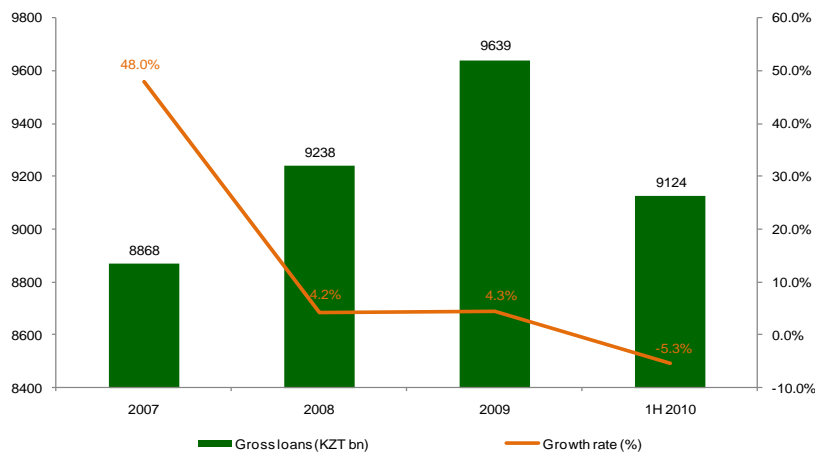
Key considerations

- ❑ The Kazakh government is likely to continue with its efforts to strengthen the health of the banking system and maintain the fiscal sustainability policy through introduction of legislative and regulatory reforms
- ❑ After a significant fall in gross lending by commercial banks in 2008, business and consumer lending is expected to be relatively weak in the near-term
- ❑ The lending portfolio of commercial banks has remained unchanged during pre and post crisis periods. In the short-term, banks are likely to focus on management of exposure to real estate and construction in light of predicted slow sector recovery

Lending by industry

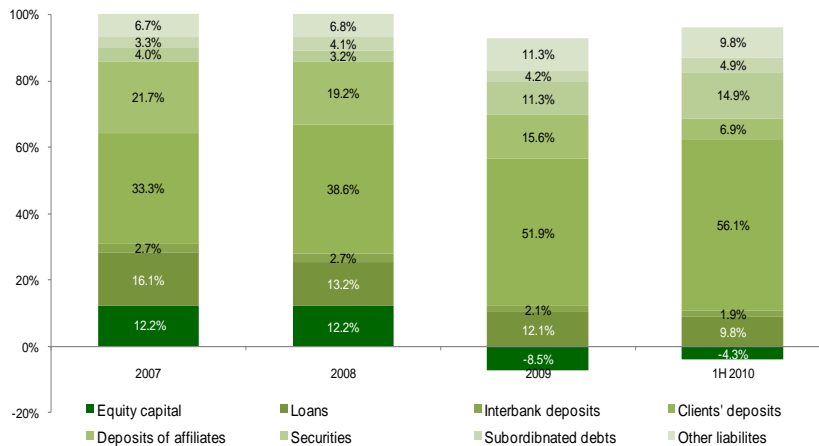


Gross lending dynamics

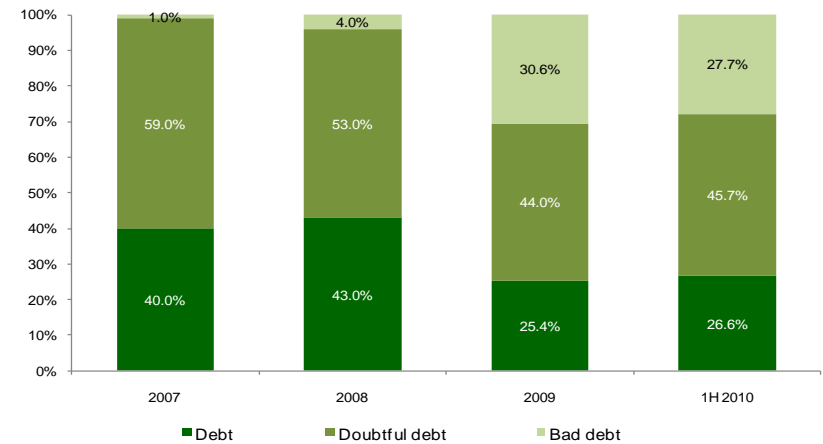


Banking sector challenges – rise in non performing loans, significant asset value reduction and high liquidity with lack of attractive investments

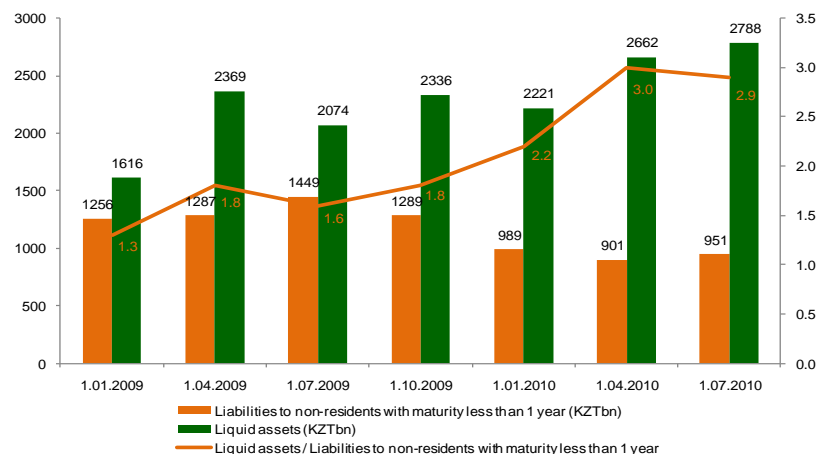
Equity and liabilities structure



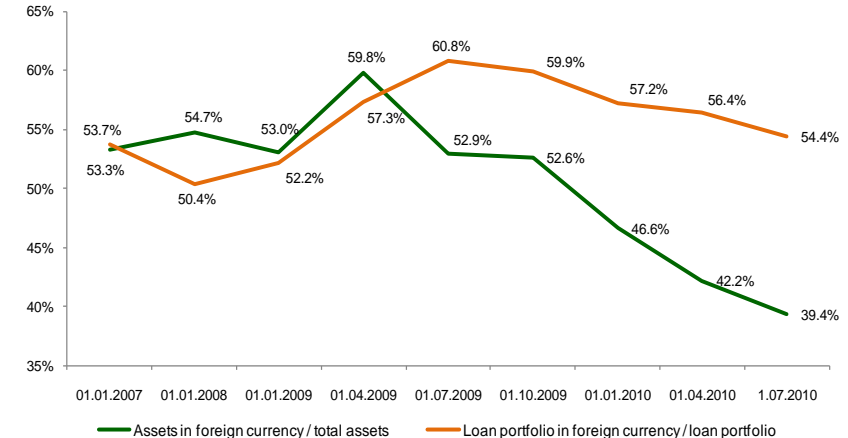
Loan portfolio structure












Liquidity position



Foreign currency assets and loan portfolio dynamics

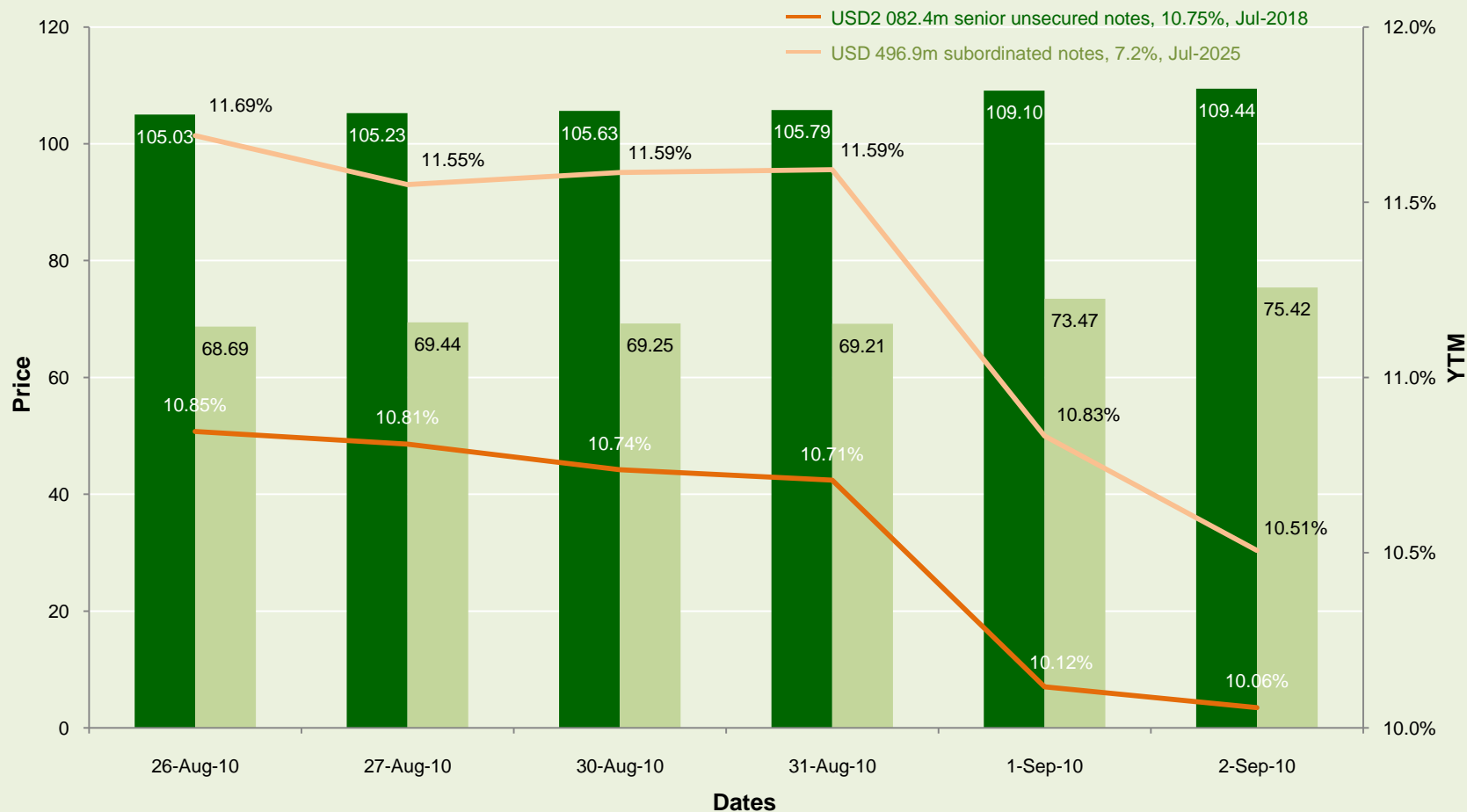


Banking sector debt restructuring has been completed

	 АЛЪЯНС БАНК	 БТА БАНК	 ТЕМІРБАНК
Debt restructuring	<ul style="list-style-type: none"> USD4.5bn 	<ul style="list-style-type: none"> USD16.7bn 	<ul style="list-style-type: none"> USD1.9bn
Restructuring completion date	<ul style="list-style-type: none"> March 26, 2010 	<ul style="list-style-type: none"> August 31, 2010 	<ul style="list-style-type: none"> July 1, 2010
Restructuring options	<ul style="list-style-type: none"> Cash Debt rollover with a haircut Debt to equity conversion 	<ul style="list-style-type: none"> Cash Debt rollover with a haircut Debt to equity conversion 	<ul style="list-style-type: none"> Cash Debt rollover with a haircut Debt to equity conversion
Capital injection	 <ul style="list-style-type: none"> USD875.0m 	 <ul style="list-style-type: none"> c. USD2.5bn 	 <ul style="list-style-type: none"> USD239.7m
Post-restructuring debt	<ul style="list-style-type: none"> c. USD1.1bn (excluding DPR* notes) 	<ul style="list-style-type: none"> c. USD4.1bn 	<ul style="list-style-type: none"> c. USD1.1bn
Shareholder structure	 <ul style="list-style-type: none"> 67.0% Creditors 33.0% 	 <ul style="list-style-type: none"> 81.5% Creditors 18.5% 	 <ul style="list-style-type: none"> 82.1% Creditors 17.9%
Advisers	<ul style="list-style-type: none"> Lazard Frères KPMG, Ernst & Young White & Case, Denton Wild Sapte 	<ul style="list-style-type: none"> Lazard Frères, UBS KPMG White & Case 	<ul style="list-style-type: none"> Citibank Denton Wild Sapte

BTA Bank post restructuring international notes

BTA Bank international notes - secondary market trading

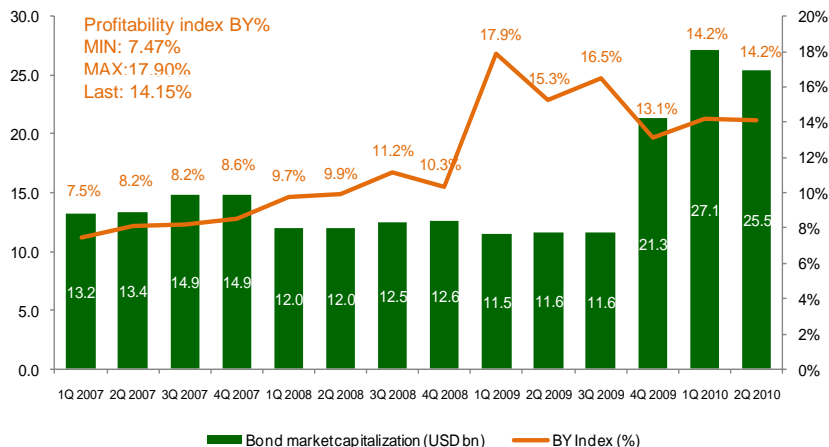




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Kazakh local bond market – still an embryonic market with a significant upside potential

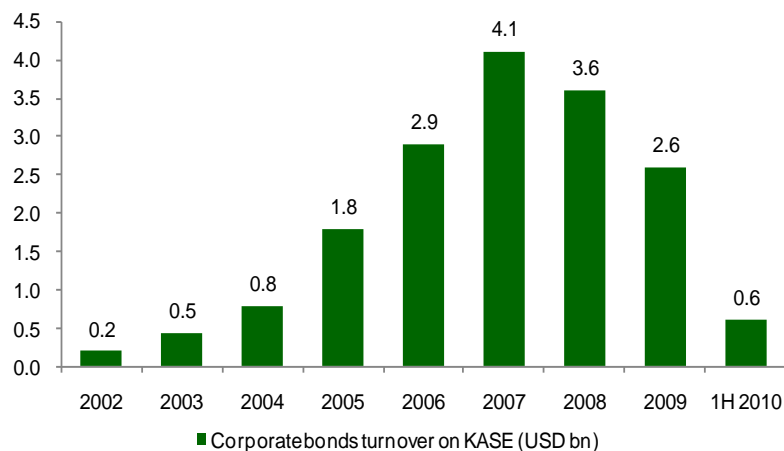
Significant growth in market capitalisation



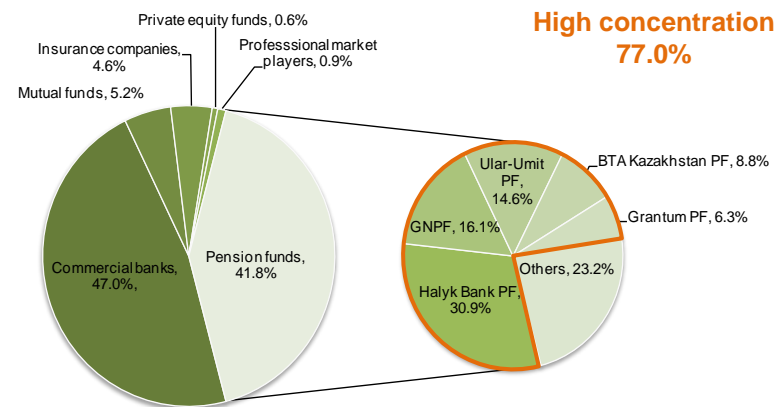
Local investors are in search for good quality credit

- ❑ Due to lack of supply on local capital markets, investors are sitting on cash and are eager to put their money at work
- ❑ Investors continue to look for opportunities to buy good quality corporate credit
- ❑ Investor covenant protection has lately become topical. The local regulator has proposed a series of important changes to local bond indentures
 - Targeted provisions relating to change of control, limitations on liens and cross default provisions







Banks debt restructuring reduced average trading volume



Institutional investors in Kazakhstan

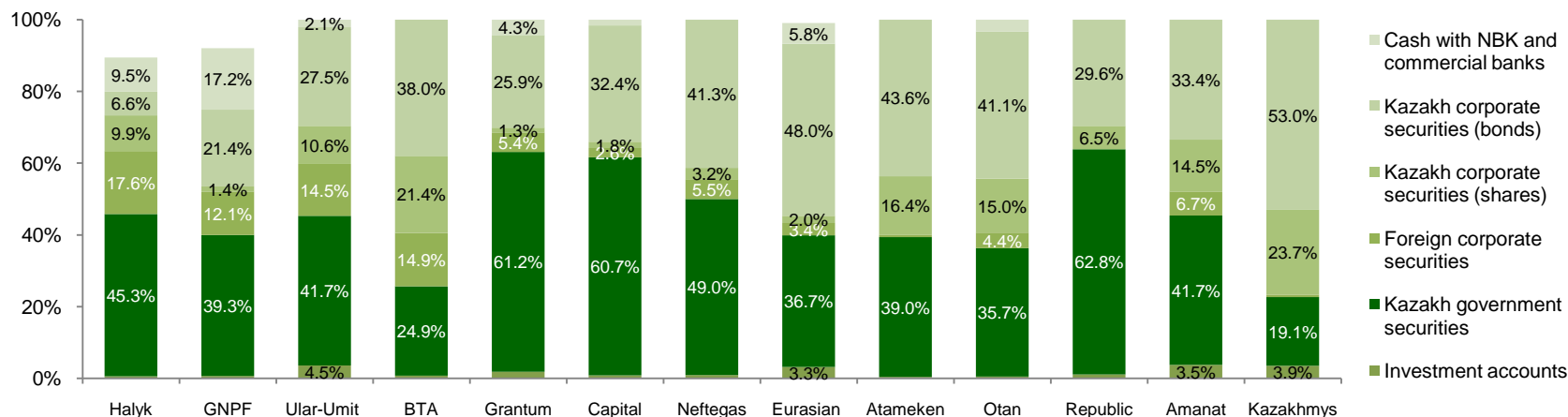


Institutional investors in Kazakhstan – As of 1 July 2010 total institutional assets under management – USD33.0bn

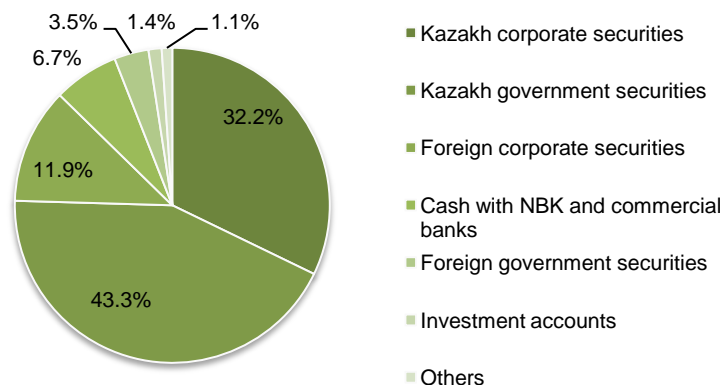
Institutional investors	Total assets under management	Portfolio structure
Pension funds 	<ul style="list-style-type: none"> USD13.9bn 	<ul style="list-style-type: none"> 32.2% - domestic corporate securities (23.5% bonds, 8.7% shares) 43.3% - local government securities 11.9% - corporate securities of foreign issuers
Second tier banks 	<ul style="list-style-type: none"> USD15.4bn 	<ul style="list-style-type: none"> 41.0% - domestic corporate securities (39.5% bonds, 1.5% shares) 51.1% - local government securities 4.3% - corporate securities of foreign issuers
Mutual funds 	<ul style="list-style-type: none"> USD1.7bn 	<ul style="list-style-type: none"> 67.7% - venture capital 5.8% - domestic corporate securities (2.9% bonds, 2.9% shares)
Insurance companies 	<ul style="list-style-type: none"> USD1.5bn 	<ul style="list-style-type: none"> 35.0% - deposits in commercial banks 32.0% - domestic corporate securities (28.7% bonds, 3.3% shares)
Professional market players 	<ul style="list-style-type: none"> USD0.3bn 	<ul style="list-style-type: none"> 56.2% - domestic corporate bonds (25.9% bonds, 30.3% shares) 4.5% - deposits in commercial banks 15.7% - corporate securities of foreign issuers
Private equity funds 	<ul style="list-style-type: none"> USD0.2bn 	<ul style="list-style-type: none"> 3.2% - venture capital 10.3% - domestic corporate securities (9.1% bonds, 1.2% shares)

Pension funds invest a significant portion of their assets in local corporate securities

Portfolio structure by pension fund



Pension funds portfolio – USD13.9bn as of 1 August 2010

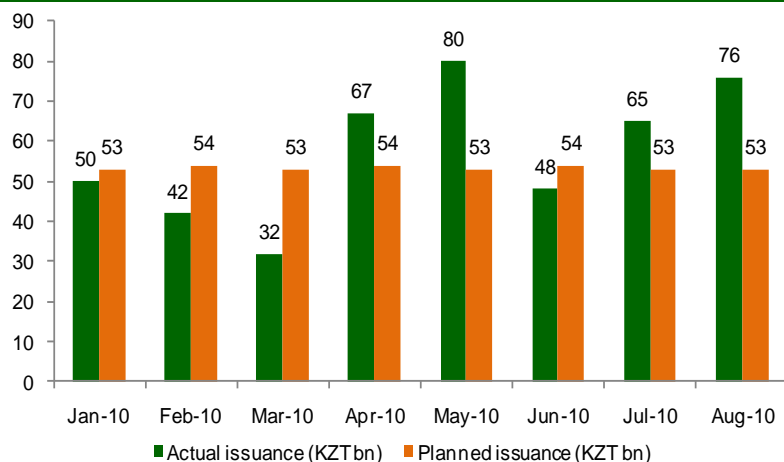


Local pension fund industry remains highly concentrated

- ❑ Thirteen pension funds form a powerful group of institutional investors in Kazakhstan
- ❑ Affiliated entities of large commercial banks - Halyk Bank Pension Fund, BTA Pension Fund, Grantum Pension Fund (subsidiary of KKB) as well as Ular-Umit and state owned GNPF jointly have 77.0% market share
- ❑ Current regulation requires pension funds have at least 30.0% of their portfolio invested in local government securities
- ❑ New regulation effective from January 2011 will limit pension funds' capacity to invest in foreign currency denominated securities

Regulation and scarcity of good credit have supported strong demand for government securities

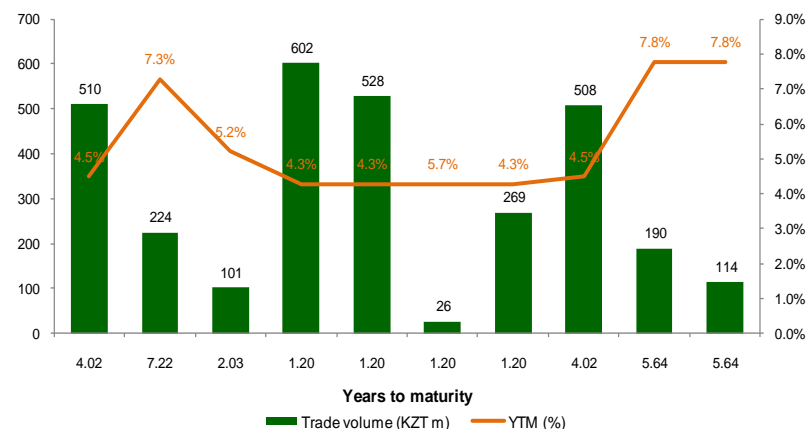
New government securities issue volumes in 2010



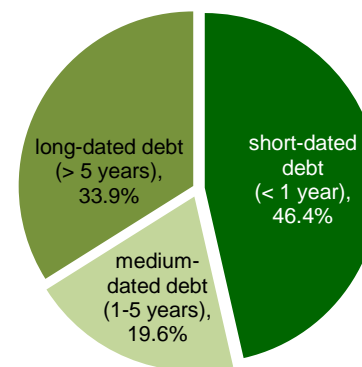
Key considerations

- Approximately KZT268bn (USD1.8bn)* of gross supply of KZT denominated government securities is expected in 2H 2010
- The government's plan to tap the international bond market in 2H 2010 was cancelled due to increased market volatility and global market sentiment
- Exceptionally strong demand for government bonds owing to regulatory requirements for pension funds and a lack of good quality corporate credit on the market allowed the government to raise long-dated financing and extend its debt maturity profile

Secondary market



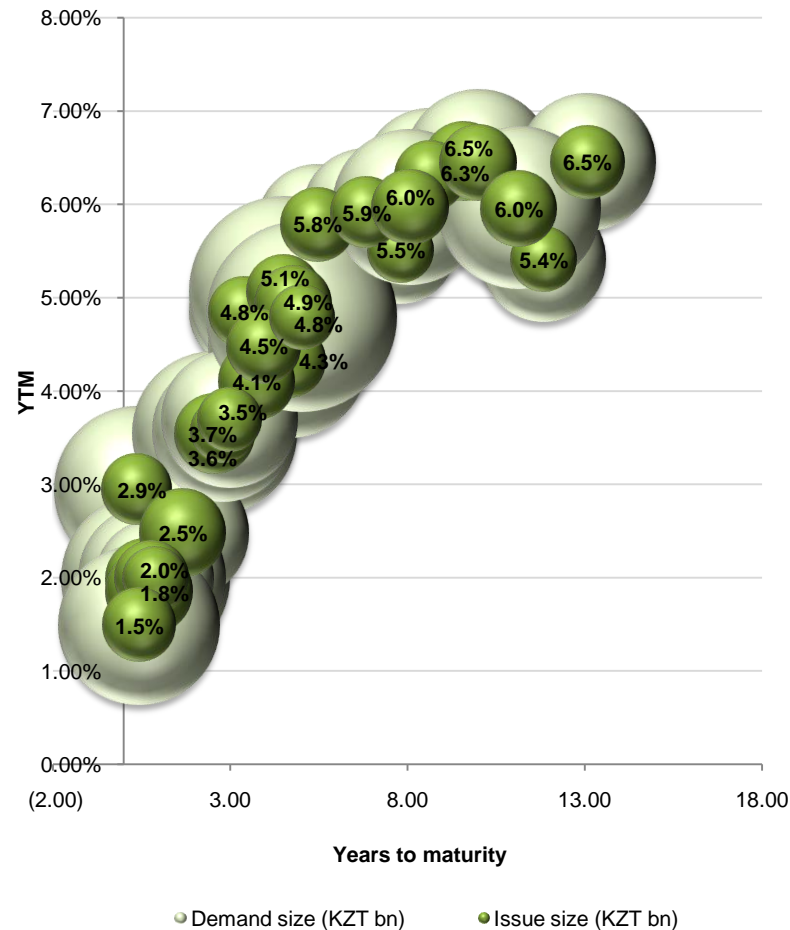
Government securities maturity profile



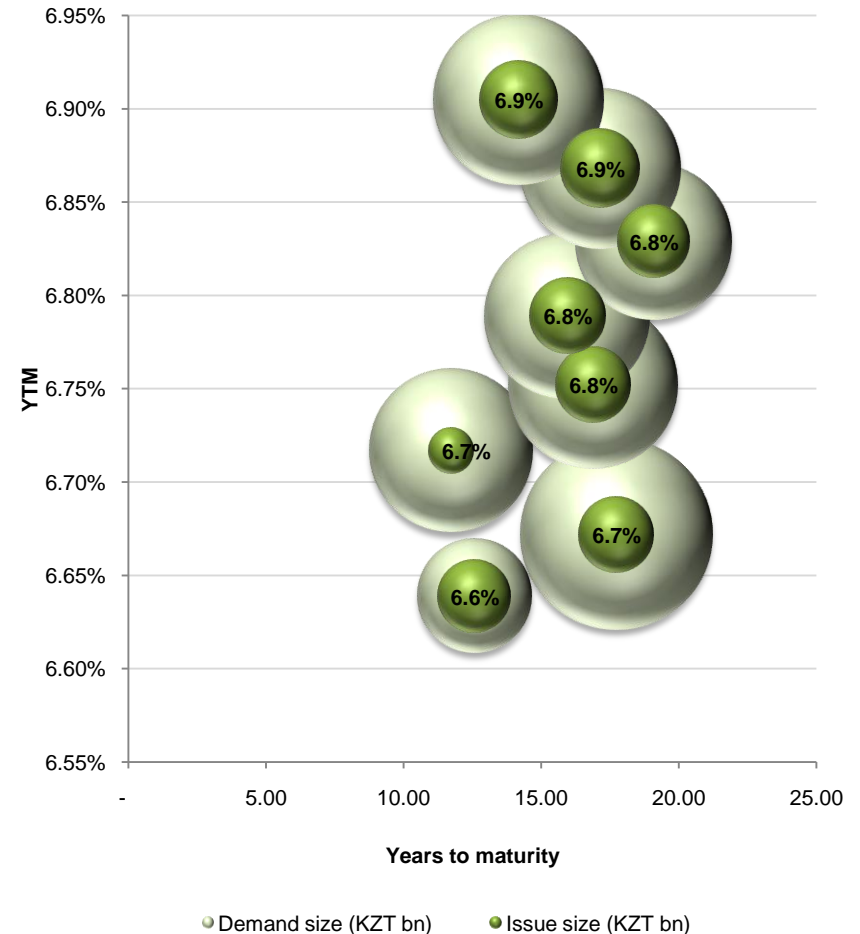
Government debt USD16.8bn as of 1 July 2010

Investors are long in low yield bearing local government securities







Fixed coupon government bonds (from January 2010)



Indexed coupon government bonds (from January 2010)



Major domestic market bond issuances for the 2H 2009 – 1H 2010

Issuer	Issue date	Size	Tenor (years)	Coupon	Issuer's rating	Issue rating	Comments
 КазМұнайГаз	June 25, 2010	KZT248.6bn (USD1.7bn)	3	7.0%	Baa2/BB+/BBB-	Ba2	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment <input type="checkbox"/> Aligned with Eurobond terms and conditions <input type="checkbox"/> Placement with KMG EP
	February 1, 2010	KZT15.0bn (USD100m)	3	10.5%	Ba3	Ba3	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment
Ekibastuz Gres-1	December 30, 2009	KZT10bn (USD67.6m)	4	12.0%	Non rated	Non rated	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment
 ATF Bank Member of UniCredit Group	November 4, 2009	KZT15bn (USD100m)	2	Inflation+1.5% Floor: - 8.0% Cap – 16.0%	Ba1/BBB-	BBB (AAA)kaz	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment
 ҚАЗАҚТЕЛЕКОМ JSC	October 30, 2009	KZT45.5bn (USD300m)	10	Libor + 9.0%	BB/BB	BB Kz(A)	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment on 19 January and 19 July each year <input type="checkbox"/> Full placement with Development Bank of Kazakhstan
 SAMRUK KAZYNA	July 9, 2009	KZT190.0 bn (USD1.3bn)	35	4.0%	Non rated	Non rated	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment
 КазМұнайГаз	July 2, 2009	KZT190.0bn (USD1.3bn)	35	5%	Baa2/BB+/BBB-	Non rated	<input type="checkbox"/> Listed on KASE <input type="checkbox"/> Semi-annual coupon payment

Regulatory requirements for local pension funds

Type of entity	International scale	National scale	Credit risk weighting
Kazakh entity	A-	A-.kz / kzA-/A-(kaz)	20%
Kazakh entity	BBB-	BBB-.kz/ kzBBB-/ BBB-(kaz)	50%
Kazakh entity	BB-	BB-.kz / kzBB- / BB-(kaz)	100%
Kazakh entity	B-	B-.kz / kzB- / B-(kaz)	130%
Kazakh entity	not rated	not rated	200%
Kazakh entity	not rated	not rated	300%
non-Kazakh entity	A-	A-.kz / kzA-/A-(kaz)	50%
non-Kazakh entity	BBB-	BBB-.kz/ kzBBB-/ BBB-(kaz)	50%

Key considerations

- ❑ Pension funds have central regulatory restrictions of investing in corporate securities in relation to calculation of their capital adequacy ratios
- ❑ Based on local FMSA rules, pension funds are allowed to invest in corporate bonds on KASE
 - Debt securities with an international credit rating not lower than “B-” and / or “KzB-” at a national scale from S&P, or a similar credit rating agency
- ❑ According to prudential norms on pension funds’ investments in corporate bonds of Kazakh issuers, pension funds are allowed to invest up to
 - 10.0% of their assets in a single bond issuance
 - 25.0% of the size of a single bond’s issuance
- ❑ Each debt instrument - depending on the debt instrument's credit quality - is assigned a credit risk that affects the minimum rate of capital adequacy ratio that pension funds have to comply with
 - Capital adequacy ratio should be above 4.0%
- ❑ **Debt instruments with a higher credit risk put a downward pressure on the capital adequacy ratio of and are less sought after by pension funds**

Proposed changes to pension fund regulation

Key considerations	Comments
Which legislation will change	<ul style="list-style-type: none"> <input type="checkbox"/> Amendments to Prudential norms manual for pension funds (No 180) <input type="checkbox"/> Prudential norms manual for pension asset management companies (No 181) <input type="checkbox"/> Business Rules for pension asset management companies and for pension funds (No 189) <input type="checkbox"/> Portfolio financial instruments valuation rules for pension funds (No 109)
Who is being affected	<ul style="list-style-type: none"> <input type="checkbox"/> Local pension funds <input type="checkbox"/> Pension asset management companies <input type="checkbox"/> Issuers are indirectly affected and will have to take into those changes in structuring their securities
Key changes	<ul style="list-style-type: none"> <input type="checkbox"/> Calculation methodology of nominal return (K2) and other ratios pursuant to IFRS <input type="checkbox"/> Revised requirements for setting up financial stability reserves <input type="checkbox"/> Clarification of situations when financial stability reserves are utilised <input type="checkbox"/> Investment limits for 2011-12 depending on the size of pension assets <input type="checkbox"/> Limitations on foreign currency investments <input type="checkbox"/> Revised limits on investing into securities of affiliated entities of pension funds

Summary

- ❑ Financial disintermediation for creditworthy names may enhance the dynamics of the local bond market in Kazakhstan
- ❑ Limitation in foreign currency investments by local institutional investors shall secure the local bid on KZT denominated assets
- ❑ Good prospects for KZT may enhance foreign participation in local bond issuance (a currency play by international bondholders)



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Visor Capital snapshot



CEE & CIS Banking
Awards 2009 and 2010

“Best Investment Bank in
Kazakhstan”



Thomson Extel Survey
2009 and 2010

“Best Research for
Kazakhstan”



“Best Equity House
Kazakhstan”

- ❑ The **leading Kazakhstani investment bank** providing international best-practice execution expertise and in-depth knowledge of the domestic environment
 - Only investment bank combining an FSA-authorised UK subsidiary and a leading brokerage operation in Kazakhstan
 - Unrivalled understanding of the local business environment, and excellent relationships with relevant regulators and authorities
 - Dedicated team combining local knowledge with international experience
- ❑ Visor Capital regularly consults state-owned companies on their strategic development options and **has extensive knowledge of the business, legal and regulatory framework in Kazakhstan and across the CIS**
- ❑ Visor Capital acts as **adviser to multinational companies in Europe, Asia and the US, as well as leading domestic and regional companies in Kazakhstan and across the CIS**, on M&A and capital market transactions. Recent roles and transactions include:
 - Exclusive financial adviser and underwriter to ATFBank on its USD100m domestic bond issue due 2011
 - Exclusive financial adviser to Kookmin Bank, Korea’s largest bank, on the acquisition of a 50.1% stake in Bank CenterCredit for approximately USD1.27bn
 - Financial adviser to a private equity group on the sale of a 51% stake in its Asian telecom business to TeliaSonera for approximately USD470.0m
 - Domestic Lead Manager of the USD2.3bn IPO of KazMunaiGas EP, placing approximately USD1.6bn with international and domestic investors in Kazakhstan

Visor Capital is a leading independent investment bank that combines local knowledge across the CIS with international expertise

Visor Capital offices

Almaty Headquarters

- CIS and Central Asia market coverage
- Offering corporate finance advisory, brokerage and research services

London, UK

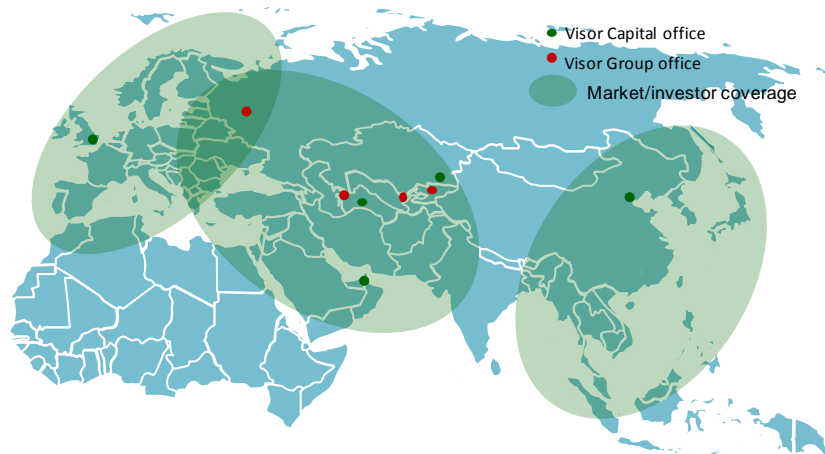
- European market coverage
- Offering brokerage services

Beijing, China

- Representative office (under formation)
- Asian market coverage

Dubai, UAE (under formation)

- Middle Eastern market coverage
- Offering corporate finance advisory services



Visor Capital partners

Somon Capital

- Investment Banking JV in Tajikistan
- Offering corporate finance advisory services

Visor Group offices

- Regional client and partner relations
- Representative functions
- Offices in:
 - Moscow, Russia
 - Bishkek, Kyrgyzstan
 - Tashkent, Uzbekistan

Auerbach Grayson

- Global agency broker
- Direct access to US emerging markets investors

Visor Capital offers the full range of professional investment banking services

Investment Banking

- ☐ Mergers & Acquisitions;
 - Buy-side, Sell-side
- ☐ Equity Capital Markets;
 - IPOs, secondary offerings
 - Private placement
- ☐ Debt Capital Markets;
- ☐ Structured Finance; and
- ☐ Corporate restructuring and privatization

Research

- ☐ Oil & Gas;
- ☐ Metals & Mining;
- ☐ Financial Institutions;
- ☐ Construction & Development; and
- ☐ Telecommunications, Utilities and Retail

Brokerage

- ☐ Equity sales and trading;
- ☐ Fixed Income sales and trading;
- ☐ Trade execution of equity, debt and derivatives;
- ☐ Settlements

Our investment banking team has advised on and executed successful transactions across Central Asia and beyond

emeafinance
Europe • Middle East • Africa

CEE & CIS Banking
Awards 2009 and 2010

“Best Investment
Bank in
Kazakhstan”

“Best corporate
finance and M&A
team”

- ❑ The team is led by Stefan Scholz who has over 18 years of **international banking experience**
 - Stefan advises clients on M&A and capital market transactions such as IPOs. He is a member of the International Advisory Board to the Regional Financial Centre of Almaty
- ❑ **Visor Capital has strong relationships** with the emerging market investment community, domestic and international clients, and all major international investment banks
 - Jose Luiz Gaviao: 16 years experience in debt capital markets (DCM) across emerging markets
 - Sanzhar Kozybayev: 12 years experience in oil and gas transactions across CIS and Europe
 - Indira Kaliaskarova: 9 years advisory experience in M&A and capital market transactions
 - Adilet Karabayev: 6 years experience in M&A across oil and gas, power and diversified industrial sectors
- ❑ We regularly coordinate **complex international transactions** and understand the needs of both domestic and international investors. Our current mandates include:
 - Financial Adviser on the acquisition of one of the top 10 oil producing companies in Kazakhstan
 - Exclusive Financial Adviser for three separate projects regarding the sale of oil & gas exploration blocks in Western Kazakhstan
 - Exclusive Financial Adviser and Broker for the listing and buyback programme of KMG EP's preferred shares on the Kazakhstan Stock Exchange (KASE)
 - Financial Adviser to a major international construction materials company with regards to a contemplated IPO on the London Stock Exchange (LSE)
 - Exclusive Financial Adviser to a leading commercial bank in Kazakhstan on the issuance, listing and placement of bonds

Visor Capital acted as exclusive financial adviser to Korea's largest bank on the acquisition of a majority stake in Bank CenterCredit

Transaction summary

Acquirer	Kookmin Bank
Target	Bank CenterCredit
Exclusive financial adviser to Acquirer	Visor Capital
Legal counsels to Acquirer and Target	Cleary GSH, Shin & Kim, Grata, White & Case
Total acquisition	up to 50.1% within 3 years
Total investment value (estimated)	USD1.2bn*
Initial investment value (30% stake)	c. USD634m



- ❑ Leading financial institution in Korea; total market capitalisation of USD17.0bn**
- ❑ Ranked as one of Asia's Top 10 Banks (Moody's)



- ❑ 4th largest bank in Kazakhstan by assets
- ❑ One of the best managed banks in Central and Eastern Europe and Asia (Euromoney)

Visor Capital's role

- ❑ **Exclusive financial adviser** to Kookmin Bank on the acquisition of a majority stake in Bank CenterCredit
 - The largest ever cross-border transaction by a Korean financial institution
 - One of the biggest transactions in the banking sector of Kazakhstan, adding crucial risk management and product development skills to the sector
- ❑ Visor Capital was engaged instead of a 'safe' bulge bracket investment bank because of its **unique combination of skills and expertise**:
 - Understanding of Kookmin Bank's economic preferences and regulatory environment in Korea and in the US
 - Familiarity with the Kazakhstani business and regulatory environment
 - First-class execution capabilities and innovative structuring skills
 - FIG sector knowledge and experience
- ❑ Visor Capital's **scope of work** included:
 - Identifying and evaluating potential targets
 - Initiating and managing deal negotiations with all parties
 - Designing deal structure to create shareholder value for both sides, including the establishment of the most beneficial closing mechanism

Visor Capital acted as joint lead manager and underwriter for the USD2.3bn dual listing of KazMunaiGas EP in Almaty/London

IPO particulars

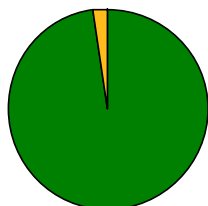
Issuer	KazMunaiGas Exploration & Production
Listing	(KASE RDGZ) (LSE KMG)
IPO Offer Size	23 086 791 shares
Over-allotment option * (15% of a base deal)	3 463 019 shares
Price Range	KZT 9,649.71 - 11,163.39 per share USD12.75 - 14.75 per GDR
Offer Price	KZT11,163.39 per share USD14.64 per GDR
Total Deal Size	KZT286.6bn USD2.3bn
Market Capitalization**	KASE: USD8.9bn LSE: USD8.3bn
Oversubscription rate	4
Trading date	4-Oct-06

*1,560,582 Shares were put back to NC KMG as a part of the reverse greenshoe option

** as of 4 August 2010

Pre-deal Shareholder structure*

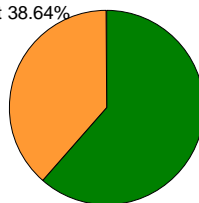
Minority Shareholders 2.13%



NC KazMunaiGas 97.87%

Post -deal Shareholder structure*, **

Free Float 38.64%



NC KazMunaiGas 61.36 %



* Excluding 4,117,699 preferred shares

**Post-IPO total amount of outstanding shares – 70 224 508 (includes partial exercise of reverse greenshoe option)

Transaction highlights

- ❑ **First** dual listing and offering of shares and GDRs on KASE and LSE in the history of the Kazakhstani securities market
- ❑ **First** book-built offering in Kazakhstan in accordance with international practice
- ❑ **First** international capital market transaction with qualified Kazakhstani Investment Bank acting as Lead Manager and Underwriter (Visor Capital)
- ❑ **First** structured equity sales approach to Kazakhstani institutional investors, including pension funds, banks, asset management companies
- ❑ **First** IPO research written and published in Kazakhstan, exclusive distribution of deal research by Visor Capital across Kazakhstan and Russia
- ❑ **IPO pricing at top end of the price range** despite a substantial decline in the oil price and competitor valuations during the marketing period and management roadshow
- ❑ **Visor Capital** placed over 17.9 million shares, equivalent to more than 67.0% of the total transaction, to international and domestic investors in Kazakhstan

Visor Capital acted as adviser and underwriter for ATFBank's KZT15bn domestic bond due 2011

Bond terms and conditions		Transaction highlights
Issuer	 ATF Bank JSC <small>Member of UniCredit Group</small>	<ul style="list-style-type: none"> ❑ The November 2009 transaction was the first bond issuance on the domestic capital market in almost three years following ATFBank's KZT13bn offering from February 2007 ❑ The issue was successfully placed with local institutional investors amid concerns with the Kazakh banking sector in 1Q 2010 ❑ The expected yield was 10.64% pa based on inflation forecasts ranging from 6.0% to 9.0% pa over the tenor of the bond <ul style="list-style-type: none"> ➢ The KASE methodology assumes that prevailing coupon rate is constant until maturity, with offer yield calculated at 9.29% pa ❑ Investor interest in the transaction was driven by: <ul style="list-style-type: none"> ➢ ATF's strong competitive position in Kazakhstan ➢ ATF's continued focus on liquidity and risk management ➢ ATF being part of UniCredit Group (Aa3/A/A) ➢ National scale AAA(kaz) credit rating, on par with local government securities ❑ The inclusion of the national scale ratings of Moody's and Fitch (in addition to the one by Standard & Poor's) in the prudential norms that regulate pension funds' investment activities reduced the credit risk factor applied to the issuance from 50% to 20%
Type of bond	Senior unsecured domestic bond issue	
Special feature	Inflation indexed	
Bond's rating	BBB/AAA(kaz) by Fitch	
Maturity date	4 November 2011	
Tenor	2 years	
Issue size	KZT15bn (~USD100m)	
Annual coupon rate	CPI + 1.5%, Min rate: 8.0%, Max rate: 13%	
First coupon rate (pa)	8.0%	
CPI	Annual inflation for last 12 months, one month prior to the coupon payment date	
Offer price	98.0%	
Offer yield	9.29% (based on KASE methodology)	
Regulation	Kazakh law	
Listing	Kazakh Stock Exchange ('KASE')	
Underwriter	 Visor Capital	

Selected Visor Capital M&A and capital market transactions

M&A transactions

Kazakhstan 2008 Telecom USD 496 million Kazakhstan Private Equity Group Adviser on sale of 51% equity stake in telecoms in Nepal and Cambodia VisorCapital	Kazakhstan 2008 Banking USD 1.2 billion  Exclusive financial adviser on acquisition of 50.1% stake in Bank CenterCredit VisorCapital	Kazakhstan 2008 Media KZT 12.1 billion  Sole adviser on sale of 49.99% stake in JSC Khabar Agency VisorCapital
Kyrgyzstan 2007 Mining  Adviser on acquisition of interest in Kyrgyz mining company VisorCapital	Kyrgyzstan 2007 Construction materials Technolin Sole adviser on acquisition of 100% of the assets of a Kyrgyz VisorCapital	Cambodia 2007 Telecom  Sole adviser on acquisition of 100% stake in Cambodian cellular provider VisorCapital
Cambodia 2007 Banking  Sole adviser on acquisition of 100% stake in Cambodian bank VisorCapital	Uzbekistan 2007 Banking  Sole adviser on acquisition of 100% stake in Uzbekistan bank VisorCapital	Kazakhstan 2007 Oil & Gas USD 970 million  Valuation adviser on sale of 50% stake in KazGerMunai VisorCapital
Kazakhstan 2006 Retail  Sole adviser on acquisition of 100% stake in Kazakh retail business VisorCapital	Kyrgyzstan 2006 Retail  Sole adviser on acquisition of 100% stake in Kyrgyz retail business VisorCapital	Kazakhstan 2006 Oil & Gas USD 1.0 billion  Adviser on acquisition of 50% stake in KazGerMunai VisorCapital

ECM transactions

Ongoing Oil & Gas USD 514 million  Sole adviser on listing of preferred shares and execution of buyback programme VisorCapital	Kazakhstan 2009 Oil & Gas KZT 388 billion Mangistau Investments BV Closing of acquisition of 100% stake in Mangistaumunaigas VisorCapital
Kazakhstan 2009 Oil & Gas Mangistau Investments BV Mandatory tender offer to buy preferred shares of Mangistaumunaigas VisorCapital	Kazakhstan 2009 Oil & Gas KZT 4.8 billion Kazakhstan Client Closing of acquisition of 100% stake in Kazakhstan Petrochemical Industries VisorCapital
Kazakhstan 2008/2009 Oil & Gas USD 350 million  Adviser on common share buyback programme VisorCapital	Kazakhstan 2006 Oil & Gas USD 2.3 billion  Domestic Lead Manager for the Initial Public Offering VisorCapital

DCM transactions

Kazakhstan 2010 Oil & Gas USD 1.7 billion  Financial adviser on acquisition of NC KMG Bonds VisorCapital	Kazakhstan 2009 Banking KZT 15 billion  Lead Manager of domestic bond issue VisorCapital
Kazakhstan 2009 Telecom KZT 46 billion  Lead Manager of domestic bond issue VisorCapital	Kazakhstan 2007 Oil & Gas USD 1.5 billion KMG KashaganBV Financial adviser on refinancing alternatives for Kashagan project development VisorCapital
Kazakhstan 2006 Oil & Gas USD 800 million Kazakhstan Client Placement agent for a private placement bond VisorCapital	

Our Sales & Trading team focuses on delivering superior investment ideas, exceptional market intelligence, and outstanding execution



“Best Equity
House in
Kazakhstan”

- ❑ As a registered broker / dealer in Kazakhstan, we provide a client-driven service covering both debt and equity capital markets for Central Asian and international stocks
- ❑ Access to international markets through our UK subsidiary, Visor Capital (UK) Limited, a member of the LSE and authorised by the FSA
- ❑ In addition to offering execution and trading of KASE-listed stocks, we are active players in the international stocks of Kazakh companies. We also facilitate bond trading, treasury bills and REPO transactions
- ❑ We have access to an extensive client base in Kazakhstan, including pension funds, investment funds, and other market participants
- ❑ Our Sales and Trading team is comprised of seasoned local and Western specialists, based in Almaty, London and Beijing, with in-depth knowledge of capital markets activity and particular expertise in emerging markets and the CIS countries, offering full coverage of Kazakhstan-related stocks:
 - ❑ Almaty
 - Daniyar Aristambayev – over 4 years of trading experience
 - ❑ London:
 - Michael Costello – over 4 years of trading experience
 - Stefano Resegotti – over 10 years of sales experience
 - ❑ Beijing:
 - Gustaf Ramel – over 12 years sales experience across Europe and Asia

Our research team provides comprehensive and independent insight into the Kazakhstani market from a local and global perspective



Thomson Extel Survey
2009 and 2010

“Best Research
for Kazakhstan”

- ❑ Led by Jean-Christophe Lermusiaux, a leading technology analyst with over 11 years of professional experience
- ❑ First bank to publish international-standard research in Kazakhstan
- ❑ The team covers a growing range of industry sectors through industry specific analysts, including:
 - Oil & Gas
 - Metals & Mining
 - Financial Institutions
 - Construction and Development, and
 - Telecommunications, Utilities and Retail
- ❑ In addition to the industry reports, Visor Capital Research analyses the trends and characteristics that help to shape the sectors, offering specialized and bespoke reports to investors:
 - Daily updates on Central Asian investment news
 - Macroeconomic reports
 - Bonds weekly and Pension Funds Quarterly
 - Commodities weekly
 - Weekly summary of financial ratios for all companies under research coverage
 - Central Asian country research coverage
 - Focused standalone reports
- ❑ Global distribution of research to qualified institutions with focus on the UK, Russia and Asia. US distribution through Auerbach Grayson, a leading broker specializing in non-US equities



Visor Capital equity research: a fast growing universe of coverage

- ❑ As of today, companies are covered by Visor Capital include:

Oil & Gas	Financial Institutions	Metals & Mining	Others
      	          	      	     

- ❑ We also have developed an expertise on a much broader universe of companies, including:

- Small Kazakh companies;
- International companies that have significant assets in Kazakhstan;
- Companies operating in Central Asia, including Turkmenistan, Uzbekistan, Tajikistan, and Mongolia

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Visor Capital – Local and International Management



Michael Carter, CEO

Michael became CEO of Visor Capital in July 2008. He joined Visor Capital as Head of Research in January 2007 from ING Bank, where he was Head of Equities in Italy. His research experience has been in the oil, oil service, transportation and industrial sectors. He was part of top-ranked Research teams at UBS from 1995-2001, both in London and Milan. Previously, from 1990-1995, he was a management consultant at Bain & Company in Italy where he managed strategic consulting projects in Europe in the oil, oil service, telecom, IT, automotive and media sectors. From 1987-1990, he worked for the Energy Recovery Fund, a venture capital fund specialised in oil & gas sector investments in the USA. Michael holds a BA with Honors from U.C. Berkeley and an MBA from Georgetown University.



John Burns, COO

John joined Visor Capital in March 2009 from Fidelity International in London where he was Head of European Risk. He has over 20 years experience in buy-side financial services having previously worked for Schroders and Morgan Grenfell (Deutsche Asset Management). John spent a number of years overseas with Schroders in both Tokyo and Singapore where he held various regional roles either as COO or in functional areas of finance, compliance, risk, operations and IT. John is a Chartered Accountant, a member of the ICAEW, and holds an honours degree in Commerce and Accounting from the University of Birmingham, UK.



Stefan Scholz, Managing Director, Head of Investment Banking

Stefan joined Visor Capital in February 2006 and is responsible for the Investment Banking business, including the Advisory, M&A, Equity Capital Markets, Debt Capital Markets and Structured Finance divisions. Stefan has 18 years experience in banking and gained extensive experience in the origination and execution of medium and large-scale investment banking transactions across different industries in the U.S., Europe, Middle East, Africa and Asia at both JPMorgan Chase and Dresdner Kleinwort. Stefan studied Economics and Business Administration in Germany and the U.K. and holds a full-time MBA from the Henley Management College. He is an honorary speaker at major international conferences and member of the International Advisory Board to the Agency of the Republic of Kazakhstan for the regulation of activities of the Regional Financial Centre of Almaty (RFCA).



Jean-Christophe Lermusiaux, Managing Director, Head of Research

Jean-Christophe joined Visor Capital in November 2008 from Exane BNP Paribas, where he was in charge of the IT Services & Software sector. Jean-Christophe gained over 11 years of experience as a sell-side analyst in Paris and in London, and him and his team achieved top international rankings (#1 Extel individually, #2 Extel as a team, #1 Starmine for the quality of recommendations). Over the last two years in Exane BNP Paribas, his team ranked #1 out of 25 in the bank's trading ideas portfolio (Long/Short Equity, absolute performance). Jean-Christophe holds an engineering degree from the Ecole Centrale d'Electronique and an MBA from ESSEC Business School.

Visor Capital – Local and International Management



Stefano Resegotti, Managing Director, Head of Sales

Stefano joined Visor Capital in September 2009 from Cheuvreux where he led the European Equity Sales effort into the Italian client base. Prior to Cheuvreux, Stefano was Director at ING Bank, and one of the top cash equity sales persons in Europe. Previously, he worked at Santander and Morgan Stanley in sales, sales trading and trading roles. Stefano brings with him over 12 years of equity sales experience and has a degree in Economics and Business from the University of Pavia.



Jose Luiz Gaviao, Managing Director, Debt Capital Markets and Structured Finance

Jose Luiz Gaviao joined Visor Capital in April 2007. Before joining Visor, he was involved in the restructuring of Fair CCVM, a Brazilian broker-dealer, on behalf of its owner, a private Swiss investor. Prior to that, he worked nine years at ABN AMRO, where at the time of his departure he was Director for all Debt Capital Markets activities in Brazil. During his tenure, Jose was responsible for domestic and cross-border origination and domestic syndication and distribution, having had postings in Amsterdam, New York and Sao Paulo. Jose holds an MBA from the University of Pittsburgh and a bachelor's degree in Engineering.



Sanzhar Kozybayev, Director, Investment Banking

Sanzhar joined Visor Capital in March 2006 and was previously Executive Director at Visor Investment Solutions where he was responsible for M&A transactions and financial advisory. Before joining Visor, he was CFO of geophysical company KazakhstanCaspiShelf JSC and CFO of a Caspian maritime construction company, Keppel Kazakhstan LLP. Additionally, Sanzhar gained extensive experience in Assurance and Business Advisory Services at PricewaterhouseCoopers. Sanzhar holds a BS in International Economic Relations with honors from the Kazakh National University, an MA degree from the Kazakhstan Institute on Management, Economics and Strategic Researches, and an Executive MBA from INSEAD.



Adilet Karabayev, Vice-President, Mergers & Acquisitions

Adilet joined Visor Capital in April 2009 following 3 years at Citigroup's London office where he worked as an Associate in the Energy M&A team and covered Oil & Gas and Power sector clients in Western and Central Europe, Northern Africa and the CIS. Before joining Citigroup, Adilet was a senior analyst in the project finance team at Kazkommertsbank where he structured a number of financing deals for Kazakh and Russian blue-chip companies. Adilet holds a BS degree with Honors from KIMEP and a full-time MBA from the London Business School.

Visor Capital – Local and International Management

**Indira Kaliaskarova, Vice-President, Investment Banking**

Indira joined Visor Capital in June 2009. Before joining Visor, she worked in the Investment Banking division of Lehman Brothers in London where she executed M&A and corporate advisory transactions across the energy industry in the CIS region. Prior to Lehman, Indira worked in BG Group where she gained extensive oil & gas experience and was responsible for the economic analysis of strategic projects in Kazakhstan, particularly BG Group's interests in Karachaganak, Kashagan and the Caspian Pipeline Consortium (CPC). Indira holds a Master of Economics from Reading University (UK).

**Gustaf Ramel, Sales to Asia**

Gustaf joined Visor Capital in October 2007. He has more than 12 years of Equities Sales and Equity Capital Markets experience from London, Hong Kong and Beijing. He worked for 7 years at Cazenove & Co. in London as an equities broker covering Scandinavia before moving to JPMorgan where he managed a team selling US, European & Asian Equities & derivatives to the region. During his time at JPMorgan, Gustaf was consistent ranked among the top performers in the Alpha League table for investment returns and ideas. In 2005 Gustaf was posted to Beijing and Hong Kong and was instrumental in winning a number of ECM mandates. Gustaf Ramel holds a BA in Finance & Derivatives from Lund University in Sweden.

**Hugh McGregor, General Counsel**

Hugh joined Visor Capital in November 2009 from BV Property Investment Partners, where he was General Counsel. Previously, he worked as an English-qualified lawyer for Freshfields Bruckhaus Deringer and Skadden Arps in both London and Moscow. During his time in private practice, Hugh worked on a wide range of M&A, joint-venture and private equity transactions. Hugh studied at Manchester University (BA (hons) Philosophy) and Nottingham Law School (Post-graduate Diploma in Law and Legal Practice Course).

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