

Vostok Nafta Investment Ltd
2nd Quarter Report
August 19, 2009

Vostok Nafta

2nd Quarter Report 2009

Income Statement

(TUSD)	Jan 1, 2009- Jun 30, 2009	Jan 1, 2008- Jun 30, 2008	Apr 1, 2009 Jun 30, 2009	Apr 1, 2008 Jun 30, 2008
Operating income	36,774	162,784	68,869	1,490
Operating expenses	-2,773	-5,218	-1,027	-3,717
Russian dividend withholding tax expenses	-885	-706	-288	-611
Operating result	33,116	156,860	67,554	-2,838
Net financial items	-4,689	352	-394	20
Result before tax	28,427	157,212	67,160	-2,818
Taxation	11	276	0	-453
Net result	28,438	157,488	67,160	-3,271

Vostok Nafta

2nd Quarter Report 2009

Balance Sheet

(TUSD)	Jun 30, 2009	Dec 31, 2008
Intangible non current assets	-	-
Tangible non current assets	1,881	510
Financial non current assets	349,037	266,874
Current assets	27,509	59,772
Total assets	378,427	327,156
Shareholders' equity	376,442	247,893
Deferred tax liabilities	19	19
Borrowings	-	77,887
Other current liabilities	1,966	1,357
Total shareholders' equity and liabilities	378,427	327,156

Vostok Nafta Ownership Structure

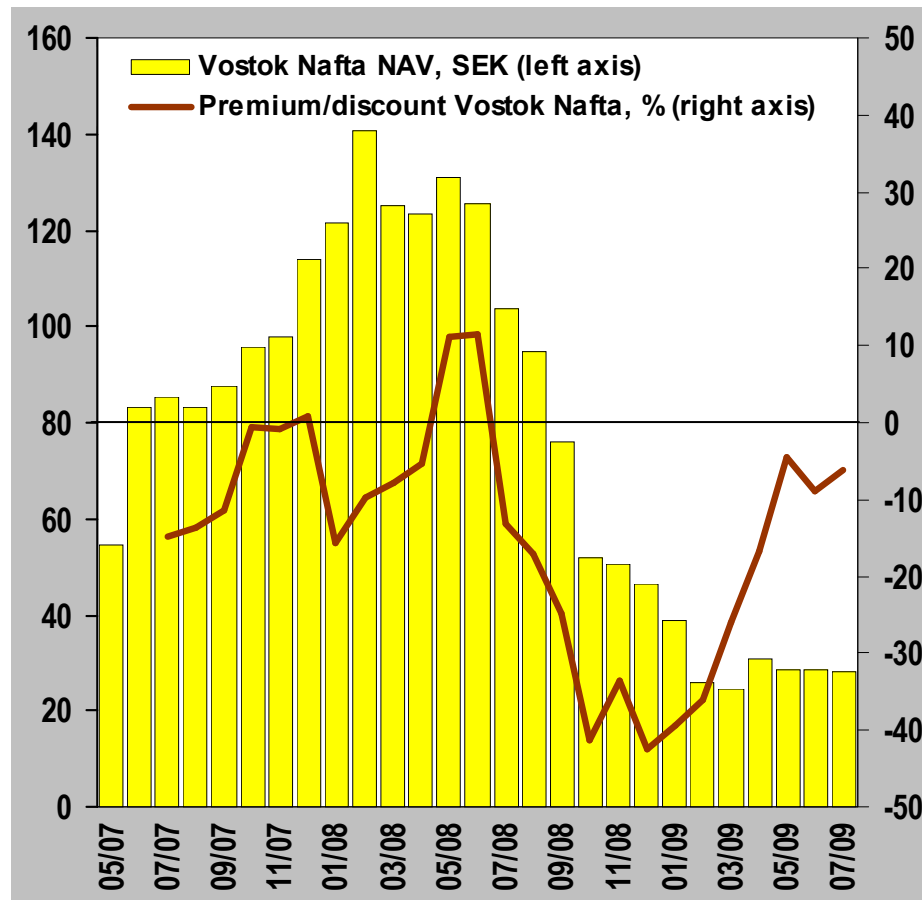
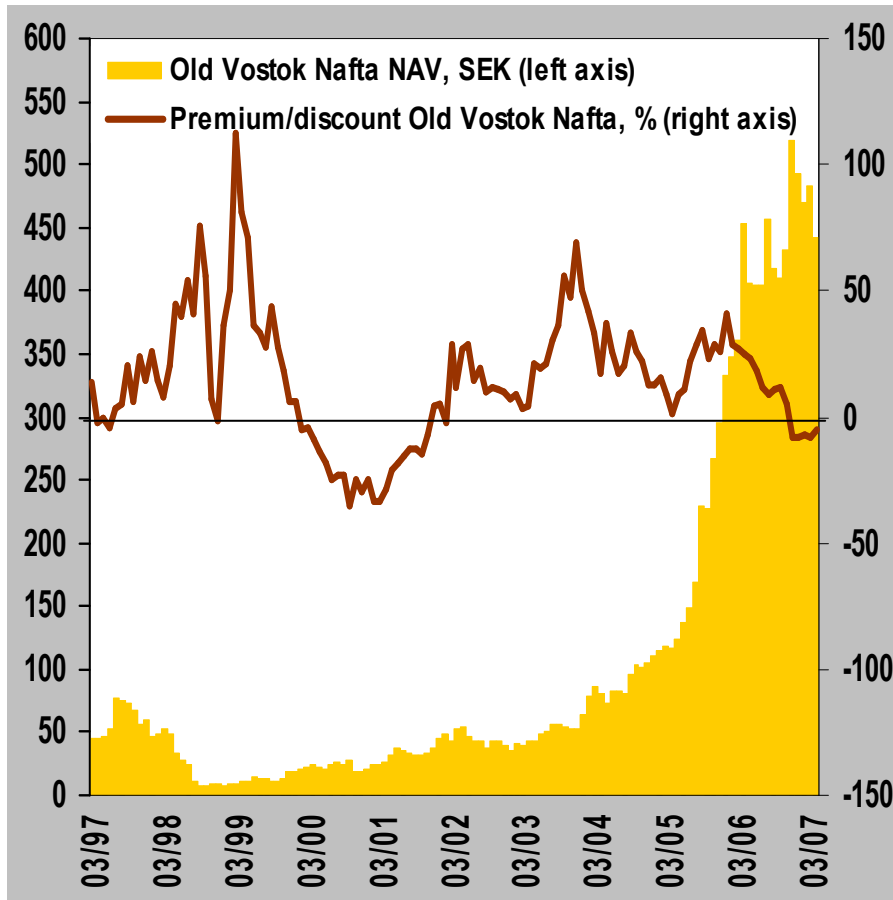
10 largest owners as per
March 31, 2009 (left) and
July 31, 2009 (right)

Owner	Holding, SDRs	Holding, %
1 Lorito Holdings (Guernsey) Ltd	28,000,000	30.42%
2 4th Swedish National Pension Fund	6,724,720	7.31%
3 AFA Insurance	3,643,080	3.96%
4 Avanza Pension Insurance	1,992,847	2.17%
5 Nordea Funds	1,703,494	1.85%
6 Pershing, LLC	1,040,110	1.13%
7 Nordnet Pension Insurance	957,915	1.04%
8 SEB Funds	953,930	1.04%
9 Skandia Liv	932,250	1.01%
10 Handelsbanken Funds	553,914	0.60%
10 largest owners	46,502,260	50.52%
Other foreign owners & nominees	26,074,038	28.33%
Other, approx. 16,750 shareholders	19,465,504	21.15%
Total	92,041,802	100.00%

Owner	Holding, SDRs	Holding, %
1 Lorito Holdings (Guernsey) Ltd	28,000,000	27.73%
2 4th Swedish National Pension Fund	6,724,720	6.66%
3 Alecta Pension Insurance	5,761,591	5.71%
4 HQ Funds	4,073,323	4.03%
5 AFA Insurance	3,566,360	3.53%
6 Länsförsäkringar Funds	2,661,051	2.63%
7 Avanza Pension Insurance	2,178,172	2.16%
8 Nordea Funds	1,635,096	1.62%
9 Skandia Liv	1,048,482	1.04%
10 Pershing, LLC	1,007,570	1.00%
10 largest owners	56,656,365	56.10%
Other foreign owners & nominees	20,803,004	20.60%
Other, approx. 18,350 shareholders	23,531,606	23.30%
Total	100,990,975	100.00%

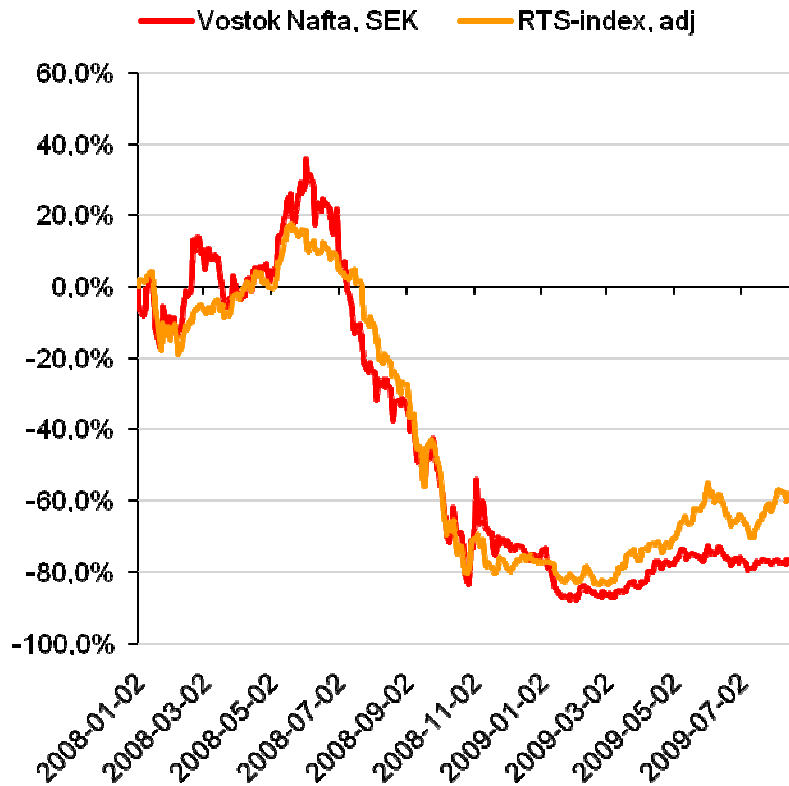
Net asset value (NAV) and premium/discount

Old Vostok Nafta March 1997–April 2007 (left) and New Vostok Nafta May 2007–July 2009 (right)



Vostok Nafta SDR

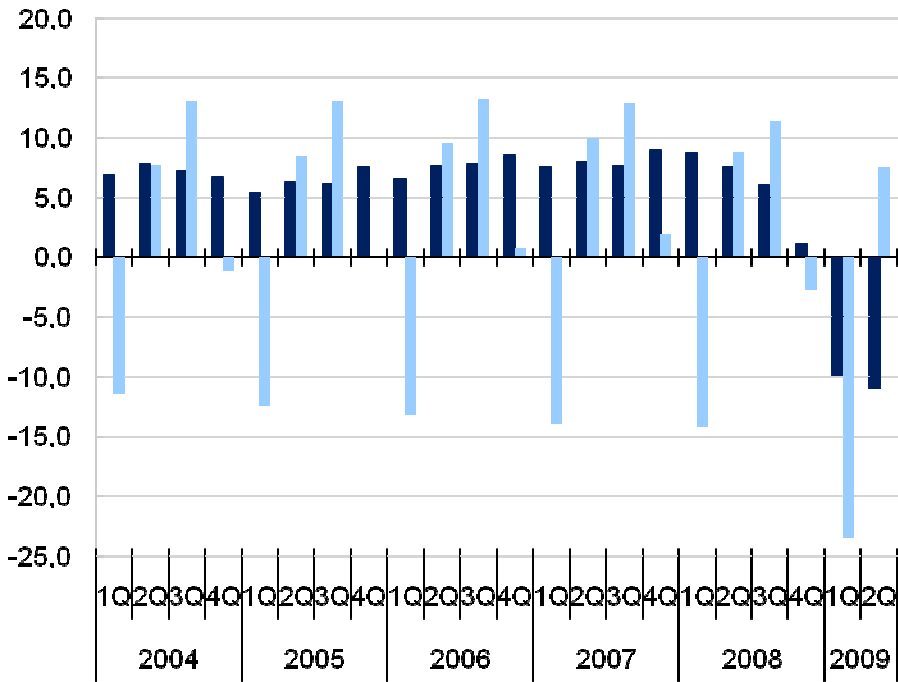
Vostok Nafta SDR and RTS Index development. January 1, 2008–
Aug 14, 2009 (SEK)



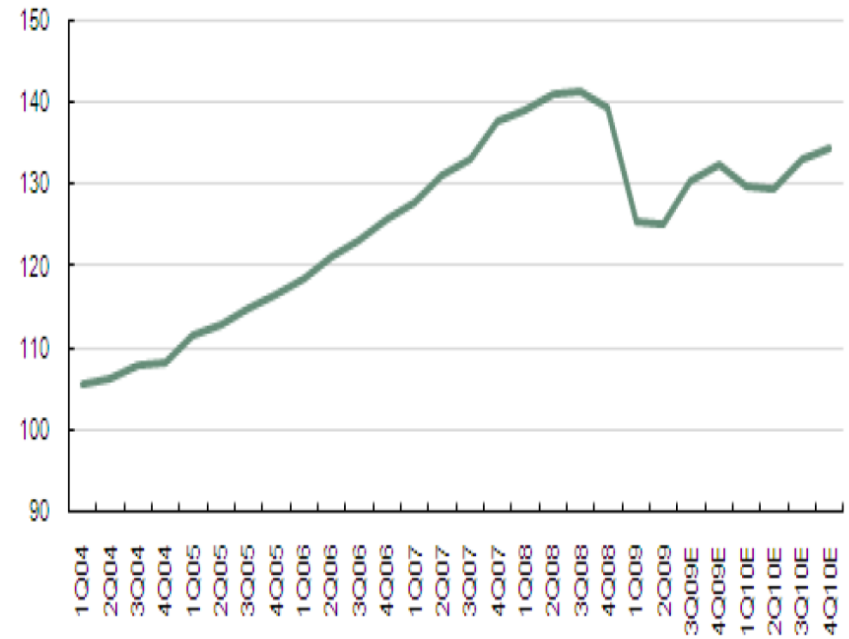
Russian GDP

Growth to resume in 2H 2009

■ GDP, % YoY ■ GDP, % QoQ



GDP seasonal adjusted dynamics (2003=100)

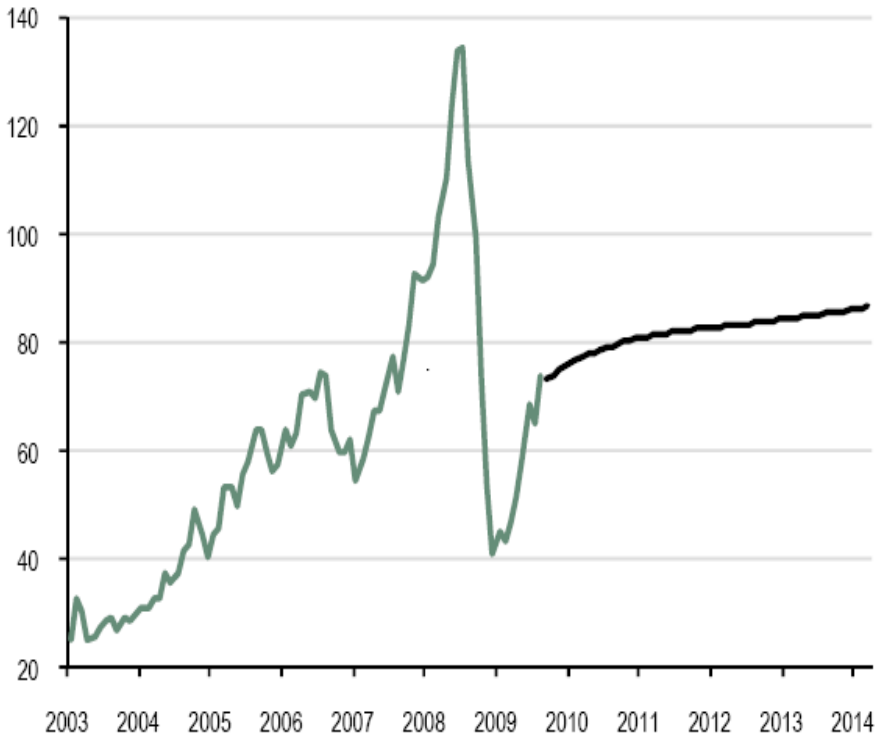


Source: Renaissance Capital estimates

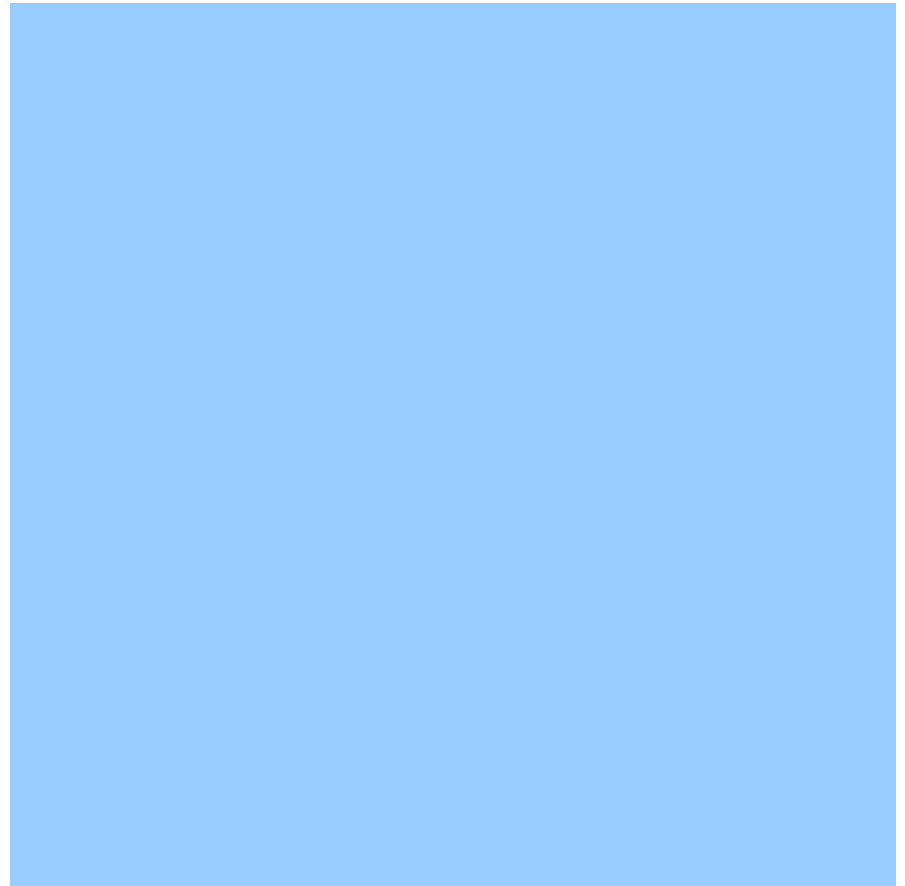
Oil Price

Short term volatility risk to
Russian recovery

Brent futures, USD/bbl

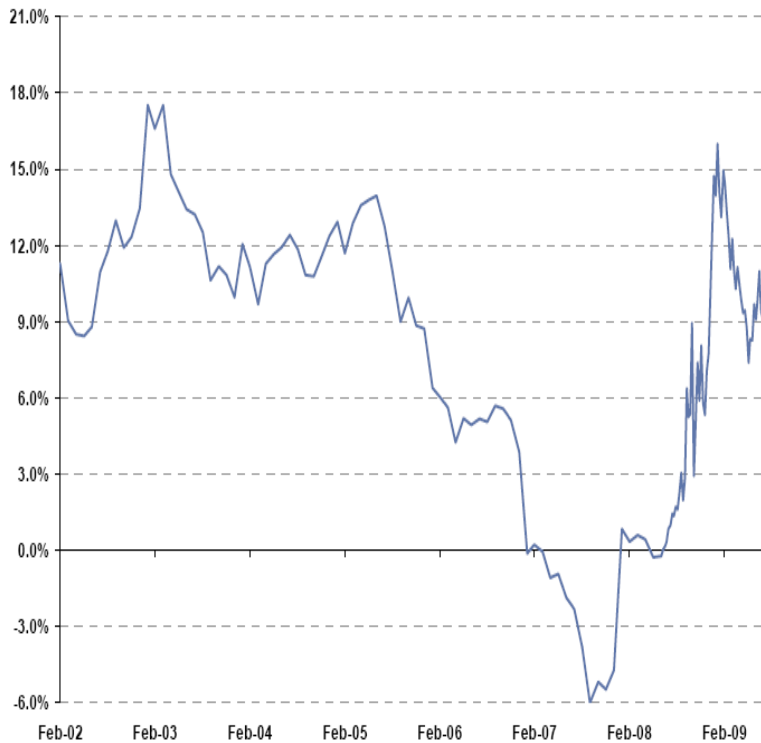


Source: Bloomberg, Renaissance Capital estimates



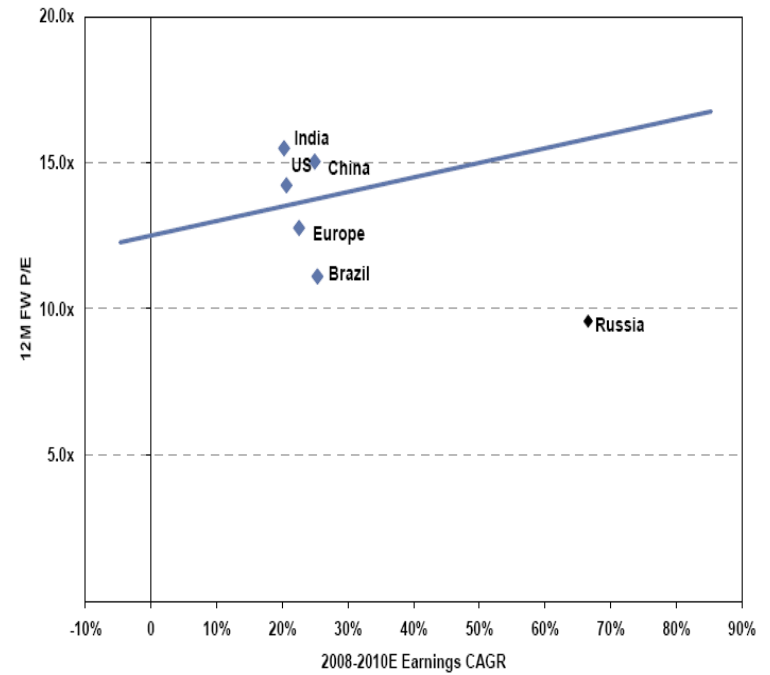
Equity Risk Premium (ERP)

Implied Equity Risk Premium close to its 8-year average



Source: Goldman Sachs Research estimates.

12M forward P/E versus 2008-2010E earnings growth; Russia and global markets

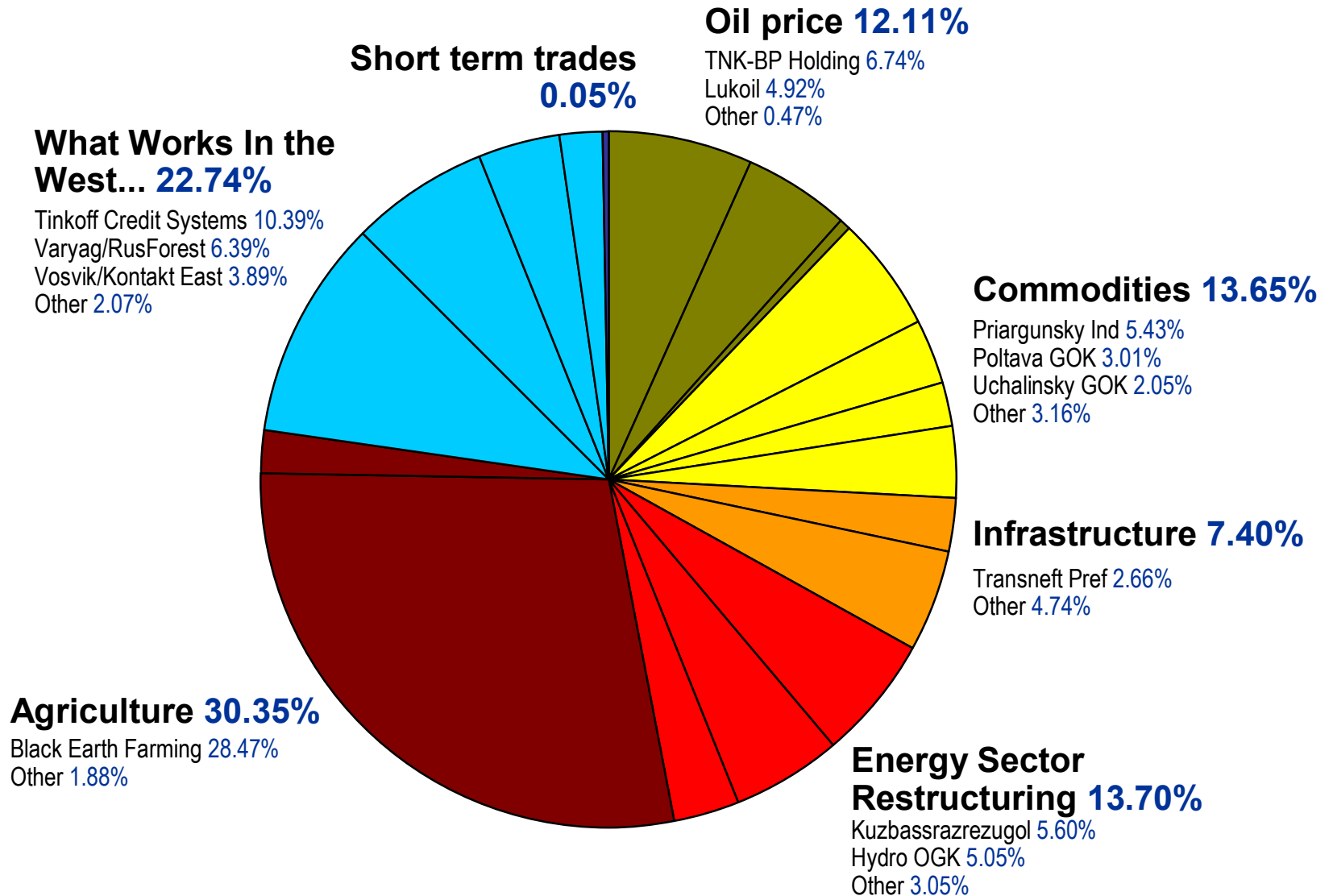


Source: Goldman Sachs Research estimates.

Vostok Nafta Investment Portfolio

Macro themes

June 30, 2009

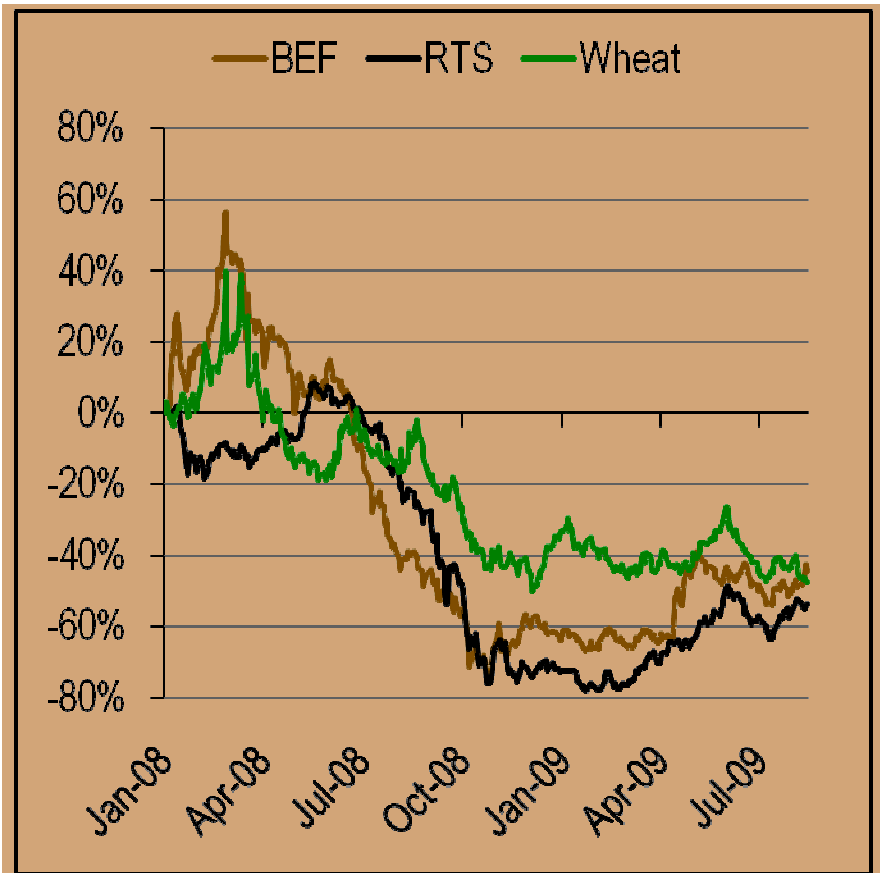


- 321,000 hectares under control
 - of which 106,000 under full ownership
 - and 11,000 long term lease
- Substantial production
 - 2007: 53,000 ha harvested
 - 2008: 141,933 ha harvested and a total of 260,000 ha cultivated
 - 2009: 181,053 ha to be harvested
- Anchor investors & active owners:
 - Vostok Nafta Investment Ltd 24.8%
 - Investment AB Kinnevik 20.9%

All BEF's farms are located in the Black Earth region which holds one of the most fertile soils in the world



- Listing on Nasdaq OMX Stockholm Mid Cap
- Management changes
 - CFO to assume GM position of Agro-Invest
- Weak pricing environment
 - Prospects of increased global wheat production weighs on wheat prices
- Operational focus continues
 - Sales optimization
 - Productivity improvements
 - Cost structure below global benchmarks
- Majority of land in registered ownership by end of 2009



Tinkoff Credit Systems



– Russia's only monoline direct mail credit card issuer

- Founded 2007 by Oleg Tinkov
- 71% owned by Tinkov, 15% Vostok Nafta, 14% Goldman Sachs
- 340k cards issued, USD 160mn portfolio

– Favourable macro situation

- Credit card penetration in Russia at 6% of pop. vs Poland (18%), Kazakhstan (40%) and Brazil (46%)

– Excellent management

- Experienced, entrepreneurial
- Background from VISA and leading consumer lenders

– Targeting 3-5% market share by 2010

- Loan portfolio has grown to RUB 4.8bn Dec 08 from RUB 700mn Dec 07

– Debt financing

- EUR 70mn placed at 18% in June 2008
- RUB 1.5bn loan at 16.5-24.5%

– Vostok Nafta investments

- Shares: 15% for USD 30mn
- Warrants: 2% for free
- Loan: RUB 500mn
- Bond: EUR 5mn

Tinkoff Credit Systems



Substantial growth in 2008...

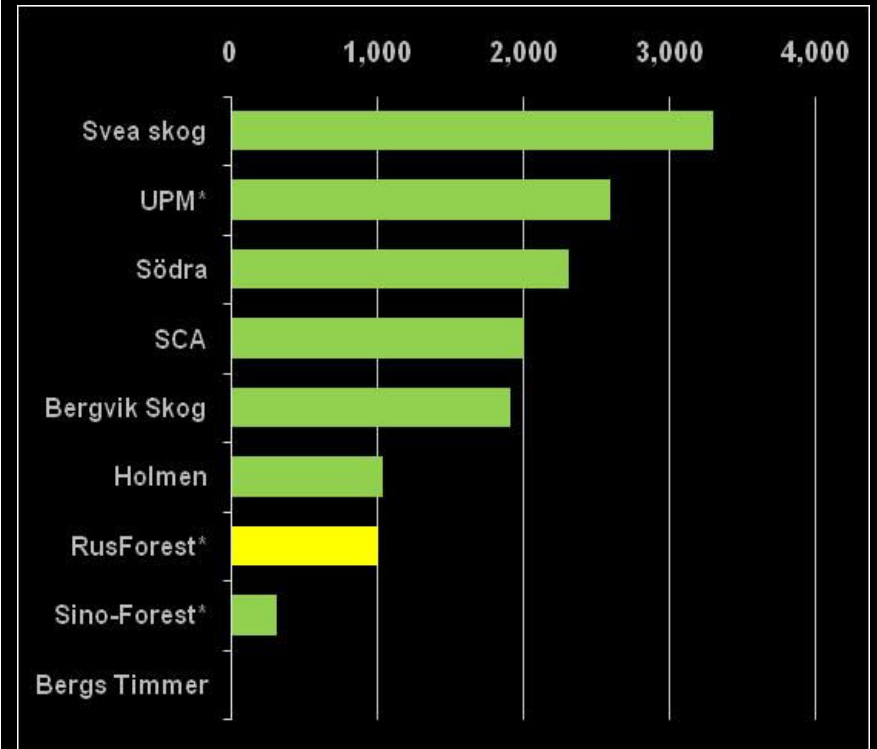
- Card volumes up from 60k to 300k
- Card balances up from USD 27m to USD 158m
- Net loss of USD 40m in FY08 but profitable in 4Q08
- Credit losses reduced to 5.5% by Dec (1st payment default)

...Survival in 2009

- Net profit 1H09, USD 4.1 million
- Card issuance minimal to conserve cash but maintain operations
- C/I ratio down from 82% Aug 08 to 30% as acquisition costs eliminated
- Gross yield maintained ~80% as competition eases
- Delinquencies peaked in April: Charge-off rate FY09 expected at 15-20%
- Partial FX-hedge acquired in June

- RusForest has reached a considerable scale in terms of forest land controlled
 - Over 1mln hectares with 1.6mln m³ in AAC and an ~80% share of softwood
- Harvest of approximately 600k m³ in 2008
 - Currently 6th largest in Russia
 - Growth plans project an increase to around 1.4mln m³
- Sawmilling capacity set to increase to around 400k m³

Forestland owned, or *controlled (k ha)



Location of Holdings

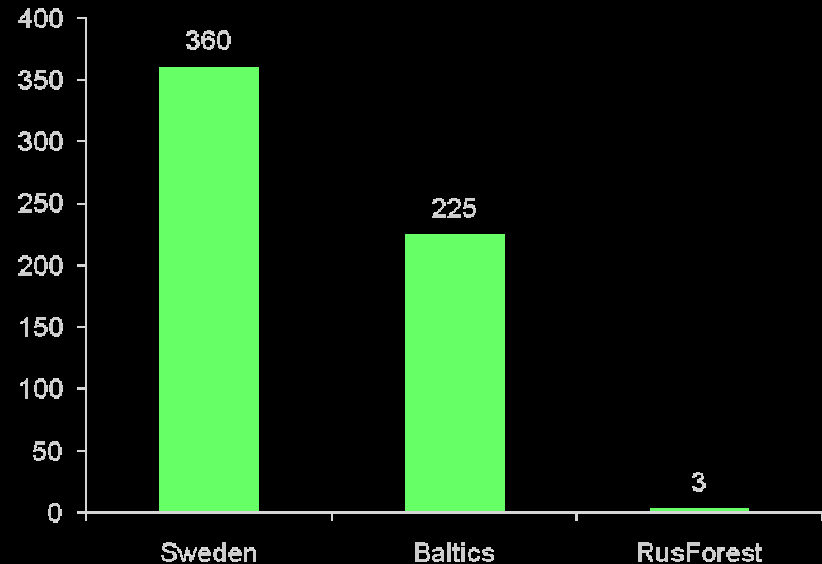


Restructuring of Varyag complete



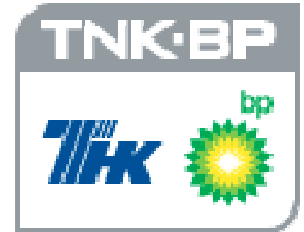
- Restructuring of Varyag Resources into RusForest completed
 - Dedicated Russian forestry business
 - Vostok Nafta holds 46.7%
- Substantial revenue increase 2009
 - Investments in new capacity to come on stream
- Average sales price stabilised during 2Q09
 - Japan, Middle East & Central Asia key markets

Forest price comparison (SEK/m³)



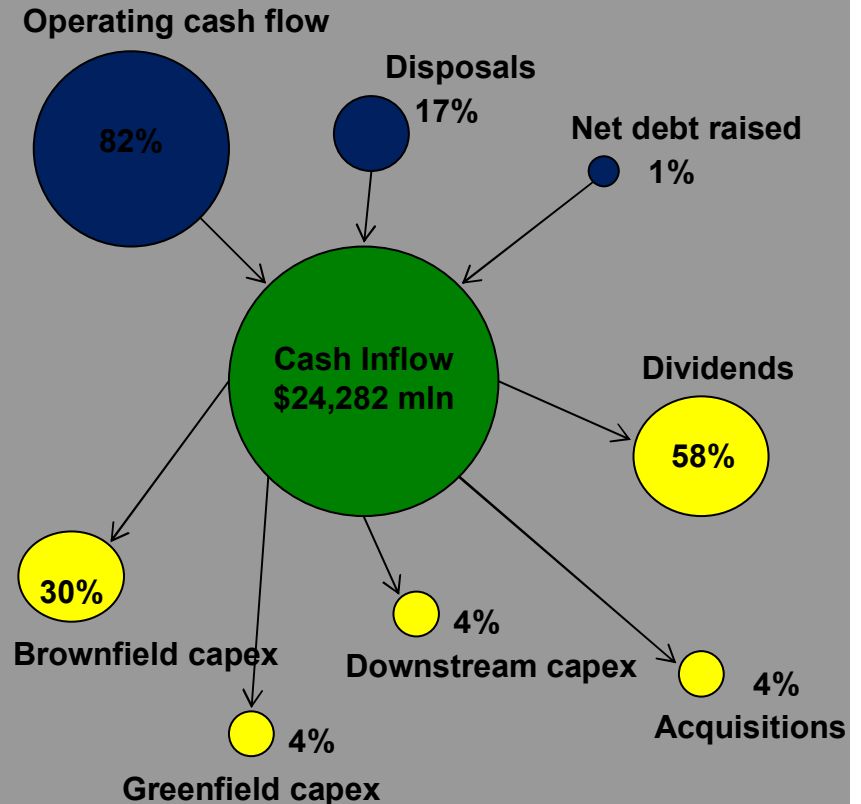
Market prices for Swedish & Baltic forestry estates vs. equity market's valuation of forest controlled by RusForest

Source: LRF Konsult, Vostok Nafta estimates



- Russia’s 3rd largest oil producer
- One of few Russian producers increasing output 2009
- Highly cash generative
 - Focused on higher return Brownfield capex to increase productivity at existing fields
- Improved governance
 - Shareholder conflict resolved
 - 3 of 11 BODs independent
- IPO of 20% of the company (increasing free float to 25%) planned for 2010

Cash Distribution 2006-2008



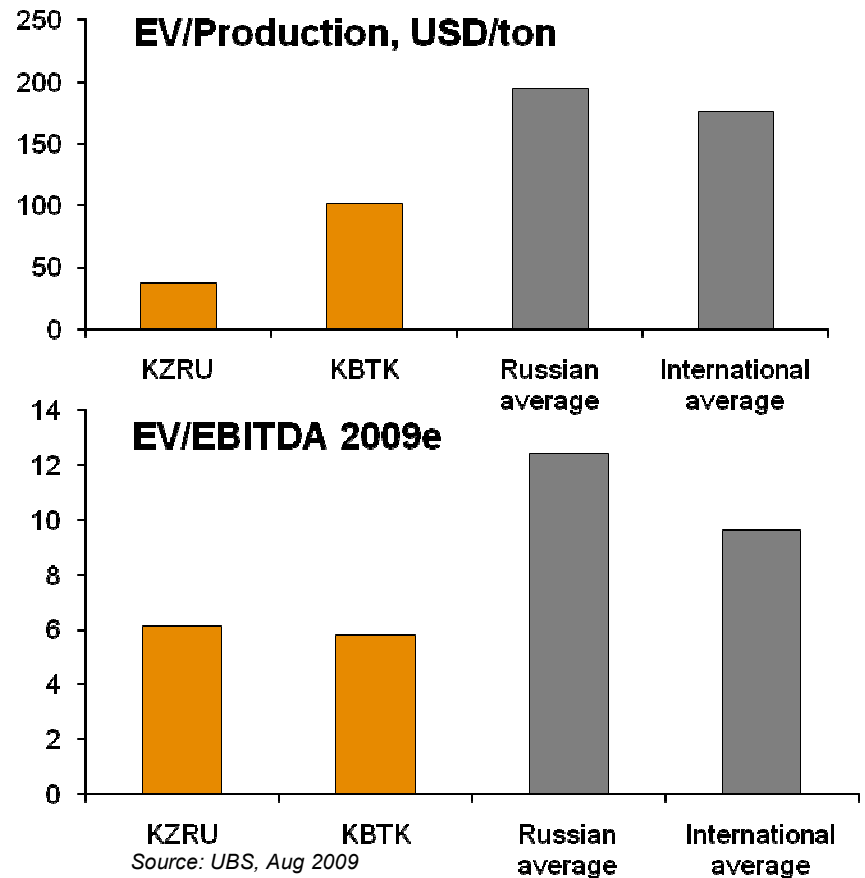
– Kuzbassrazrezugol (KZRU)

- Russia's 2nd largest steam coal producer
- End of transfer pricing in sight
- KRU-Trade major KZRU shareholder & recognized as related party

– Kuzbass Fuel Company (KBTK)

- Vertically integrated thermal coal producer
 - Power supply, transport & distribution
- Production to increase from 4.1mn tons in 2007 to 10.5mn tons by 2013
- Reserve life of 53 years

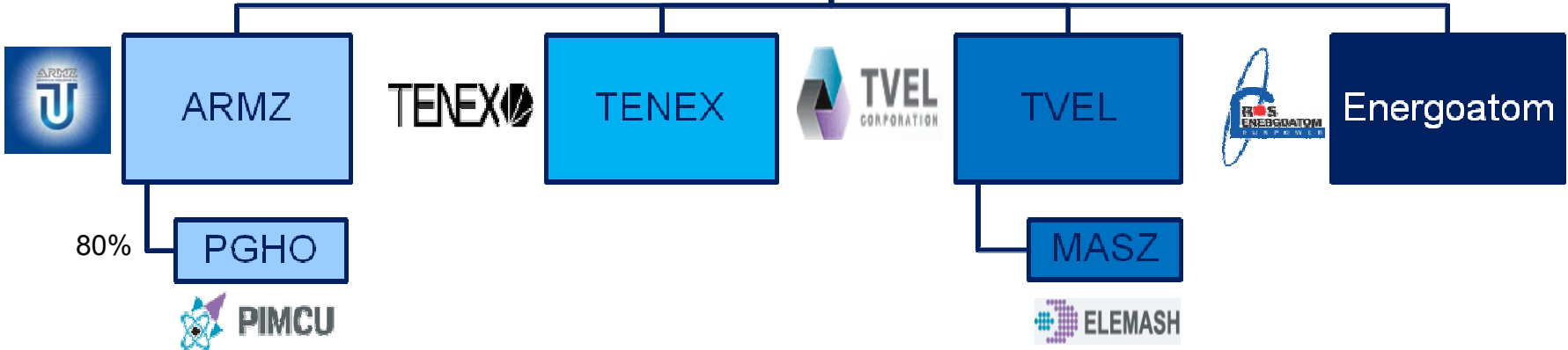
Vostok Nafta's Coal Holdings



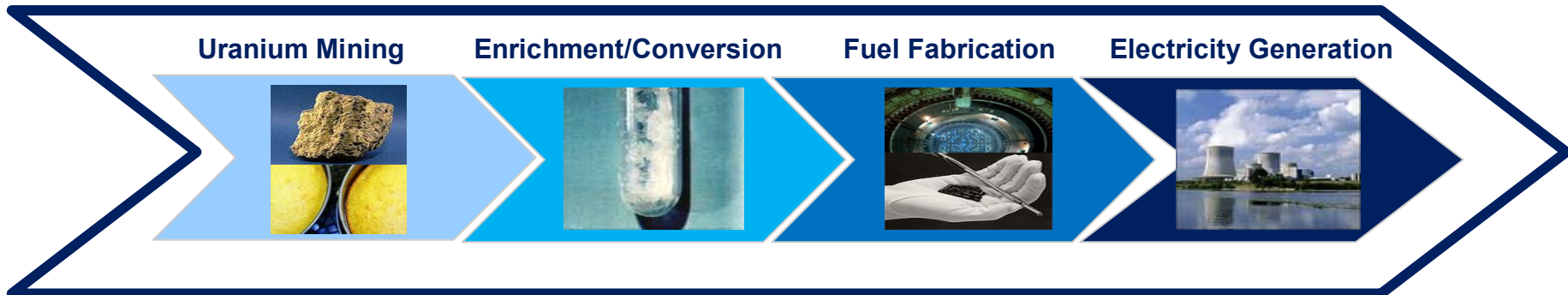
Group Structure & Nuclear Fuel Cycle



Rosatom



Nuclear Fuel Cycle



Priargunsky

– Largest uranium miner in Russia, no. 6 in the world

- Key Russian asset of ARMZ
- 90% of national output, over 3,000 tonnes per year
- Uranium reserves estimated at 132,000 tonnes
- Transfer pricing reduces profitability
 - 35-70% discount to world spot price

– Russia to supply U.S. and Japan directly with enriched uranium

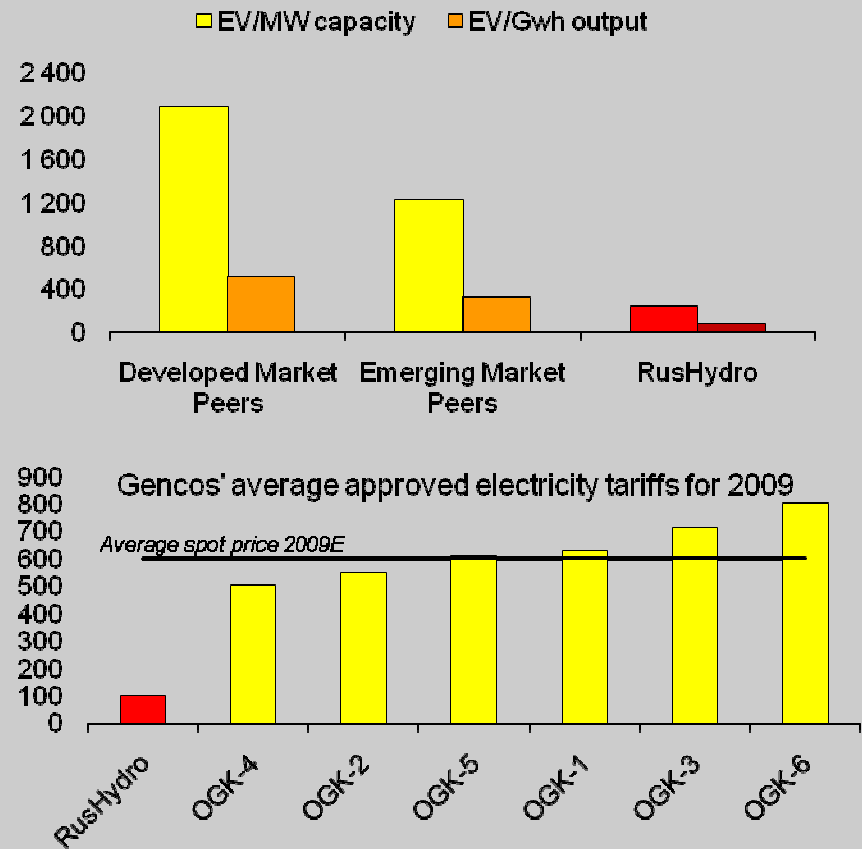
- International agreements signed

	EV/Reserves (USD/lb)	EV/Production (USD/lb)	Market Cap/ (Production x 40/lb)
Areva	22.0	2,098	36.5
Cameco	12.1	798	17.9
ERA	17.1	325	8.3
Paladin Resources	6.7	632	16.2
Uranium One	3.0	455	12.4
<i>International Av.</i>	<i>12.2</i>	<i>862</i>	<i>18.2</i>
Priargunsky	2.5	83	1.7

Source: Renaissance Capital

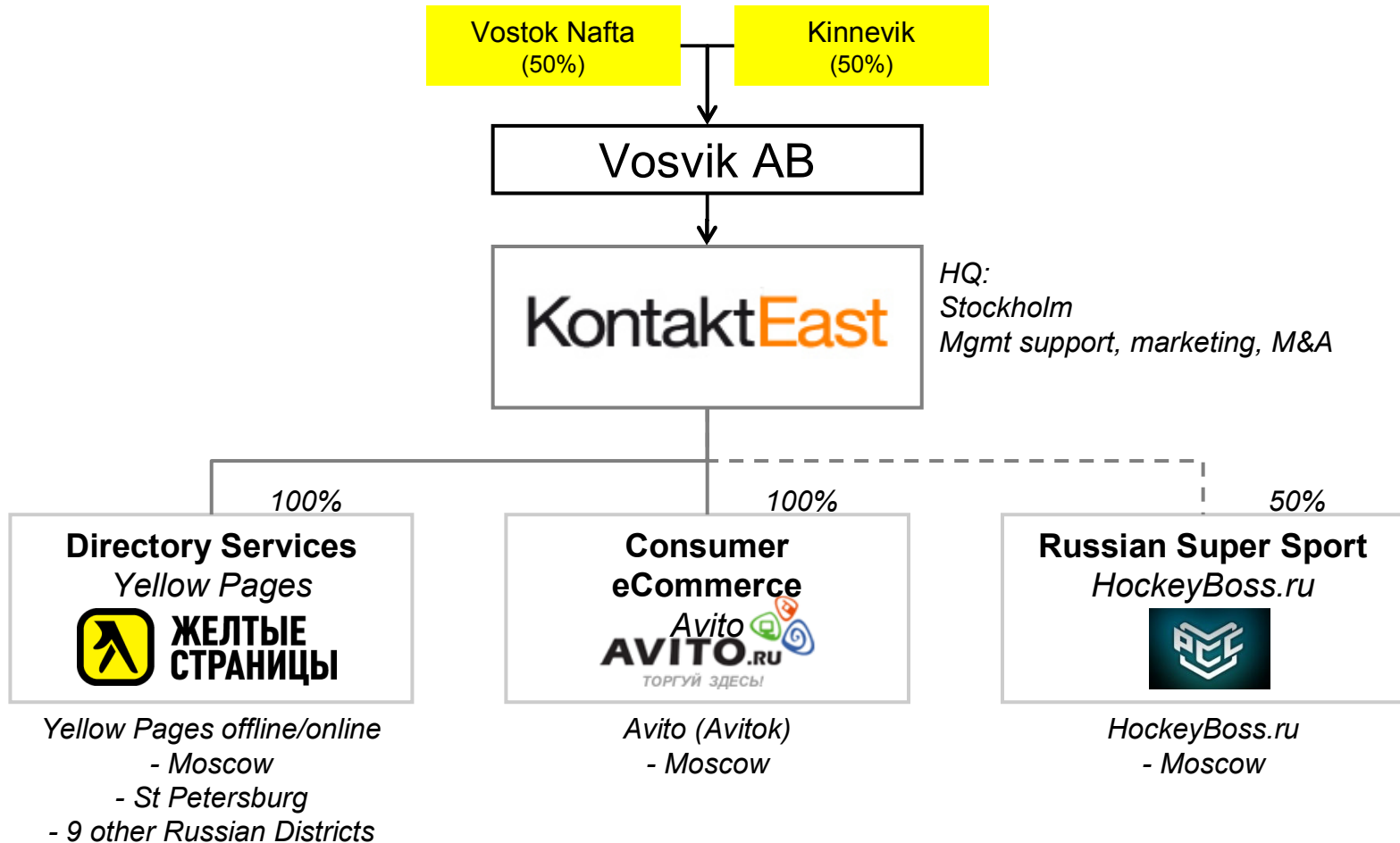
- Largest genco in Russia and second largest hydro-genco in the world
 - Generation capacity of approximately 25 GW
 - 2008 output of 77 TWh
 - 12% national market share
- Highly geared towards liberalised electricity prices
 - As of July 2009 50% of output sold at liberalized prices
- GDRs listed on LSE in July 2009

RusHydro



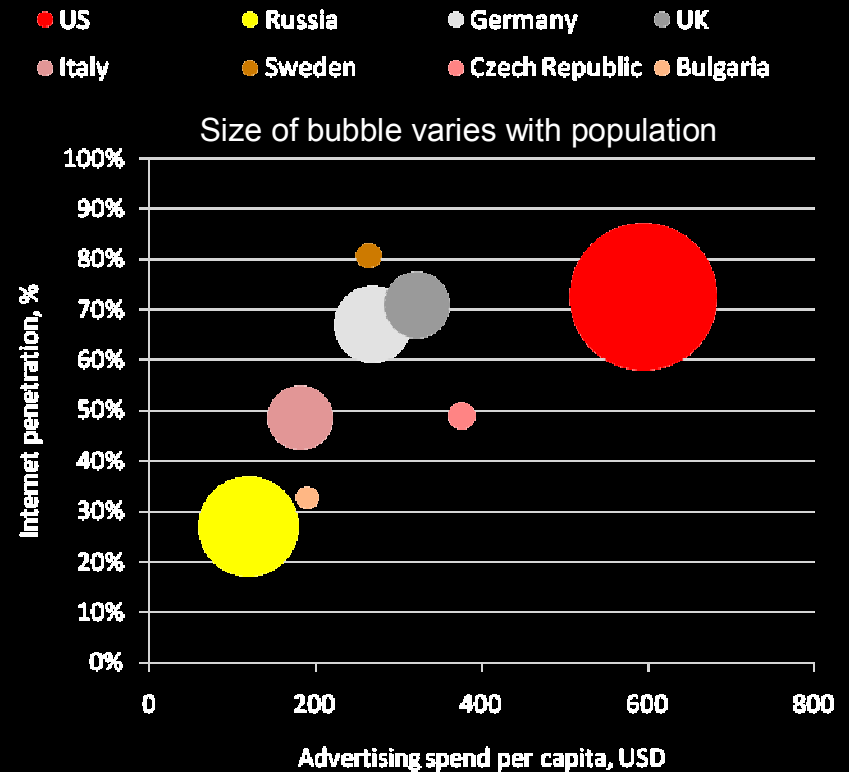
Source: Goldman Sachs, Thomson Reuters, May 2009

Kontakt East Holding Group Structure



Kontakt East Holding

- Vast potential for growth of Russian advertising market
 - Internet penetration & advertising spend/capita on the rise
- Directory Services
 - Sales severely affected, down 40% y-o-y
 - Cost cutting being implemented
- Consumer eCommerce
 - Strong traffic growth
 - Avito narrowing gap to market leader
 - Critical mass being built



– Self-regulating monopoly

- Transports 93% of Russia's crude oil
- Linefill of 26.9mn tons exceeding USD 10bn in value
- Capex fully recoverable through tariffs

– Cash cow to start payout 2013

- 66% EBITDA-margin, USD 5.5bn
- Completion of pipeline projects (ESPO & BPS-2) 2009-12 : USD ~5bn in capex annually
- 2013 and onwards: Maintenance capex of US 2.5bn

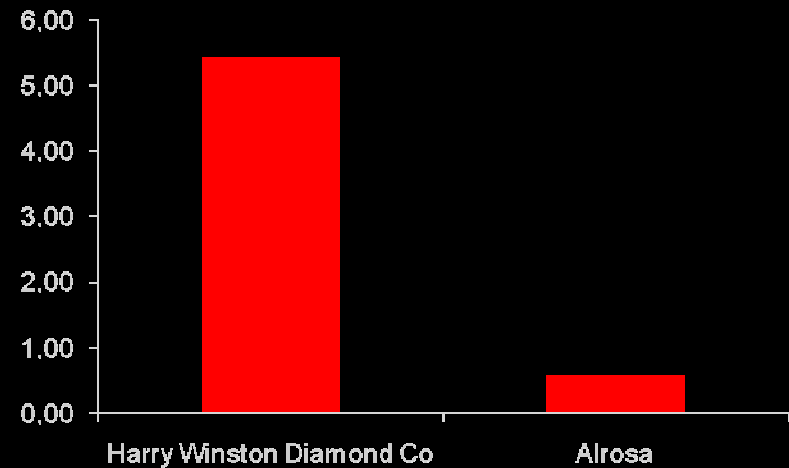
– Corporate governance key issue



Alrosa

- World's 2nd largest diamond producer
 - 97% of Russia's diamond production
- Challenging market for diamonds
 - Market prices for rough diamonds down 75% from top
 - Alrosa withdrew from market December 2008 to support prices
 - To reduce debt by selling gas assets to VTB
- Russian state provides support
 - State fund Gokhran set to buy USD 1.5bn of Alrosa diamonds 2009 & 10

P/Reserves



Source: UBS, Bloomberg, May 2009

– Power Chemicals

- Additive for oil fired power plants
- Substantial sales growth (60% y-o-y)
 - Asia, Russia largest markets
- Improved margins

– Biomass Fuels

- Wood pellets production
- Production commenced in August
 - Substantial cash flow generation
 - EBITDA of SEK 30mln at 144k tons production, achievable 2010

– Additional business areas

- Potential acquisitions in Russia & CEE

Vostok
Nafta
Investment
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www.vostoknafta.com