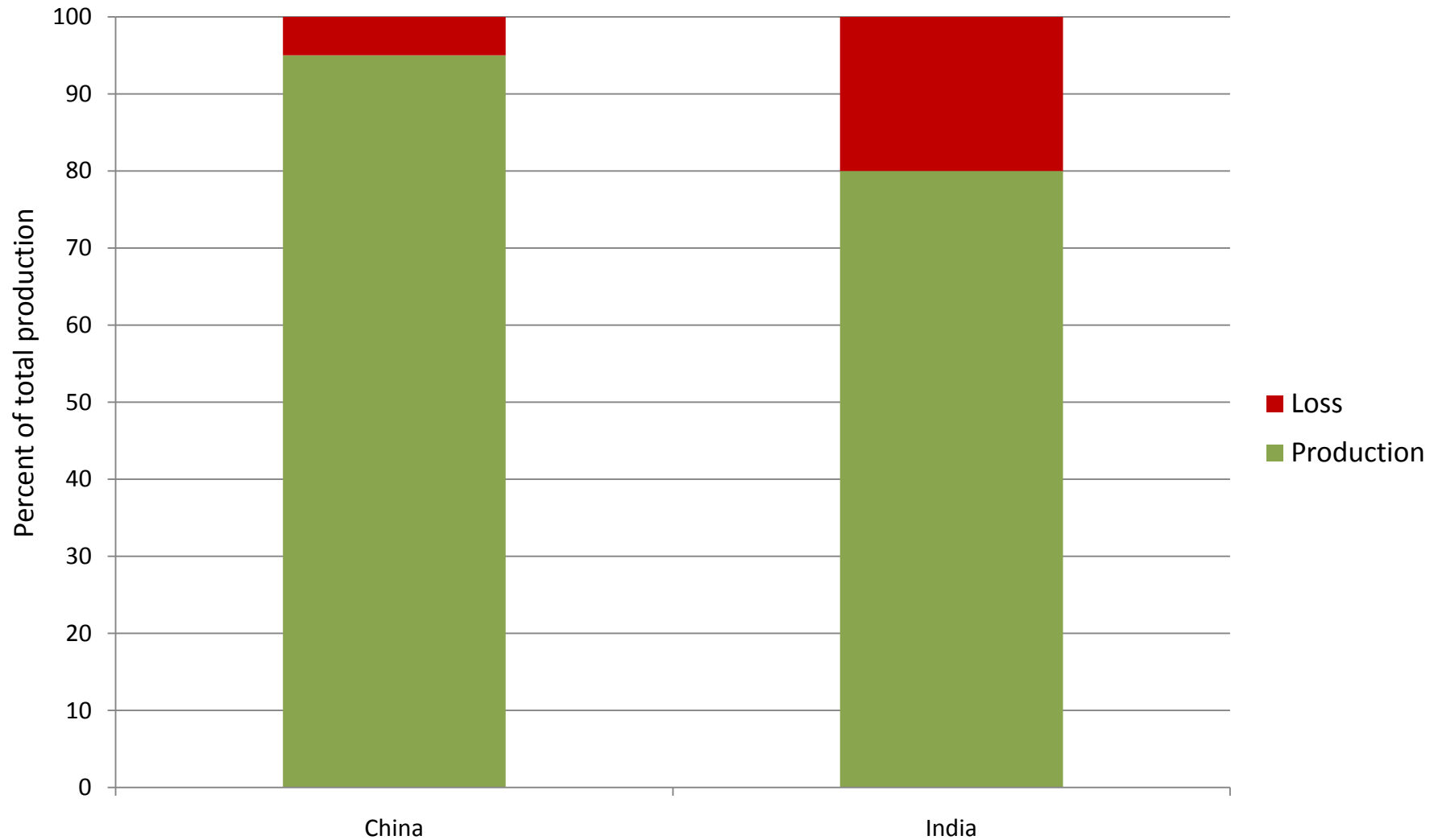


The Grain Depot Fund (GDF)

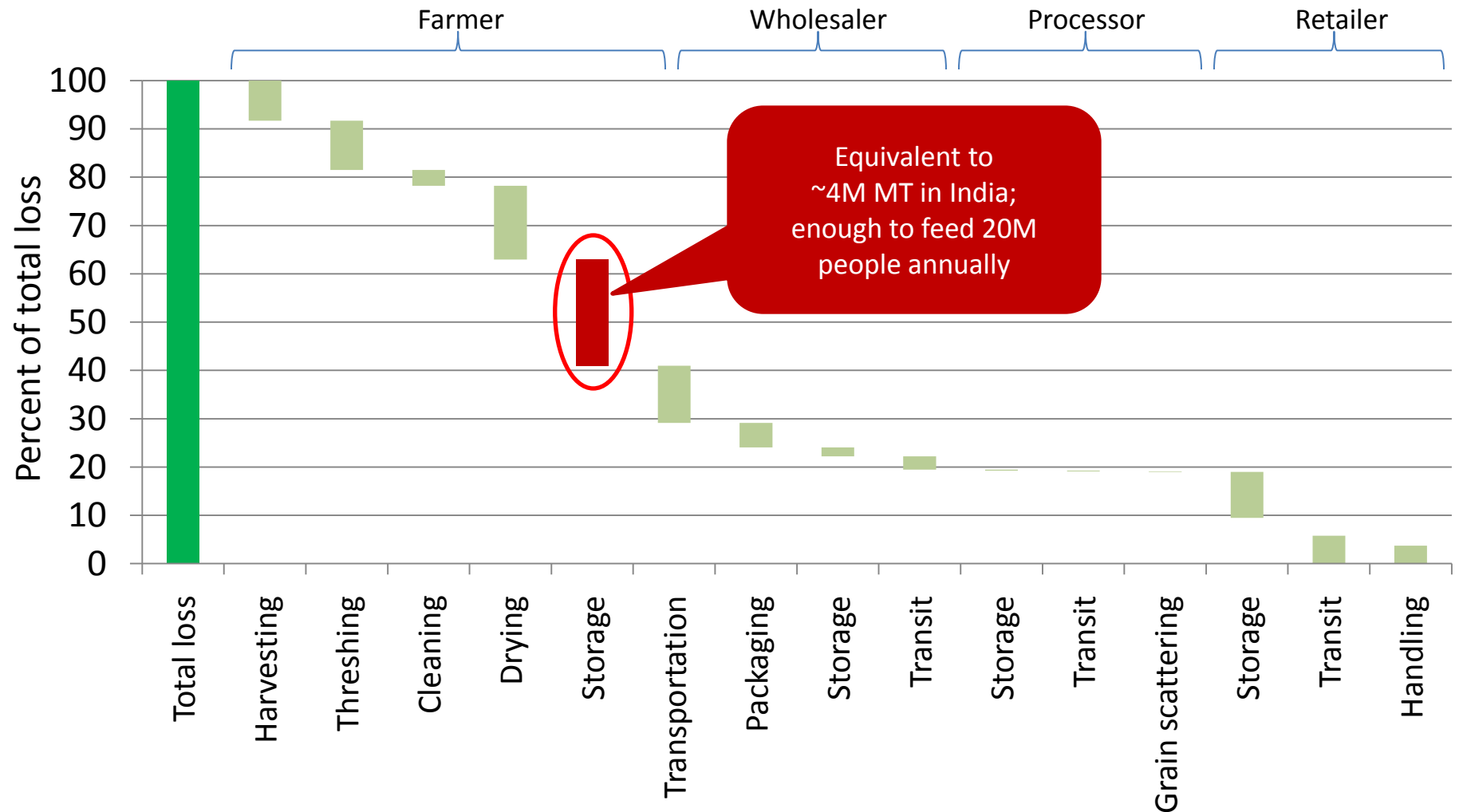
Real estate investment portfolio for grain storage in India

April 8, 2011

India produces ~200M MT of grains annually but experiences 20M MT of preventable loss



Three-quarters of the total loss is at the farm level; 22% of loss driven by the lack of storage



Farm level storage inadequate due to lack of investment, attention – but can be addressed

- The Green Revolution dramatically increased yields; leakages were not a concern
- But yields have started to stabilize and as the population grows a renewed focus is being placed on increasing agricultural productivity
 - An additional 150 million tons of grain is needed by 2040 to feed the population at present level of nutrition
- Agriculture is one of the least liberalized sectors in the Indian economy; government agencies largely responsible for addressing system inefficiencies
- Creating change at the farm-level is onerous due to volume and distribution
 - 60% of Indians make their living off the land
 - Nearly 65% of all farms in India are marginal farms, with an average size of 0.4 hectares

Farmers focus on volume, NOT value!

Current storage techniques – in open air or in mud pits – are ineffective and inadequate

Smallholder farmers use three main storage mechanisms today...

- 1 Storing bags of grain on top of husks and covering the pile over with husks again
- 2 Digging a pit, sometimes inside the house, and stacking loose or bagged grain inside, and then covering with husks plus sometimes mud and sacks
- 3 Constructing a small cement room to store the grain

... which do not meet the conditions for proper grain storage

- Controlled atmosphere away from



- Provide suitable access and safety for those managing the grain
- Easy and complete cleanout

Agriculture is a top priority for the government; storage needs are expected to grow in the future

- Storage gap for agricultural commodities expected to be ~110M MT in 2012
- Government has introduced a package of measures to improve the availability of storage and warehouse facilities for agricultural produce as well as to incentivize food processing
- A 15% capital cost subsidy is available to private companies, funds for construction of rural storage facilities
- Capital requirement to build storage facilities closes out smaller farmers

Opportunity exists for a rental model

GDF will deploy \$17M of capital to build village level grain storage facilities

① Generate compelling investor returns



② Improve farmer incomes

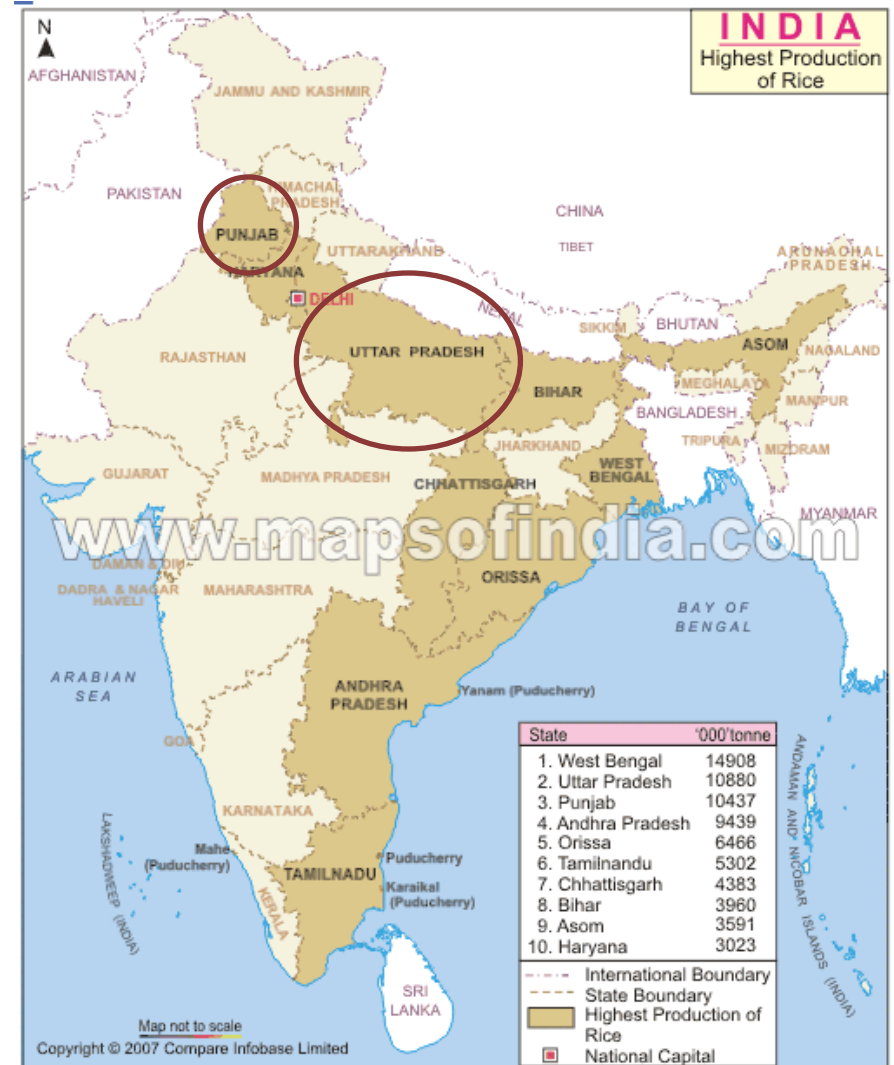


③ Feed impoverished people in India

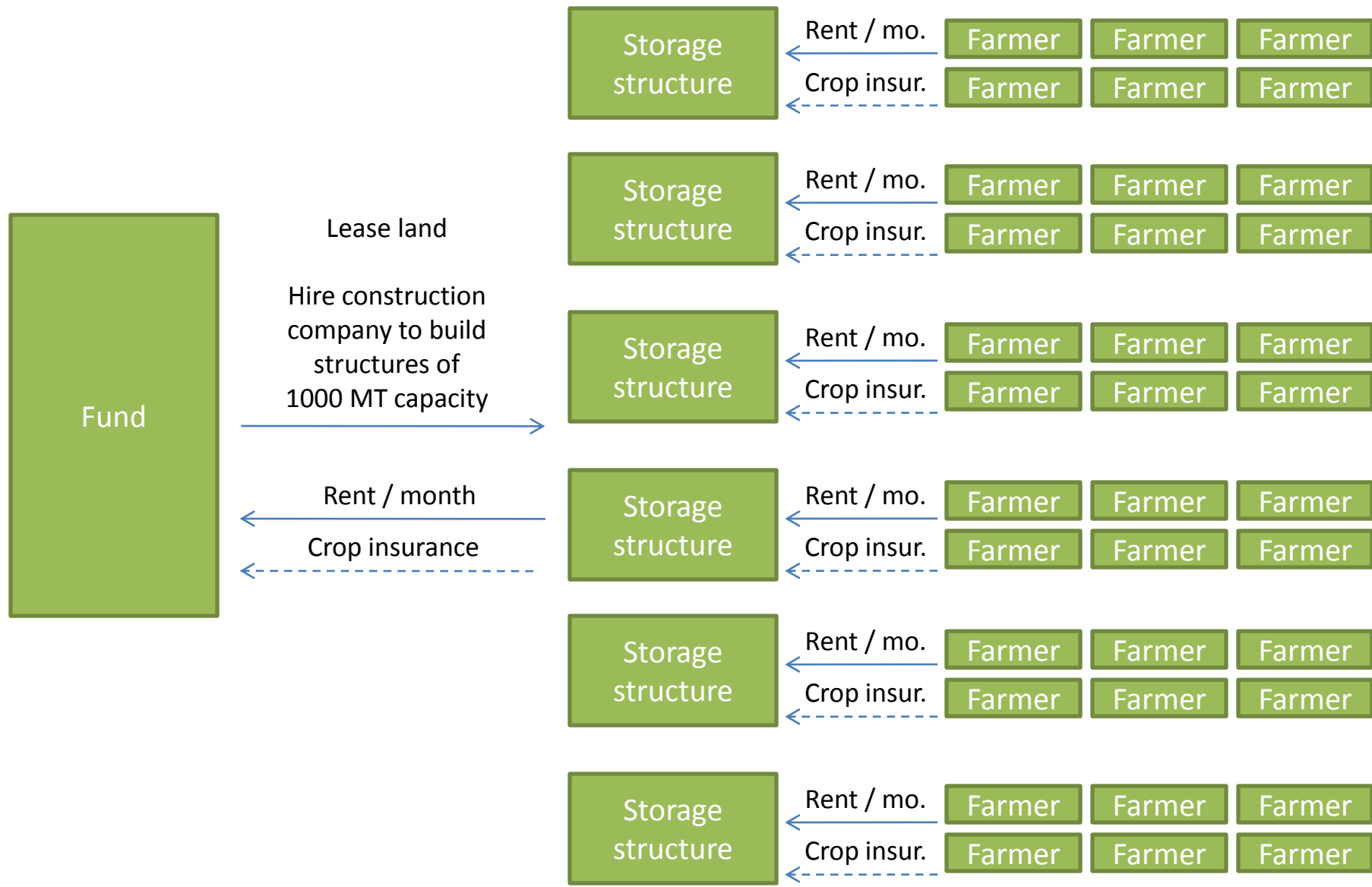
We will focus first on Punjab and Uttar Pradesh -- the two highest grain producing states in India

Total Wheat Production: 39.7M MT
 % of Total Country Production: 49%

Total Rice Production: 21.3M MT
 % of Total Country Production: 24%



Our investment strategy: build storage facilities and rent space to small rural farmers



In exchange for a nominal monthly rental fee farmers can increase price realization by 5 to 15%

Farmer harvests crops

- Total cost to farmer at harvest is 825 Rs. / Qtl

Farmer rents space

- Rental fee of 10 Rs. / Qtl / month (1.2% of harvest cost)
- Crops act as insurance
- Farmer guaranteed secure, separated space with proper humidity and pest control

Farmer sells crops

- Distress selling will be minimized
- Farmers can increase incomes, through higher prices, by 5 – 15%
- Farmers will increase negotiating leverage

GDF's \$17M fund will construct 460 structures – one in each village – over a 5 year period

	2011	2012	2013	2014	2015	2016	2017+
Number of structures constructed	0	50	100	100	100	110	0
Number of structures in operation	0	0	50	150	250	350	460
Net operating income (\$K USD)	0	0	912	2,784	4,656	6,526	8,611

Valuation drivers per structure:

- \$30K USD to build each structure
- \$1K USD annually for land lease and maintenance
- 1000 MT capacity
- Rent valued at USD 20 cents / Qtl / Month (equivalent to 10 Rs.)
- Estimate 80% of capacity rented throughout the year

Capacity utilization and rental rates will drive returns for investors

Range of possible returns (IRR)

	Monthly Rental Rate (Rs. / Qtl)					
		5	7.5	10	12.5	15
Projected Capacity Utilization	50%	3.7%	8.6%	12.4%	15.6%	18.4%
	60%	5.8%	10.9%	15.0%	18.4%	21.5%
	70%	7.7%	13.1%	17.3%	21.0%	24.2%
	80%	9.4%	15.0%	19.5%	23.3%	26.8%
	90%	10.9%	16.8%	21.5%	25.5%	29.1%
Rent as a % of Total Farmer Harvest Cost of 825 Rs./Qtl	0.6%	0.9%	1.2%	1.5%	1.8%	

GDF will generate above-market returns for investors while creating tremendous social value

Phased equity investment of \$17M will generate:

Healthy return for investors

- IRR of 19.5%
- NOI yield of 25%, with dividend to shareholders
- Investment horizon of 15 years

Increased income for farmers

- Storage facilities can hold up to 1000 metric tons of grain at any given time
- Leads to 5 – 15% increase in price realization for farmers
- Saves 1 - 3% of grain from rotting/pests/theft

Employment in villages

- In Punjab, we expect to employ 1 – 5 employees per structure
- In Uttar Pradesh, we expect to employ 5 – 10 employees per structure, based on current standards and productivity levels

Food for the hungry

- Each ton of grain saved by GDF will feed 12 people @ 85kg per person annually
- Each structure will save an incremental ~45 tons and will feed 540 people
- All 460 structures will feed ~250K people annually

Storage is just the beginning; these assets can generate even greater value in the future

Hold fertilizer, seeds for government

- If unused capacity exists, agricultural inputs can be stored from government sources for farmers to pick up when they drop off crops for storage
- Can charge government rents for storing all of these materials

Provide grain grading mechanisms

- Currently cited as a gap in services provided by rural storage structures
- Grading mostly happens at trader-level today

Facilitate loans collateralized by stored crops

- Banks may be interested in using crops as a guarantee to back loans
- These loans can help to pay down debts, expand investments and increase income

Invest in bio-digesters

- Harvesting waste (stems, etc) can be placed in a bio-digester to generate methane , nutrients, and water
- By-products can be used to address “drying” related post-harvest losses

Efforts to generate impact could be hindered by external factors

- Government subsidies could be repealed
- Lack of structure/stability in local political environment
- Hyperinflation could lead to dramatic increase in land values
- Natural disasters (drought, monsoon) could wipe away crops

GDF will generate significant economic value and social impact

① Generate compelling investor returns

Investor Returns of 19.5%
Net Operating Income Yield of 25%

② Improve farmer incomes

Increase farmer incomes 5-15%
Contribute \$4.6M USD to India's GDP

③ Feed impoverished people in India

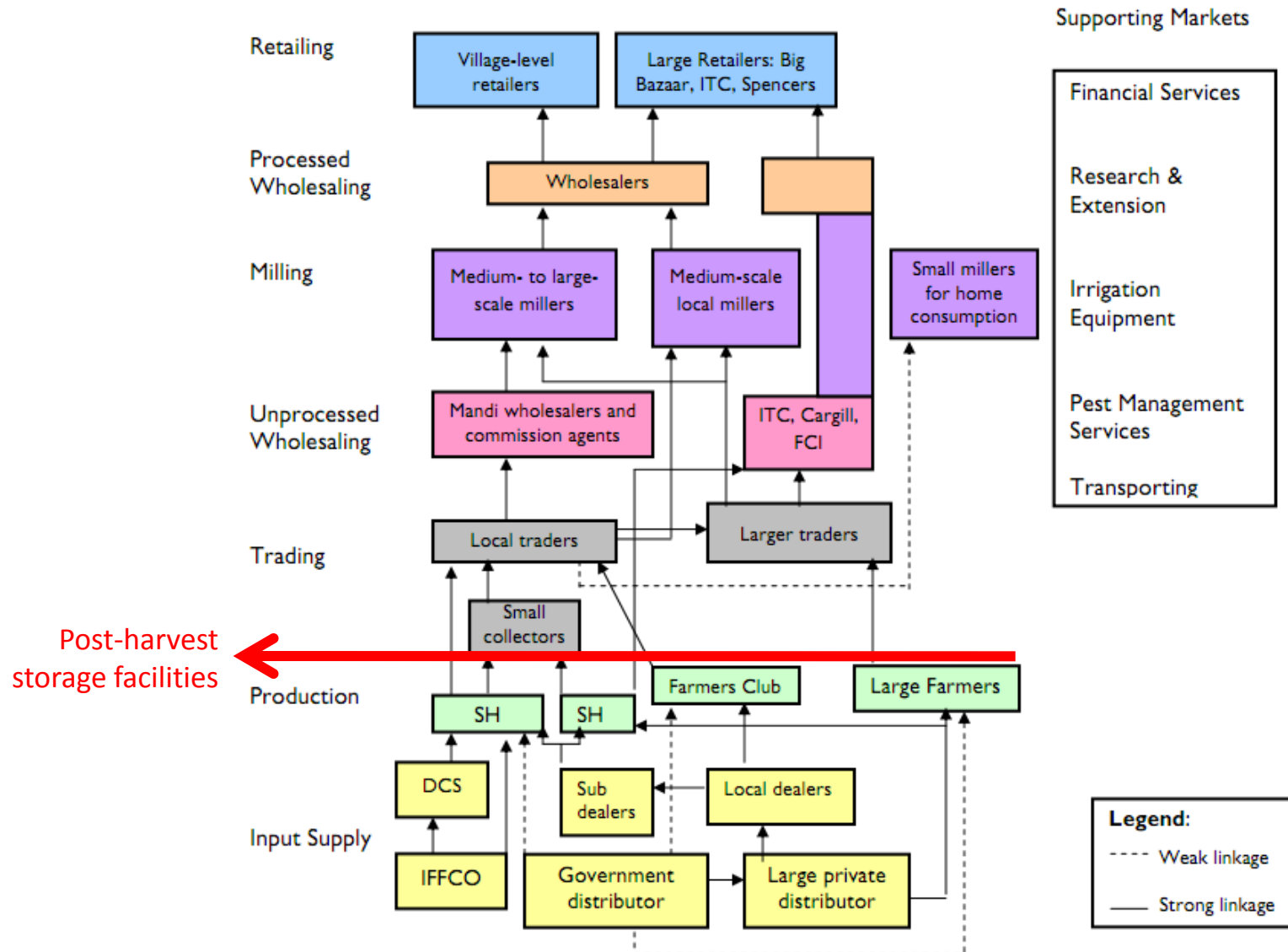
Feed 250K people annually



Questions?



GDF will provide storage to farmers to help increase their leverage in a complex value-chain



Our fund will seek a GIIRS standard

- The GIIRS rating is appropriate for our fund
 - Lend credibility to our fund
 - Allow investors to track our performance
- We will target a 3-star rating
- Our fund will be a 'true blended value' – accommodating a healthy financial return coupled with social impact by increasing farmer incomes and storing grain to help feed the hungry