

# Kubera Cross-Border Fund

Newsletter/2007 Review

## Fund Facts

Launch Date	<b>Dec 27, 2006</b>
Fund Size	<b>US\$206 million</b>
Manager Co-Invest	<b>US\$20 million</b>
Term of Fund	<b>Closed-end; daily liquidity</b>
Management Fee	<b>2% of NAV</b>
Performance Fee	<b>20% on realisations</b>
Listing	<b>LSE/AIM (KUBC. LN)</b>
Domicile	<b>Cayman Islands</b>
ISIN Code	<b>KYG522771032</b>
Nominated Advisor	<b>Grant Thornton</b>
Administrator	<b>Multiconsult</b>
Custodian	<b>Butterfield Bank</b>
Auditors	<b>KPMG</b>

## Contact information

### Investment Manager

Kubera Partners LLC  
60 East 42nd Street, Suite 450  
New York, NY 10165  
Tel: +1 (212) 295 2400  
info@kuberapartners.com  
www.kuberapartners.com

### Broker

LCF Edmond de Rothschild Securities  
5 Upper St Martin's Lane  
London WC2H 9EA  
United Kingdom  
Tel +44 (0) 20 7845 5968  
funds@lcf.co.uk  
www.lcfr.co.uk

### Investor Relations

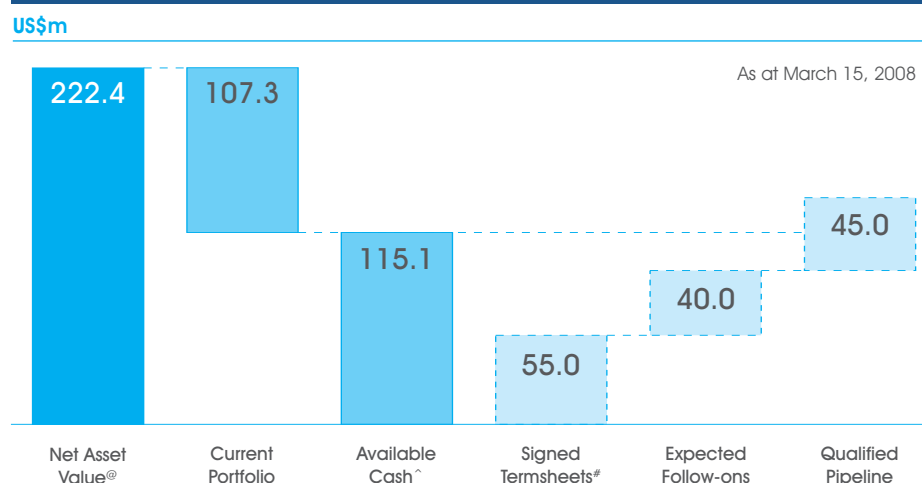
ir@kuberacrossborderfund.com  
www.kuberacrossborderfund.com

## Investment Objective

Kubera Cross-Border Fund Limited (the 'Fund') makes private equity investments in cross-border companies, primarily in businesses that operate in the US-India corridor. The Fund's manager, Kubera Partners, (the 'Manager') brings a strong track record of investing in or managing such businesses. On a selective basis the Fund may invest in companies operating in other corridors between developed and emerging markets. Several of the Fund's investee companies also benefit from business activities in the fast-growing Indian domestic market.

The Fund is currently 47% invested in six portfolio companies, and a further 15-20% of the Fund's corpus is allocated to potential follow-on investments in the Fund's portfolio companies which will be held in cash. Our cautious investment pace during the first half of 2007 has worked in our favour as valuations for private companies have improved over the last two quarters. The strength of our current deal pipeline, including signed termsheets, implies that the Fund will likely be fully invested within the next two quarters.

## Capital Deployment Pace

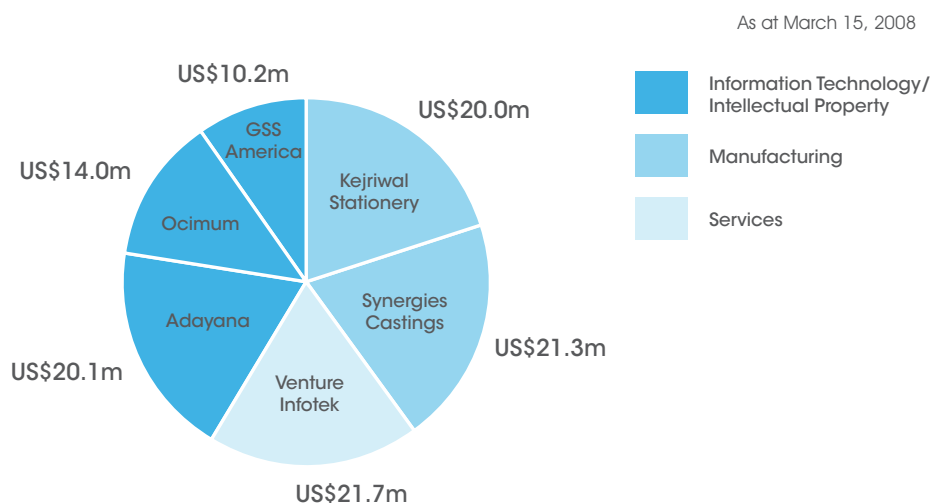


<sup>@</sup> As at 31 December 2007; includes US\$20million co-investment by affiliates of the Manager.

<sup>^</sup> As at 31 December 2007; net of investment of \$10.2million in GSS America in January 2008 and investment of US\$10million in Synergies Castings in February 2008.

<sup>#</sup> There is no assurance that these signed termsheets will ultimately lead to a completed investment.

## Current Portfolio Mix<sup>#</sup>



<sup>#</sup> Includes co-investment by affiliates of the Manager.

### Portfolio Overview

In light of the historic revenue growth rates of our portfolio, we have obtained attractive valuations...

US\$ million, Fiscal Year Revenues, Year End March 31\*

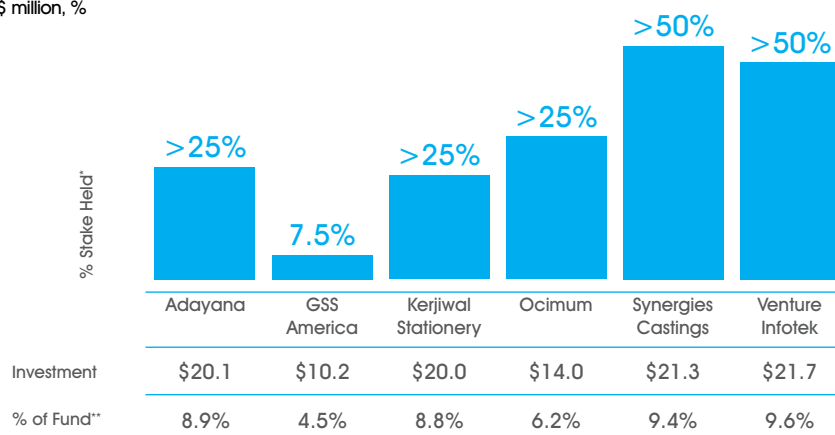
	Median	Mean
Annual Revenue Growth Rate (FY 2007 to FY 2008**)	99.4%	143.7%
Expected Revenue (FY 2008**)	US\$19.5 million	US\$30.1 million
Portfolio Revenue Multiple (FY 2009*)	1.4x	1.3x
Portfolio EBITDA Multiple (FY 2009*)	9.5x	9.2x

\* Forward estimates are the Manager's estimate of financial performance – there is no assurance that these will be the actual achieved results.

\*\* Unaudited estimates for fiscal year ending 31 March 2008, except for Kejriwal Stationery where it is based on unaudited actual results for 31 December 2007.

...for substantial ownership positions...

US\$ million, %



\* Ownership as of March 15, 2008; in three of these companies, management has the potential to increase their ownership based on superior performance.

\*\* Fund size includes US\$20 million co-investment from affiliates of Manager.

...with strong economic and governance rights.

	Board Seats	Redemption	Anti-dilution	Liquidation Preference	Veto Rights
Adayana	One	×	✓	✓	Strong
GSS America	None	×	×	×	None
Kejriwal Stationery	One	✓	✓	✓	Strong
Ocimum	Two	×	✓	✓	Strong*
Synergies Castings	Two	×	✓	✓	Strong*
Venture Infotek	Three	✓	✓	✓	Strong

\* Shared with JP Morgan in case of Synergies Castings and shared with IFC in case of Ocimum Biosolutions.

### Portfolio Update



Adayana provides technology-enabled learning services in specific vertical markets, including automotive services; defence; agriculture and life sciences; and training outsourcing.

**Investment Date:** May 2007

**Investment:** US\$20.1 million

**Fund Holding:** > 25%

**Revenue Growth#^:** Adayana is expected to grow at 36% from FY2007 to FY2008

#### Investment Highlights

- In the first quarter of 2008, Adayana acquired Vertex Solutions, a leading provider of e-learning products and services to agencies of the US Federal Government. The acquisition will greatly enhance Adayana's ability to deliver e-learning solutions to customers in both military and civilian organisations within the Federal Government.
- In addition to using India for offshore production, Adayana has a growing presence in the Indian e-learning market.



GSS America is one of India's fastest growing information technology and outsourcing companies. The Company specialises in IT infrastructure management services and enterprise application integration.

**Investment Date:** January 2008

**Investment:** US\$10.2 million

**Fund Holding:** 7.5%

**Revenue Growth#^&:** GSS America is expected to grow at 102% from FY2007 to FY2008

#### Investment Highlights

- The Fund's most recent investment in January 2008 was in GSS America.
- GSS America recently concluded a public offering of its shares in the Indian capital markets. Post listing, the Fund owns approximately 7.5% of the issued capital of the Company, which is subject to a mandatory lock-in period of one year. The Company closed trading on March 31, 2008 at a price per share of Indian Rupees 757.55. The Fund's current cost basis is Indian Rupees 400 per share.



Kejriwal Stationery manufactures and distributes paper based stationery products in the US and Indian markets using Indian manufacturing and global sourcing of paper.

**Investment Date:** April 2007

**Investment:** US\$20 million

**Fund Holding:** > 25%

**Revenue Growth#\*:** Kejriwal Stationery is expected to grow at 173% from CY2007 to CY2008

#### Investment Highlights

- Supply constraints and rising paper prices position the Company well to capitalise on the opportunity in the US 2008 'Back to School' season, but the Company is taking a cautious view given the uncertainties in the US retail environment.
- Has undertaken a major productivity enhancement exercise, implementing Japanese production and quality control methodologies to improve equipment as well as labour productivity.
- Working on increasing its presence in the local Indian market.

### Portfolio Update



Ocimum is a life sciences research & development enabling company offering genomics outsourcing capability from its offices in India, Netherlands, and the US to laboratories globally. The Company has three businesses – BioIT (software solutions); BioMolecules (manufacture oligos and microarrays) and BioResearch (contract research services).

**Investment Date:** December 2007

**Investment:** US\$14+3 million\*\*

**Fund Holding:** > 25%

**Revenue Growth #^\$:** Ocimum is expected to grow at 413% from FY2007 to FY2008

#### Investment Highlights

- In December 2007, the Fund invested US\$14 million in Ocimum Biosolutions. The Fund's investment helped finance Ocimum's acquisition of the genomics division of Genelogic Inc. in the US.
- As the focus of pharma research shifts from chemistry to biology owing to the advances in the field of genomics and biology outsourcing catching up with IT and chemistry, Ocimum believes it is well positioned to capture the genomics outsourcing opportunity.



Synergies Castings is engaged in the business of manufacturing alloy and chrome plated wheels for Original Equipment Manufacturers. It is one of the few integrated chrome plating facilities in the world, and the only one out of India, with the capability to manufacture large diameter wheels.

**Investment Date:** December 2007

**Investment:** US\$21.3 million

**Fund Holding:** > 50%

**Revenue Growth #^:** Synergies Castings is expected to grow at 41% from FY2007 to FY2008

#### Investment Highlights

- In December 2007, the Fund acquired a significant interest in Synergies Castings, a leading manufacturer of specialised automotive components.
- The Company operates at the very high end of skill and knowledge-based manufacturing within the auto component sector with complete concept to production capability with design, engineering integrated casting, polishing and plating facilities for its marquee client base.



Venture Infotek is India's leading transaction processing company, providing integrated end to end card payment solutions to organisations across several industry verticals including banking, financial services, petroleum, retail, and telecommunications.

**Investment Date:** November 2007

**Investment:** US\$21.7 million

**Fund Holding:** > 50%

**Revenue Growth #^\$\$:** Venture Infotek is expected to grow at 97% from FY2007 to FY2008

#### Investment Highlights

- Venture Infotek continues to benefit from the high growth in electronic payments as credit card ownership and usage increases in India. Venture Infotek recently crossed 100,000 point of sale terminals in India and continues to maintain its 20% market share.
- In the first quarter of 2008, Venture Infotek acquired DEI, a market leader in the card personalisation space. The acquisition will allow the Company to offer a larger array of services to its credit card issuance customers as well as provide cross-sell opportunities.

# KuberaCross-BorderFund

## Newsletter/2007 Review

# Forward estimates are the Manager's estimate of financial performance – there is no assurance that these will be actual achieved results.

^ Revenues are as at year ending March 31.

& Revenues for GSS America for FY 2008 reflect acquisition of System Dynamix Corporation.

§ Revenues for Ocimum Biosolutions for FY 2008 reflect acquisition of genomics division of Genelogic Inc.

\* Revenues for Kejriwal Stationery are as at year ending December 31.

\$\$ Revenues for Venture Infotek for FY 2008 reflect acquisition of DEI.

\*\* Initial investment of US\$14 million with an additional commitment of US\$3 million.

### DISCLAIMER

This document, and the material contained therein, has been prepared for the purpose of providing general information about, and an overview of, Kubera Cross-Border Fund Limited ("the Company") and its operations. It is not meant to be a complete review of all matters concerning the Company. This document is not intended as an offer or solicitation for the subscription, purchase or sale of securities in the Company.

The material in this document is not intended to provide, and should not be relied on, for accounting, legal or tax advice or investment recommendations or decisions. Potential investors are advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of investment in the Company and legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances.

The securities of the Company have not been and will not be registered under any securities laws of the United States of America nor any of its territories or possessions or areas subject to its jurisdiction and, absent an exemption, may not be offered for sale or sold to nationals or residents thereof.

Whilst the Company and Kubera Partners, LLC have taken all reasonable care to ensure the information and facts contained in this document are accurate and up-to-date, they do not, nor do any of their respective directors, officers, partners, employees, agents or advisers make any undertaking, representation, warranty or other assurance, express or implied, as to the accuracy or completeness of the information or opinions contained in this document. No responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligent or otherwise.

No warranty is given, in whole or in part, regarding the performance of the Company. There is no guarantee that investment objectives of the Company will be achieved. Potential investors should be aware that past performance may not necessarily be repeated in the future. The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

### Forward-looking Statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and its portfolio companies. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company or its portfolio companies' actual performance to be materially different from any future performance expressed or implied by such forward-looking statements. Such forward-looking statements are based on assumptions regarding the Company and its portfolio companies present and future business strategies and the political and economic environment in which they operate. Reliance should not be placed on these forward-looking statements, which reflect the view of Kubera Partners, LLC as of the date of the release of this document only.

### Confidentiality

This document is intended for the use of the recipient only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purposes, without the prior written consent of Kubera Partners, LLC.