



Mongolia: 2010-2020 Outlook



Summary

- ❖ Mongolia: Massive Resources
- ❖ Mongolia 2010: Start of Multi-Year Bull Market
- ❖ Mongolia: Today and in 2020
- ❖ Growth Drivers
- ❖ Similar Growth Stories:
 - Kazakhstan
 - Qatar
- ❖ Conclusions

Mongolia: overview



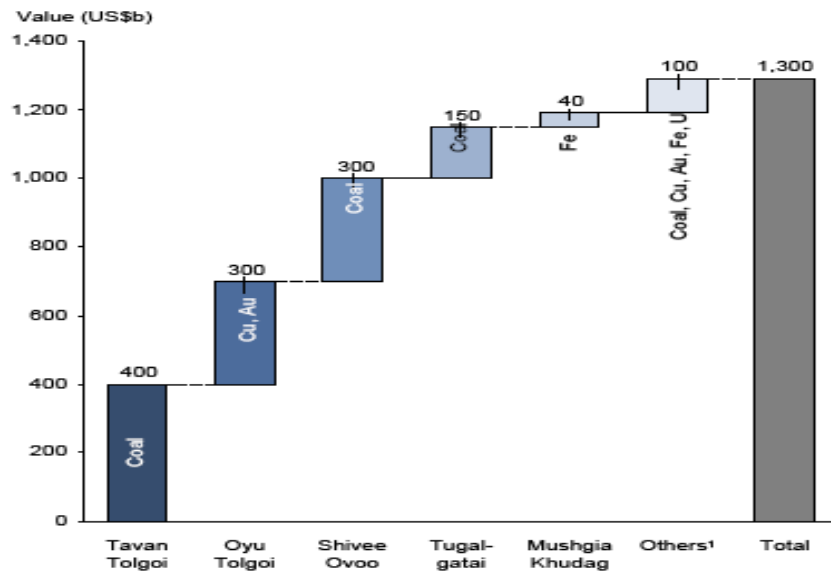
- ❖ Land Area: 1.56m sq.km (50% size of India)
- ❖ Population: 2.7m (lowest density in the world)
- ❖ Capital: Ulaanbaatar
- ❖ Religion: 95% Buddhism
- ❖ Literacy rate: 97.8%
- ❖ Language: Khalka Mongol
- ❖ Currency: Mongolian Togrog (“MNT”)
- ❖ Political System: Democracy
- ❖ GDP (2010): \$6.6bn
- ❖ GDP per capita: \$2,400
- ❖ GDP est 2025: \$60bn
- ❖ GDP growth (2010-25): c.20% pa
- ❖ GDP per capita (2025): \$20,000

Mongolia: economic growth



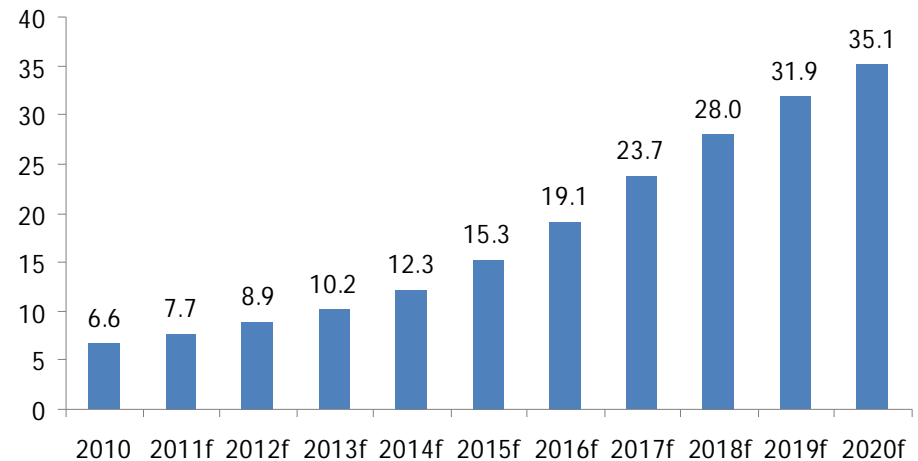
- Fast growing economy
- Drivers of growth: investment, demand for resources and commodity prices
- Large scale production starting at Oyu Tolgoi, Tavan Tolgoi and other mines
- **GDP forecast to grow 10x to \$60bn by 2025**

10 largest deposits worth US\$1.3tn



Source: Temasek

GDP Growth



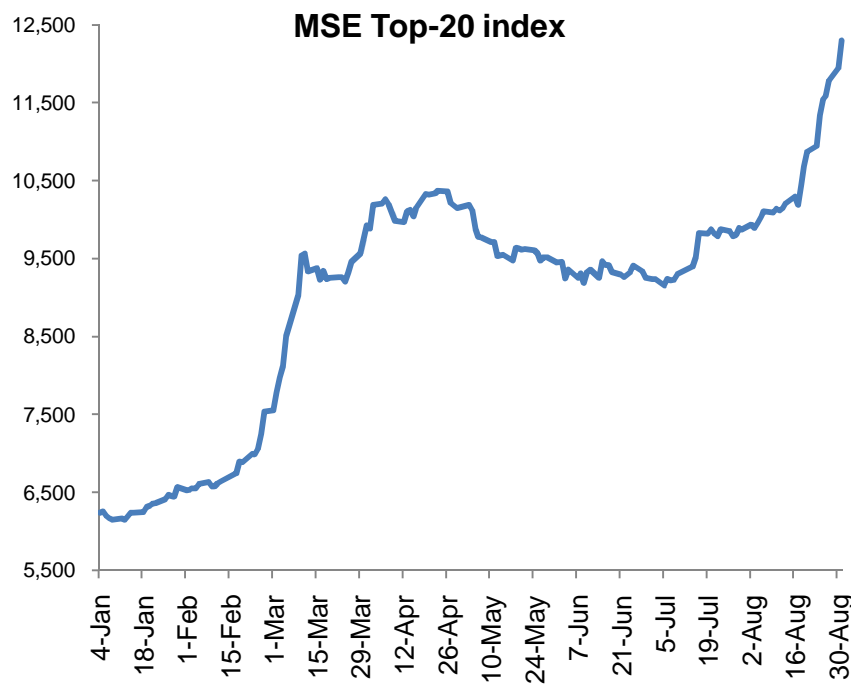
■ GDP, US\$bn (LHS)

Source: Eurasia Capital estimates

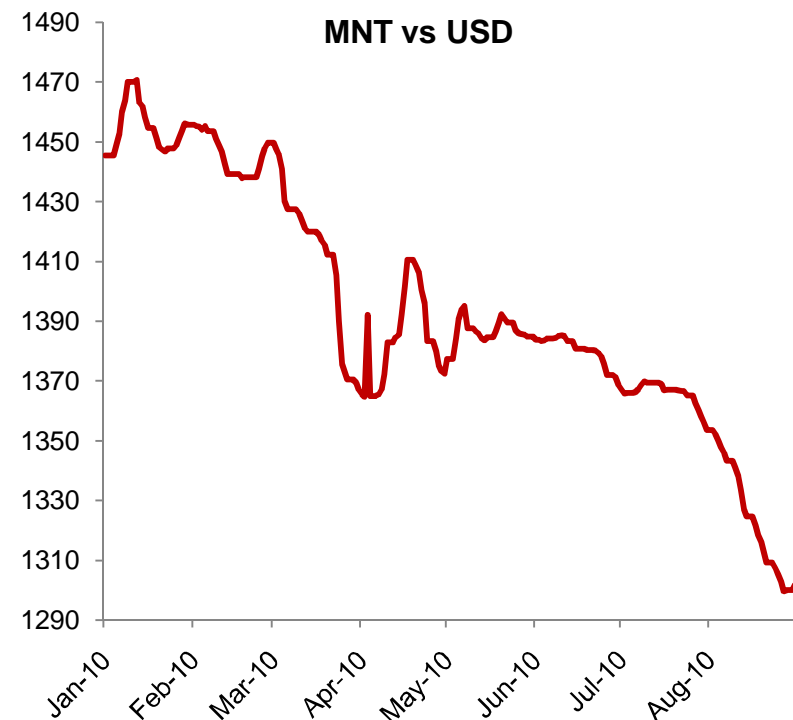
Best Performing Market

MSE Top-20 up 138% in 2010, best performing market globally

MNT +12.9% vs USD in 2010, second best performing currency globally



Source: MSE



Source: Bank of Mongolia

Mongolia - Saudi Arabia of Mining



“The country is incredibly resource rich, another Saudi Arabia, next to the largest population in the world,”

“Mongolia could be the Saudi Arabia of Asia” **Mark Faber**,
Emerging markets investor

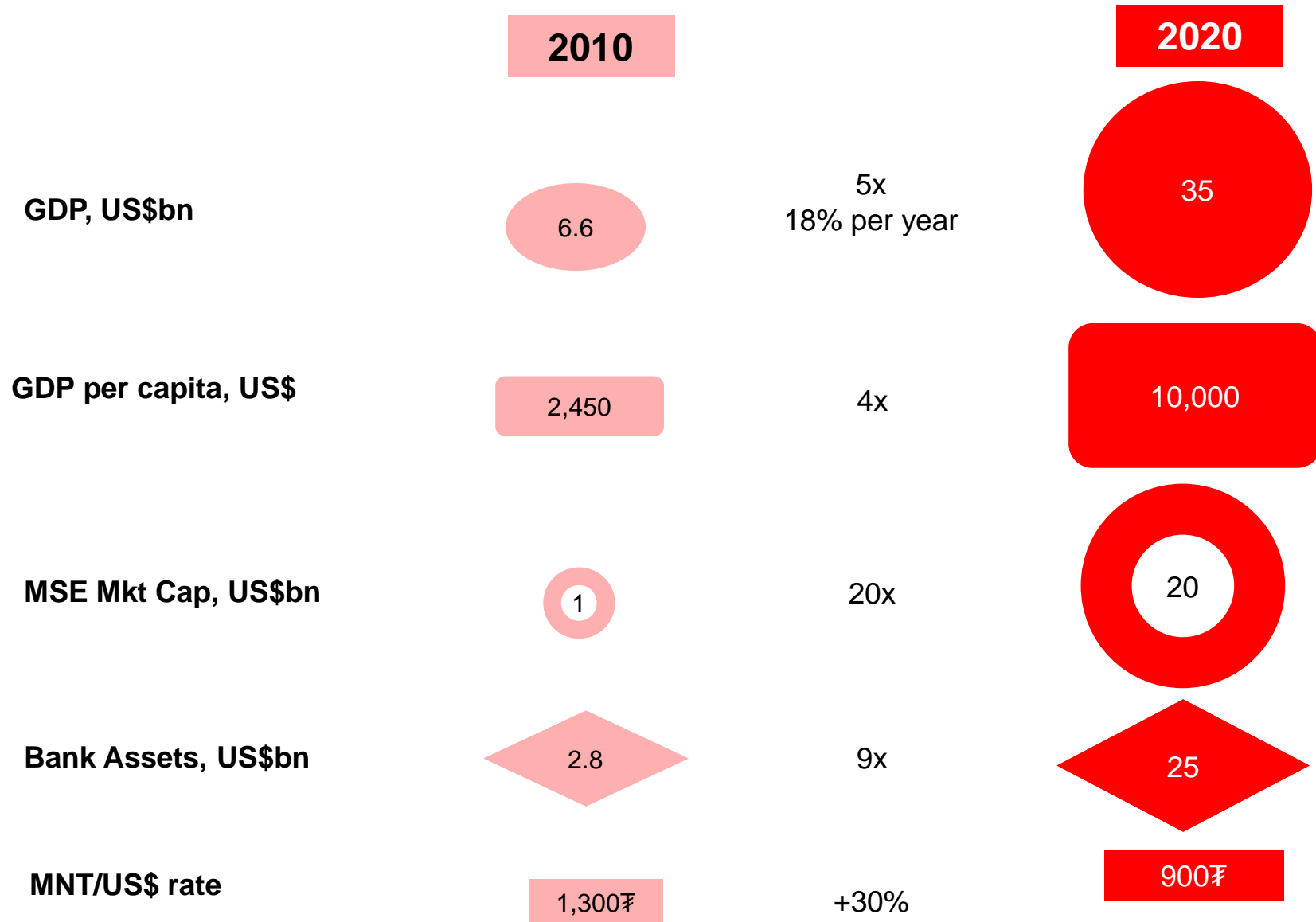


“I expect frontier markets, like Mongolia, will continue to have very compelling investment opportunities over the next year and beyond.” **Mark Mobius**, Chairman,
Templeton Emerging Markets



“Coal from Mongolia to China is happening. It is expanding, probably doubling every two years,” **Tom Albanese**, CEO,
Rio Tinto

Mongolia in 2010 and 2020



Commodity Output

2010

2020



Coal

17m tn per year

100m tn per year



Iron ore

3.5m tn per year

12m tn per year



Copper

600,000 tn per year

1.5m tn per year



Gold

5tn per year

50tn per year



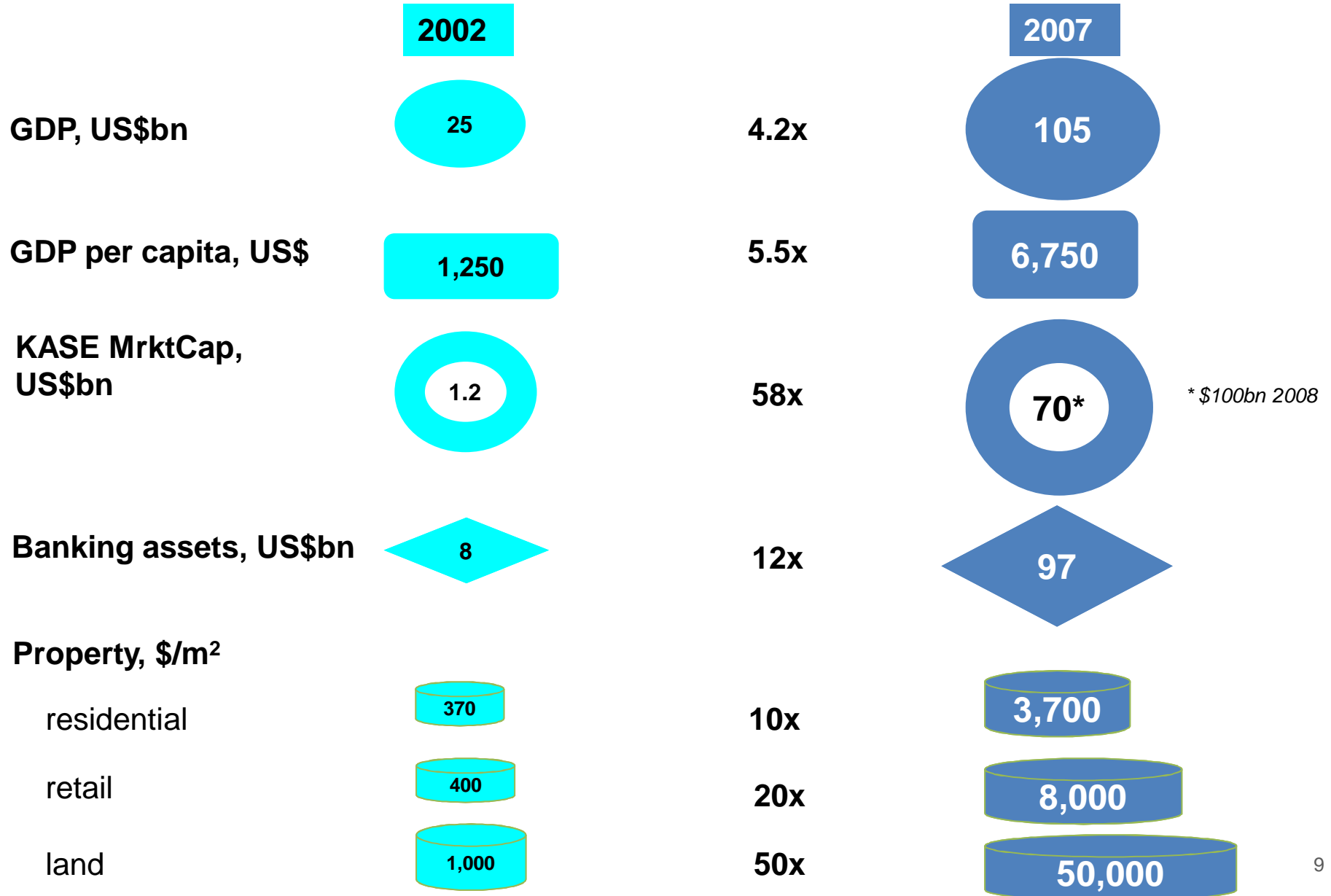
Crude Oil

0.3m tn per year

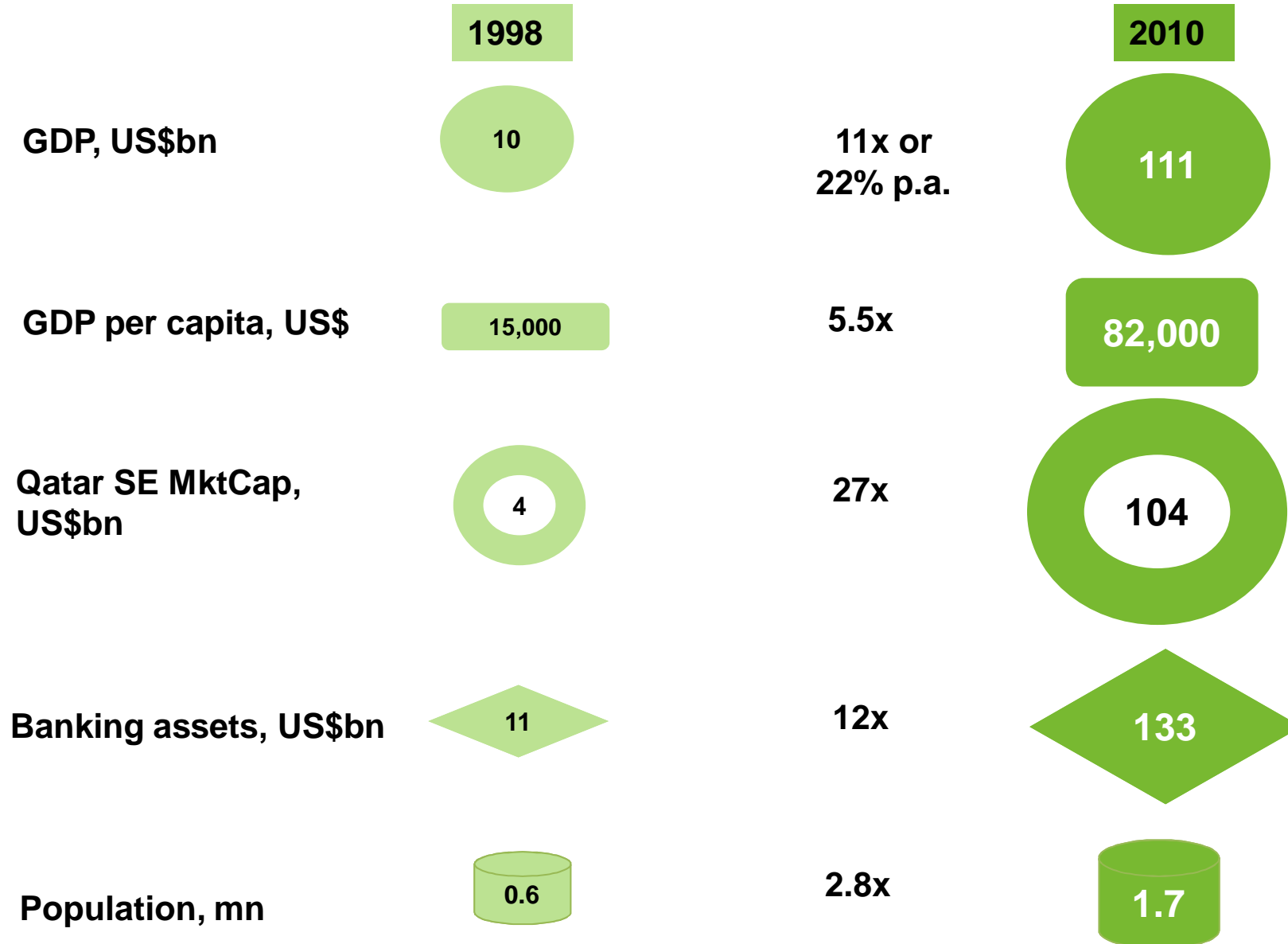
4m tn per year



Growth Story I: Kazakhstan



Growth Story II: Qatar



Conclusions

Economy

Fastest growing economy in next decade (2010-2020)

Drivers

Investments, exports, wealth creation

Industries

Mining, banking, property, consumer

Opportunities

All asset classes, esp. local public equities

Environment

Democracy, political stability, pro-business government

MONGOLIA

Right Place and Right Time to Invest!

Eurasia Capital



- ❖ Eurasia Capital is a Hong Kong-based pan-regional investment bank with strong presence and focus in frontier markets in Eurasia
- ❖ Strong focus on Mongolia and Central Asia
- ❖ Team of 30 professionals with five offices in the region
- ❖ Pan-regional team provides full-fledged advisory and brokerage services to resource companies, private equity groups and hedge funds
- ❖ Advises on cross-border M&As and strategic investments in resources sector

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