

CEO presentation

**Shareholder
Meeting**

June 2014

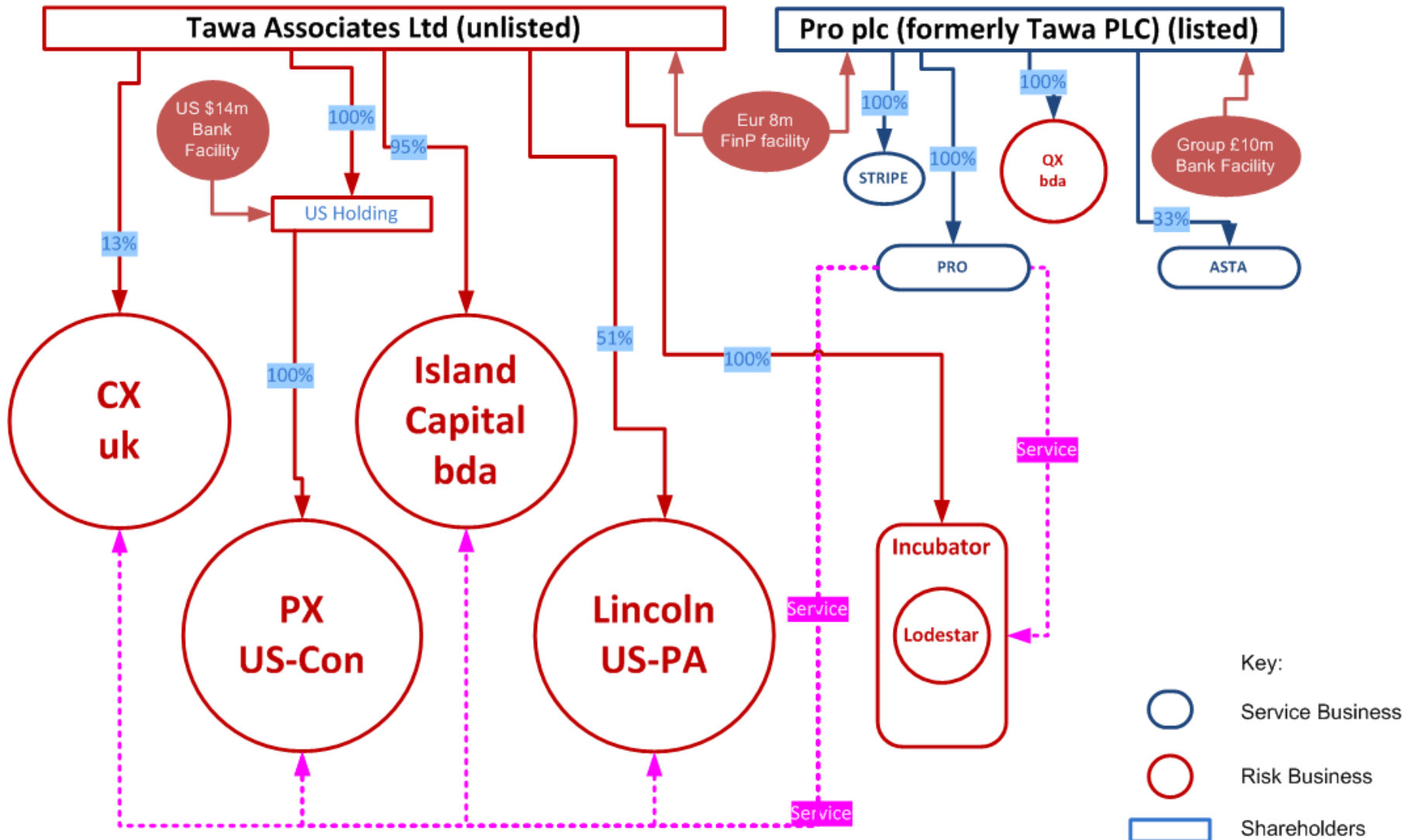
TAWA ASSOCIATES LIMITED (TAL)

- The Demerger between TAL and Pro Plc took place on April 3rd 2014
- The Financiere Pinault Exchange offer finished on 28 April
 - FinP received 2.4m shares of TAL and provided 4.7m shares of Pro in exchange at an average ratio of 1.95
- TAL is now on its own
 - Reduced specialized team
 - Focused on the TAL portfolio outcome

TAL Strategy Post Demerger

- Following the Demerger, the Board anticipates that the TAL Group business strategy will encompass the following areas:
 - run-off and downscaling of the Risk Carrier Business entities to seek to return value to TAL Shareholders
 - maximise recoverables
 - conduct of the litigation in which the TAL Group is involved, and
 - continuation of the monitoring and development of Lodestar Marine Ltd

Organisation



Risk Carriers

31-Dec-13

\$million	CX Re	PXRE	Island	QX Re	Lincoln	Total
Gross reserves	107.3	10.5	0.8	25.8	92.2	236.6
Reinsurance	-21.2	-3.6	-0.4	0.0	-7.6	-32.8
Discount	-16.1	0.0	0.0	0.0	-3.1	-19.2
Net discounted reserves	70.0	6.9	0.5	25.9	81.5	184.7
NAV - IFRS	37.9	26.8	19.8	0.0	1.6	86.1

- 27m\$ NAV
- Seek dividend based on end of year 2013 account
- Continue downscaling
- Seek an opportunistic exit when key downscale items are delivered
- Litigate or negotiate key open issues
 - Argo claim
 - Ireco reinsurance dispute

- NAV 37m\$
- Resolve Moneta tax litigation
 - 35m\$ total : 20 in CX – 15 in TAL
 - Judgment of Upper Tribunal in the taxpayers' favor received Monday 16 June – 1 month appeal window
- Continue active downscaling
- Once Moneta finally resolved, seek finality

Island - Lincoln

➤ Island Capital

- 19m\$ NAV
- Off risk 2016
- Recover subrogation recoverables

➤ Lincoln

- 1m\$ NAV
- Aim to recreate capital value though
 - Continue downscaling
 - Litigate major cases
- Use as a receptacle for other assets ?

Lodestar

- 25m\$ underwriting capacity for 2014
- Loss making / Funding 2014: 1mGBP
- Licensing project
- Capacity to grow
 - Partners
 - Platform for other teams

Operational aspects

- TAL is not funded except through debt
- A necessity : keep burn rate low
 - Staff
 - Interest on debt / debt capitalization
 - Legal /Ops
 - Funding Lodestar

Tal Key Challenges

- Realisation of assets
- Penn Litigation
- Contingent liabilities management
- Debt repayment
- People issues
- Distributions to shareholders