



## **Fifth Emerging Europe Conference by UniCredit – Investor Presentation**

**4/5 September 2008, Istanbul**



**Vimetco Overview**

Strategy and Positioning

Outlook

# Key Figures



		2006	1HY 2007	2007
Consolidated pro-forma revenues <sup>(1)</sup>	US\$ million	1,189	810	1,565
EBITDA <sup>(2)</sup>	US\$ million	272	218	395
EBITDA margin <sup>(3)</sup>	%	23%	27%	25%
Net profit for the period	US\$ million	142	123	230
Aluminium production capacity (as per end of period)	tpa	443,000	568,000	568,000
Power generating capacity	MW	680	680	980
Employees (average of the year)		10,400		9,700

(1) The 2007 and 2006 pro-forma figures were prepared assuming a full year consolidation of the full Chinese operation with exception of Yinhu.

(2) EBITDA: profit before tax, net finance items (operating profit), depreciation and amortisation

(3) EBITDA margin: EBITDA divided by revenues

# Vimetco's Dynamic History



Alro acquires Alprom



Alro acquires a controlling interest in Alum



Vimetco acquires remaining 49% in Everwide in exchange for 15% stake in Vimetco



Acquisition of Sierra Minerals, an operating bauxite mine



2002

2003

2004

2005

2006

2007

2008

Marco Acquisitions Ltd becomes majority shareholder of Alro



Merger of Alprom & Alro

Vimetco acquires 51% of the shares in Everwide

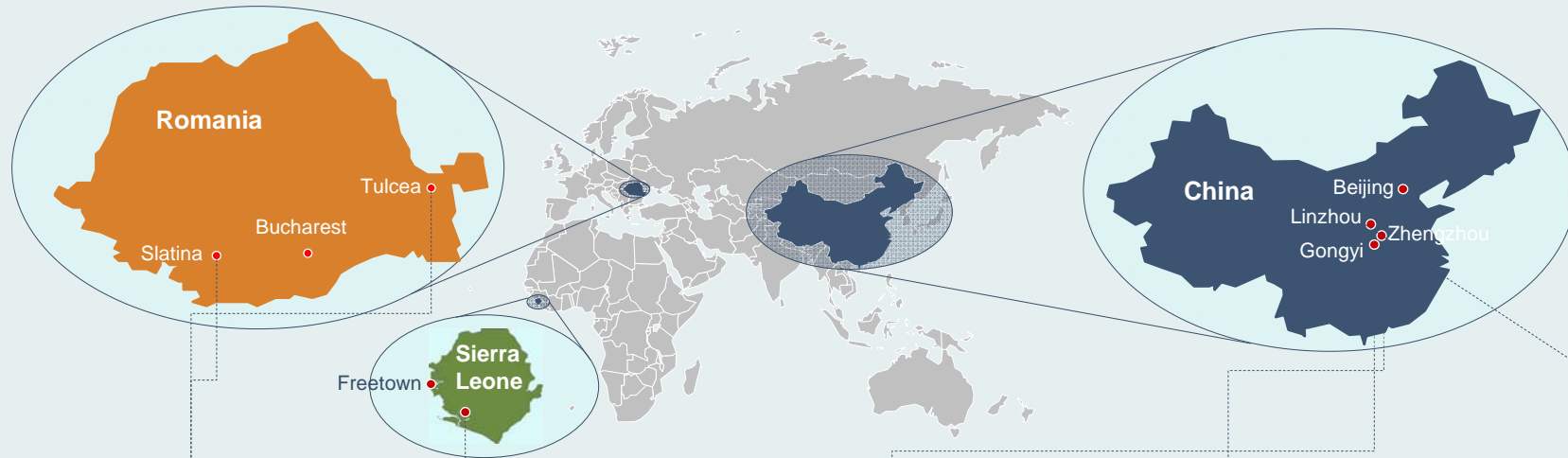


IPO of GDRs in London

Zhongfu acquires 100% of the shares in Linfeng

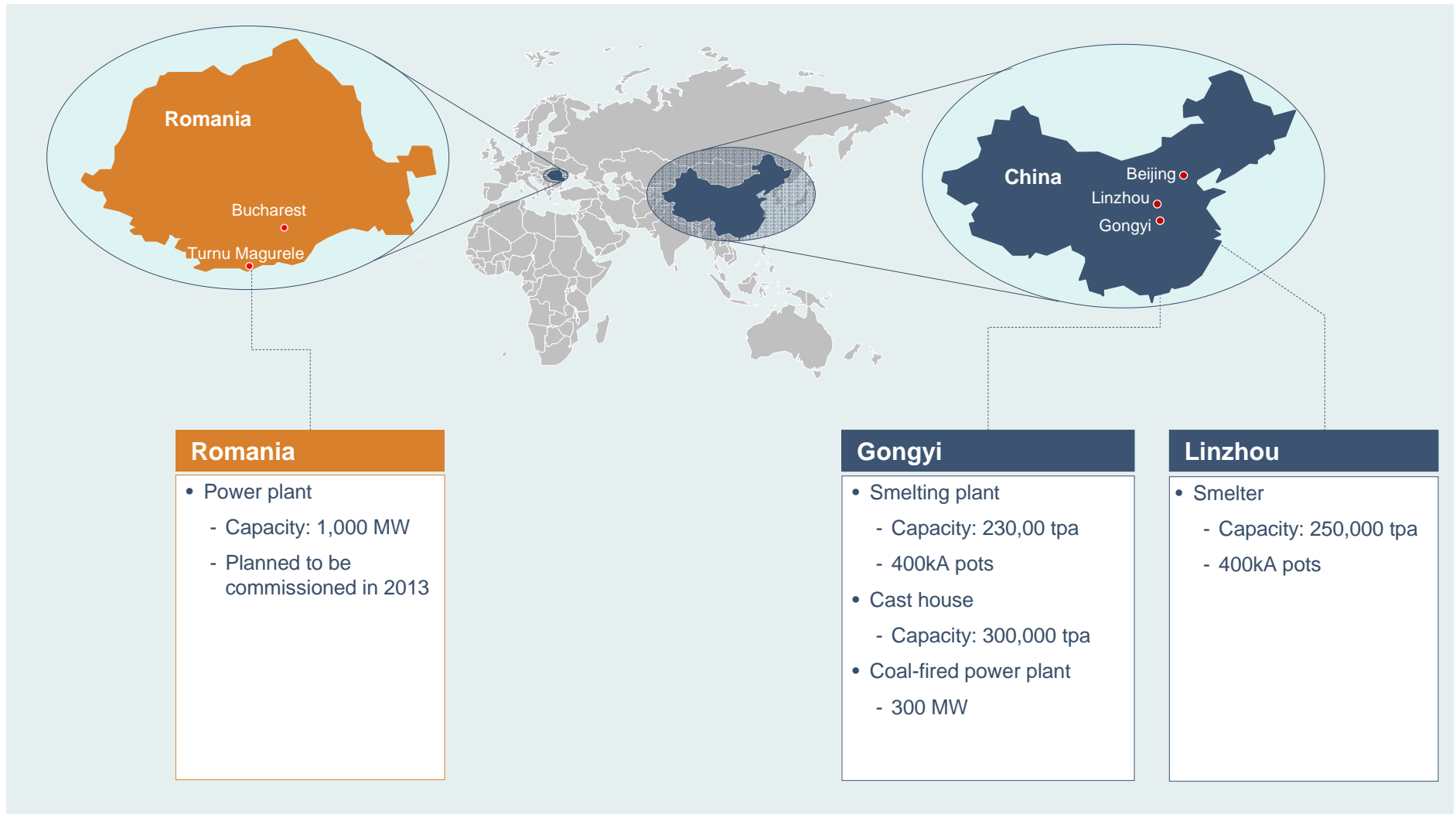


# Overview of Global Operations



Slatina / Tulcea	Sierra Leone	Gongyi	Zhengzhou	Linzhou
<ul style="list-style-type: none"> <li>• Smelting plant                             <ul style="list-style-type: none"> <li>- Capacity: 265,000 tpa</li> <li>- Commissioned in 1965, Pechiney techn.</li> </ul> </li> <li>• Processing facilities                             <ul style="list-style-type: none"> <li>- Capacity: 135,000 tpa</li> <li>- 2007 production: 35,000 tonnes</li> </ul> </li> <li>• Alumina refinery                             <ul style="list-style-type: none"> <li>- Capacity: 600,000 tpa</li> <li>- 2007 production temp. suspended</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Bauxite mine                             <ul style="list-style-type: none"> <li>- 2007 production of 1.2 million tonnes of bauxite</li> <li>- Resource base: 31 million tonnes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Two smelting plants                             <ul style="list-style-type: none"> <li>- Capacity: 308,000 tpa</li> <li>- Plant commissioned in 2003, with 40% of capacity added in 2006</li> <li>- GAMI technology</li> </ul> </li> <li>• Coal-fired power plants                             <ul style="list-style-type: none"> <li>- 980 MW (300 MW added in Jan 2008)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Processing facilities                             <ul style="list-style-type: none"> <li>- Capacity: Bands: 60,000 tpa (increased from 20' to 60,000 tpa in May 2008)</li> <li>- 2007 production: Bands: 17,000 tpa</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Smelter                             <ul style="list-style-type: none"> <li>- Capacity: 110,000 tpa</li> <li>- SAMI technology</li> </ul> </li> <li>• Cast house                             <ul style="list-style-type: none"> <li>- Capacity: Wire rod: 30,000 tpa Billets: 30,000 tpa</li> </ul> </li> <li>• Coal-fired power plants of 110 MW</li> </ul>

# Expansion Projects Globally





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# Strategic Objectives

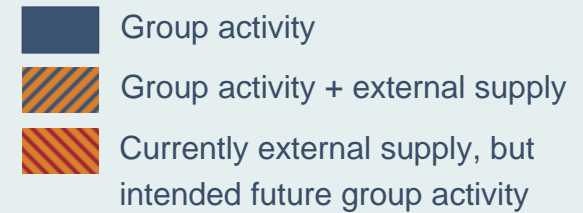
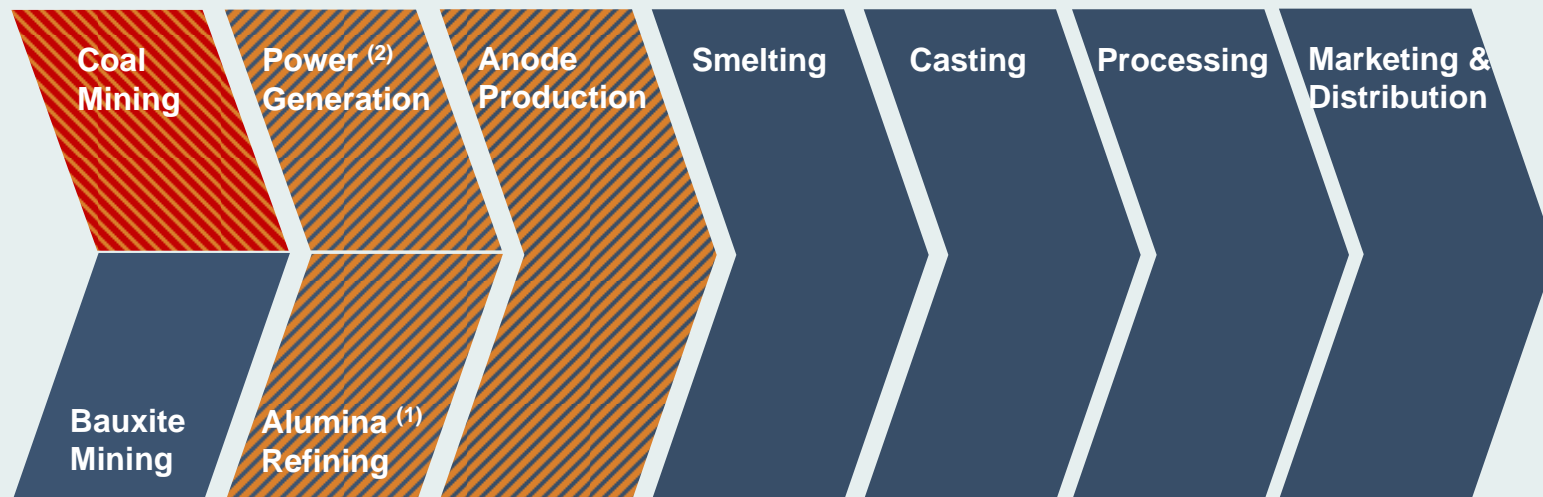
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- **Vertical integration strategy**
- **Focus on value added primary and processed aluminium products**
- **Ensuring access to raw materials and energy**
- **Increasing production capacity and optimising production**
- **Focus on productivity and cost control**
- **Disciplined allocation of capital**

# Vertical Integration – Key Strategic Objective

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(1) The refinery in Romania has temporarily suspended production  
(2) In China fully self-sufficient

# Business Positioning: Mature Romanian Operations and high-growth Chinese Assets

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## Romanian Operations

- Largest aluminium production facility in CEE (excl. CIS) by volume<sup>(1)</sup>
- Proximity to customers, including in Western Europe
- Security of competitively priced energy supply until end of January 2013
- Romania one of the lowest labour cost countries within EU and low tax environment<sup>(3)</sup>
- Focus on value added products

## Chinese Operations

- Top 10 producer in China by volume<sup>(2)</sup>, prior to acquisition of Linfeng Aluminium
- Striving to become a top 3 player in the aluminium industry by organic growth
- Access to fast growing demand for aluminium in China
  - low transportation costs
  - no governmental restrictions or tariffs on domestic sales
- Integrated power generation (fully self-sufficient)

(1) Source: CRU

(2) Source: China Non-ferrous Industry Society

(3) Source: EuroStat



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# Company Outlook

## Accelerating Company Growth

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### Romania

- Decision on modernisation plans/restart of alumina refinery in Tulcea by year end
- Joint venture between Vimetco and Interagro SA for construction of 1,000 MW power plant to finalise project finance plan by 1H 2009 (start of operation planned for 2013)
- Further improve Alro's leading productivity and efficiency levels (eg consumption of electricity / tonne of aluminium which is already appr. 15% below world average)
- Focus on value added processed products with higher margins, eg plates for aerospace industry (final certification expected by year end)

### China

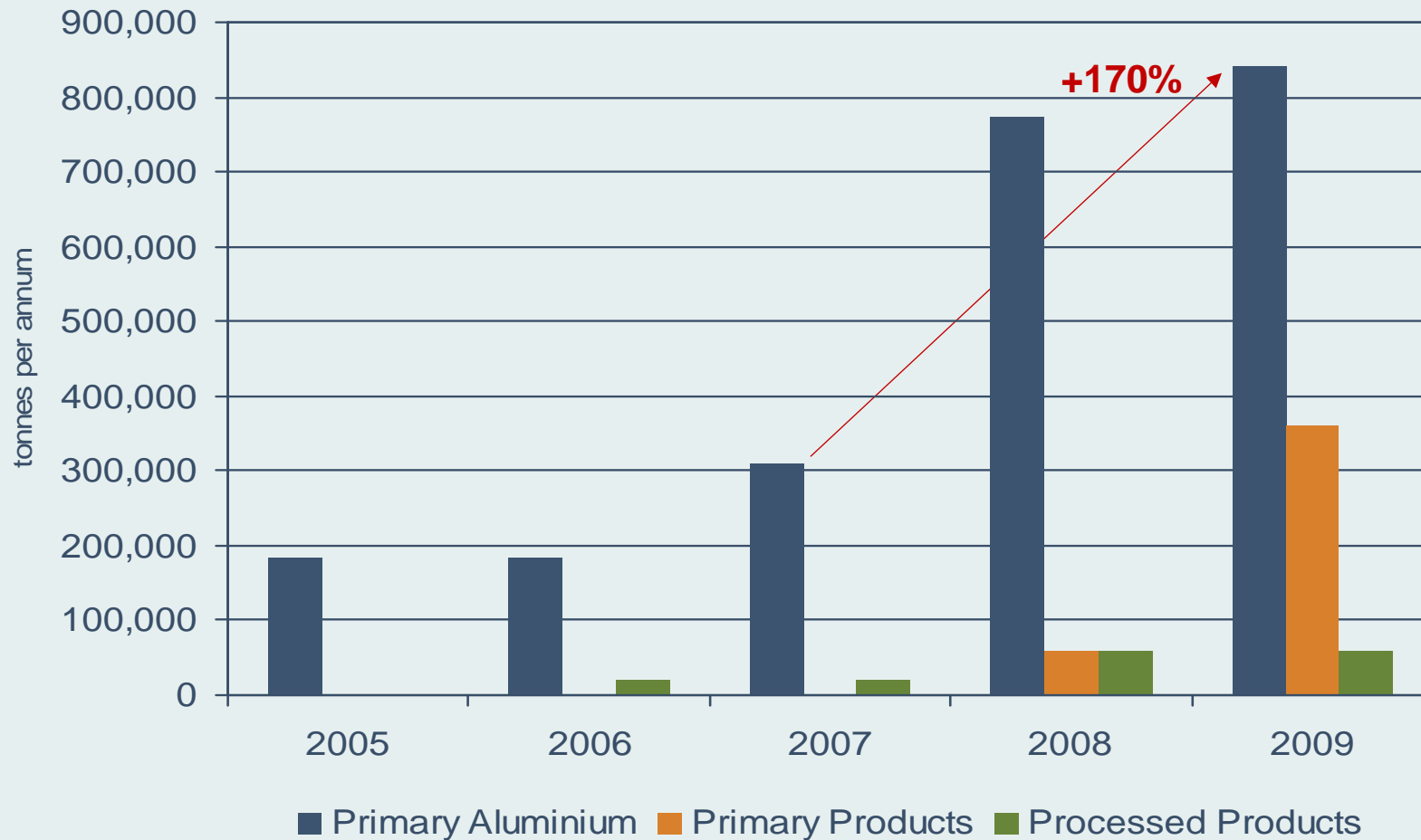
- Expand smelting capacity by +355,000 tpa by end of 2008; +125,000 tpa in 2009 using latest smelting technology available on the market (400kA pots)
- Complete construction of cast house with 300,000 tpa primary aluminium production capacity by end of 2008 (wire rod, billets, slabs)
- Increasing margins due to change of product mix towards added value primary products yielding higher premia
- Expand power generating capacity by +300 MW to reach 1,400 MW by 1Q 2009
- Progress on coal mine acquisition expected by year end

### West Africa

- Further bauxite explorations ongoing
- Evaluate the construction of an alumina refinery

# Development of Aluminium Smelting Capacities in China

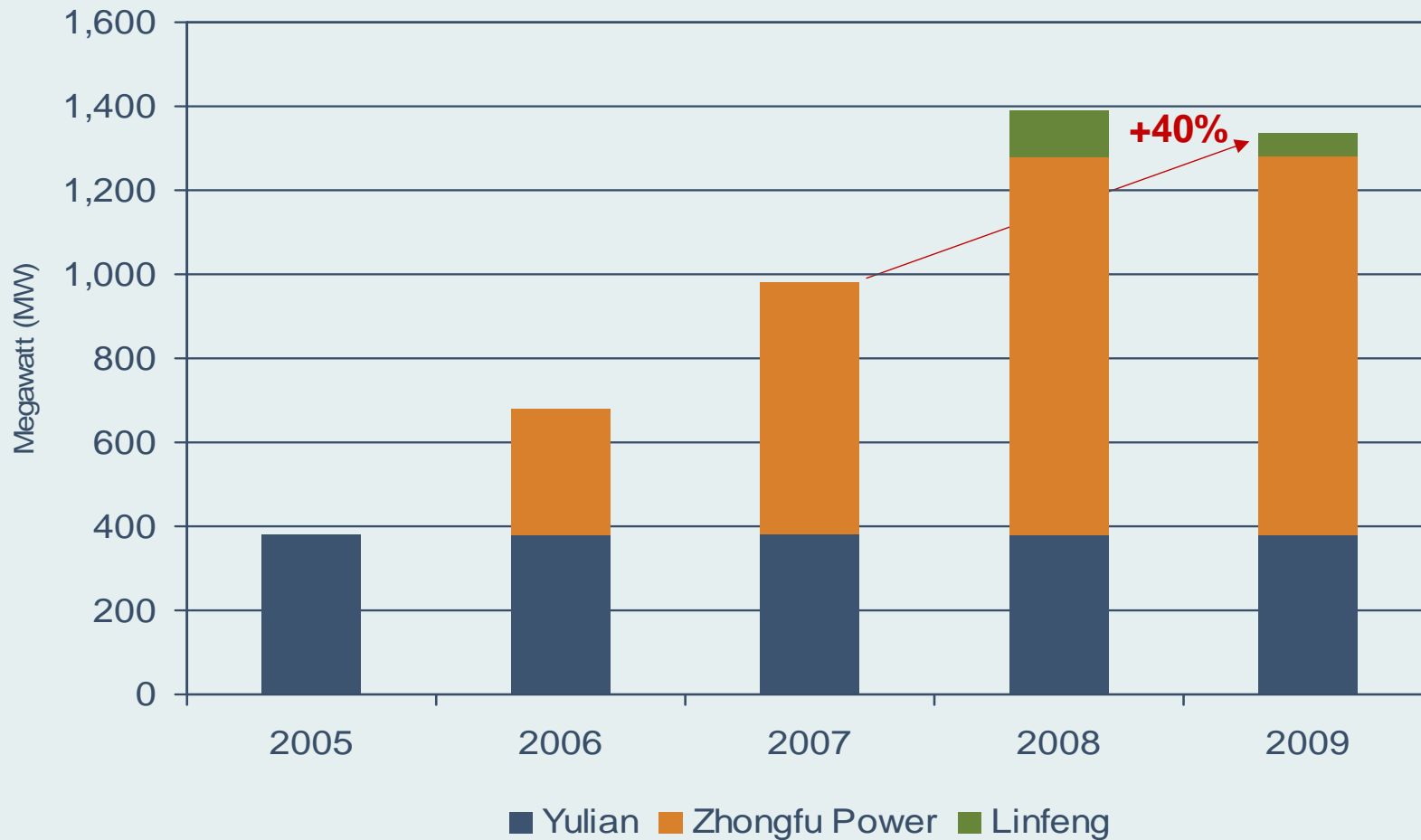
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At the end of each year; assumption: older smelter in Gongyi with 58,000 tpa capacity will be shut down by end 2009

# Development of Power Generating Capacities in China

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At the end of each year; assumption: older power plant in Linzhou with 55 MW generation capacity will be shut down by end 2009

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