

Performing above our weight

Aluminium – simply essential

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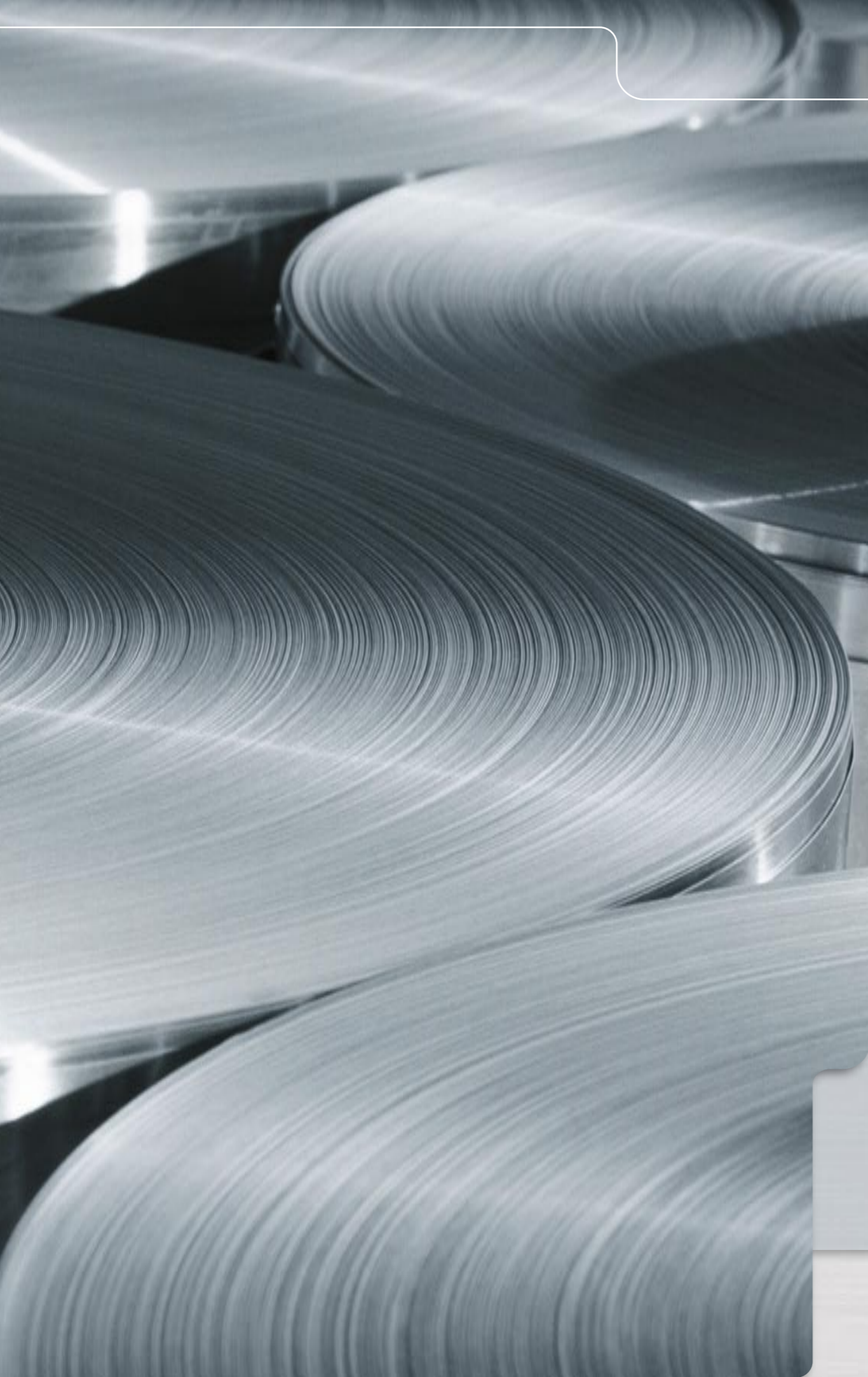
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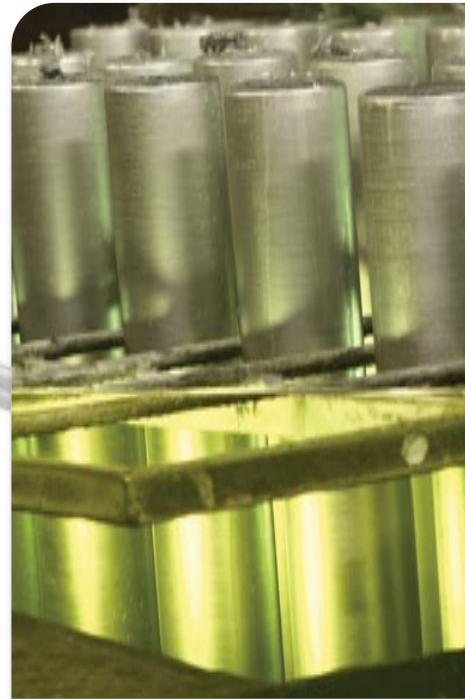
Aluminium – simply essential

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A clear business plan

Achieve full vertical integration and focus on value-added products



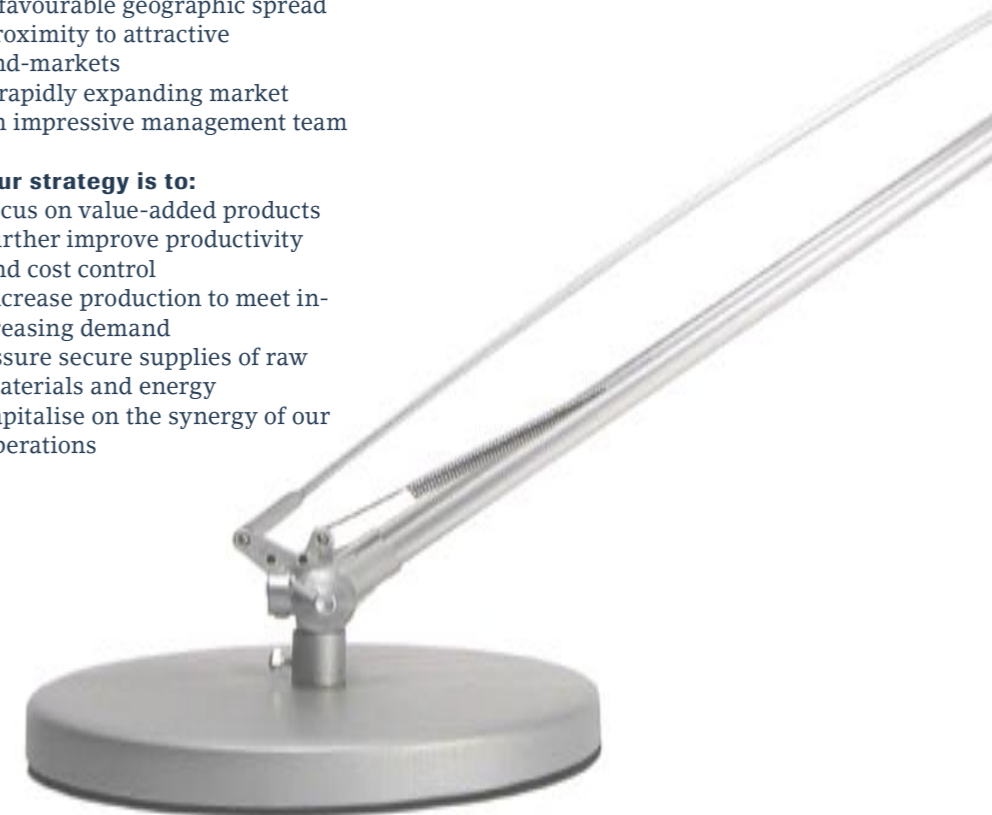
Our aim is to exploit our strengths in the global aluminium market to deliver increased value to our shareholders, our customers and the community at large.

Our core strengths are:

- effective vertical integration
- an excellent asset base
- expertise in value-added product areas
- a favourable geographic spread
- proximity to attractive end-markets
- a rapidly expanding market
- an impressive management team

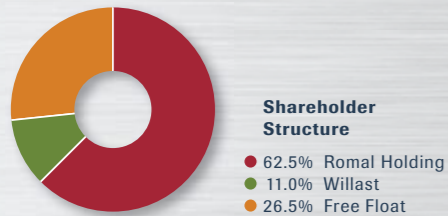
Our strategy is to:

- focus on value-added products
- further improve productivity and cost control
- increase production to meet increasing demand
- assure secure supplies of raw materials and energy
- capitalise on the synergy of our operations



A history of dynamic growth

In just five years Vimetco has gone from a promising start-up to a full listing on the London Stock Exchange



In just five years Vimetco has gone from a promising start-up to a full listing on the London Stock Exchange and revenues in excess of US\$ 1.18 billion.

That success is not based on fortuitous short-term market conditions. It is based on a long-term plan to capitalise on the increasing world demand for aluminium by acquiring newly-privatised production facilities in emerging markets and providing them with the development capital and management skills needed to increase productivity and generate growth.

Our story began with investment in the Romanian aluminium producer, Alro, and progressed, with considerable vertical integration, to the acquisition of a major Chinese operation.

We are now among the top five producers in Europe and among the top ten in China, the world's largest aluminium market. We have both the size to benefit from major economies of scale and a geographic spread that ensures our production is close to our major markets. That not only means closer client liaisons, it also means lower transportation costs and a reduced carbon footprint.

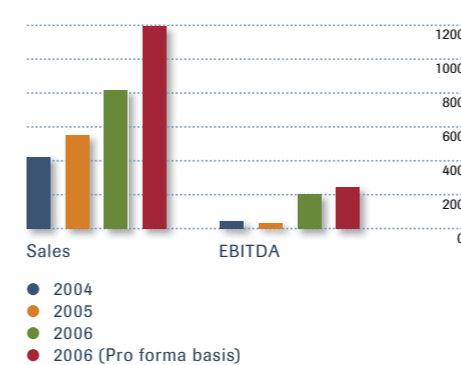
Our central management team is lean, deeply experienced and highly motivated. It has established extremely effective decision-making structures. And it has achieved an exemplary balance between devolved responsibility and ensuring best practice is achieved throughout the group.

It's a formula that bodes well for the future.

An impressive track record

We have an enviable track record in acquiring assets, investing and integrating them into our global aluminium company

Revenues Growth 2004 - 2006
(in MM US\$)



We have an enviable track record in acquiring sound assets, investing in them, adding value to them and integrating them into a cohesive, global aluminium company.

The growth in sales and profits and the reductions in production costs these graphs show are the result of considerable managerial expertise. And of substantial capital investment.

In Romania, we have invested over US\$150 million since 2002. Over ninety million of that went on upgrading production capacity.

In China, we have invested over US\$180 million since the beginning of 2006.

By instituting the latest technological advances and operating procedures we have been able to increase our capacity while reducing our production costs. We have further increased our profitability by initiating a shift to premium, processed products that provide added value.

This has not been achieved at the expense of sustainability, quality or sound corporate governance. We have invested tens of millions of dollars in environmental projects and advanced pollution control systems. In 2006 we won awards from Romanian Environmental Protection for Excellence in Environmental Protection and from the Labour Ministry for good practice in safety and security. In Romania we are certified ISO 9001, ISO 14001 and OHSAS-18001. In China we have ISO 14001 certification.

The opportunities to improve our productivity and our margins are by no means exhausted.



A sophisticated strategy for global expansion

We are committed to growth, particularly in emerging markets

We are committed to growth, both organically and through acquisitions, particularly in emerging markets. And we have developed a clear strategy to exploit the increasing global demand for aluminium. A demand that is projected to rise from 34 million tonnes in 2006 to 46 million tonnes in 2011.*

Here are our key objectives.

Improve productivity and cost control.

We use sophisticated risk management techniques to control our raw material and energy costs. We invest heavily in both research and development and in the latest technology to ensure our production is at the leading edge.

Increase production to meet increasing demand.

Our disciplined investment programme has led to a rise in our European production of 40% since we acquired Alro. In China, we have designed our facilities so that production capacity can be increased with minimal investment in new infrastructure.

Focus on value-added products.

The chart on page 6 clearly shows the financial advantages of focussing on premium products. In addition, the Chinese government offers incentives to processed production. Between 2006 and 2010, Alro is to up its plate production from 23,000 to 63,000 tonnes while our Chinese processed products are set to rise from 14,000 to over 100,000 tonnes a year.

Assure secure supplies of raw materials and energy.

This goes beyond futures contracts and hedging strategies. We are exploring the feasibility of investing in bauxite mines and in an alumina refinery. We already have our own energy plants in China and we are now considering building generators in Romania.

Capitalise on the synergy of our operations.

Successfully examples of shared best practice abound. Romanian expertise in producing added-value products is being exploited in China. Chinese expertise in power generation is being used to assess further vertical investment in Romania. And, in the near future, both will benefit from integrated raw material procurement.

* Source: AME

In the fast lane in the automotive industry

In the quest for lighter, more fuel-efficient cars, the amount of aluminium used in European vehicles has risen from 50kg in 1990 to 132kg in 2005.

It is estimated that, by 2010, the average Chinese car will contain as much as 170kg.



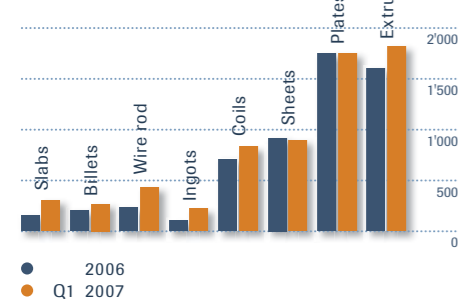
Increasing production capacity across a comprehensive product range

Customer and market demand define our product mix

We consider all our products, other than ingots, to be value-added in that they achieve a premium over commodity-priced aluminium. That said, all value-added products are certainly not created equal. As the chart clearly shows, the more sophisticated the technical and manufacturing expertise, the greater the profit margin.

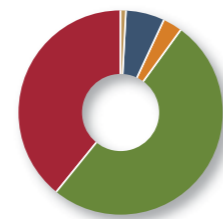
Our increase in capacity is focussed on new product markets. As Alro concentrates on developing its plate market for aircraft, we are diverting over a quarter of our Chinese primary production into a range of processed products by the end of 2008.

Premia to LME by Product for Primary and Processed Aluminium
(in US\$)



Our primary aluminium products deliver high quality...

Our plants in Romania and China use high-amperage smelters to convert refined alumina into 99.7% pure aluminium. This primary aluminium can be sold to the market as ingots or billets or it can be further processed into added-value products.



Breakdown of Primary Products by Sale in 2006
(based on metric tonnes sold)

- 6% Ingots
- 3% Slabs
- 51% Billets
- 39% Wire rod
- 1% Alloys

...our processed products deliver added value

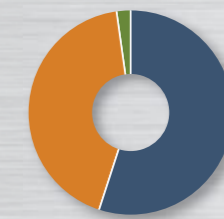
There are four basic processes in downstream aluminium processing:

Casting. Our casting plants produce both slabs and billets.

Rolling. Our mills produce a range of rolled products that includes plates, sheets, and coil.

Drawing. We draw aluminium through a series of decreasing diameter dies to wire rod.

Extruding. We exploit aluminium's high-temperature properties to force it through a die to produce a consistent profile such as a window frame.



Breakdown of Processed Products by Sale in 2006
(based on metric tonnes sold)

- 55% Plates
- 43% Sheets, Coil and Foil
- 2% Extruded Products

The aerospace market is flying high

Corrosion-resistant, light-weight, strong...the increasing use of aluminium components gives airlines greater fuel efficiency for greener, lower cost flights. Our upcoming qualification to supply hard alloy aluminium to the civil aviation industry will significantly increase our strength in this sector.

Meeting the demands of major customers in high-growth sectors

Operating from Romania and China gives us significant geographic advantages.

An ideal geographic position

Operating from Romania and China gives us significant geographic advantages. Our relatively low-cost Romanian business provides us with unrestricted access to other EU countries. Romania, Hungary, Poland, Greece, The Czech Republic, Slovenia and Bulgaria are all on Alro's doorstep and account for almost 70% of total sales. Last year over 80% of Alro's products were exported. China also had strong export sales. But the situation there is considerably different. The domestic market is already the world's largest consumer of primary aluminium and the fastest growing. We expect most of our production to be sold to local Chinese customers.

An increased industrial demand for aluminium

Leading independent researchers, AME Mineral Economics, forecasts that world demand for primary aluminium will increase by close to 30% by 2011. In China, they forecast a 15% compound annual growth rate for aluminium demand between 2006 and 2011. Only a marginal decrease from the 15.3% CAGR in the boom years 2000 to 2005. Accelerating demand in India is expected to maintain the global momentum.

Delivering a client-led product range...

In our drive to move from being primarily a commodity supplier to being a value-added supplier, we are committed to working closely with customers to meet exacting specifications. That's why Alro are in discussions with leading aircraft manufacturers to assess their future needs. And that's why our Chinese experts are carefully researching industry requirements in construction.

...to an impressive list of customers

Our client roster runs the gamut from Alcoa to Telefonica, Standard Bank to Zhuhai Hong Fan. But more important than individual names are the industries we serve.

Automotive. A growing market for aluminium as Western makers shed weight and increase efficiency and the Chinese market expands dramatically. Our key markets are producers of motor pistons and car cables. And, in Romania, we are the sole supplier for registration plates.

Aerospace. A traditional aluminium market and one for which 5% pa growth is forecast long term.

Construction. Extruded window and doorframes, pre-fab structures, roofing, exterior cladding, curtain walling...now augmented with highly effective aluminium insulation foil.

Electrical. Given their conductivity-to-cost ratio, aluminium cables and conductors have virtually no competition in the production of transmission lines.

Reaching new heights in construction

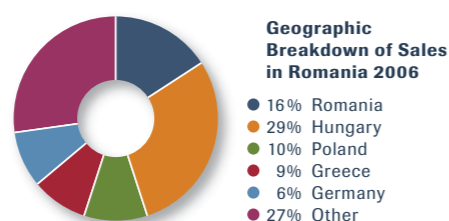
Aluminium sheets, plates and insulation are in increasing demand by the construction industry. While construction growth may be slowing in Western Europe and US that's not the case in Central and Eastern Europe and China. There are now more construction projects in China than in all the developed economies combined.



Sharing best practices between two major production centres

The synergy of our two businesses gives us the critical mass needed to leverage our buying position and reduce raw material and energy costs.

The synergy of our two businesses gives us the critical mass needed to leverage our buying position and reduce raw material and energy costs. Equally important, it allows us to share best-practice experience between our Romanian and Chinese operations. At the moment, Romanian engineers are working with their Chinese counterparts to increase production at Zhongfu by up to 10% through power adjustments...western experience in producing processed products is being adapted to eastern markets... There are any number of examples of co-operation and exchanged expertise but, for simplicity, let's look at our two business areas individually.



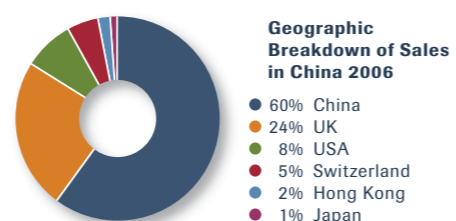
Streamlining and enhancing our Romanian facilities

Our vertically-integrated production process in Romania includes a smelter with casting facilities, an anode plant, a processing plant and an alumina refinery.

Those facilities presently produce over 260,000 metric tonnes of primary aluminium and over 40,000 metric tonnes of processed aluminium including plates, sheets, coils, and extruded products.

Since 2002 we have invested over \$US 150 million in developing our Romanian operations. That investment will continue. Our capital expenditure plans focus on improving our smelter's productivity, on the efficiency of our processing facilities and on developing a major power plant that meets our increasing need for energy. That need is driven by a huge increase in European demand by customers like Telefonica, attracted by aluminium's advantages for efficient long-distance transmission.

In 2006, over 80% of all primary and processed products were exported, with 55% of processed products going to the US. Now that Romania has successfully joined the European Union, however, the percentage of US exports is expected to decline in favour of EU sales.



Expanding our vertically-integrated Chinese operations

Our integrated operations in China include two smelters, an anode plant, a processing plant and five power generation stations. The thermal power generated is used for our own smelting, casting and processing facilities.

In 2006 those facilities produced over 160,000 metric tonnes of primarily aluminium ingots and over 23,000 metric tonnes of processed aluminium including continuous-casted bands, foils and coils. And we aim to increase processed production to almost 30,000 tonnes this year.

With the completion of phase II of our new, high-tech smelter in Dec 2006, our total annual production capacity has increased from 183,000 to 310,000 tonnes. We are in the process of increasing our baked anode capacity from 80,000 tonnes to 150,000 tonnes. And our in-house energy operations will further expand to a total of 980 MW by the end of 2007.

That expansion is necessary to meet huge increase in domestic demand driven for aluminium, mainly from the building & construction and the transport industries.



Aluminium's high strength-to-weight ratio has made it the world's number one choice for long-distance electricity transmission cable. China's determination to strengthen and extend its national grid is expected to create major demand.

Plugged into the buzzing electricity sector