

**Extraordinary General Meeting of
Shareholders
29 August 2008**



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Proposed Transaction

Introduction

Key achievements to date

- Terms of the debt restructuring substantially agreed with the major lenders to Russian Manufacturing (“RM”)
- Merger documents agreed with SRT and signed (completion is subject to shareholders’ approval and other conditions)
- \$40m interim funding committed (\$20m already utilised), subject to certain conditions

Key next steps

- Complete signing process for debt restructuring
- Obtain shareholders’ approval of merger at 29 August 2008 EGM
- Finalise \$150m equity placement

Both the merger preparations and debt restructuring are substantially complete, subject to necessary approvals and finalisation of equity placement



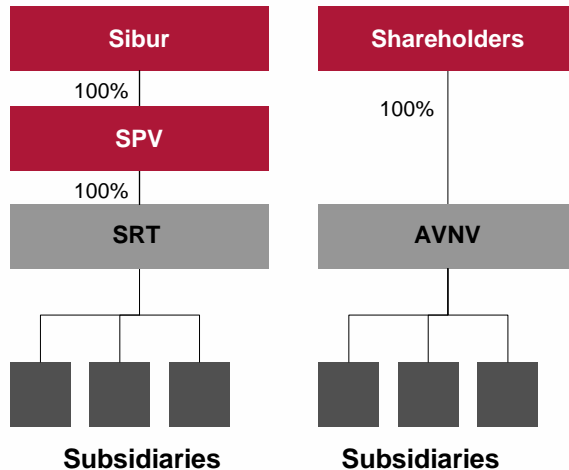
Background to the merger

- In late 2007, Sibur through its 100% subsidiary, SRT, approached AVNV with a proposal to start discussions in respect to combining the two businesses
- As a result of the Transaction, Sibur was to gain control over the enlarged company, which would remain listed
- The Transaction, which was announced on 30 June 2008, is expected for completion in late 2008; Amtel's GDRs have been suspended from trading from the date of the announcement in accordance with the UK Listing Rules
- Key terms of the Transaction:
 - The Transaction is structured as a reverse takeover, with Amtel acquiring the entire issued share capital of SRT from Sibur against the issuance of new Amtel shares to Sibur, resulting in Sibur owning a 70% stake in the enlarged entity
 - Amtel also plans to raise through a private placement approximately US\$150 million, of which Sibur has conditionally agreed to subscribe for US\$50m (as a result, Sibur will own not less than 60.5% of the enlarged entity post new equity issue)
 - SRT has conditionally committed to provide a \$40m of interim funding facility to Amtel, to fund the Company's working capital requirements before completion of the Transaction
- The merger is subject to a number of conditions, including, *inter alia*, Amtel's shareholders granting Sibur an exemption from a mandatory public bid obligation which would be triggered by the proposed Transaction, as well as regulatory consents



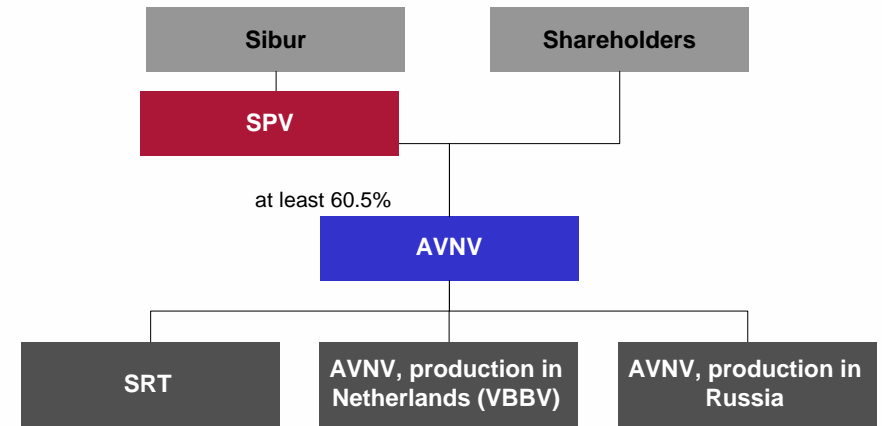
Process summary

Before Transaction



- 100% of SRT shares are held by SPV, a wholly owned subsidiary of Sibur – COJSC Tyre Invest
- AVNV's shareholders approve the Transaction at an extraordinary general meeting and exempt Sibur from the obligation to launch a mandatory public bid
- Sibur pays up 70% of newly issued AVNV shares by a contribution of 100% of SRT's shares
- Sibur to subscribe for \$50m worth of newly issued AVNV's shares

After Transaction and placement of new equity



- At any point Sibur can pass ownership of the SPV to Gazfond. Control will be with either Gazfond or MBO company (Hidron Holdings Limited)
- Transaction perimeter includes all assets currently owned by AVNV and SRT, including retail business of AVNV and SRT's synthetic fibre and cord production
- Ring-fence in place between Russian Manufacturing, VBBV and SRT
- Combined company to be re-listed
- The exemption from the obligation to launch a mandatory public bid will need to be approved by 95% of shareholders not involved in the Transaction
 - Alternatively, the exemption can be granted by court order



Timetable and next steps

Key steps completed to date

- 30 June: Subscription agreement is signed
- 4 July: First tranche of additional interim funding made available by SRT to Amtel (\$20m)
- 30 July: EGM notice is published
- 14 August: Shareholder circular is published

Next key steps

- Merger
 - EGM is held
 - Additional interim funding is provided by SRT (\$20m)
 - AVNV IFRS audited accounts are published and presented to EGM for adoption
- Equity raising
 - Preparations to private placement of \$150m equity started
 - UKLA lifts suspension on trading in existing shares
- Debt restructuring
 - Signing the framework agreement on debt restructuring
- Overall transaction
 - Completion anticipated by end of 2008 upon receipt of regulatory approvals





Merged entity profile

Investment highlights

- 1 Exposure to fast growing Russian tyre market
- 2 Reinforced industry leadership
- 3 Diversified product portfolio
- 4 Enhanced distribution network
- 5 Low cost base
- 6 Potential to create value through capital structure optimisation
- 7 Access to technology

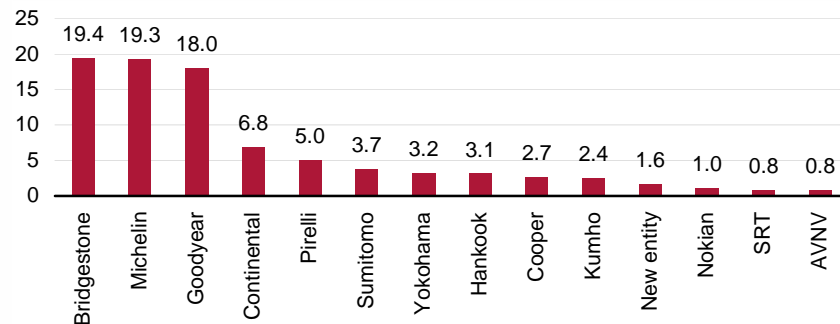


Reinforced industry leadership

Overview

- Merged entity becomes a leading player in the Russian tyre market
 - Market share 35% as of 2007 in volume terms
 - Market share 33% as of 2007 in value terms
- Merged entity becomes one of global Top-10 tyre producers

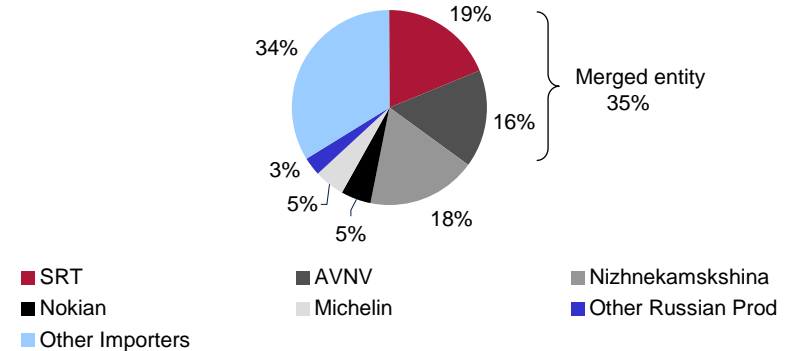
Global tyre producers by revenue in 2006 (\$bn)



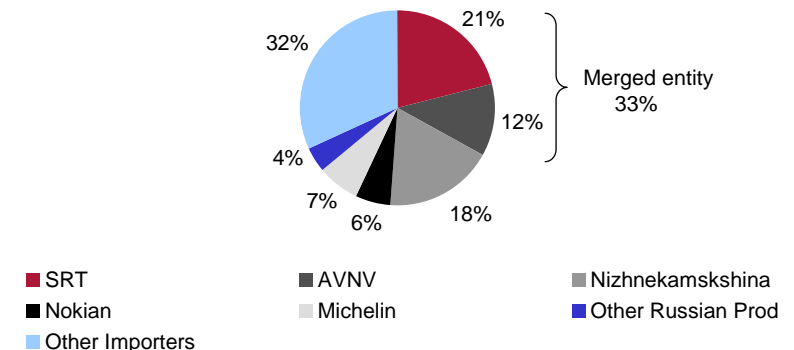
Source www.tirebusiness.com, Company Information

Russian tyre market by producers in 2007

Units: 50MM total



\$: \$5.7bn total



Source Company Information



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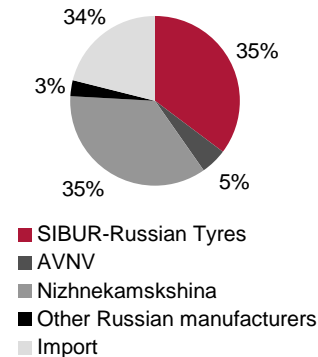
Diversified product portfolio

Overview

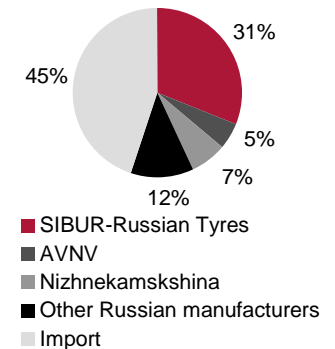
- Merged entity has a material presence in all major segments of the Russian tyre market
- AVNV's leading positions in passenger car and light truck tyre segments complemented by SRT's dominance in truck and OTR tyres
- Leading brands across main market segments
 - PCT A: Vredestein, Space Master
 - PCT B: Amtel, Maloya, Cordiant
 - Light truck tyres: Maloya, Cordiant
 - Truck tyres: TyRex
 - OTR: TyRex

Russian tyre market in 2007 in value terms (%)

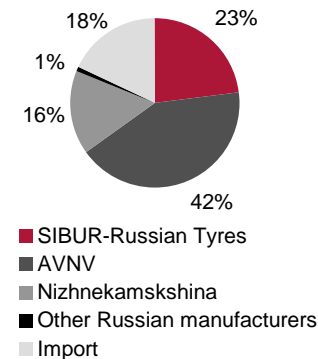
Truck Tyres



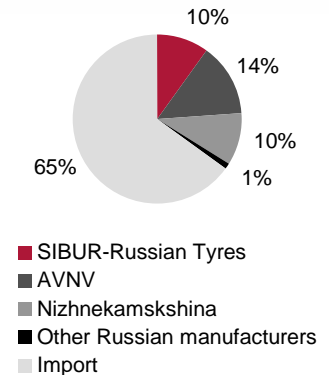
OTR (Agro and Industrial)



Light Truck Tyres



Passenger Car Tyres



Source Company Information



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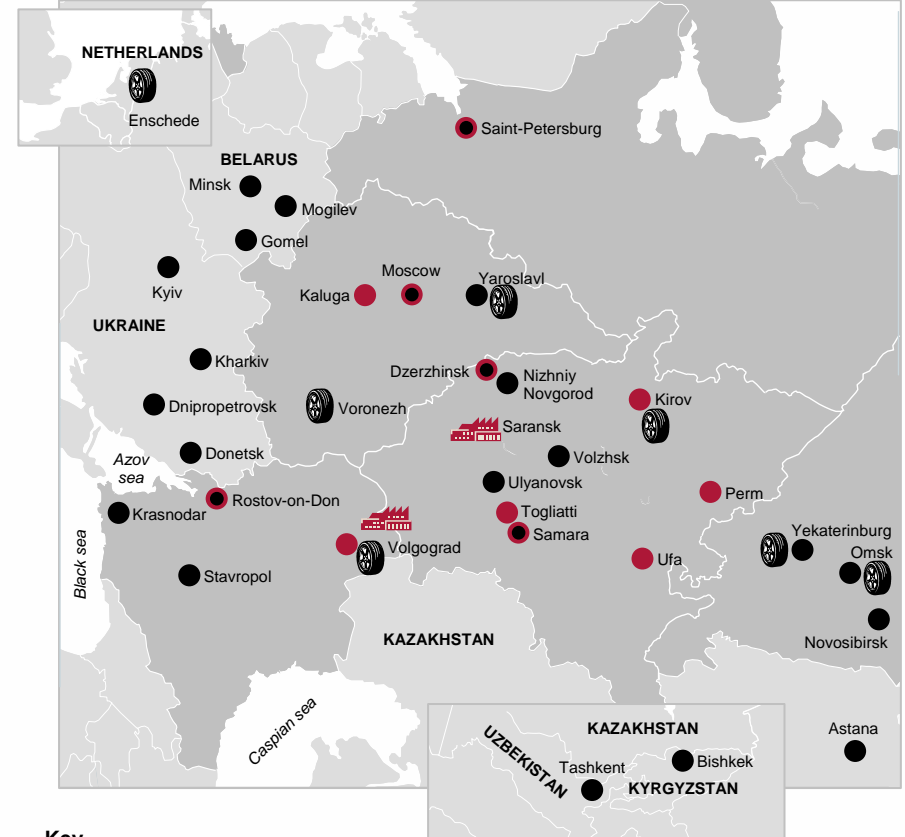
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Enhanced geographical coverage and distribution network

Enhanced distribution network

The merged entity will operate a distribution network with access to European, North America and FSU markets (in more than 15 countries)

- AVNV's existing wholesale network in Russia to be complemented by SRT's distribution capabilities
 - SRT to contribute its expertise as a major tyre exporter to FSU countries
- AVNV's production facilities are located close to the European markets from Enschede in Netherlands to Omsk in Russia's Siberia



Key

Distribution centres

- AVNV
- SRT
- Both AVNV & SRT

Plants

- Tyre plant
- Rubber products (Saransk) and synthetic cord production plants (Volzhsk)

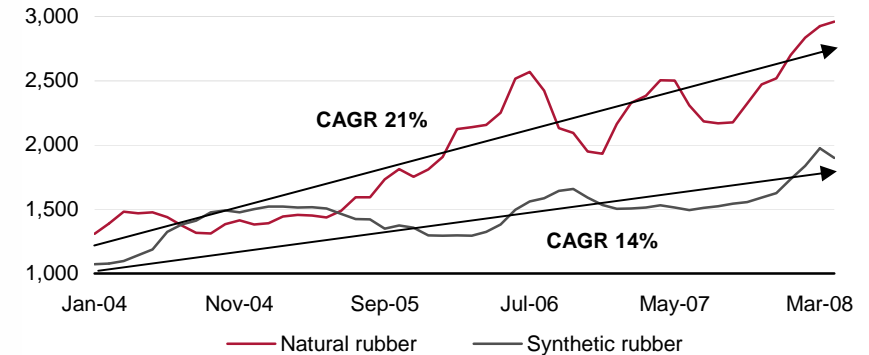


Low cost base

Overview

- Enlarged merged entity to have better negotiation power in the raw materials market
- SRT's synthetic fibre and cord producing plant to provide benefits of vertical integration
- SRT will bring to the table its long-standing relationship with Sibur
 - Merged entity to become the most important rubber customer of Sibur, accounting for over 50% of total rubber sales
 - This relationship is particularly important in light of the recent hike in global rubber prices
- Further upside from upcoming headcount optimisation at SRT's facilities

Natural and synthetic rubber prices (\$/tonne)



Source Malaysian Rubber Exchange

Labour productivity \$ of revenue per employee (\$000)



Source Company Information



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Access to technology

- AVNV has Research and Development capabilities in Enschede
 - Experience of designing tyres for the Russian market
- Specialised research groups
 - Access to a superbly equipped chemistry, physics and factory laboratory
 - Responsible for design of tyre prototypes and final products specifications
 - Studies possibilities of new and improved process technologies
- Design centre
 - Involved in design of treads
 - Co-operates with the Italian Company Giugiaro Design
- SRT expects to benefit from access to AVNV's technology
 - Tyre design
 - Rubber blending
- SRT's research capabilities include testing centre Vershina
 - Development of testing programmes for the group
 - Quality control of SRT's products
 - Testing of new designs and pilot tyres
 - Static and dynamic testing of auto and aviation tyres
 - Road operation testing of tyres
 - Vershina is certified in Russia and Slovakia



Potential to create value through capital structure optimisation

Overview

- AVNV's debt restructuring is a pre-condition to the deal with SRT. Likewise if the merger does not complete, then the debt restructuring terminates
 - The restructuring is aimed to ease debt burden on the merged entity
 - SRT's shareholders conducted a successful debt restructuring of their own business in 2002





Potential synergies from Transaction

Overview of synergies

Balanced brands portfolio

- Merged entity will have brands with leading positions across all major segments of the Russian tyre market

Increased pricing power

- The opportunity to offer a balanced product range and its clear segmentation will facilitate marketing
- Increased pricing power due to boosted market share

Cost base optimisation

- Enlarged group could negotiate better terms from raw materials suppliers
- Potential for cost saving at SRT's facilities due to headcount optimisation and implementation of AVNV's technologies

Distribution

- AVNV's global distribution platform to be complemented by SRT's developed network in Russia and other CIS countries
- Potential cost savings by closing overlapping regional branches

SG&A savings

- Potential reduction of AVNV's managing company headcount by up to 90% and of head office maintenance costs
- Saving on marketing and promotion budget of up to 10% of an aggregate of both companies' budgets
- Potential reduction of Megashina's administrative costs due to re-direction of flows of goods to SRT's branches
- Potential sale of Pigma

Investment, R&D

- SRT can reduce expansion capex, placing new production at AVNV's unutilised capacities
- SRT can leverage on AVNV's brands and R&D function, reducing total group's future capex requirements

Financing

- Transaction with SRT enables AVNV to restructure its debt





Update on bank negotiations

Summary

Completion of the debt restructuring is key to the merger and ongoing viability of the company

- The debt restructuring restores stability to Amtel's capital structure by:
 - Alleviating Russian Manufacturing's debt service requirements – interest capitalised through June 2009 and principal payments delayed to 2011
 - Reducing principal payments in 2011 and 2012, with final maturity in 2012
 - Limiting default events and replacing AVNV guarantees with a dormant guarantee activating in 2012
- The merger and \$150m equity injection are conditional upon the completion of the debt restructuring
 - The merger and accompanying support and interim funding provided by Sibur, as well as the equity injection, are vital to the operations and liquidity of the Company, without which Amtel may go into suspension of payments or insolvency



Update on current trading

Trading conditions for both SRT and AVNV have deteriorated considerably recently. The management is analysing impact to the combined entity business plan

- Operating conditions for both SRT and AVNV have continued to deteriorate considerably. The management is analysing the impact of these changed conditions on the combined entity business plan, including impact on financial leverage of the combined entity.
- All other potential benefits of the merger, as set out in the shareholder circular, are expected to remain valid.
- The merger remains a pre-condition to the debt restructuring.



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