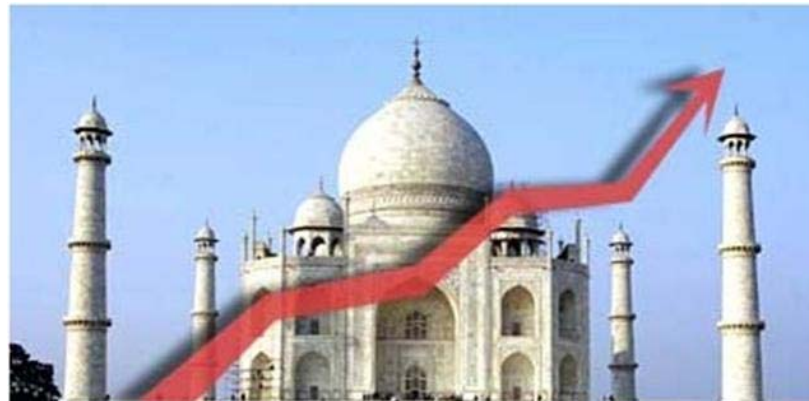


India: An Overview





Map of India

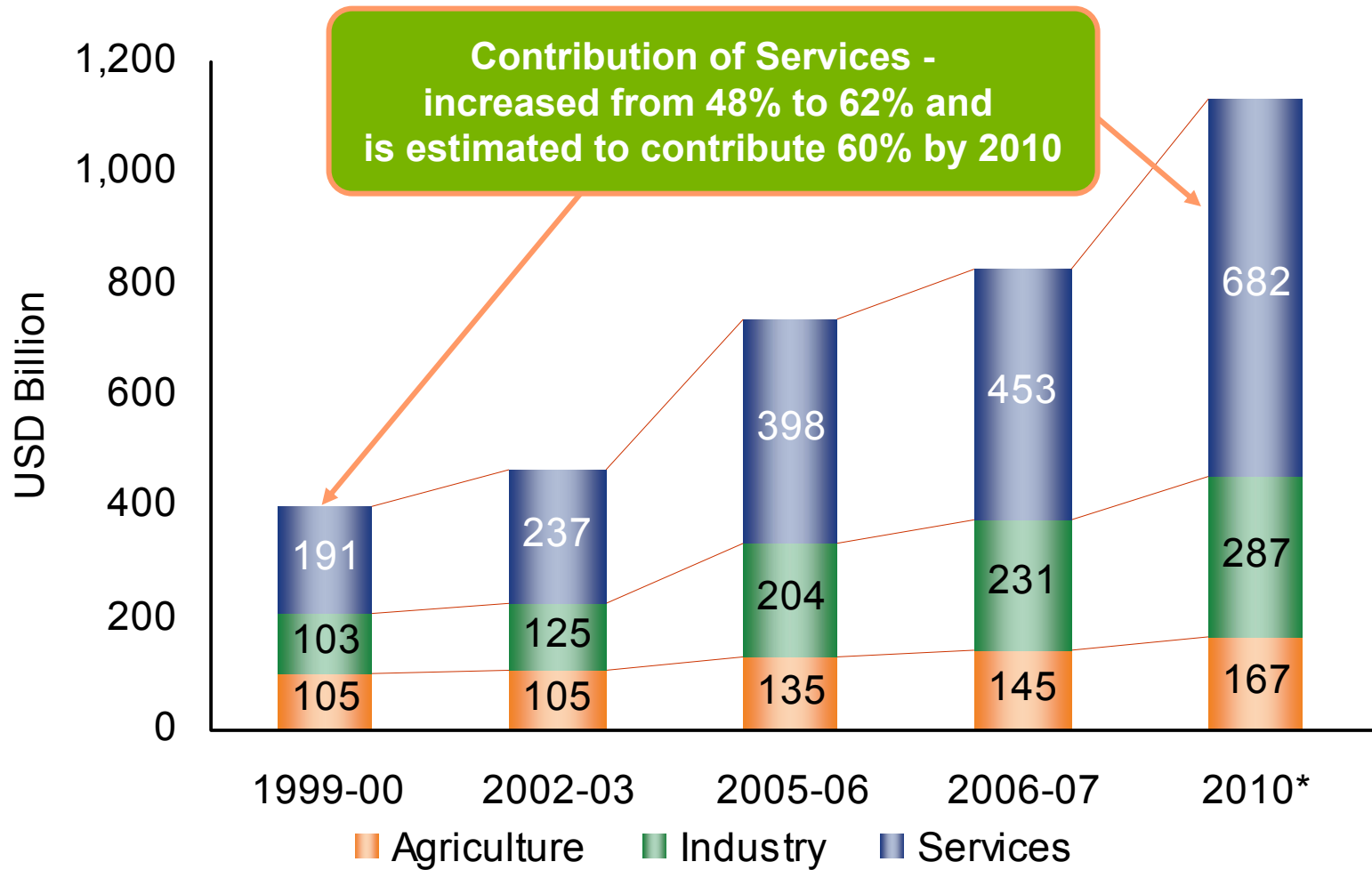
Growing Indian Economy



*: Projected

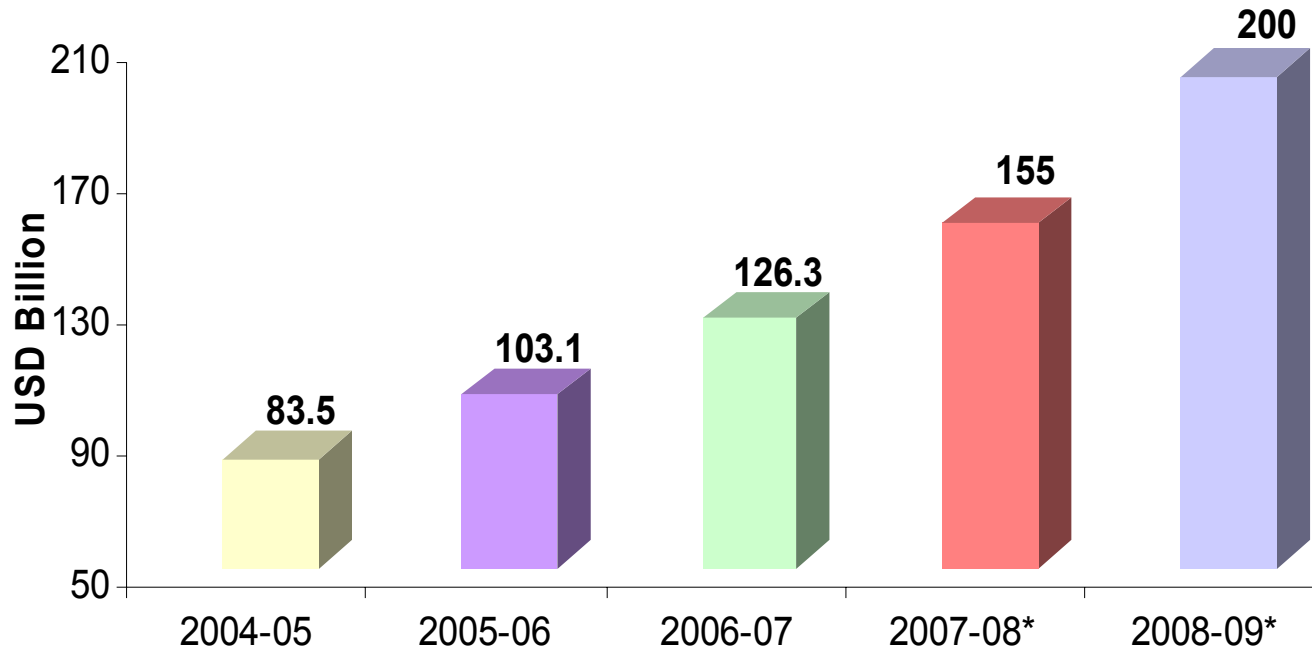
Source: Economic Times & India Brand Equity Foundation (IBEF)

Growing GDP



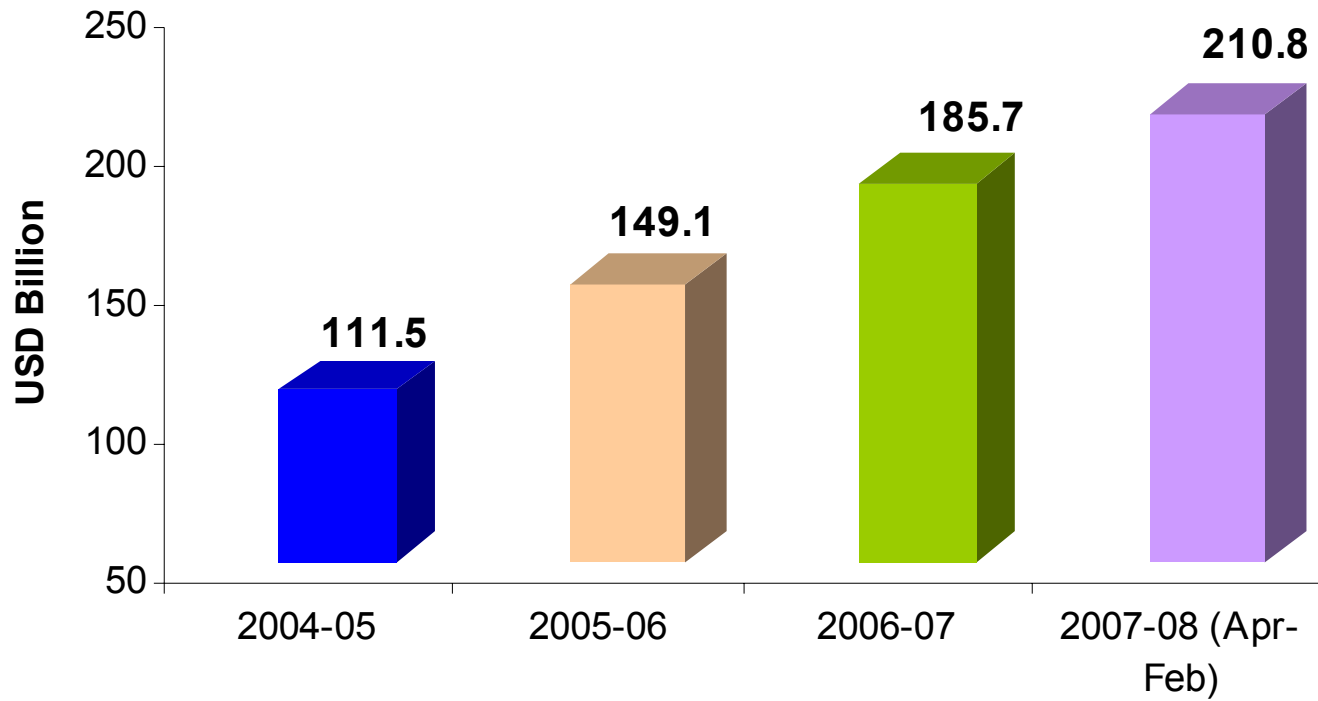
*: Projected
Source: India Brand Equity Foundation (IBEF)

Growing Exports

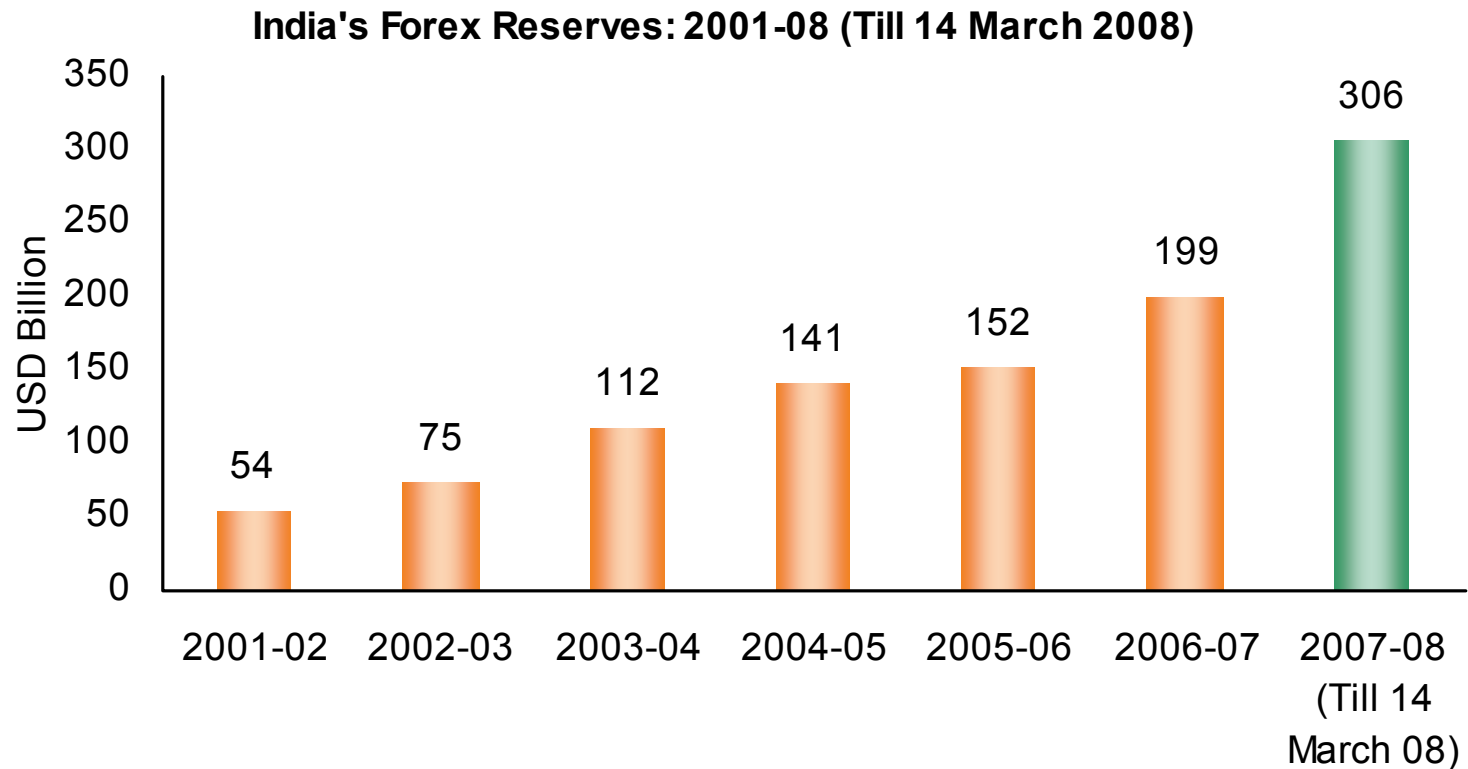


*: Projected
Source: Ministry of Commerce & IBEF

Growing Imports

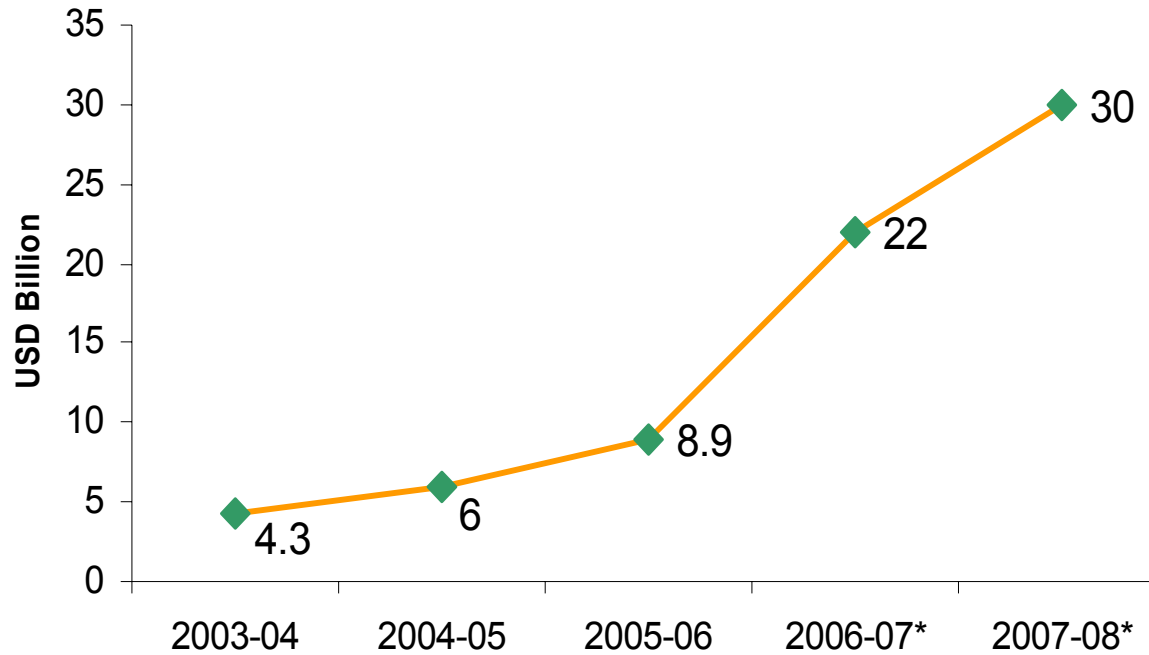


Increasing Forex Reserves



Steadily increasing Forex reserves offer adequate security against any possible currency crisis or monetary instability

Growing FDI Inflows

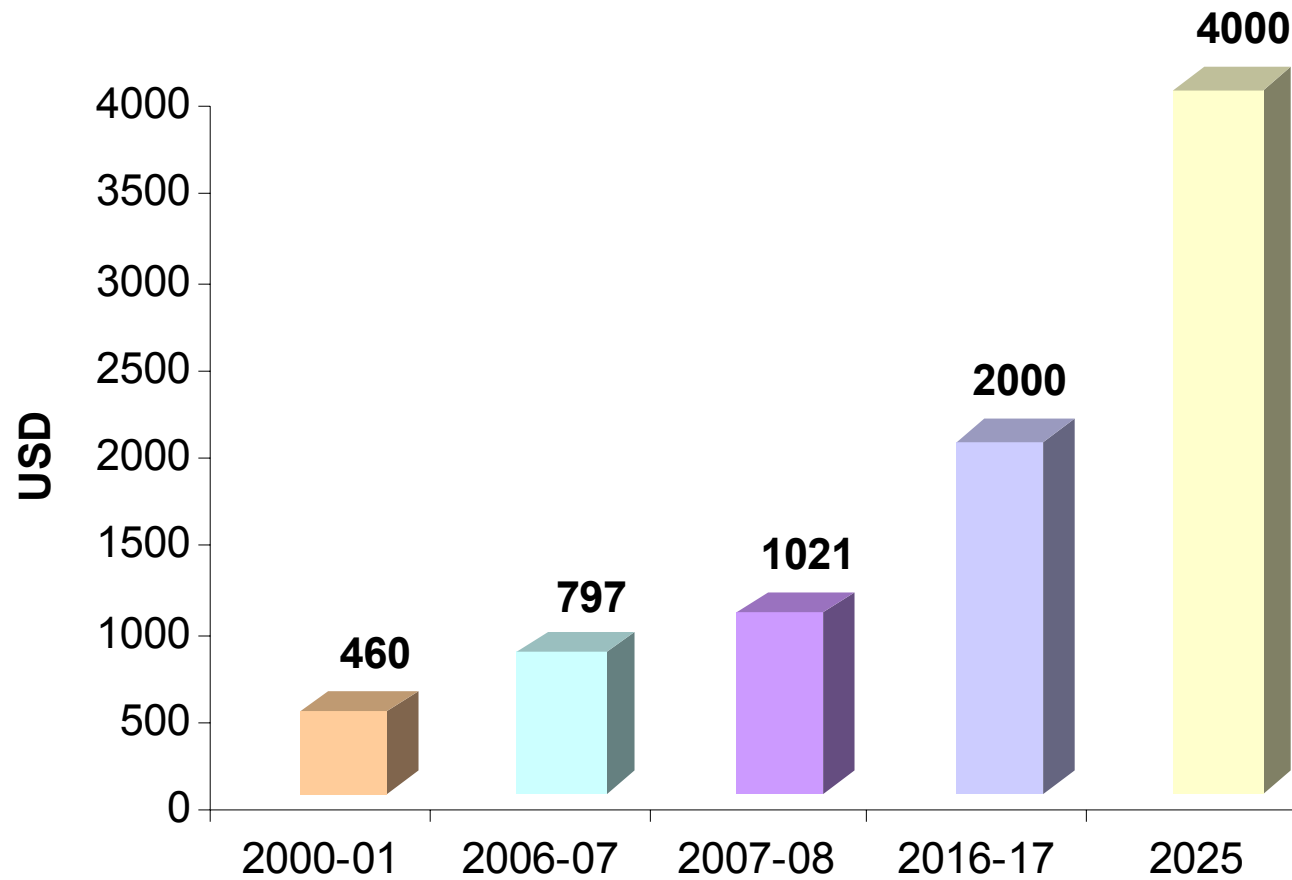


India is ranked second in AT
Kearney's FDI confidence index
(2007)

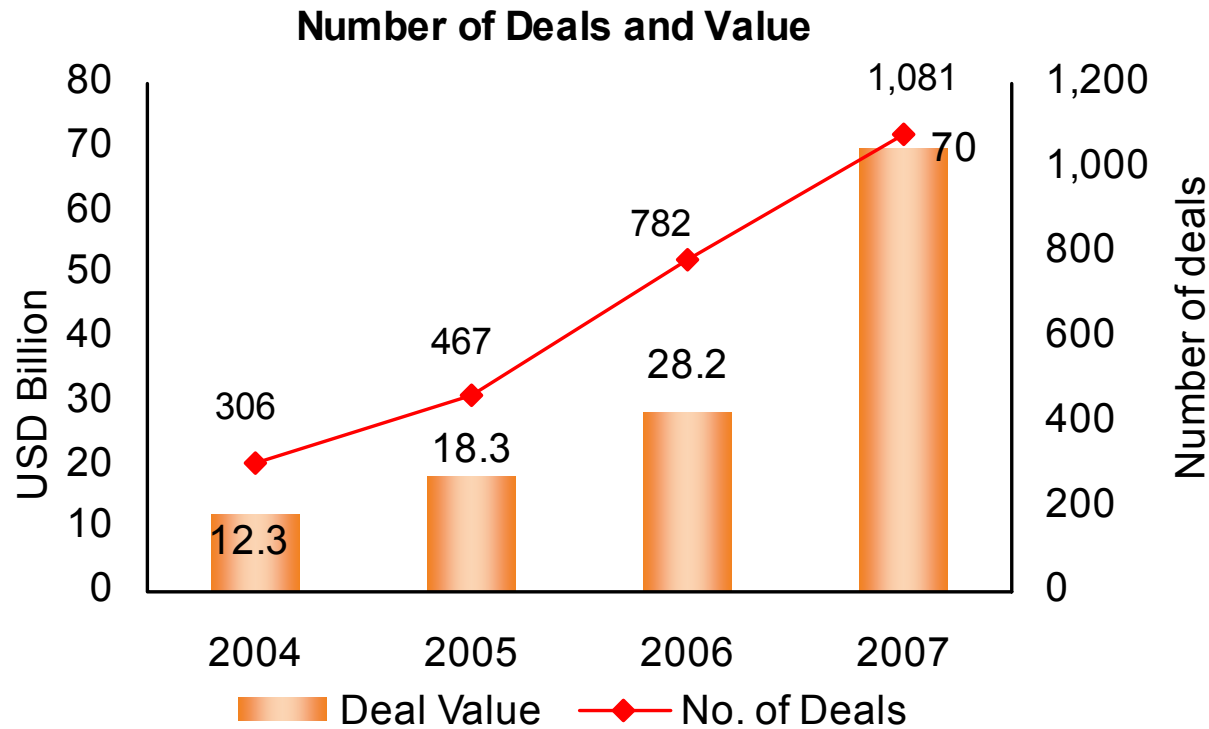
Electronic equipment,
manufacturing and telecom have
witnessed significant FDI inflow

* Provisional
Source: Department of Commerce

Increasing Per Capita Income



Vibrant Economy Driving M&A Activities



Source: IBEF

**In 2007, there were
676 M&A deals and 405 private equity deals
with a total value of USD 70 billion**

Major M&A and Investments Announcements in India



POSCO to invest in building steel manufacturing plants and facilities in India by 2016

USD 12 billion



Plans to establish three manufacturing plants to produce photo-voltaic units

USD 2 billion



Plans to spend on its development operations in India over the next four years

USD 1.7 billion

Major M&A and Investments Announcements in India



Plans investment in private equity in Indian markets

USD 1 billion



Plans investment in private equity, real estate, and private wealth management

USD 1 billion



Mylan Laboratories acquired a majority stake in Matrix Laboratories

USD 0.74 billion

India Inc. Investing Overseas



- India Inc spent **USD 32.73 billion** for its 240 overseas M&A deals in 2007.
- **Outbound FDI** by Indian companies is set to increase by **15% per annum over the next five years.**
- It is estimated that FDI **outflows** in 2007-08 are **likely to overtake** FDI **inflows** into India
- **Reasons:**
 - acquire new markets and maintain its growth momentum
 - buy cutting-edge technology
 - develop new product mixes
 - improve operating margins and efficiencies
 - take worldwide competition head-on

India Inc. Investing Overseas

Main sectors:

- Auto Components
- Beverages
- Cosmetics
- Energy
- Financial Services
- Industrial Goods
- IT
- Metals
- Mobile Communications
- Pharmaceuticals
- Software

Main Destinations:

China, UAE, UK

North America is emerging as a destination.

Major M&A deals undertaken abroad by India Inc.



Tata Steel buys Corus Plc (UK)

USD 12.1 billion



Hindalco acquired Novelis Inc.
(Atlanta)

USD 6 billion



Essar Steel acquired Algoma Steel
(Canada)

USD 1.58 billion



Suzlon Energy Ltd. acquires REpower
(Germany)

USD 1.6 billion

Additional economic indicators

- India has a **consumer base** of 1.14 billion people
- India is the **4th largest** economy in the world when measured by PPP
- India's has a **growing middle class** of over 300 million people - 30% of India's population – and larger than the population of the US
- India is the **3rd largest global telecom market**. The **mobile subscriber base** has grown from 0.3 Million in 1996 to over 250 million currently.
- India is likely to add over **200 shopping malls** by 2010 and **715 malls by 2015**
- The **number of billionaires** in the country were 3 in 1999; 23 in 2006; and are 48 currently.

For further inquiries please contact:

***ComNet Consultants
Exhibitions India Group***

***217 B, II Floor
Okhla Industrial Estate Phase III, ND 20
Tel: +91 11 42795000***

Website: www.comnetconsultants.com

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