



Erdemir Group
2010 3 Months
Consolidated Financial Results

06 May 2010




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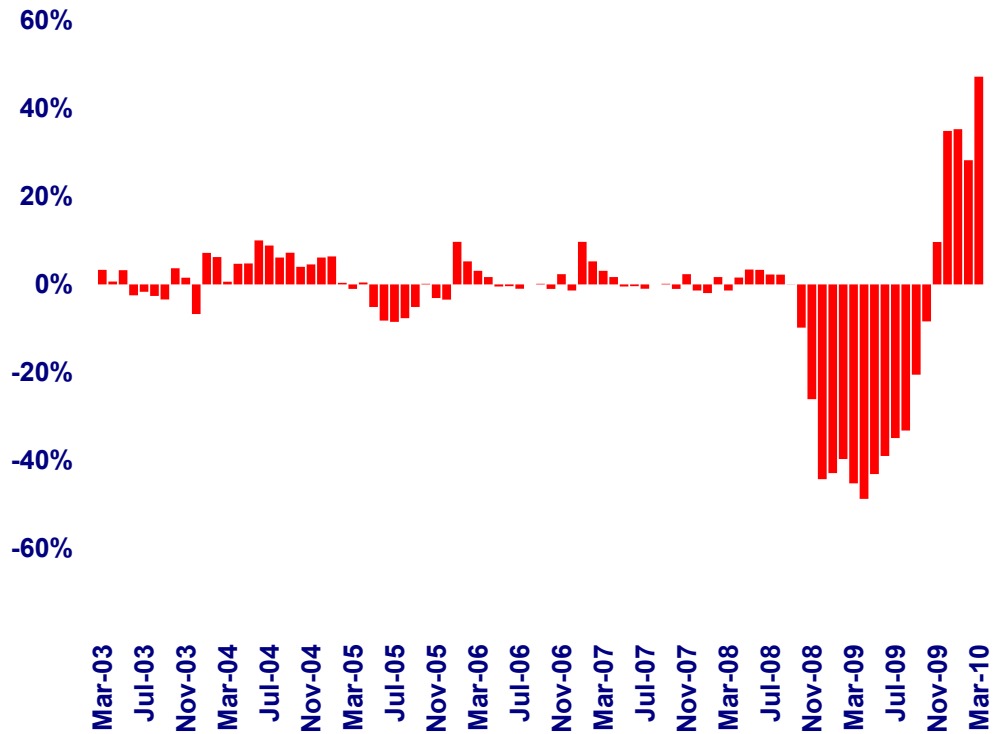
Agenda

 **2010 Market Overview**

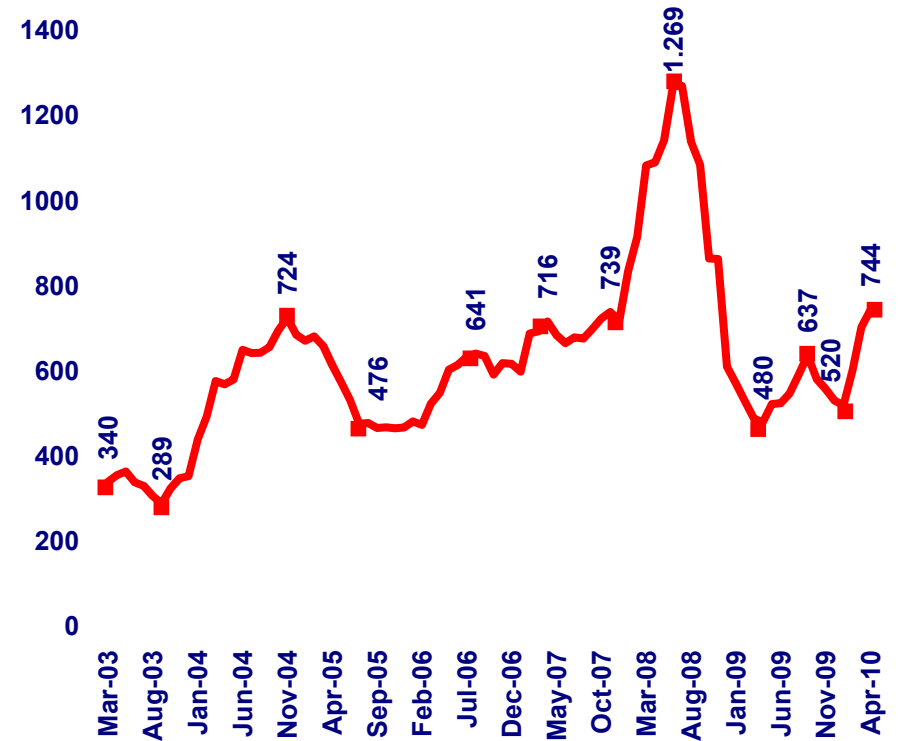
 1Q 2010 Results

In EU27 countries, crude steel production increased by 47% in March 2010 YoY

EU27 CRUDE STEEL PRODUCTION (YoY %)*

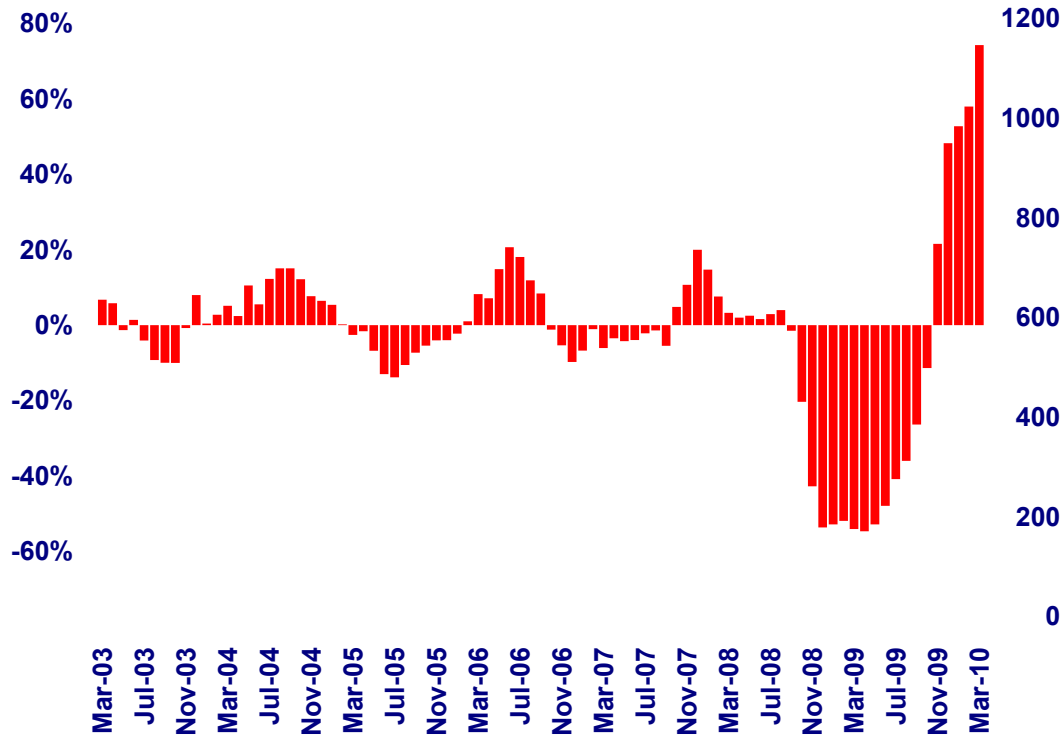


EU HRC PRICE (USD/TON)**

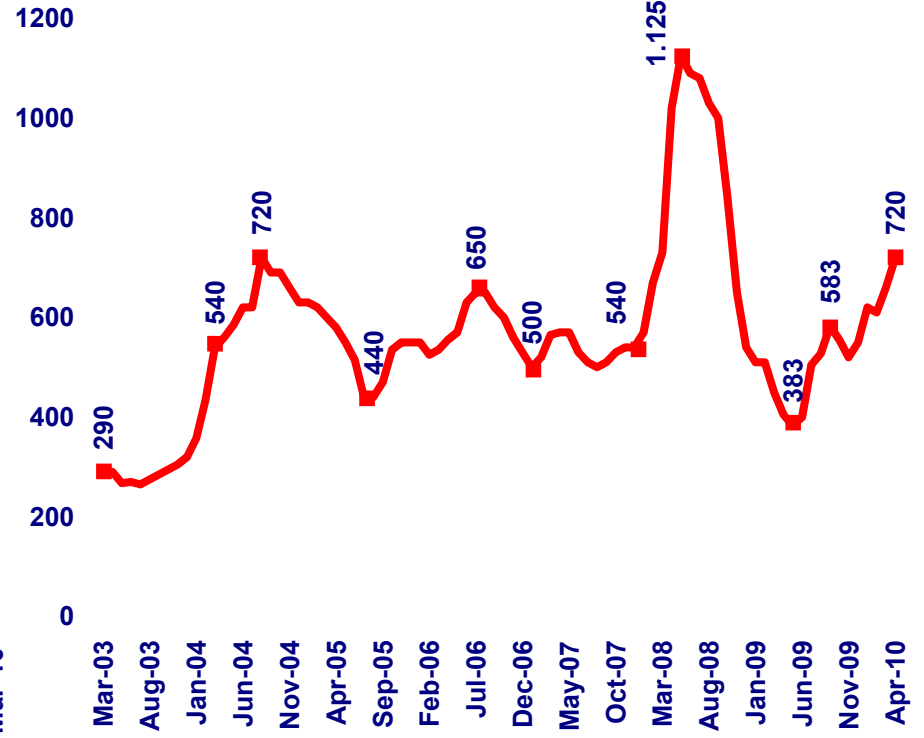


In USA, crude steel monthly production is higher than the previous year since November 2009

USA CRUDE STEEL PRODUCTION (YoY %)*

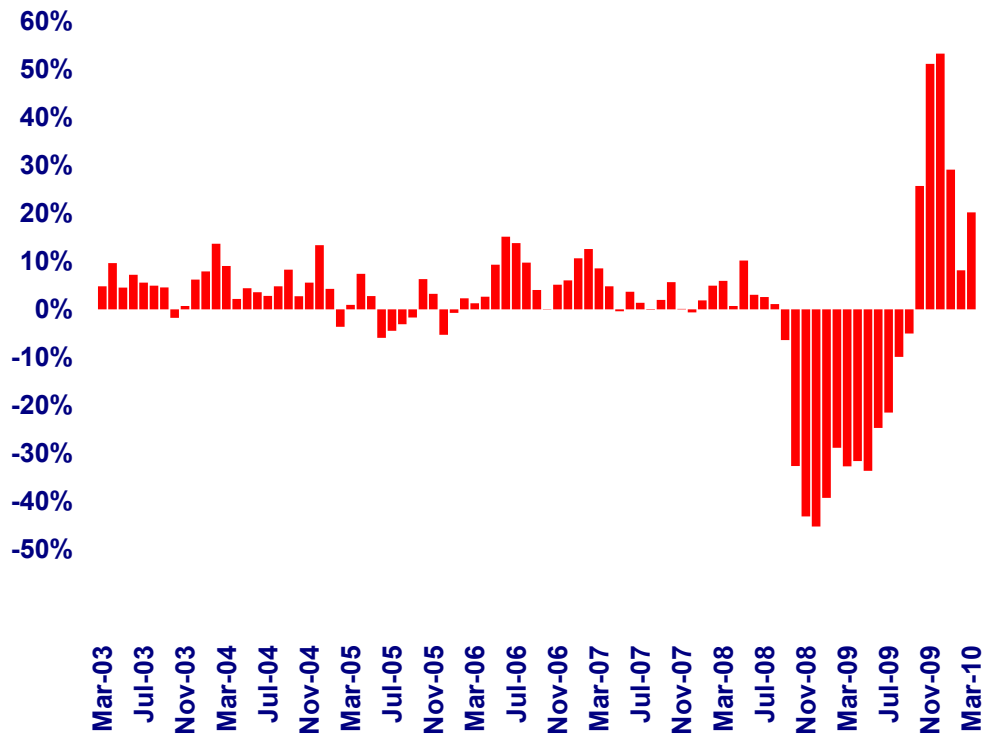


NORTH AMERICA HRC PRICE (FOB USD/TON)**

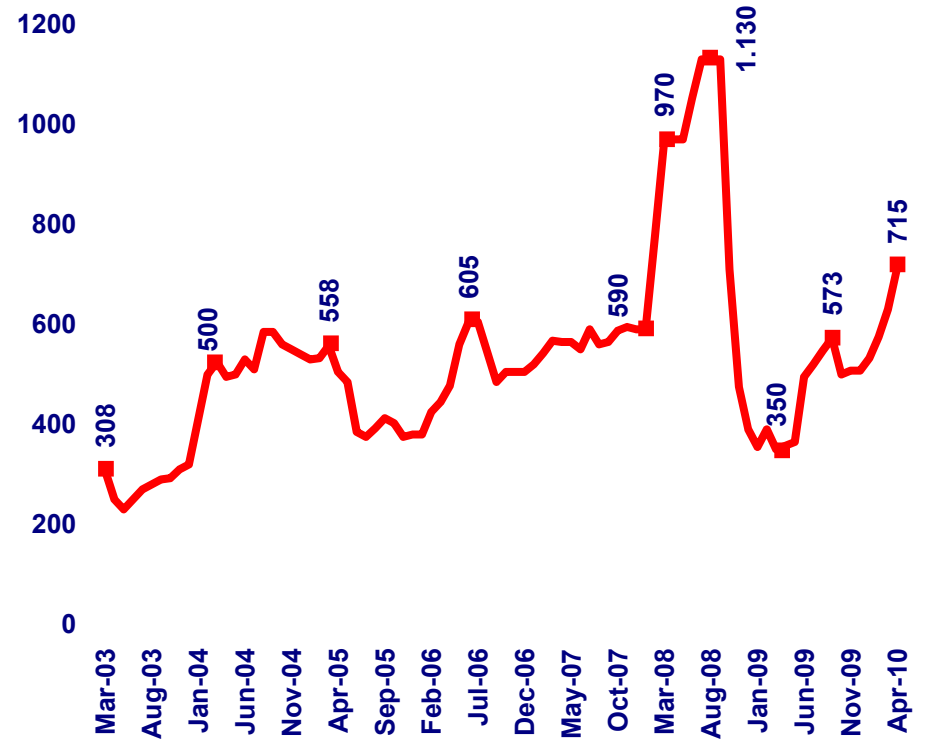


In CIS, there is an upward trend in falling prices since May 2009

CIS CRUDE STEEL PRODUCTION (YoY %) *

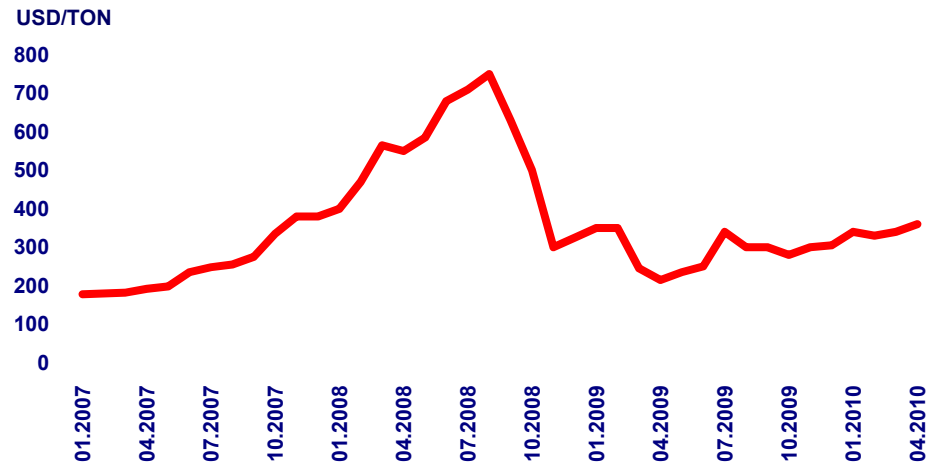


CIS BLACK SEA/BALTIC EXPORT HRC PRICE (FOB USD/TON)**

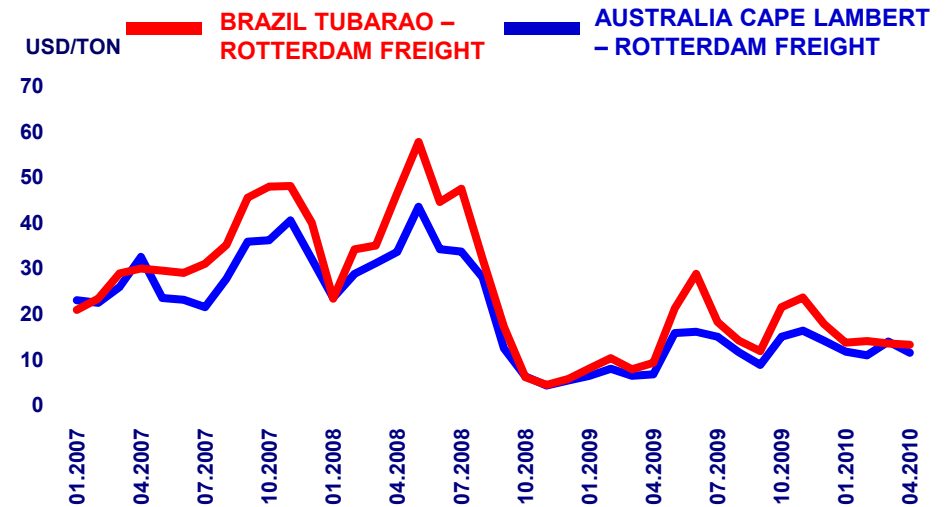
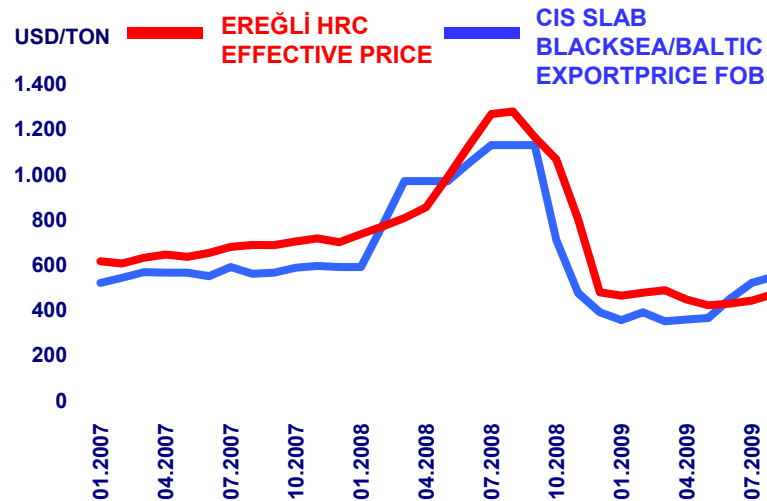
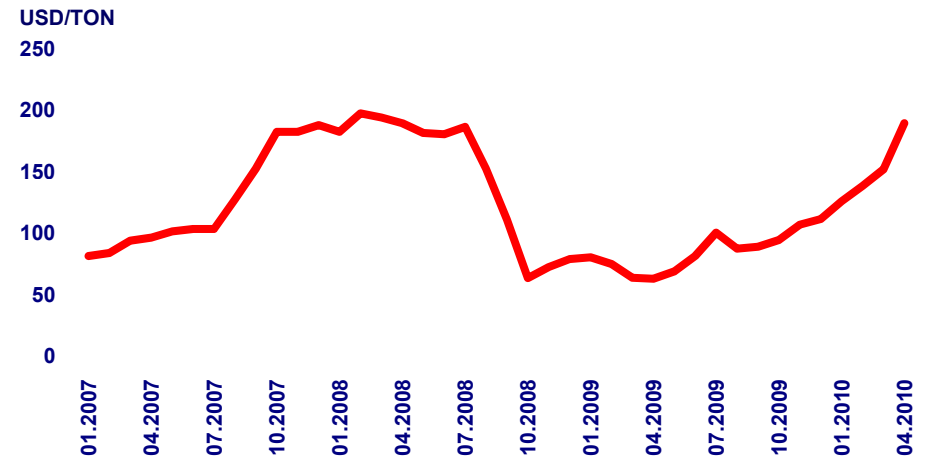


HRC prices are ramping up

CHINA 2ND QUALITY COKING COAL SPOT EXPORT PRICE



CHINA PORT FINE ORE PRICE CFR



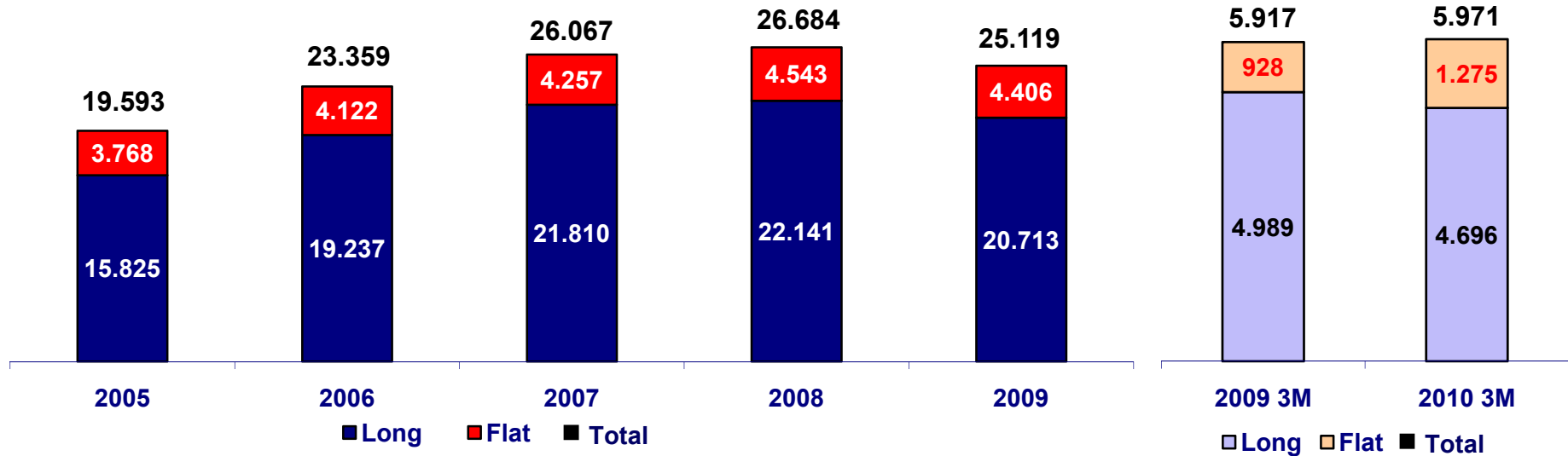
RAW MATERIAL PRICES (JANUARY 2009 – APRIL 2010)

PELLET	↑	87 %	196 USD/TONS
IRON ORE	↑	135 %	190 USD/TONS
COKE	↑	3 %	360 USD/TONS

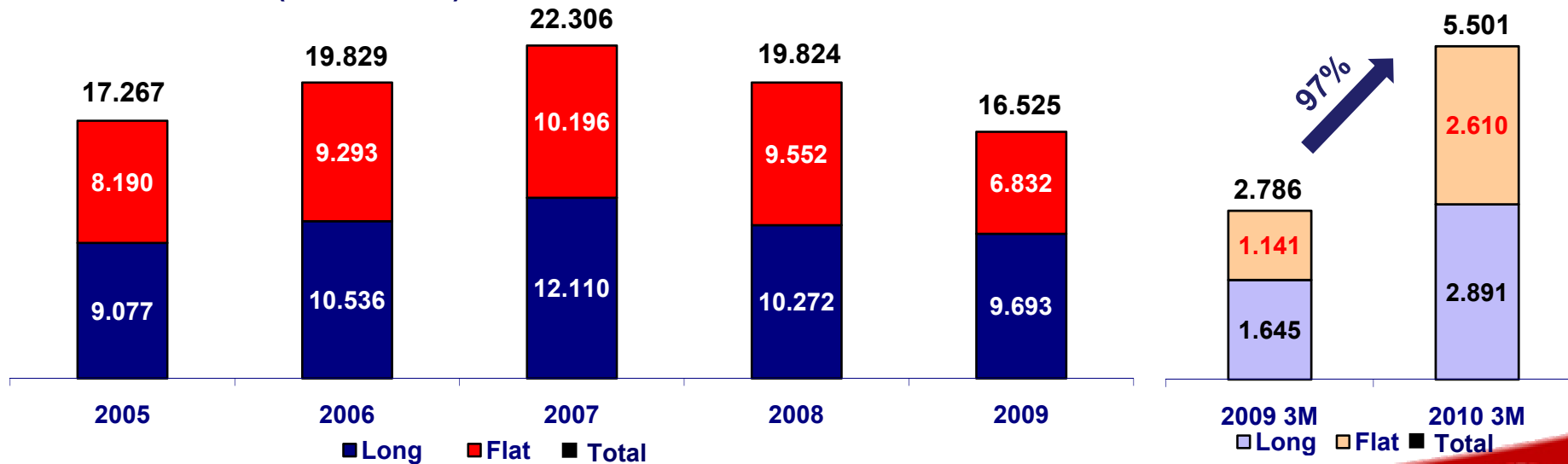


Turkish steel consumption increased by 97% in 1Q 2010

PRODUCTION (000 TONS)

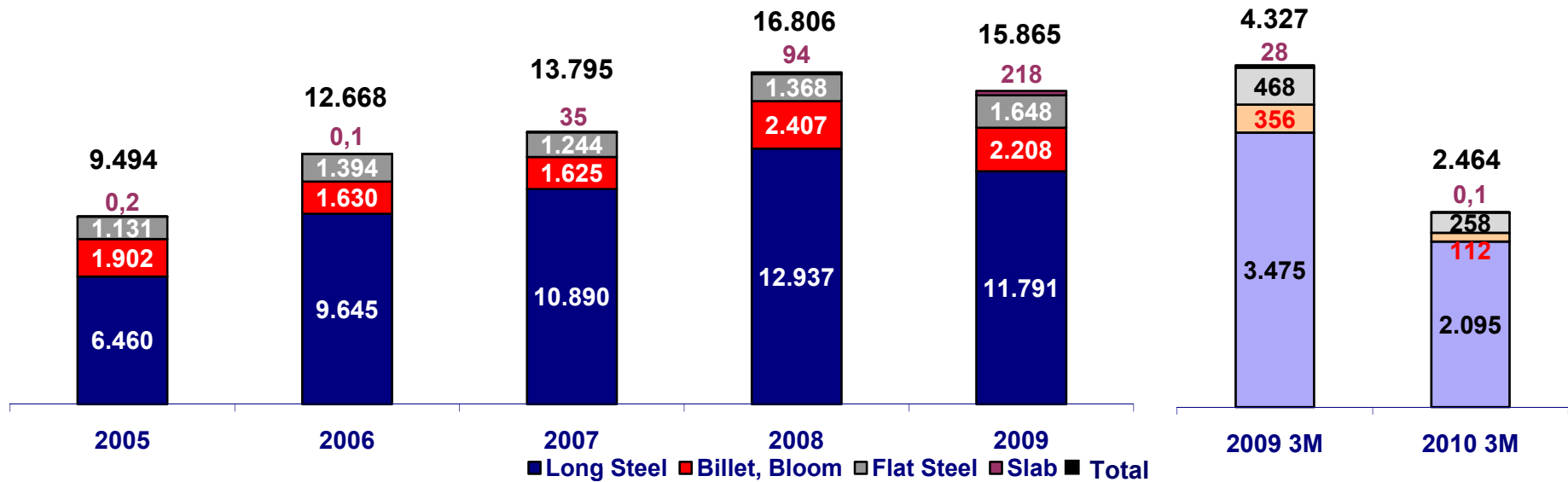


CONSUMPTION (000 TONS)

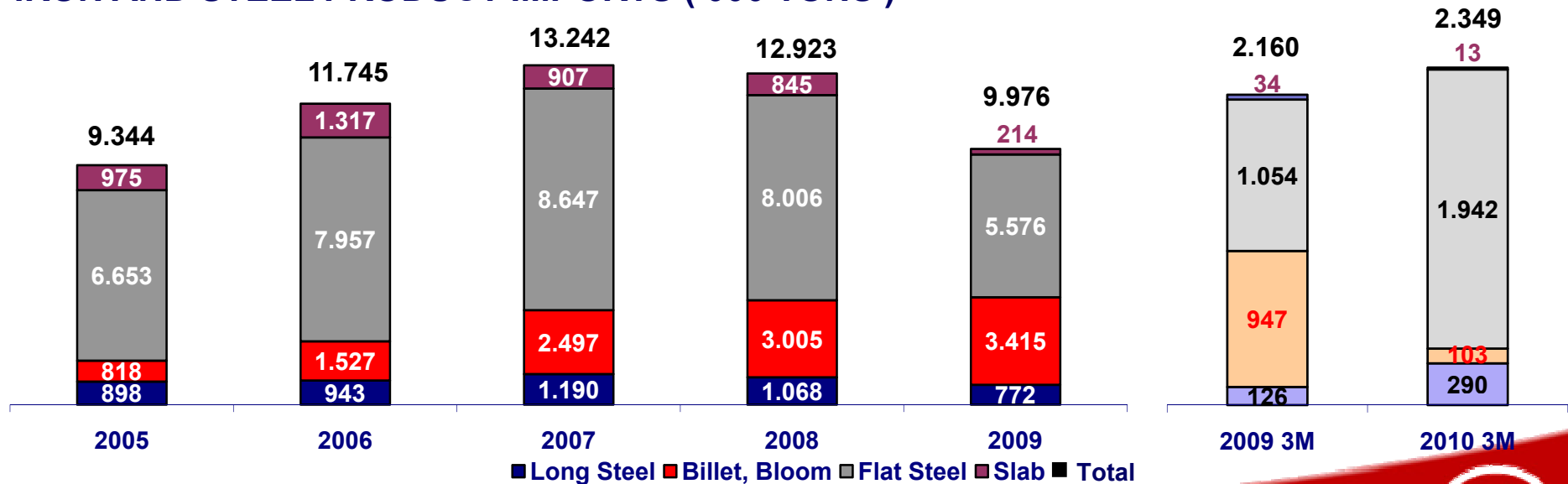


Turkish Steel Market (cont'd)

IRON AND STEEL PRODUCT EXPORTS (000 TONS)

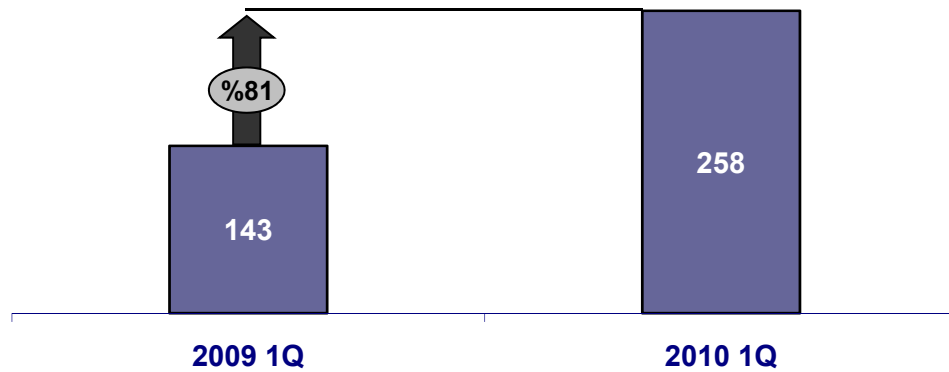


IRON AND STEEL PRODUCT IMPORTS (000 TONS)

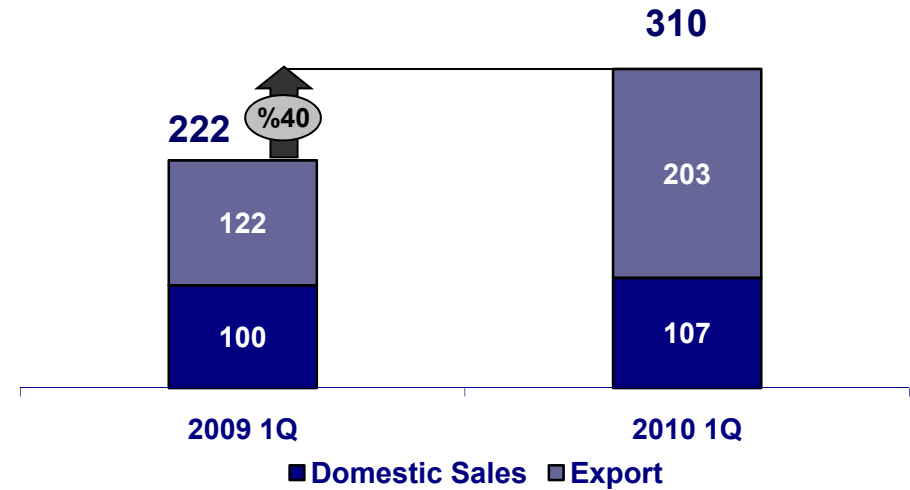


Automotive production and sales increased by 81% and 40% respectively in 1Q 2010 YoY

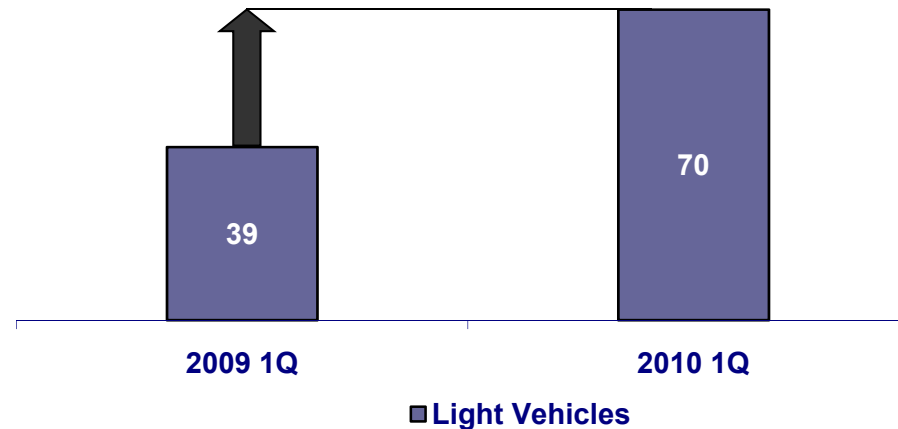
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

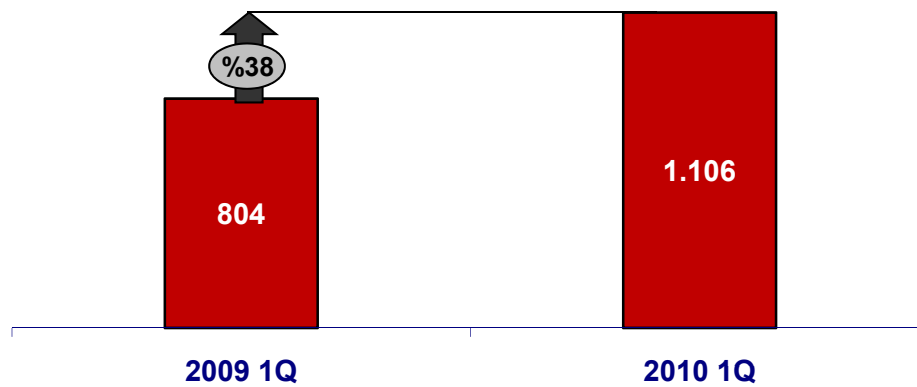


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

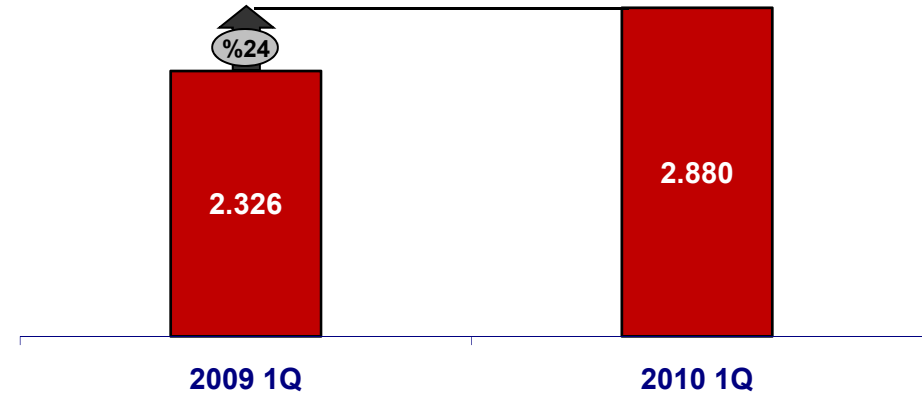


White goods domestic sales and production increased by 38% and 33% respectively in 1Q 2010 YoY

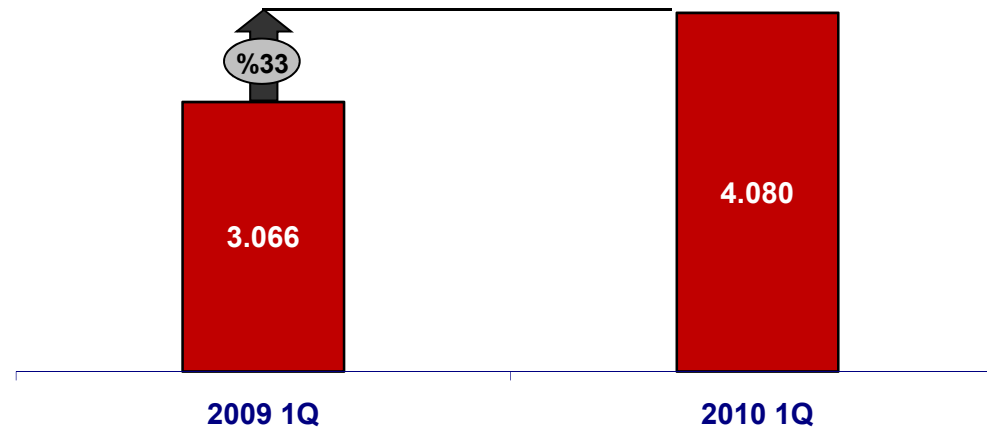
WHITE GOODS DOMESTIC SALES (000 UNITS)



WHITE GOODS EXPORTS (000 UNITS)

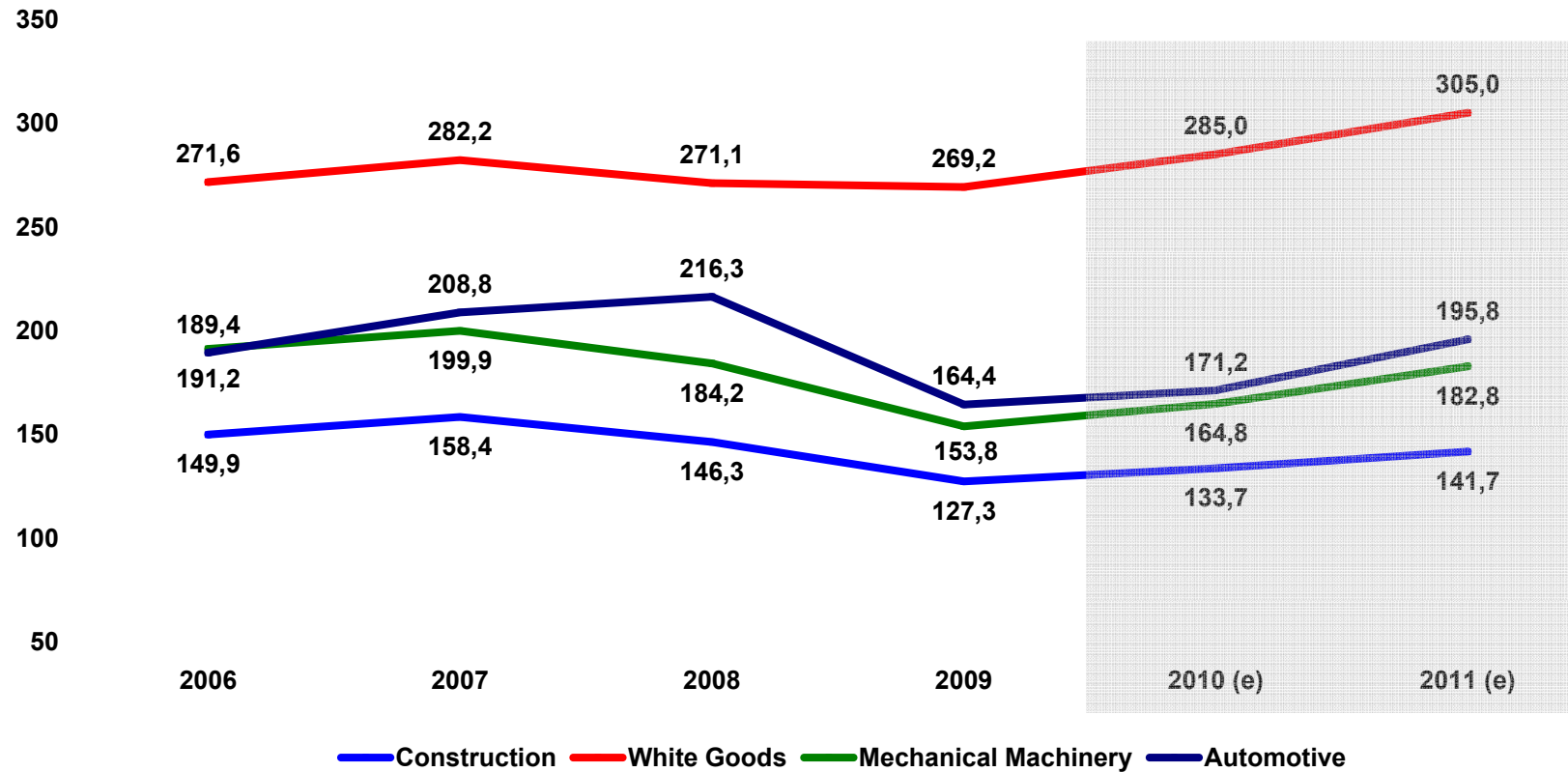


WHITE GOODS PRODUCTION (000 UNITS)



After the contraction in 2009, growth is expected in all markets in 2010

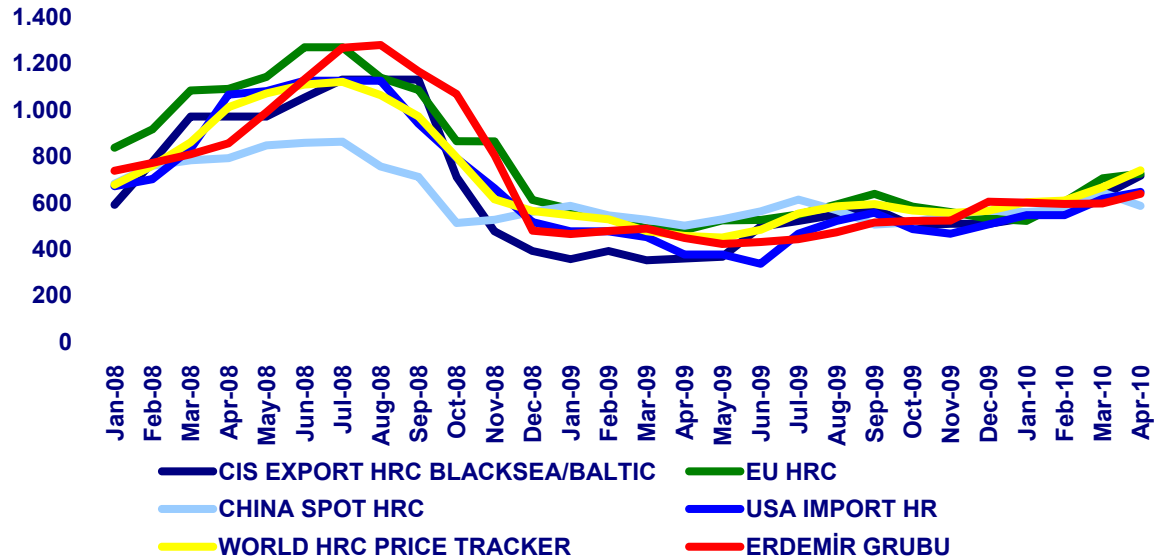
SECTOR DEVELOPMENT INDEX (2000:100)



- ◆ In 2009; all sectors have contracted as compared to 2008.
- ◆ In 2010 and 2011, all industries are expected to recover by 5-15%.

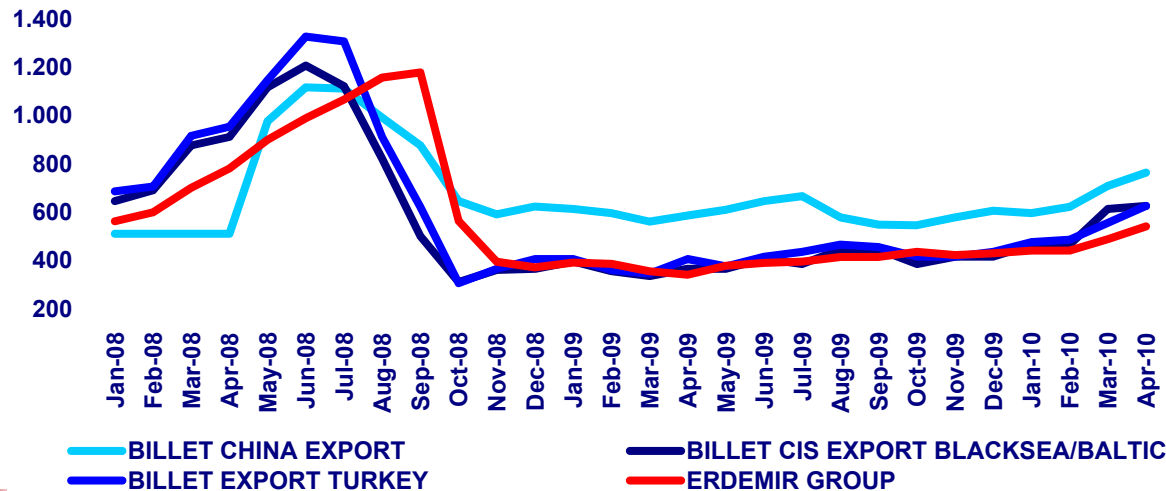
Sales prices are going up in 2010

HRC PRICES (USD/Ton)



As of April 2010, CIS HRC export price is 715 USD, China HRC spot price is 585 USD, US export HRC price is 645 USD. The prices were 508 USD, 564 USD, 505 USD respectively by the end of 2009 .

BILLET PRICES (USD/Ton)



CIS export price is reaching to 625 USD from 415 USD in December 2009.



Agenda

 2010 Market Overview

 **1Q 2010 Results**

ERDEMİR GROUP KEY FIGURES

		2010 1Q	2009 1Q	2009	2008
Liquid Steel Production	<i>(000 Tons)</i>	↑ 1.895	1.590	6.619	6.122
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑ 1.362	986	4.569	3.995
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑ 1.322	1.174	4.812	4.182
Long Steel Production	<i>(000 Tons)</i>	↓ 473	562	1.869	1.950
Flat Steel Shipments	<i>(000 Tons)</i>	↑ 1.234	1.167	5.128	3.932
Long Steel Shipments	<i>(000 Tons)</i>	↓ 451	559	1.858	1.963
Net Sales Revenue	<i>(M. USD)</i>	↑ 1.055	646	3.385	5.240
EBITDA	<i>(M. USD)</i>	↑ 193	83	247	597
Net Profit For the Year	<i>(M. USD)</i>	↑ 111	-100	-109	175

All figures are on IFRS consolidated basis unless stated otherwise.

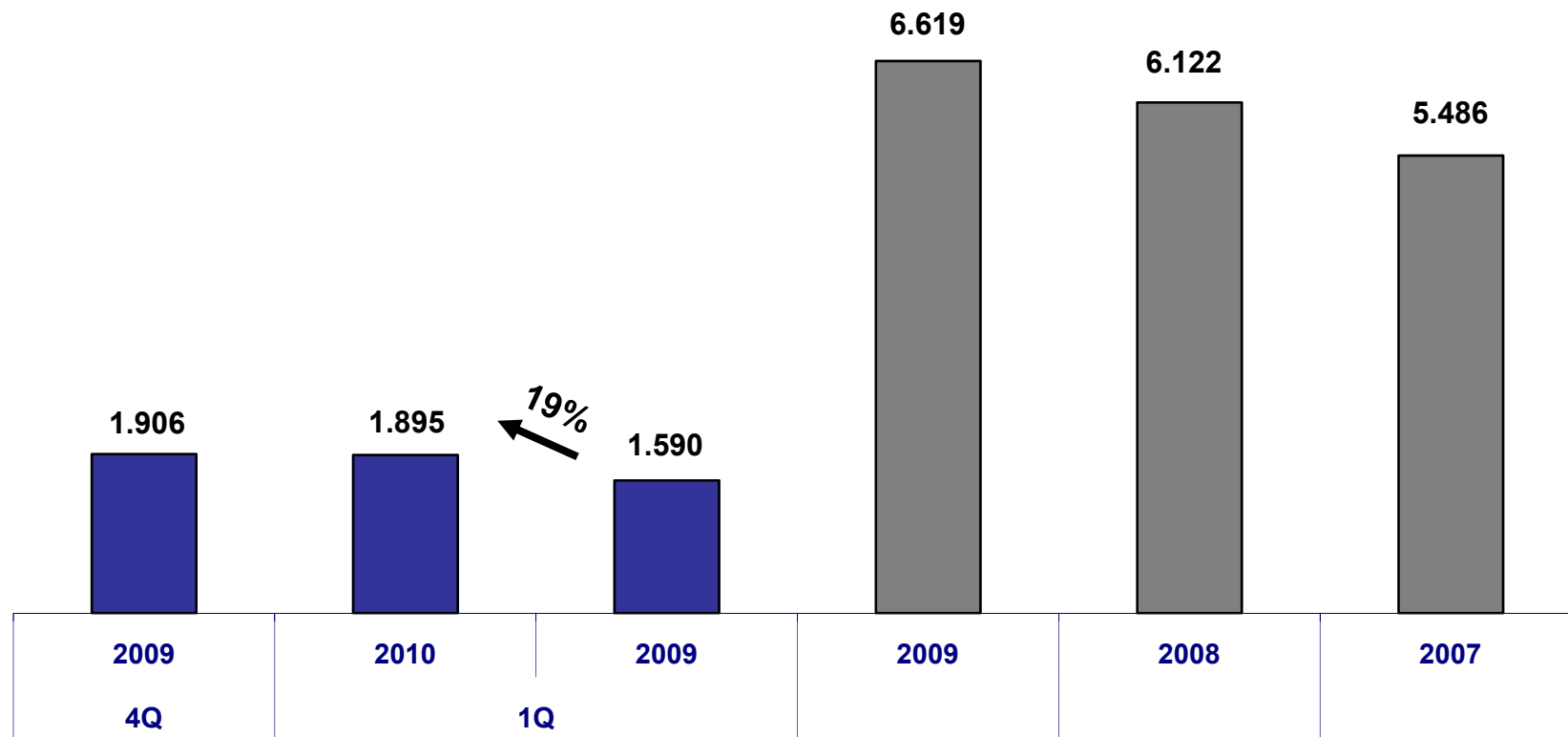
(1) Total slab production of Ereğli and İskenderun Plants.

(2) Total flat steel production of Ereğli and İskenderun Plants.



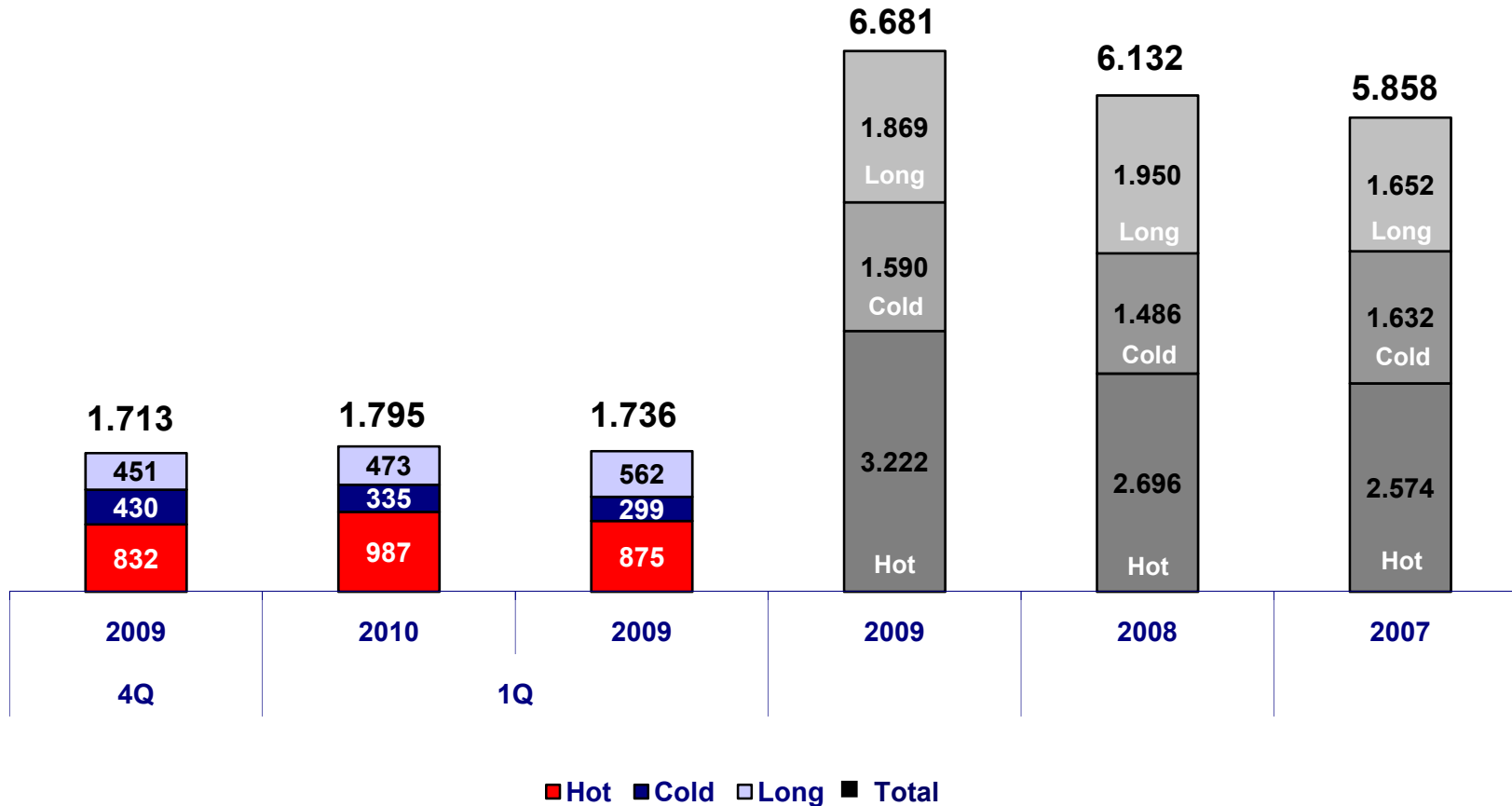
Liquid steel production increased by 19% in 1Q 2010 YoY

LIQUID STEEL PRODUCTION (000 TONS)



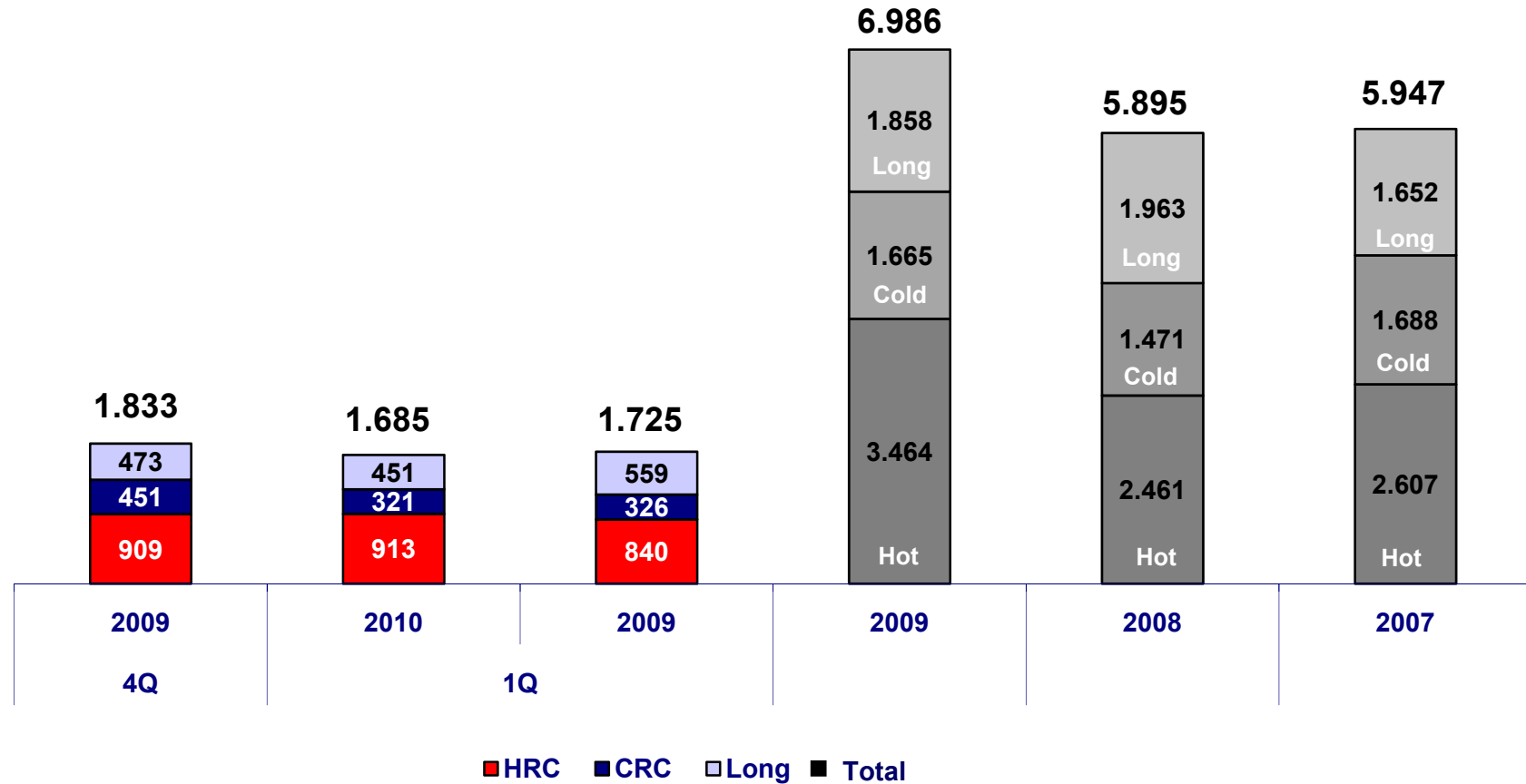
Production in 1Q 2010 was 1,8 million tons

PRODUCTION VOLUMES (000 TONS)



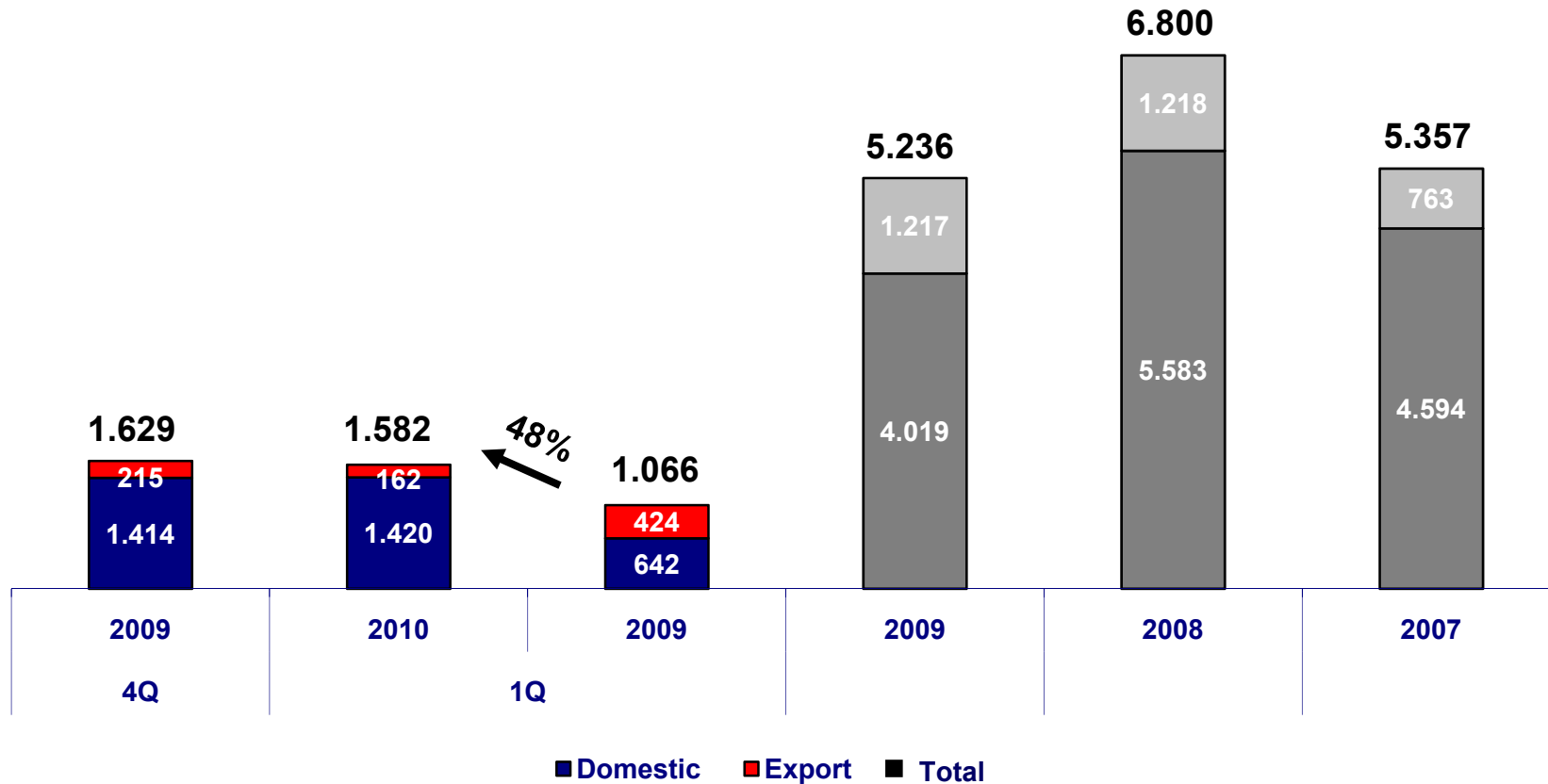
HRC sales volume increased by 7% in 1Q 2010 YoY

SALES VOLUME (000 TONS)



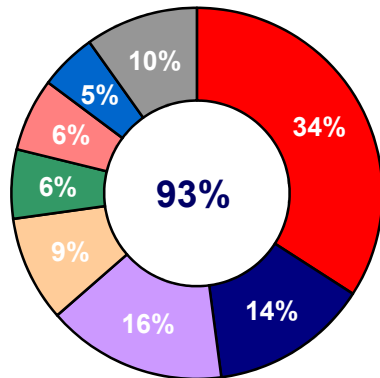
Domestic sales revenue increased by 121% in 1Q 2010 YoY

NET SALES REVENUE (MILLION TL)



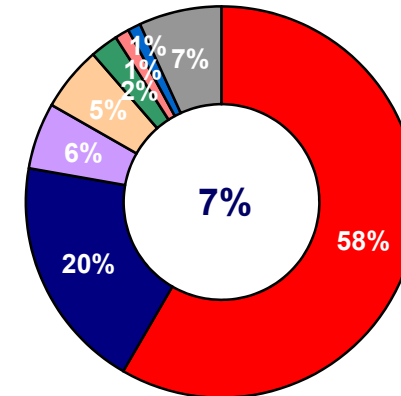
Sales to automotive/components and household appliances increased in 1Q 2010

FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



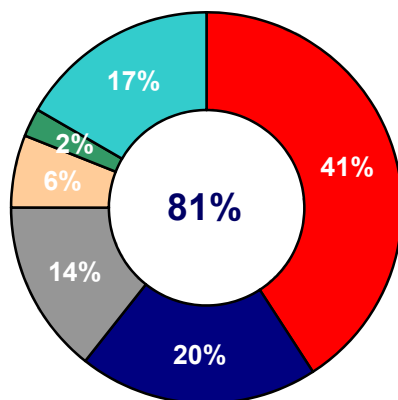
- Pipe and Profile Industry
- Steel Services Centers
- Traders
- Automotive and Components
- Packaging Industry
- Heating Equipment
- Household Appliances
- Other

FLAT STEEL EXPORTS BREAKDOWN (%)



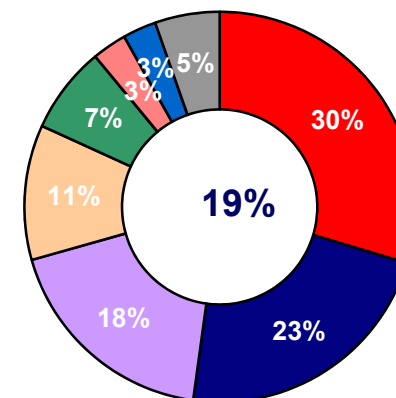
- EU
- Brazil
- Israel
- Tunisia
- Ukraine
- Lebanon
- Jordan
- Other

LONG STEEL DOMESTIC SALES BREAKDOWN (%)



- Debar Producers
- Profile Producers
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

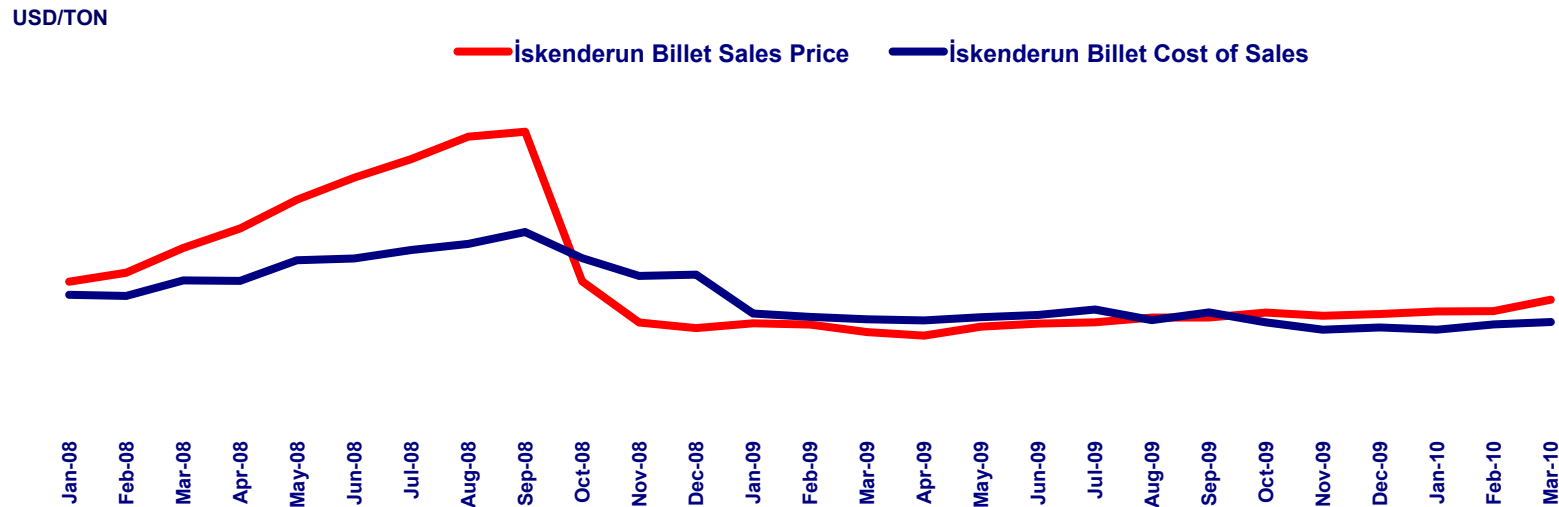
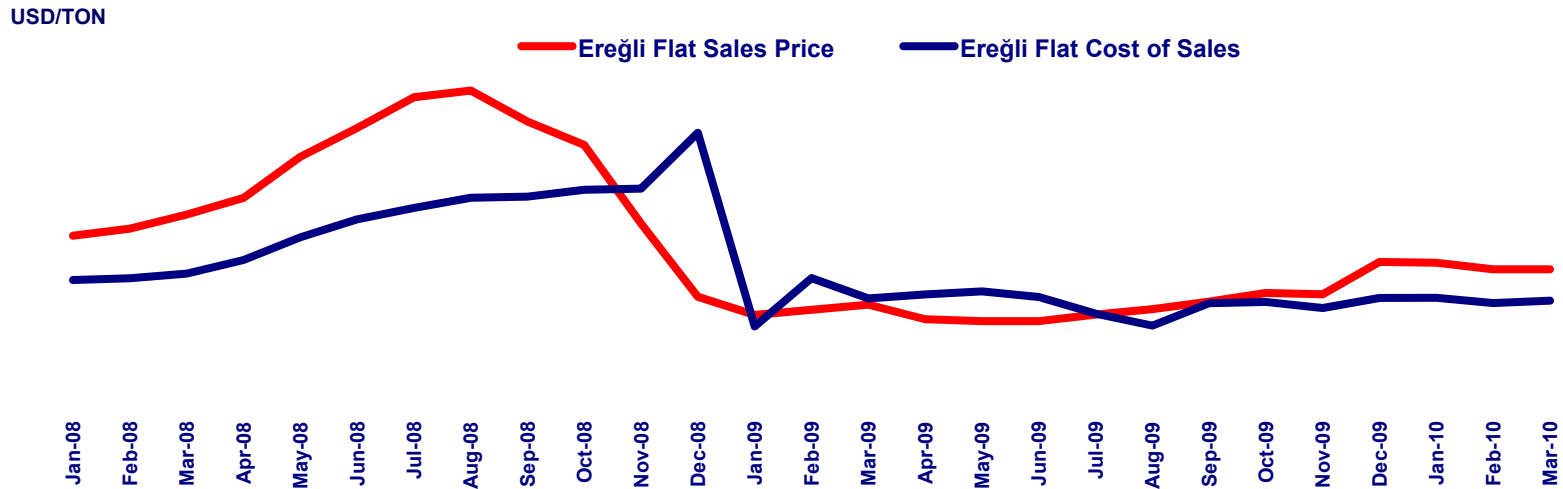
LONG STEEL EXPORTS BREAKDOWN (%)



- Egypt
- Israel
- Tunisia
- Morocco
- Iran
- Lebanon
- Iraq
- Other



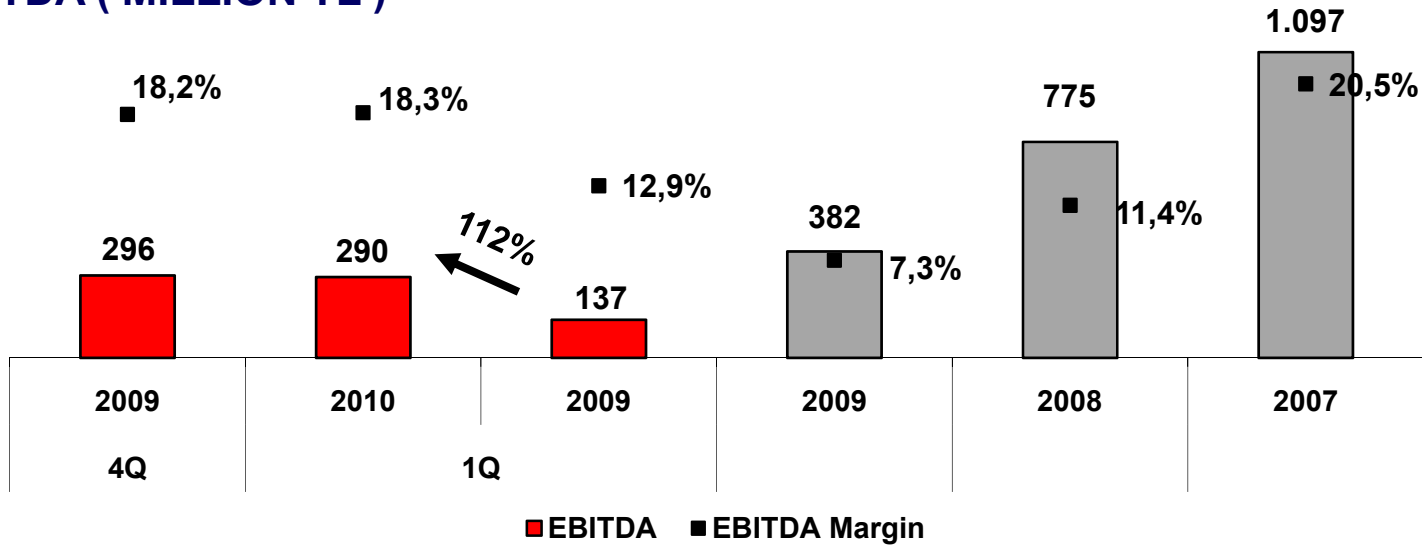
In 1Q 2010, Erdemir Group average flat and long steel prices were 639 USD/ton and 496 USD/ton respectively



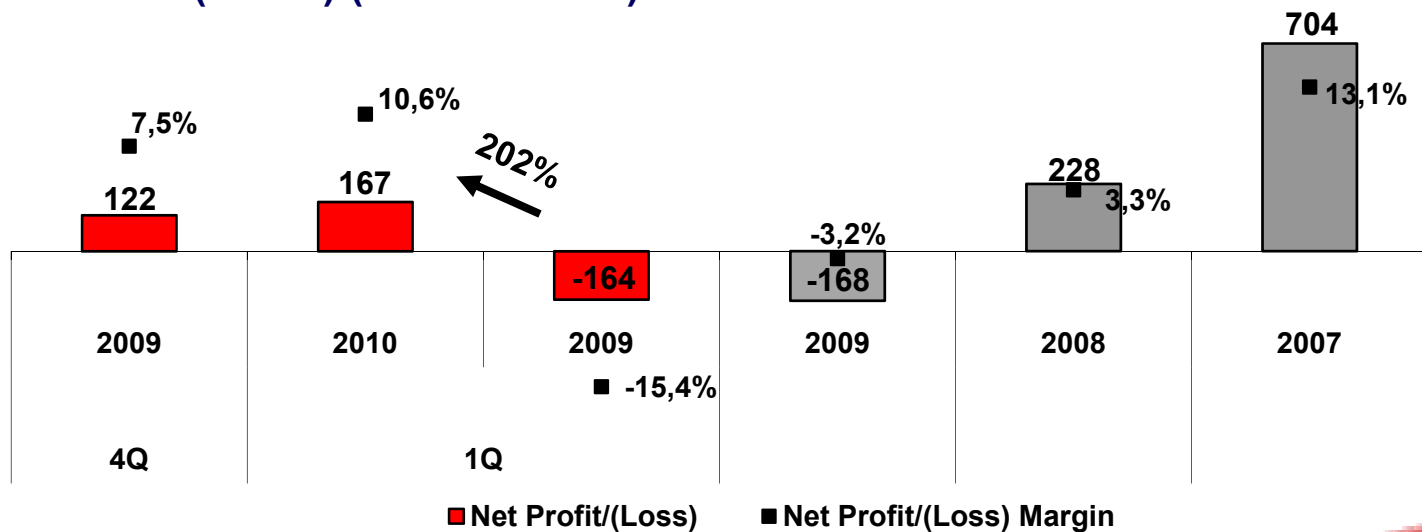
- Flat steel prices increased by 28% on average in March 2010.
- Increase in average flat product price was 30% in first quarter of 2010 YoY.

Net profit increased by 202% in 1Q 2010 YoY

EBITDA (MILLION TL)

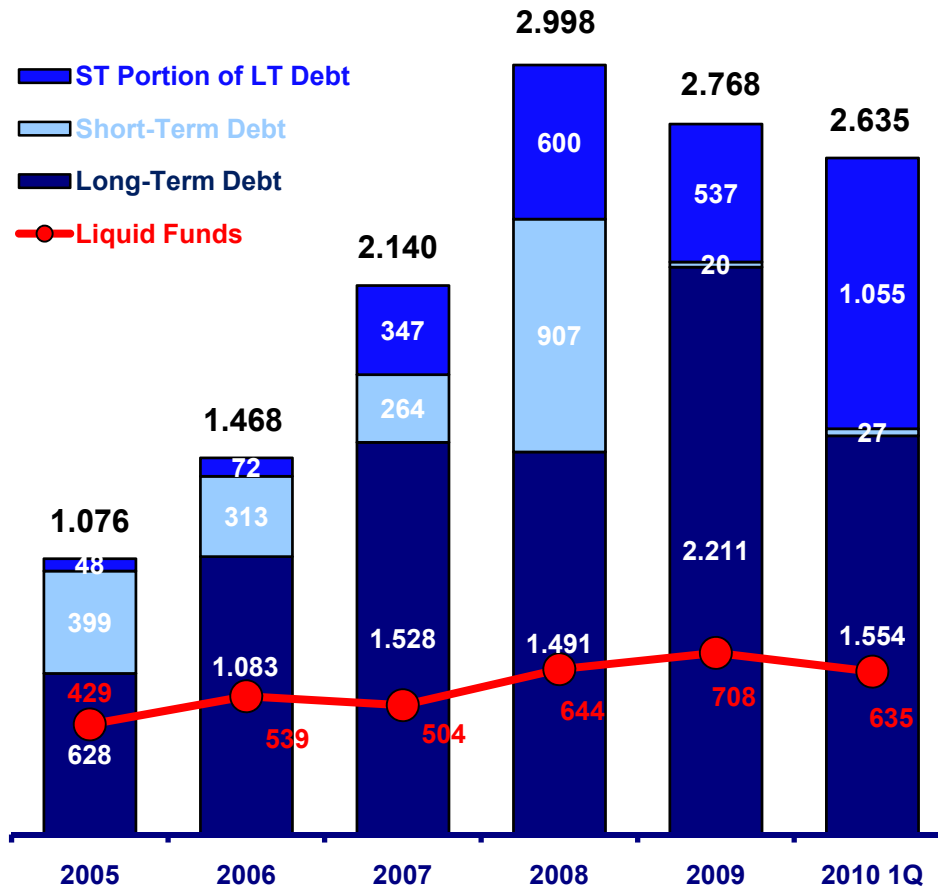


NET PROFIT/(LOSS) (MILLION TL)

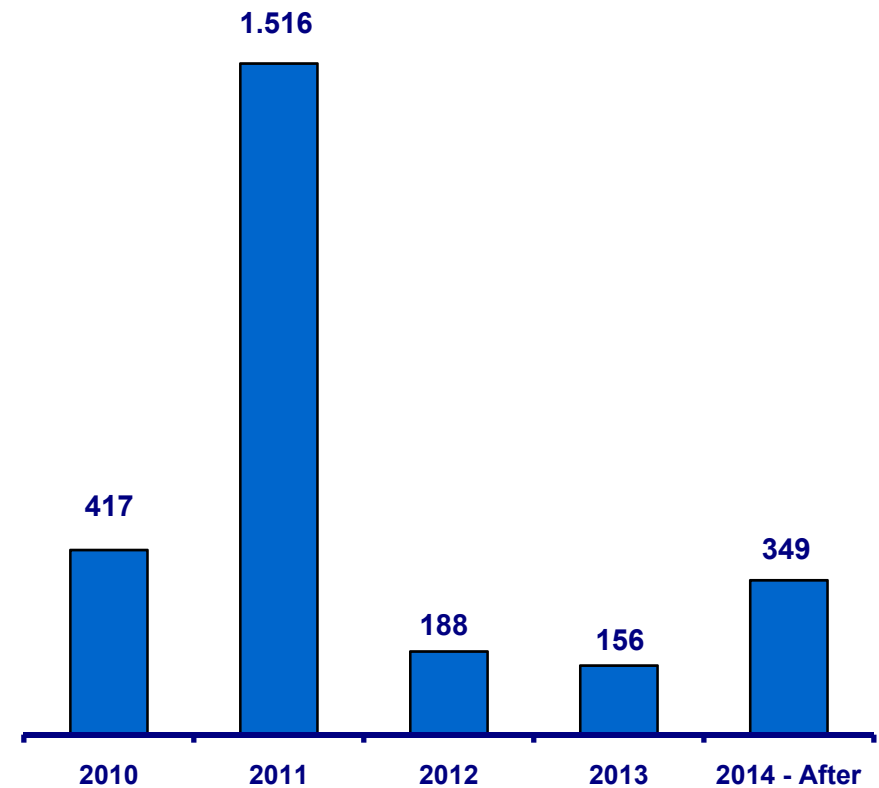


Total borrowings decreased by 12% in 1Q 2010 since 2008

BORROWINGS (MILLION USD)

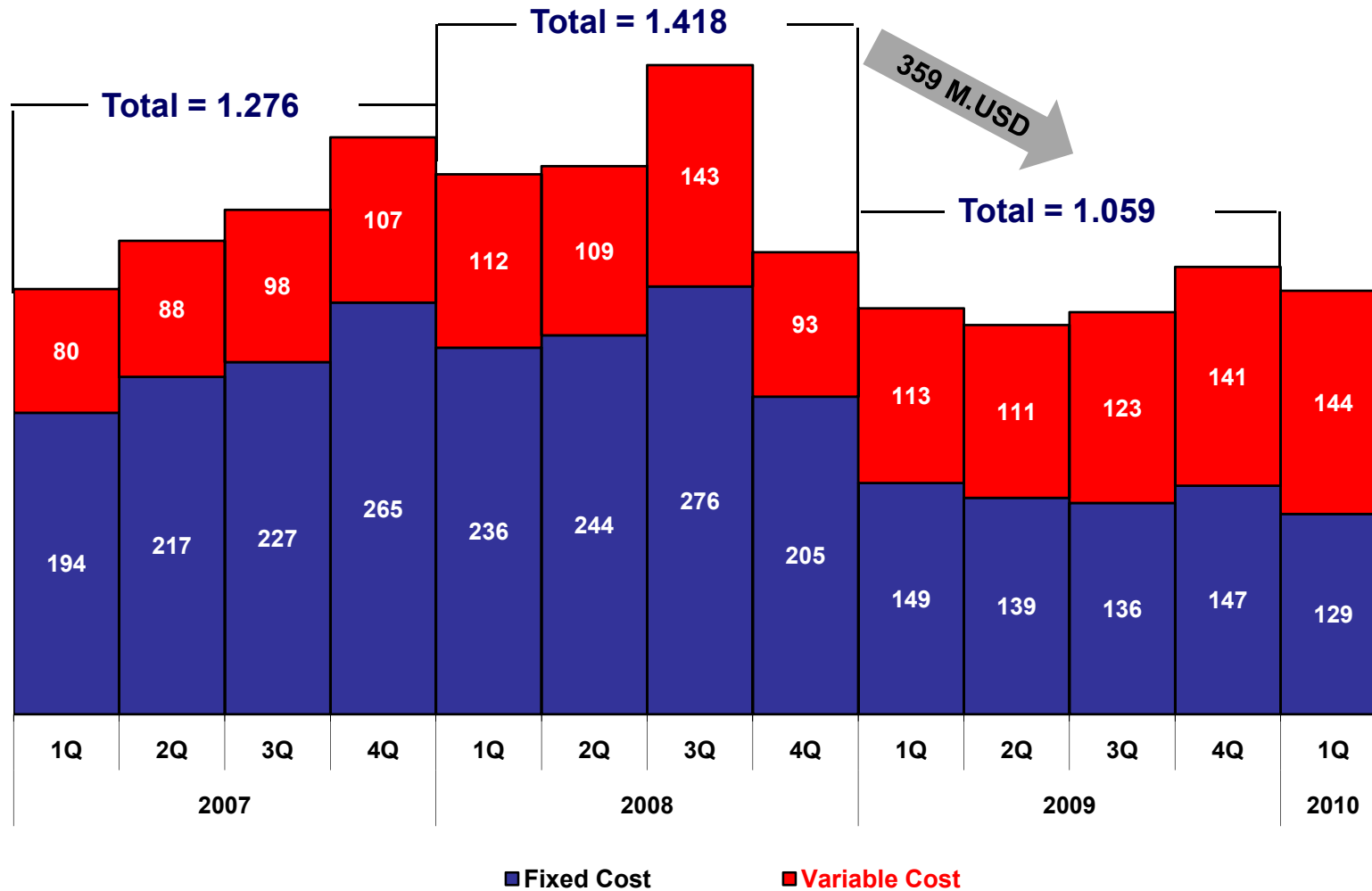


BORROWINGS MATURITY PROFILE (MILLION USD)



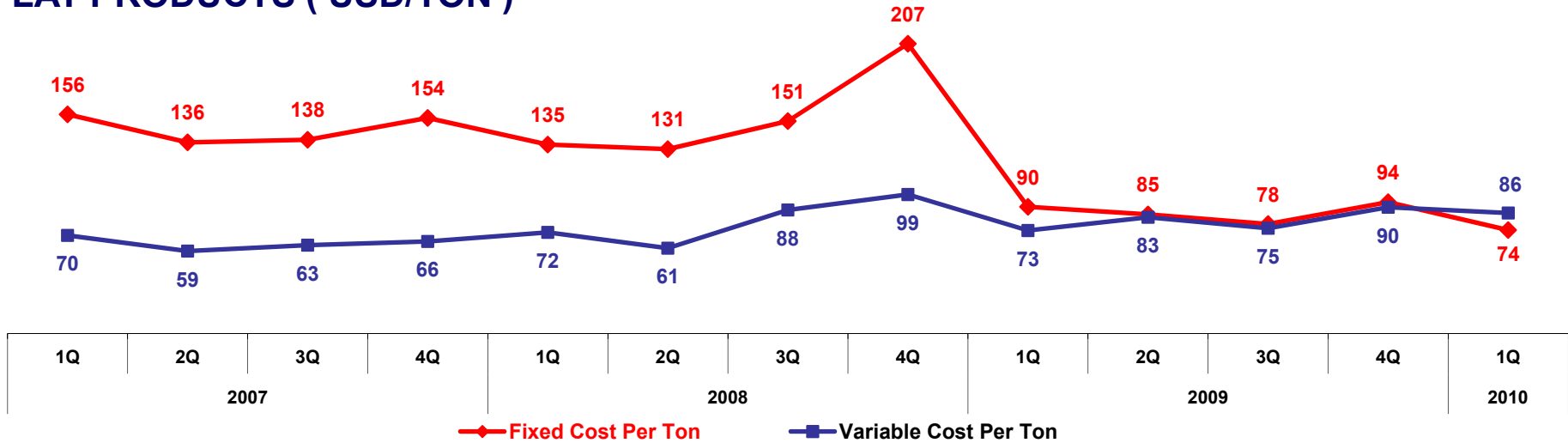
Lowest level of fixed costs was attained in 1Q 2010

(MILLION USD)

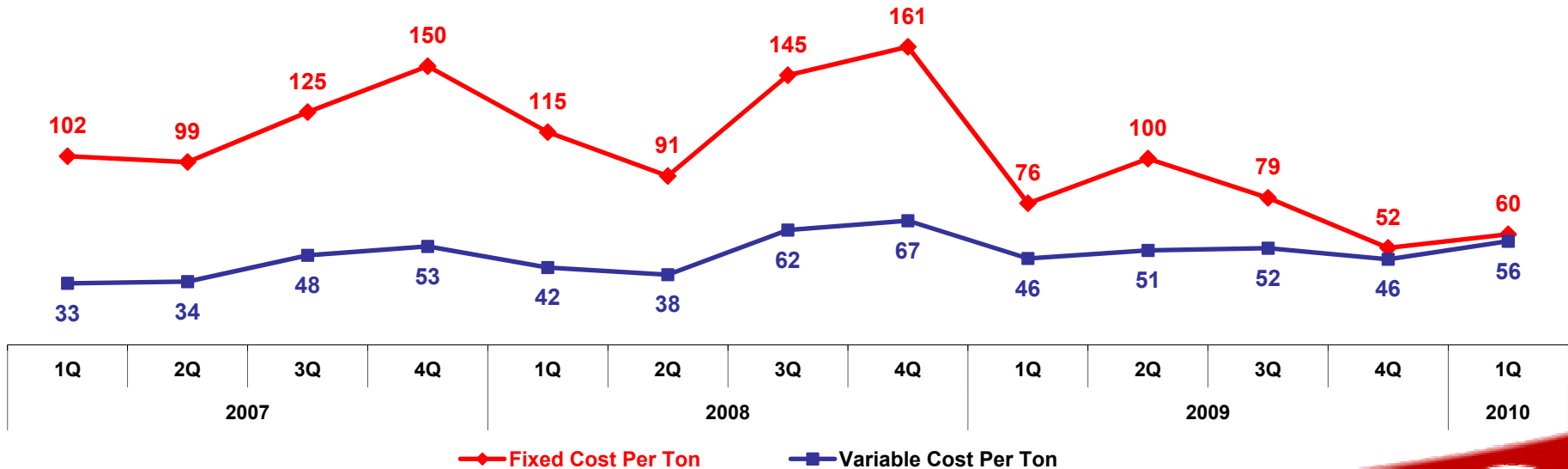


Fixed and variable costs of flat products decreased in 2010

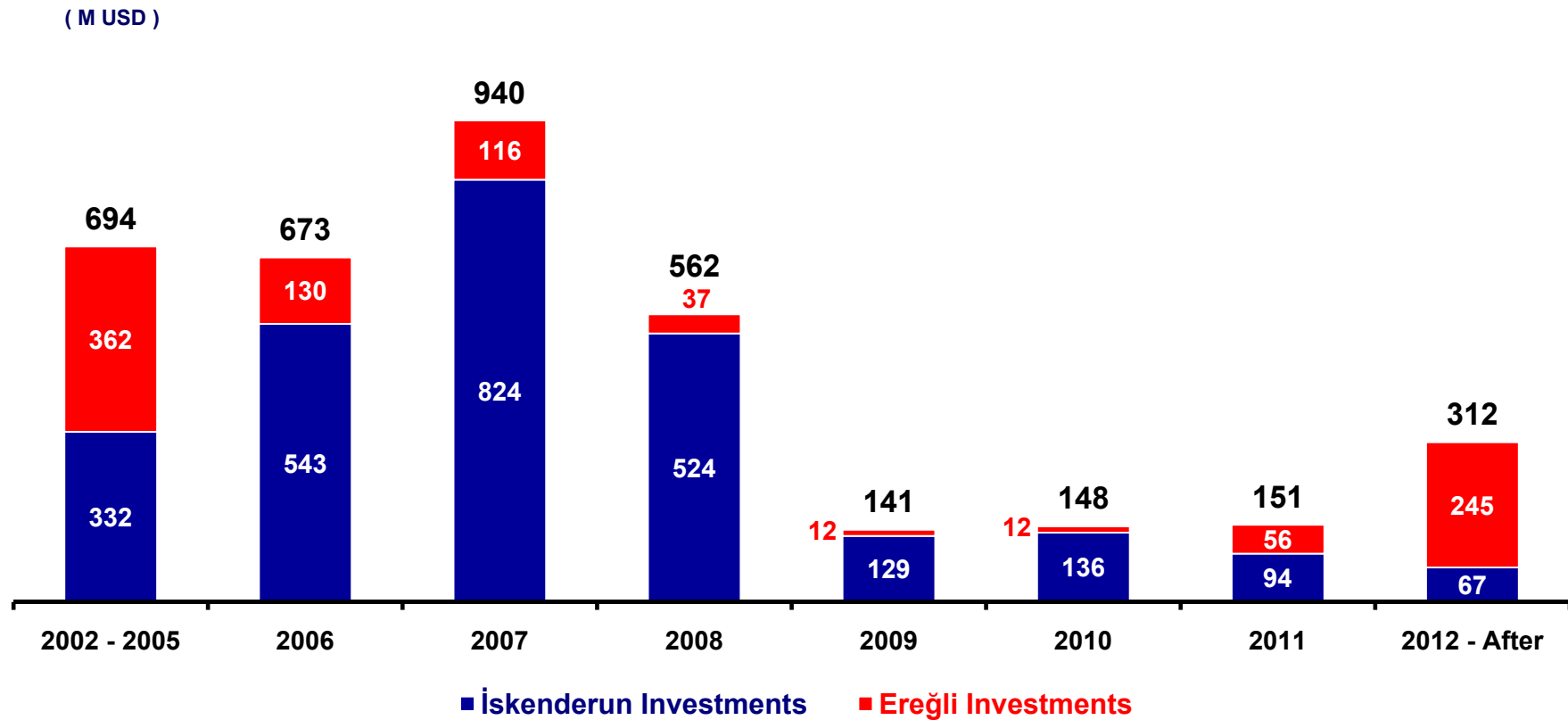
FLAT PRODUCTS (USD/TON)



LONG PRODUCTS (USD/TON)



Capital expenditures of 148 million USD is planned for 2010



➡ As of 1Q 2010, capital expenditures worth 3.0 billion USD have been completed and 0.8 billion USD yet to be completed.

Number of employees decreased about 13% since 2007 due to voluntary redundancies and retirements

NUMBER OF EMPLOYEES

