



**Erdemir Group**  
**2012 6 Months**  
**Consolidated Financial Results**

**8 August 2012**

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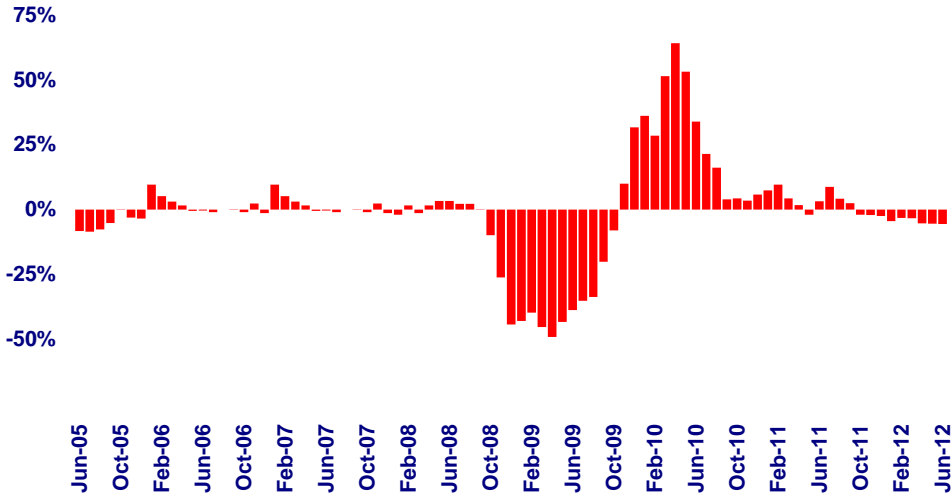
# Agenda

 **2012 Market Overview**

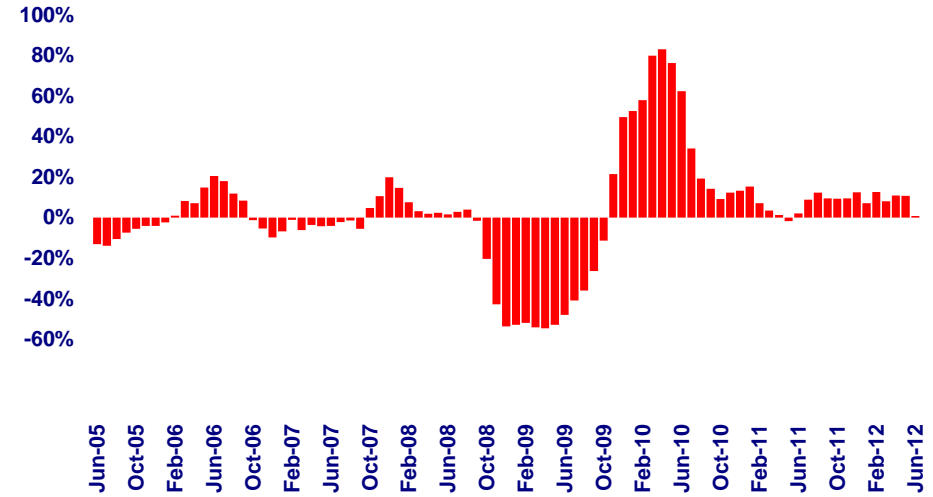
 **2012 6 Months Results**

# In EU, sales price was 621 USD/ton as of July 2012

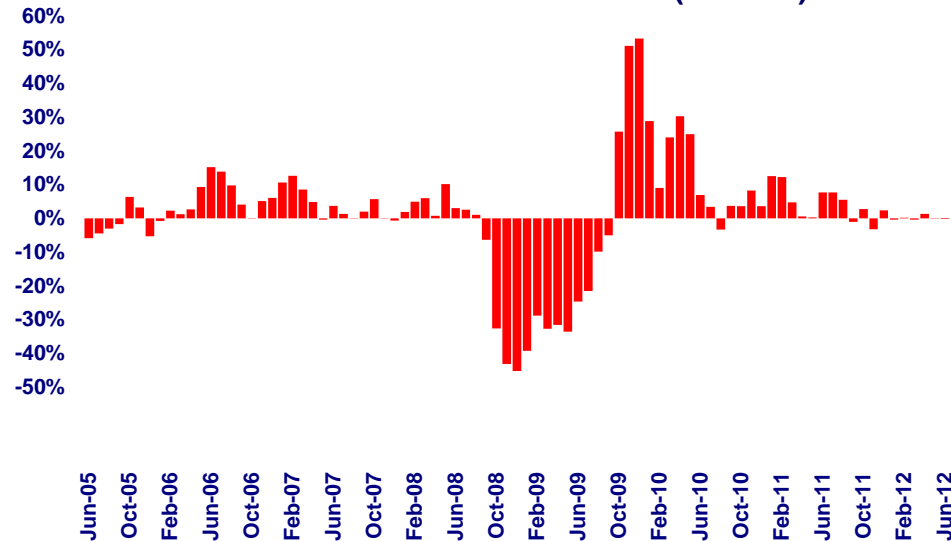
## EU27 CRUDE STEEL PRODUCTION ( YoY % )\*



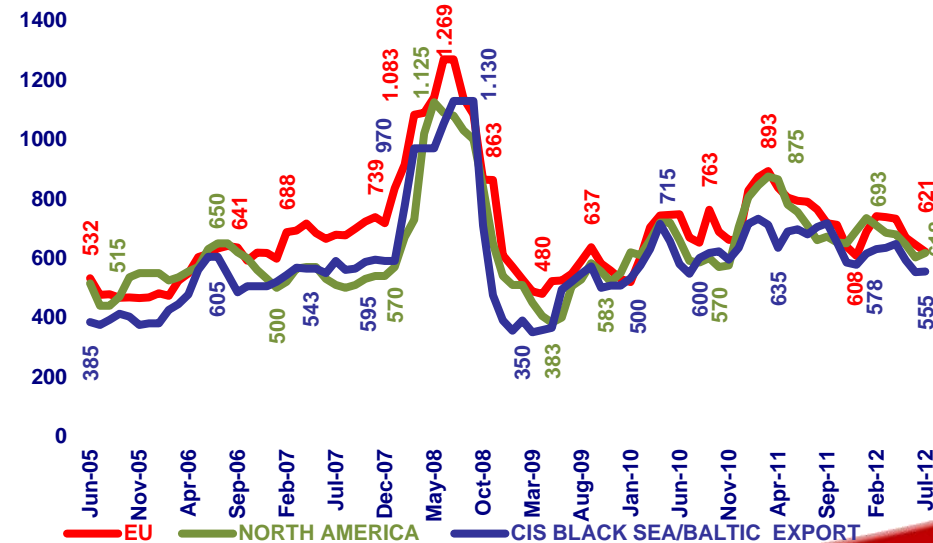
## USA CRUDE STEEL PRODUCTION ( YoY % )\*



## CIS CRUDE STEEL PRODUCTION ( YoY % ) \*

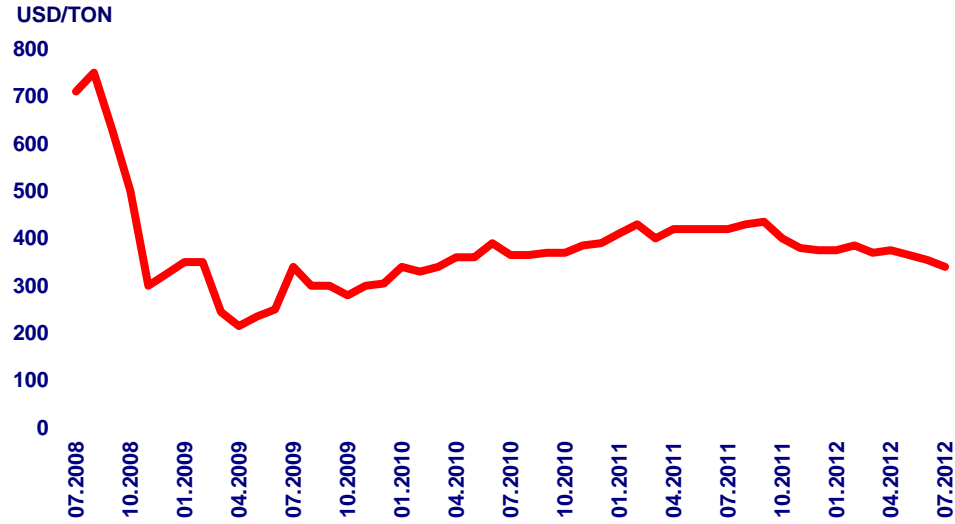


## HRC PRICES ( USD/TON )\*\*

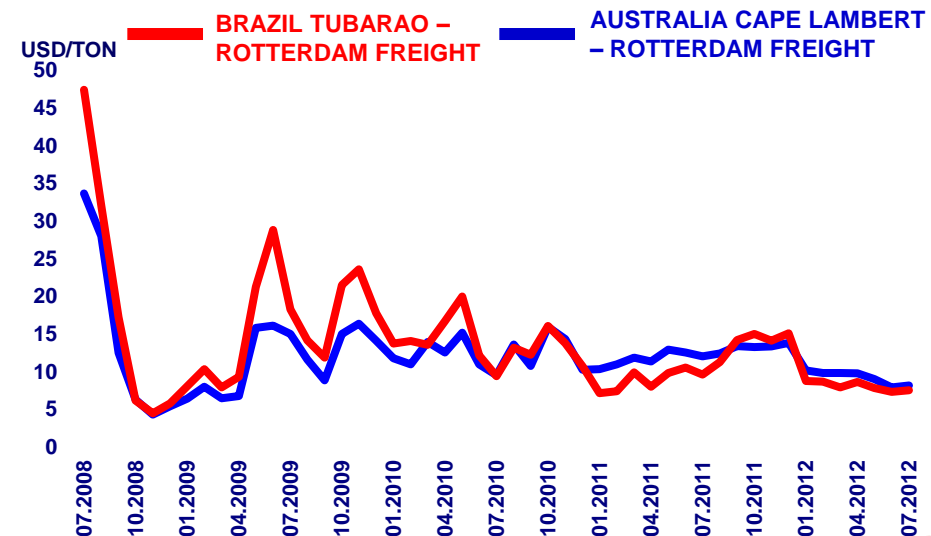
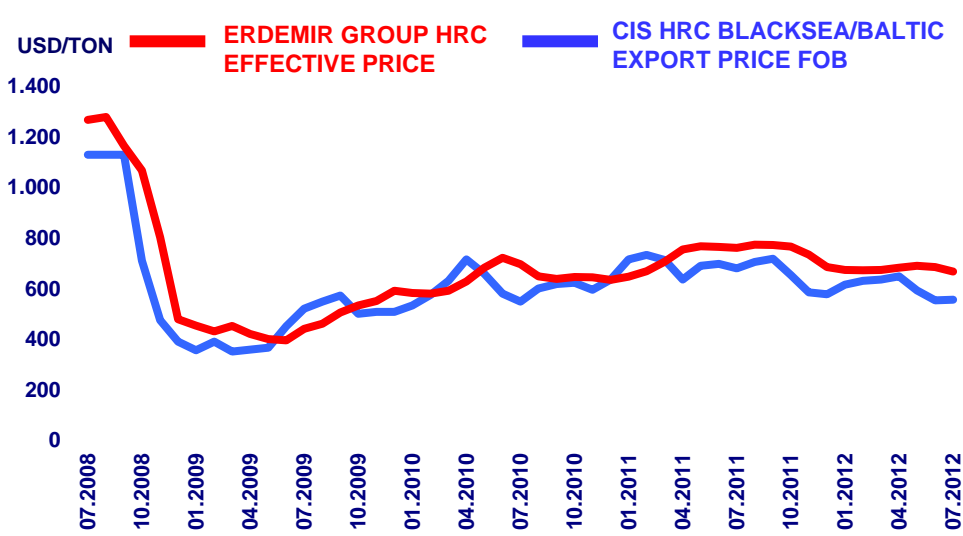
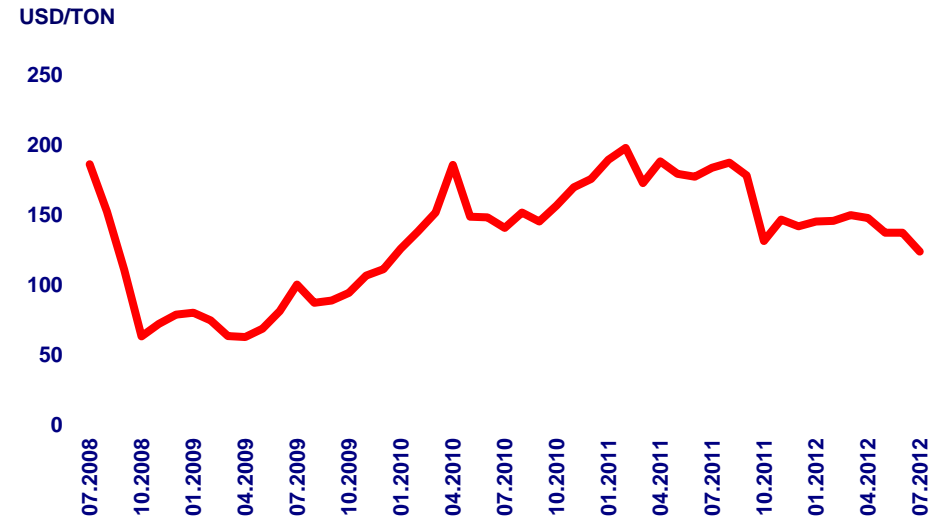


# Coke prices are decreasing

## CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

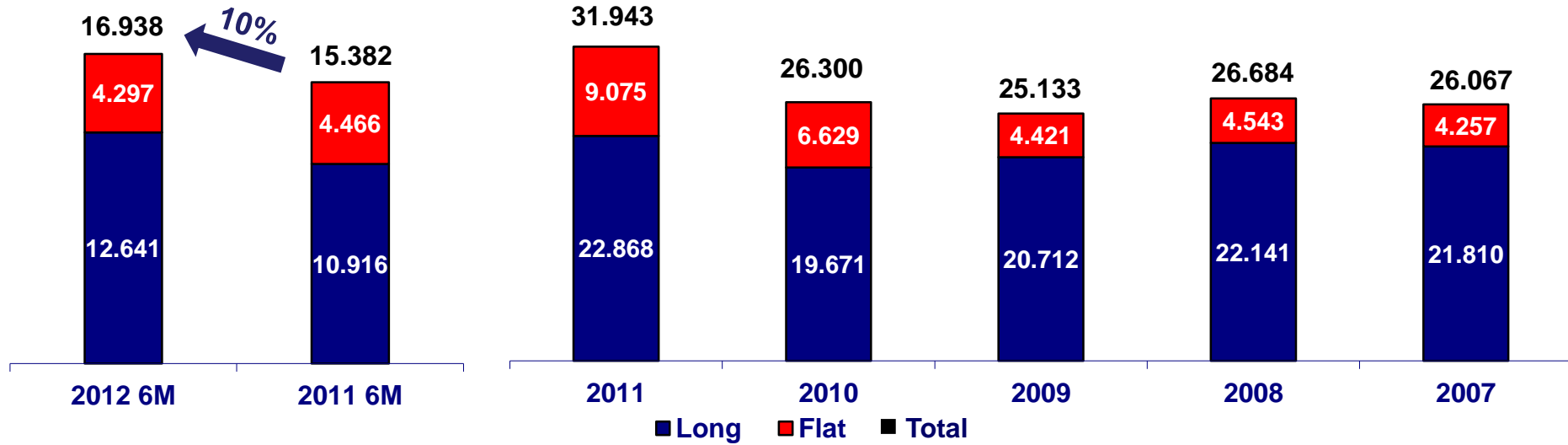


## CHINA PORT FINE ORE PRICE CFR

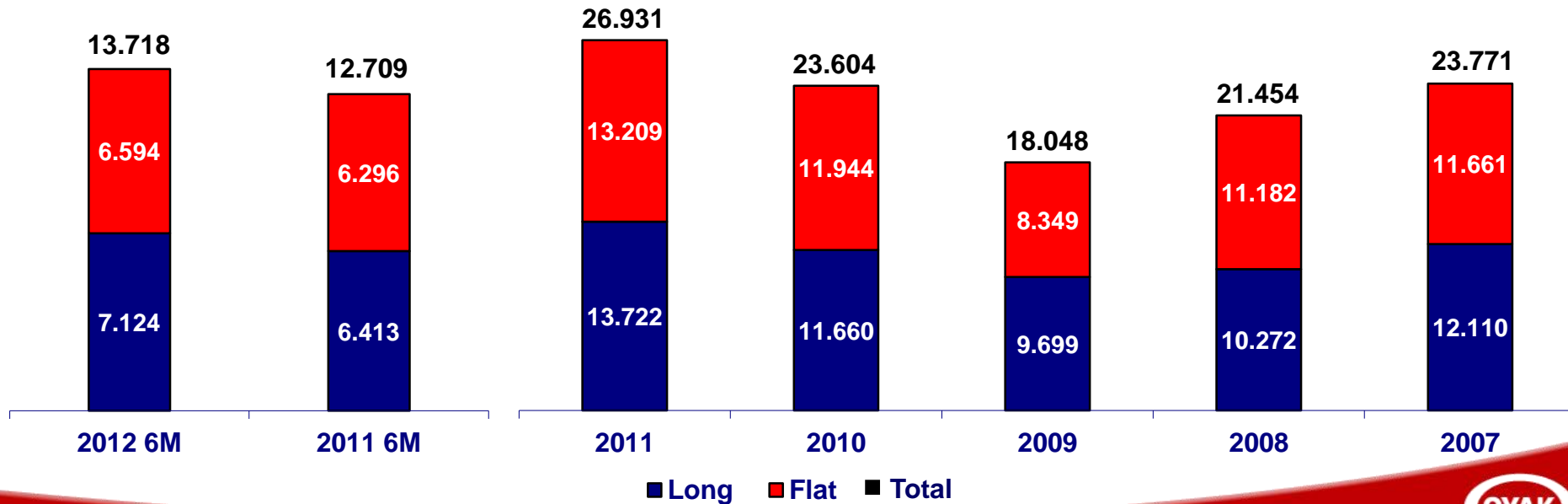


# Turkish steel production increased by 10% in 2012 6M YoY

## PRODUCTION ( 000 TONS )

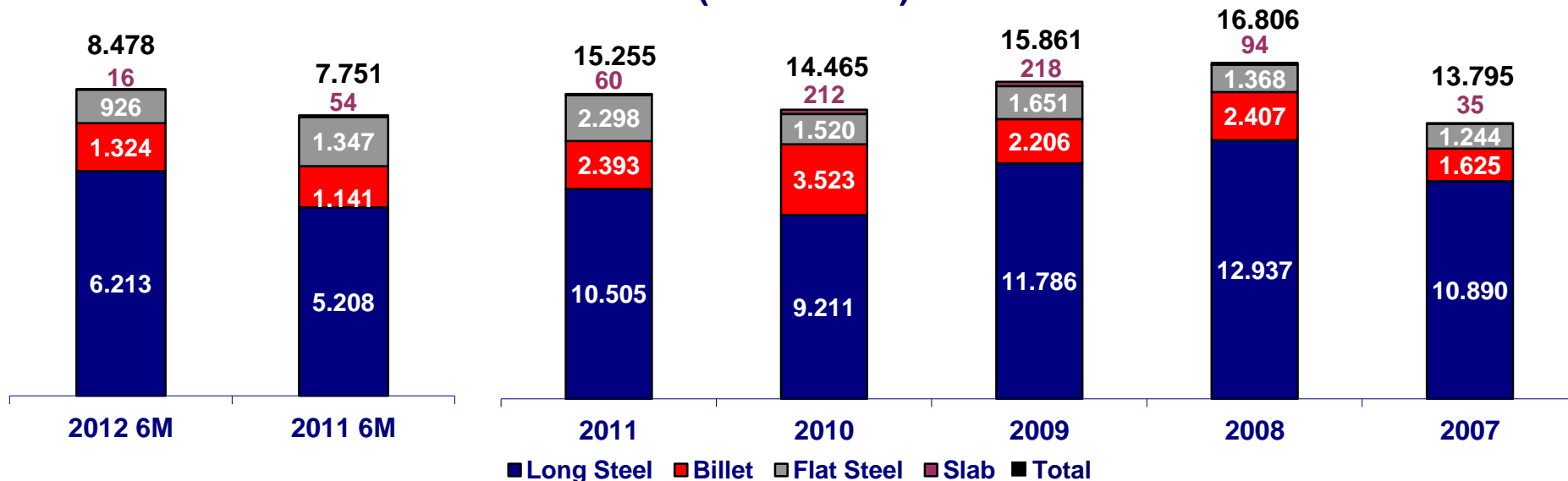


## CONSUMPTION ( 000 TONS )

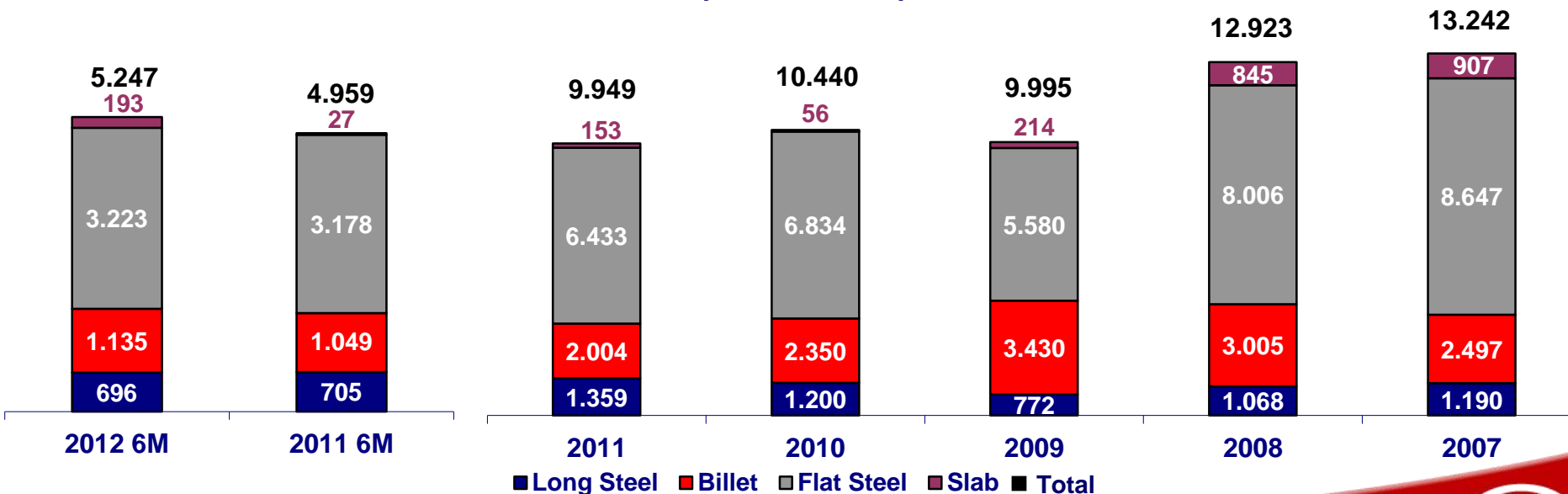


# Turkish Steel Market ( cont'd )

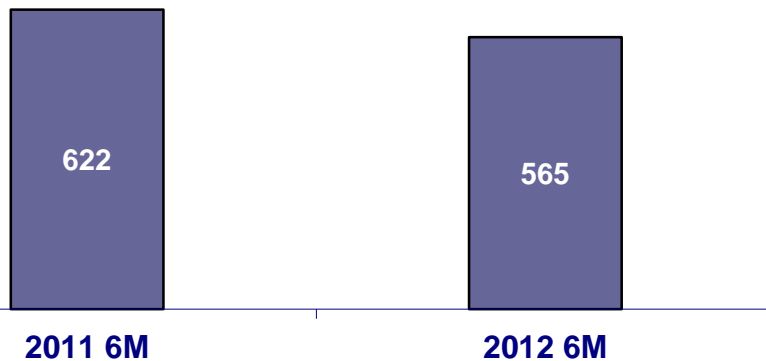
## IRON AND STEEL PRODUCT EXPORTS ( 000 TONS )



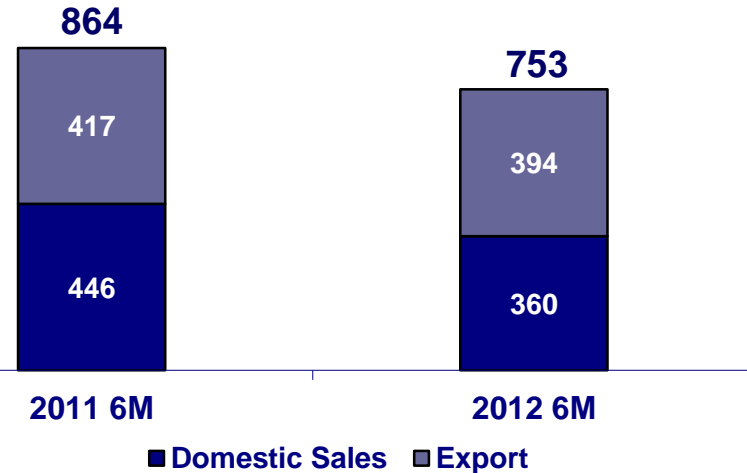
## IRON AND STEEL PRODUCT IMPORTS ( 000 TONS )



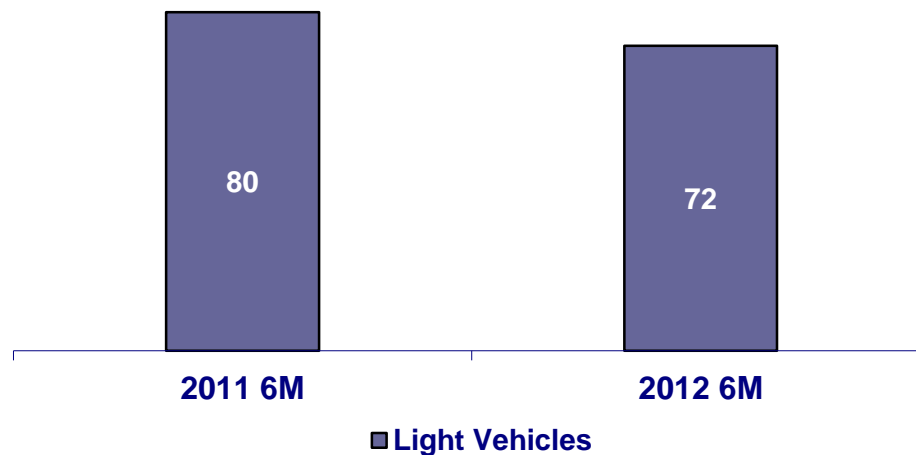
## AUTOMOTIVE PRODUCTION (000 UNITS)



## AUTOMOTIVE SALES (000 UNITS)



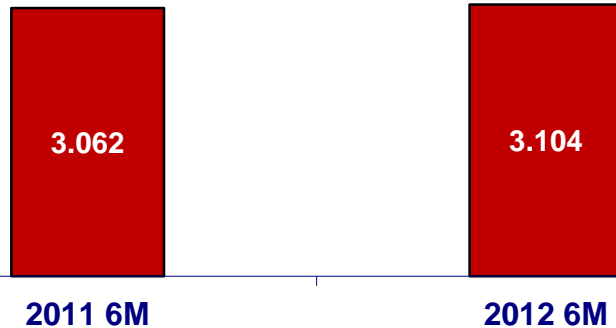
## AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)



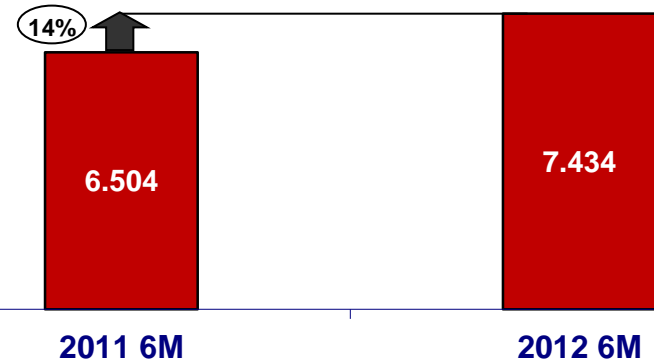


White goods exports and production increased by 14% and 8% respectively in 2012 1H YoY

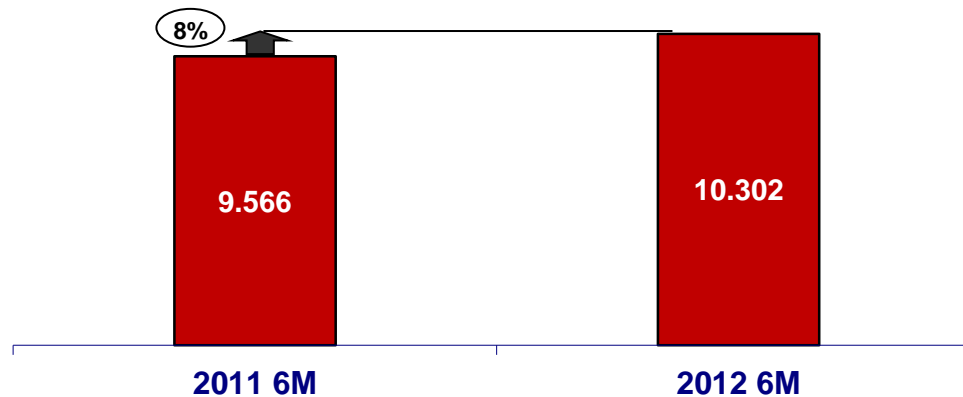
### WHITE GOODS DOMESTIC SALES (000 UNITS)



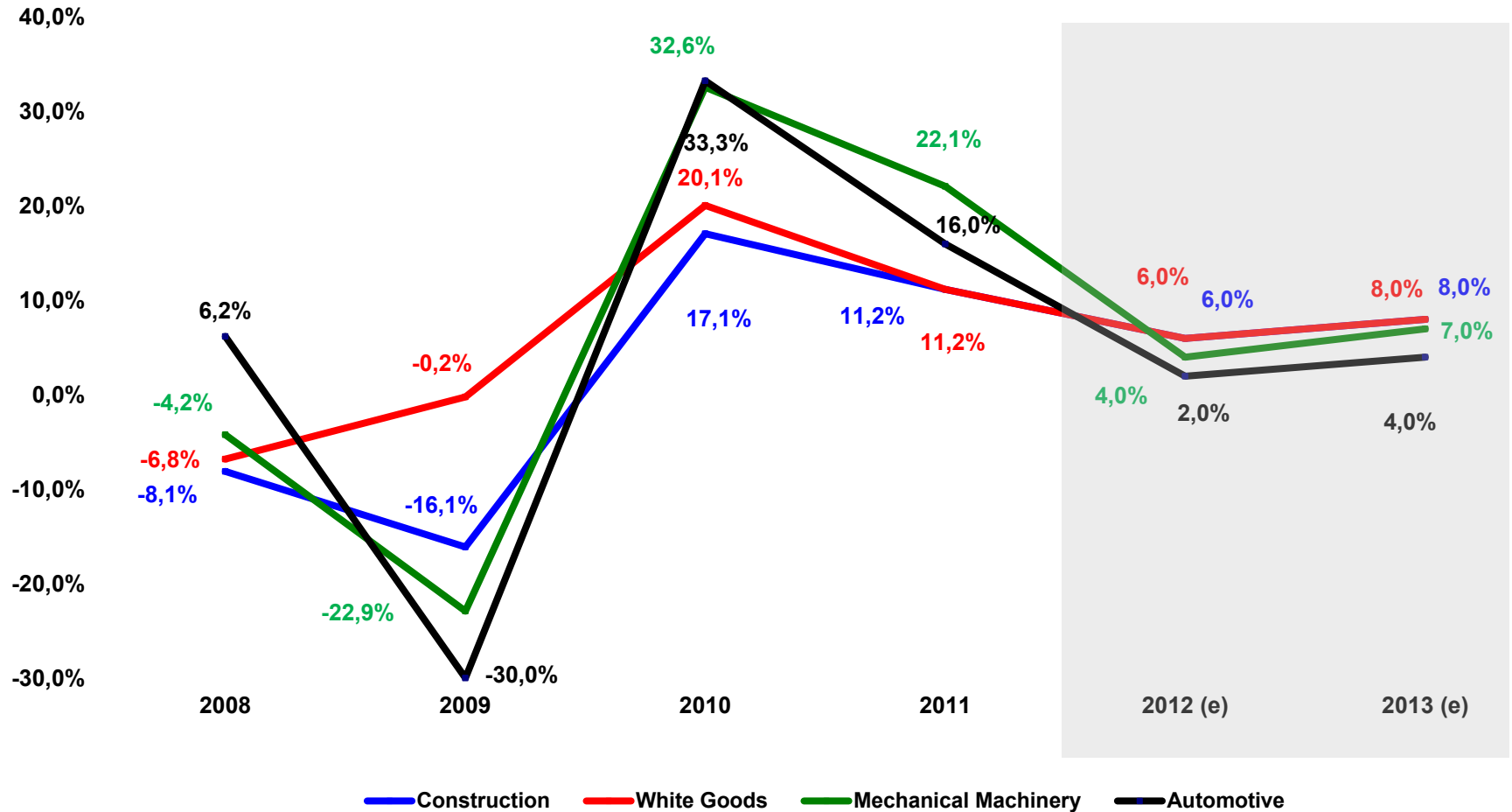
### WHITE GOODS EXPORTS (000 UNITS)



### WHITE GOODS PRODUCTION (000 UNITS)

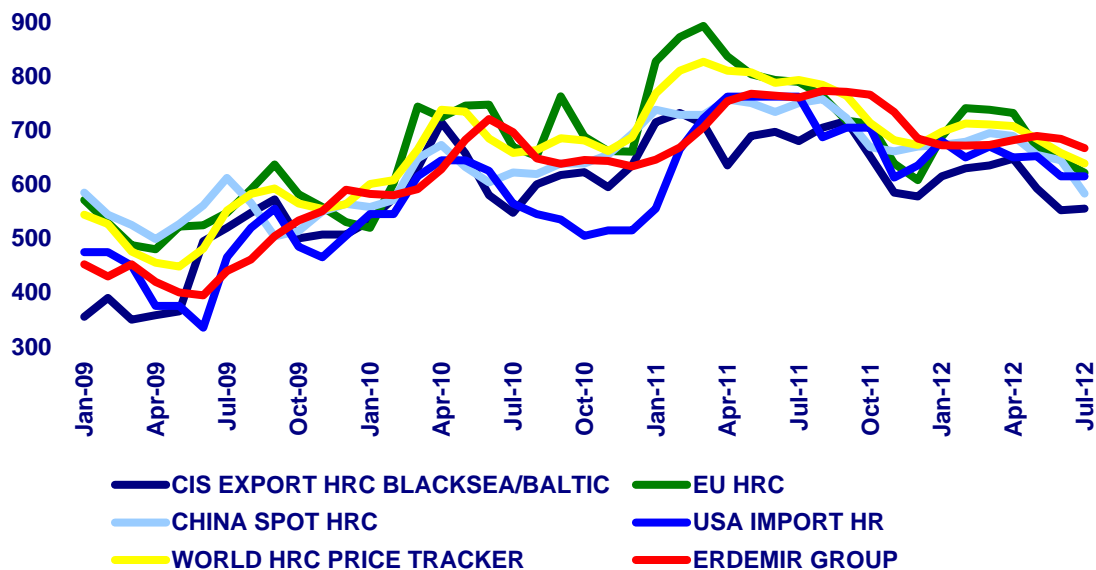


## CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



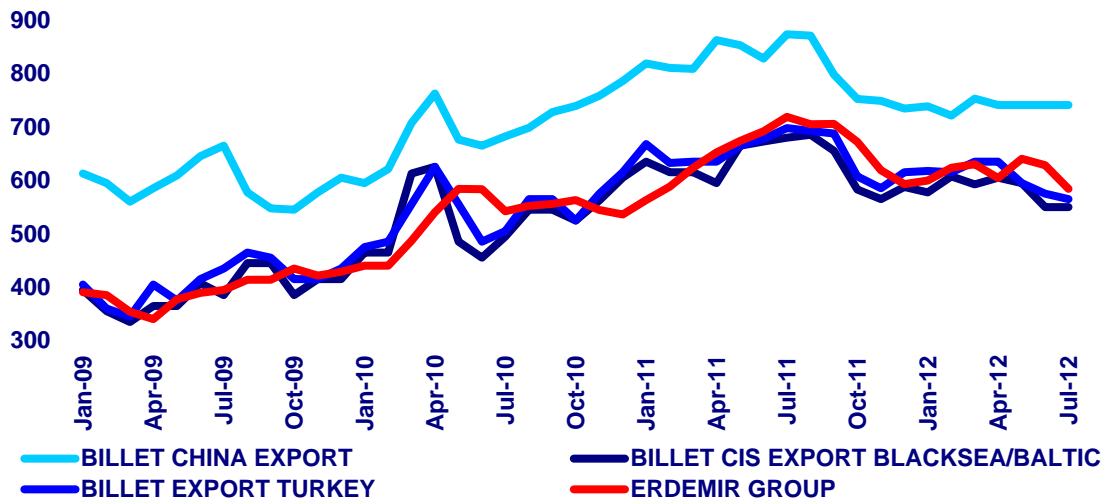
# EU HRC sales prices are higher than December 2011

## HRC PRICES ( USD/Ton )



▶ As of July 2012, EU HRC price was 621 USD, China HRC spot price is 583 USD, USA export HRC price is 615 USD. The prices were 608 USD, 670 USD, 635 USD respectively by the end of 2011.

## BILLET PRICES ( USD/Ton )



▶ As of July 2012, Turkey export price was 565 USD while it was 615 USD in December 2011.



# Agenda



2012 Market Overview



**2012 6 Months Results**

## ERDEMİR GROUP KEY FIGURES

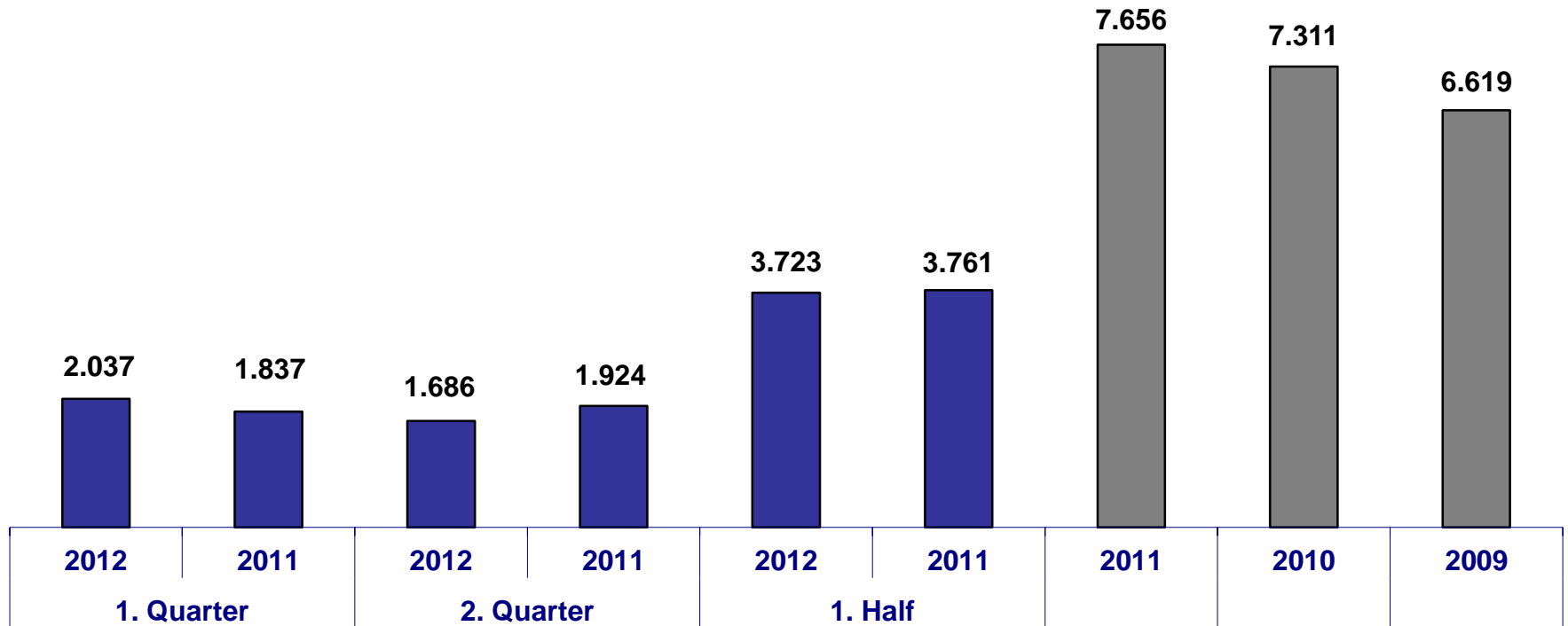
			2012 First Half	2011 First Half	2011	2010
<b>Liquid Steel Production</b>	<i>(000 Tons)</i>	↓	<b>3.723</b>	3.761	7.656	7.311
<b>Slab Production <sup>(1)</sup></b>	<i>(000 Tons)</i>	↓	<b>3.030</b>	3.345	6.660	5.674
<b>Flat Steel Production <sup>(2)</sup></b>	<i>(000 Tons)</i>	↓	<b>2.866</b>	3.071	6.119	5.373
<b>Long Steel Production</b>	<i>(000 Tons)</i>	↑	<b>604</b>	314	794	1.420
<b>Flat Steel Shipments</b>	<i>(000 Tons)</i>	↑	<b>3.041</b>	3.030	5.856	5.123
<b>Long Steel Shipments</b>	<i>(000 Tons)</i>	↑	<b>539</b>	322	791	1.393
<b>Net Sales Revenue</b>	<i>(M. TL)</i>	↑	<b>4.785</b>	4.217	8.921	6.633
<b>EBITDA</b>	<i>(M. TL)</i>	↓	<b>445</b>	1.001	2.034	1.420
<b>Net Profit For The Year</b>	<i>(M. TL)</i>	↓	<b>206</b>	554	1.006	766

All figures are on IFRS consolidated basis unless stated otherwise.

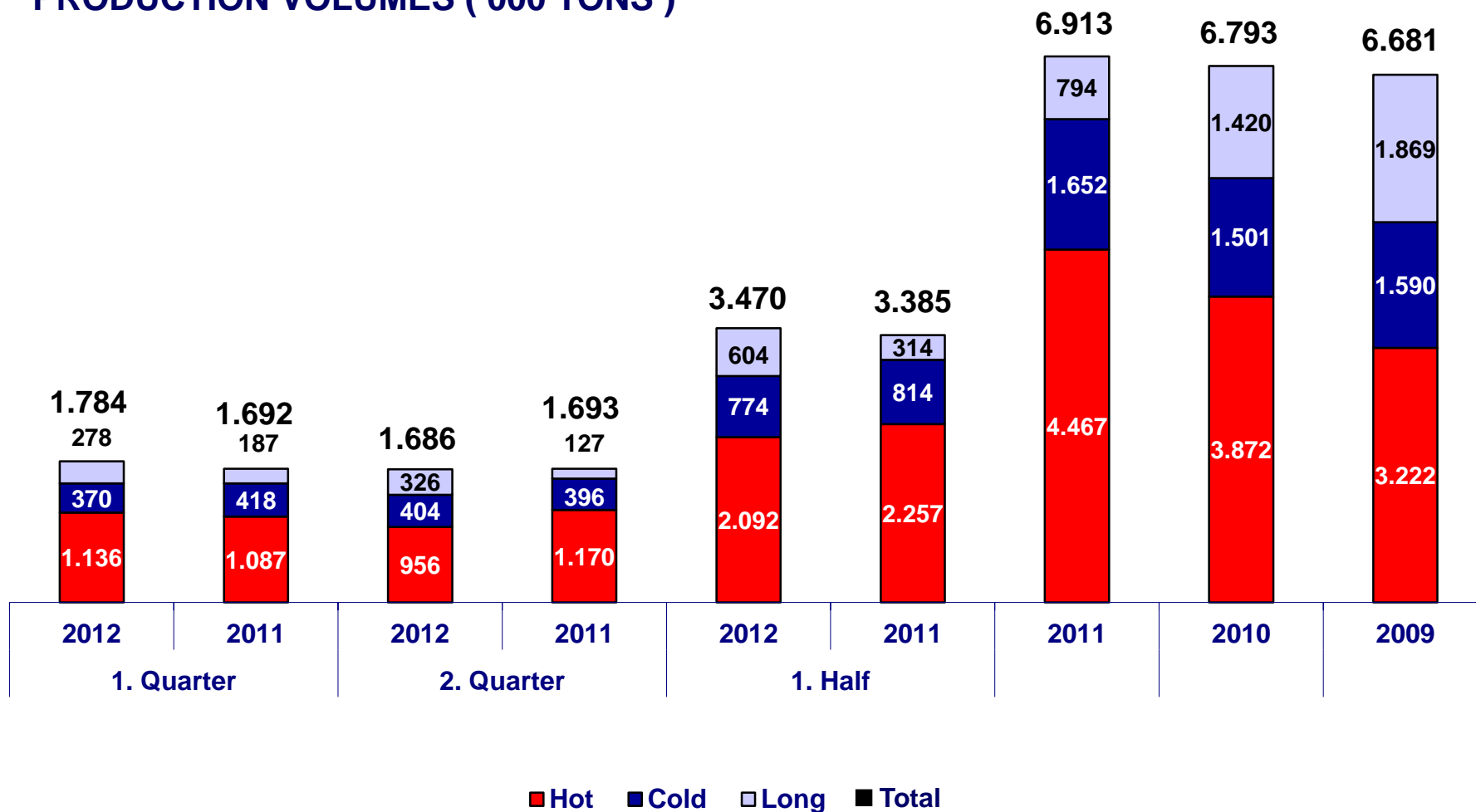
(1) Total slab production of Ereğli and İskenderun Plants.

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

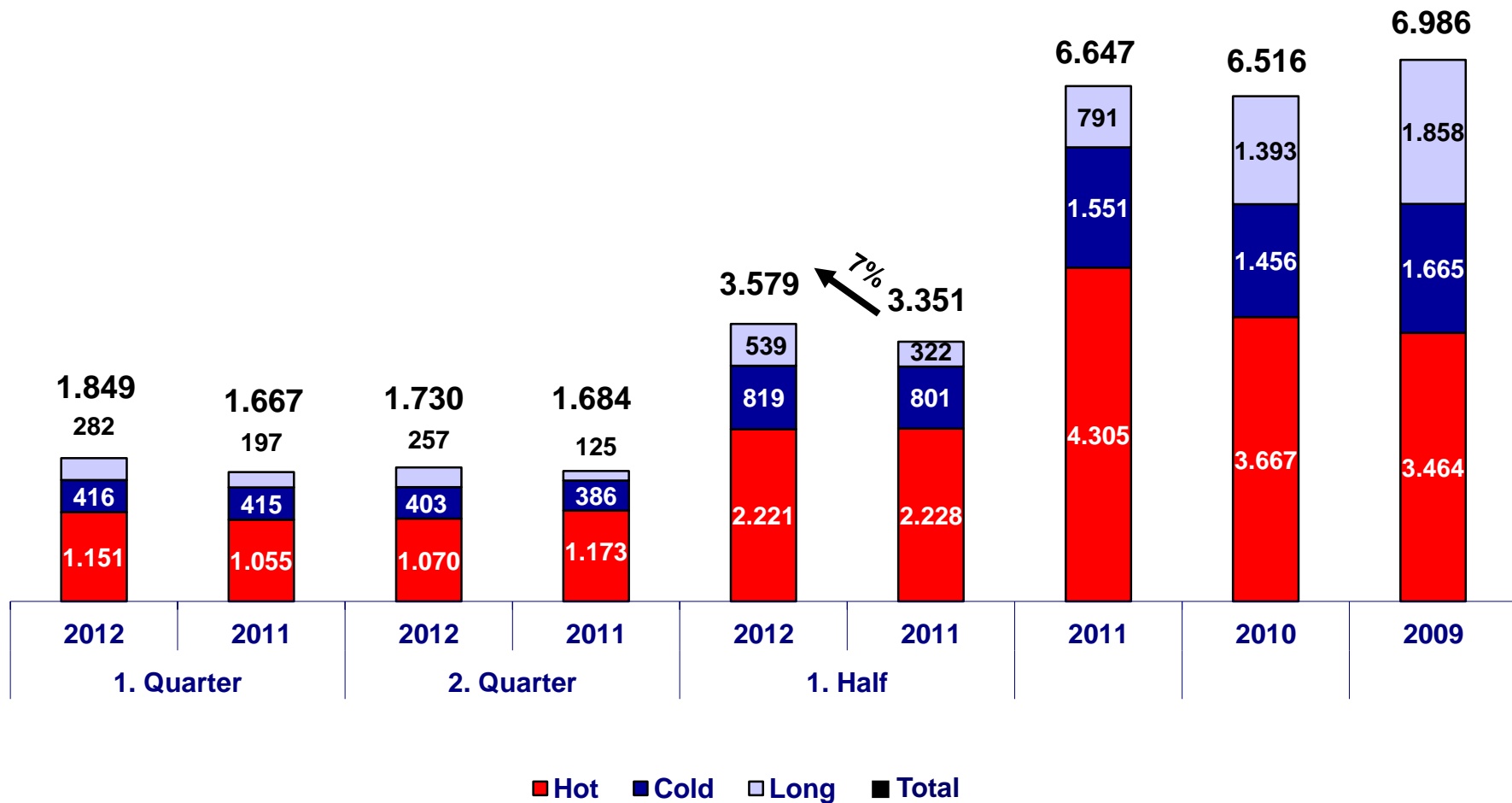
## LIQUID STEEL PRODUCTION ( 000 TONS )



## PRODUCTION VOLUMES ( 000 TONS )

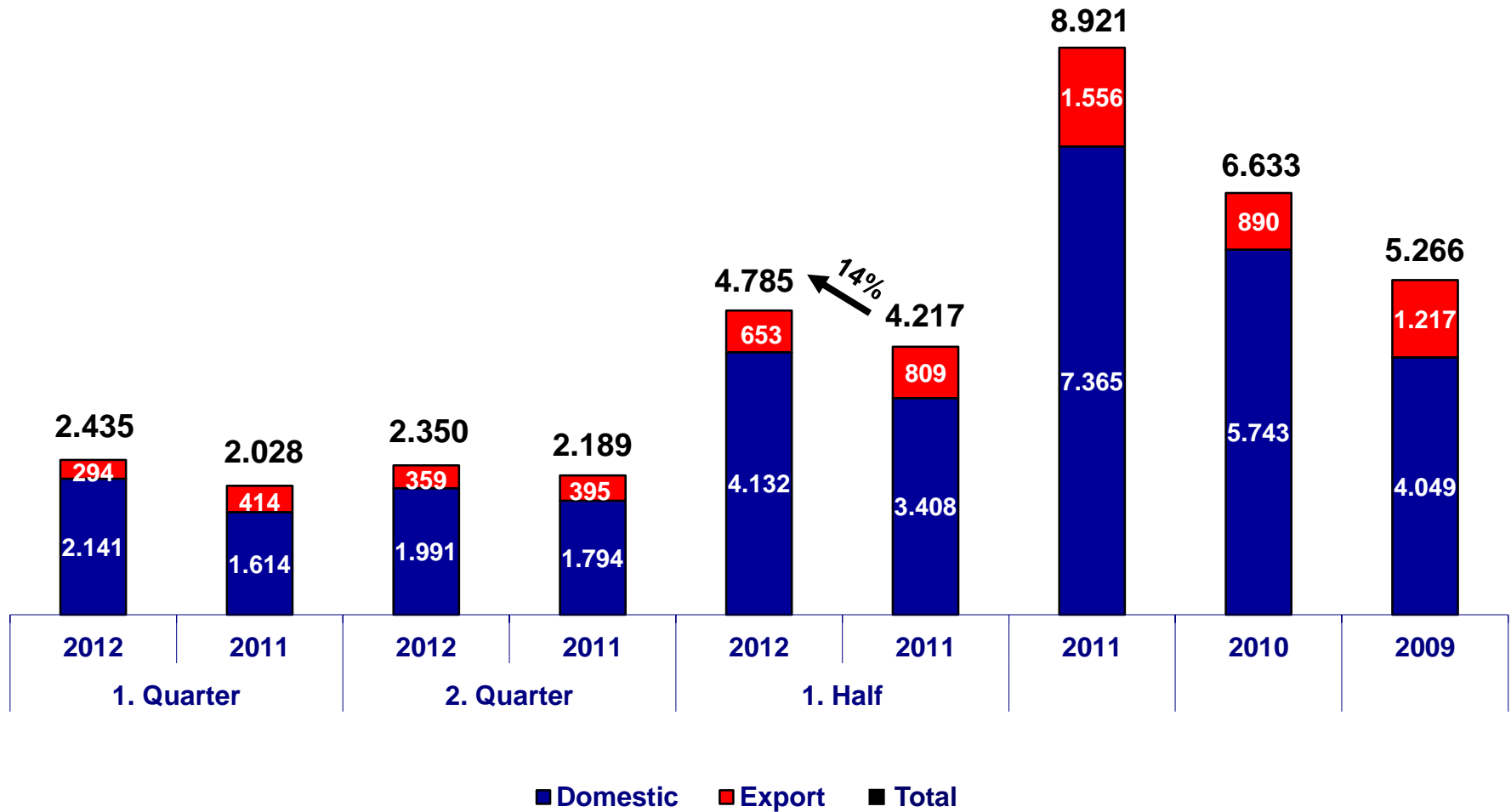


## SALES VOLUMES ( 000 TONS )





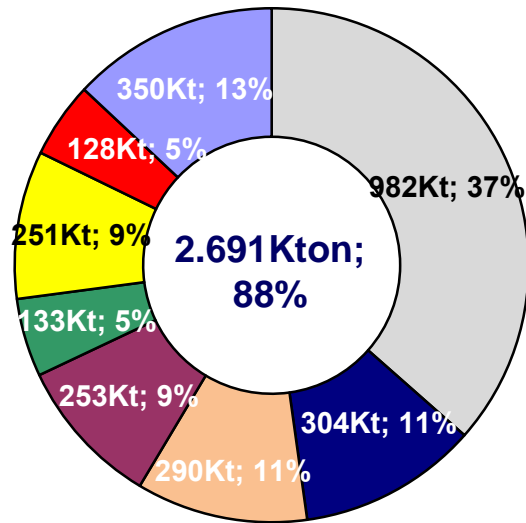
## NET SALES REVENUE ( MILLION TL )



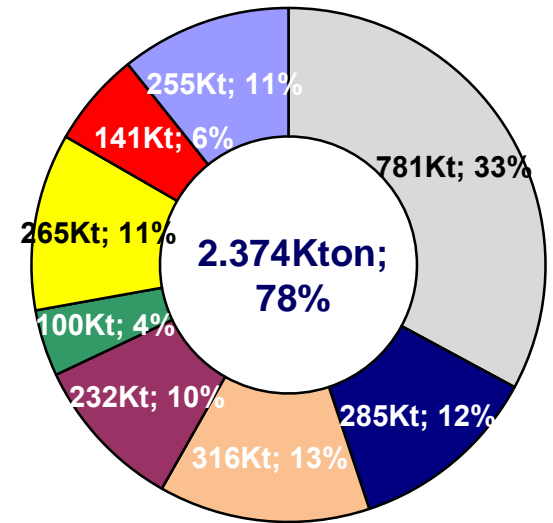
# Sales to pipe and profile industry increased in 2012 6M YoY

## 2012 6M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

## 2011 6M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

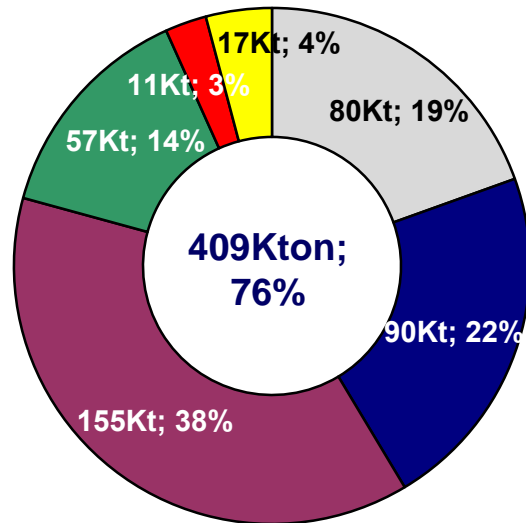


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

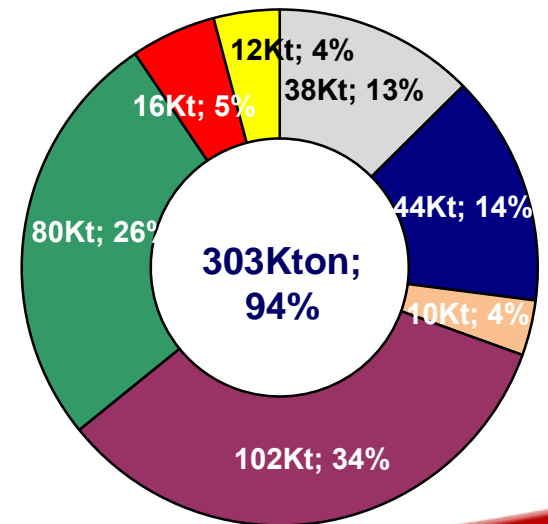


## 2012 6M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

## 2011 6M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

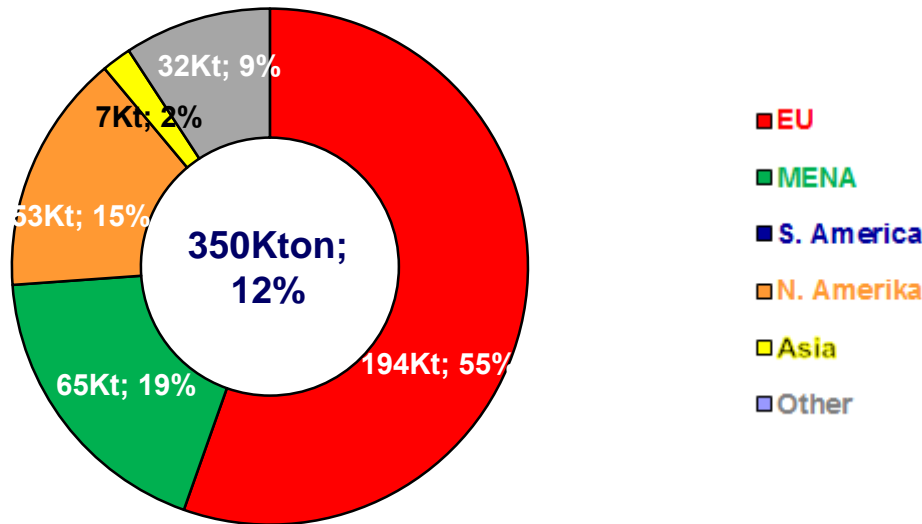


- Debar Producers
- Profile Producers
- Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

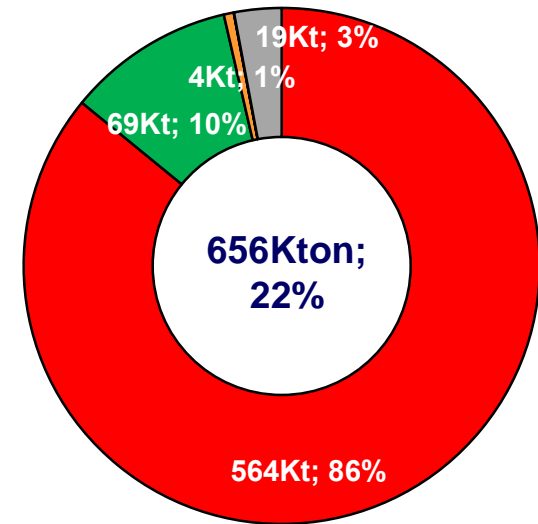


# Flat steel sales to North America countries was 15% of our flat export in 2012 6M

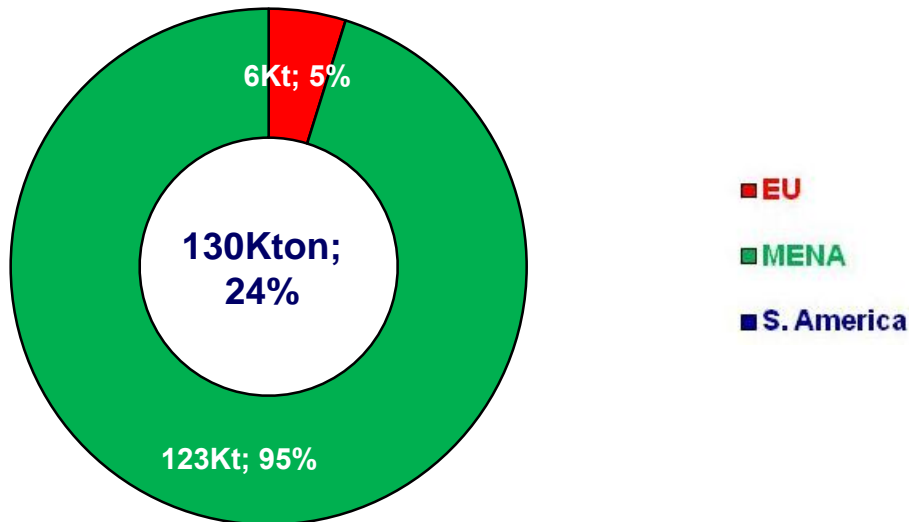
## 2012 6M FLAT STEEL EXPORTS BREAKDOWN (%)



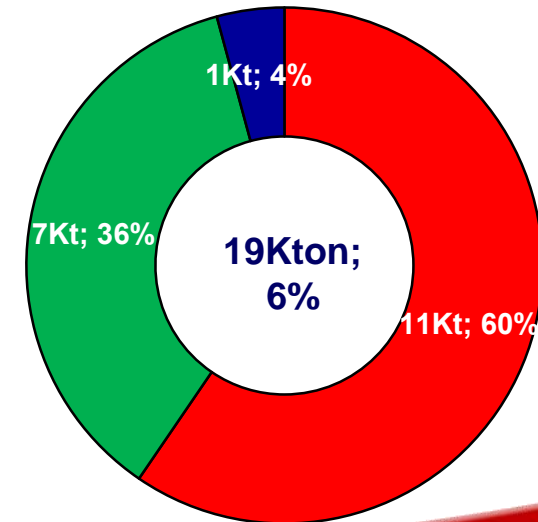
## 2011 6M FLAT STEEL EXPORTS BREAKDOWN (%)



## 2012 6M LONG STEEL EXPORTS BREAKDOWN (%)

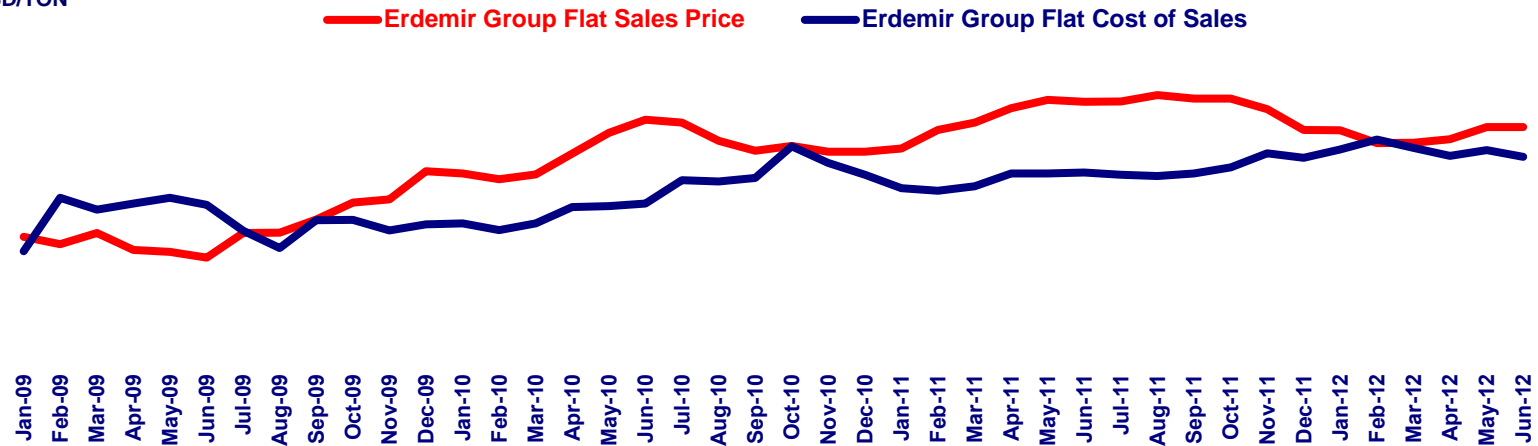


## 2011 6M LONG STEEL EXPORTS BREAKDOWN (%)

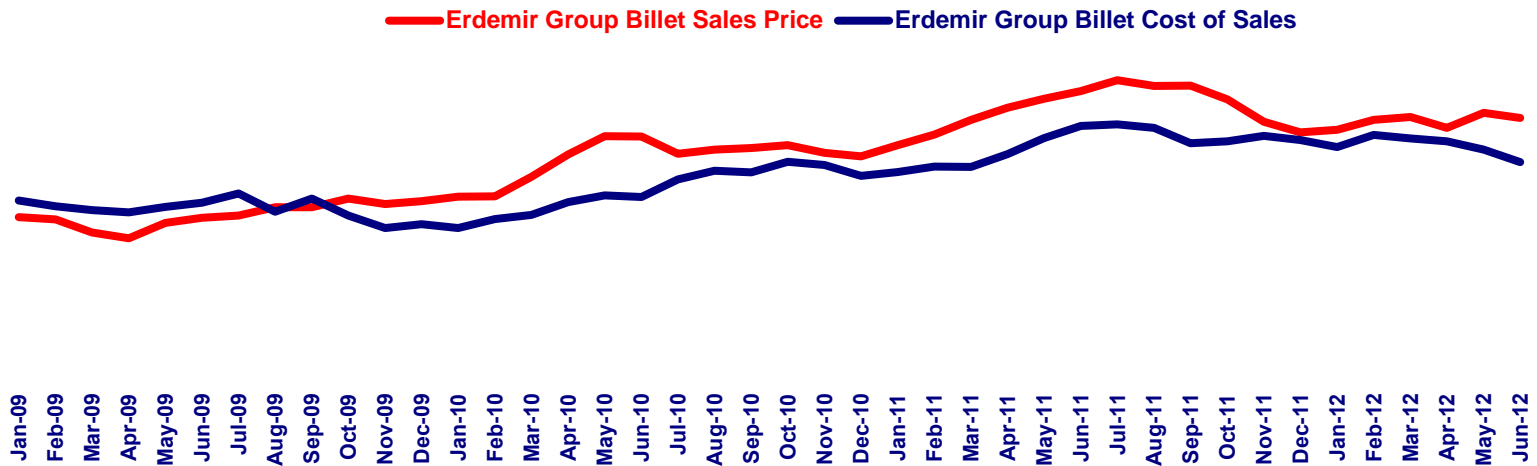


# In 2012 6M, Erdemir Group average flat and long steel prices were 736 USD/ton and 669 USD/ton respectively

USD/TON



USD/TON

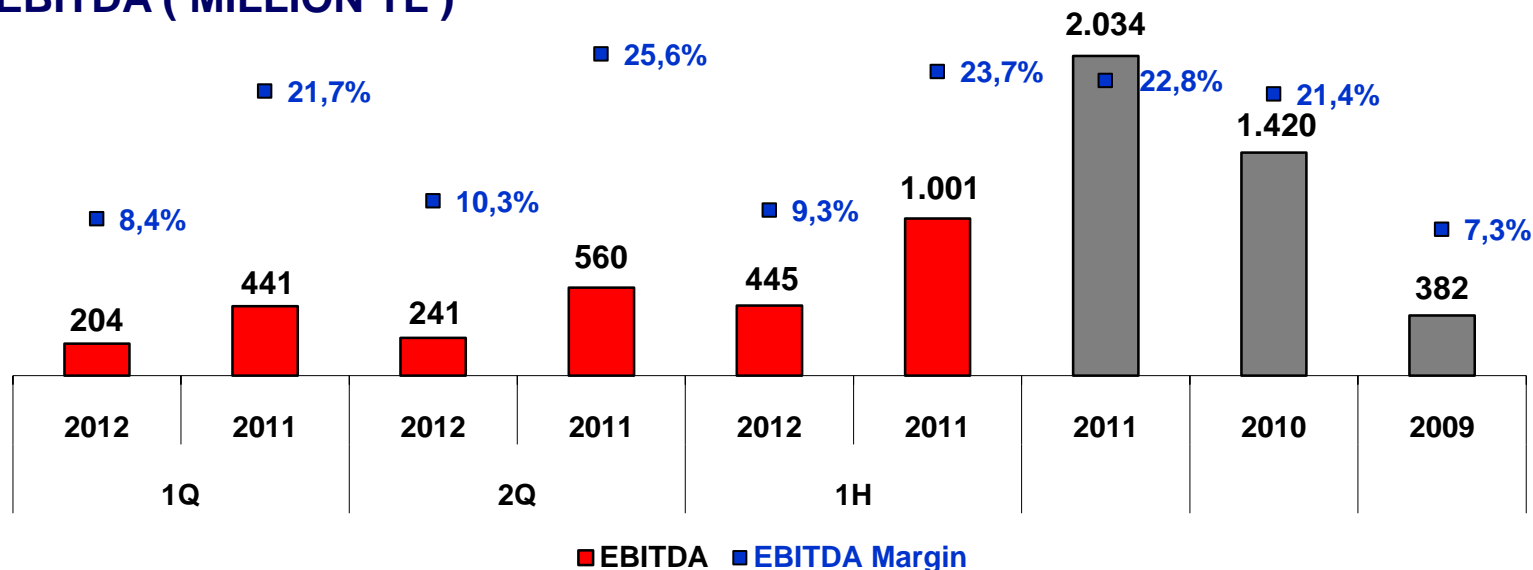


- ➡ Flat steel prices decreased by 5% on average in 2012 6M YoY.
- ➡ Long steel prices decreased by 6% on average in 2012 6M YoY.

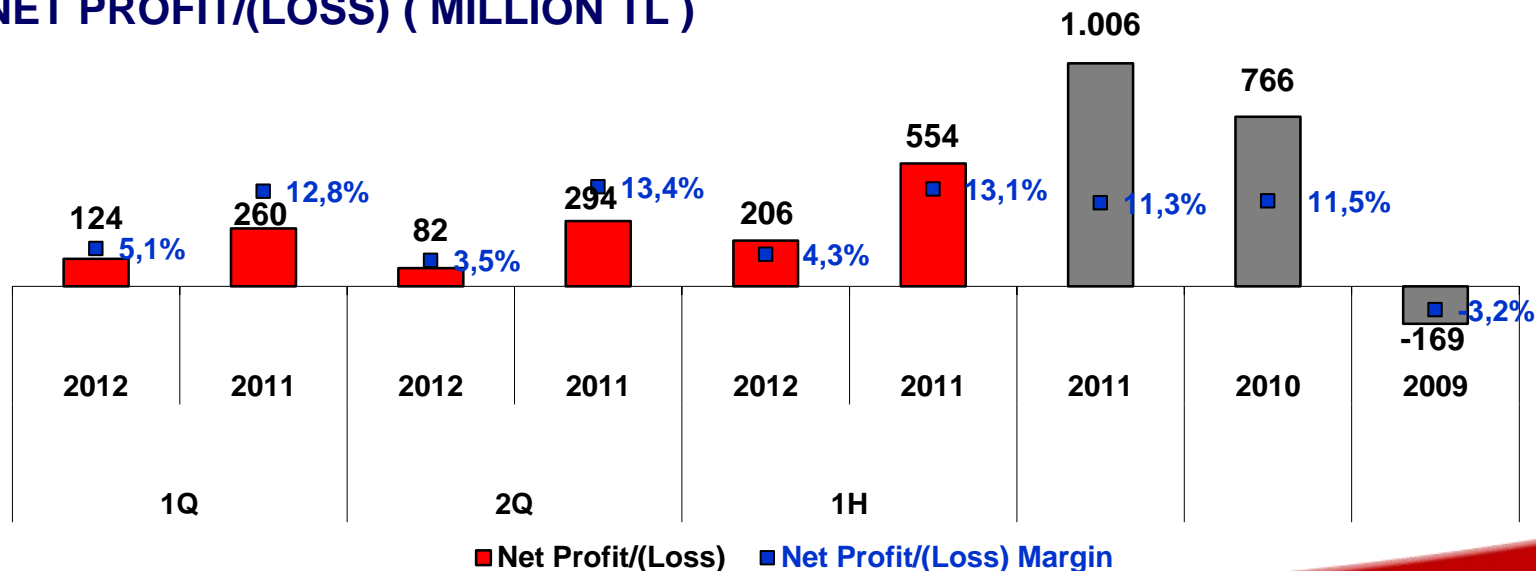


# Net profit was 206 million TL in 2012 1H

## EBITDA ( MILLION TL )

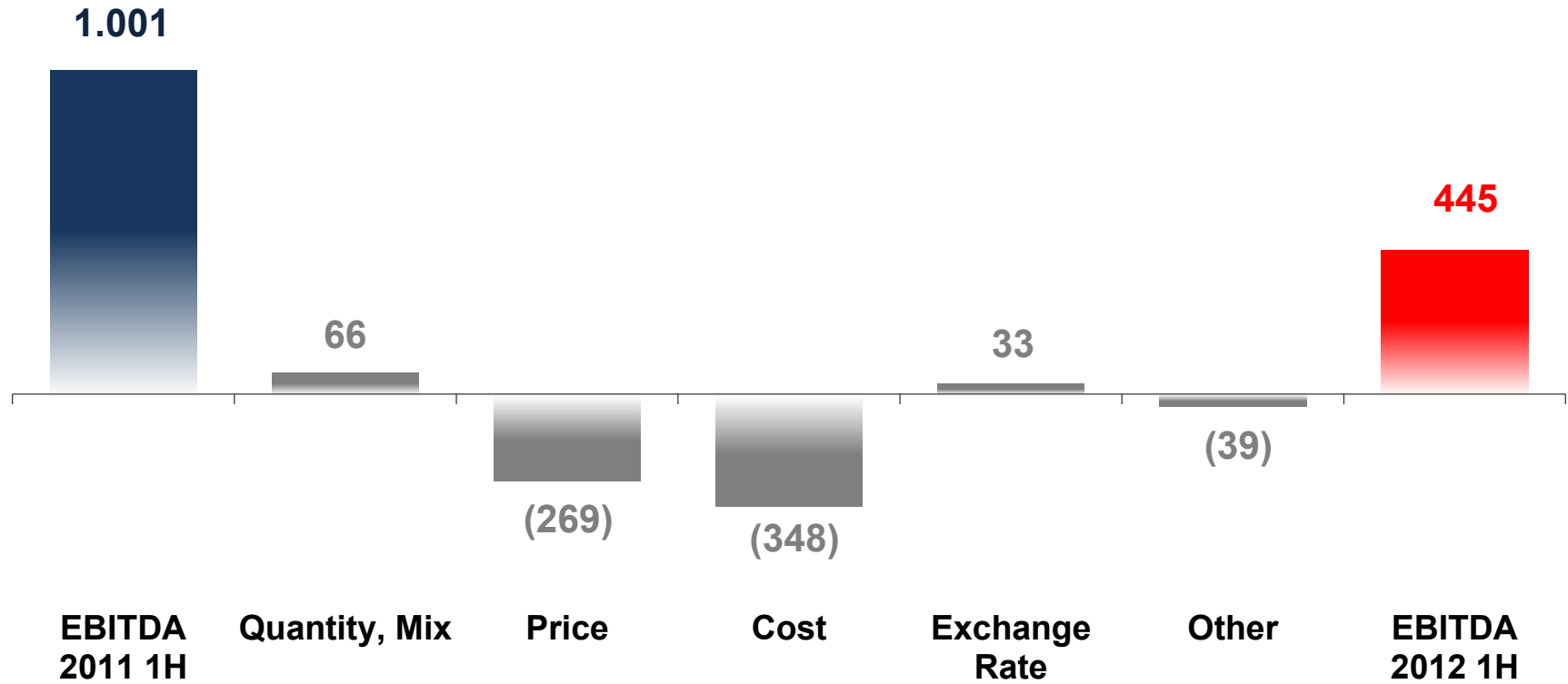


## NET PROFIT/(LOSS) ( MILLION TL )



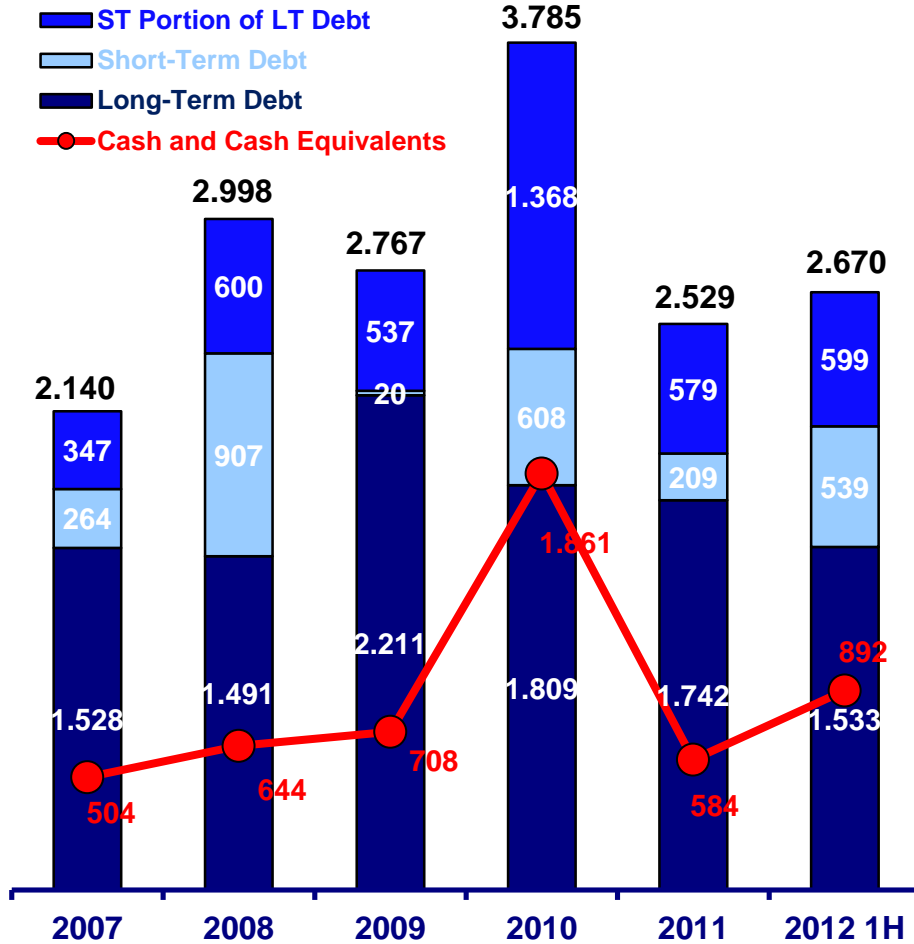
# EBITDA was 445 million TL in 2012 1H

Million TL

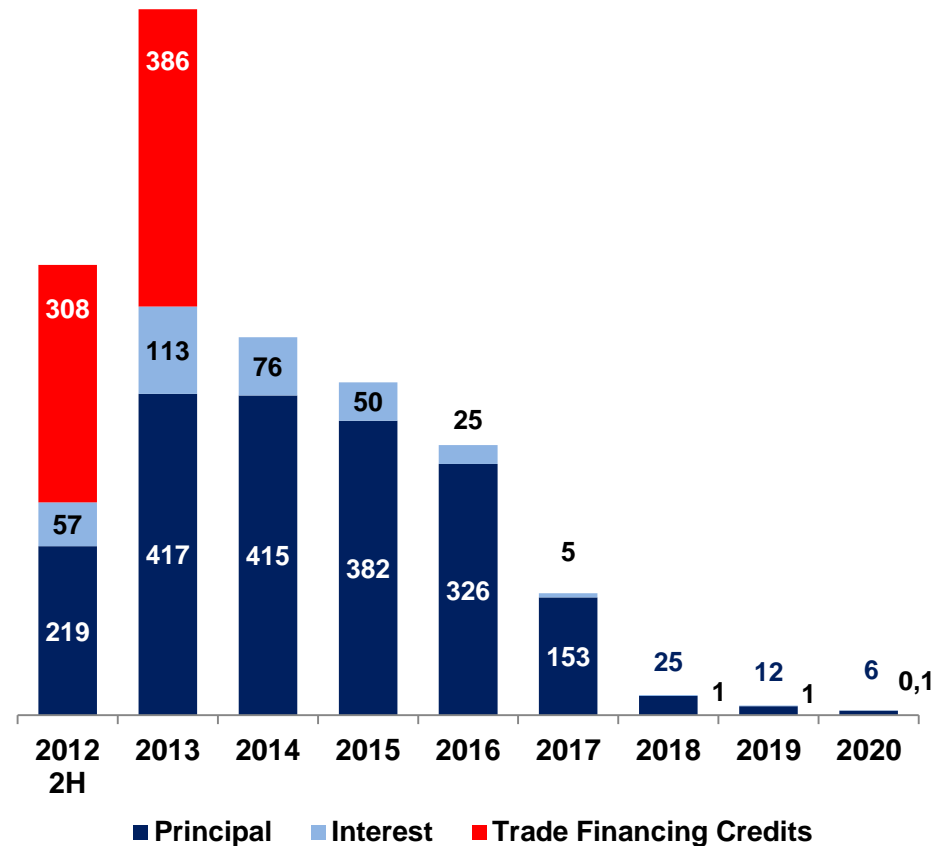


# Erdemir Group has 892 million USD cash and cash equivalents at the end of 2012 June

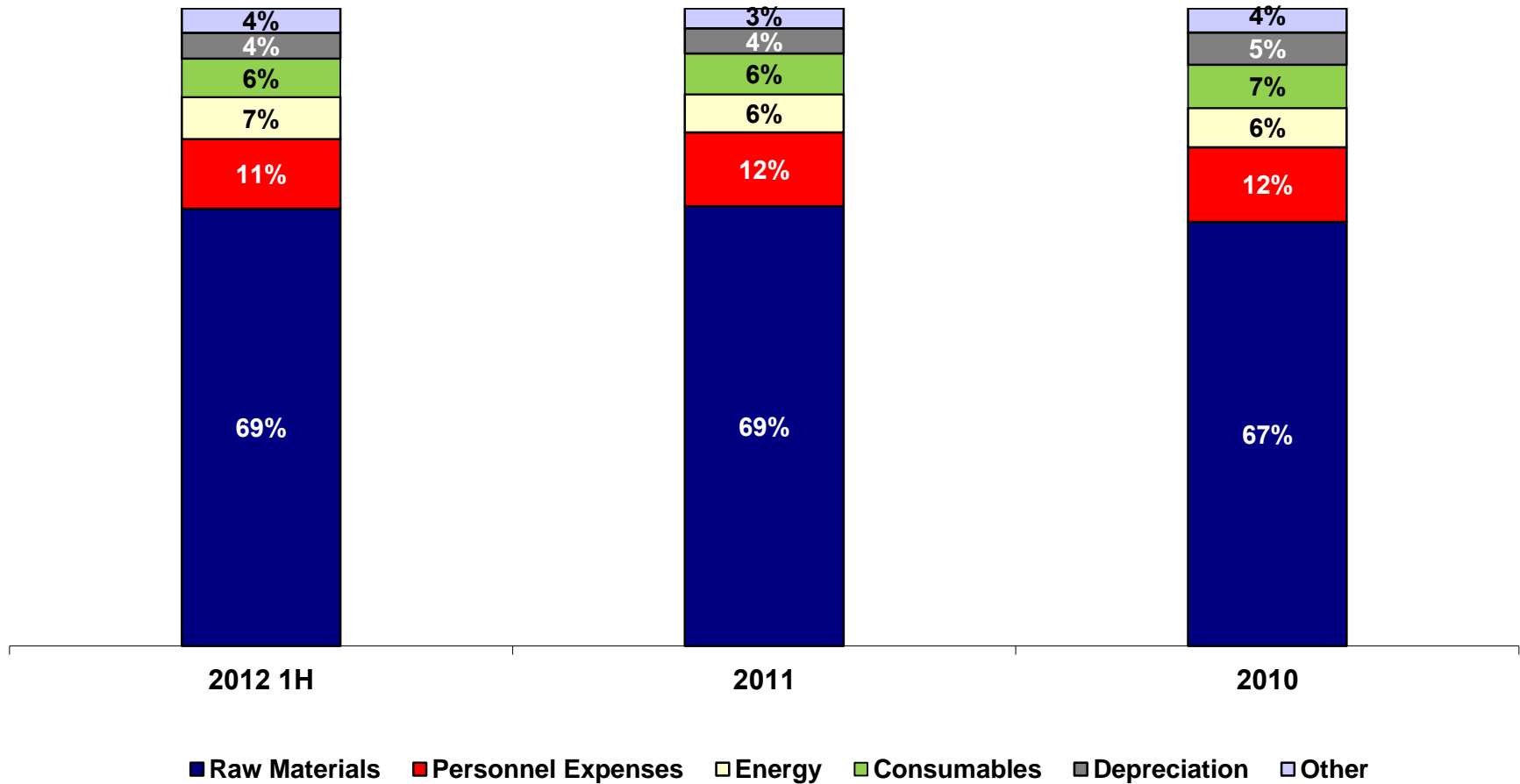
## BORROWINGS ( MILLION USD )



## BORROWINGS MATURITY PROFILE ( MILLION USD )



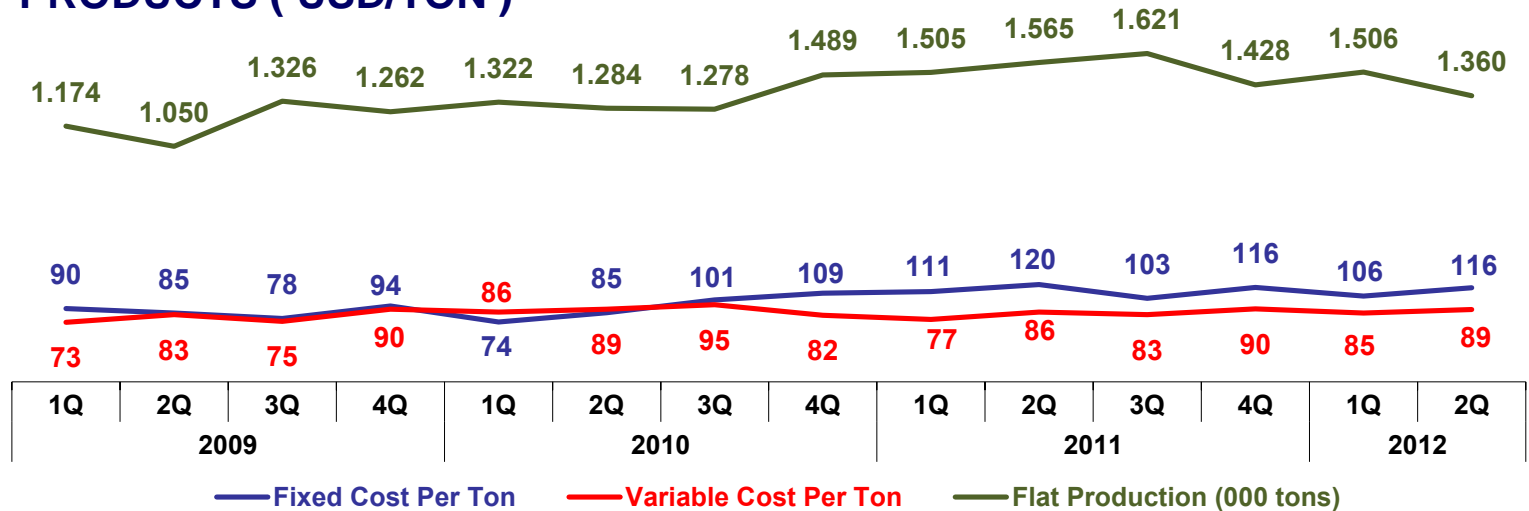
## COST OF PRODUCTION BREAKDOWN\* - %



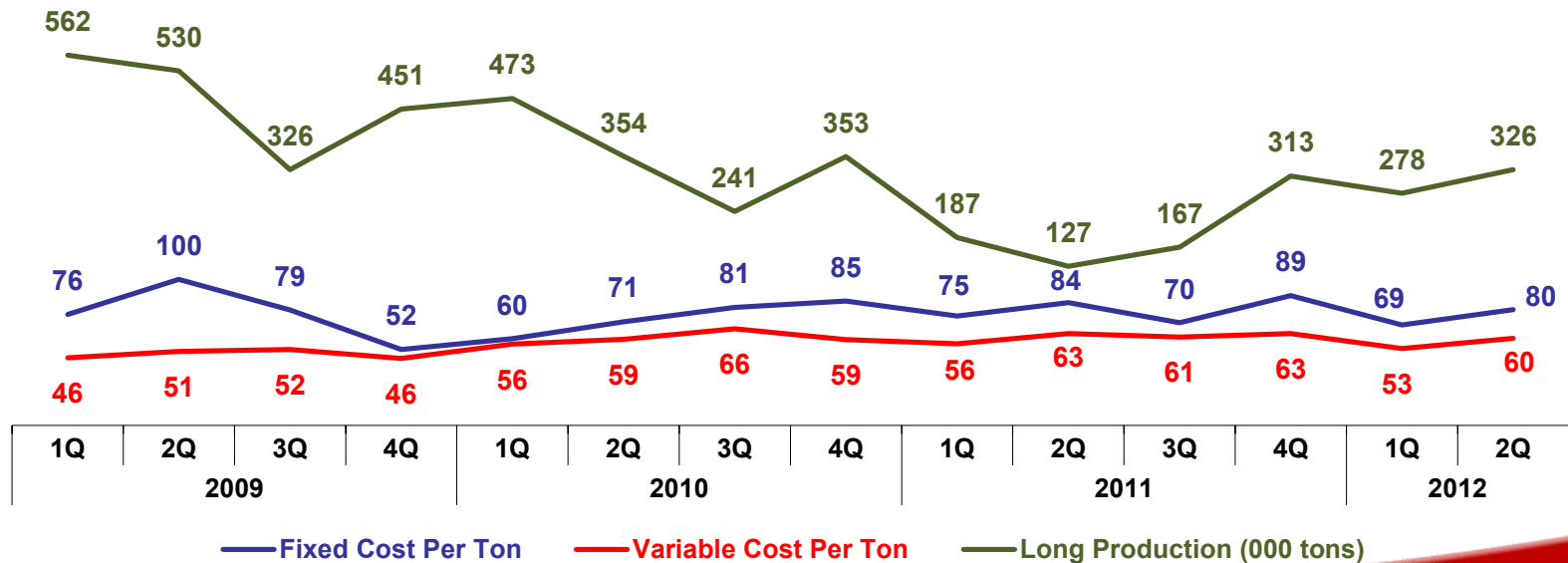


# Flat cost per ton excluding raw materials was realised as 205 USD/ton in 2012 1H

## FLAT PRODUCTS ( USD/TON )\*

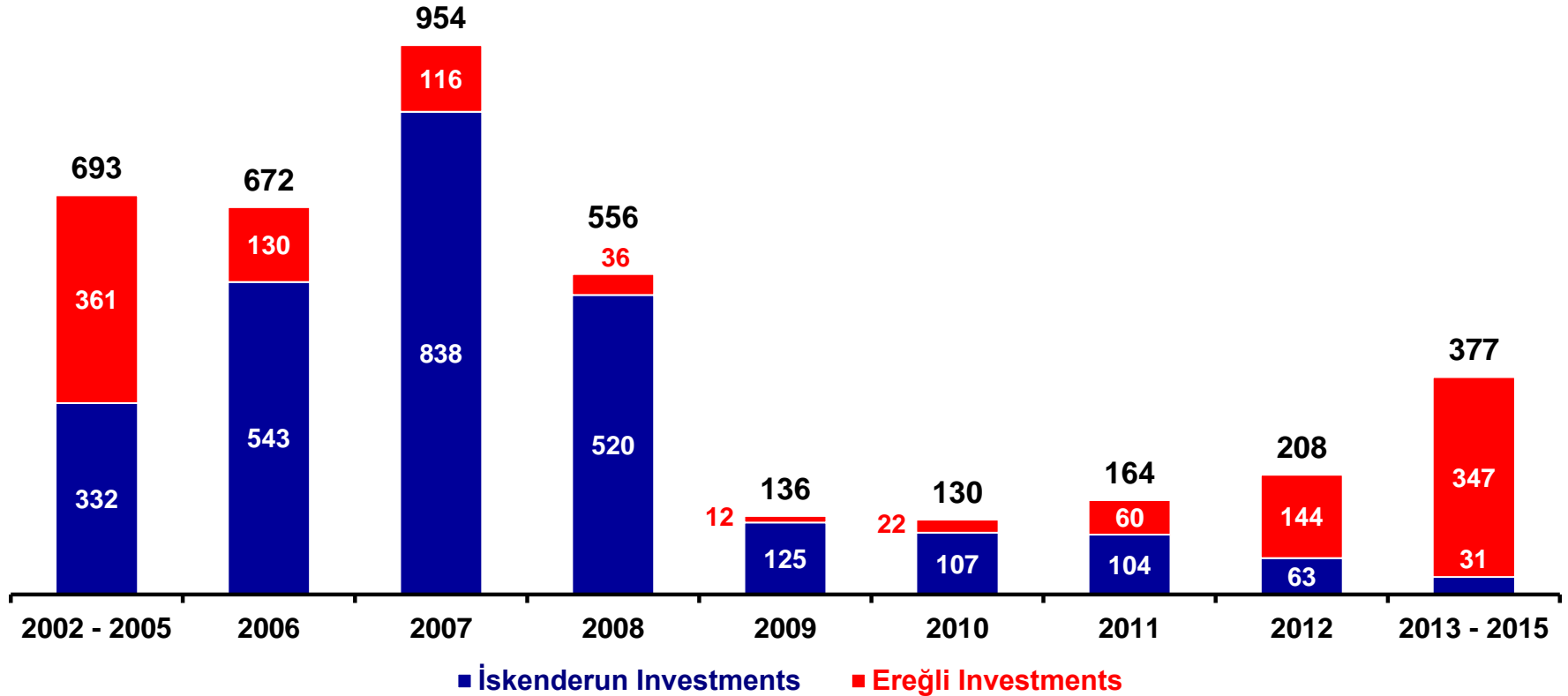


## LONG PRODUCTS ( USD/TON )\*



# Capital expenditures of 208 million USD is planned for 2012

( M USD )



## NUMBER OF EMPLOYEES

