





2017 3 Months Consolidated Results

20 April 2017

DISCLAMIER

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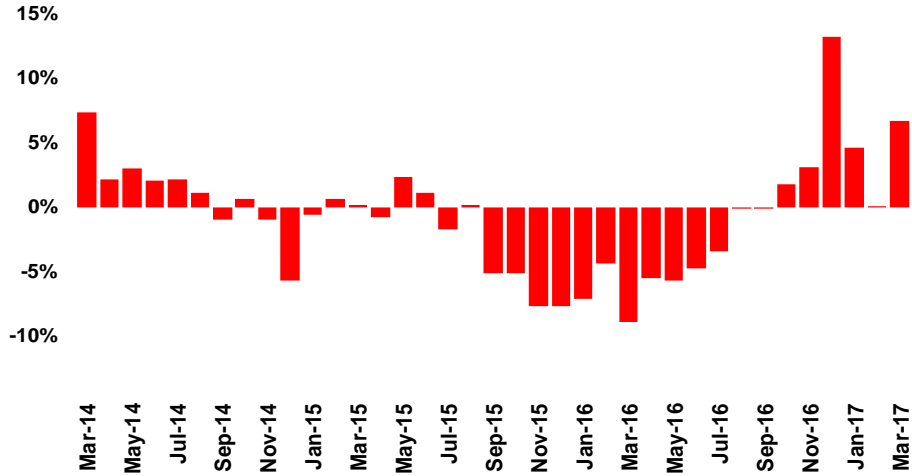


- > **2017 Market Overview**
- > 2017 3M Results

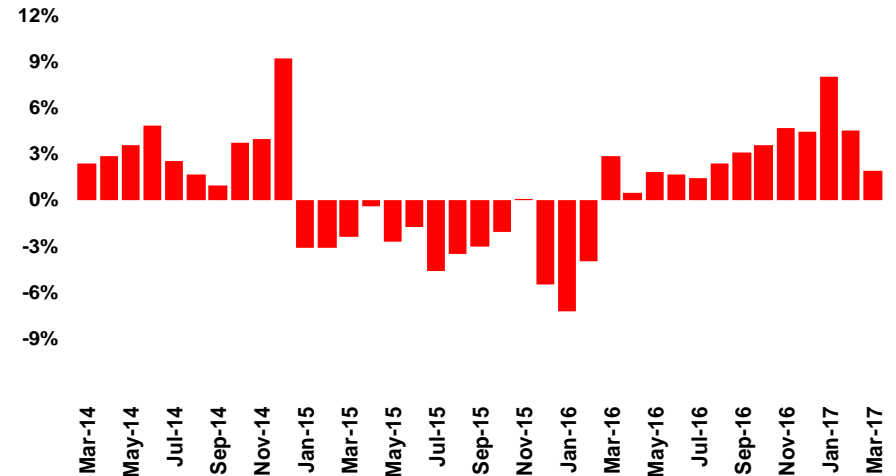


In EU28, crude steel production increased by 7% (YoY)

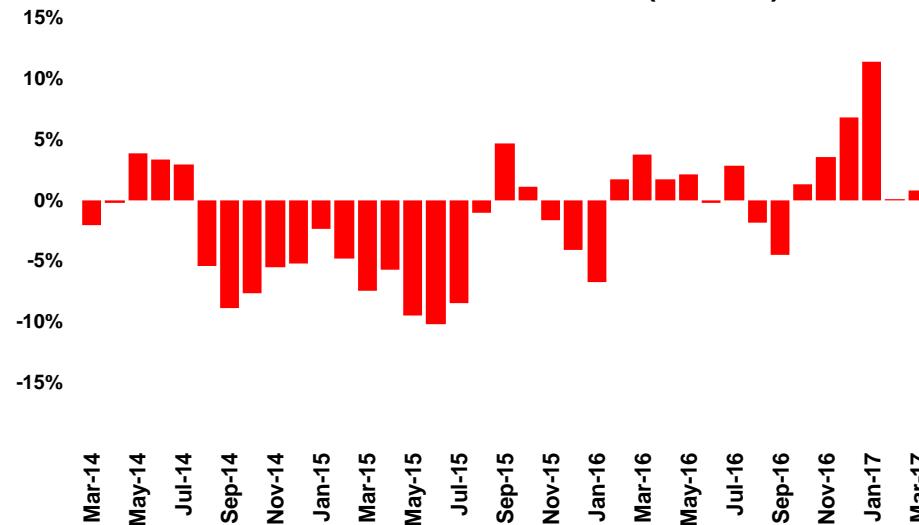
EU28 CRUDE STEEL PRODUCTION (YoY %)*



CHINA CRUDE STEEL PRODUCTION (YoY %)*



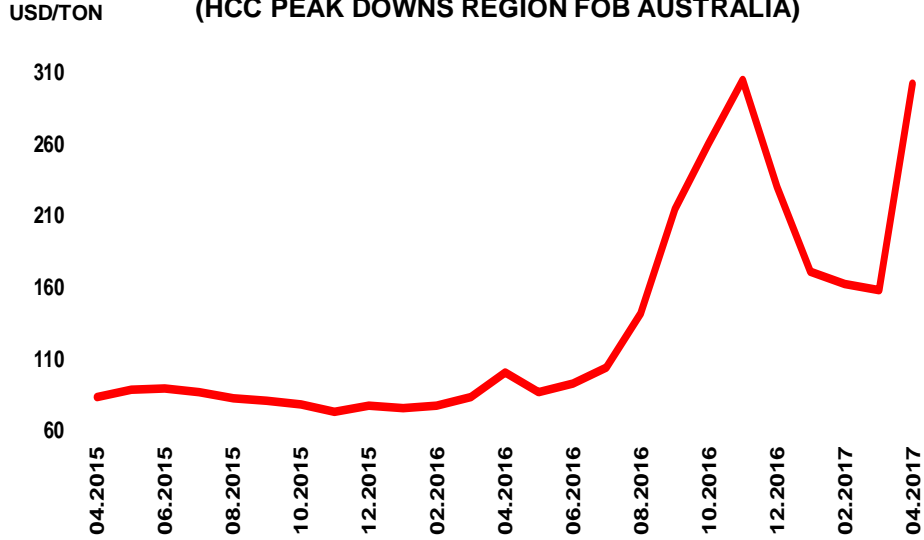
CIS CRUDE STEEL PRODUCTION (YoY %)*



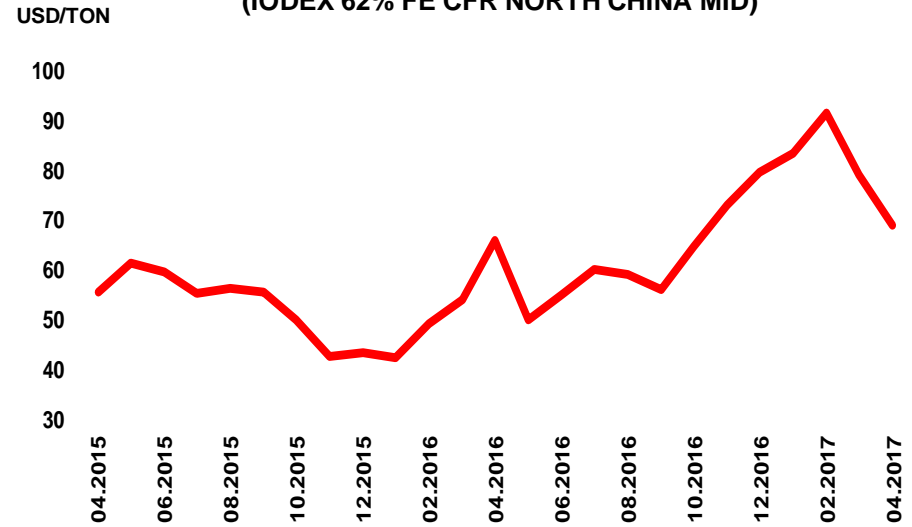
Coking coal price increased to 302 USD/ton in April 2017



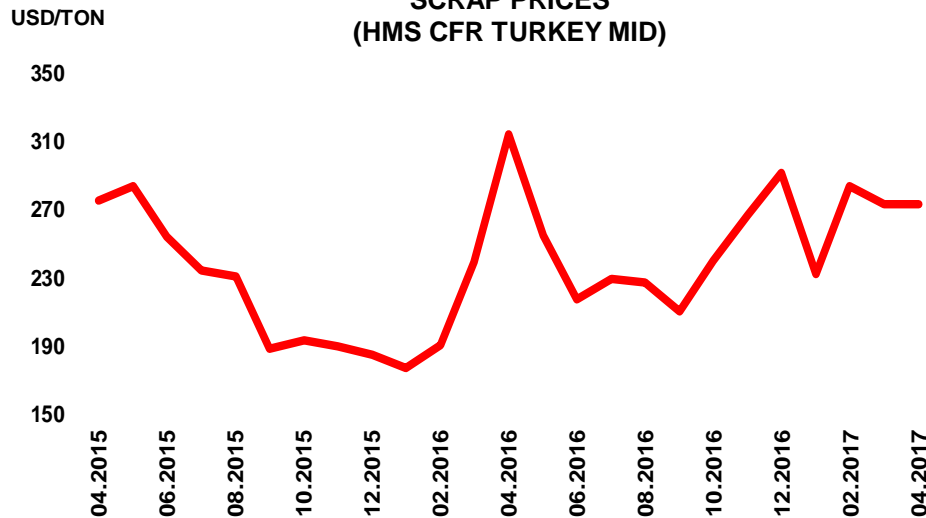
COKING COAL PRICES
(HCC PEAK DOWNS REGION FOB AUSTRALIA)



IRON ORE PRICES
(IODEX 62% FE CFR NORTH CHINA MID)



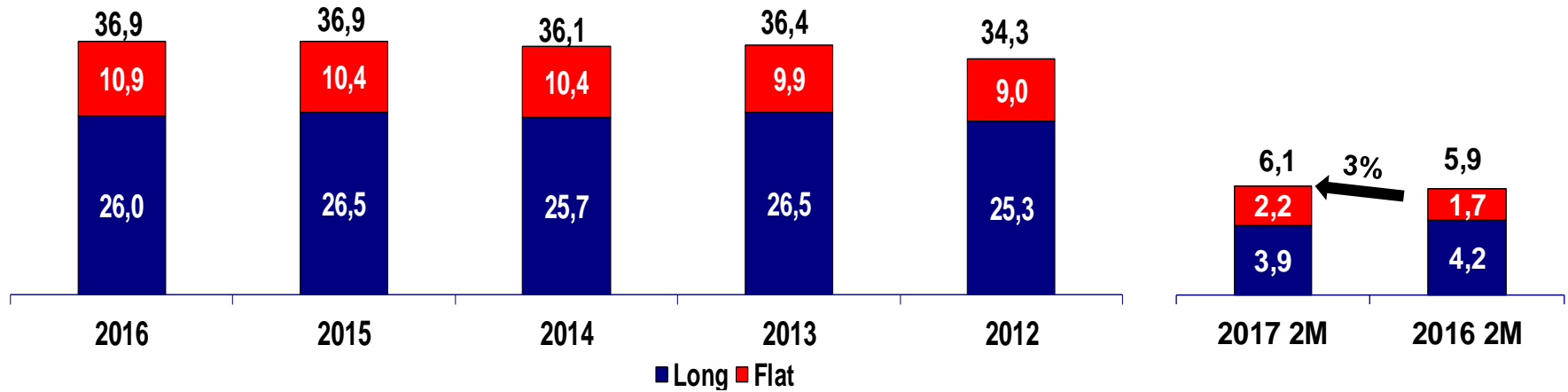
SCRAP PRICES
(HMS CFR TURKEY MID)



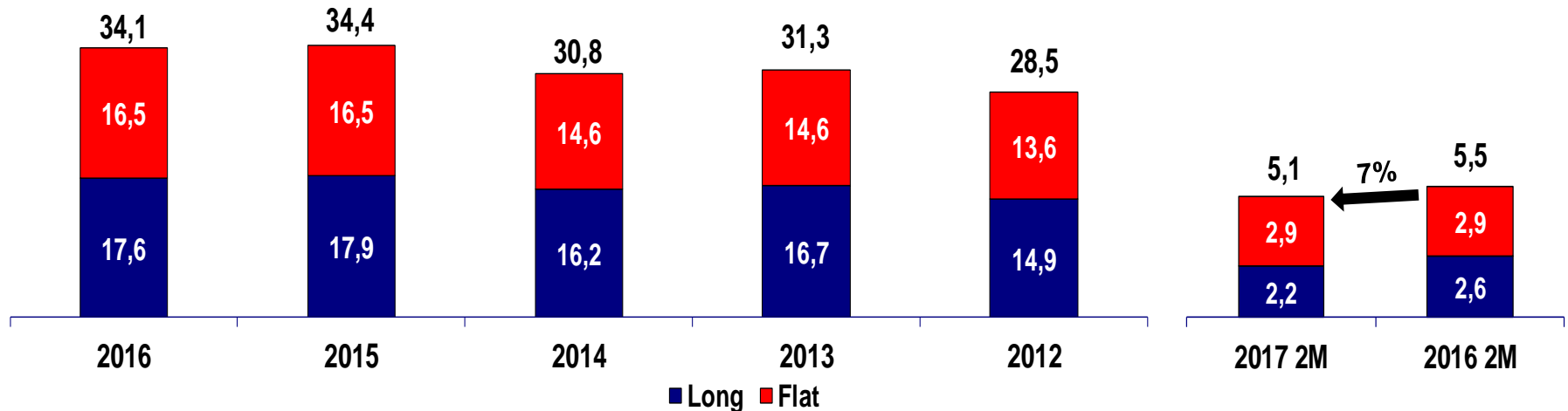
Turkish steel production increased by 3% in 2017 2M YoY



PRODUCTION (MILLION TONS)



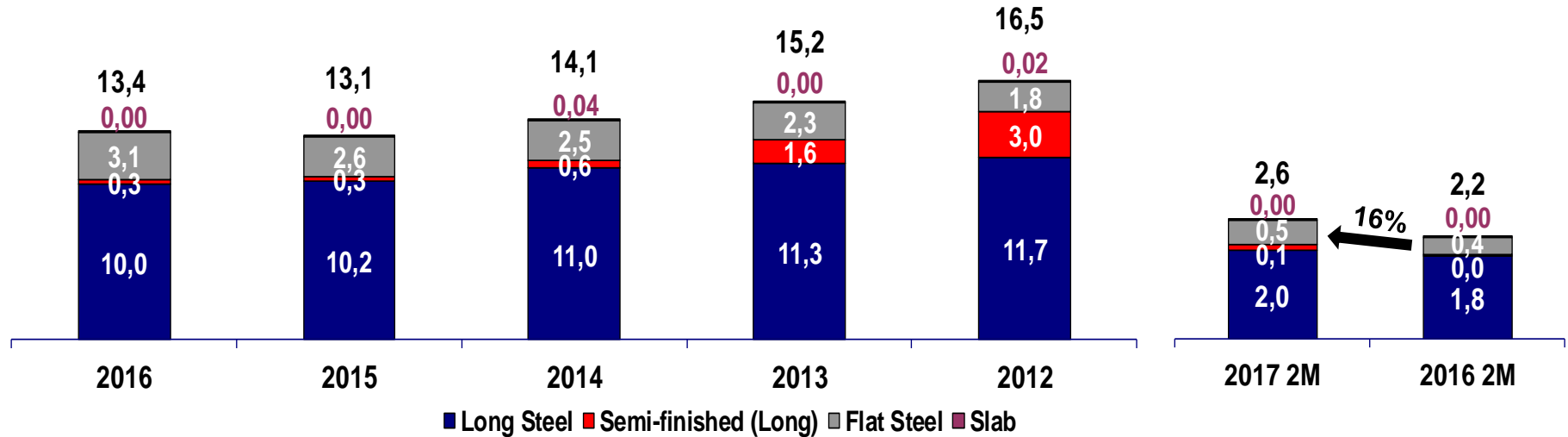
CONSUMPTION (MILLION TONS)



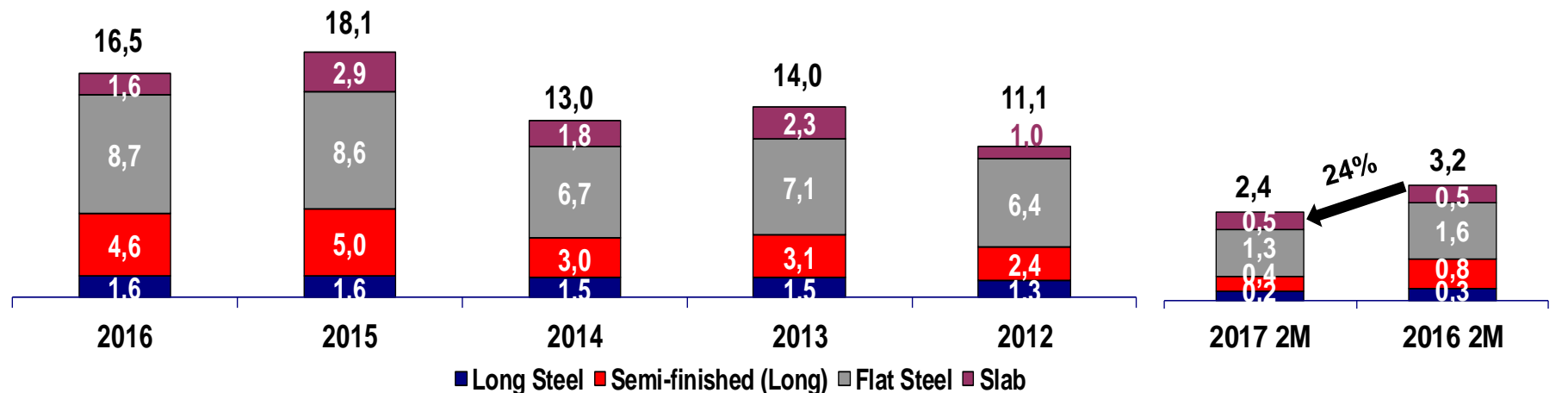
Turkish iron and steel product exports increased by 16% in 2017 2M YoY



IRON AND STEEL PRODUCT EXPORTS (MILLION TONS)



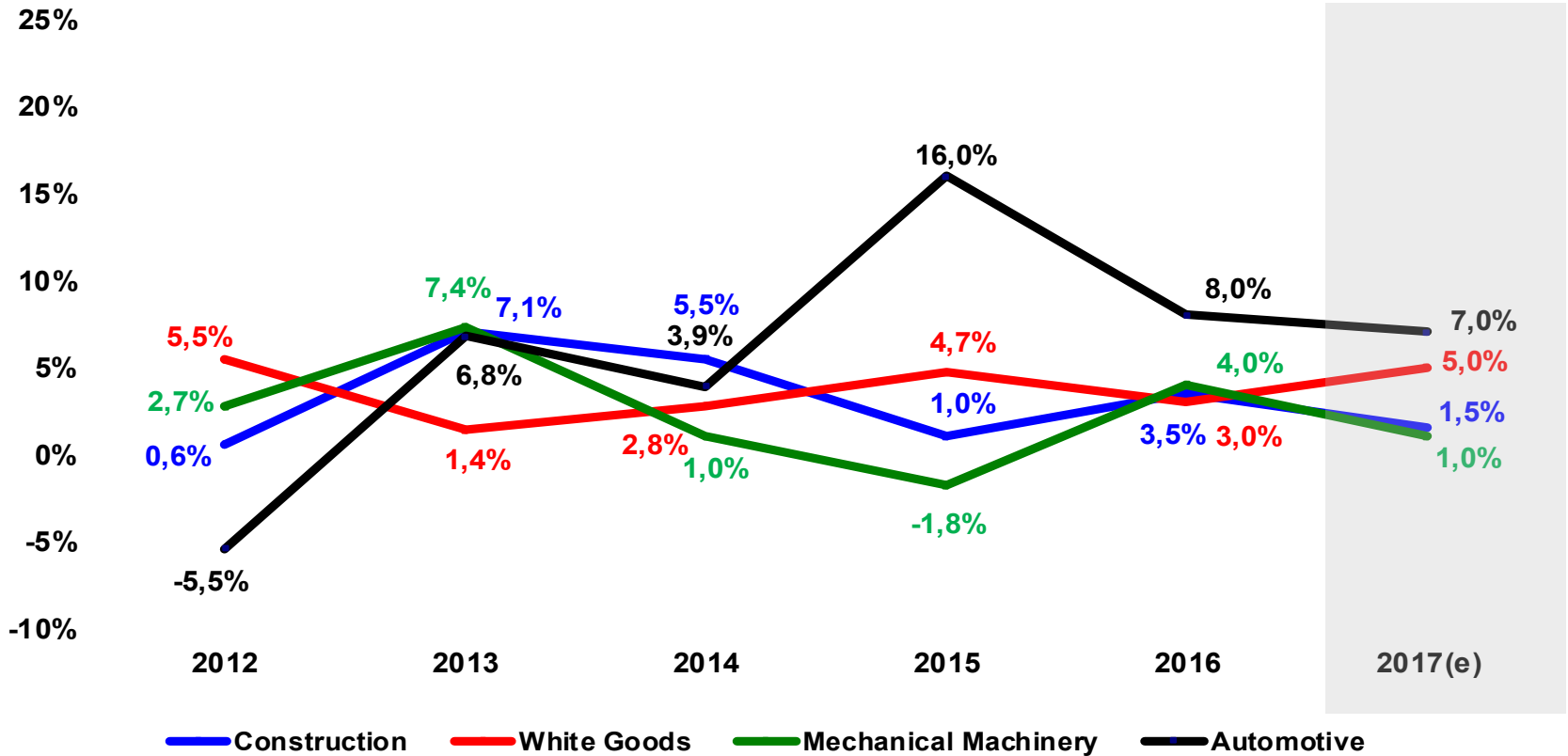
IRON AND STEEL PRODUCT IMPORTS (MILLION TONS)



Acceleration in the white goods sector's growth rate is expected



CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)





- > 2017 Market Overview
- > **2017 3M Results**

ERDEMİR GROUP KEY FIGURES

		2017 3M	2016 3M	2016	2015
Liquid Steel Production	<i>(000 Tons)</i>	↓ 2.350	2.362	9.373	9.122
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑ 1.996	1.928	7.605	7.349
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑ 1.857	1.821	7.072	7.400
Long Steel Production	<i>(000 Tons)</i>	↓ 298	396	1.572	1.563
Flat Steel Shipments	<i>(000 Tons)</i>	↓ 1.745	1.891	7.163	7.229
Long Steel Shipments	<i>(000 Tons)</i>	↓ 300	398	1.587	1.552
Net Sales Revenue	<i>(M. USD)</i>	↑ 1.135	875	3.855	4.382
EBITDA	<i>(M. USD)</i>	↑ 359	124	895	770
Net Profit For The Year	<i>(M. USD)</i>	↑ 244	56	502	414

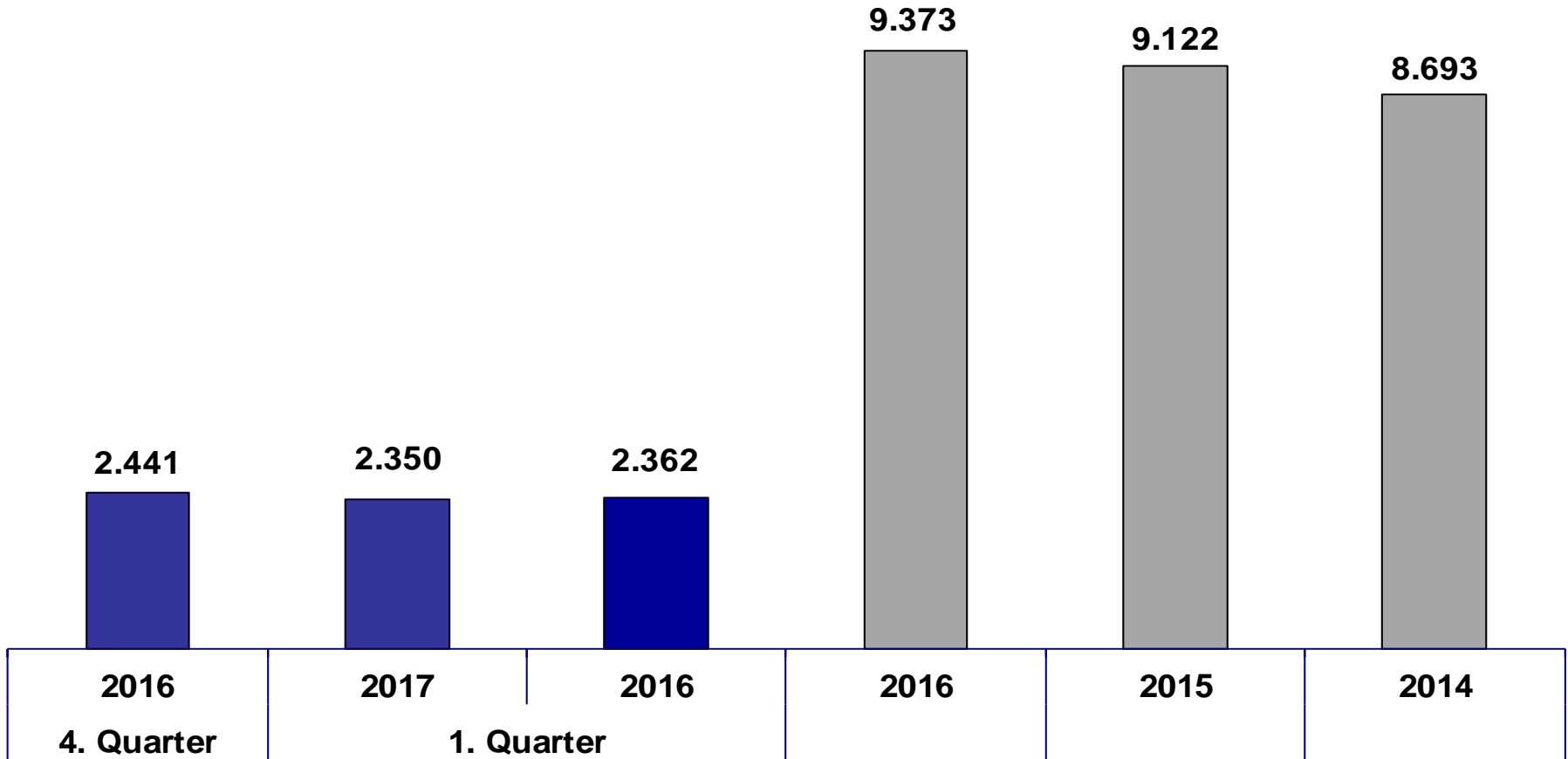
All figures are on IFRS consolidated basis unless stated otherwise.

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

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

Liquid steel production was 2,4 million tons in 1Q 2017

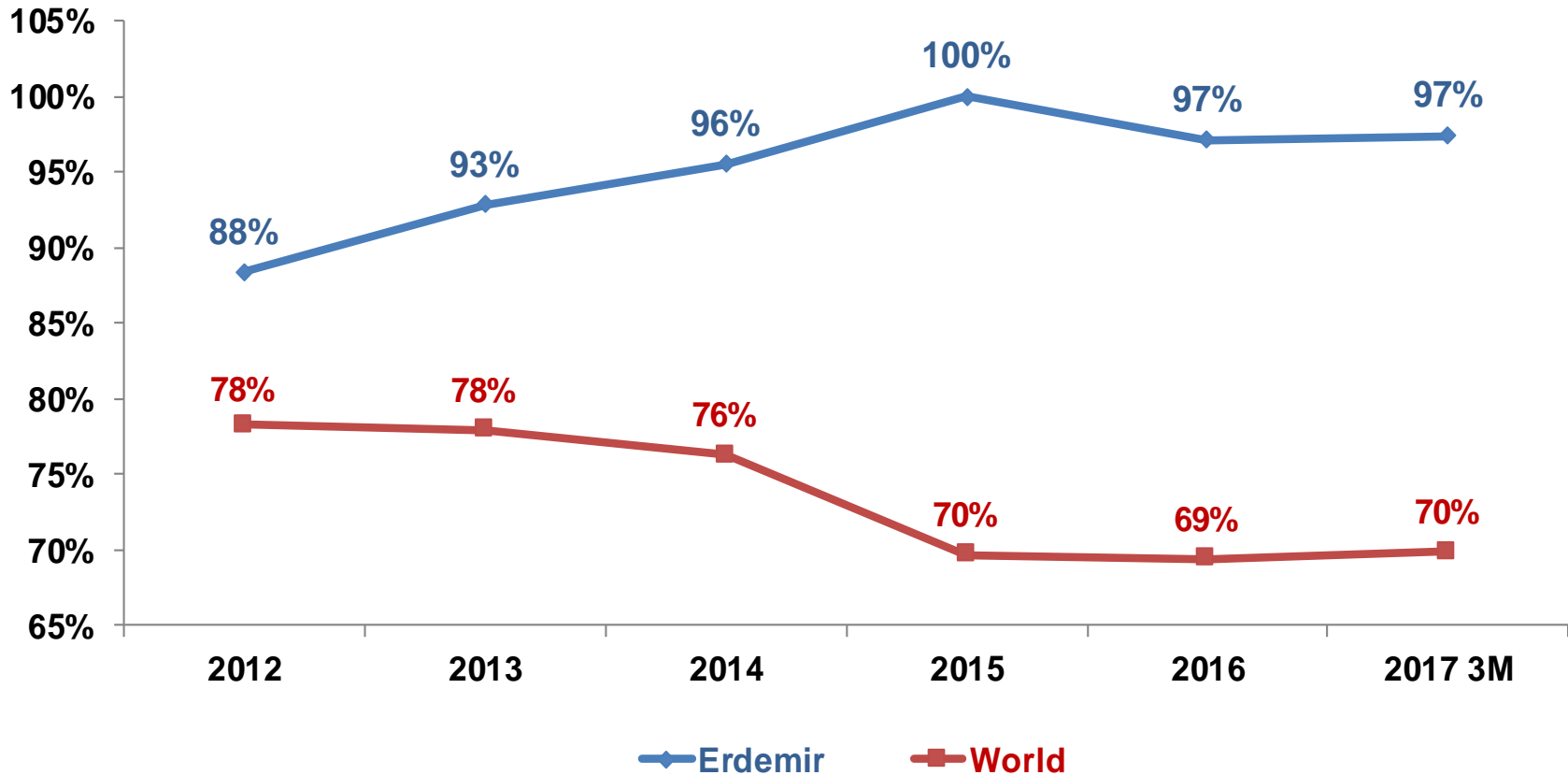
LIQUID STEEL PRODUCTION (000 TONS)



Crude steel capacity utilization ratio of Erdemir is higher than the world average

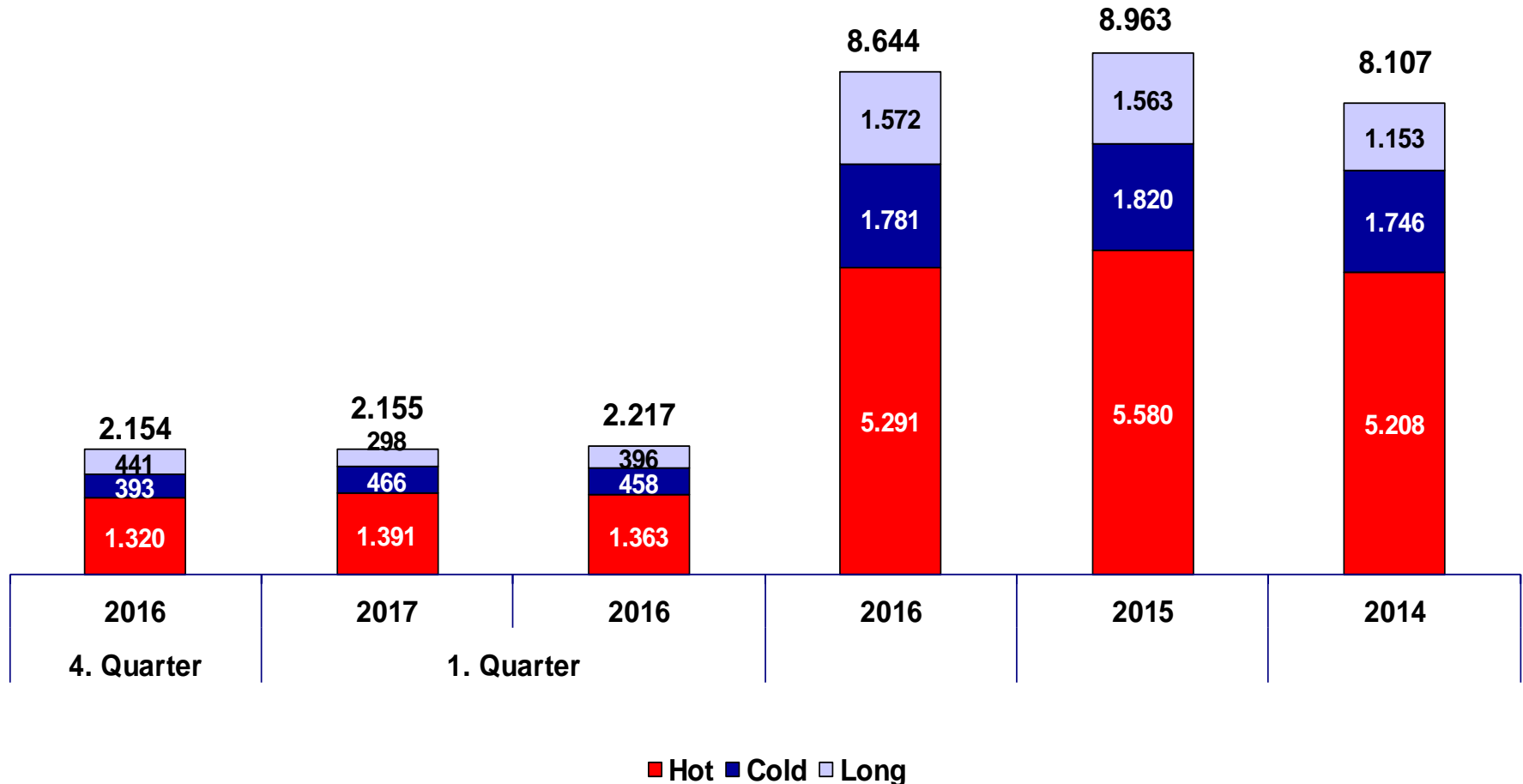


CRUDE STEEL CAPACITY UTILIZATION RATIO



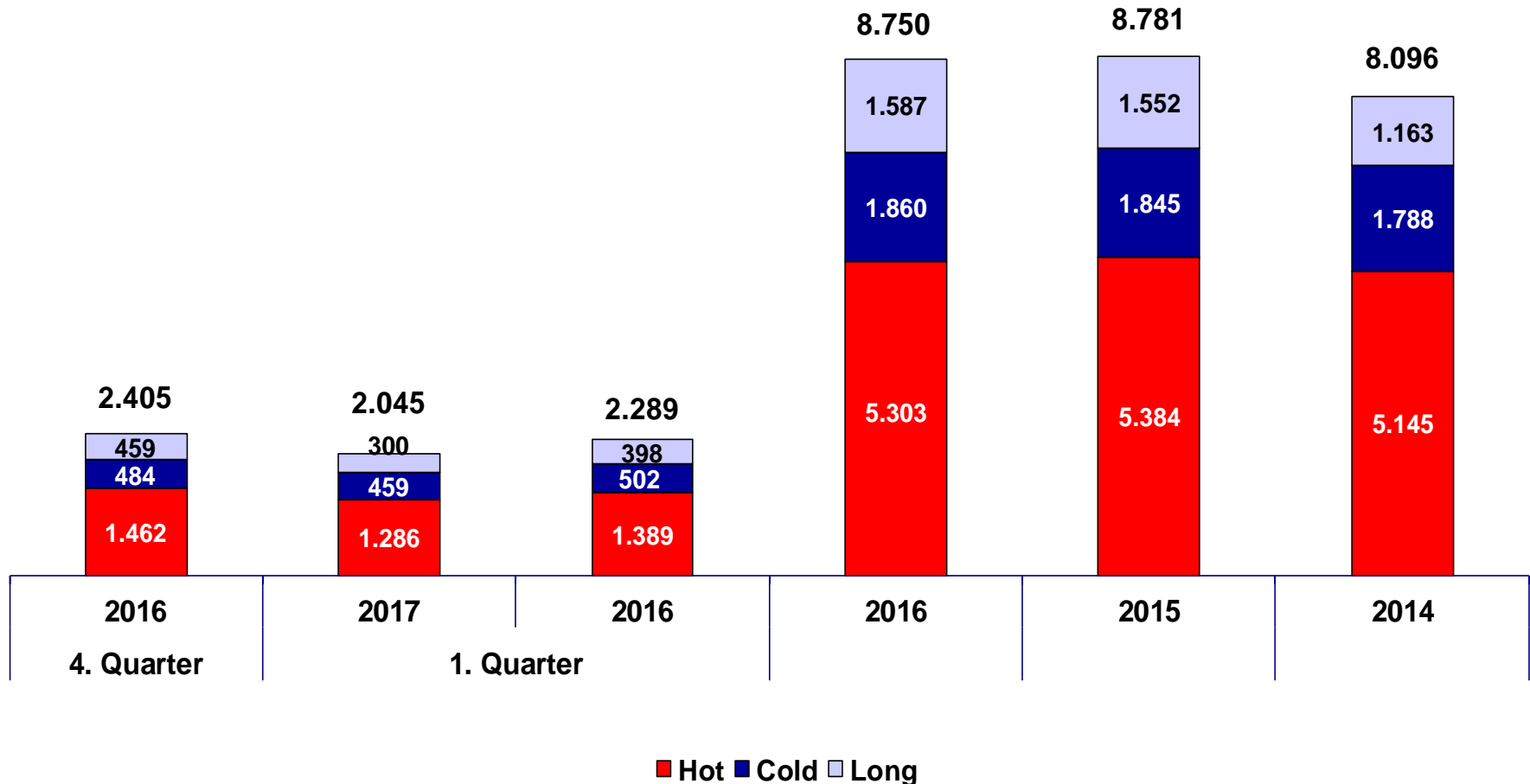
Production was 2,2 million tons in 1Q 2017

PRODUCTION VOLUMES (000 TONS)



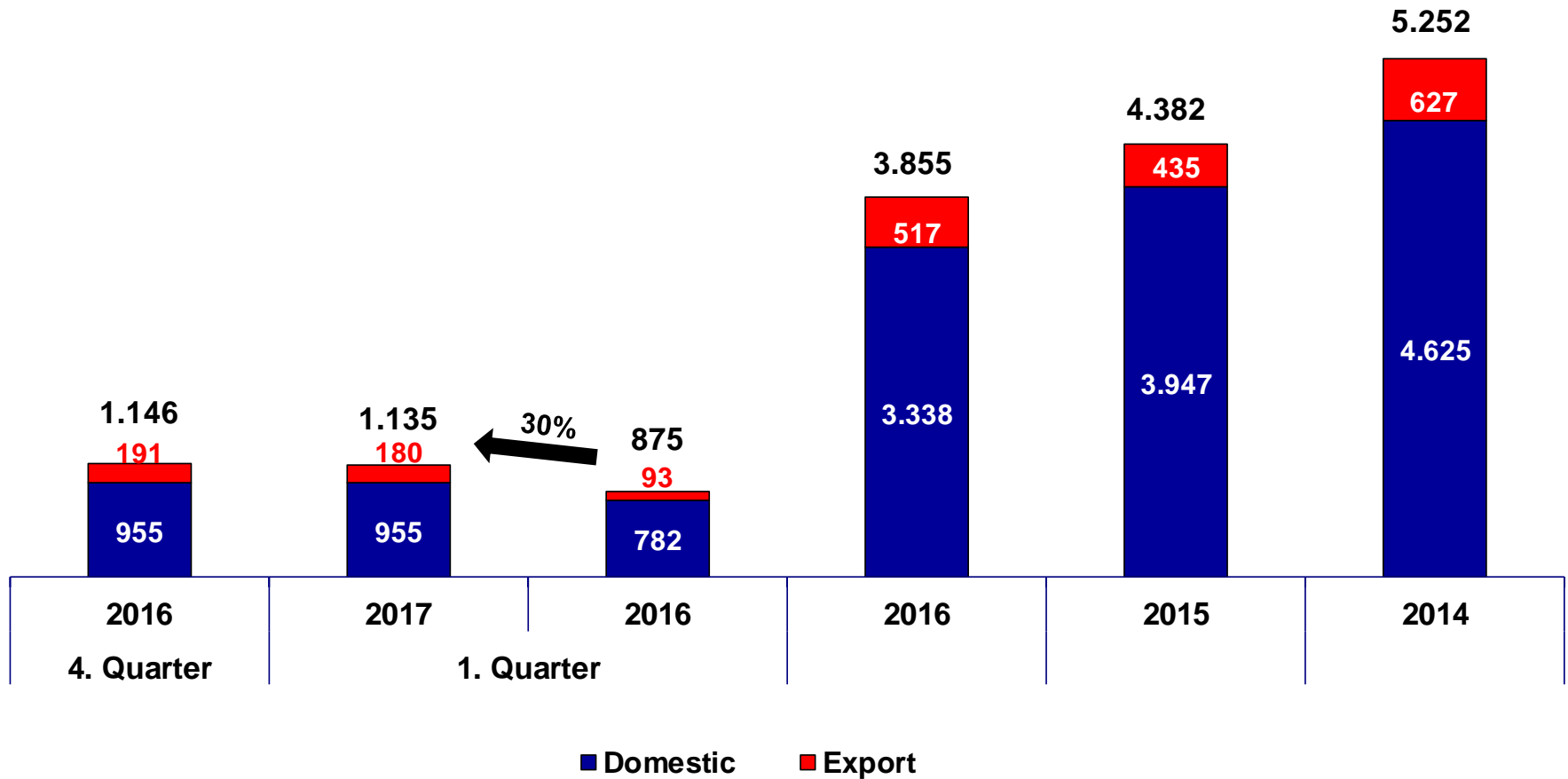
Sales volume was 2 million tons in 1Q 2017

SALES VOLUMES (000 TONS)



Net sales revenue increased by 30% in 1Q 2017 YoY

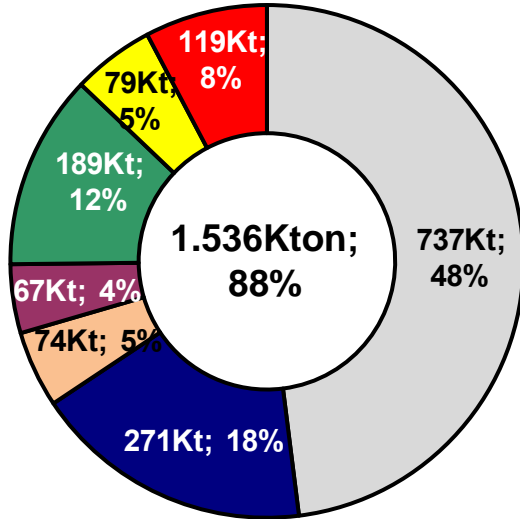
NET SALES REVENUE (MILLION USD)



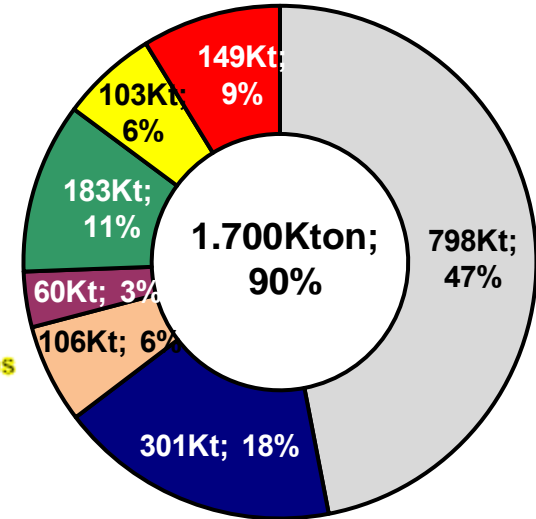
Sales to packaging and automotive sectors increased in 1Q 2017 YoY



3M 2017 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

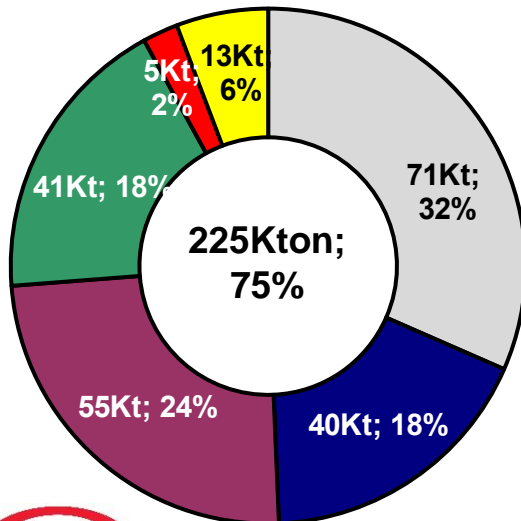


3M 2016 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

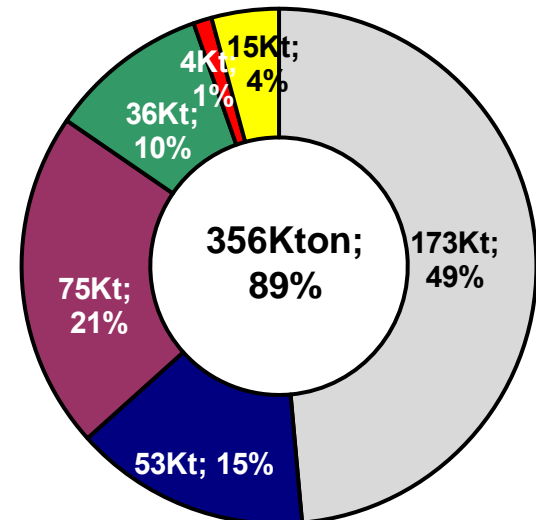


- Pipe&Profile Producers and Re-rollers
- Distribution Chains
- Contract Works
- Packaging Industry
- Automotive and Components
- White Goods and Household Appliances
- General Manufacturing & Heavy Ind.

3M 2017 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



3M 2016 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



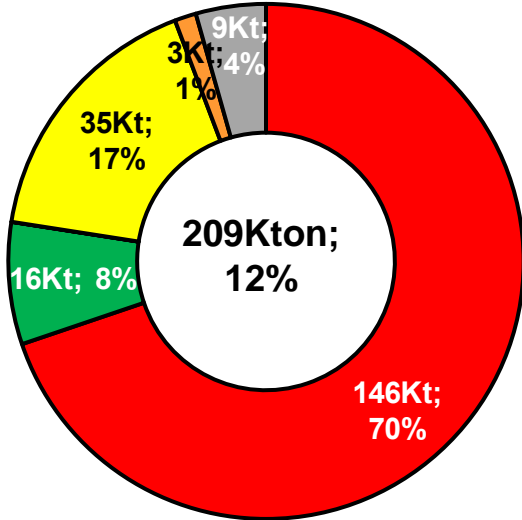
- Rebar Producers
- Profile Producers
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other



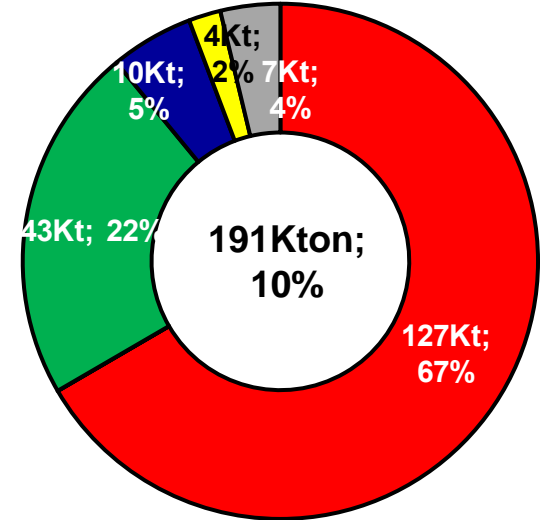
Flat steel sales to EU countries was 70% of our flat export in 1Q 2017



3M 2017 FLAT STEEL EXPORTS BREAKDOWN (%)

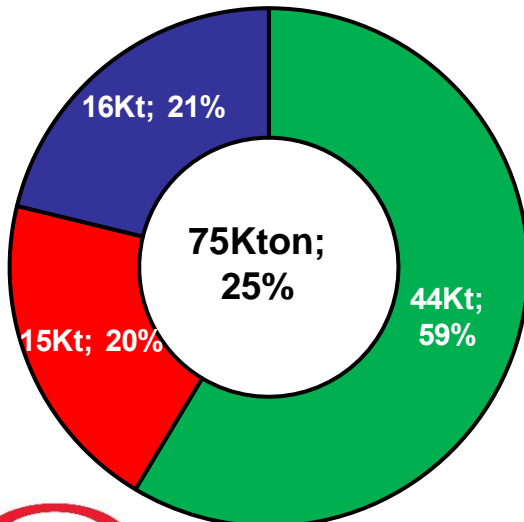


3M 2016 FLAT STEEL EXPORTS BREAKDOWN (%)

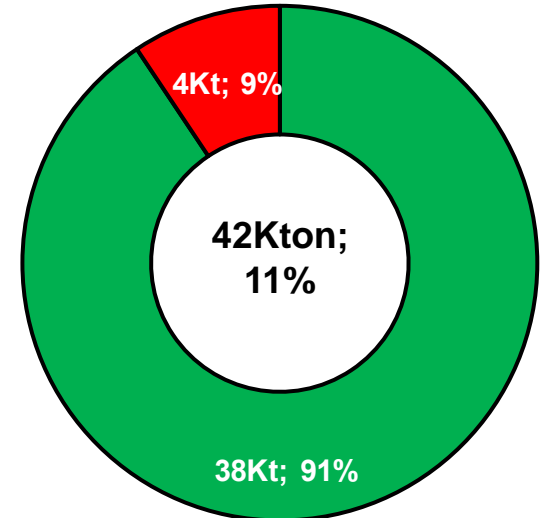


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

3M 2017 LONG STEEL EXPORTS BREAKDOWN (%)



3M 2016 LONG STEEL EXPORTS BREAKDOWN (%)



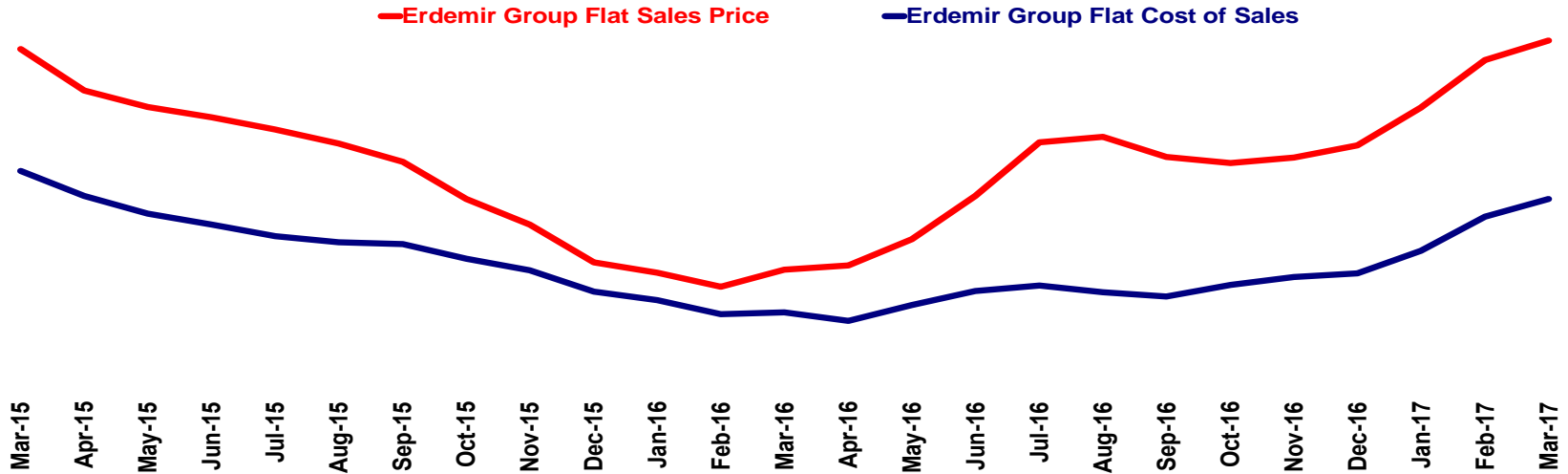
- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other



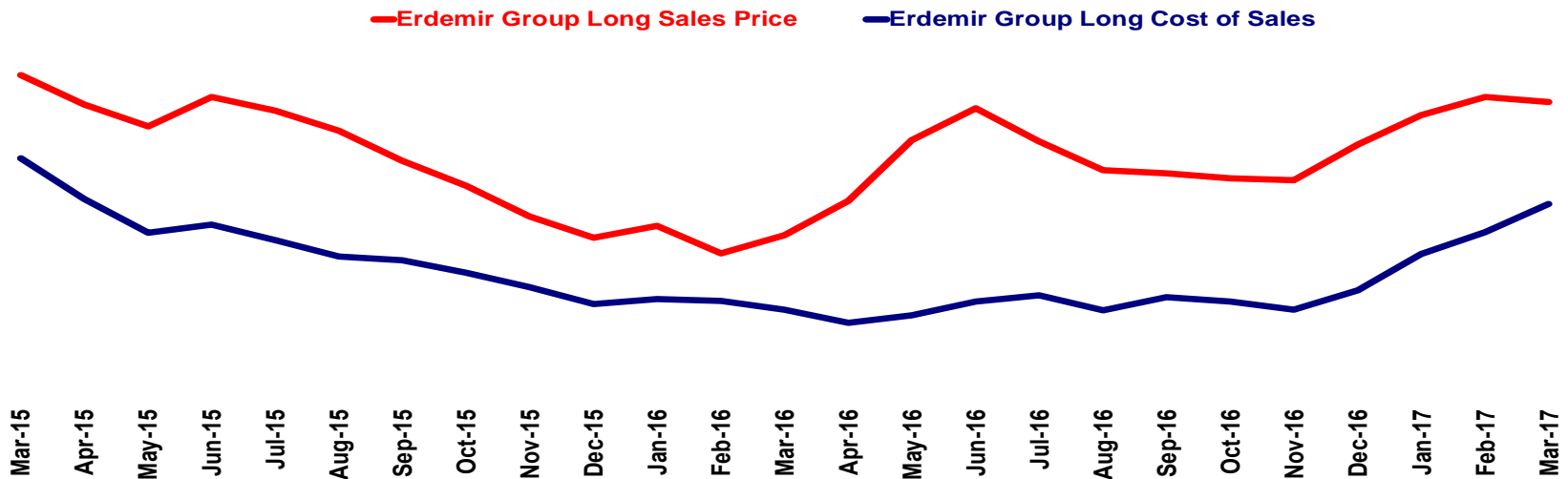
In 2017 1Q, Erdemir's average flat and long steel prices were 556 USD/ton and 433 USD/ton respectively



USD/TON

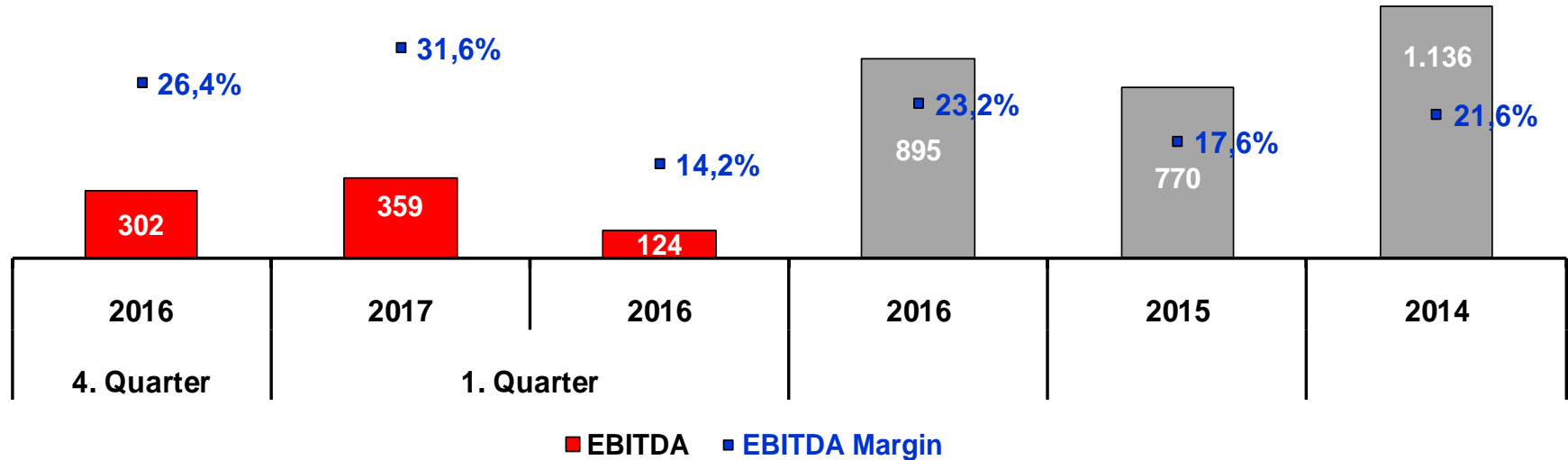


USD/TON

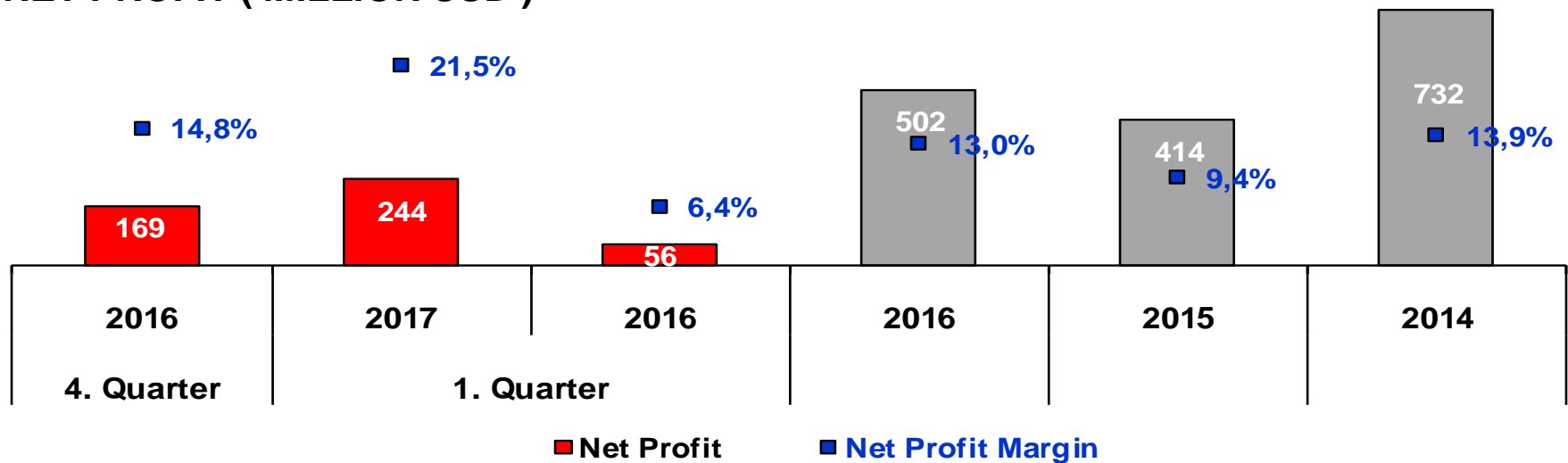


Net profit increased by 339% in 1Q 2017 YoY

EBITDA (MILLION USD)

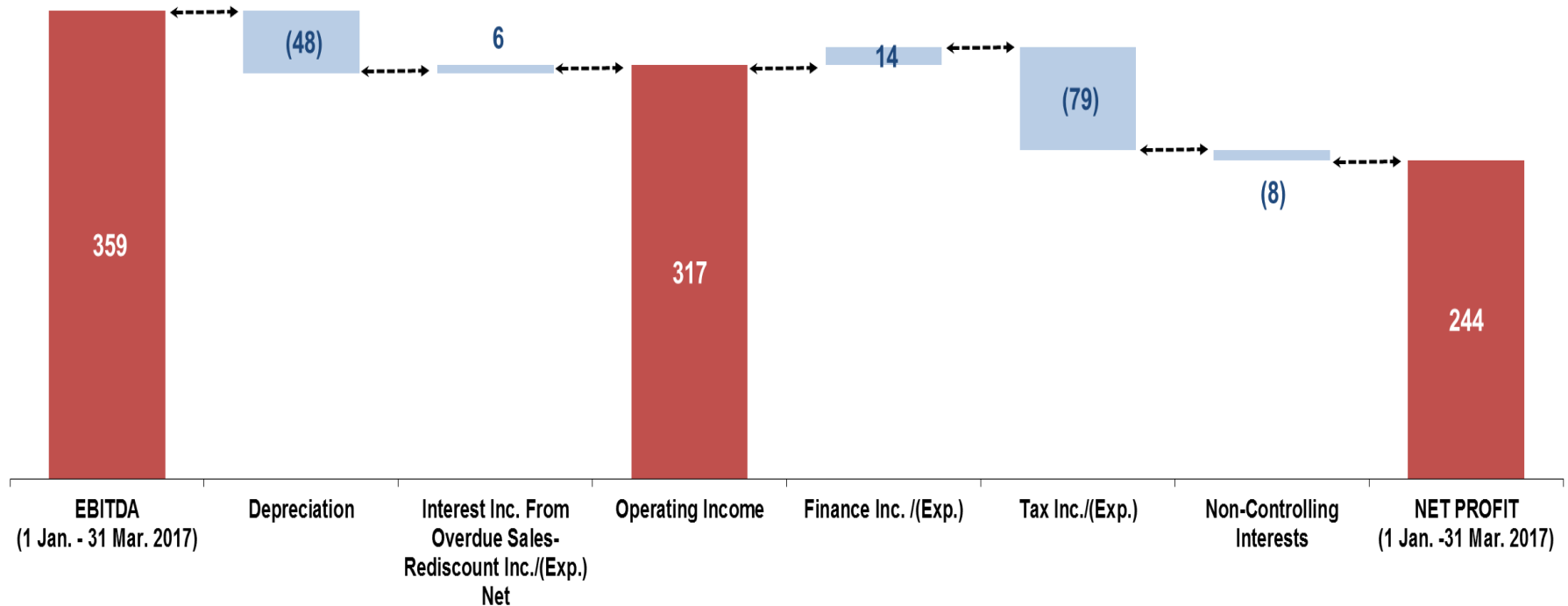


NET PROFIT (MILLION USD)



EBITDA was 359 million USD in 1Q 2017

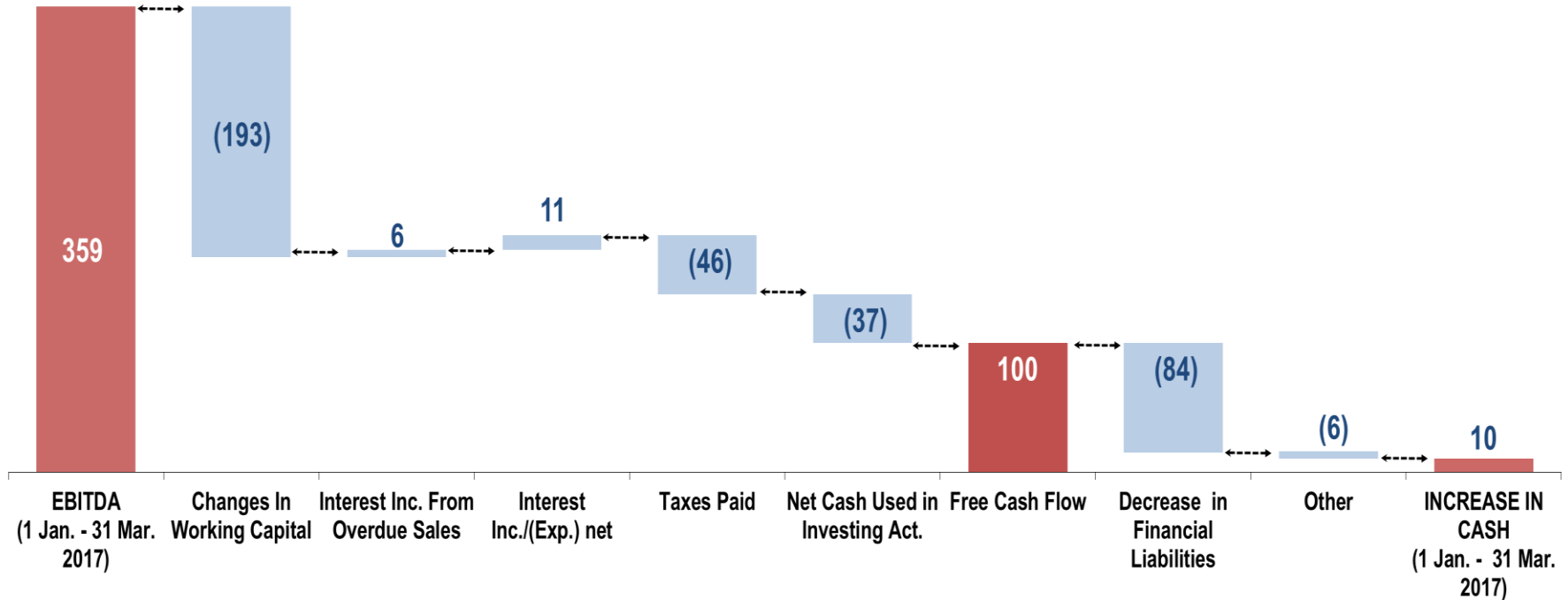
Consolidated EBITDA => Consolidated Net Profit (Million USD)



EBITDA, which was generated in 1Q 2017, was used for working capital



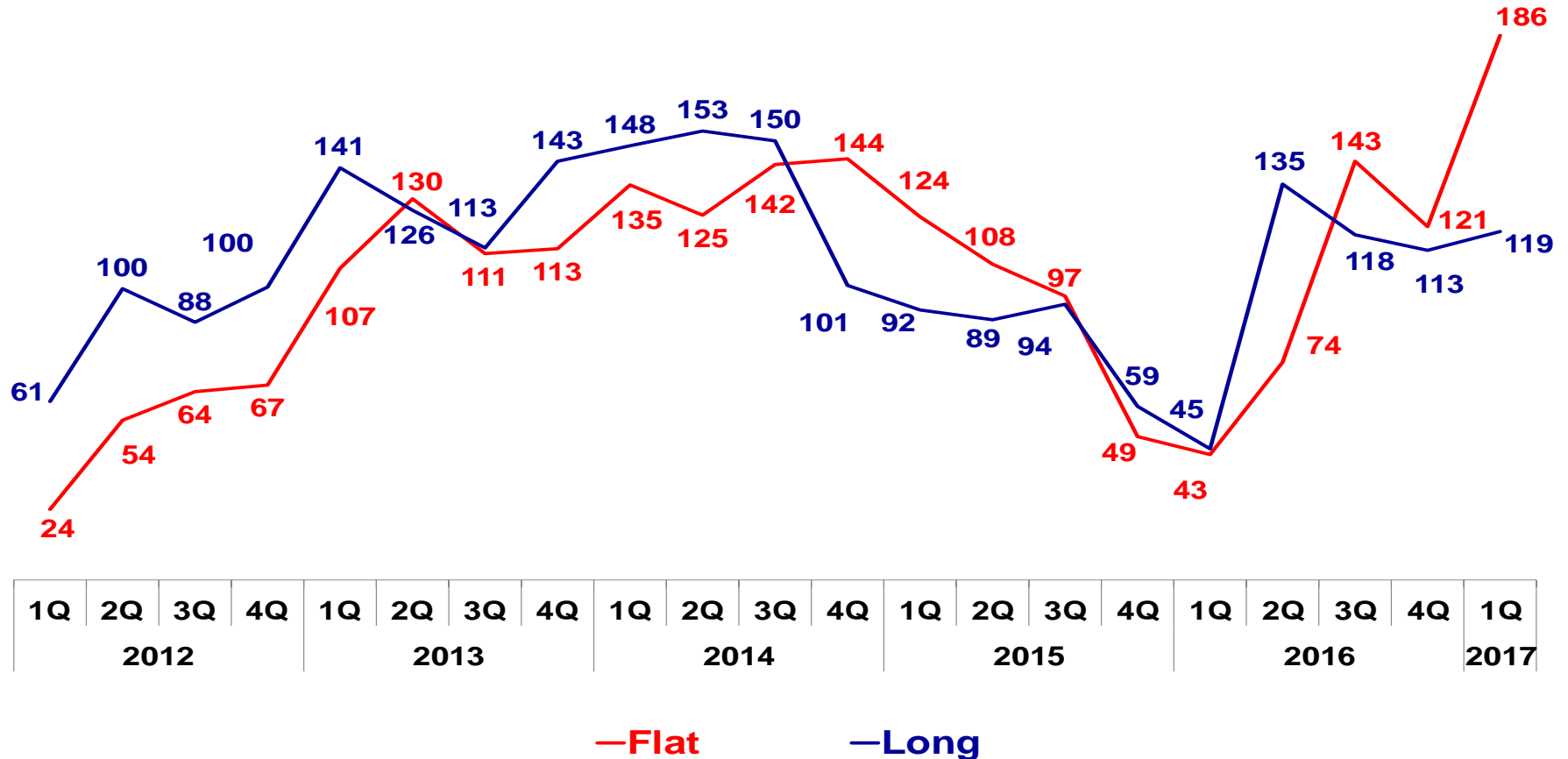
Consolidated EBITDA => Consolidated Net Cash (Million USD)



EBITDA per ton for flat product was 186 USD/ton in 2017 1Q

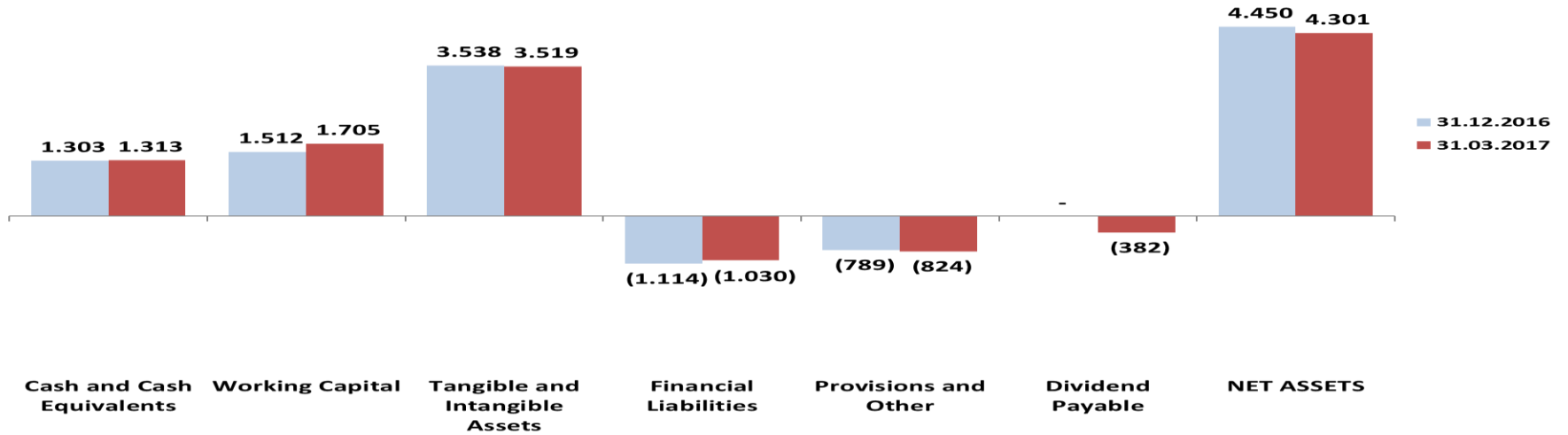


EBITDA PER TON (USD/TON) *

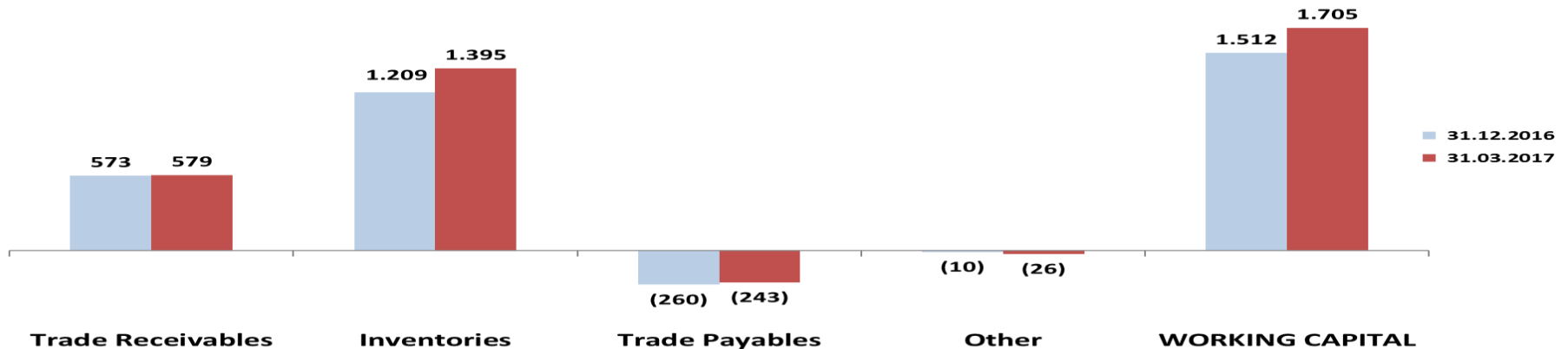


Net assets were 4,3 billion USD at the end of 1Q 2017

CONSOLIDATED NET ASSETS (MILLION USD)

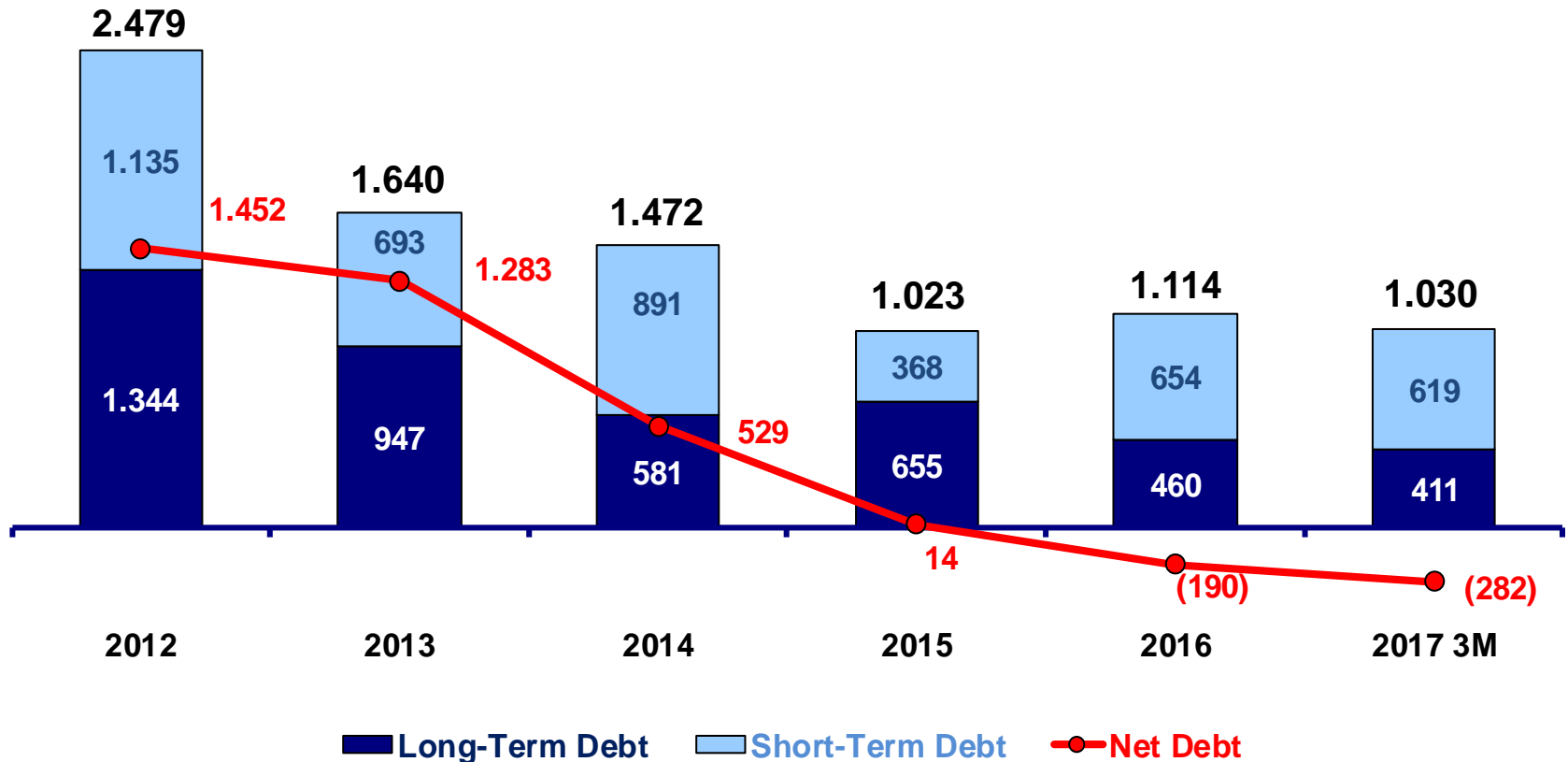


WORKING CAPITAL (MILLION USD)



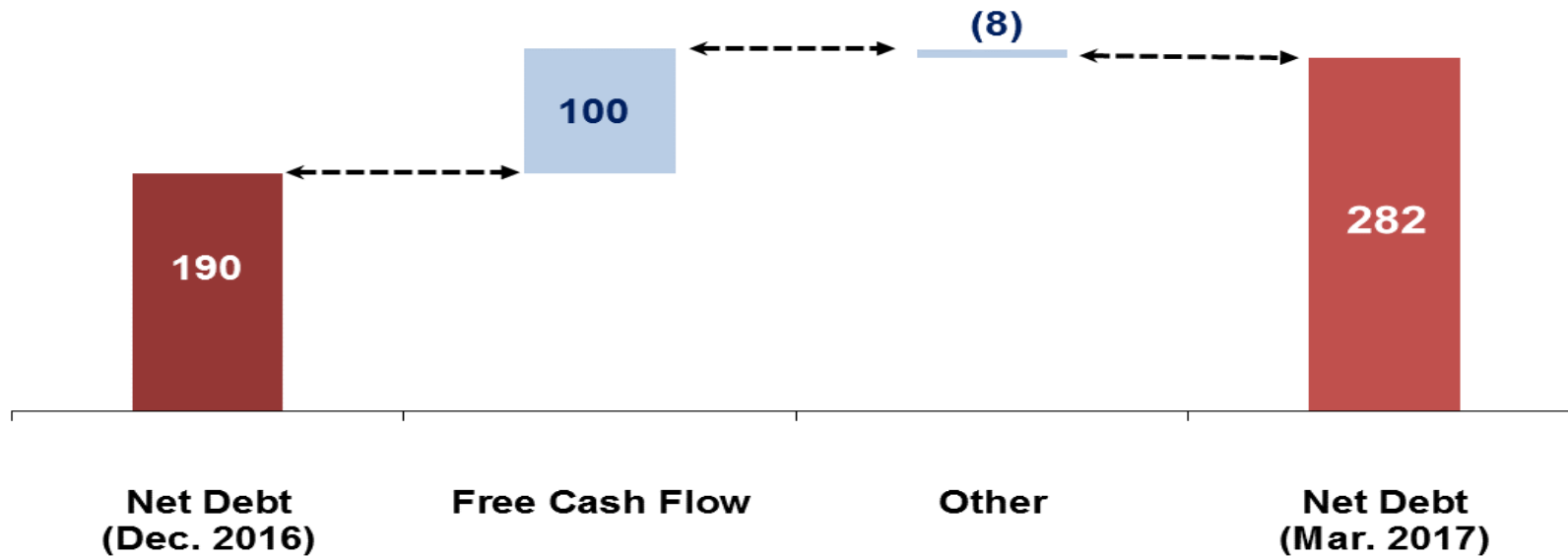
Despite the high dividend payments, there is no net debt

BORROWINGS (MILLION USD)



Net debt was positive at the end of 1Q 2017

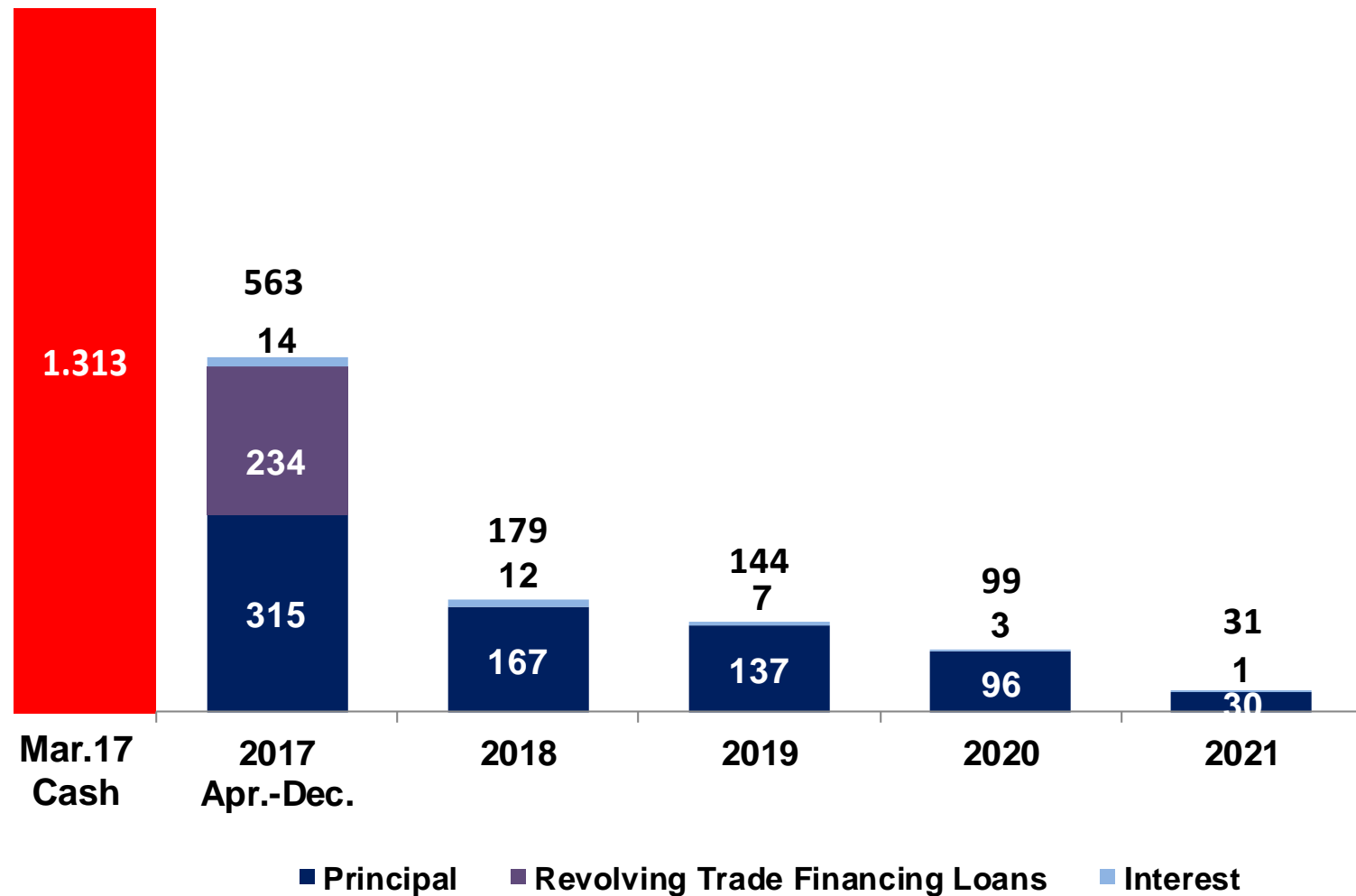
NET DEBT (MILLION USD)



Erdemir has 1.313 million USD cash and cash equivalents at the end of 1Q 2017

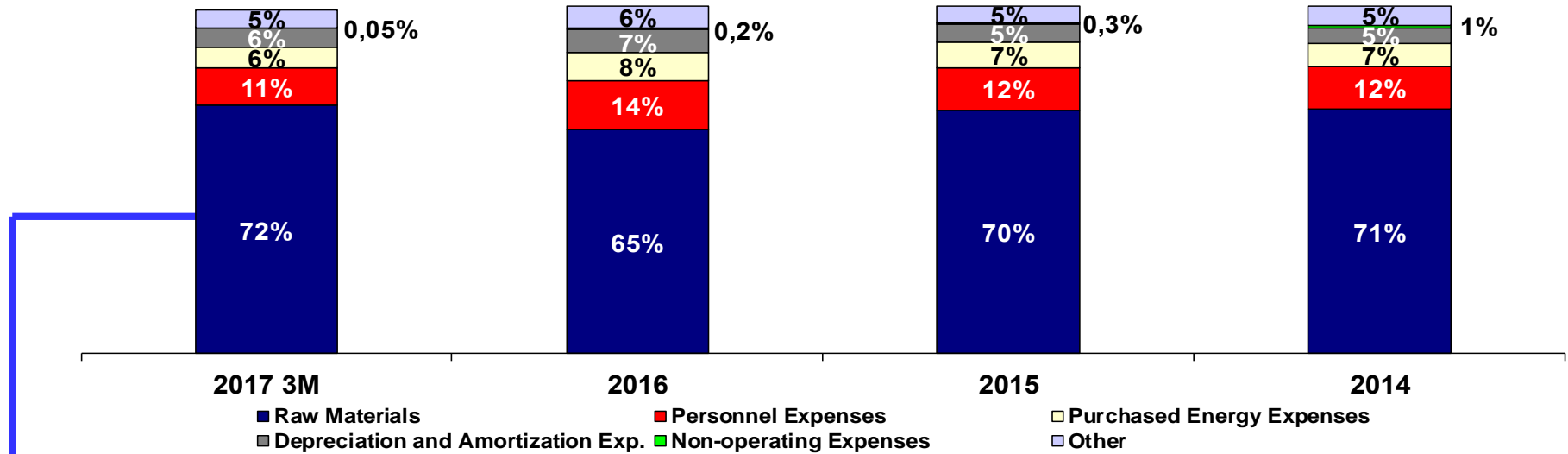


BORROWINGS MATURITY PROFILE (MILLION USD)

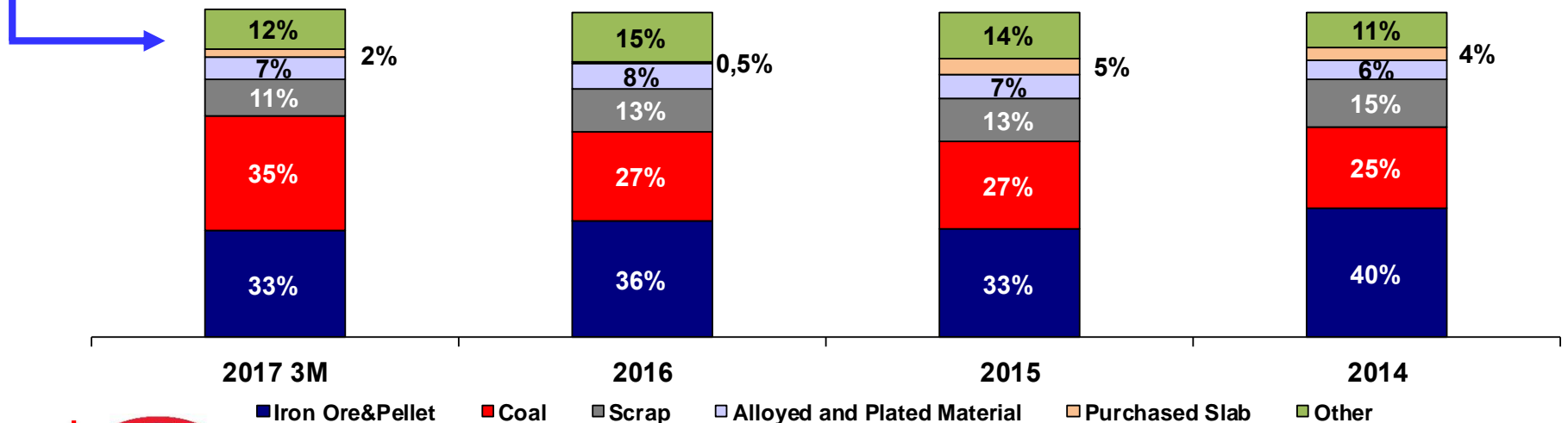


Raw materials made up 72% of the cost of sales

COST OF SALES BREAKDOWN* - %



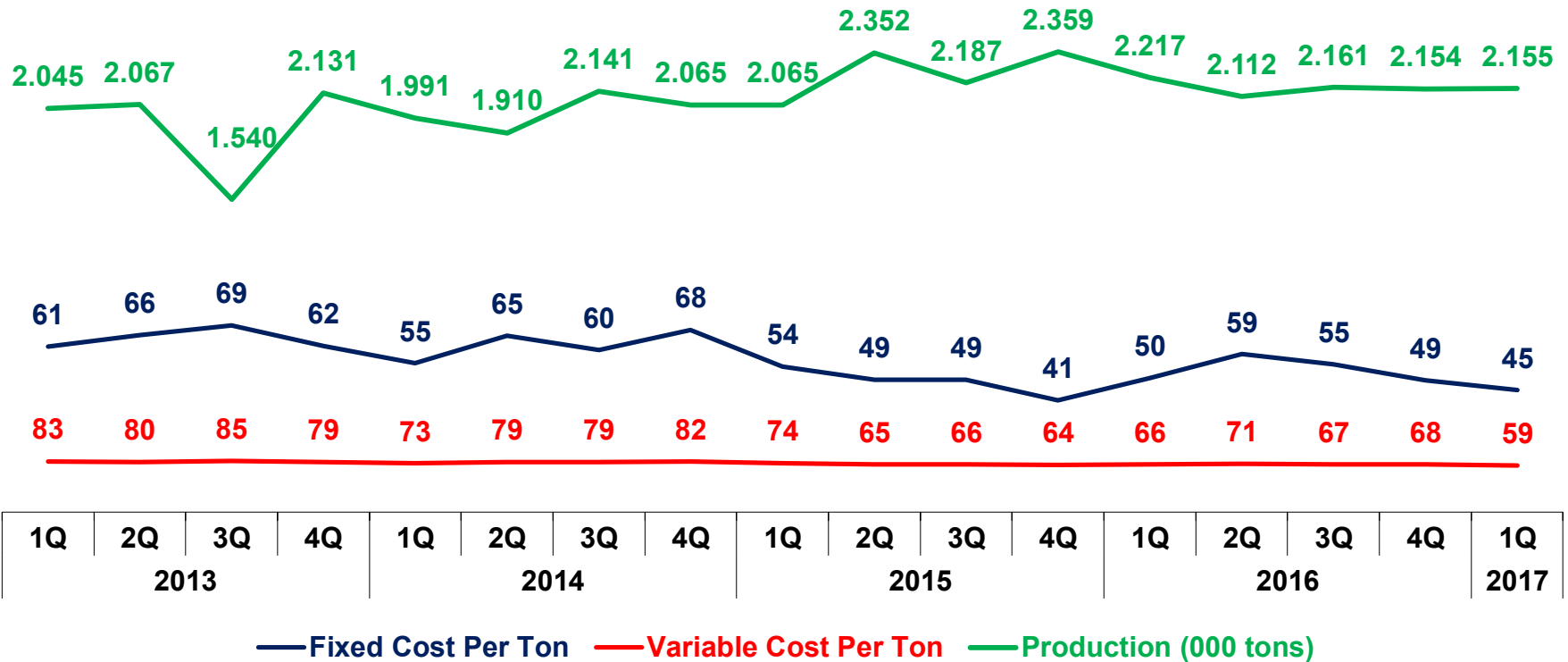
RAW MATERIALS BREAKDOWN - %



Conversion cost per ton excluding depreciation was realised as 104 USD/ton in 1Q 2017



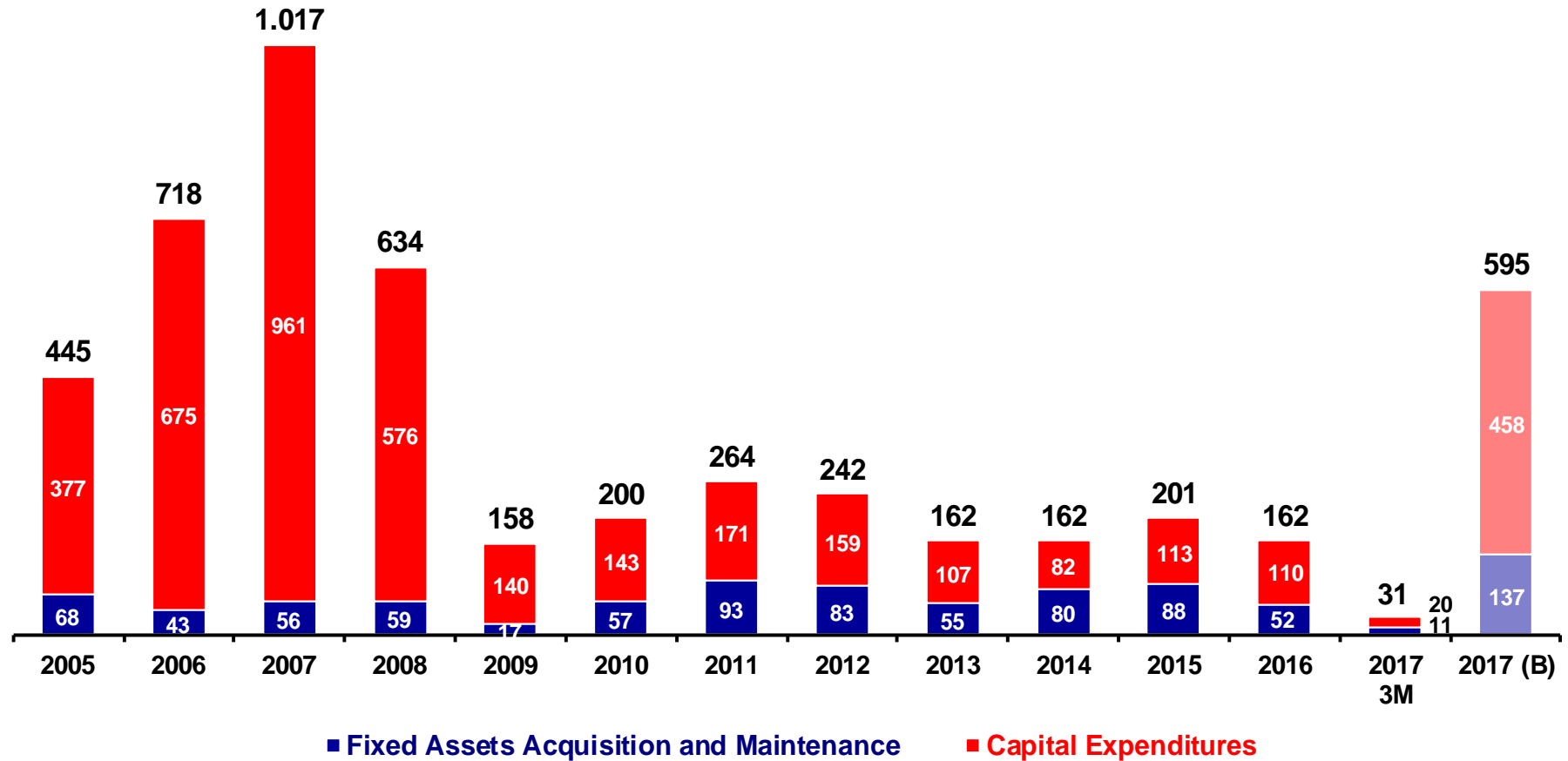
MAIN PRODUCT CONVERSION COSTS (USD/TON)



Capital expenditures of 595 million USD is planned for 2017*



(M USD)



* The capital expenditures in 2017 1Q and before state the cash outflows however the capital expenditures for 2017 Budget state the signed and planned investments. The amounts shown in 2017 Budget do not represent cash outflows.

Number of employees was 12.072 as of March 2017

NUMBER OF EMPLOYEES

