



Erdemir Group
2011 9 Months
Consolidated Financial Results

27 October 2011

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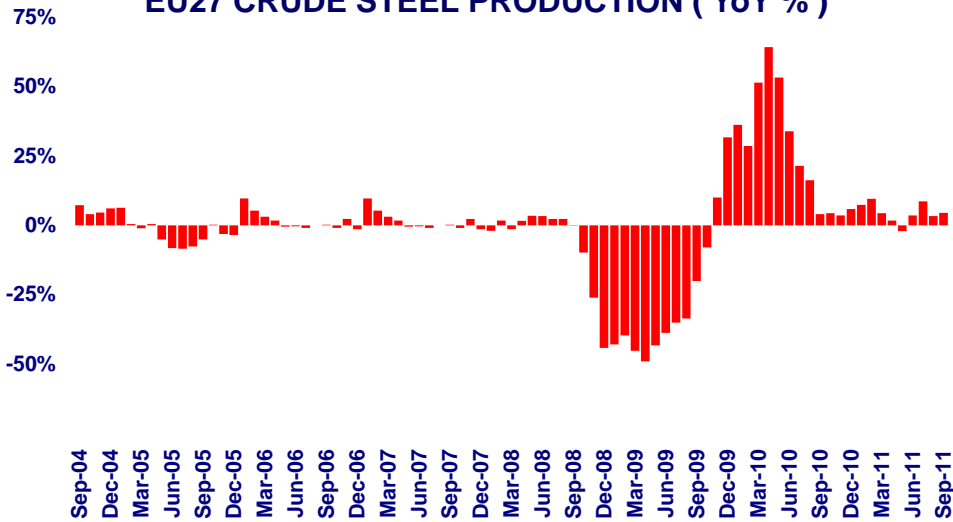
Agenda

 **2011 Market Overview**

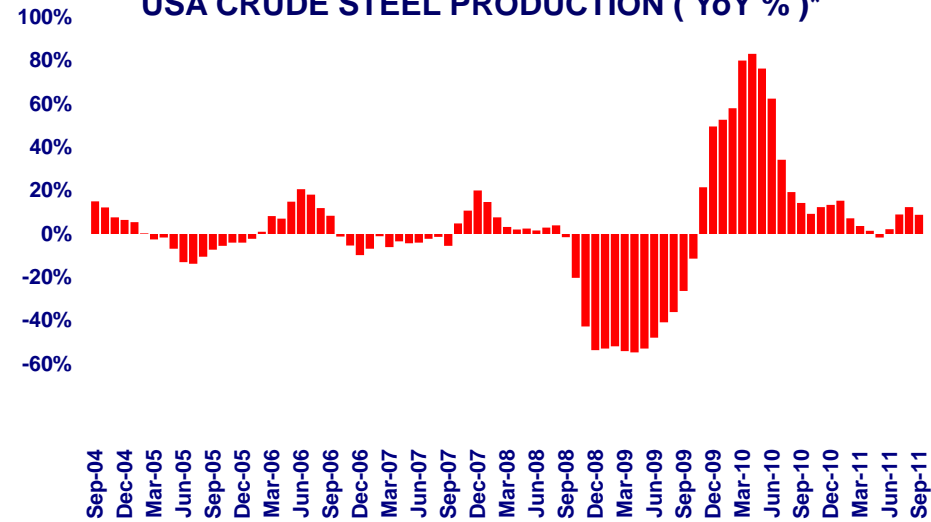
 **2011 9 Months Results**

In EU, sales price was 710 USD/ton as of October 2011

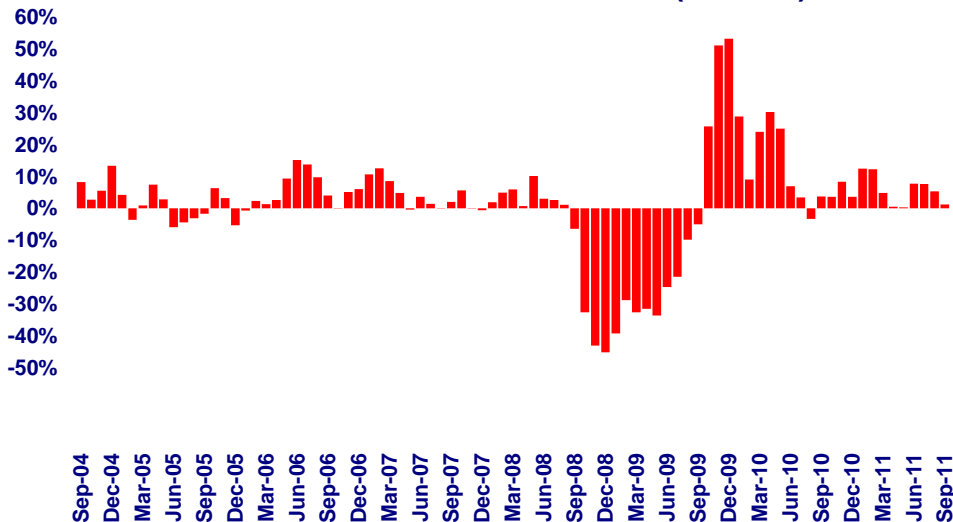
EU27 CRUDE STEEL PRODUCTION (YoY %)*



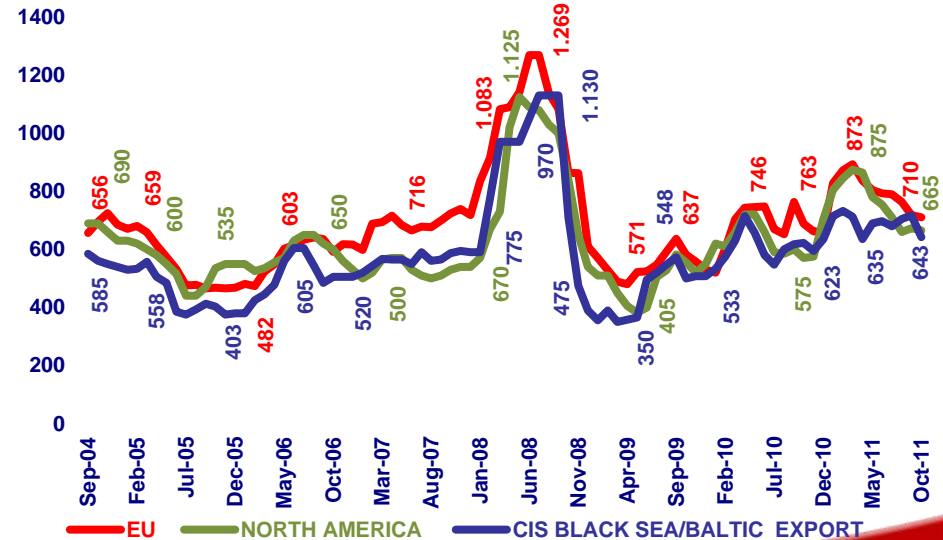
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *

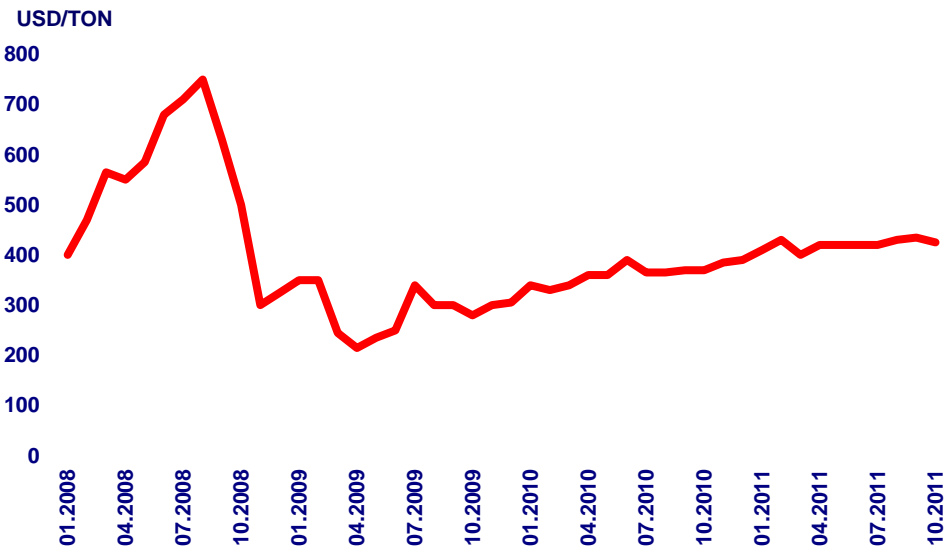


HRC PRICES (USD/TON)**

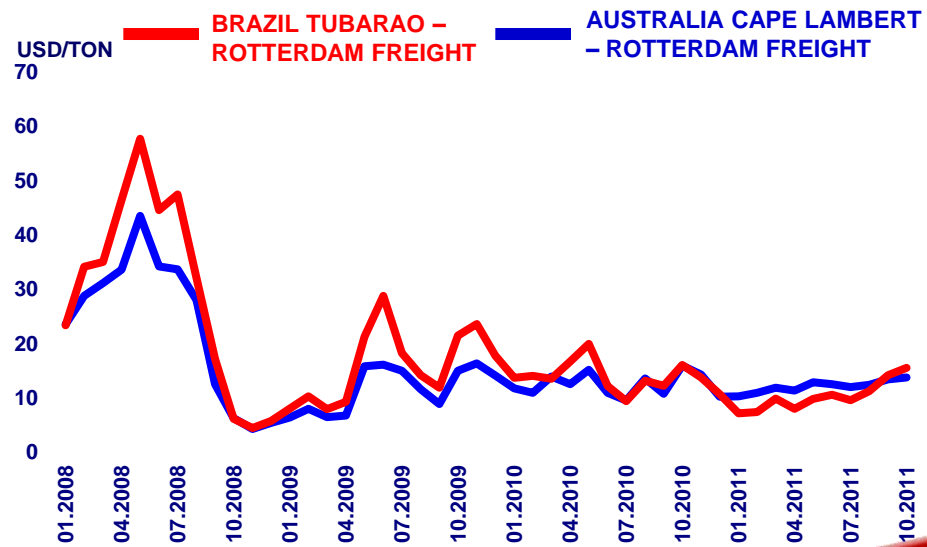
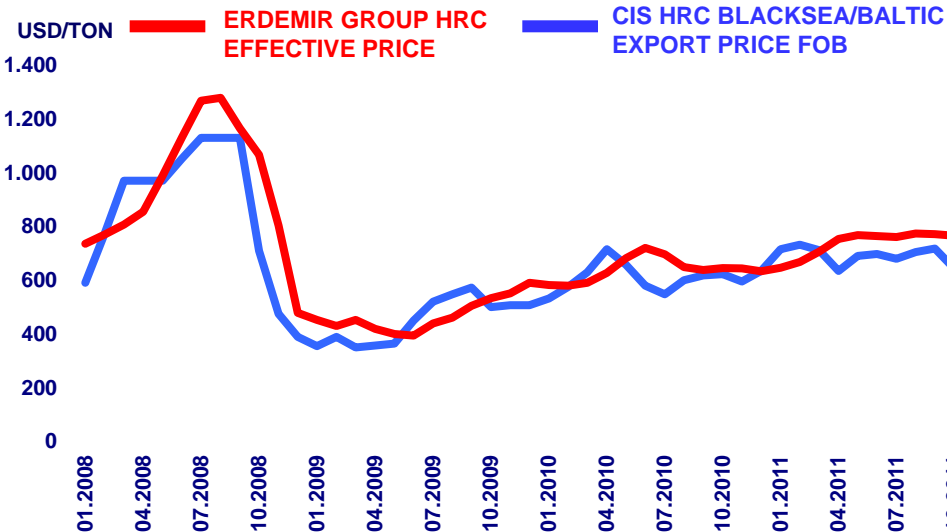
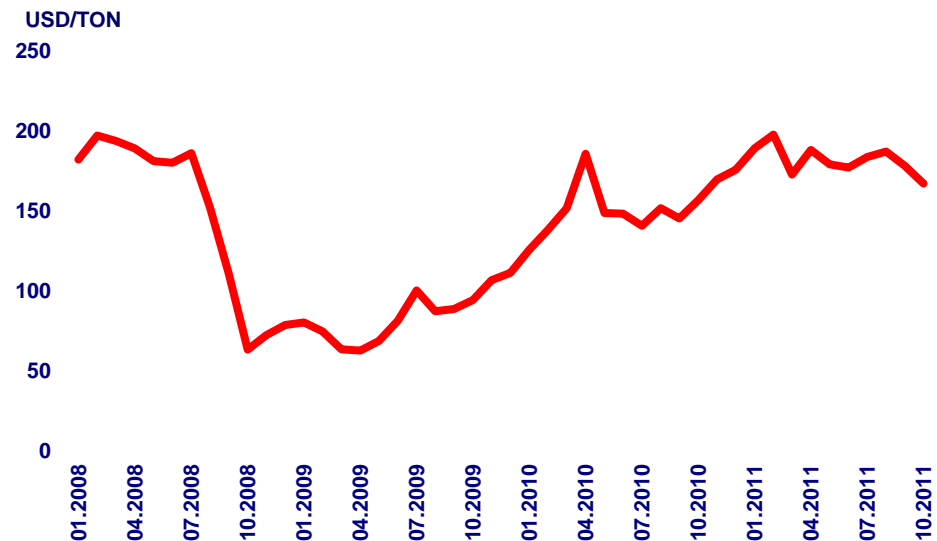


Iron ore prices are decreasing

CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

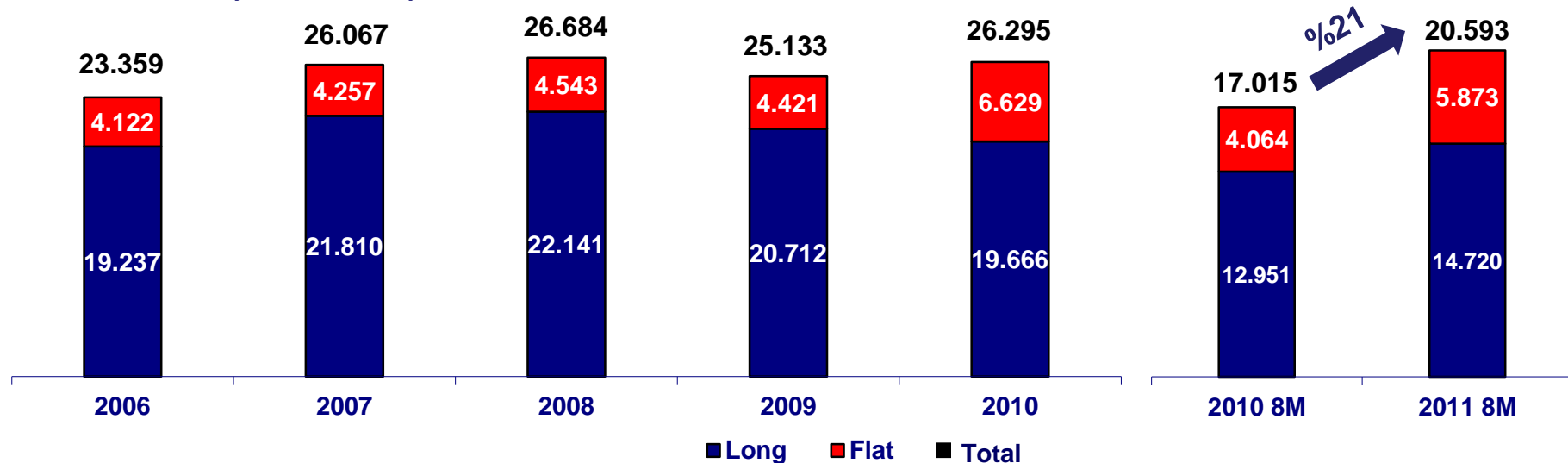


CHINA PORT FINE ORE PRICE CFR

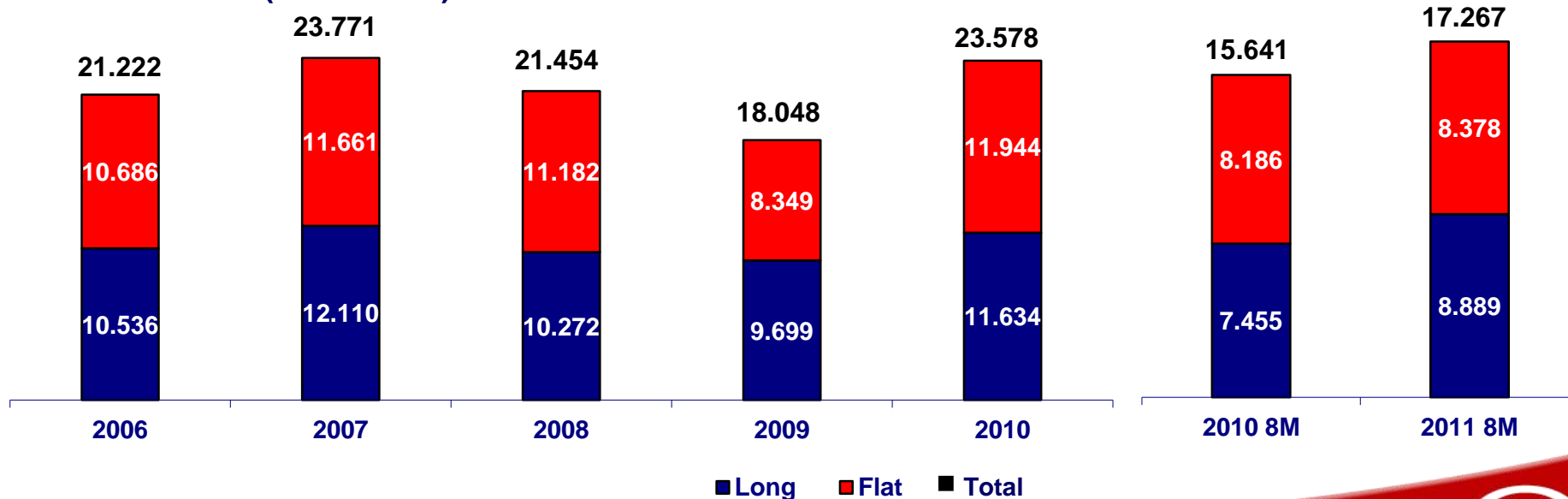


Turkish steel production increased by 21% in 2011 8M YoY

PRODUCTION (000 TONS)

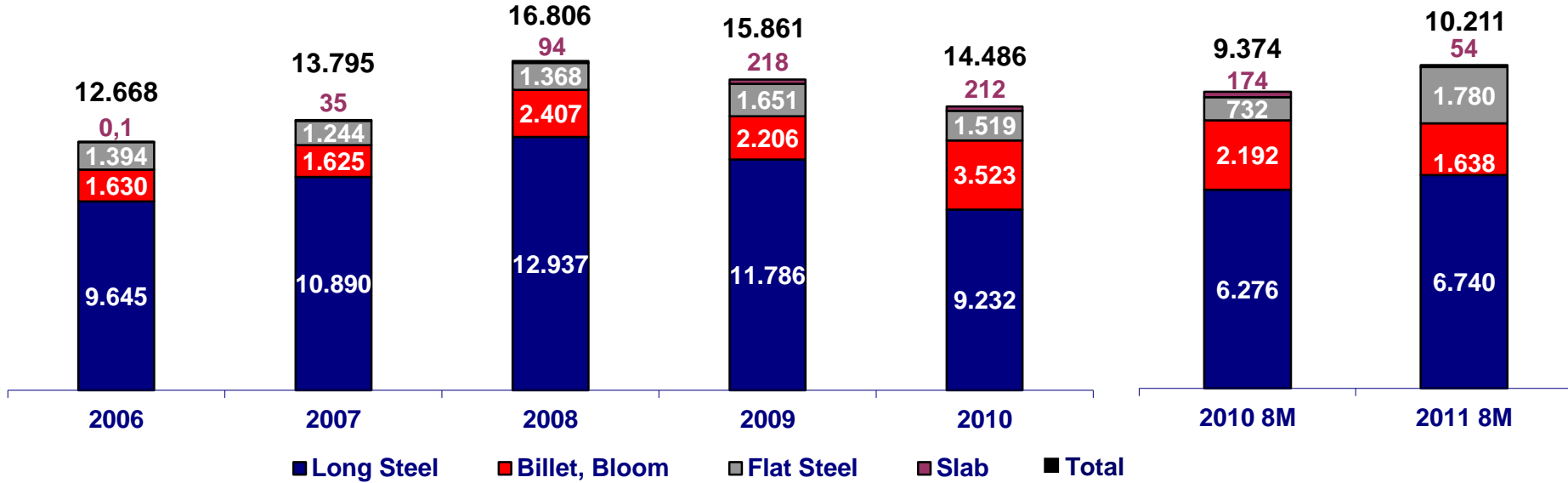


CONSUMPTION (000 TONS)

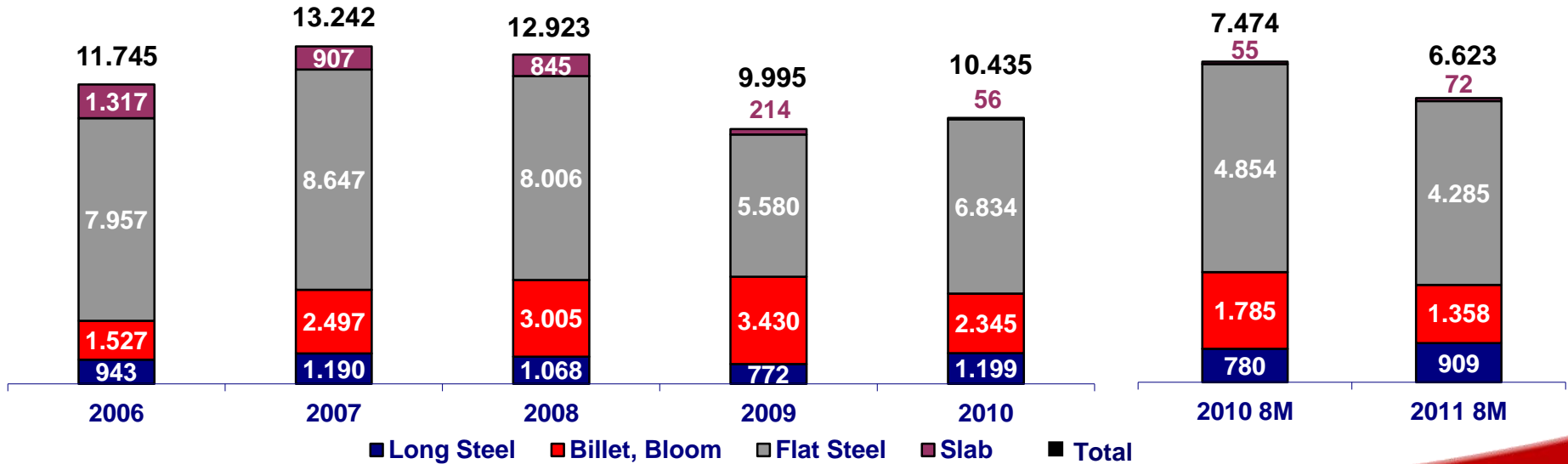


Turkish Steel Market (cont'd)

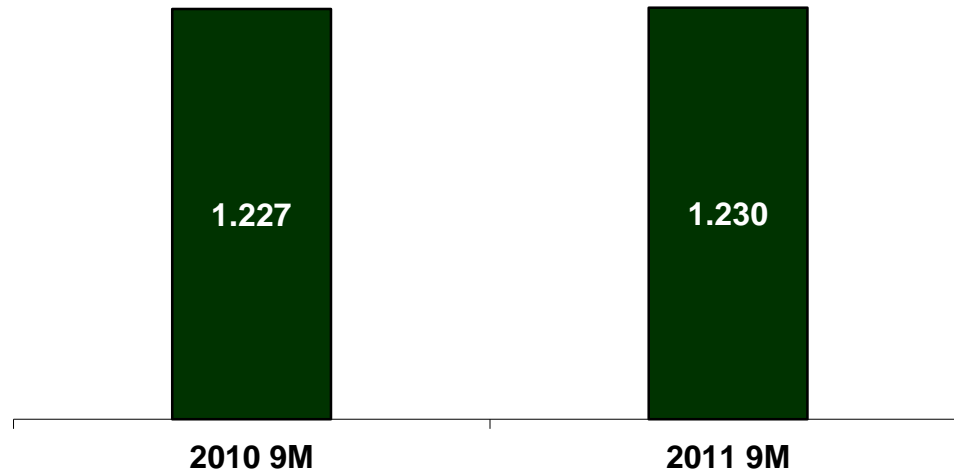
IRON AND STEEL PRODUCT EXPORTS (000 TONS)



IRON AND STEEL PRODUCT IMPORTS (000 TONS)

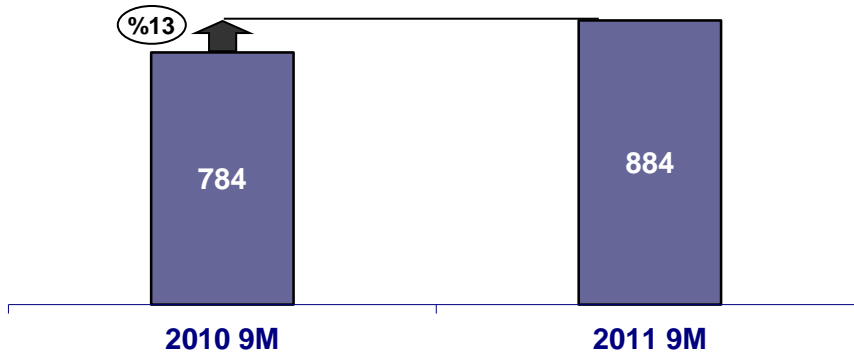


PIPE EXPORTS (000 TONS)

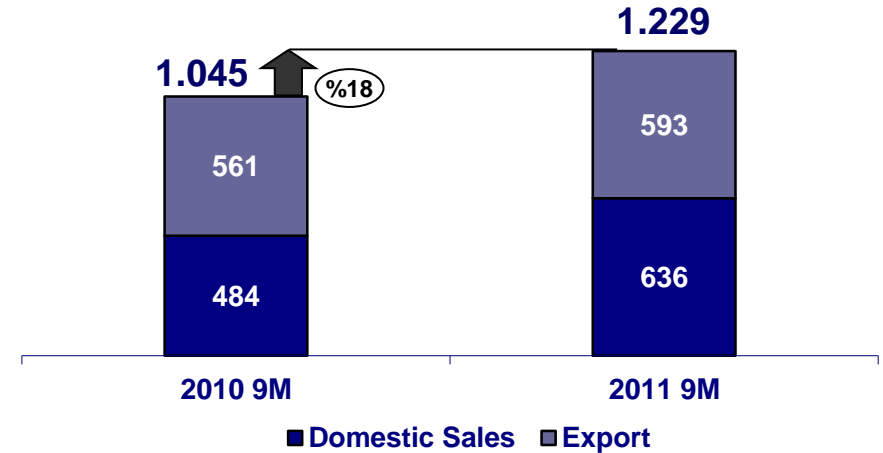


Automotive production and sales increased by 13% and 18% respectively in 2011 9M YoY

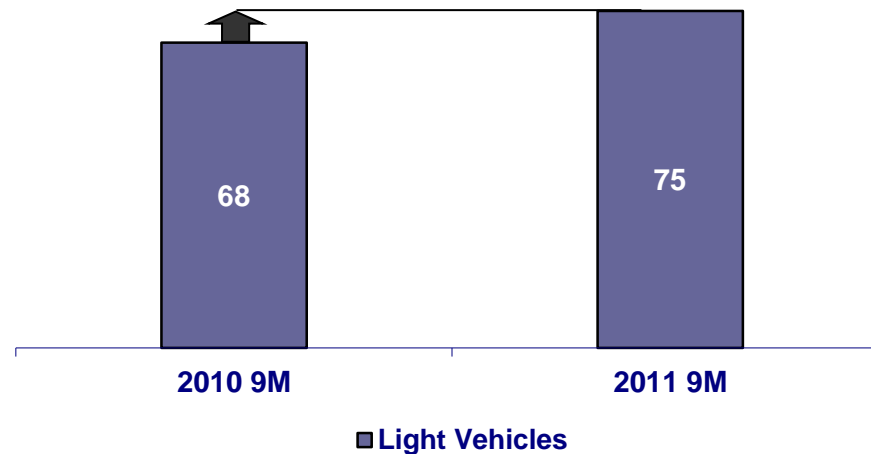
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

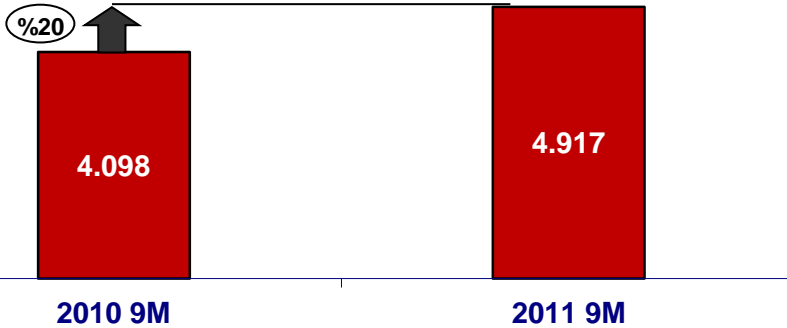


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

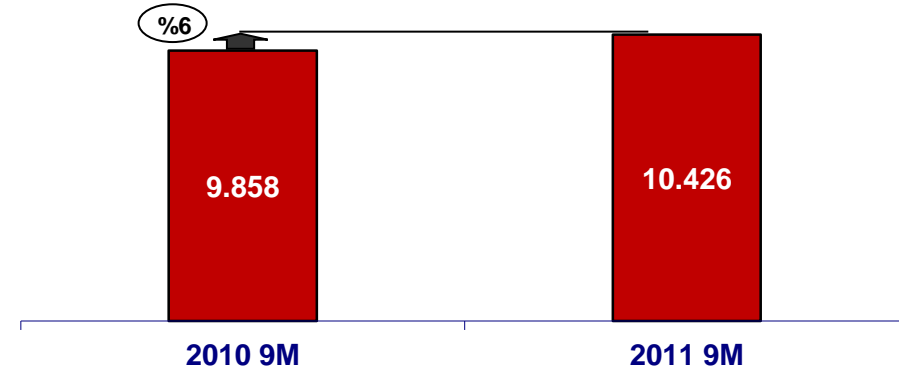


White goods domestic sales and production increased by 20% and 10% respectively in 2011 9M YoY

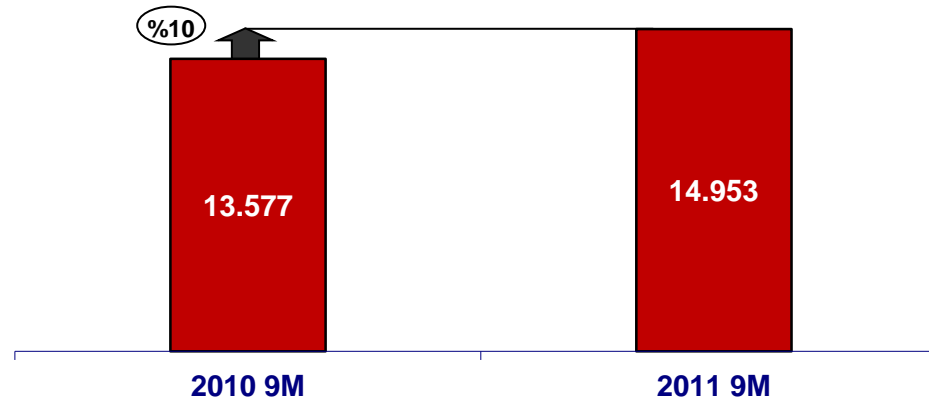
WHITE GOODS DOMESTIC SALES (000 UNITS)



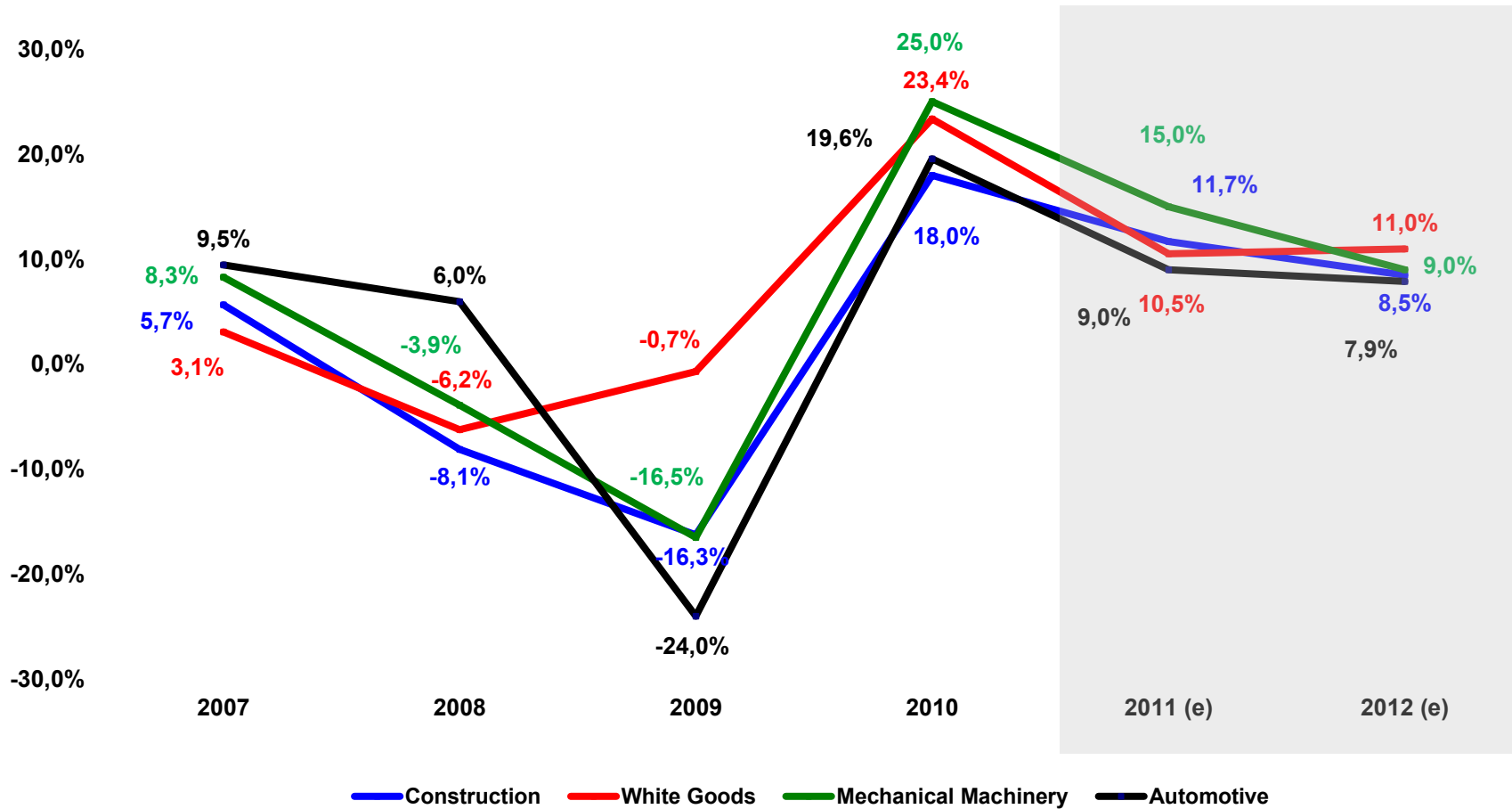
WHITE GOODS EXPORTS (000 UNITS)



WHITE GOODS PRODUCTION (000 UNITS)

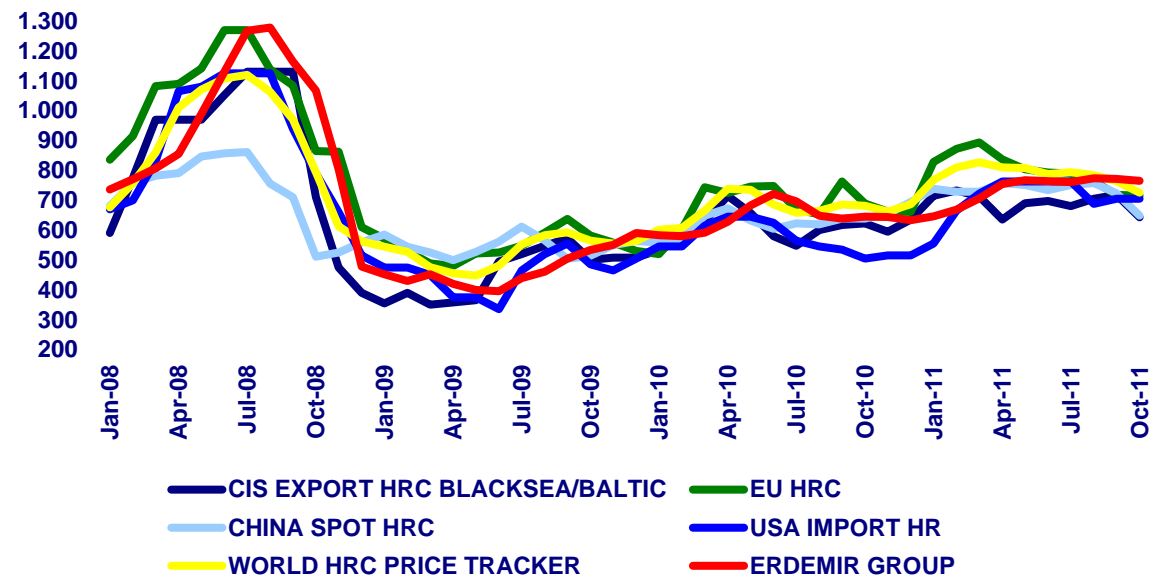


CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



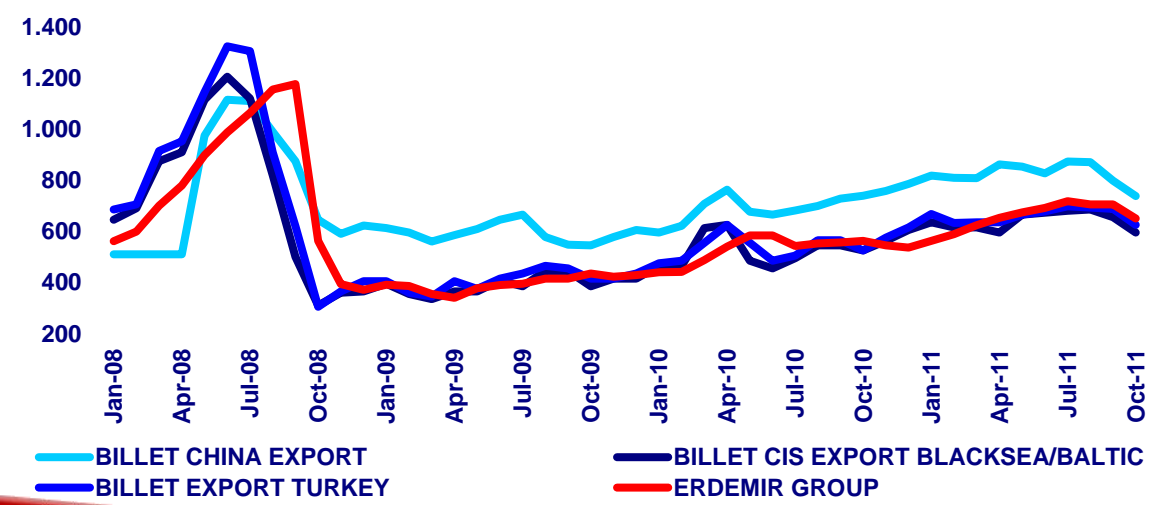
HRC sales prices are higher than last year

HRC PRICES (USD/Ton)



▶ As of October 2011, EU HRC price is 716 USD, China HRC spot price is 648 USD, USA export HRC price is 705 USD. The prices were 661 USD, 694 USD, 515 USD respectively by the end of 2010 .

BILLET PRICES (USD/Ton)



▶ As of October 2011, Turkey export price is 625 USD while it was 615 USD in December 2010.



Agenda



2011 Market Overview



2011 9 Months Results

ERDEMİR GROUP KEY FIGURES

			2011 9M	2010 9M	2010	2009
Liquid Steel Production	<i>(000 Tons)</i>	↑	5.727	5.427	7.311	6.619
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑	5.094	4.197	5.674	4.569
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑	4.684	3.884	5.373	4.812
Long Steel Production	<i>(000 Tons)</i>	↓	481	1.067	1.420	1.869
Flat Steel Shipments	<i>(000 Tons)</i>	↑	4.572	3.571	5.123	5.128
Long Steel Shipments	<i>(000 Tons)</i>	↓	461	1.022	1.393	1.858
Net Sales Revenue	<i>(M. USD)</i>	↑	4.119	3.115	4.427	3.404
EBITDA	<i>(M. USD)</i>	↑	1.035	696	948	247
Net Profit For The Year	<i>(M. USD)</i>	↑	514	415	511	-109

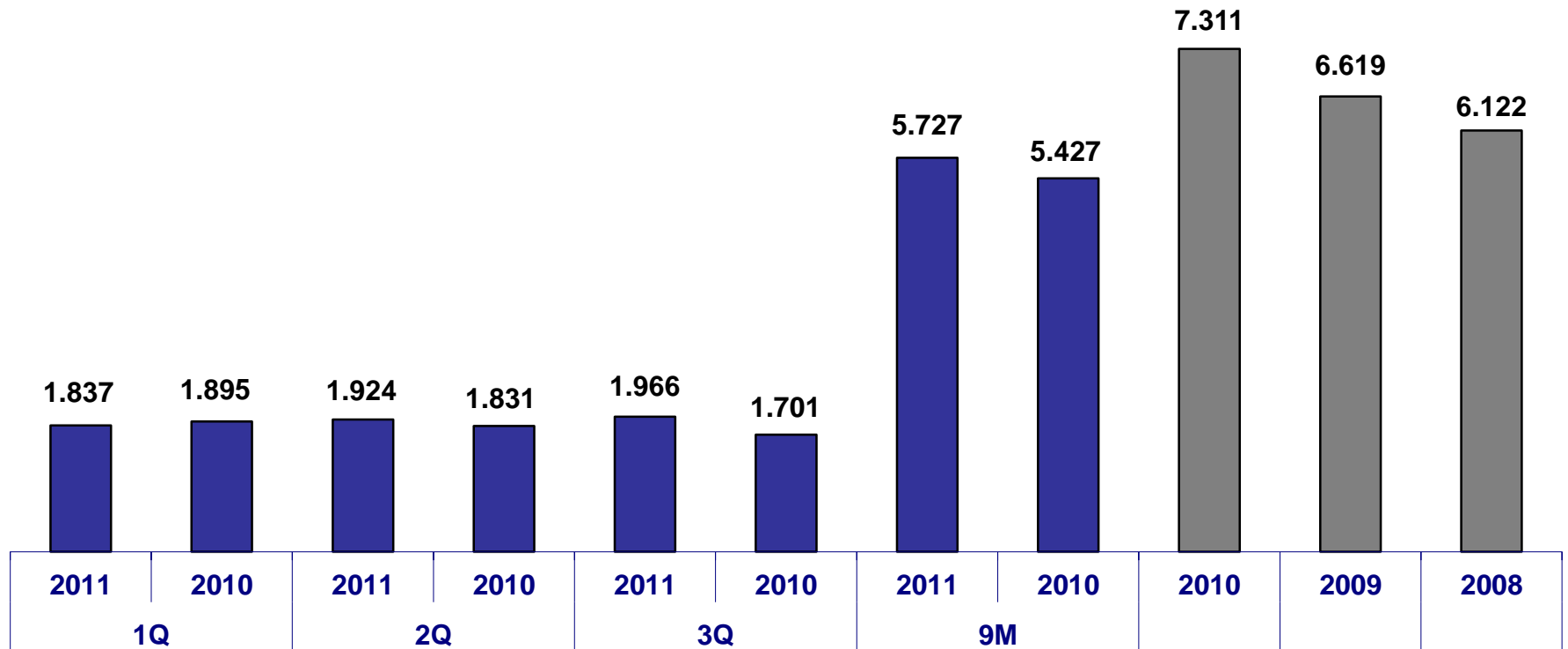
All figures are on IFRS consolidated basis unless stated otherwise.

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

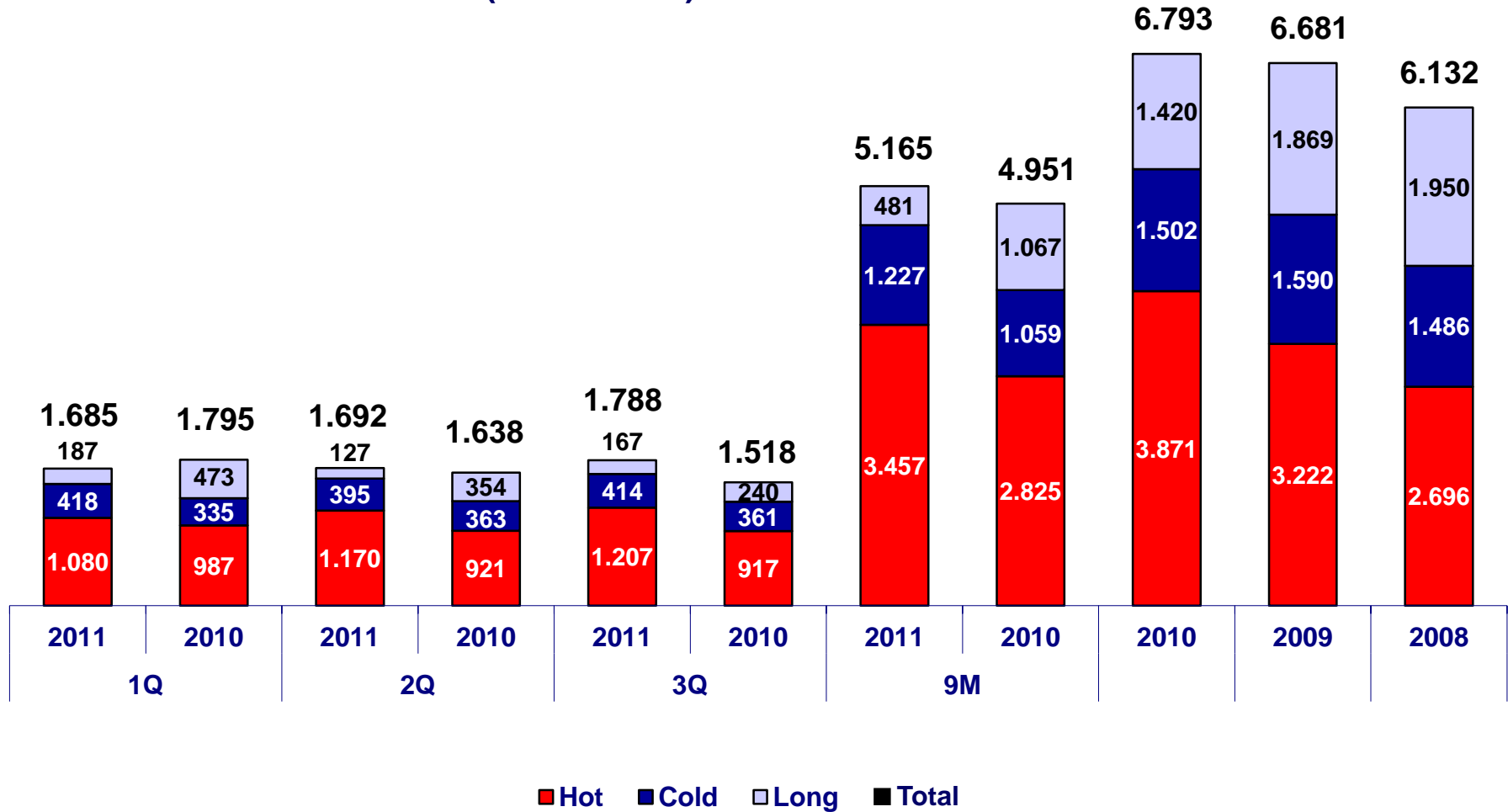
(2) Total flat steel production of Ereğli and İskenderun Plants.

Liquid steel production was 5,7 million tons in 2011 9M

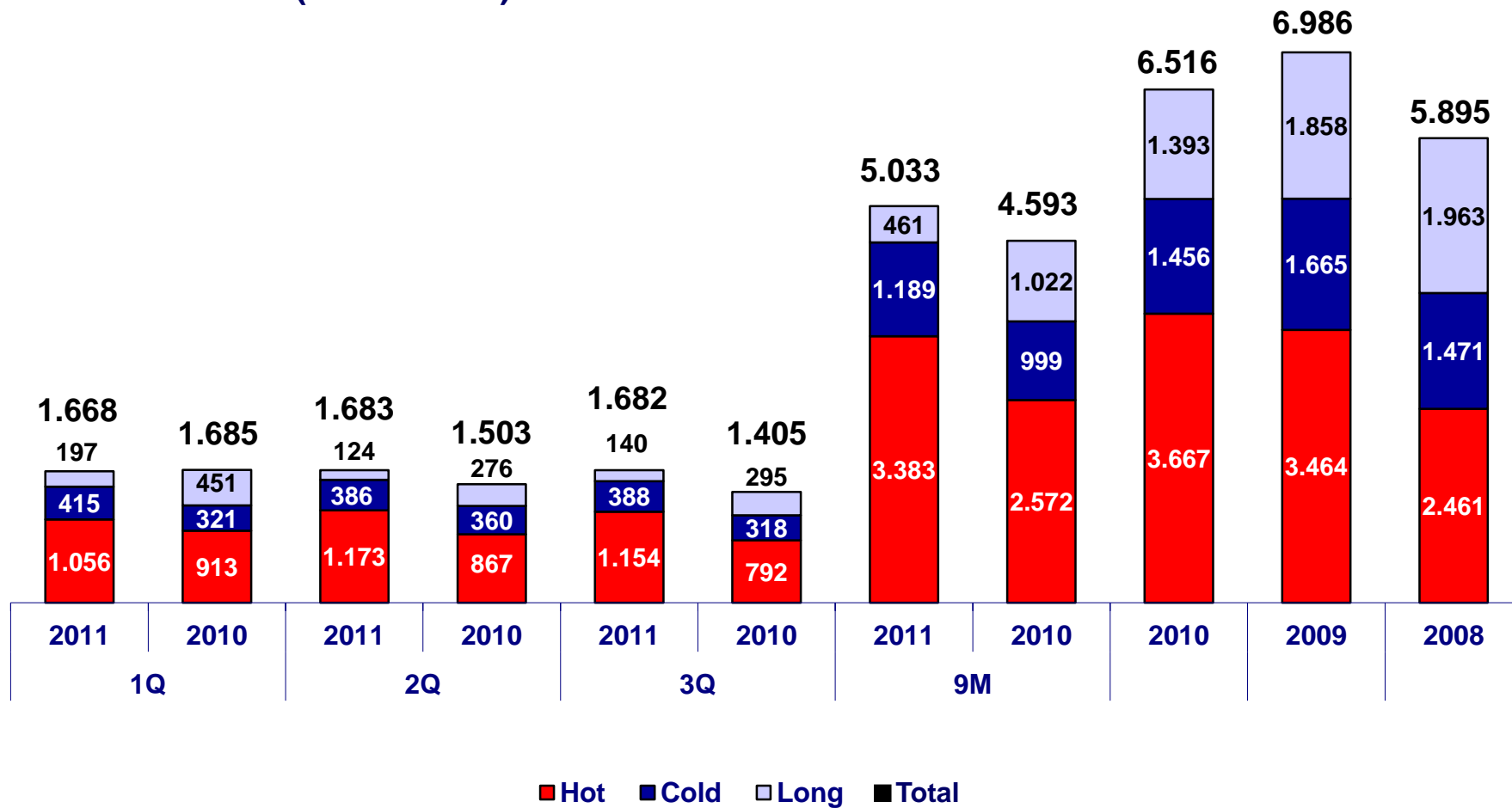
LIQUID STEEL PRODUCTION (000 TONS)



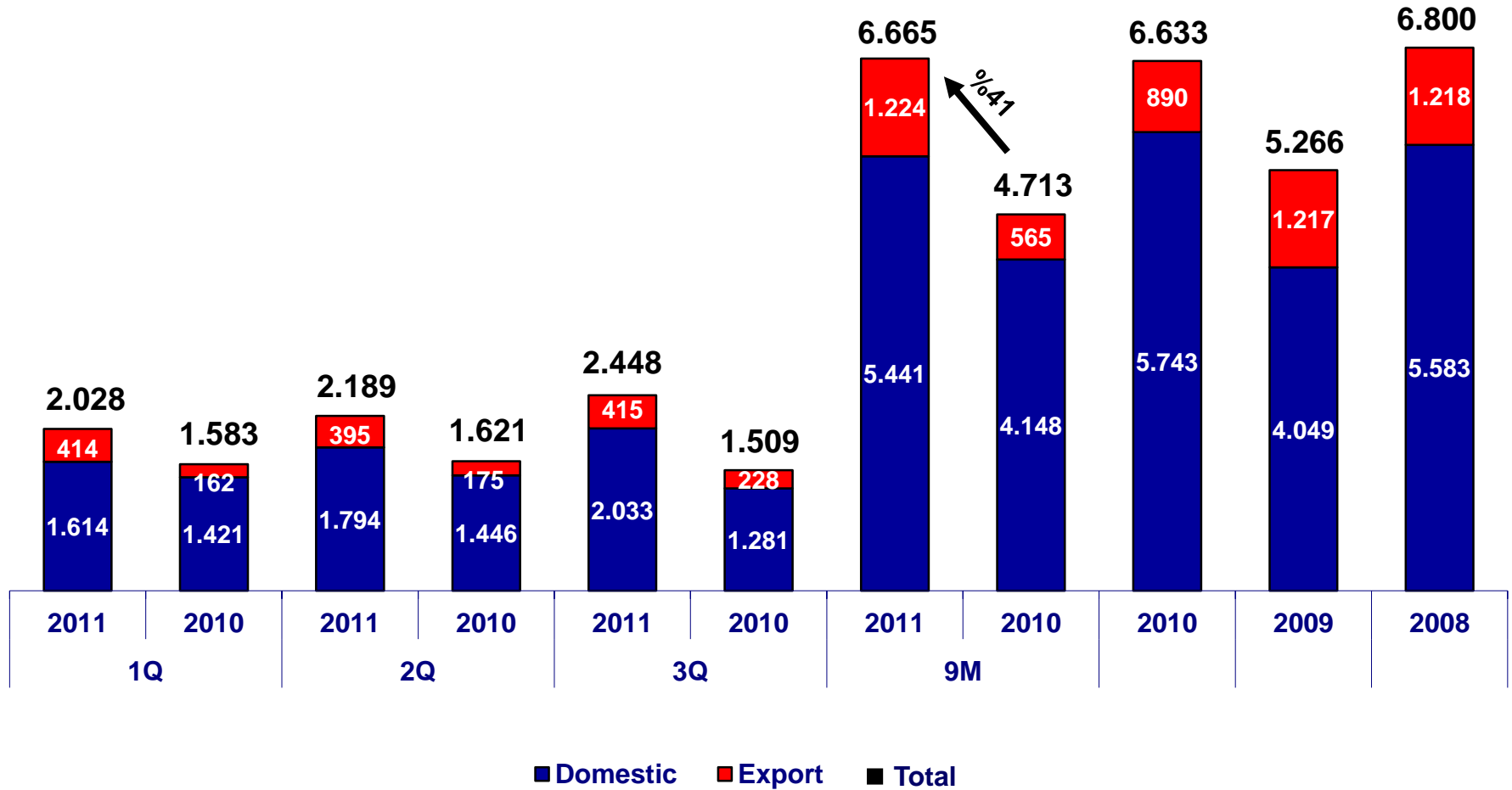
PRODUCTION VOLUMES (000 TONS)



SALES VOLUME (000 TONS)

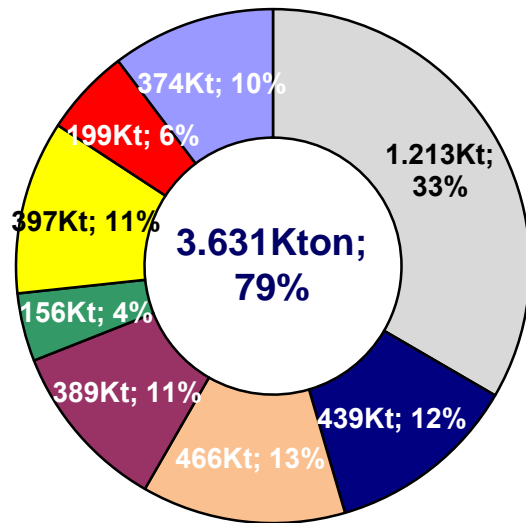


NET SALES REVENUE (MILLION TL)



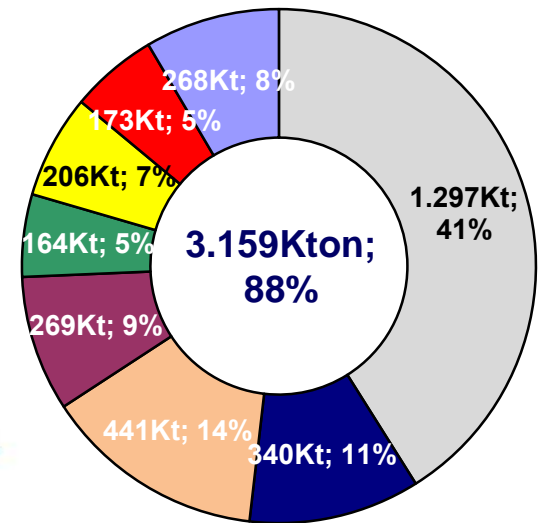
Sales to automotive sector increased by 4% in 2011 9M

2011 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

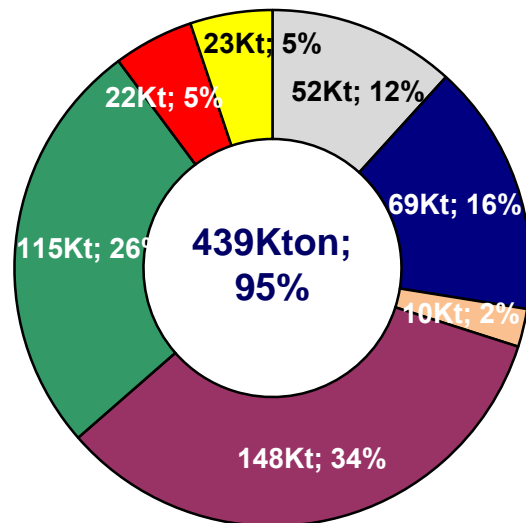


- Pipe and Profile Industry
- Steel Service Centers
- ▣ Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

2010 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

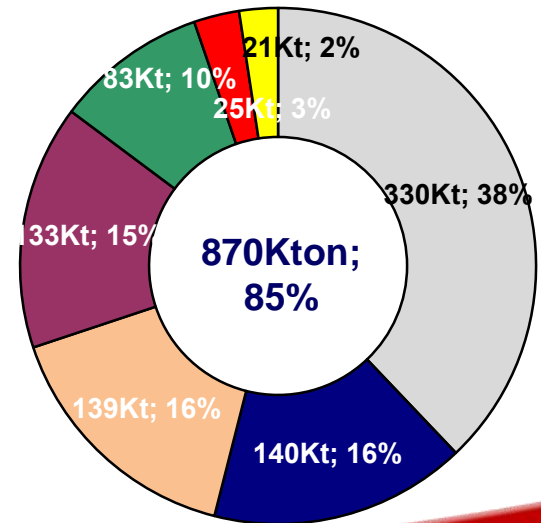


2011 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)



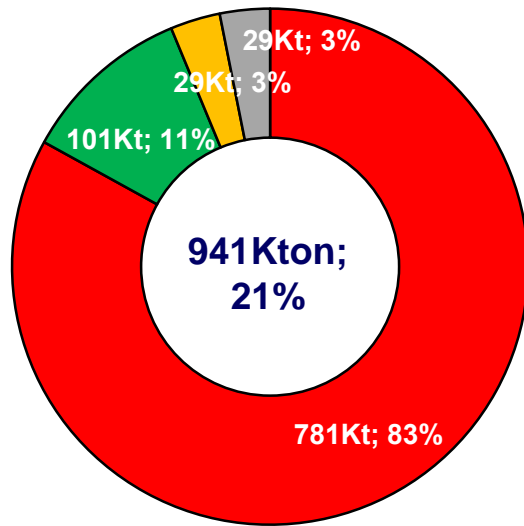
- Debar Producers
- Profile Producers
- ▣ Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

2010 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

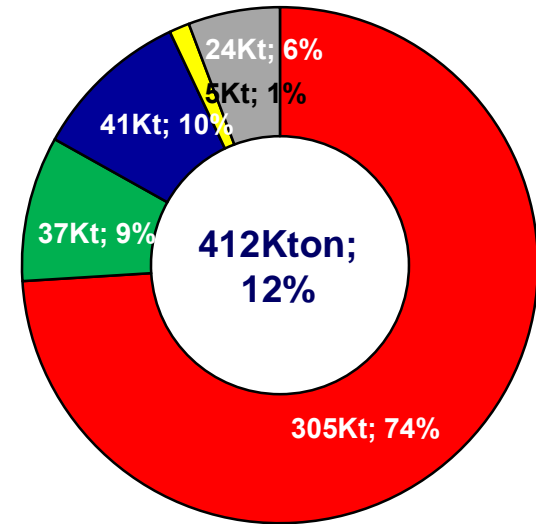


Flat steel sales to EU countries increased by 9% in 2011

2011 9M FLAT STEEL EXPORTS BREAKDOWN (%)

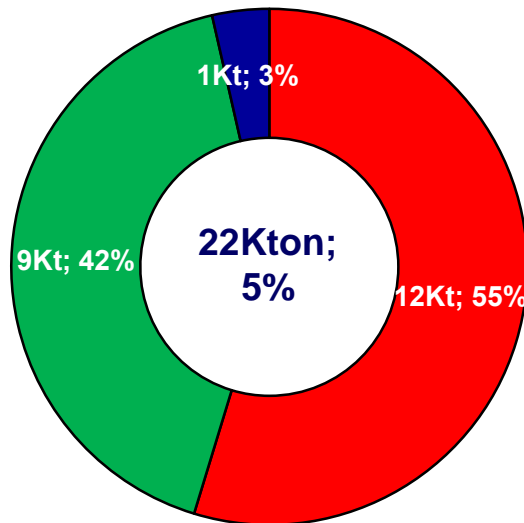


2010 9M FLAT STEEL EXPORTS BREAKDOWN (%)

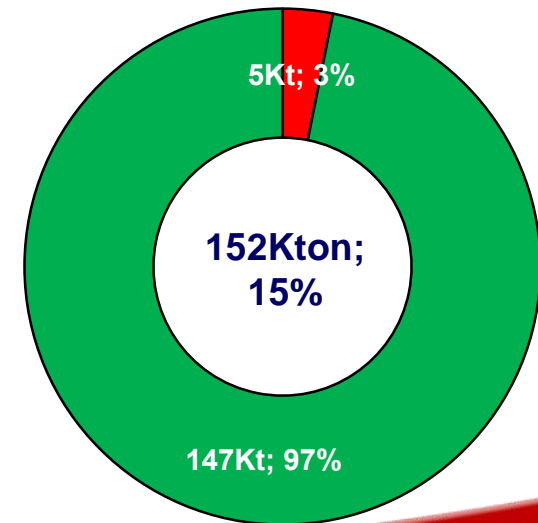


- EU
- MENA
- S. America
- N. America
- Asia
- Other

2011 9M LONG STEEL EXPORTS BREAKDOWN (%)

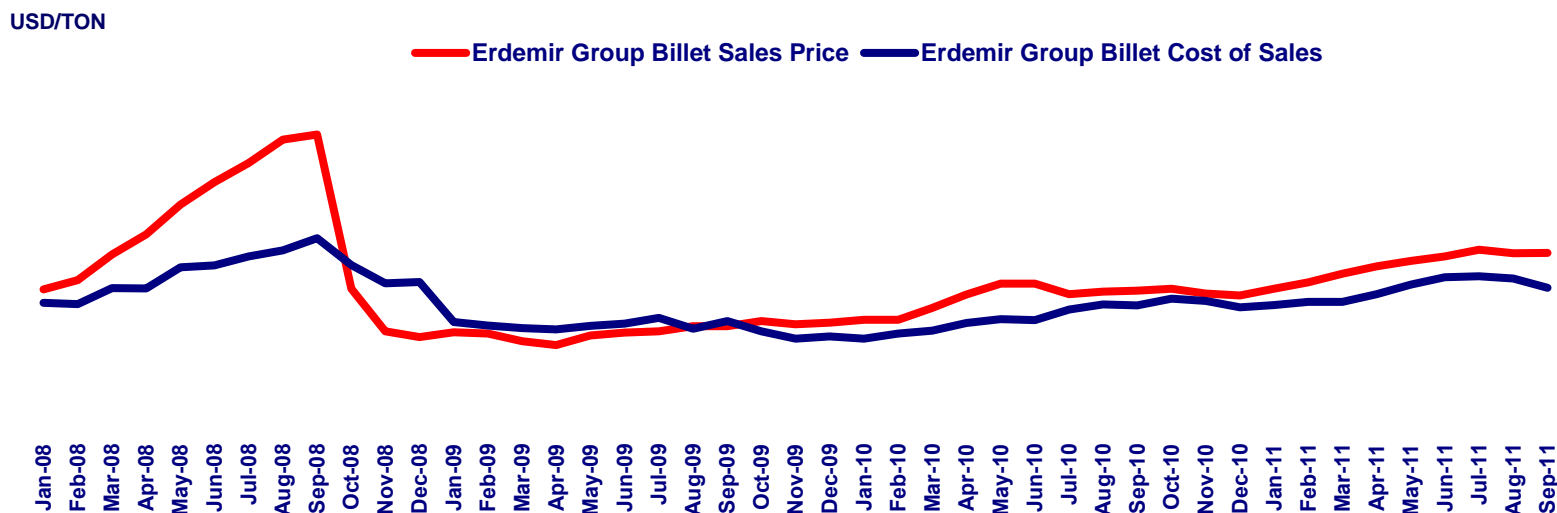
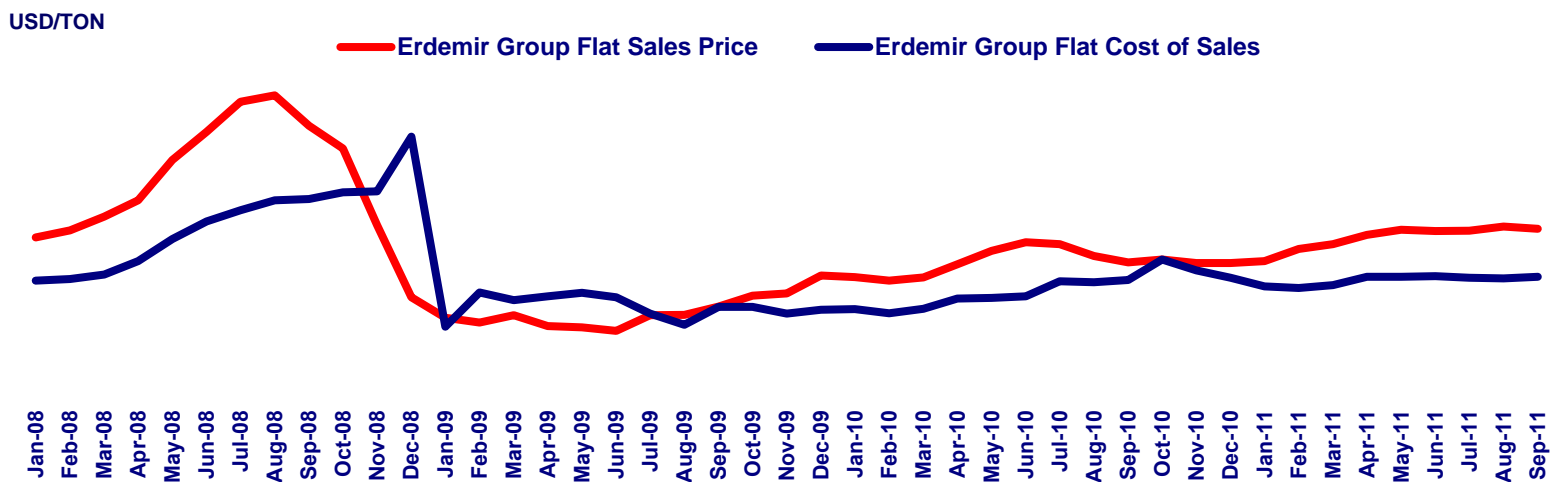


2010 9M LONG STEEL EXPORTS BREAKDOWN (%)



- EU
- MENA
- S. America

In 2011 9M, Erdemir Group average flat and long steel prices were 792 USD/ton and 737 USD/ton respectively

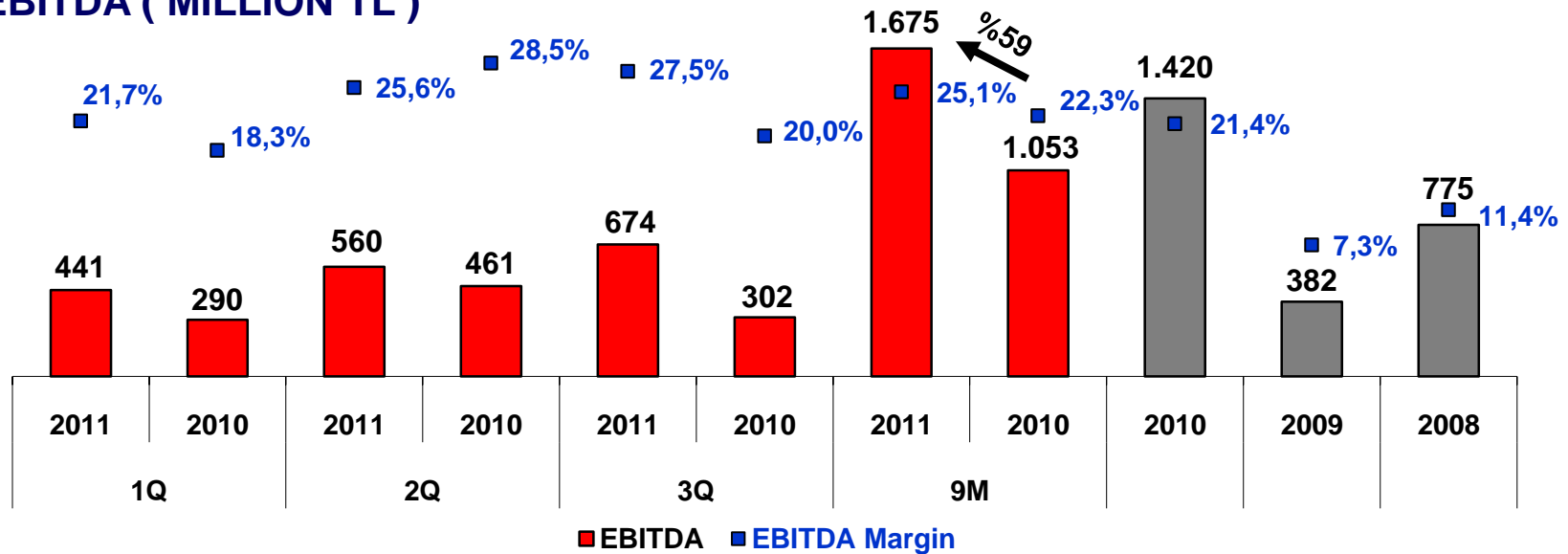


- ➡ Flat steel prices increased by 13% on average in 2011 9M YoY.
- ➡ Long steel prices increased by 34% on average in 2011 9M YoY.

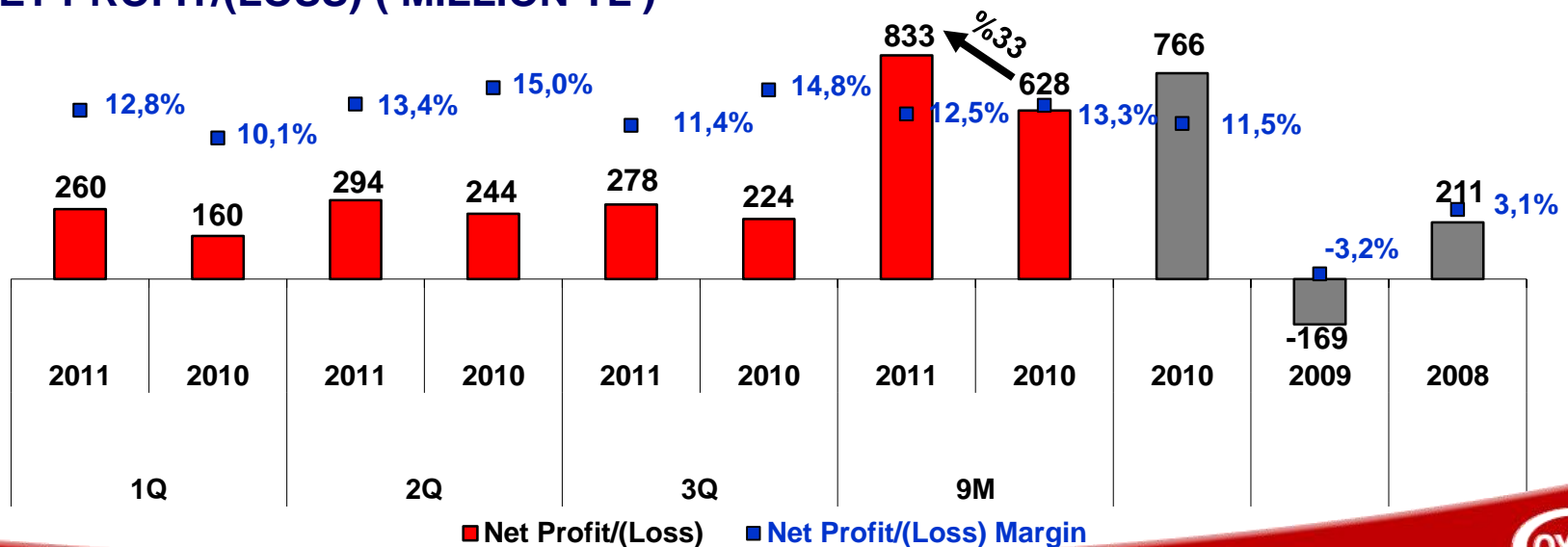


Net profit increased by 33% in 2011 9M YoY

EBITDA (MILLION TL)

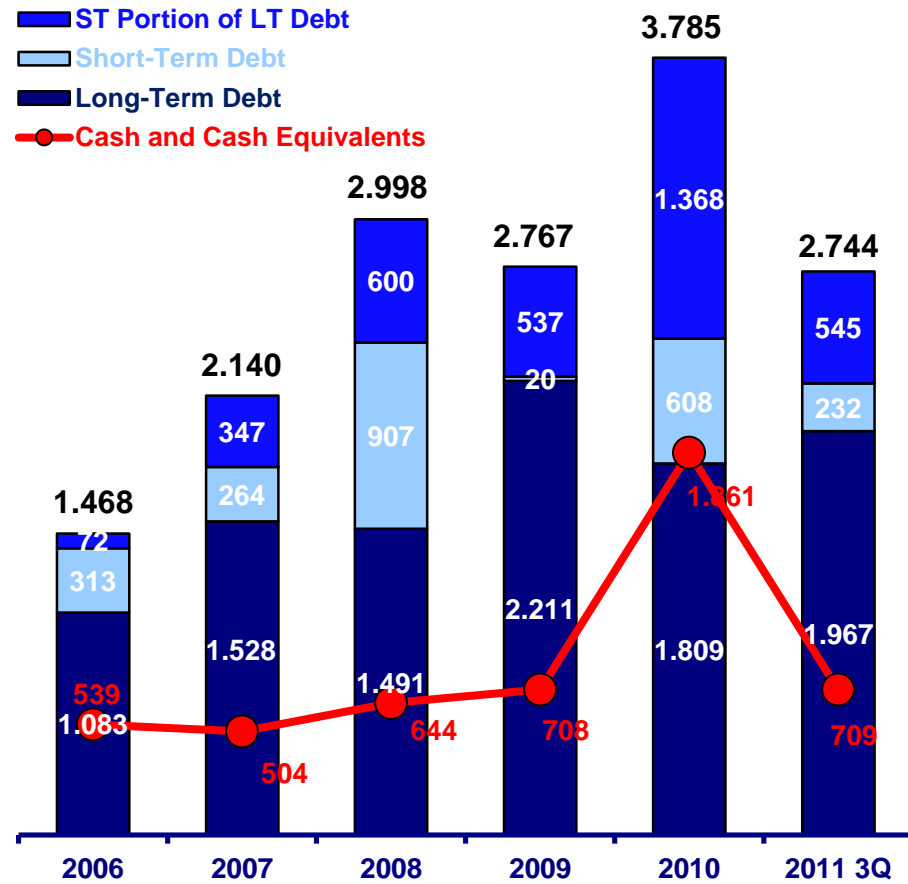


NET PROFIT/(LOSS) (MILLION TL)

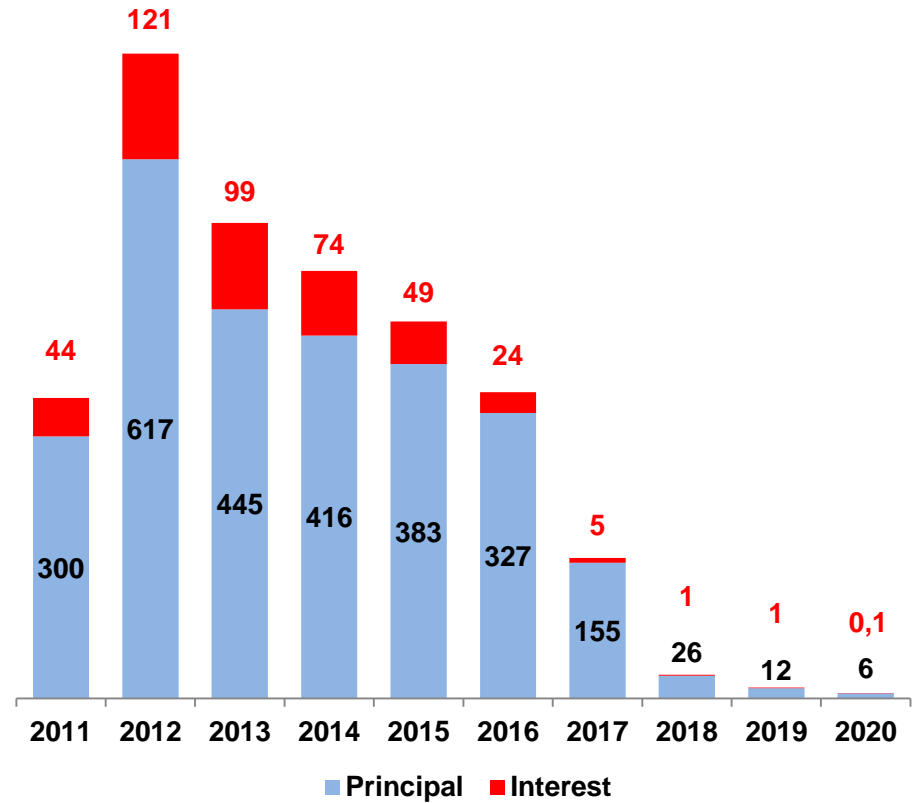


Erdemir Group has 709 million USD cash and cash equivalents at the end of 2011 3Q

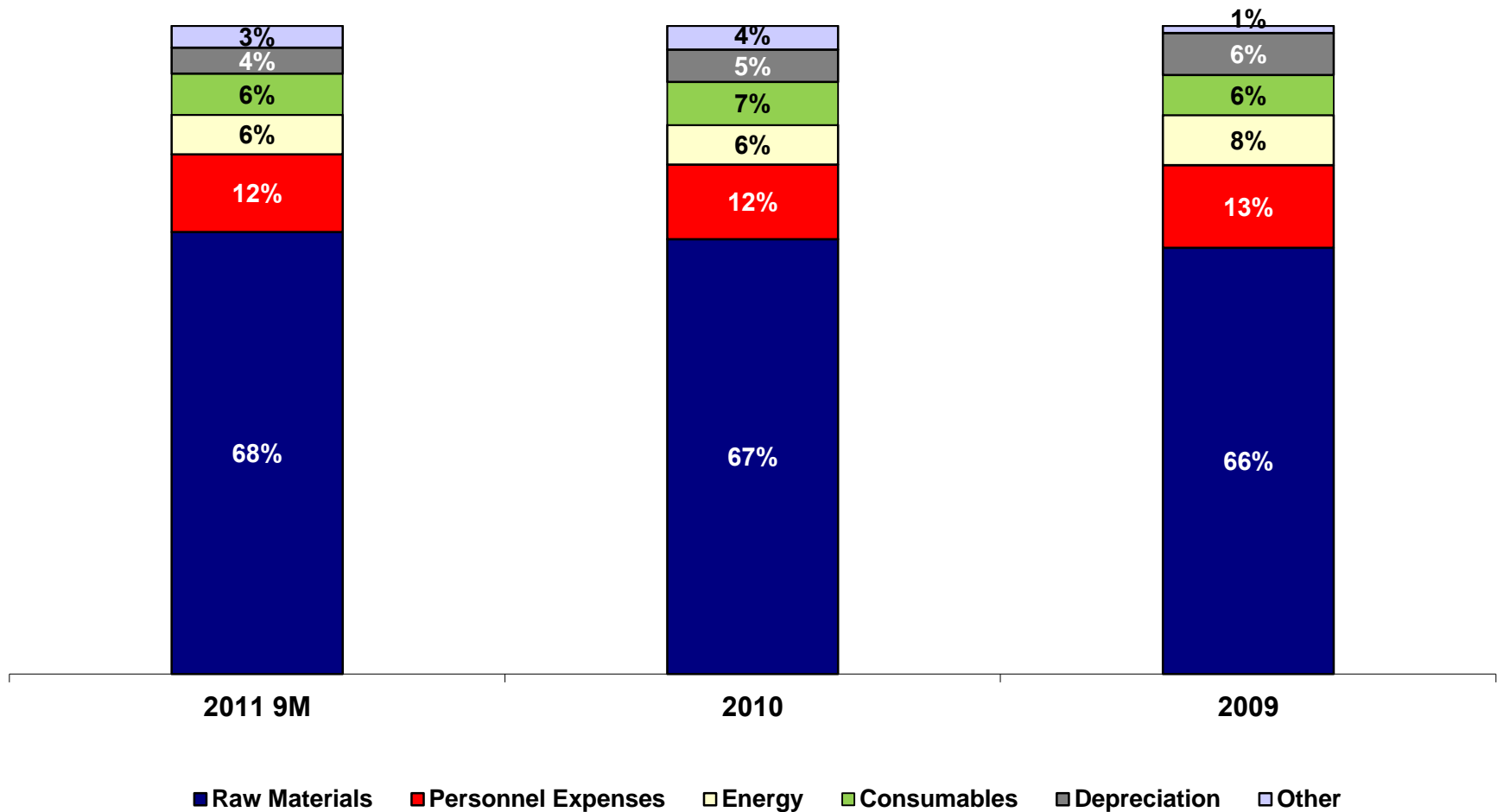
BORROWINGS (MILLION USD)



BORROWINGS MATURITY PROFILE (MILLION USD)

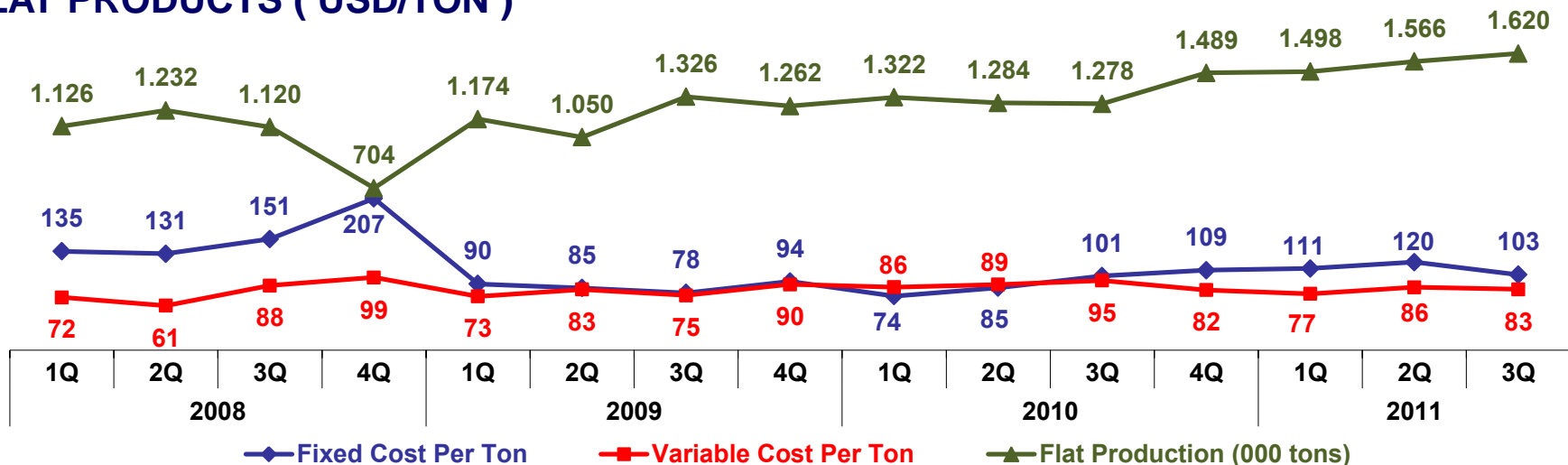


COST OF PRODUCTION BREAKDOWN* - %

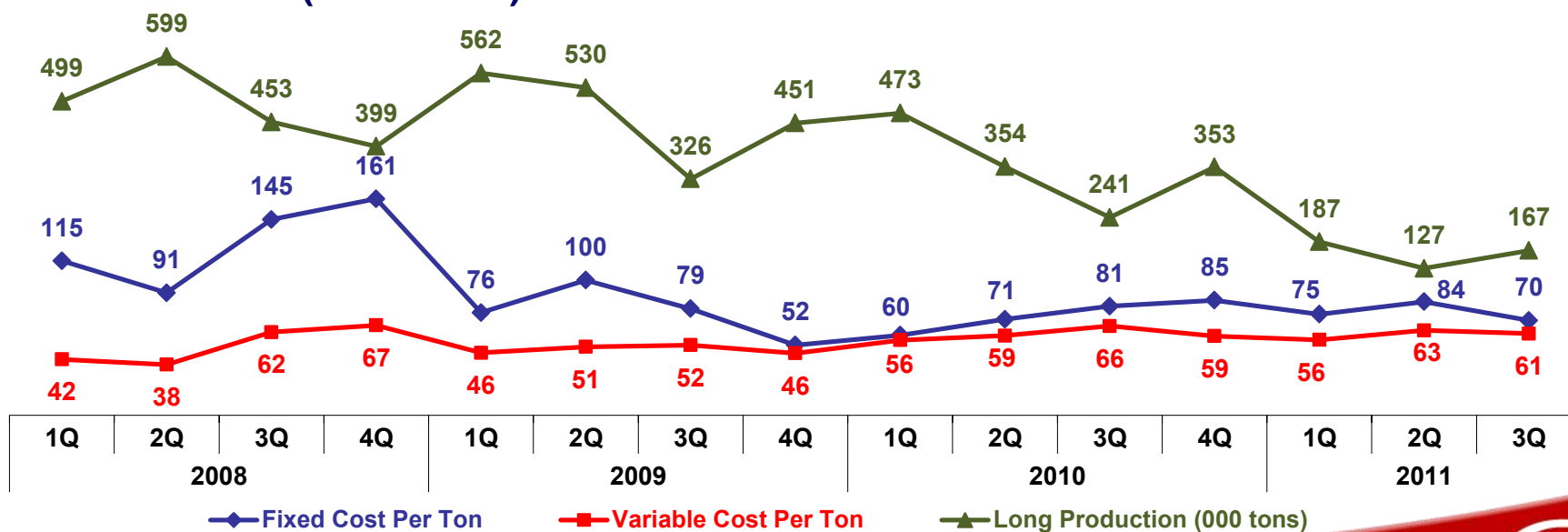


Flat cost per ton excluding raw materials was realised as 186 USD/ton in 2011 3Q

FLAT PRODUCTS (USD/TON)*

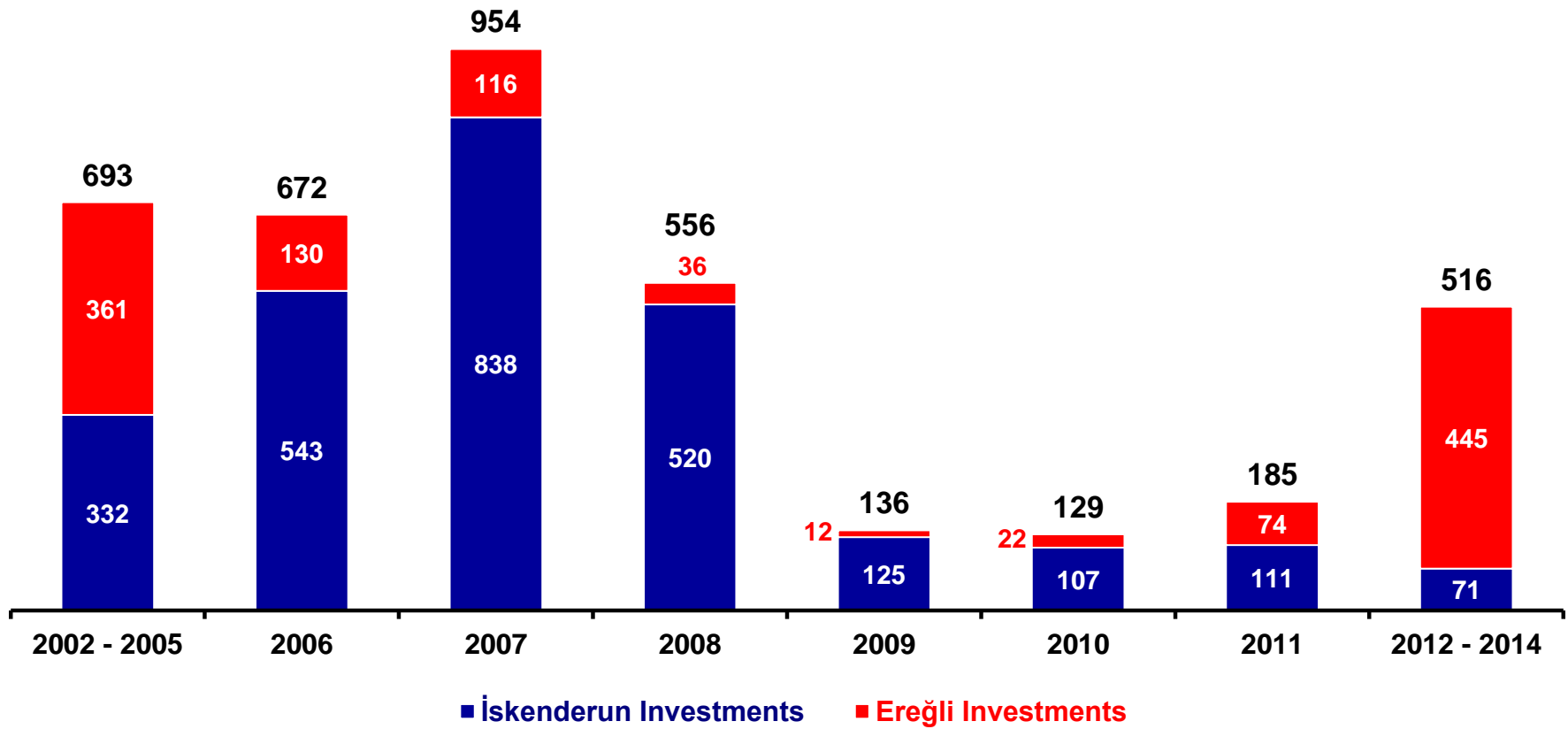


LONG PRODUCTS (USD/TON)*



Capital expenditures of 185 million USD is planned for 2011

(M USD)



NUMBER OF EMPLOYEES

