



ErdemirGroup

50

FUTURE MADE OF STEEL | **YEARS**



2015 3 Months Consolidated Results

28 April 2015

DISCLAMIER

Ereğli Demir Çelik Fabrikaları T.A.Ş. (Erdemir) may, when necessary, make written or verbal announcements about forward-looking information, expectations, estimates, targets, assessments and opinions. Erdemir has made the necessary arrangements about the amounts and results of such information through its Disclosure Policy and has shared such policy with the public through the Erdemir website, in accordance with the Capital Markets Board regulations. As stated in related policy, information contained in forward-looking statements, whether verbal or written, should not include unrealistic assumptions or forecasts. It should be noted that, actual results could materially differ from estimates taking into account the fact that they are not based on historical facts but are driven from expectations, beliefs, plans, targets and other factors which are beyond the control of our Company. As a result, forward-looking statements should not be fully trusted or taken as granted. Forward-looking statements should be considered valid only considering the conditions prevailing at the time of the announcement. In cases where it is understood that forward-looking statements are no longer achievable, such matter will be announced to the public and the statements will be revised. However, the decision to make a revision is a result of a subjective evaluation. Therefore, it should be noted that, when a party is coming to a judgement based on estimates and forward-looking statements, our Company may not have made a revision at that particular time. Our Company makes no commitment to make regular revisions which would fully cover changes in every parameter. New factors may arise in the future which may not be possible to foresee at this moment in time.



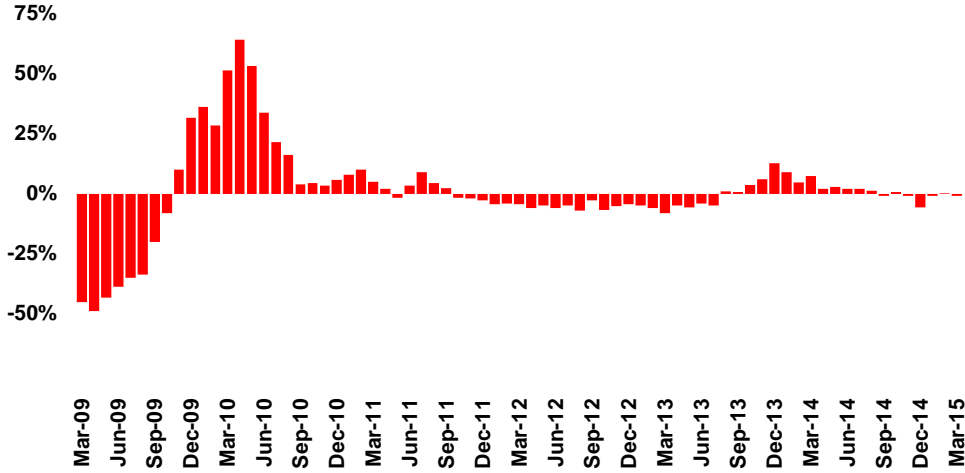
ErdemirGroup

- > **2015 Market Overview**
- > 2015 3M Results
- > 2015 Guidance

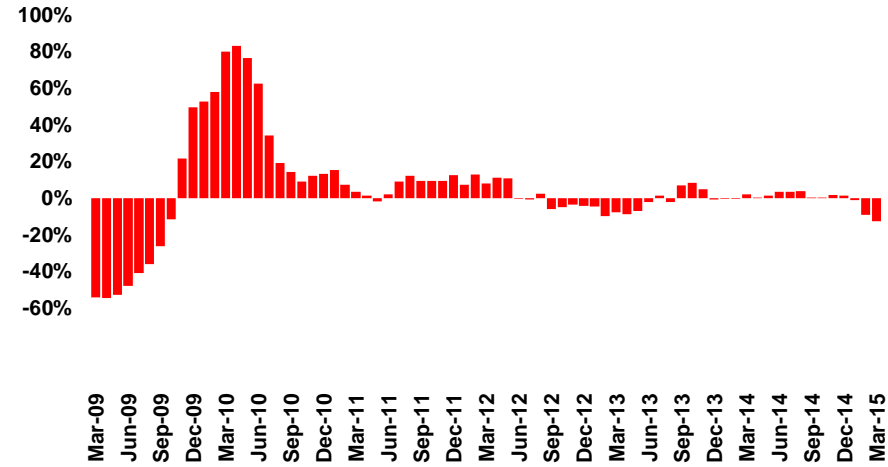


In EU, HRC price was 425 USD/ton as of April 2015

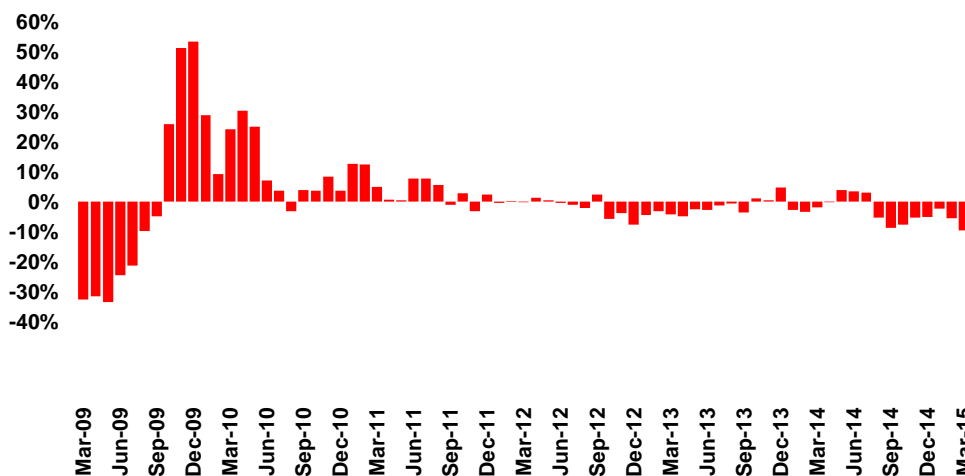
EU28 CRUDE STEEL PRODUCTION (YoY %)*



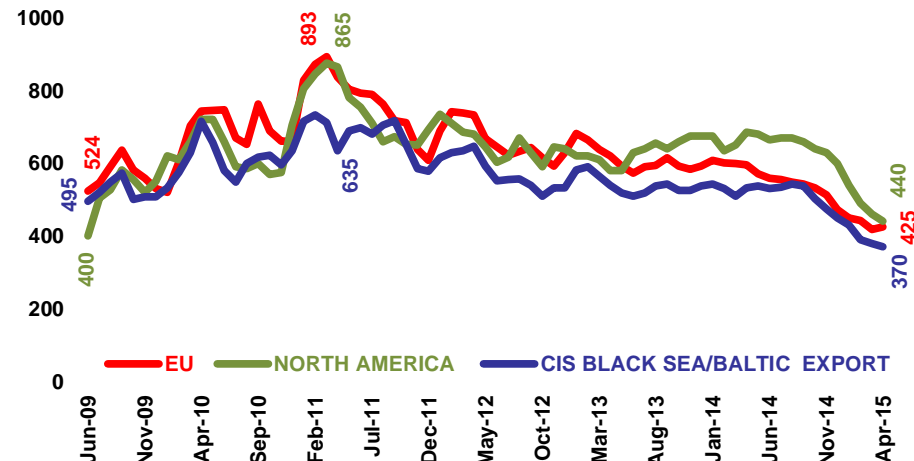
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *



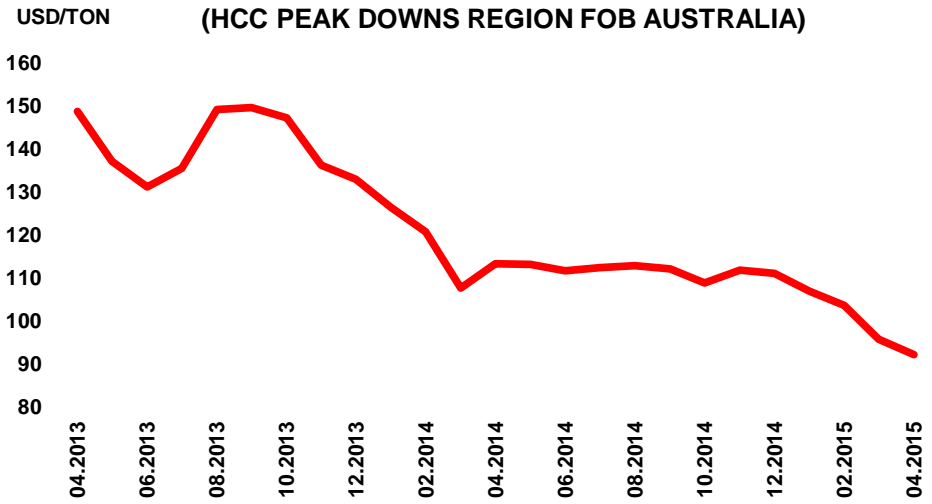
HRC PRICES (USD/TON)**



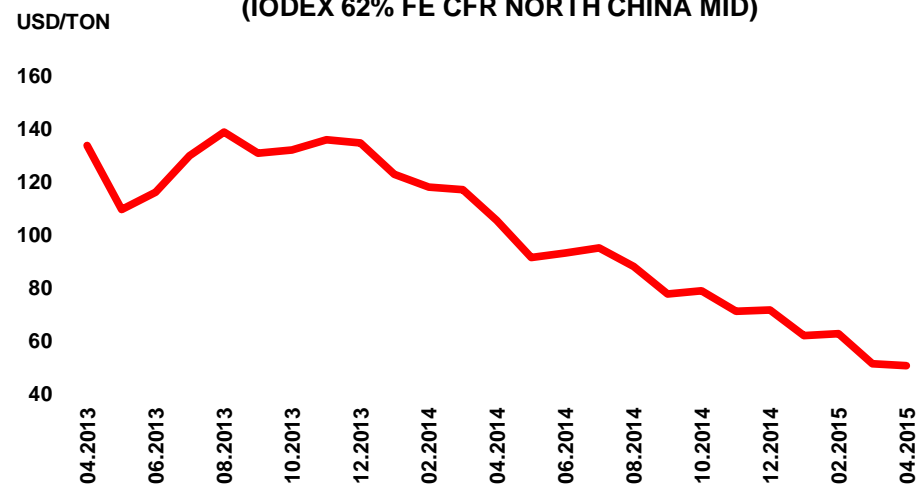


Iron ore price was 51 USD/ton as of April 2015

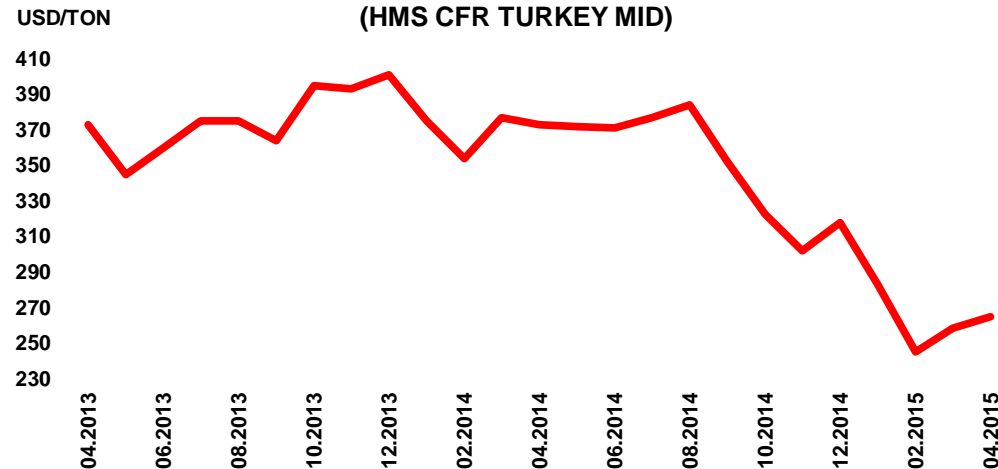
COKING COAL PRICES (HCC PEAK DOWNS REGION FOB AUSTRALIA)



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

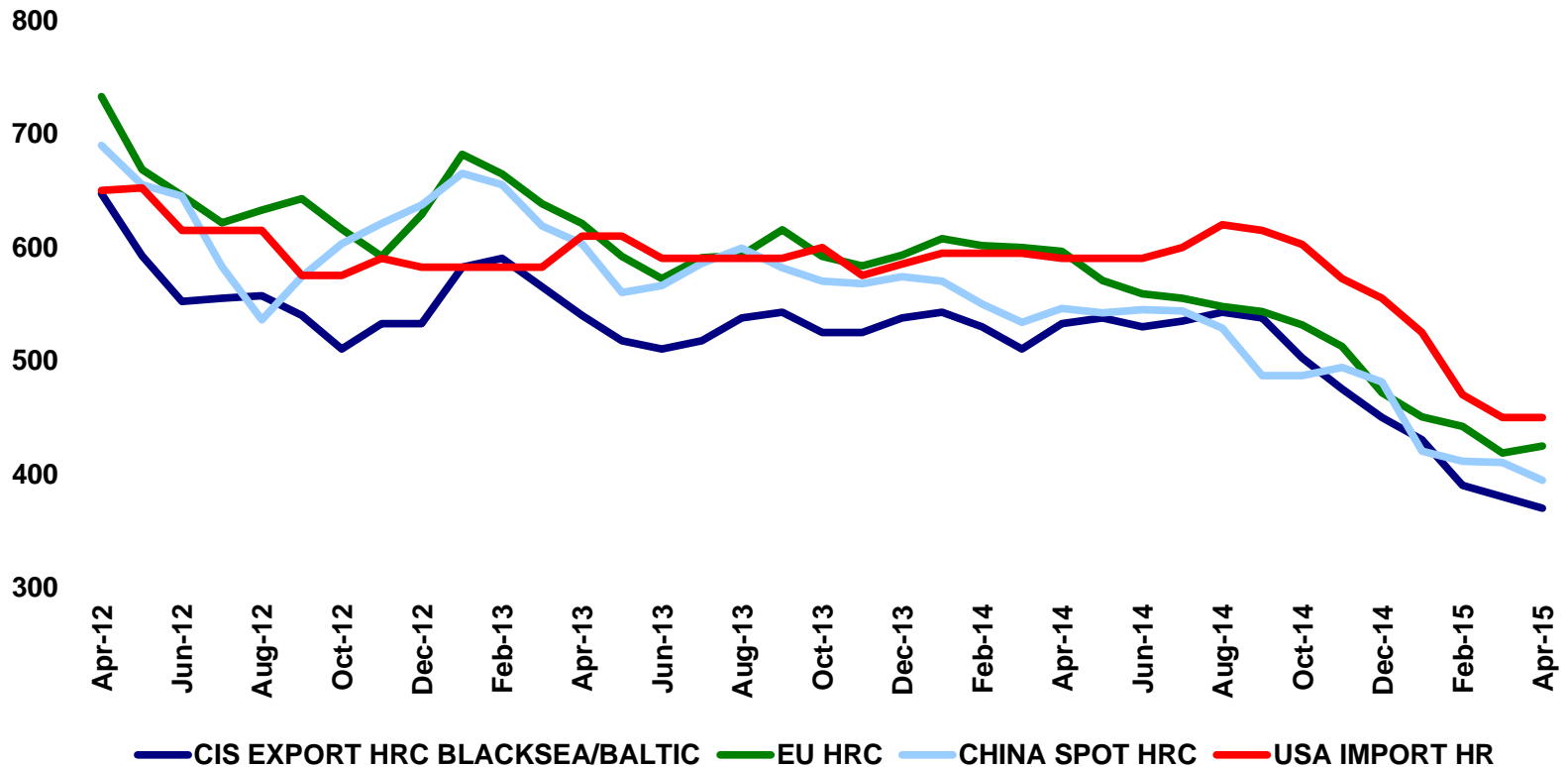


SCRAP PRICES (HMS CFR TURKEY MID)



April EU HRC sales price was 171 USD/ton lower than last year's same month

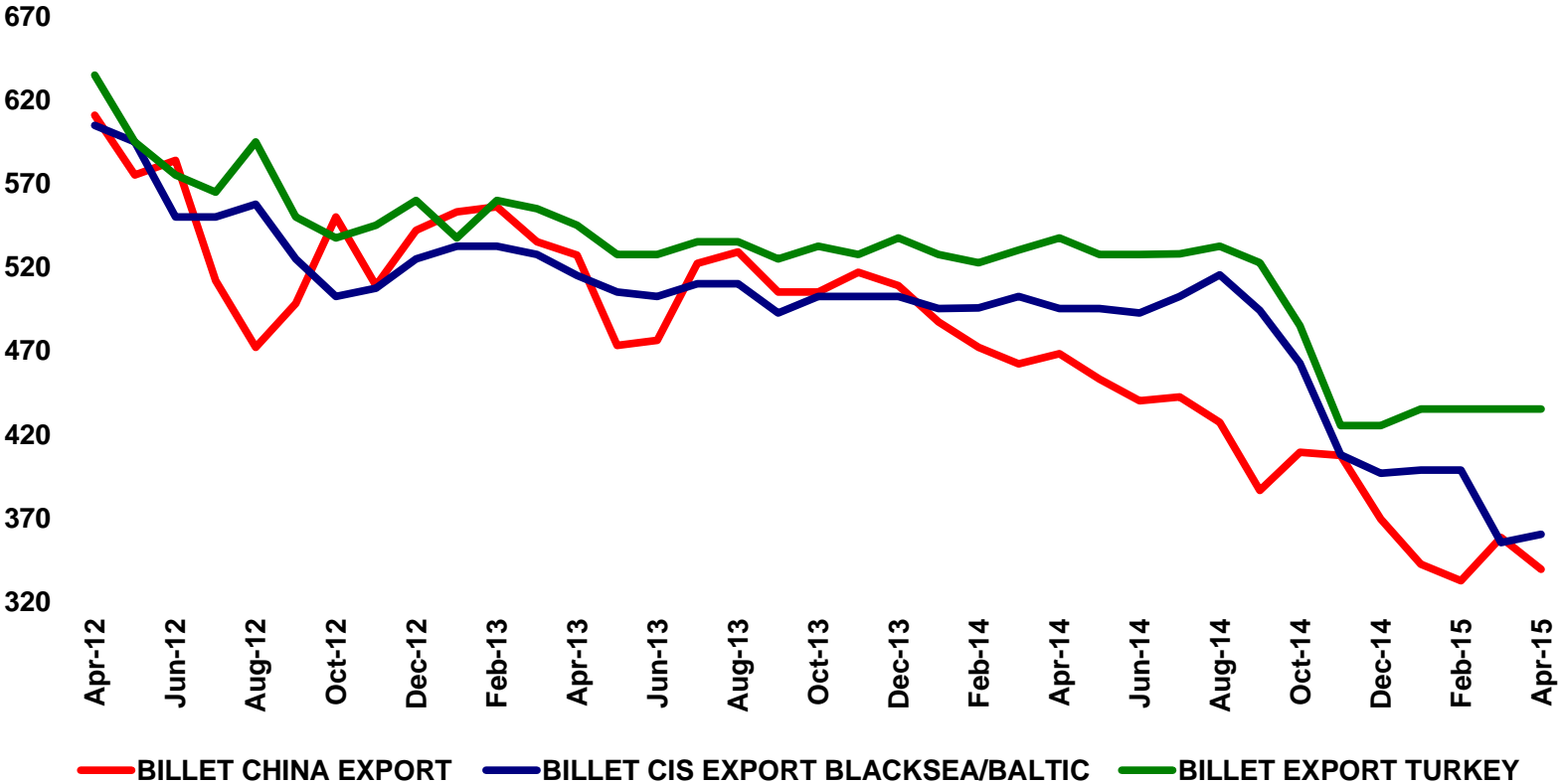
HRC PRICES (USD/Ton)



➔ As of April 2015, EU HRC price was 425 USD, China HRC spot price was 394 USD, CIS export HRC price was 370 USD. The prices were 596 USD, 546 USD, 533 USD respectively by the end of April 2014.

Billet sales prices are significantly lower in China

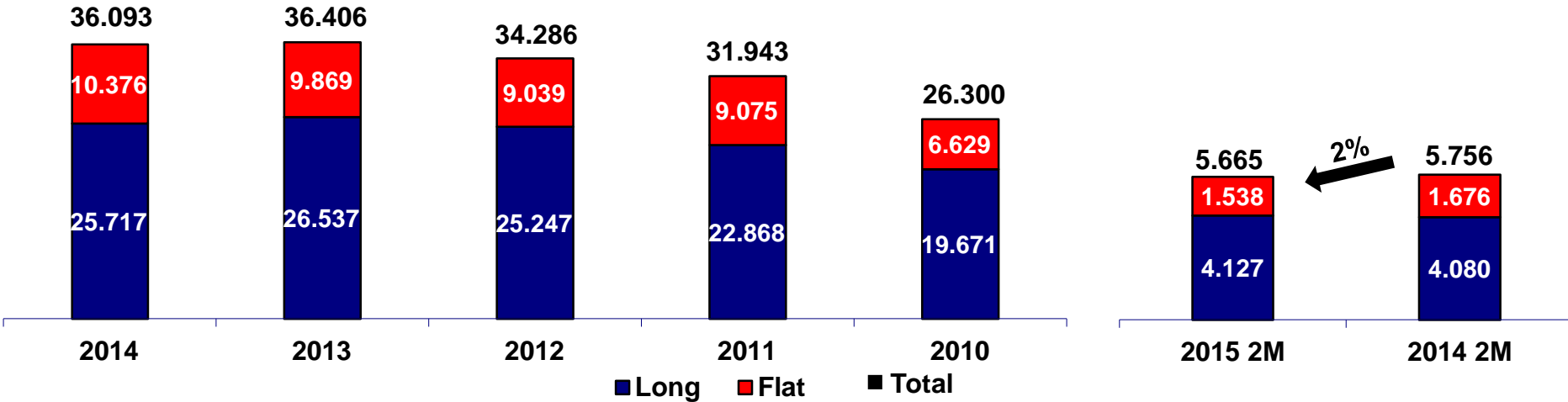
BILLET PRICES (USD/Ton)



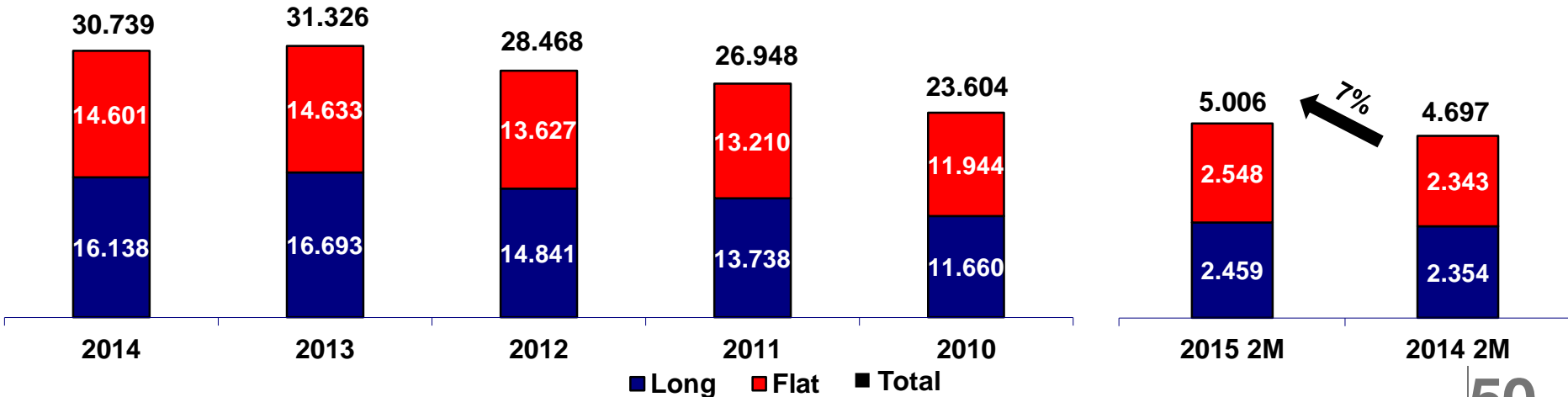
➔ As of April 2015, Turkey export price was 435 USD while it was 538 USD in April 2014.

Turkish steel production decreased by 2% in 2015 2M YoY

PRODUCTION (000 TONS)

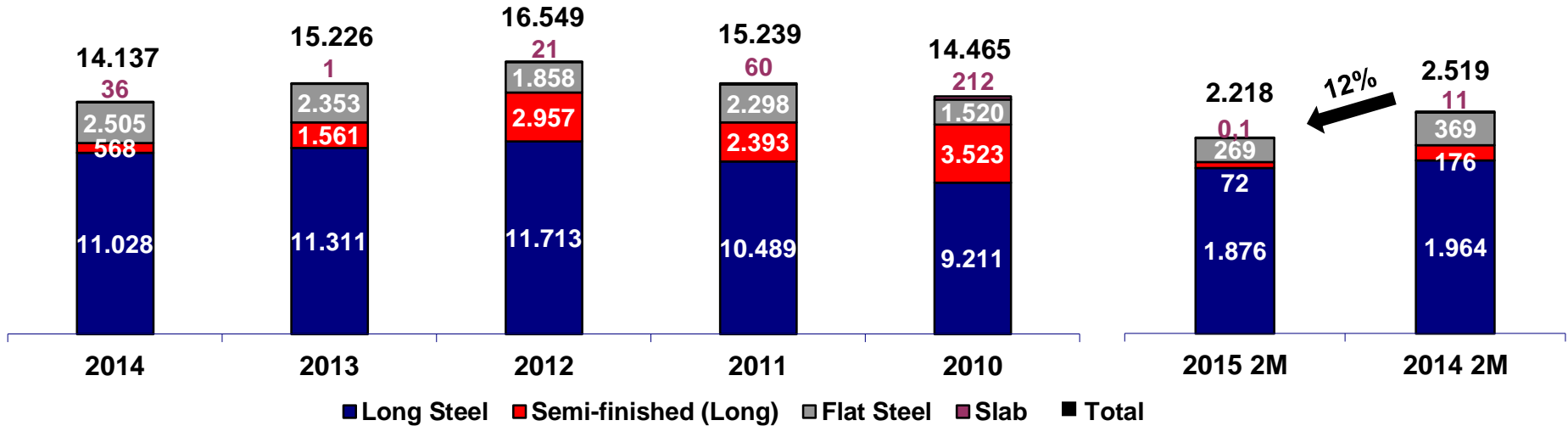


CONSUMPTION (000 TONS)

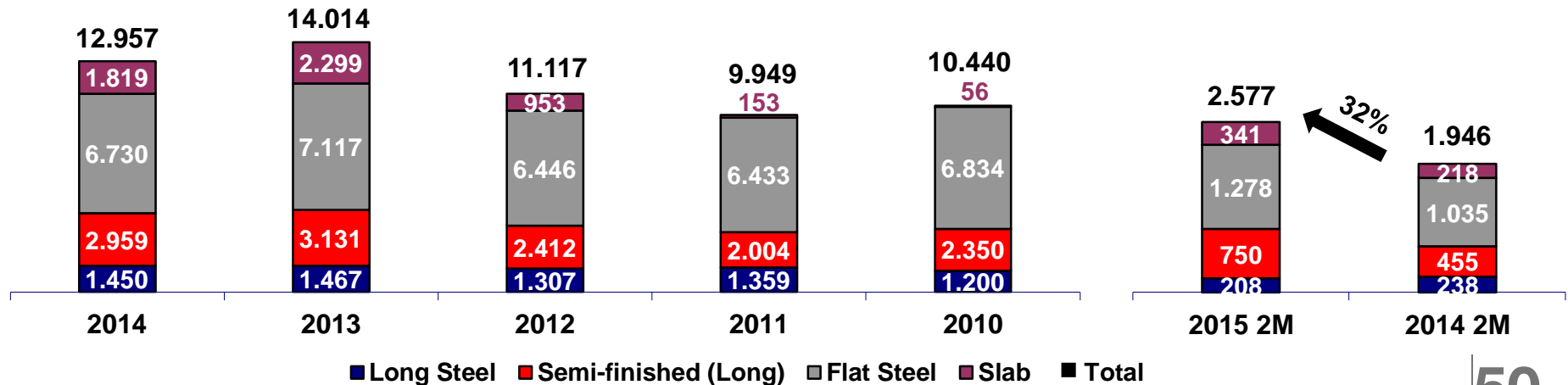


Turkish iron and steel product imports increased by 32% in 2015 2M YoY

IRON AND STEEL PRODUCT EXPORTS (000 TONS)



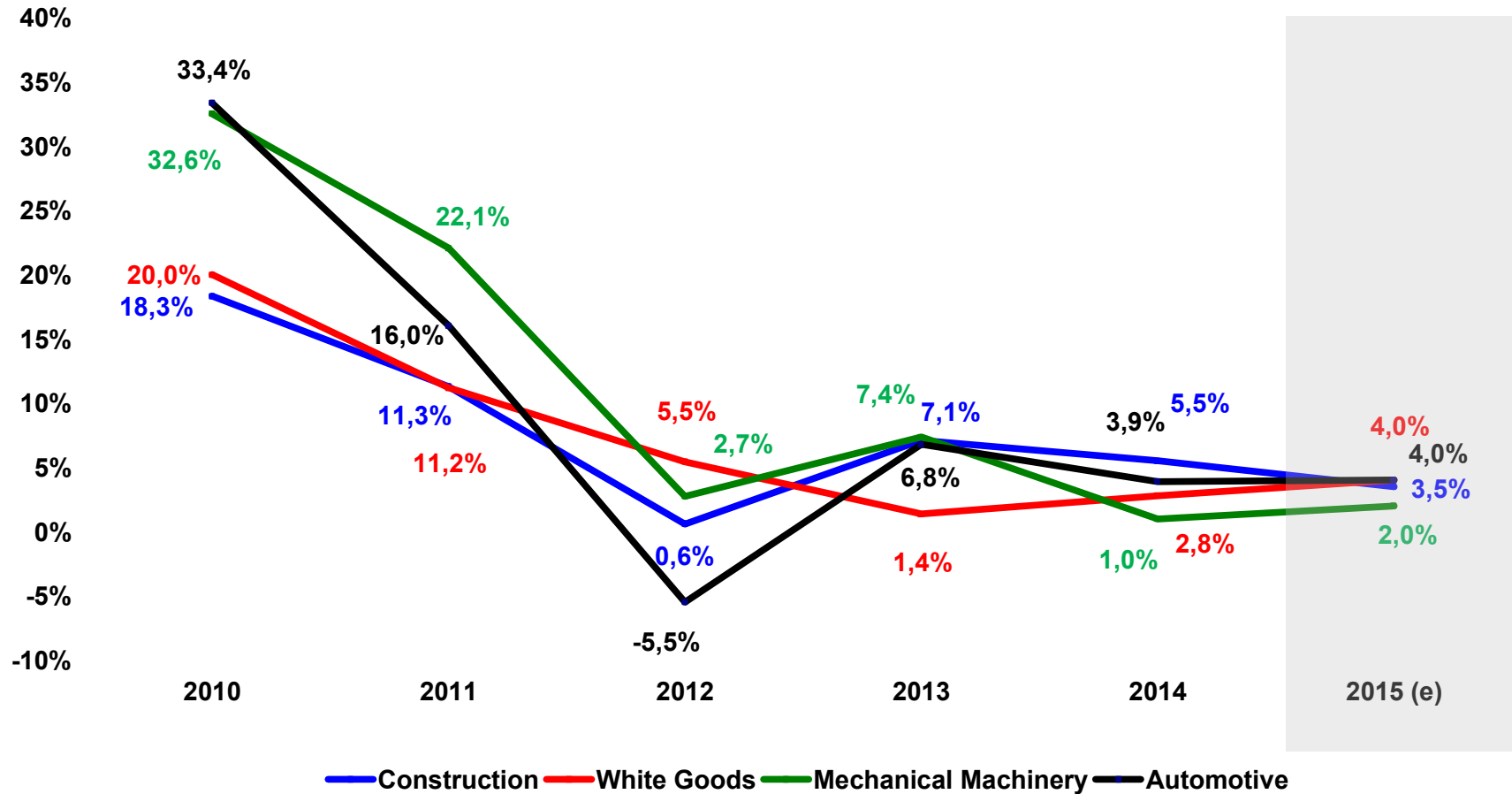
IRON AND STEEL PRODUCT IMPORTS (000 TONS)





Contraction in the construction sector is expected

CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)





ErdemirGroup

- > 2015 Market Overview
- > **2015 3M Results**
- > 2015 Guidance

ERDEMİR GROUP KEY FIGURES

			2015 3M	2014 3M	2014	2013
Liquid Steel Production	<i>(000 Tons)</i>	↓	2.092	2.135	8.693	8.447
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↓	1.796	1.813	7.363	6.865
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑	1.823	1.675	6.954	6.427
Long Steel Production	<i>(000 Tons)</i>	↓	242	317	1.153	1.356
Flat Steel Shipments	<i>(000 Tons)</i>	↑	1.749	1.671	6.933	6.338
Long Steel Shipments	<i>(000 Tons)</i>	↓	242	352	1.163	1.346
Net Sales Revenue	<i>(M. USD)</i>	↓	1.179	1.324	5.252	5.142
EBITDA	<i>(M. USD)</i>	↓	249	282	1.136	987
Net Profit For The Year	<i>(M. USD)</i>	↓	137	195	732	484

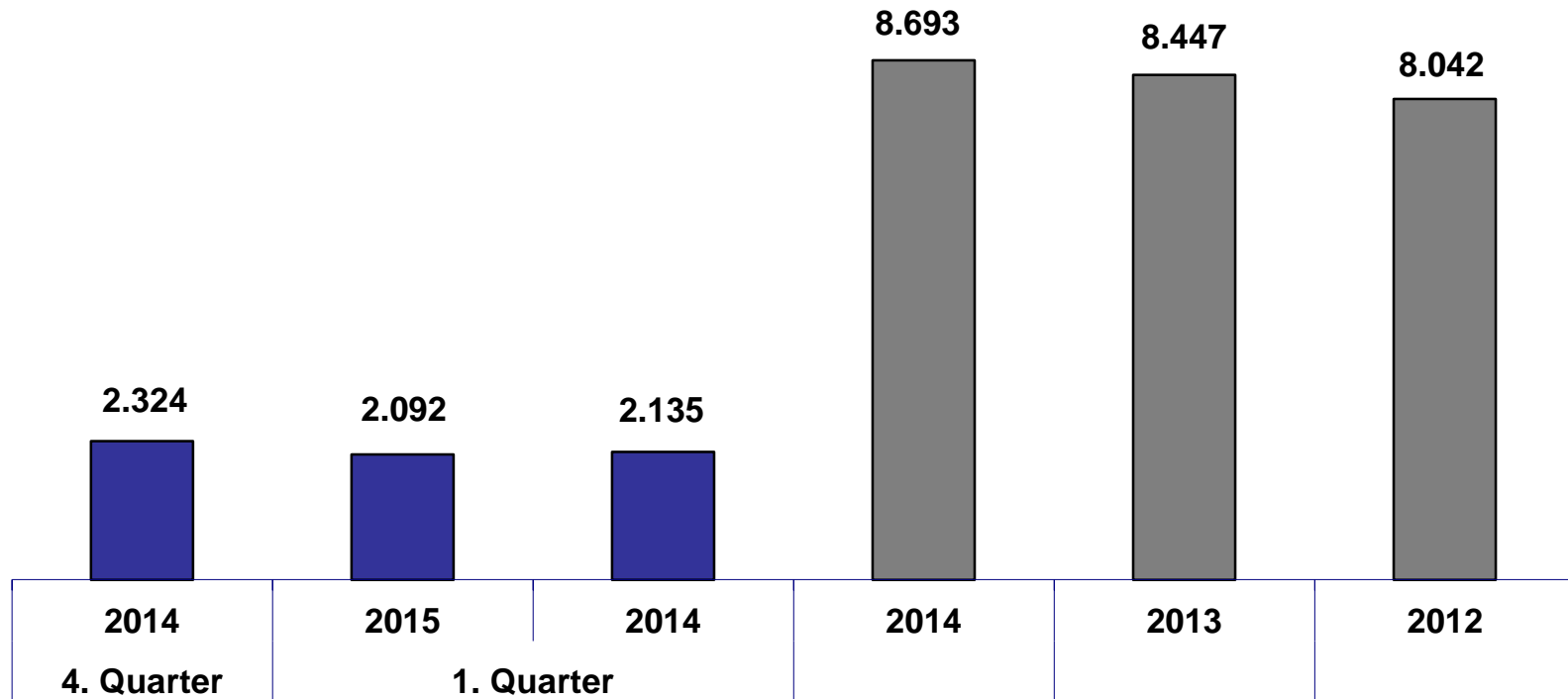
All figures are on IFRS consolidated basis unless stated otherwise.

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

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

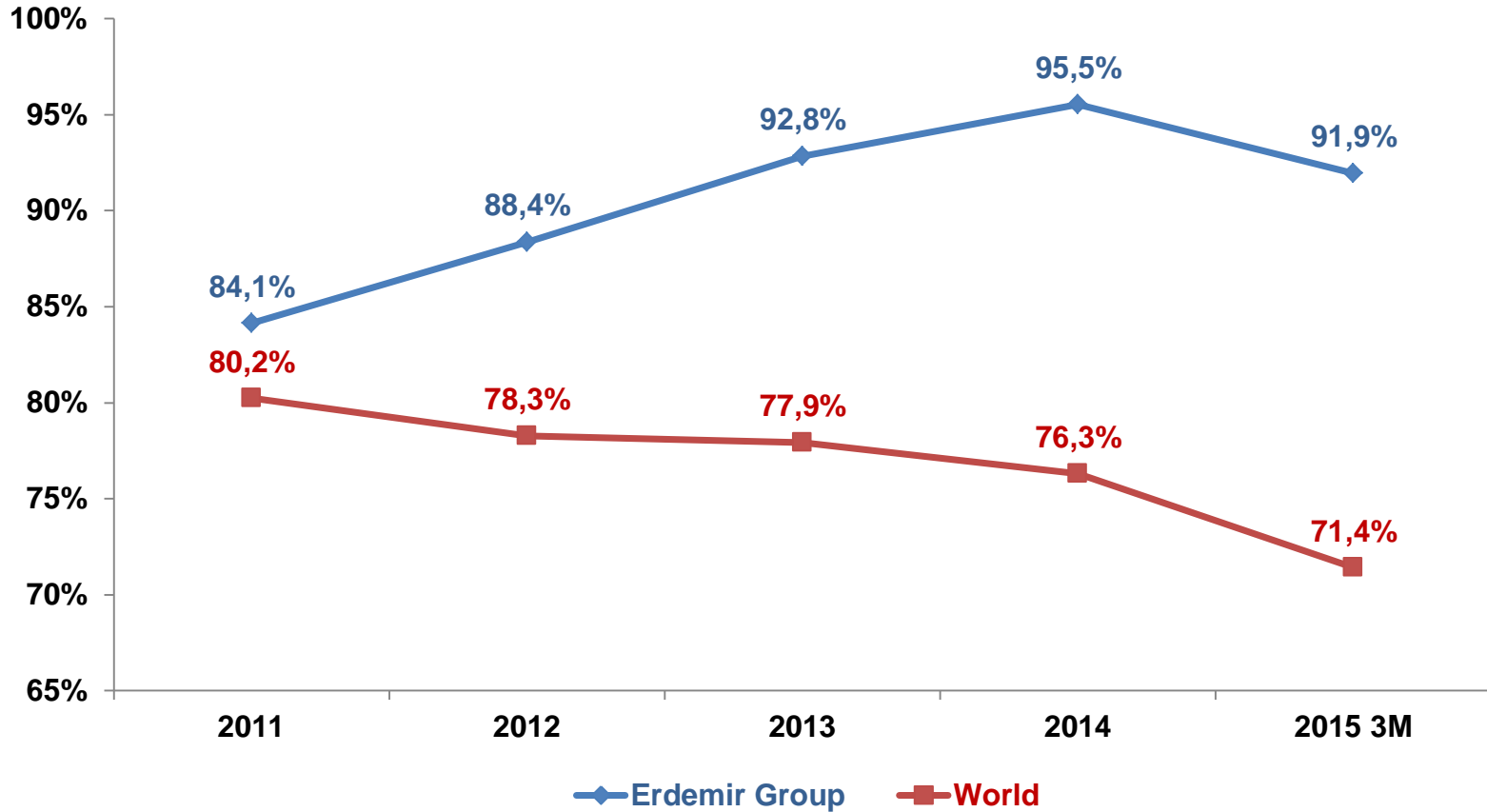
Liquid steel production was 2,1 million tons in 2015 3M YoY

LIQUID STEEL PRODUCTION (000 TONS)



Crude steel capacity utilization ratio of ERDEMİR Group is higher than world average

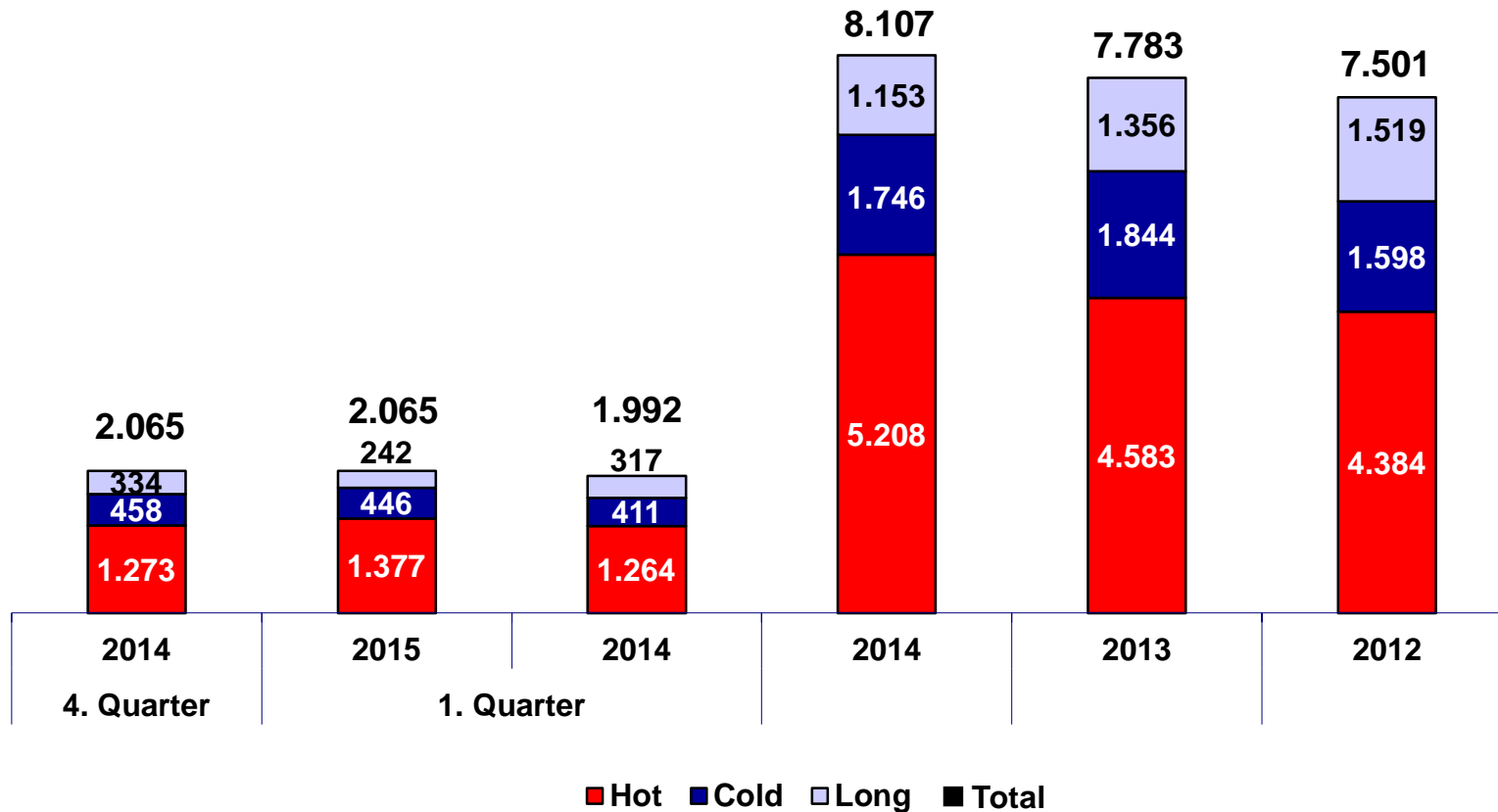
CRUDE STEEL CAPACITY UTILIZATION RATIO





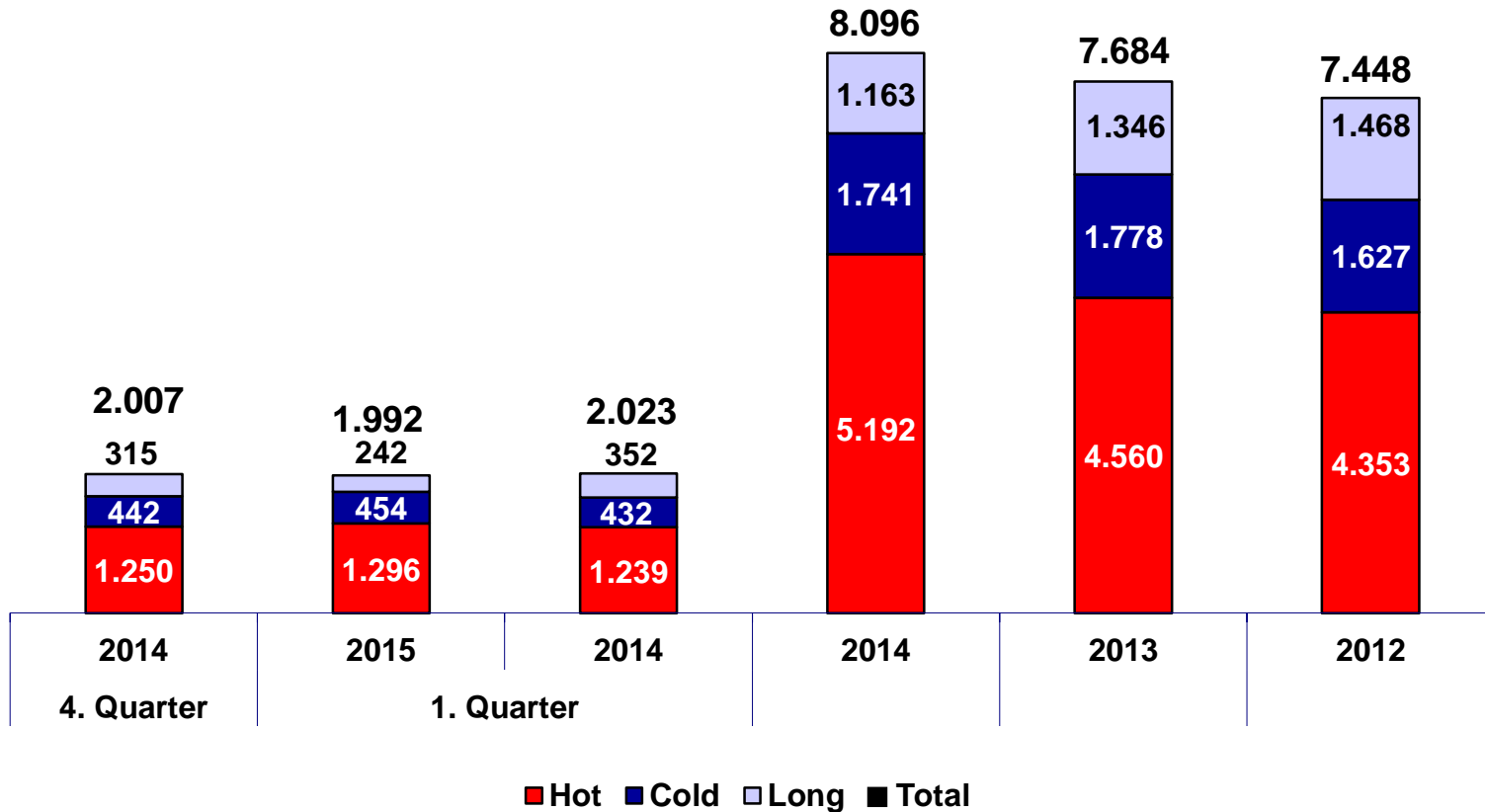
HRC production increased by 9% in 2015 3M YoY

PRODUCTION VOLUMES (000 TONS)



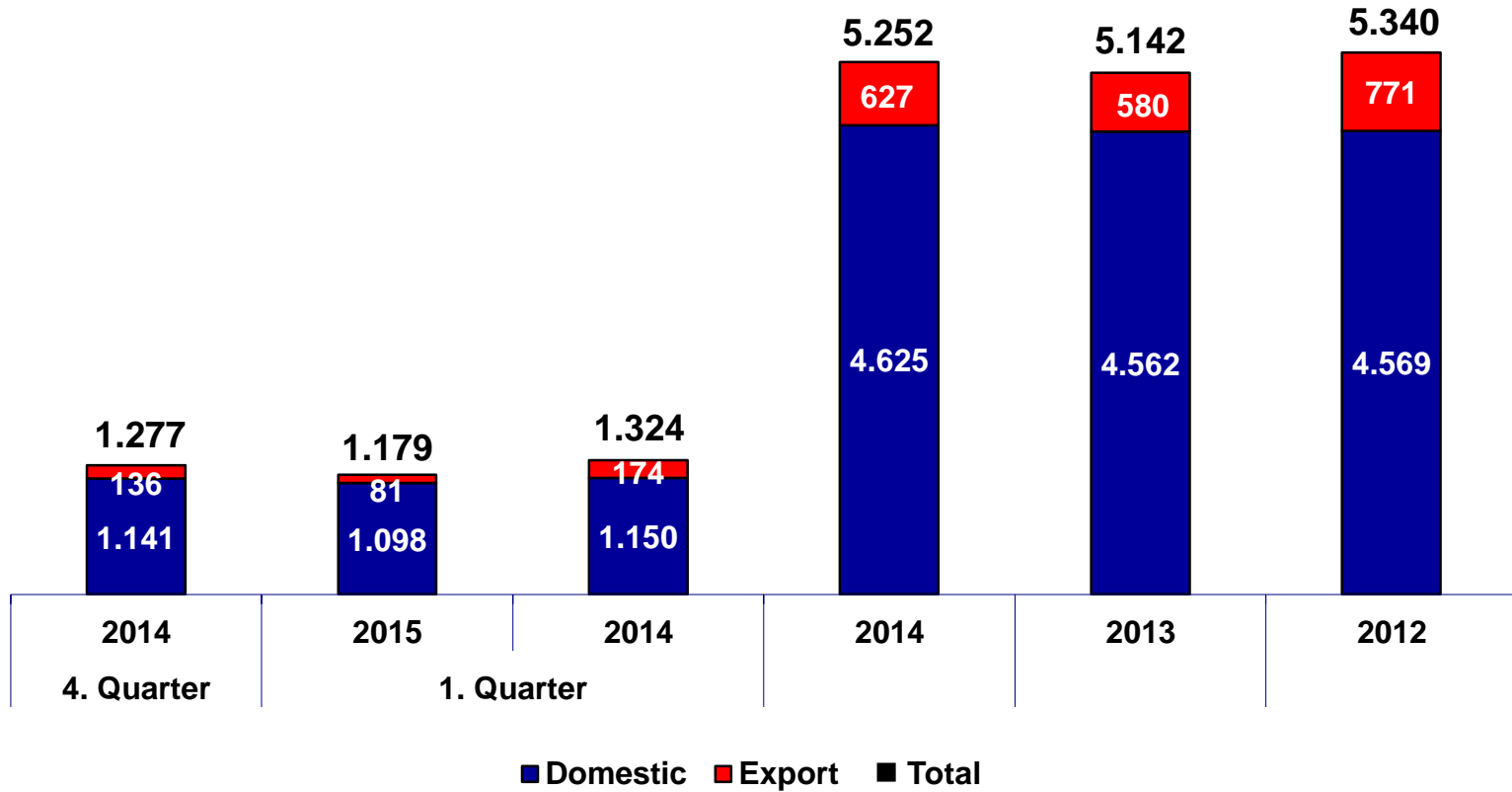
CRC sales volumes increased by 5% in 2015 3M YoY

SALES VOLUMES (000 TONS)



Net sales revenue was 1,2 billion USD in 2015 3M YoY

NET SALES REVENUE (MILLION USD)

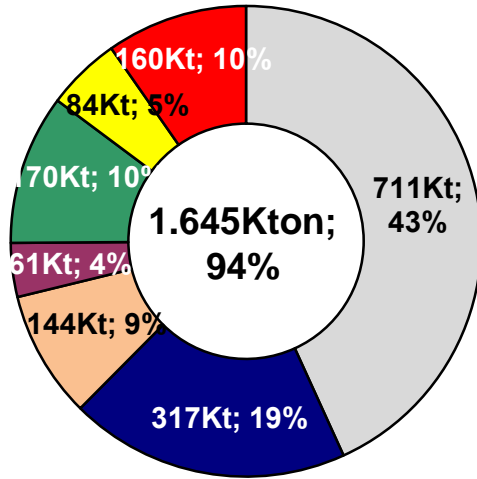


Sales to automotive and components industry increased in 2015 3M YoY



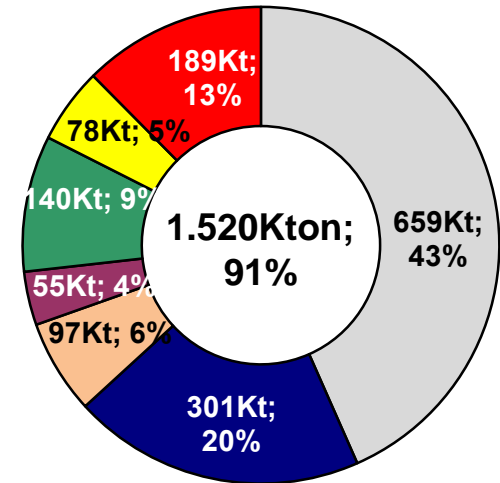
ErdemirGroup

2015 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

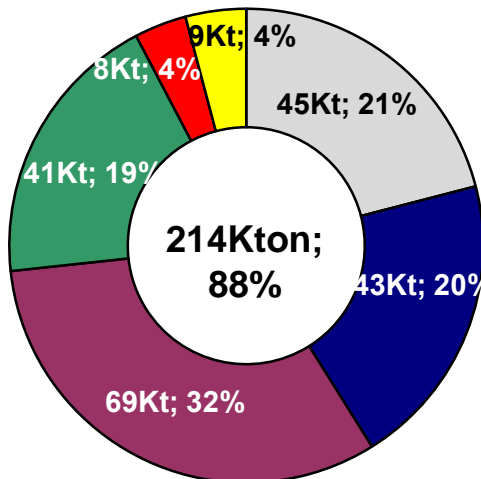


- Pipe&Profile Producers and Re-rollers
- Distribution Chains
- Contract Works
- Packaging Industry
- Automotive and Components
- White Goods and Household Appliances
- General Manufacturing & Heavy Ind.

2014 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

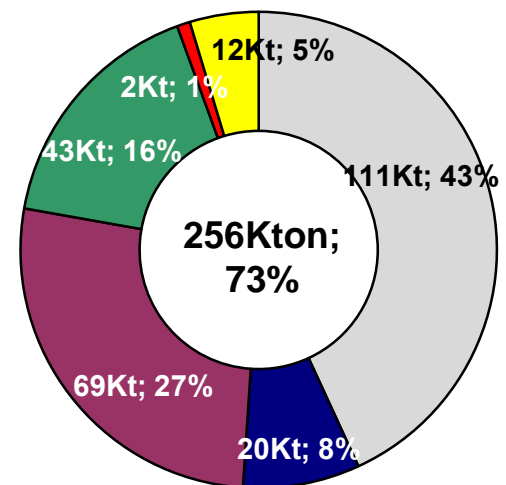


2015 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

2014 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

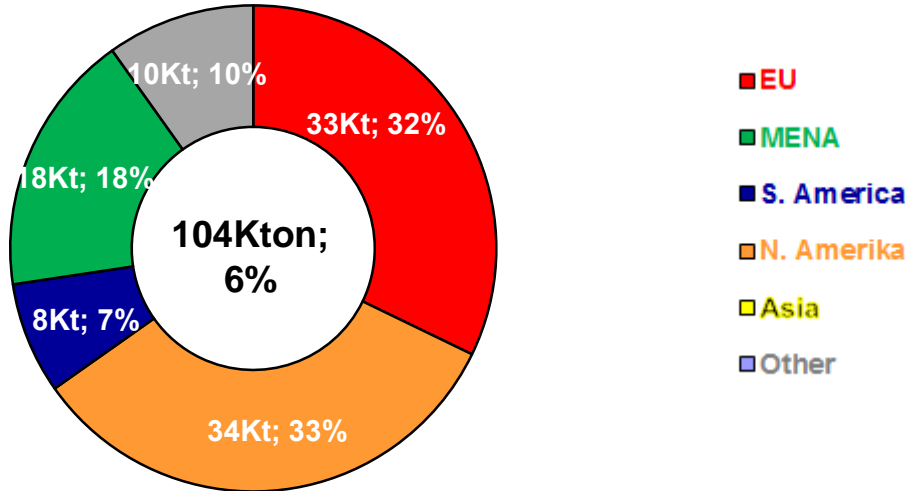


Flat steel sales to North America countries was 33% of our flat export in 2015 3M

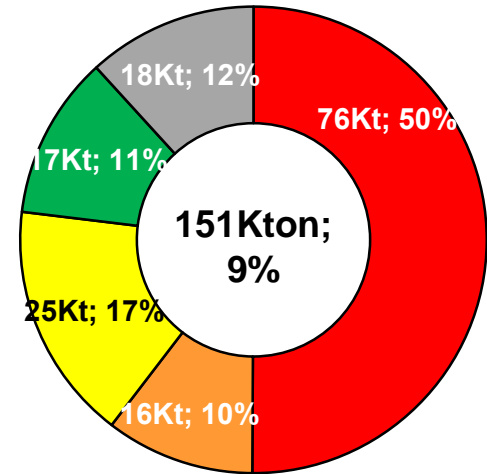


ErdemirGroup

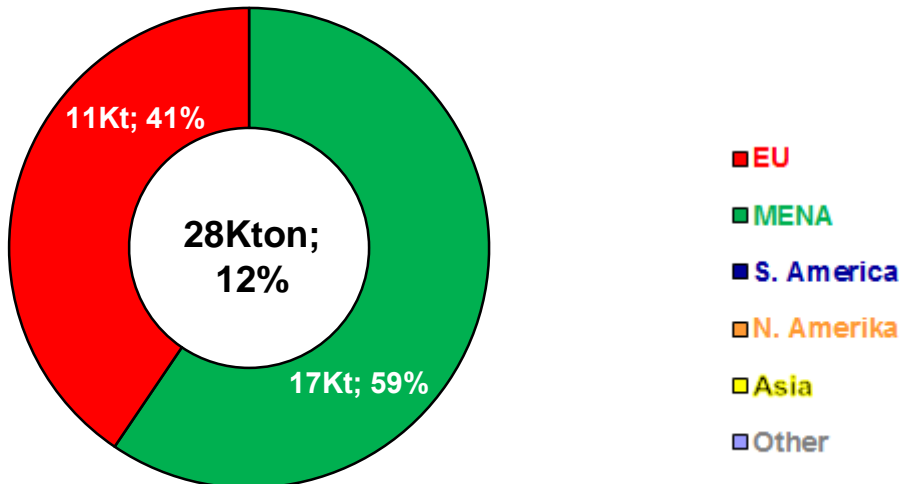
2015 3M FLAT STEEL EXPORTS BREAKDOWN (%)



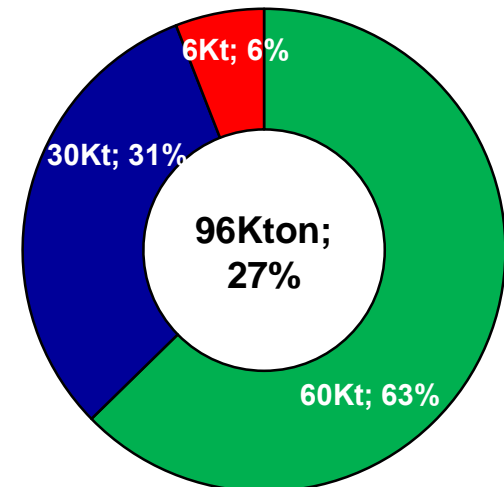
2014 3M FLAT STEEL EXPORTS BREAKDOWN (%)



2015 3M LONG STEEL EXPORTS BREAKDOWN (%)



2014 3M LONG STEEL EXPORTS BREAKDOWN (%)

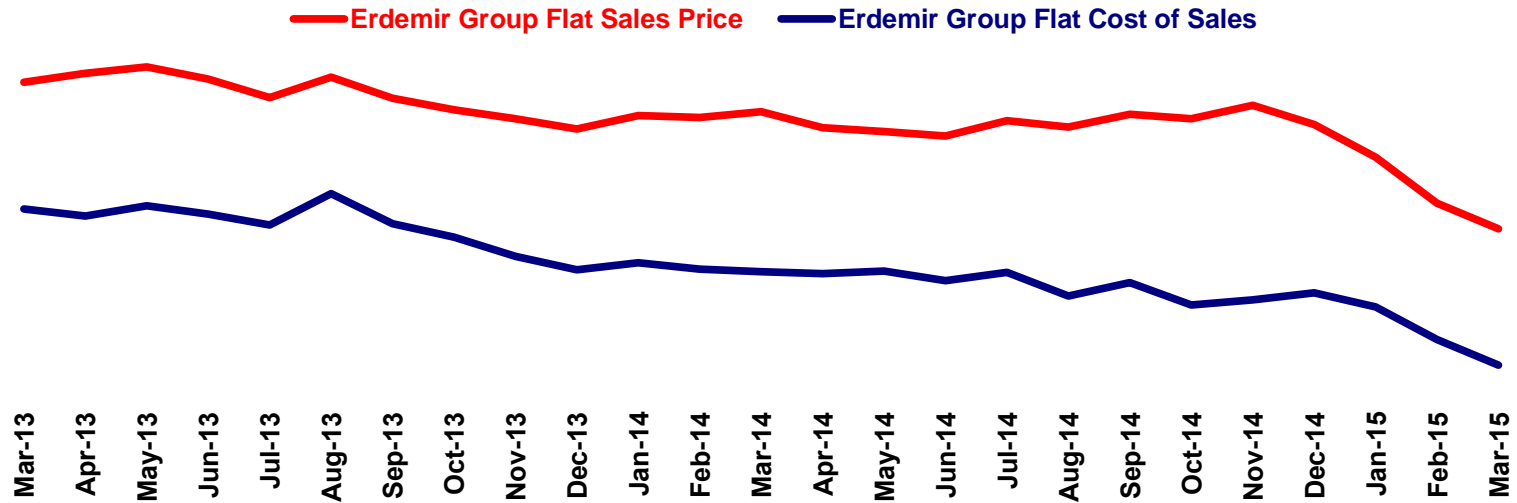


In 2015 3M, Erdemir Group average flat and long steel prices were 592 USD/ton and 485 USD/ton respectively

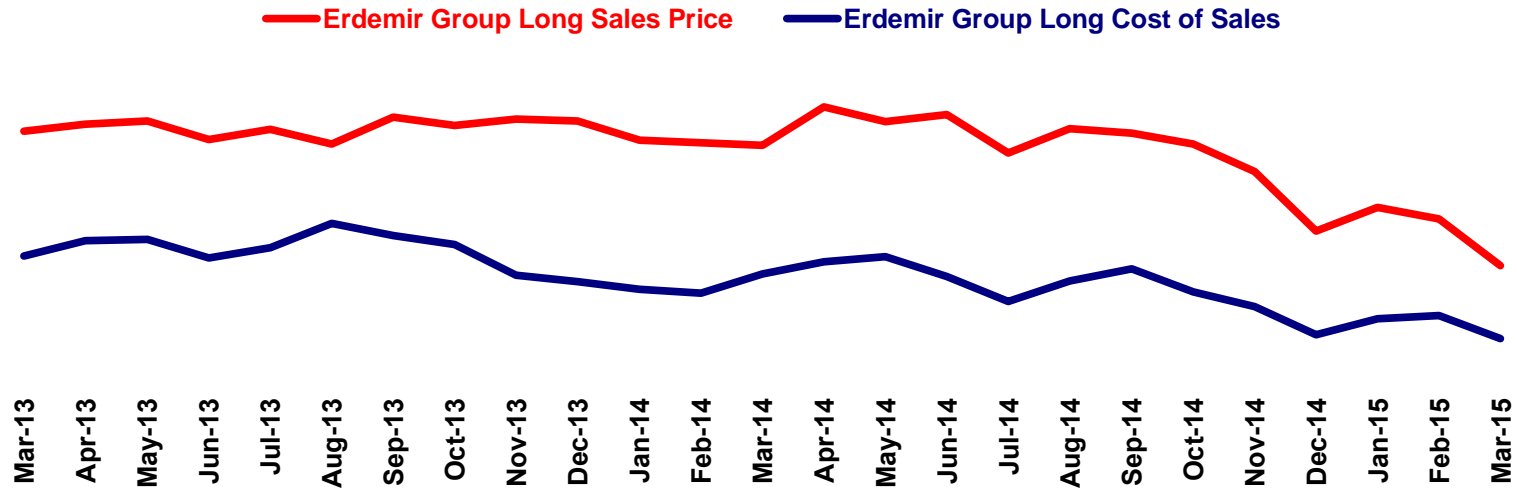


ErdemirGroup

USD/TON



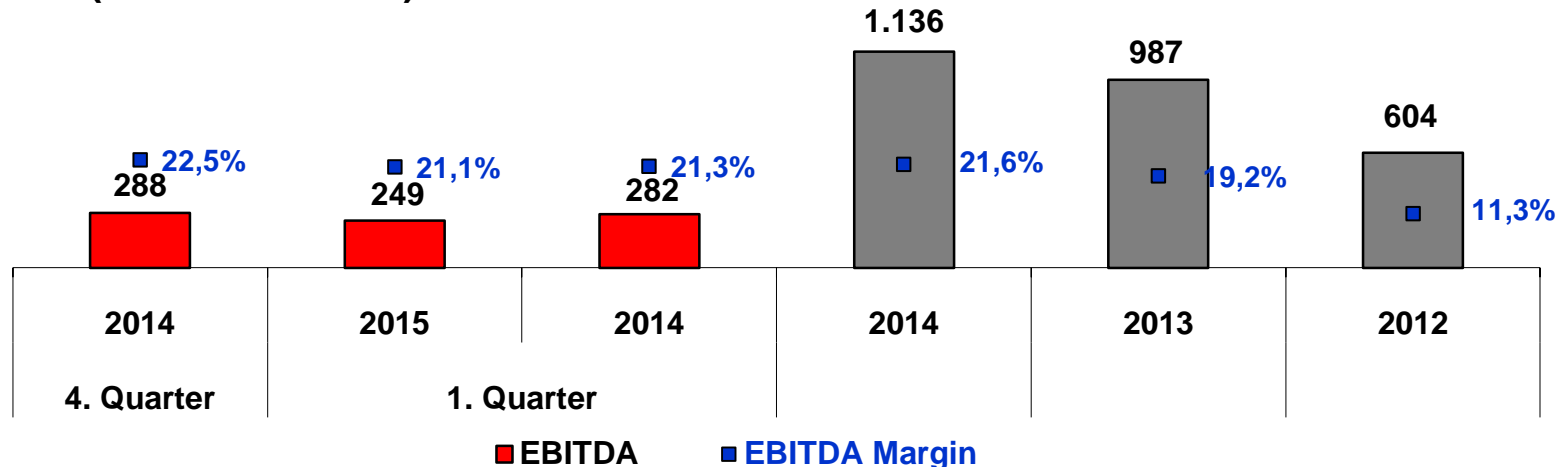
USD/TON



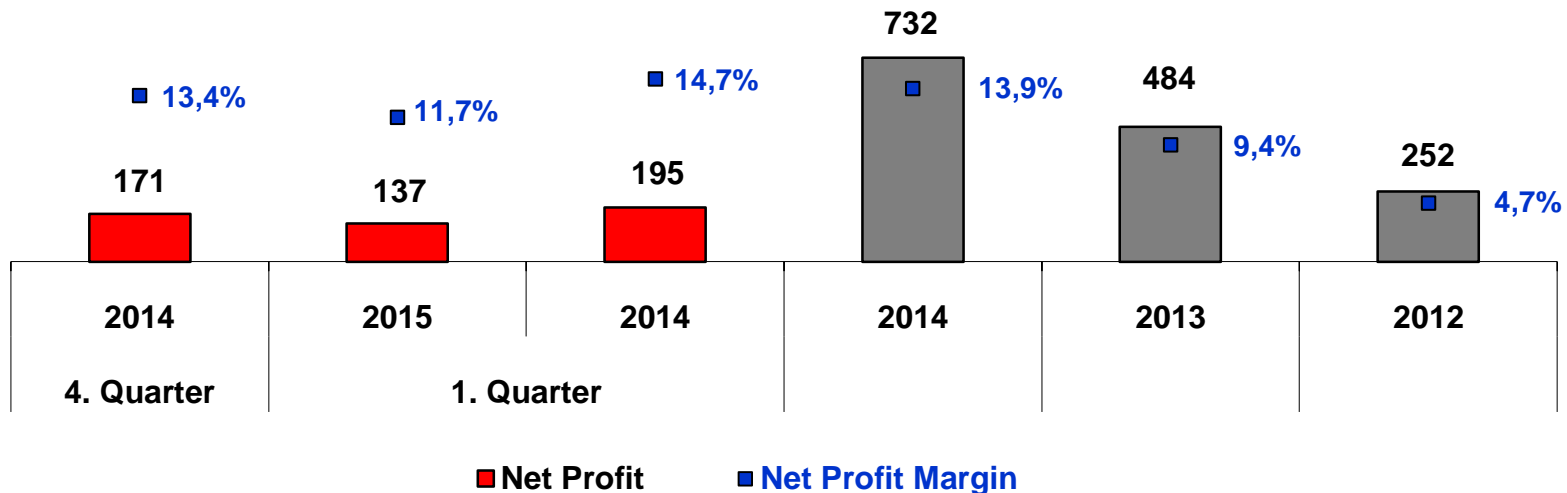


EBITDA decreased by 12% in 2015 3M YoY

EBITDA (MILLION USD)



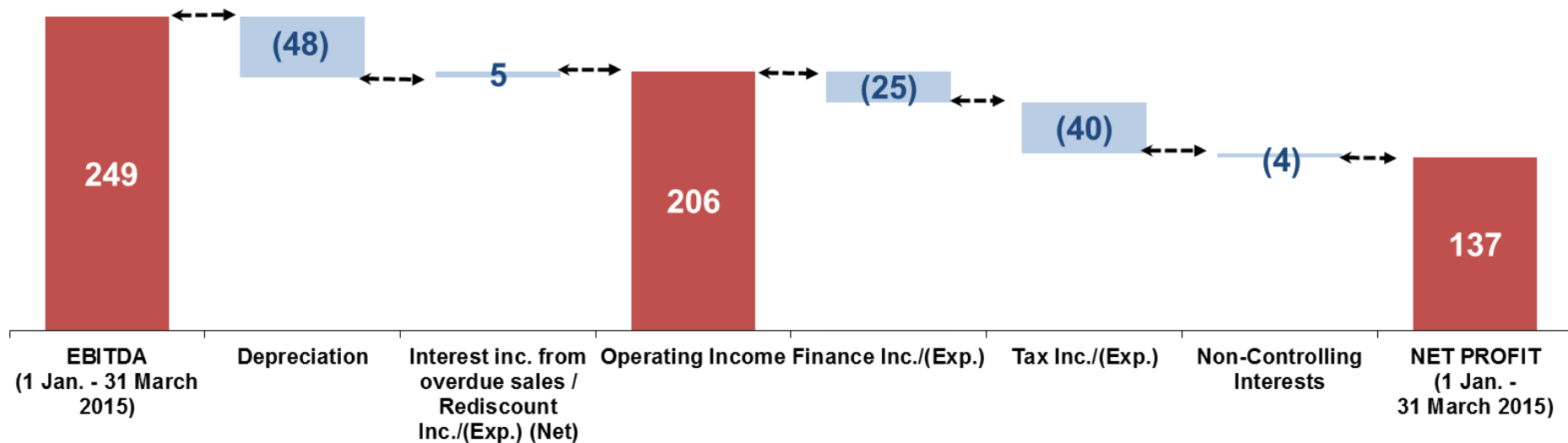
NET PROFIT (MILLION USD)





EBITDA was 249 million USD in 2015 1Q

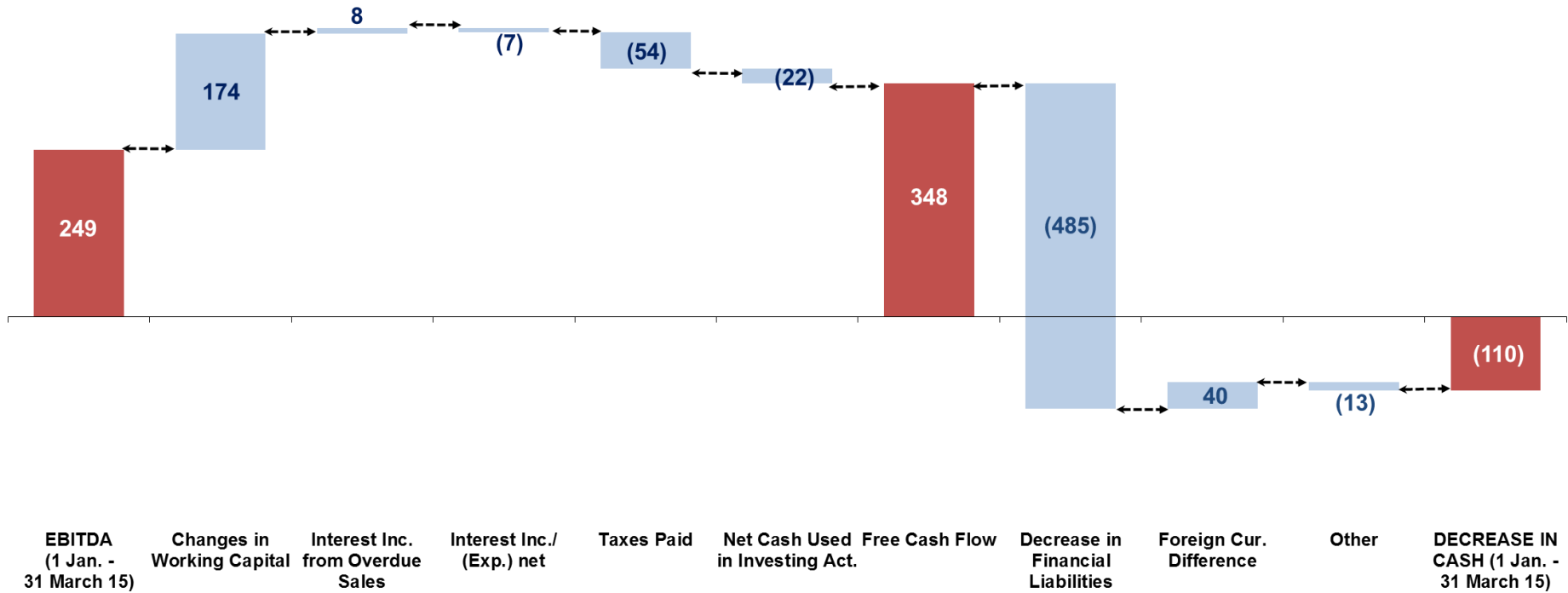
Consolidated EBITDA => Consolidated Net Profit (Million USD)





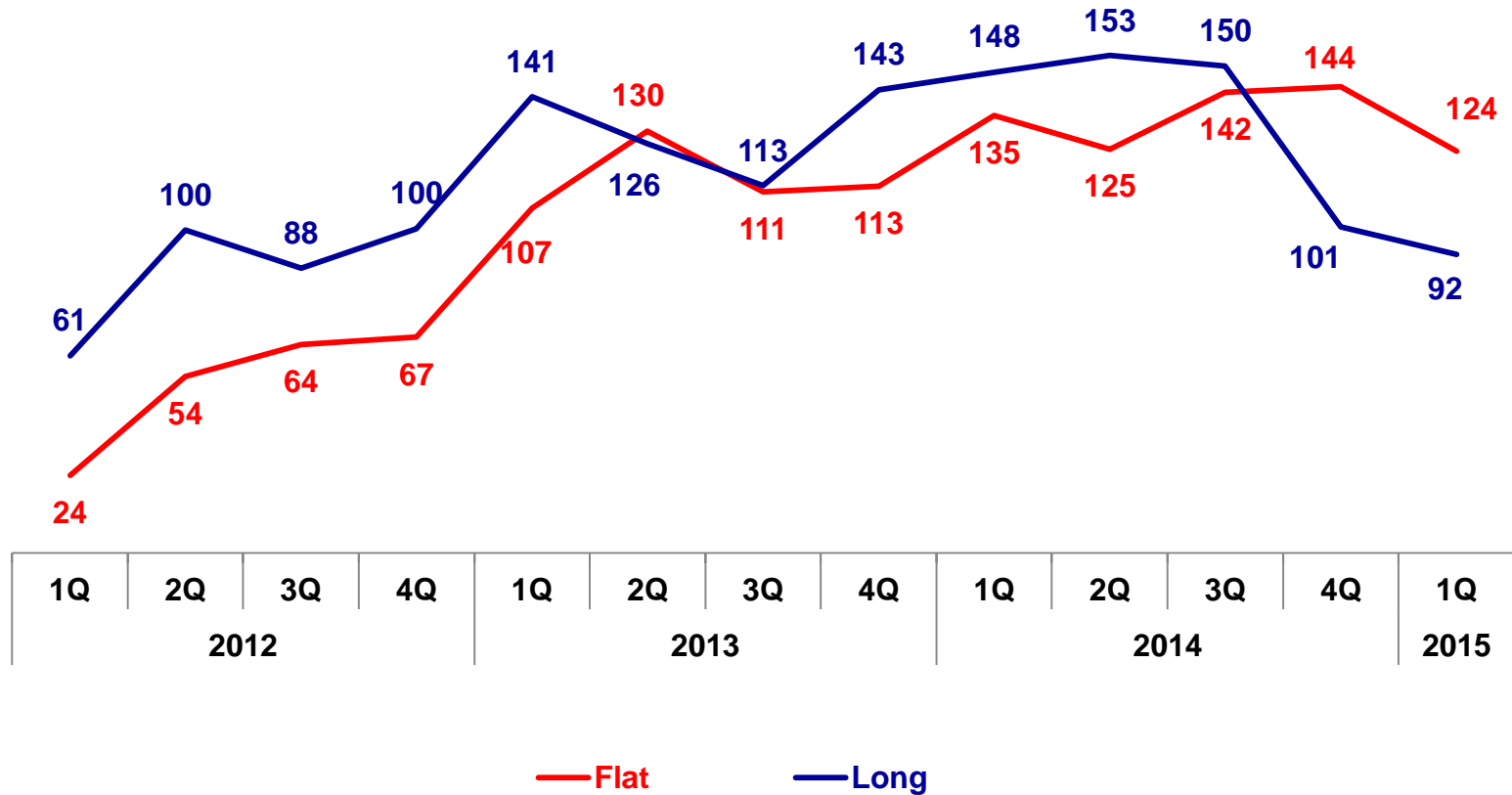
EBITDA was 249 million USD in 2015 1Q

Consolidated EBITDA => Consolidated Net Cash (Million USD)



EBITDA per ton for flat product was 124 USD/ton in 2015 1Q

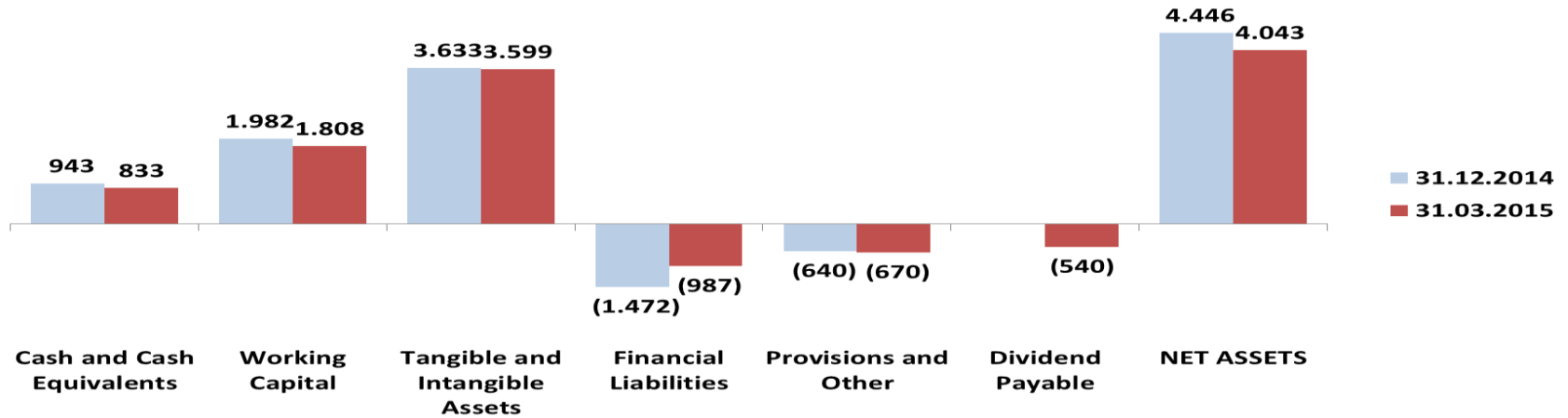
EBITDA PER TON (USD/TON)



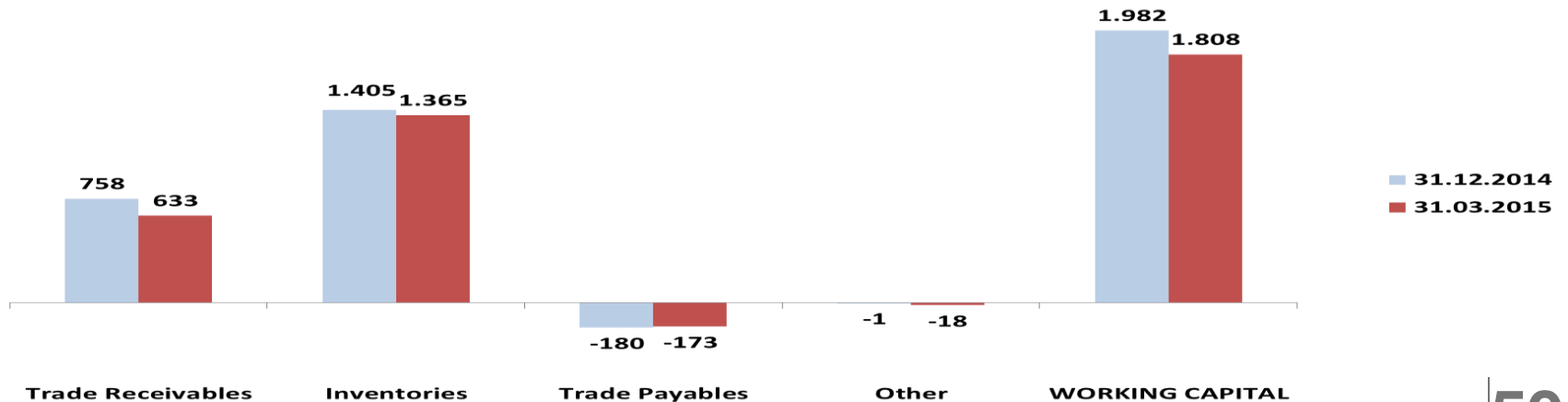


Net assets was 4,0 billion USD at the end of 2015 1Q **Erdemir**Group

CONSOLIDATED NET ASSETS (MILLION USD)



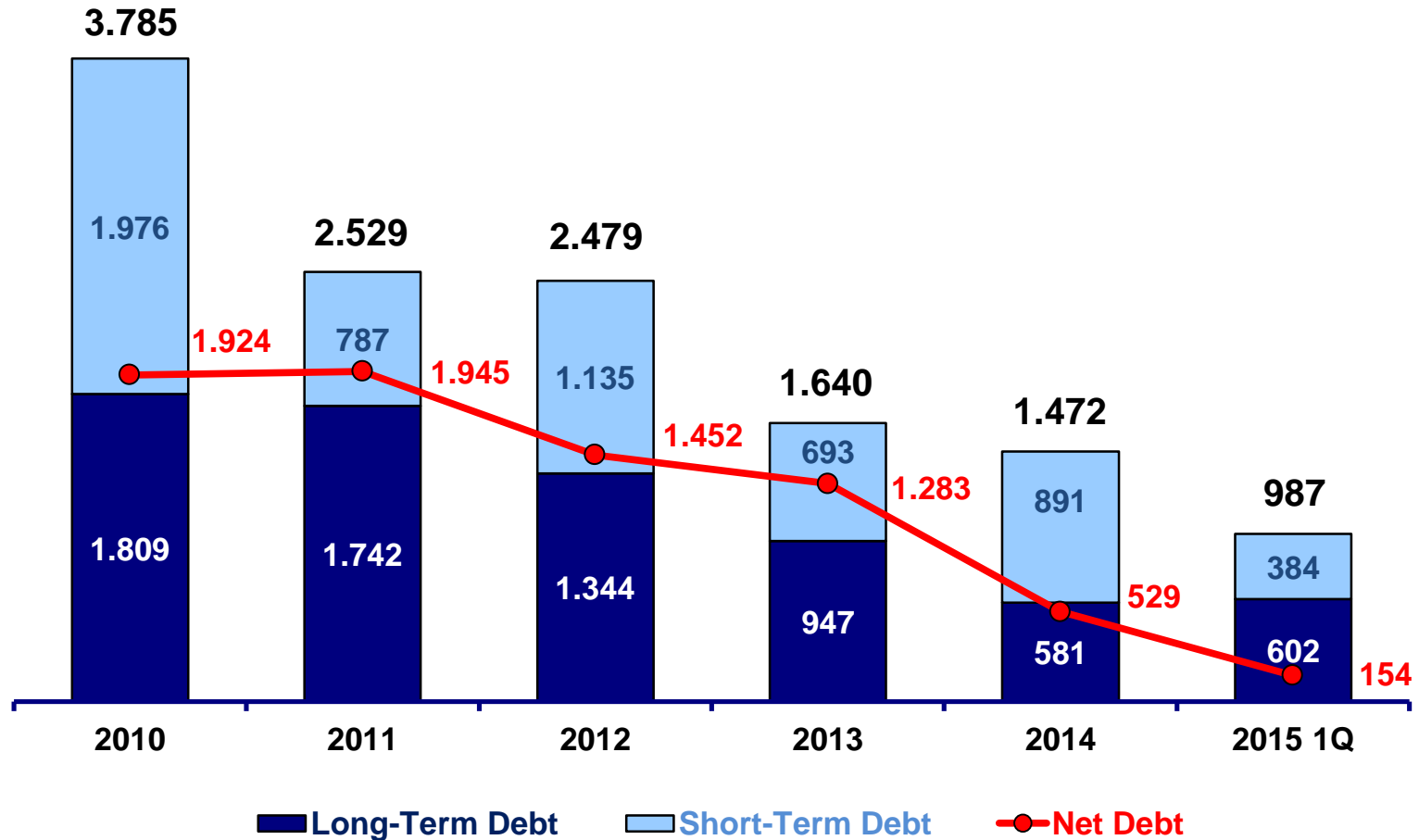
WORKING CAPITAL (MILLION USD)





Net debt was 154 million USD at the end of 2015 1Q

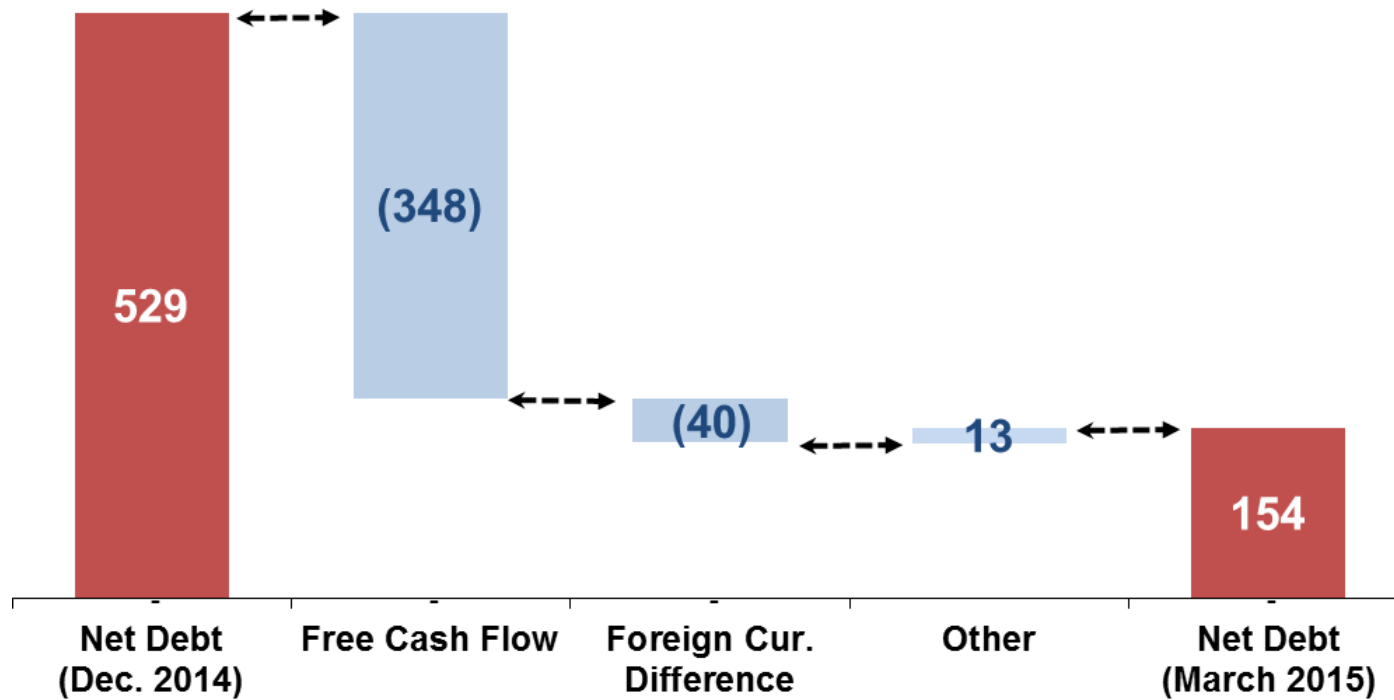
BORROWINGS (MILLION USD)





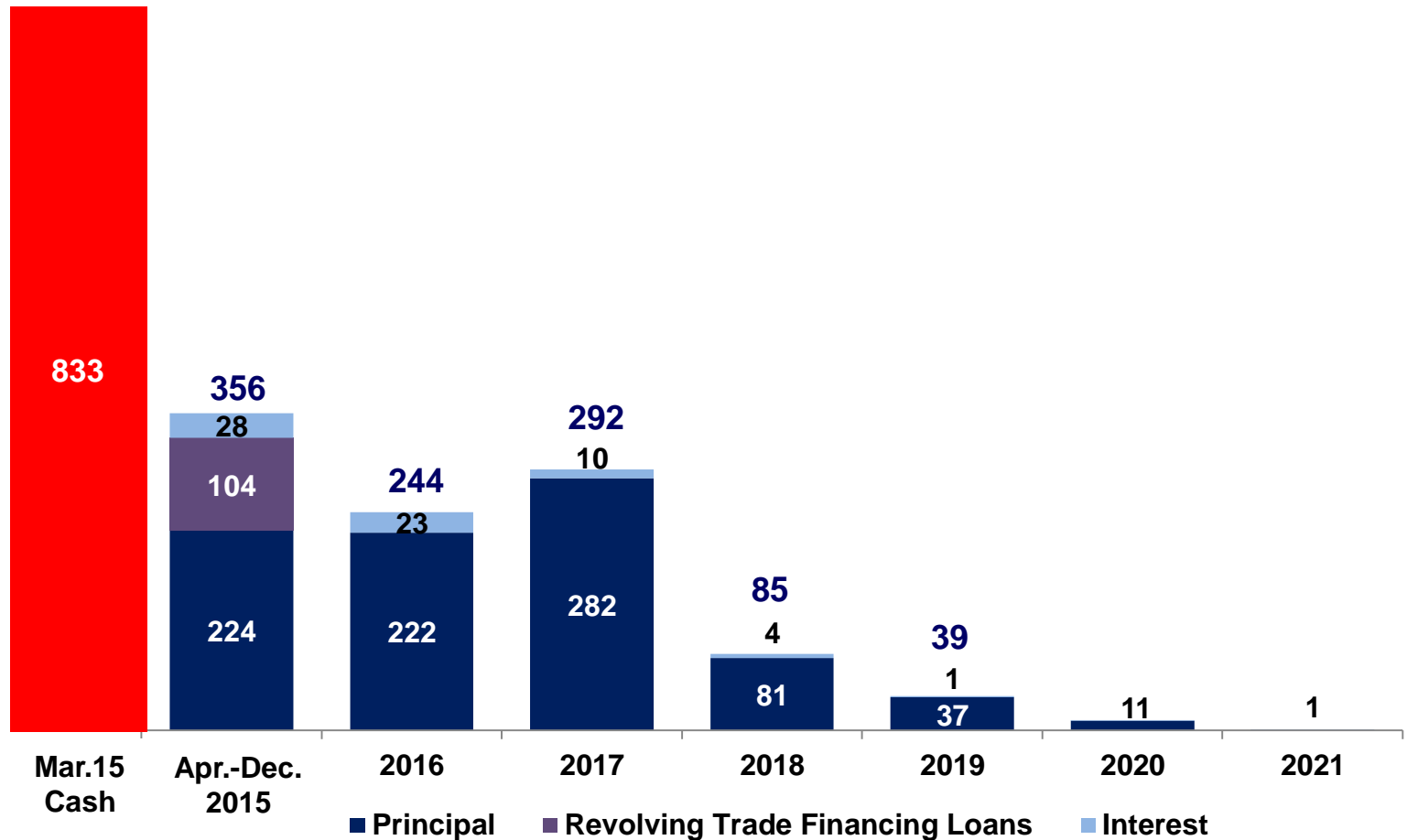
Net debt was 154 million USD at the end of 2015 1Q

NET DEBT (MILLION USD)



Erdemir Group has 833 million USD cash and cash equivalents at the end of 2015 1Q

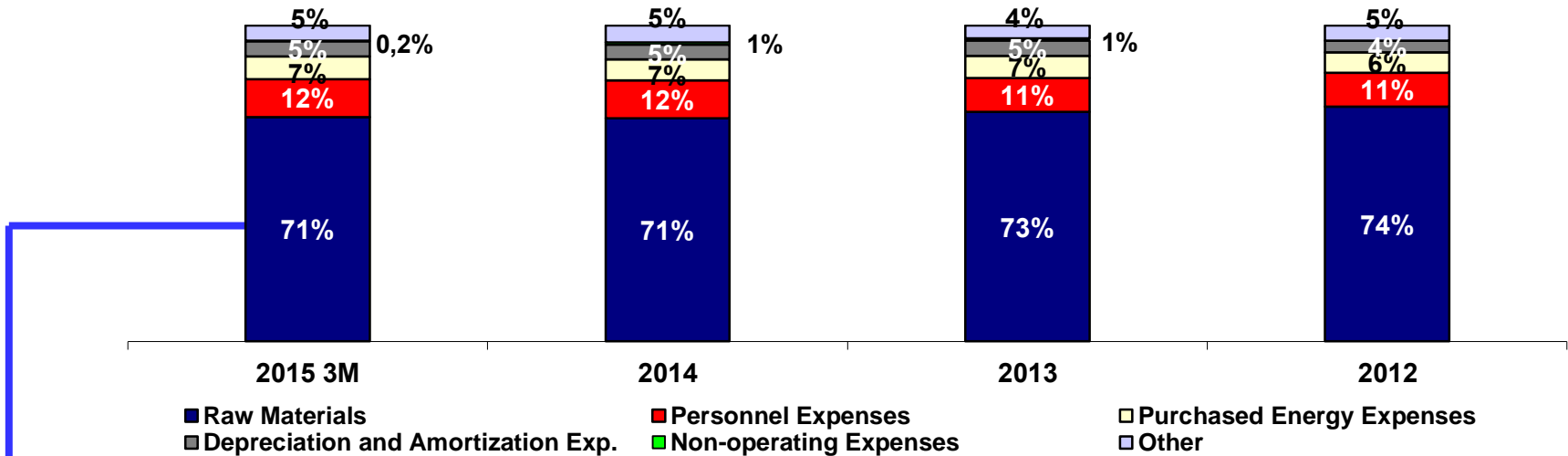
BORROWINGS MATURITY PROFILE (MILLION USD)



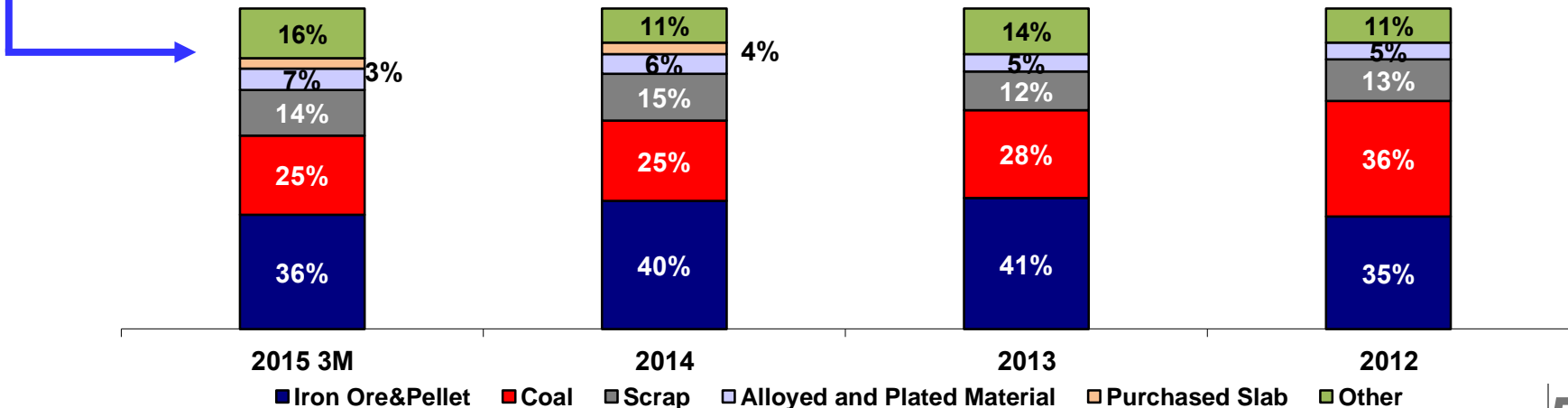


Raw materials made up 71% of the cost of sales

COST OF SALES BREAKDOWN* - %



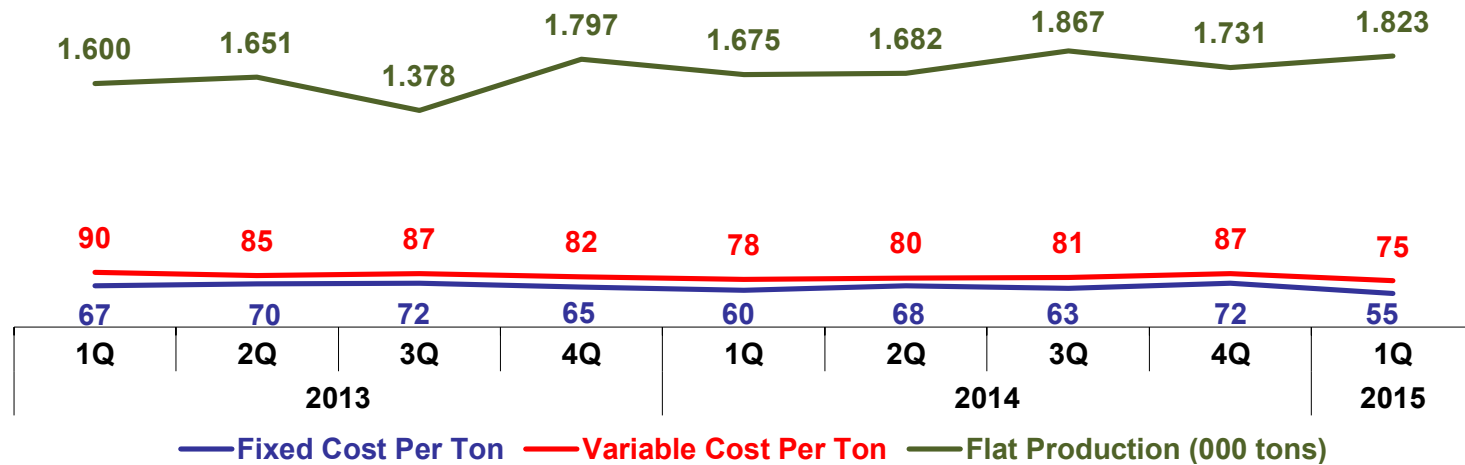
RAW MATERIALS BREAKDOWN - %



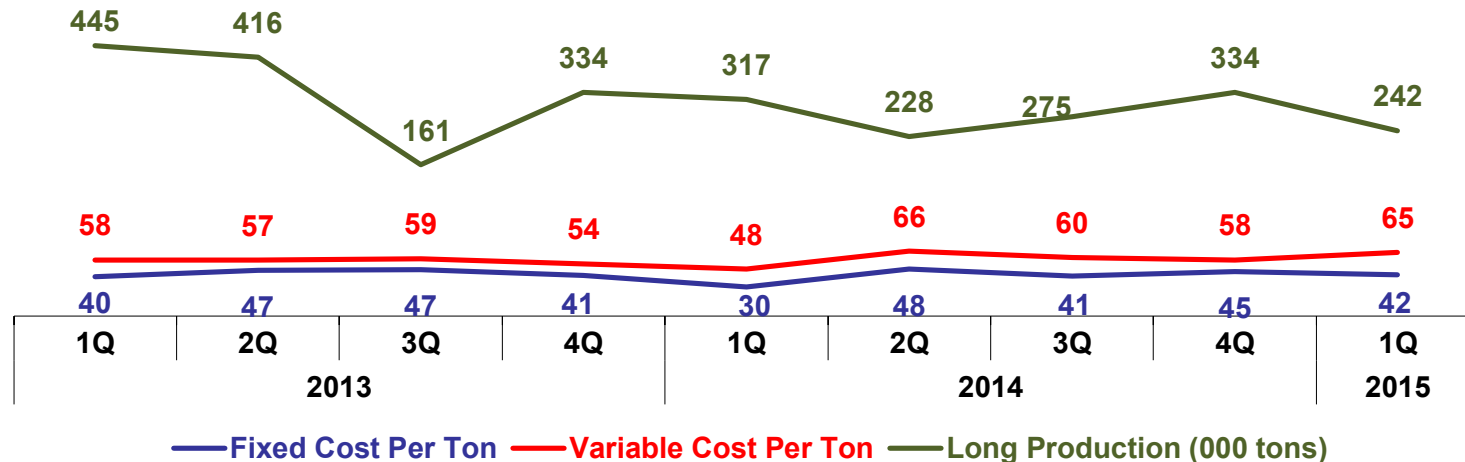
Flat cost per ton excluding raw materials and depreciation was realised as 130 USD/ton in 2015 1Q



FLAT PRODUCTS (USD/TON)*

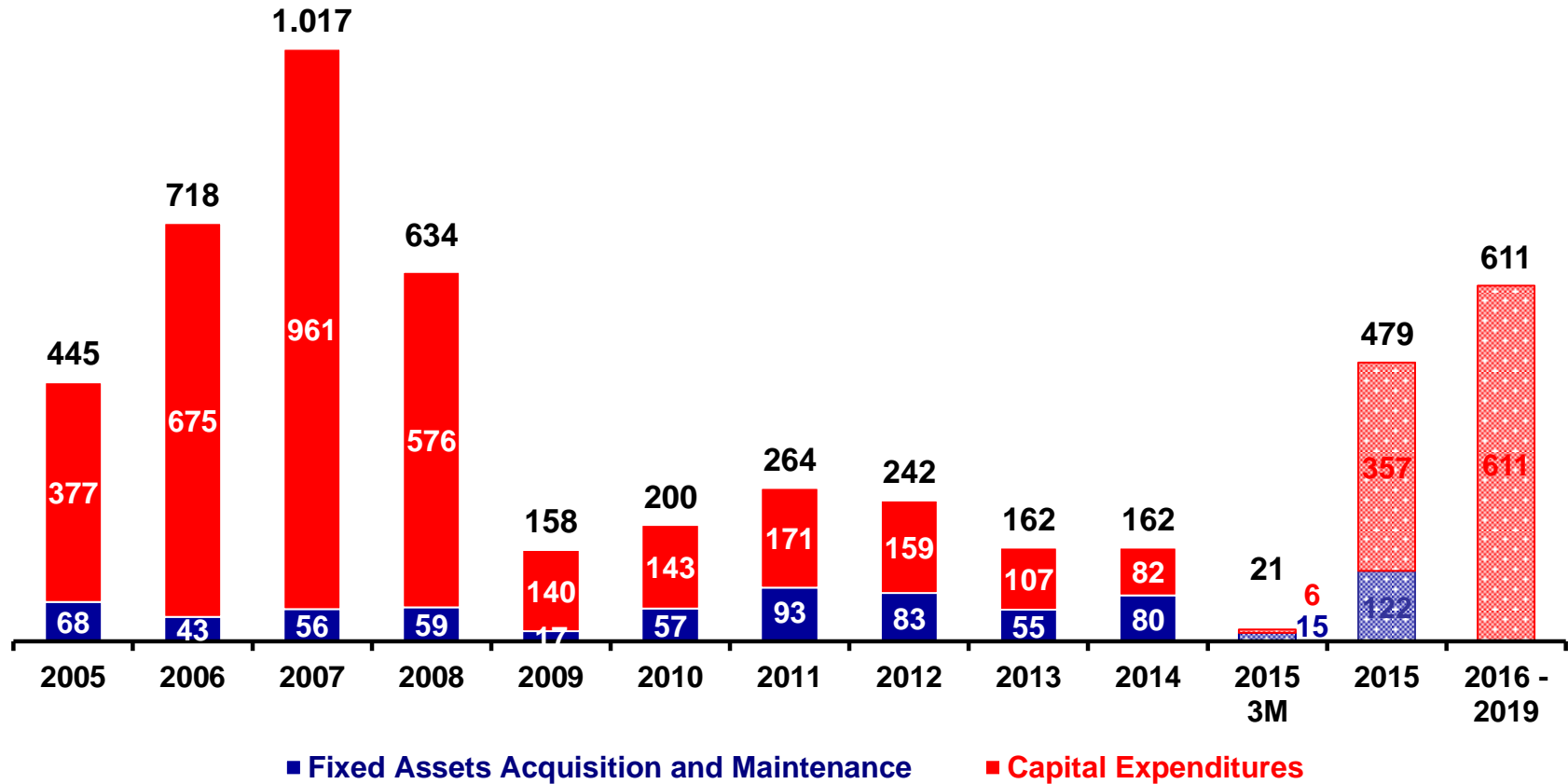


LONG PRODUCTS (USD/TON)*



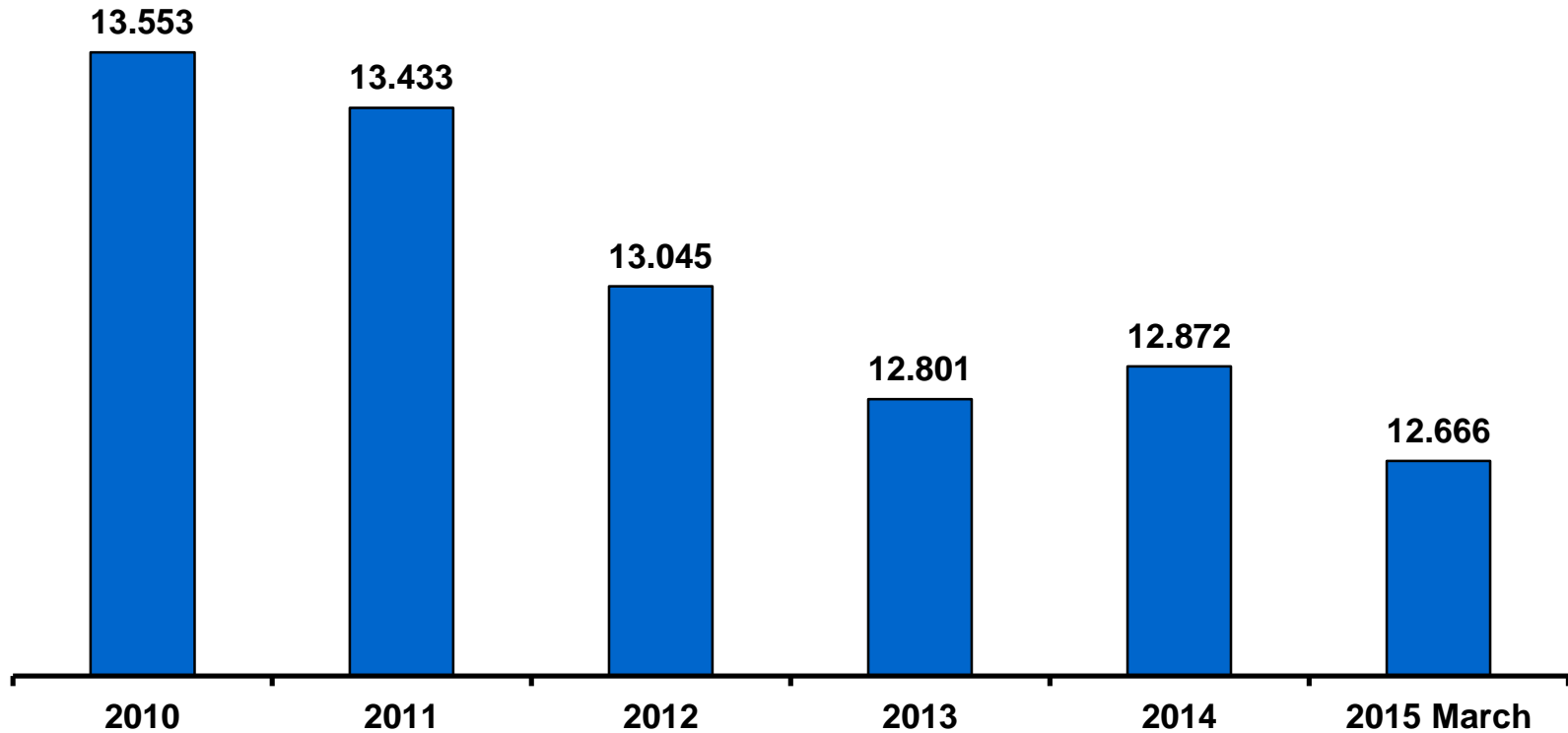
Capital expenditures of 479 million USD is planned for 2015

(M USD)



Number of employees was 12.666 as of March 2015

NUMBER OF EMPLOYEES

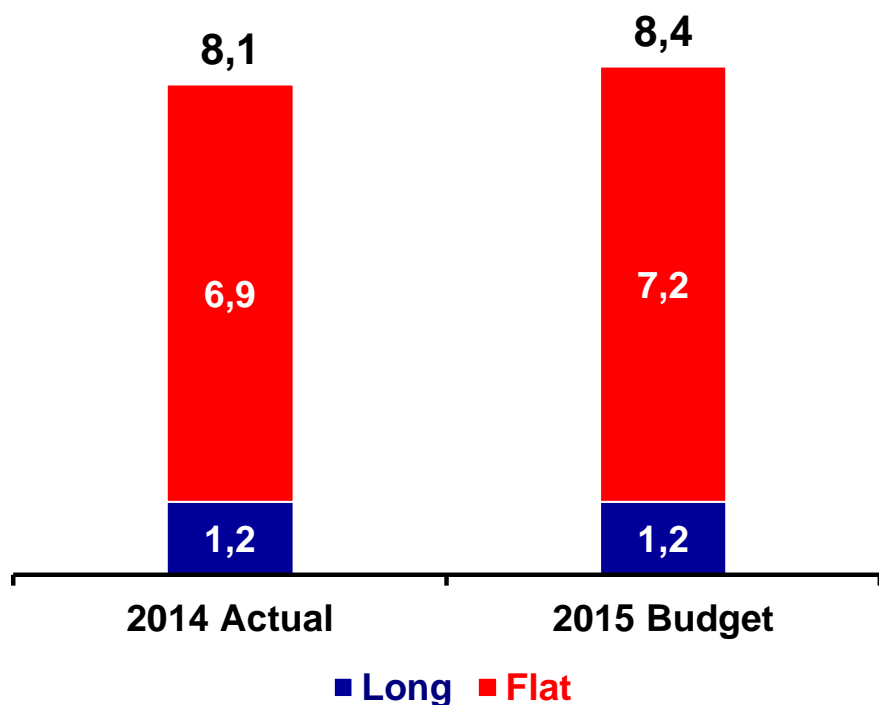




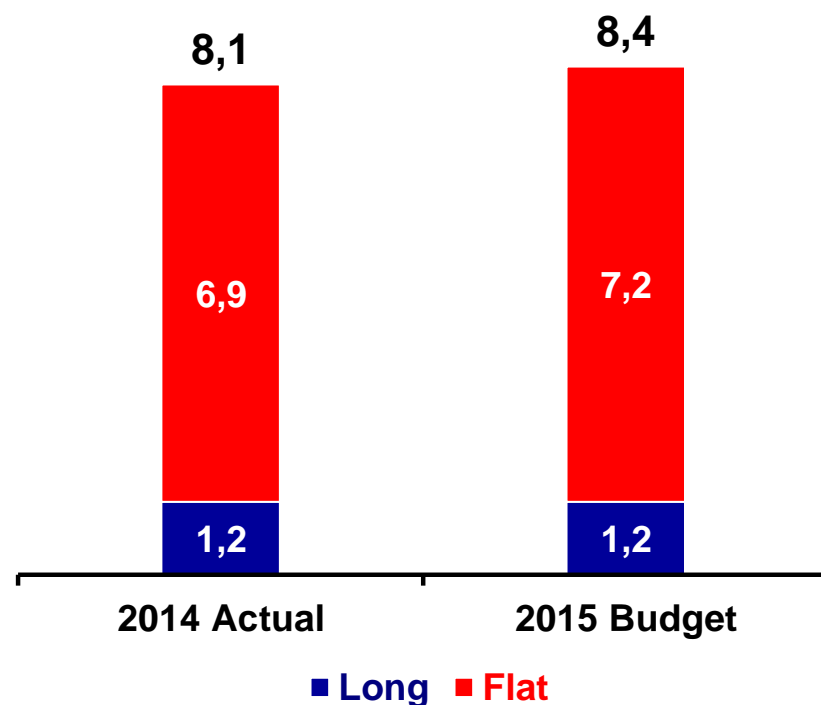
ErdemirGroup

- > 2015 Market Overview
- > 2015 3M Results
- > **2015 Guidance**

Production (Million Tons)



Sales (Million Tons)



EBITDA and Net Profit Margins

- > **In 2014**; EBITDA and Net Profit Margins were 21.6% and 13.9% respectively.
- > **In 2015**; EBITDA and Net Profit Margins are expected to be 16-18% and 9-11% respectively.

