



Erdemir Group
2013 9 Months
Consolidated Financial Results

11 November 2013

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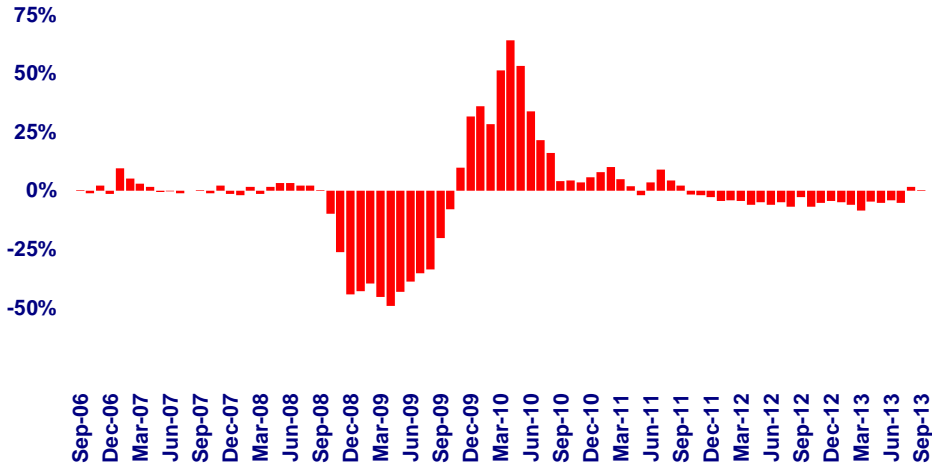
Agenda

 **2013 Market Overview**

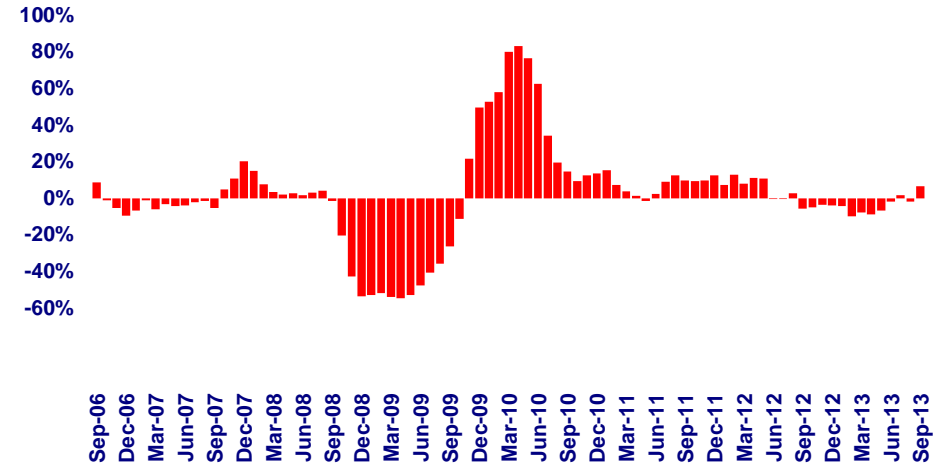
 **2013 9 Months Results**

In EU, sales price was 592 USD/ton as of October 2013

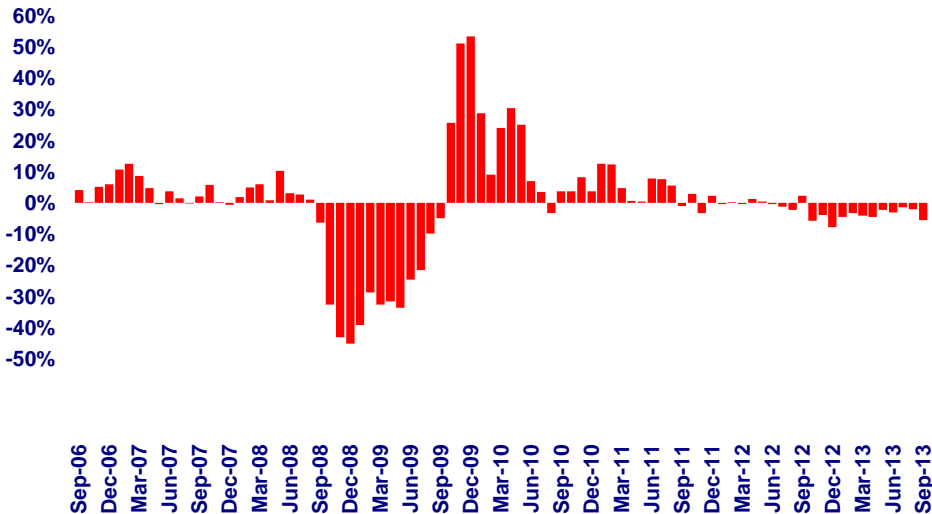
EU27 CRUDE STEEL PRODUCTION (YoY %)*



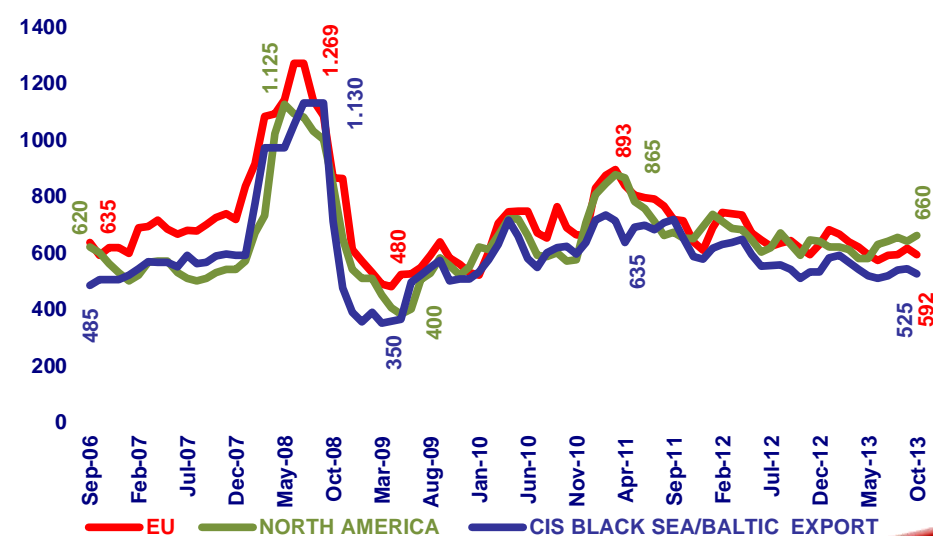
USA CRUDE STEEL PRODUCTION (YoY %)*



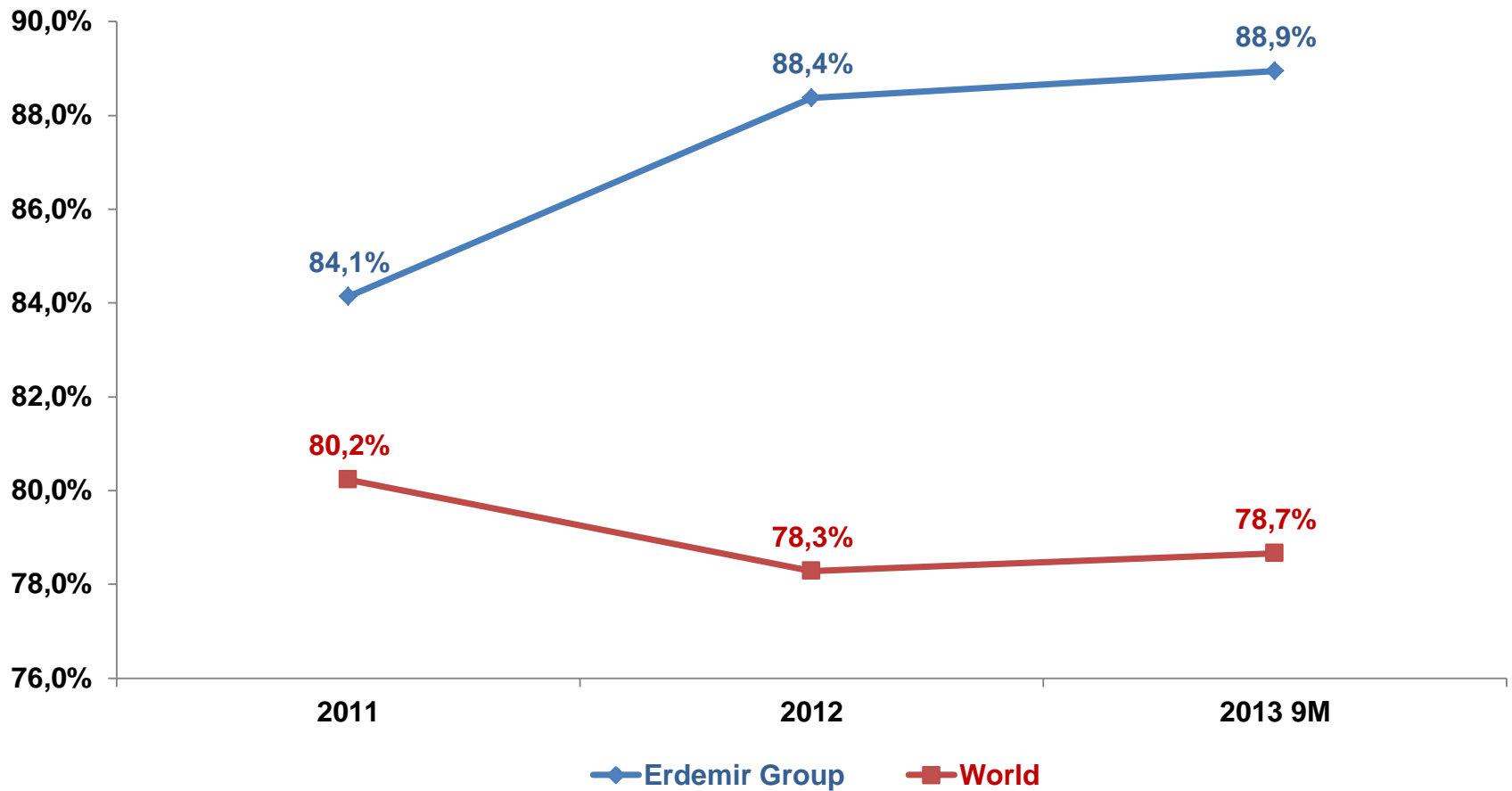
CIS CRUDE STEEL PRODUCTION (YoY %) *



HRC PRICES (USD/TON)**

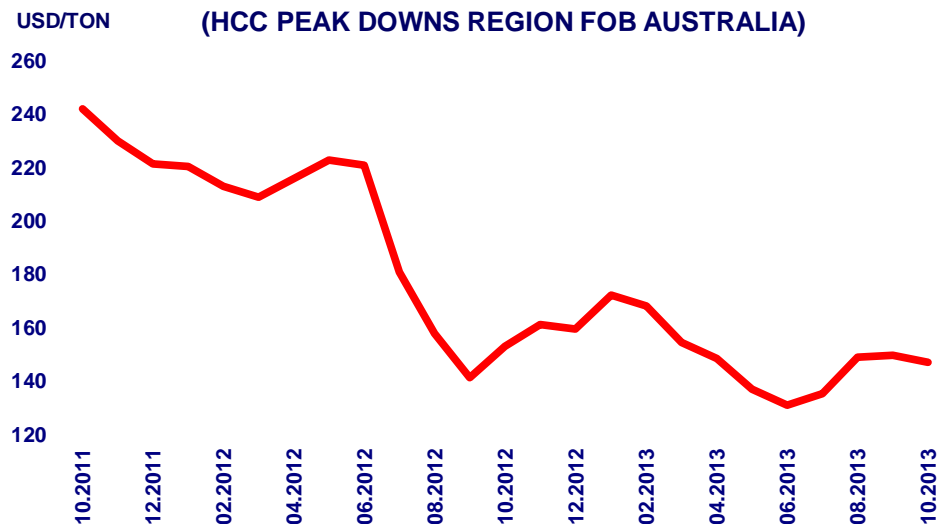


CRUDE STEEL CAPACITY UTILIZATION RATIO

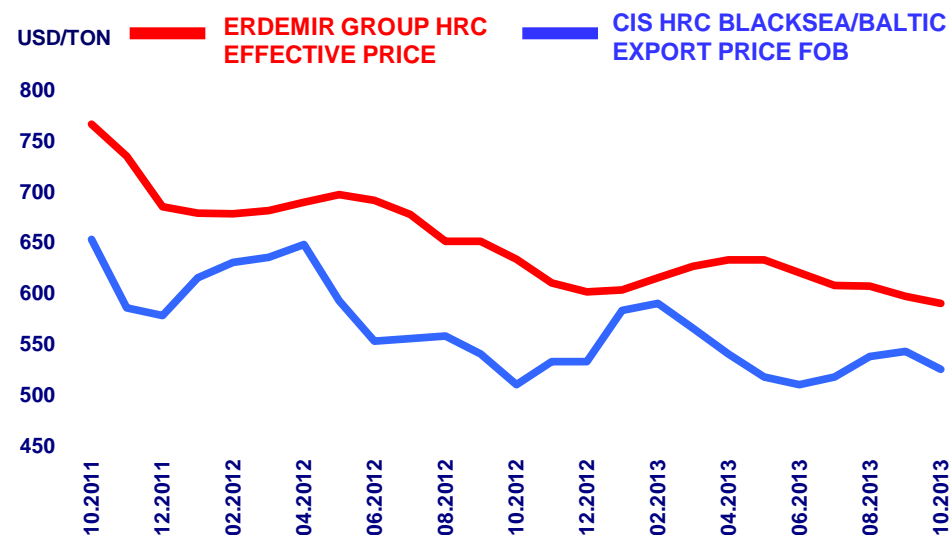
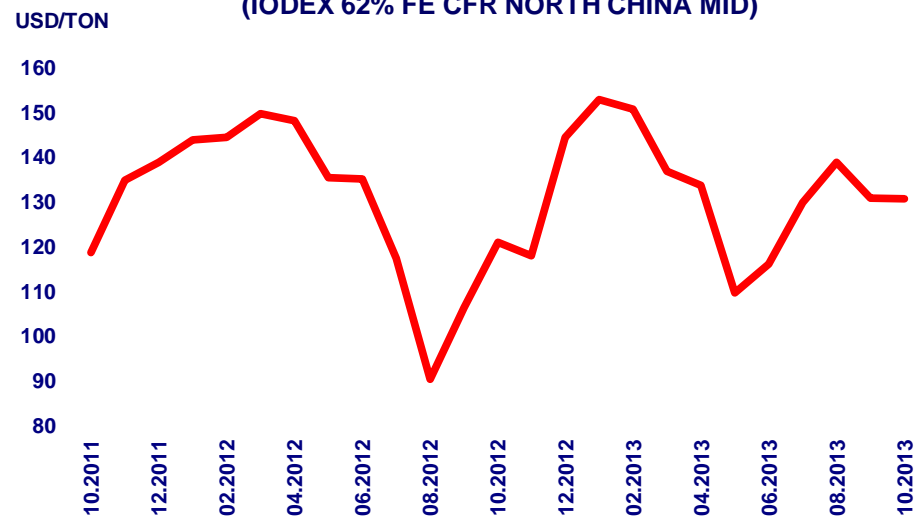


Scrap prices are increasing

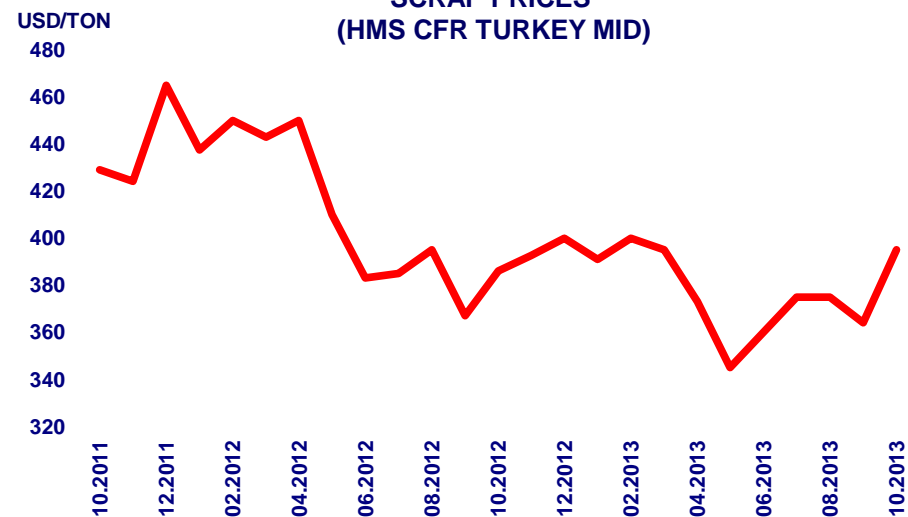
COKING COAL PRICES
(HCC PEAK DOWNS REGION FOB AUSTRALIA)



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

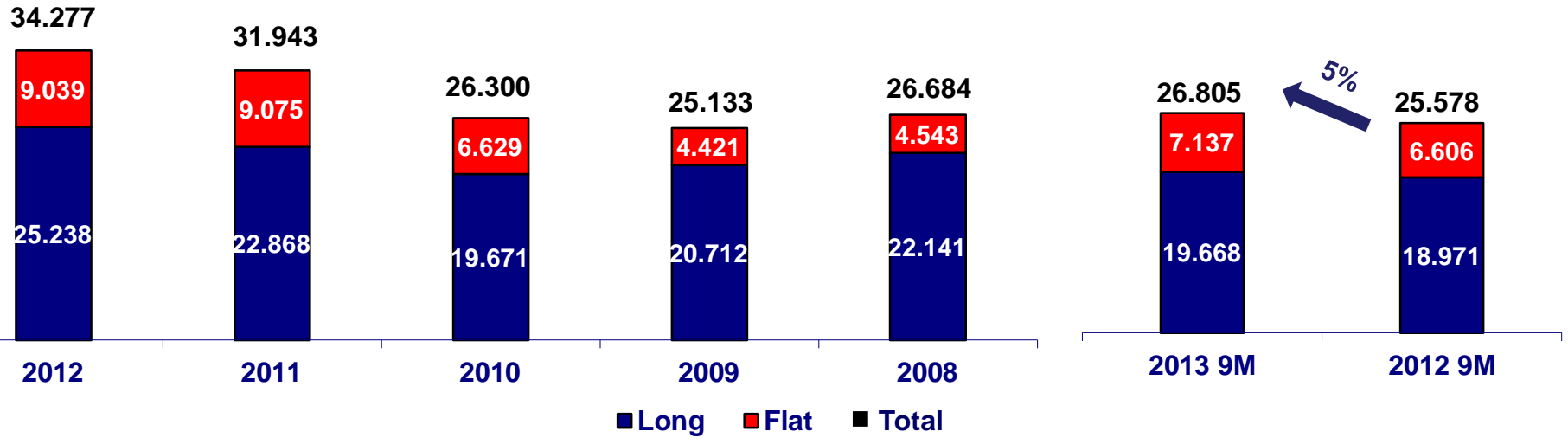


SCRAP PRICES
(HMS CFR TURKEY MID)

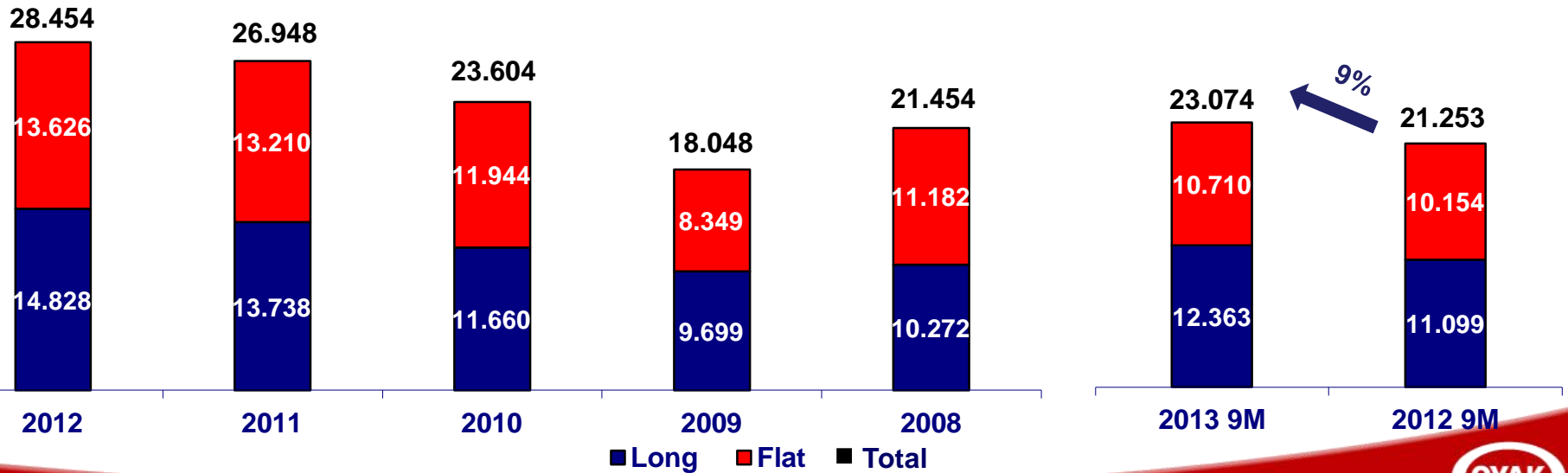


Turkish steel consumption increased by 9% in 2013 9M YoY

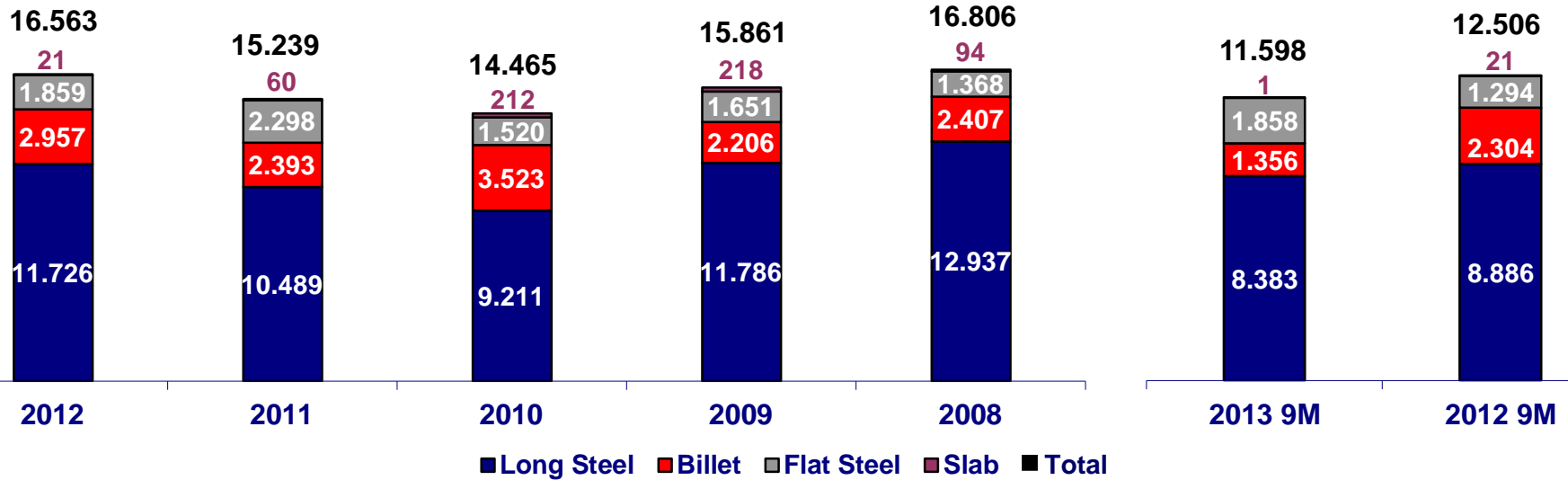
PRODUCTION (000 TONS)



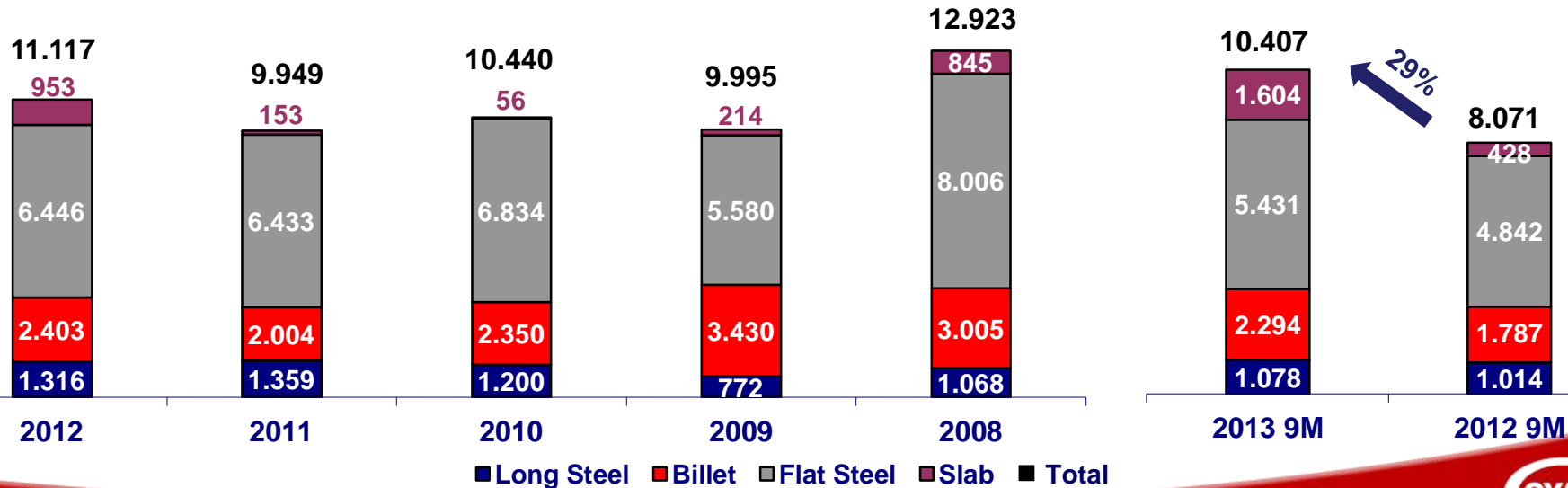
CONSUMPTION (000 TONS)



IRON AND STEEL PRODUCT EXPORTS (000 TONS)

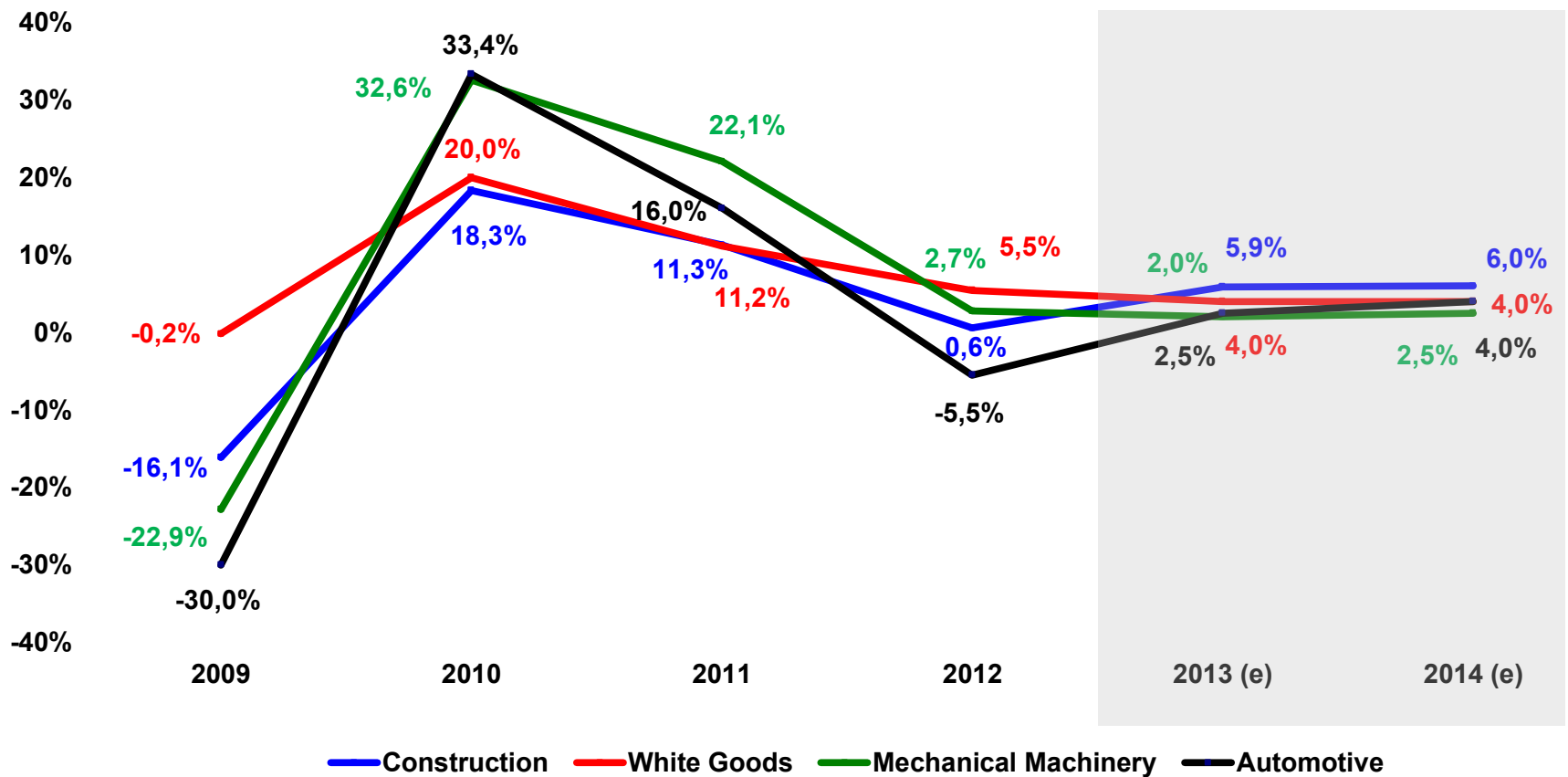


IRON AND STEEL PRODUCT IMPORTS (000 TONS)



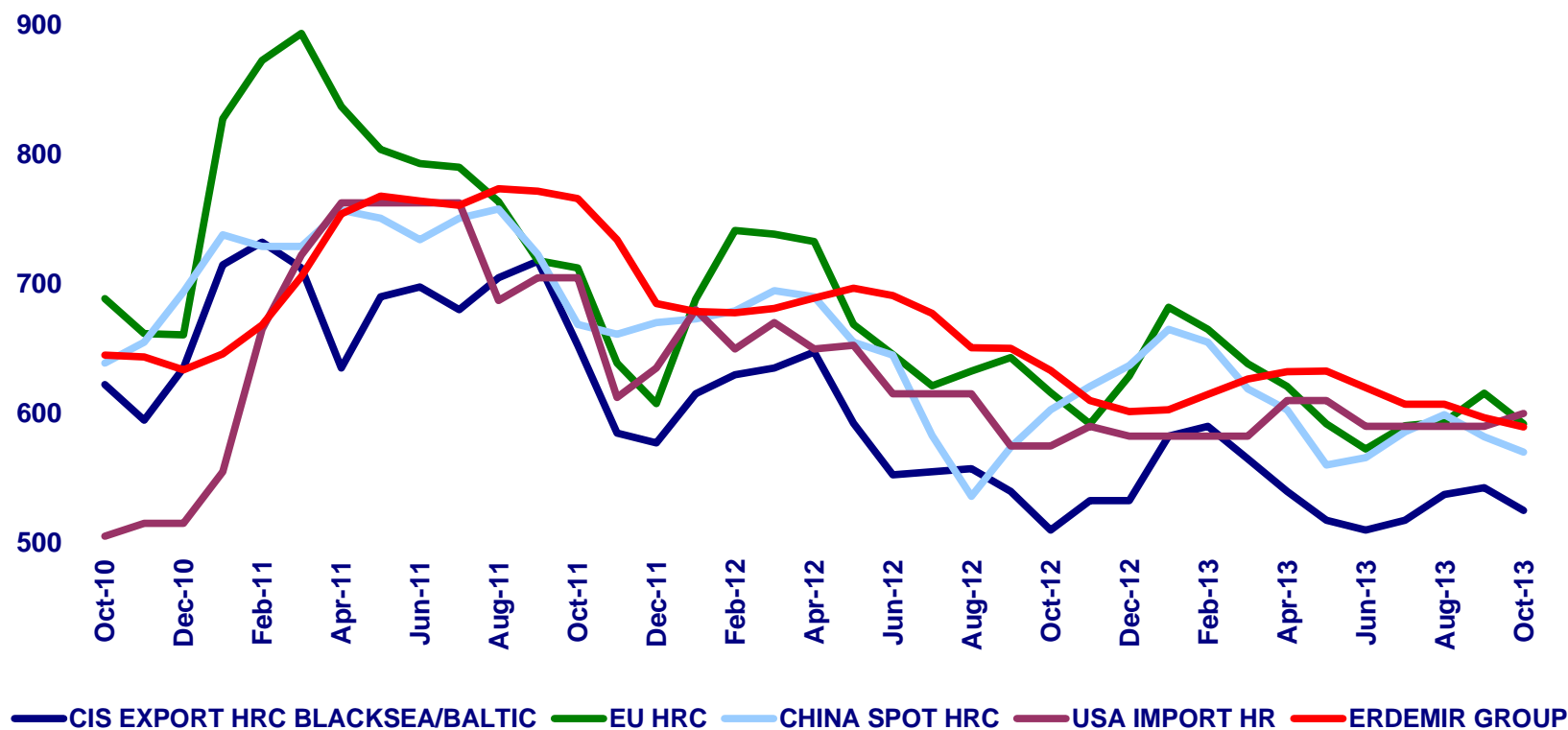
After the contraction in 2009, all markets are expanding

CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



HRC sales prices are lower than last year

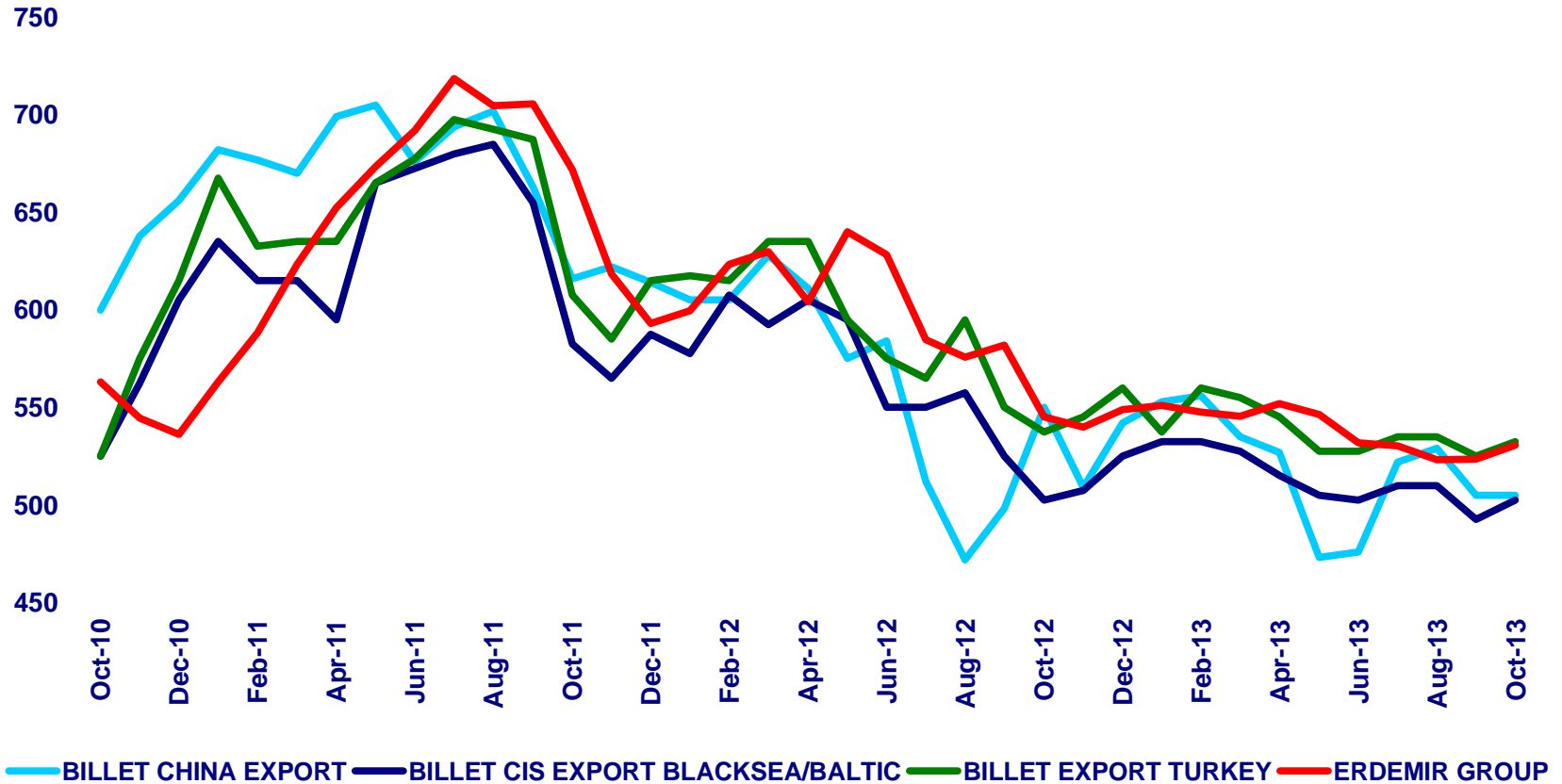
HRC PRICES (USD/Ton)



➡ As of October 2013, EU HRC price was 592 USD, China HRC spot price is 570 USD, USA export HRC price is 600 USD. The prices were 616 USD, 603 USD, 575 USD respectively by the end of October 2012.

Billet sales prices are lower than last year

BILLET PRICES (USD/Ton)



➡ As of October 2013, Turkey export price was 533 USD while it was 538 USD in October 2012.

Agenda



2013 Market Overview



2013 9 Months Results

ERDEMİR GROUP KEY FIGURES

			2013 9M	2012 9M	2012	2011
Liquid Steel Production	<i>(000 Tons)</i>	↑	6.070	5.824	8.042	7.656
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑	4.919	4.674	6.329	6.660
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑	4.630	4.359	5.983	6.119
Long Steel Production	<i>(000 Tons)</i>	↑	1.022	1.010	1.519	794
Flat Steel Shipments	<i>(000 Tons)</i>	↑	4.673	4.433	5.980	5.856
Long Steel Shipments	<i>(000 Tons)</i>	↑	1.052	958	1.468	791
Net Sales Revenue ⁽³⁾	<i>(M. USD)</i>	↓	3.867	3.977	5.340	5.338
EBITDA ⁽³⁾	<i>(M. USD)</i>	↑	751	435	603	1.241
Net Profit For The Year ⁽³⁾	<i>(M. USD)</i>	↑	412	207	252	611

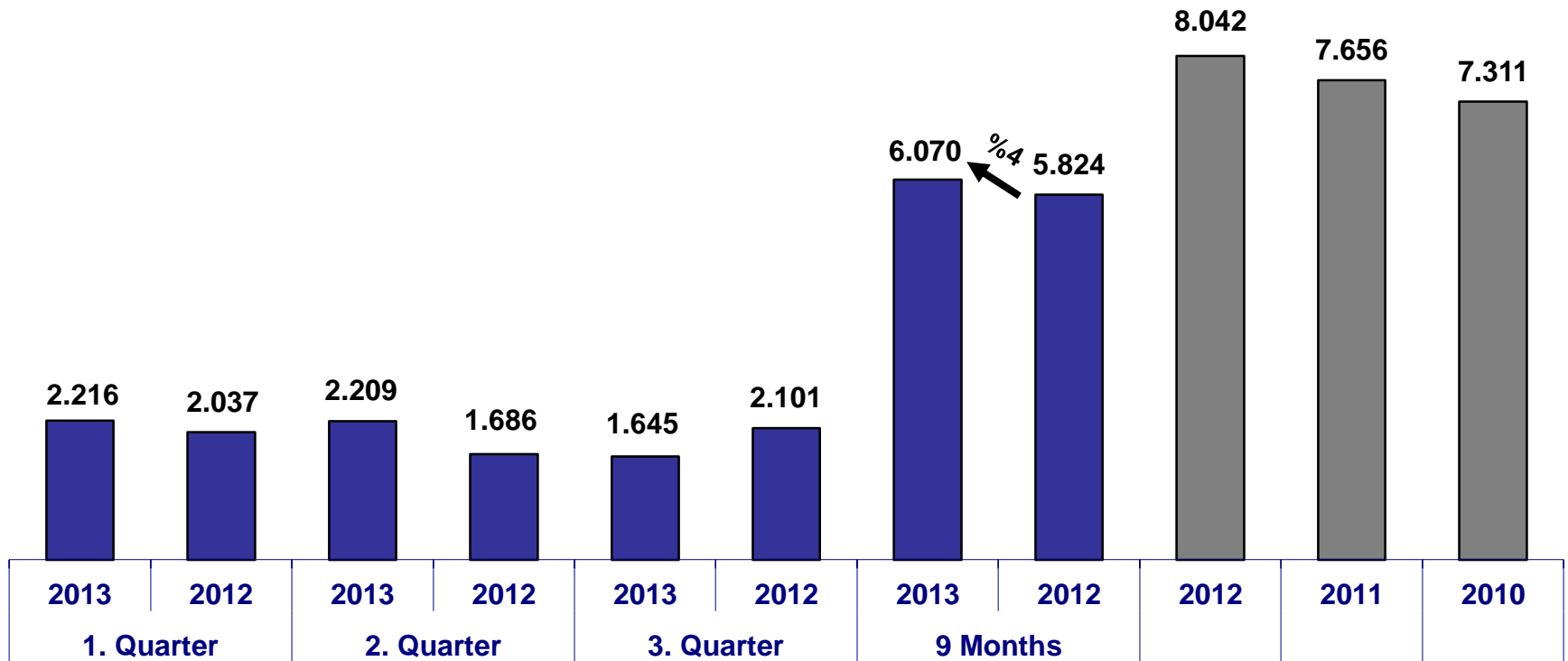
All figures are on IFRS consolidated basis unless stated otherwise.

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

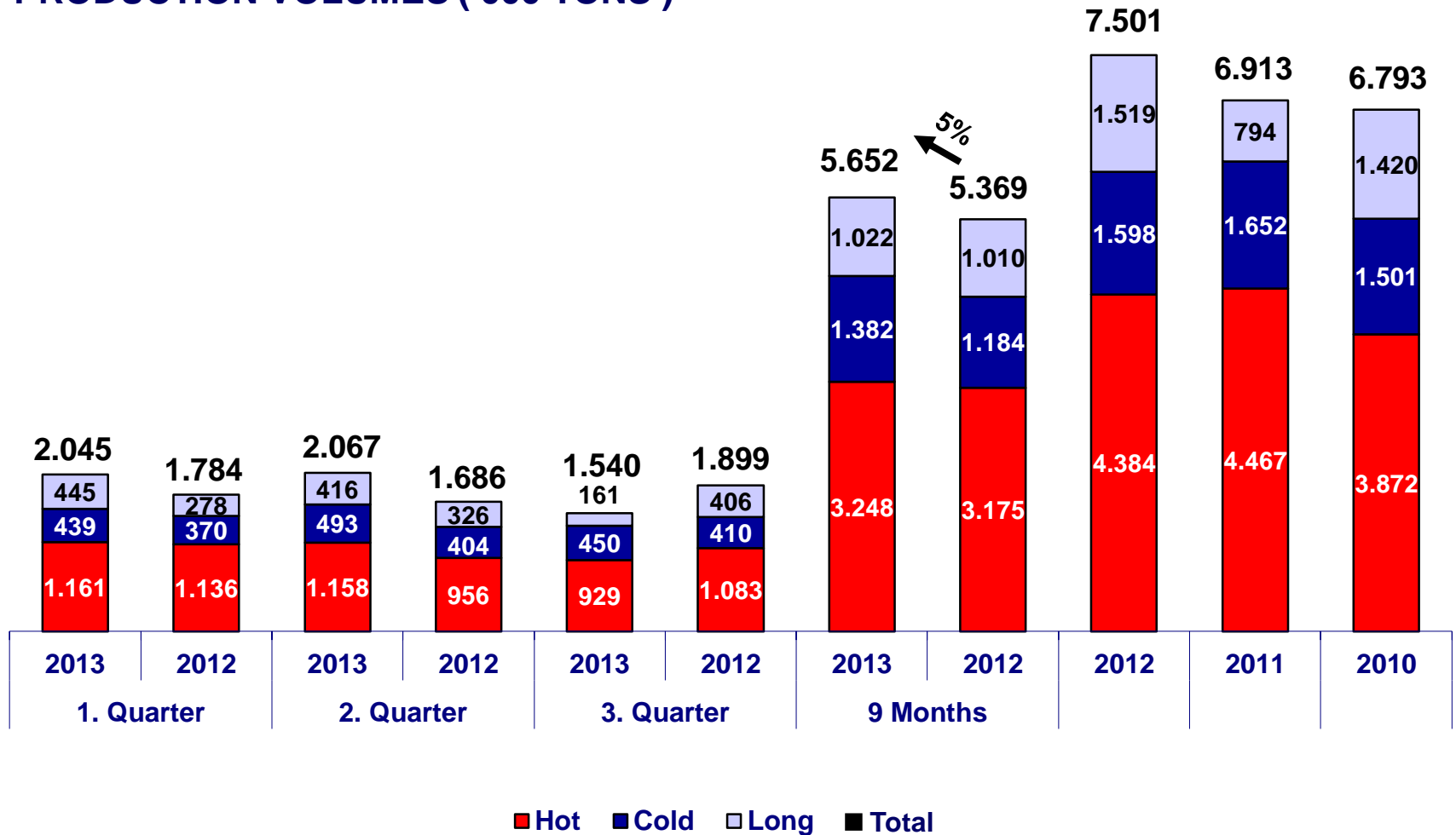
(2) Total flat steel production of Ereğli and İskenderun Plants.

(3) 1 USD = 1,8619 TRY (January-September 2013 average exchange rate)

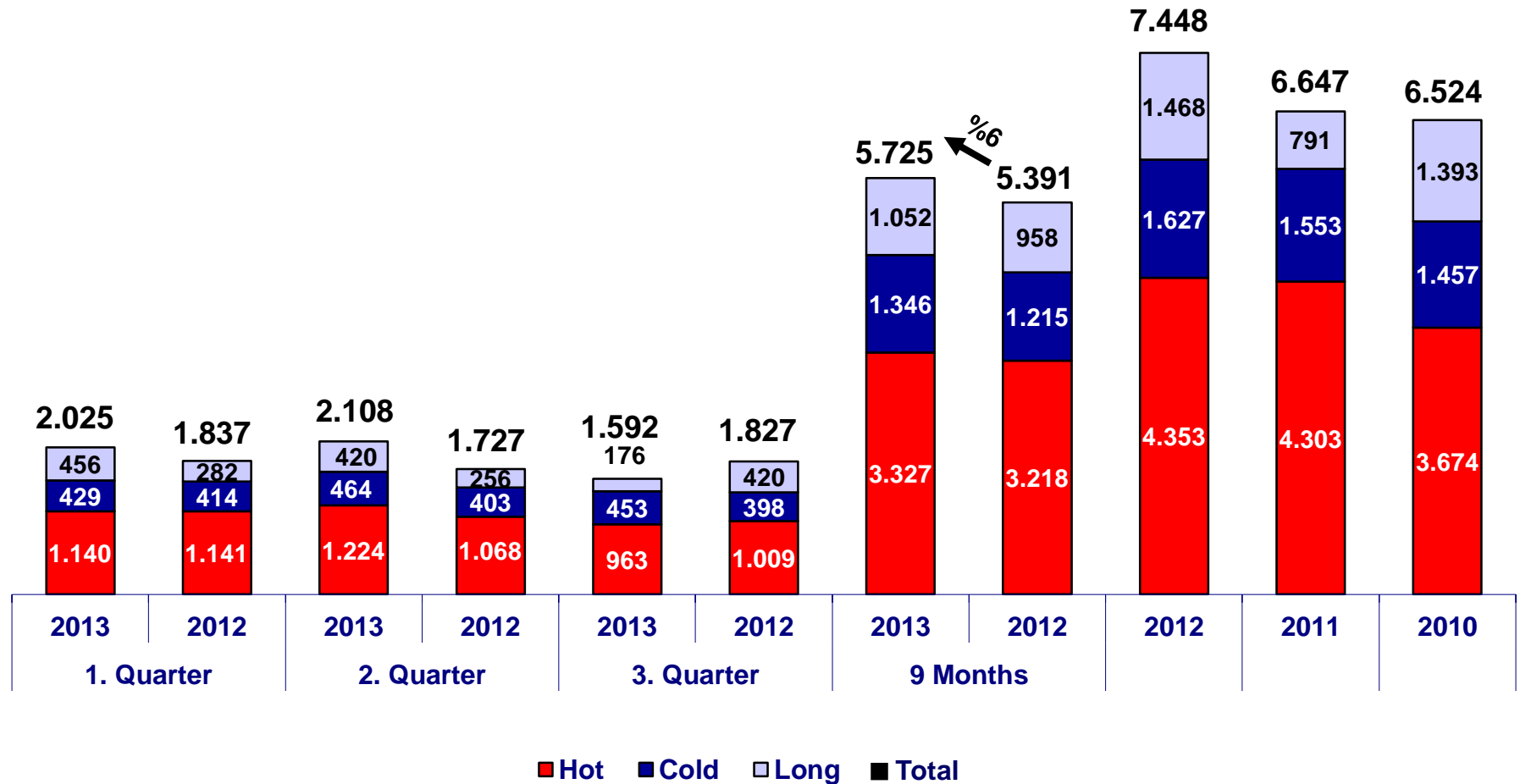
LIQUID STEEL PRODUCTION (000 TONS)



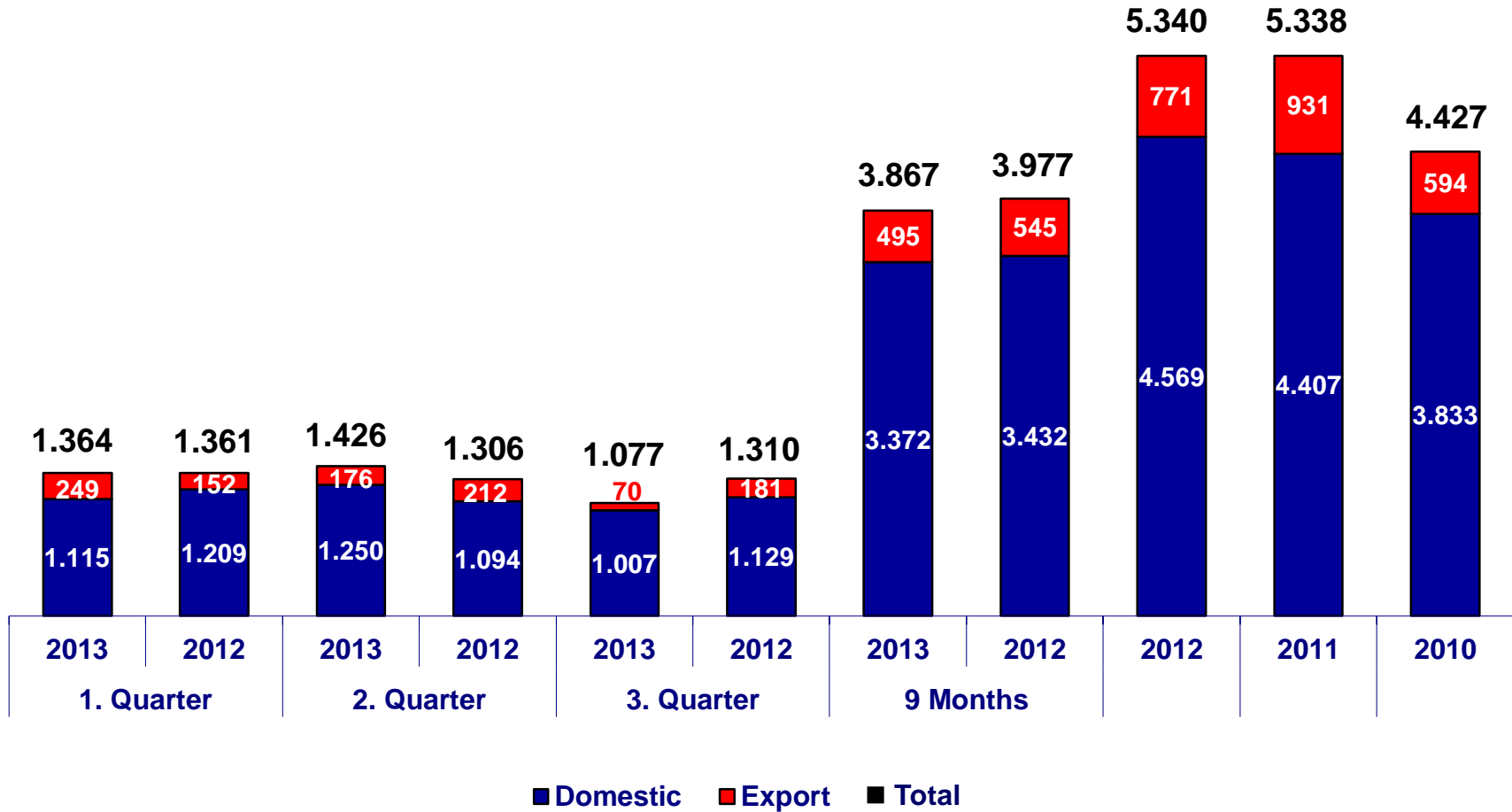
PRODUCTION VOLUMES (000 TONS)



SALES VOLUMES (000 TONS)



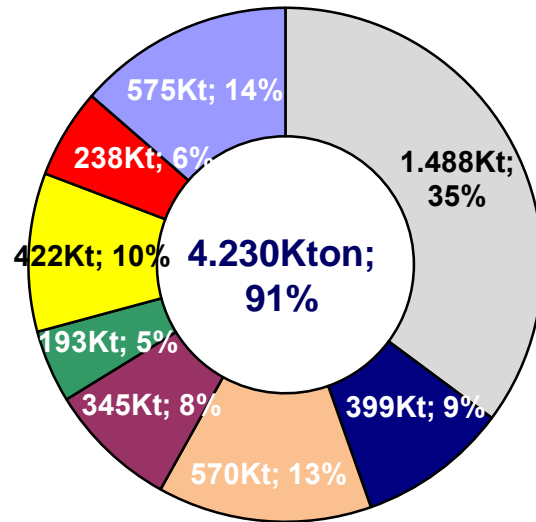
NET SALES REVENUE (MILLION USD)



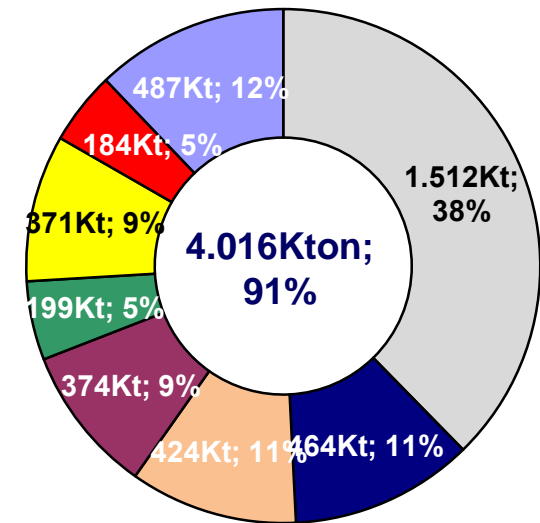
Sales to automotive industry and secondary production increased in 2013 9M YoY

2013 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

2012 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

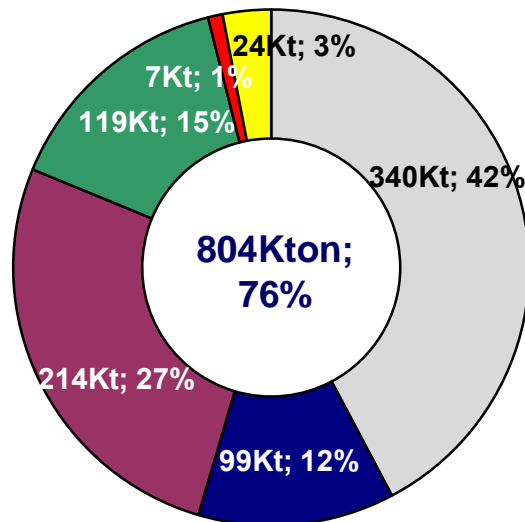


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

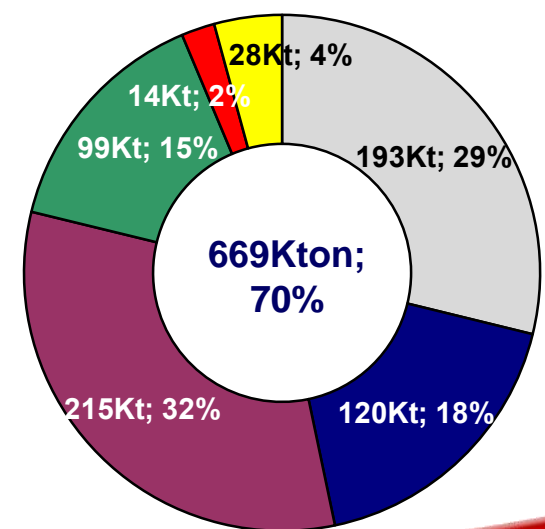


2013 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

2012 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

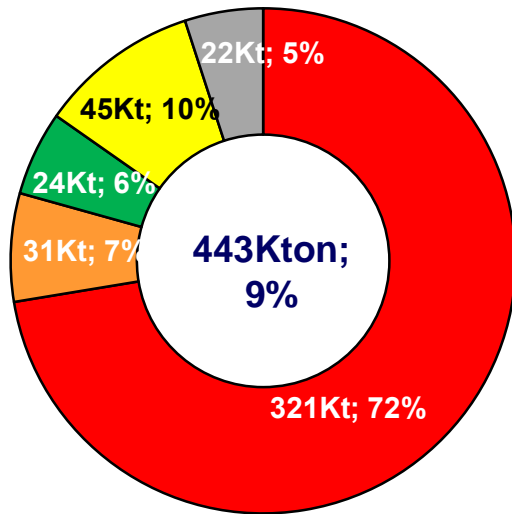


- Debar Producers
- Profile Producers
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

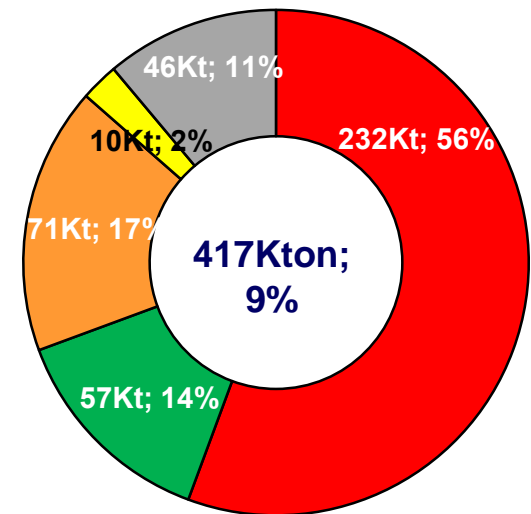


Flat steel sales to EU countries was 72% of our flat export in 2013 9M

2013 9M FLAT STEEL EXPORTS BREAKDOWN (%)

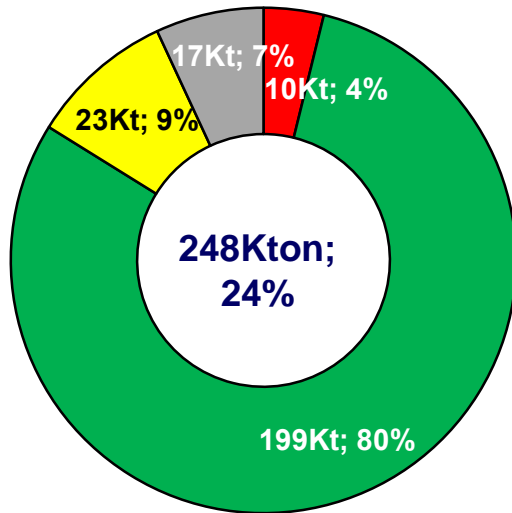


2012 9M FLAT STEEL EXPORTS BREAKDOWN (%)

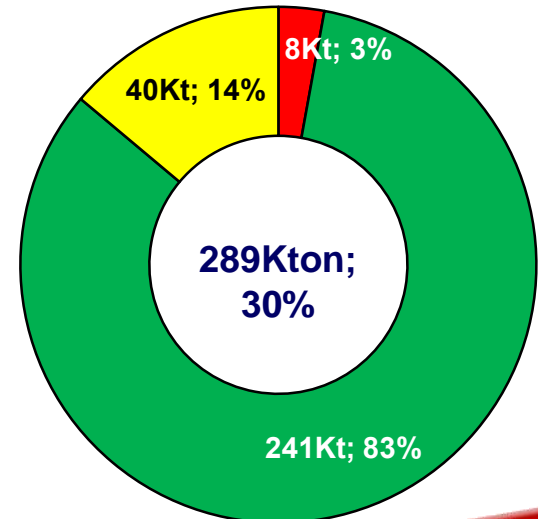


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

2013 9M LONG STEEL EXPORTS BREAKDOWN (%)



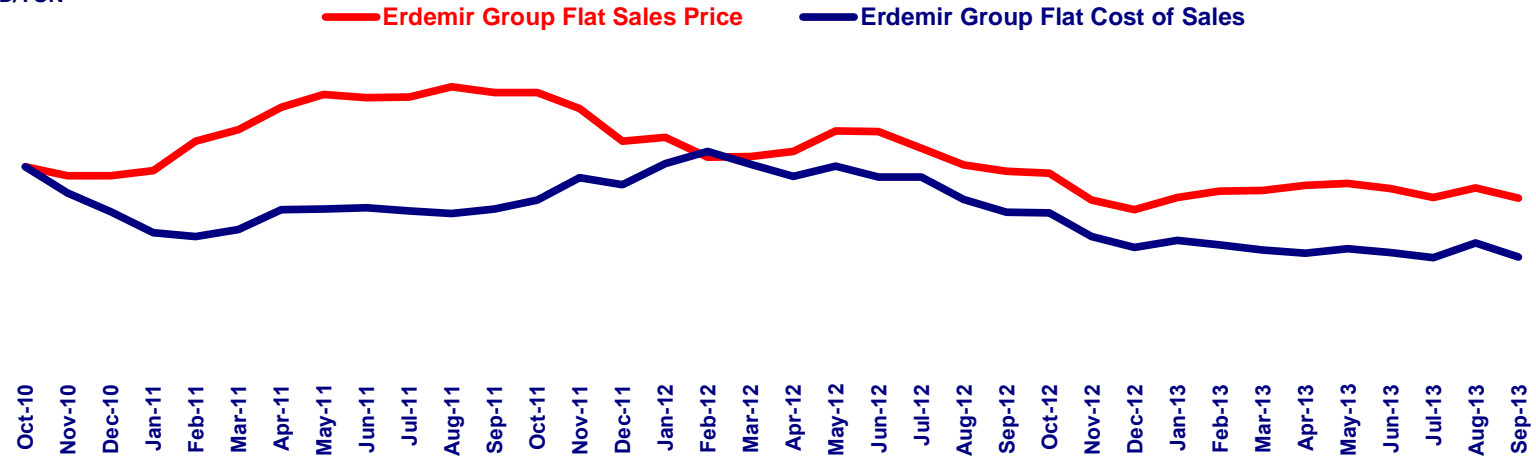
2012 9M LONG STEEL EXPORTS BREAKDOWN (%)



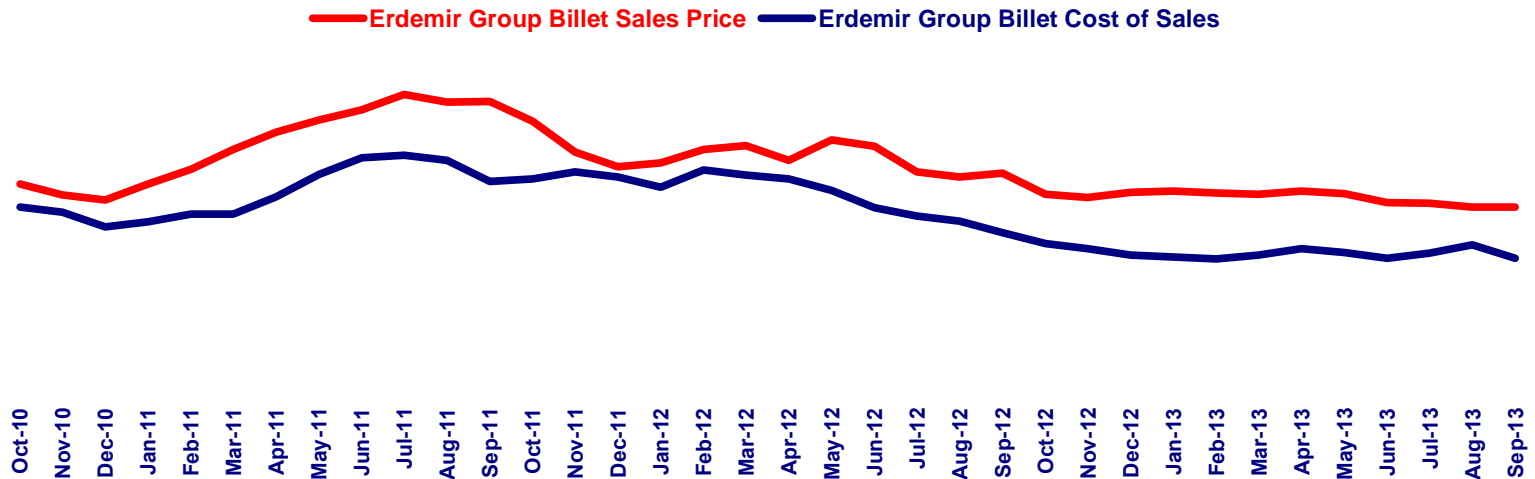
- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

In 2013 9M, Erdemir Group average flat and long steel prices were 673 USD/ton and 582 USD/ton respectively

USD/TON



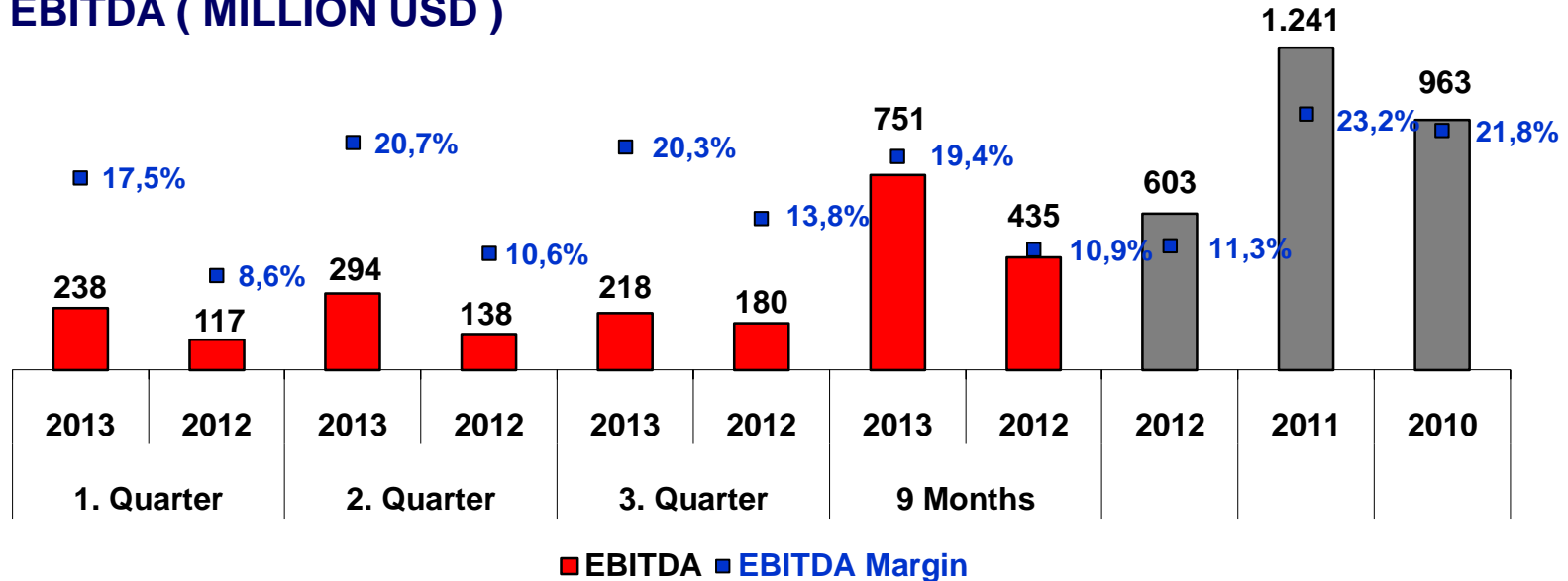
USD/TON



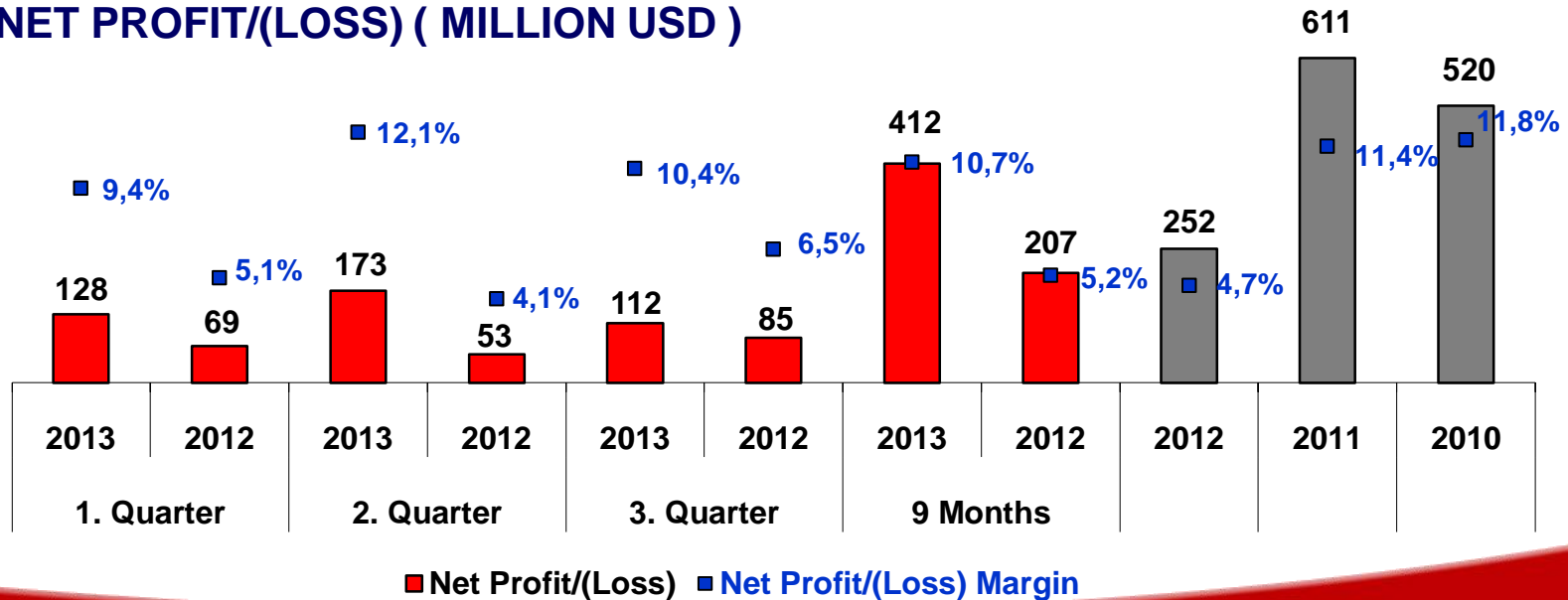
- ➡ Flat steel prices decreased by 8% on average in 2013 9M YoY.
- ➡ Long steel prices decreased by 10% on average in 2013 9M YoY.

Net profit increased by 100% in 2013 9M YoY

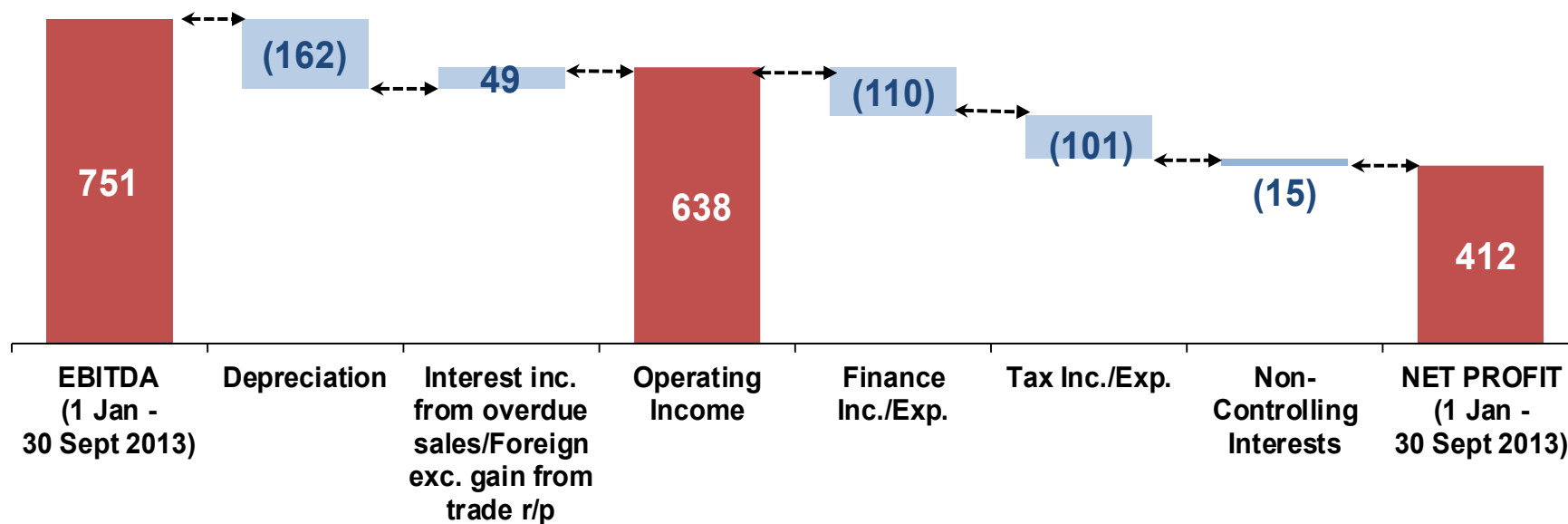
EBITDA (MILLION USD)



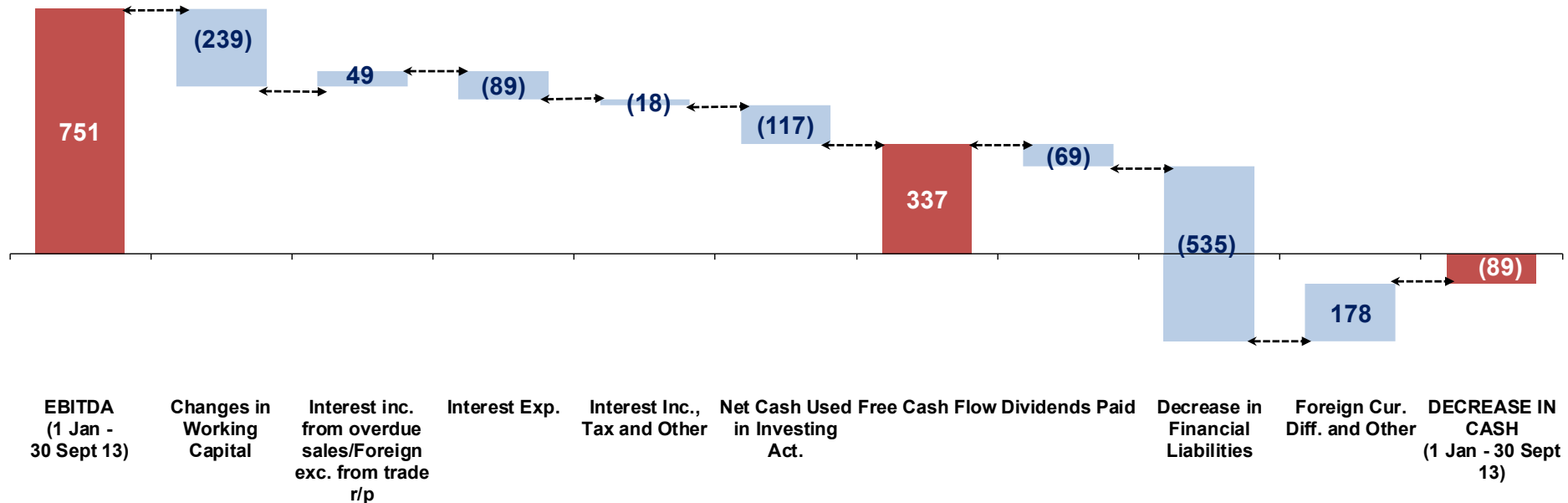
NET PROFIT/(LOSS) (MILLION USD)



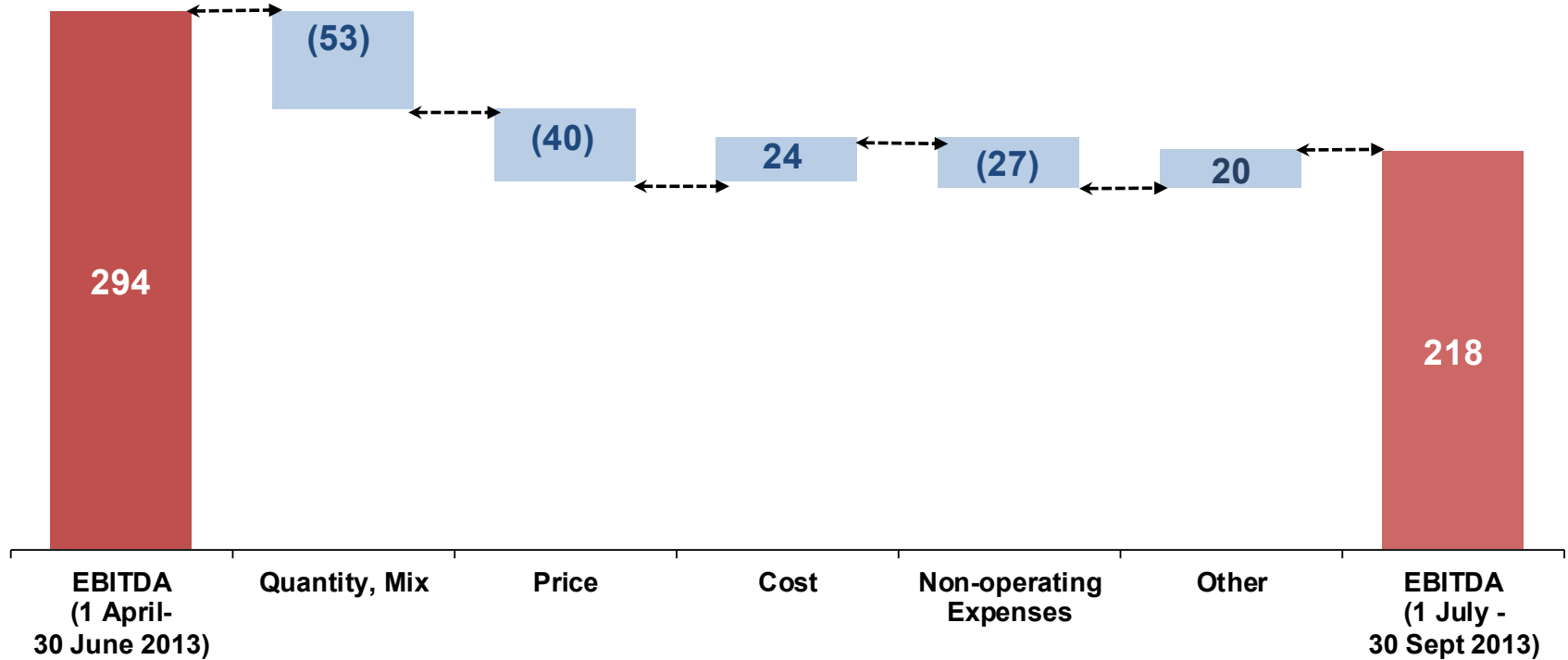
Consolidated EBITDA => Consolidated Net Profit (Million USD)



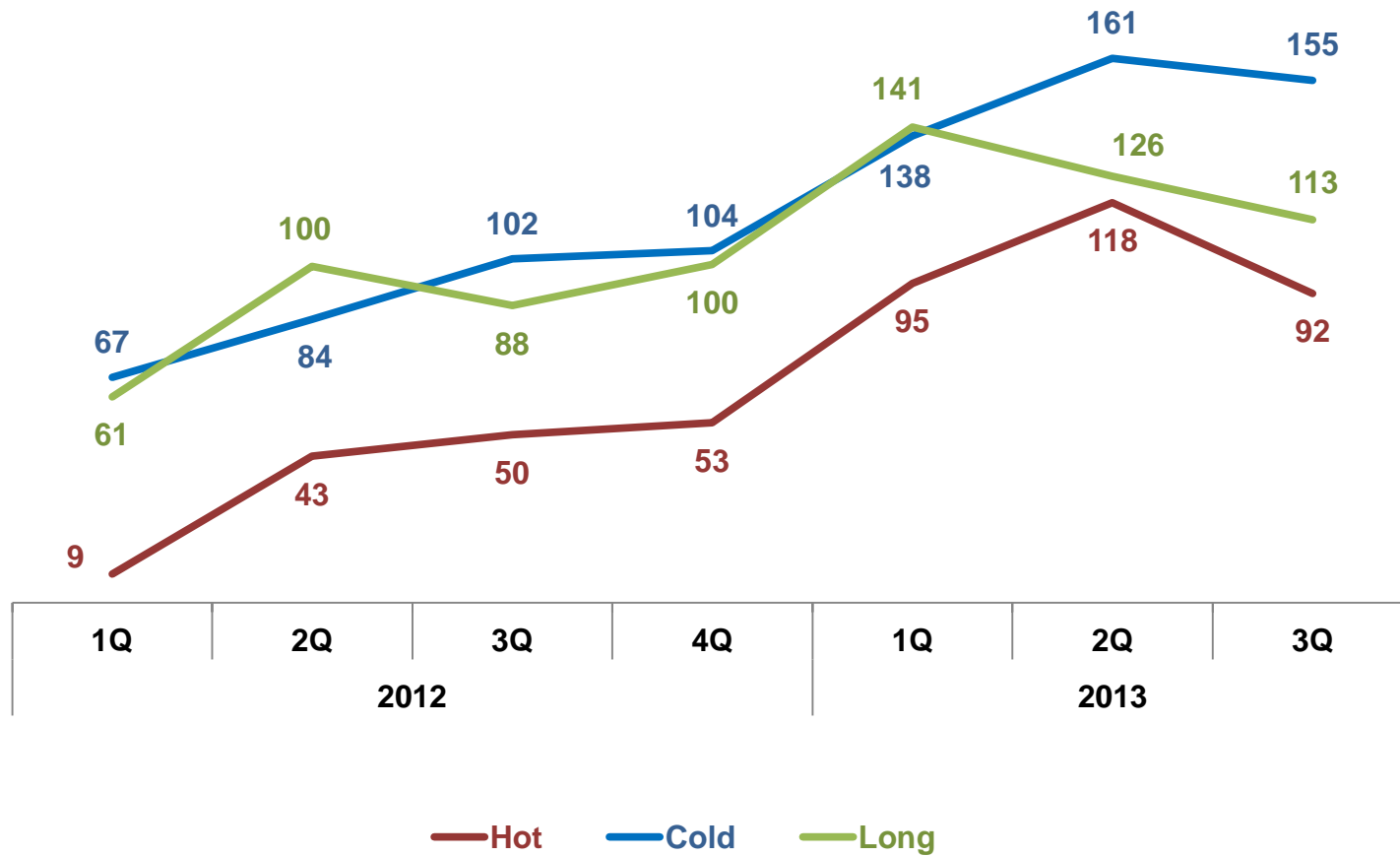
Consolidated EBITDA => Consolidated Net Cash (Million USD)



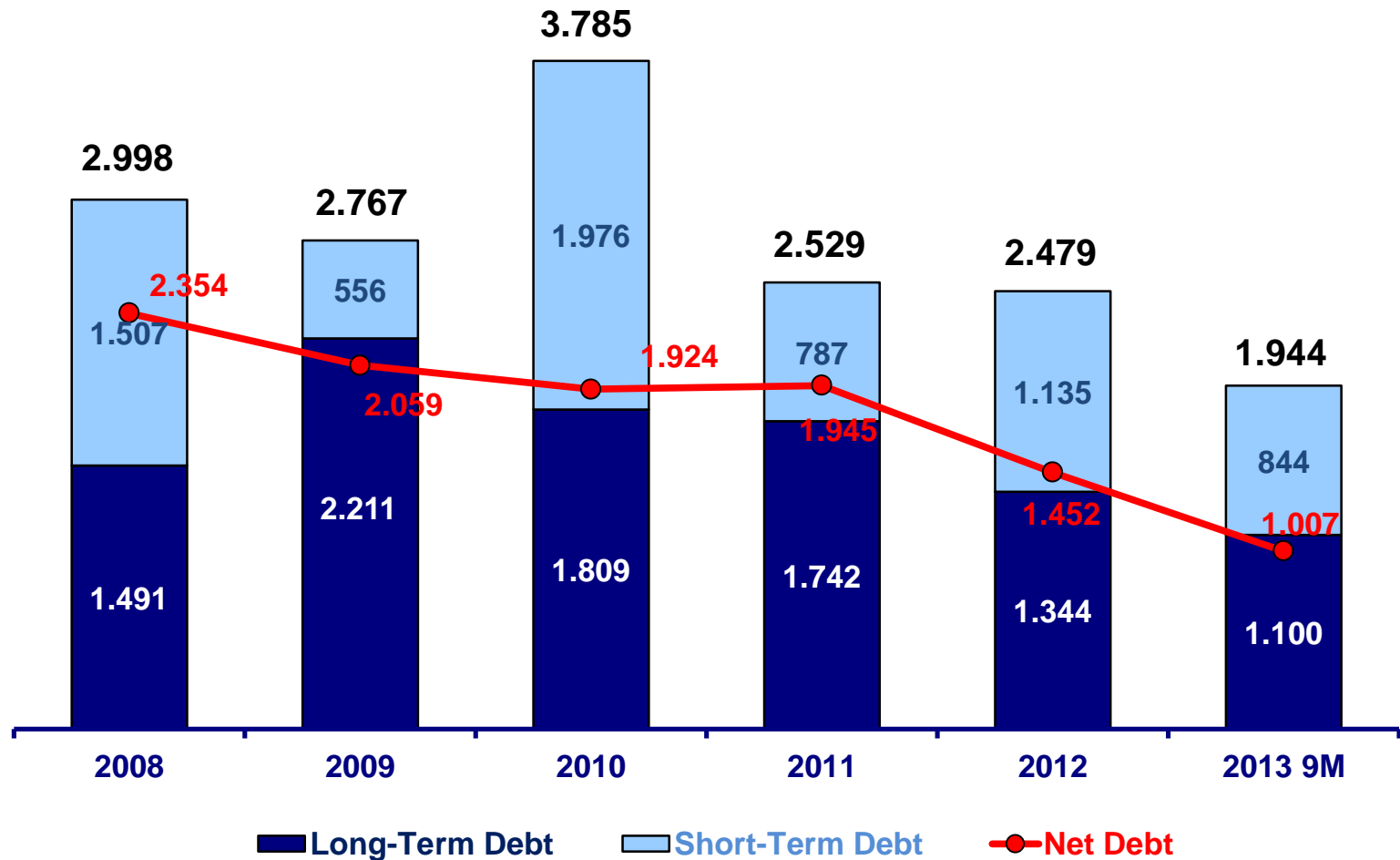
Consolidated EBITDA 2013 2Q => Consolidated EBITDA 2013 3Q (Million USD)



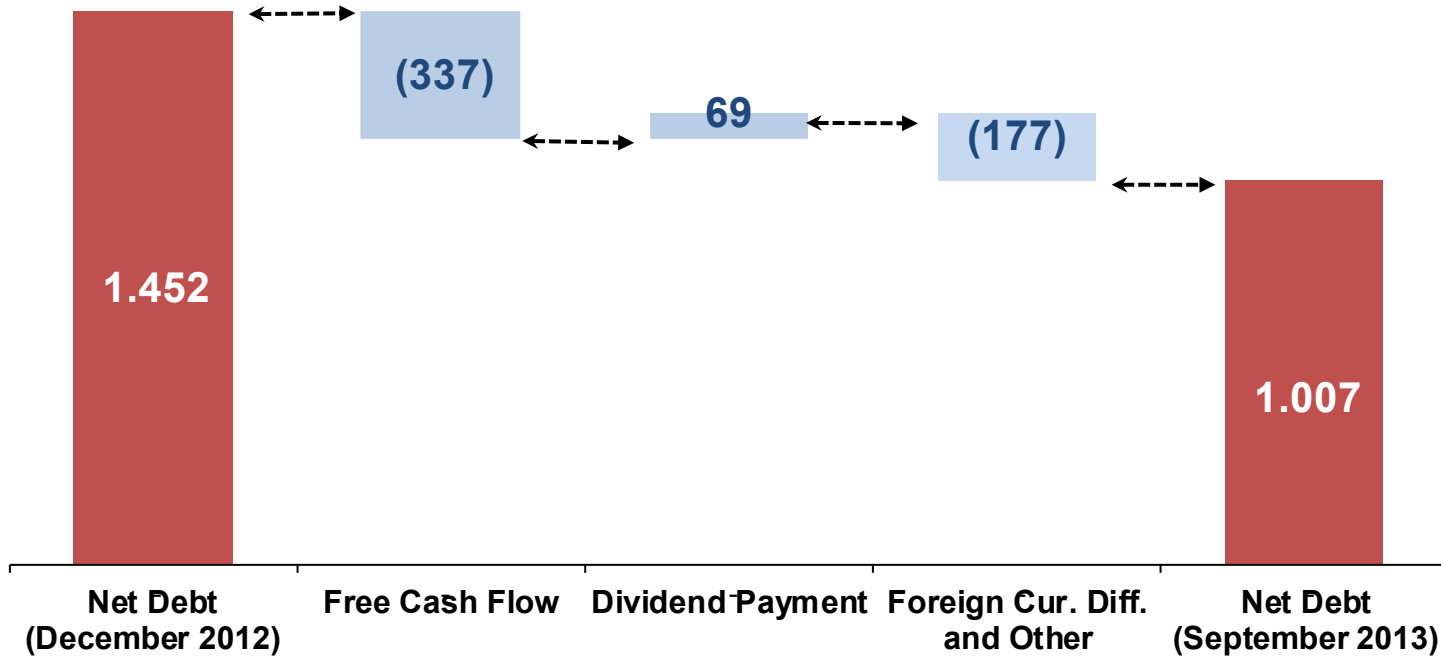
EBITDA PER TON (USD/TON)



BORROWINGS (MILLION USD)

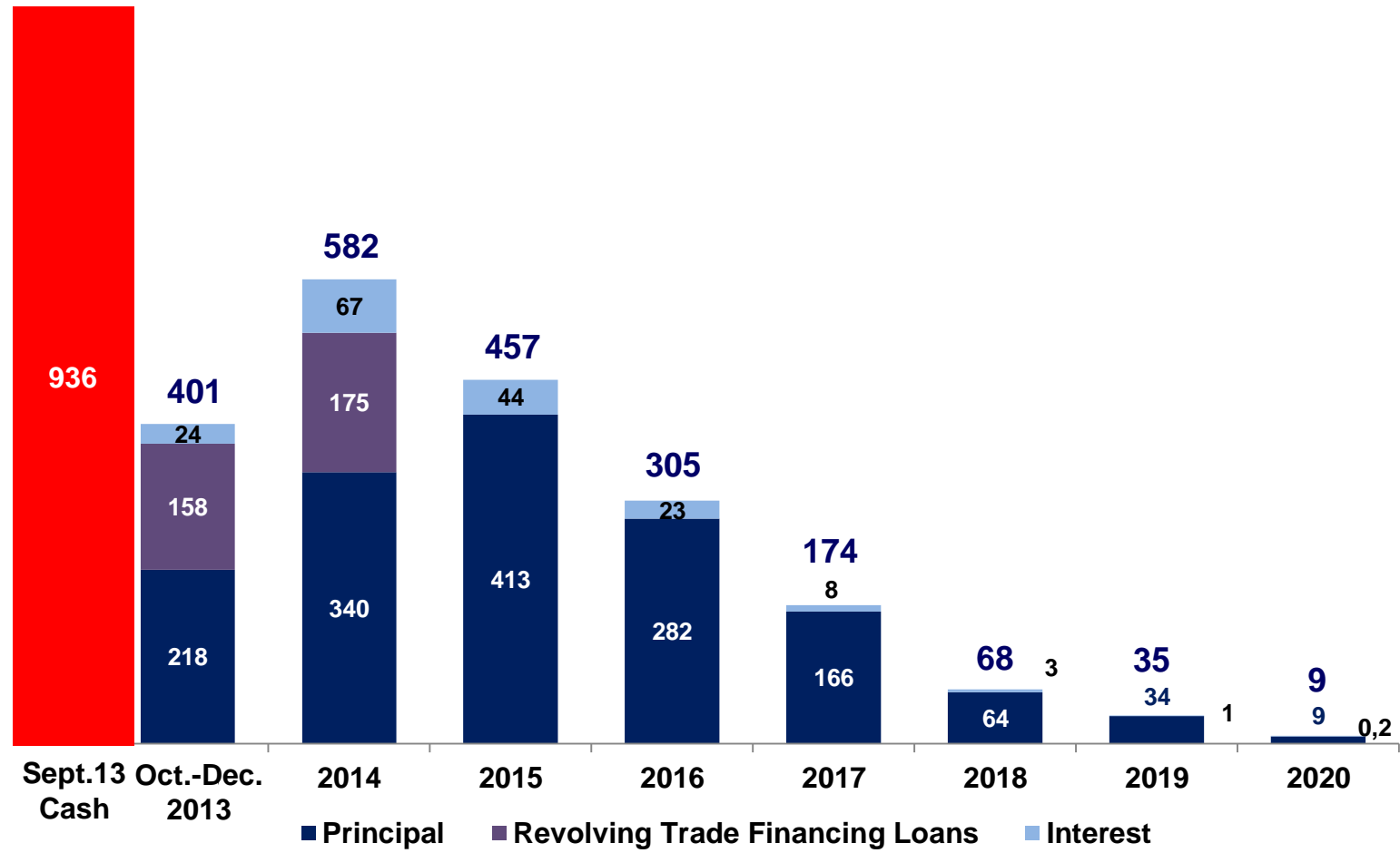


NET DEBT (MILLION USD)



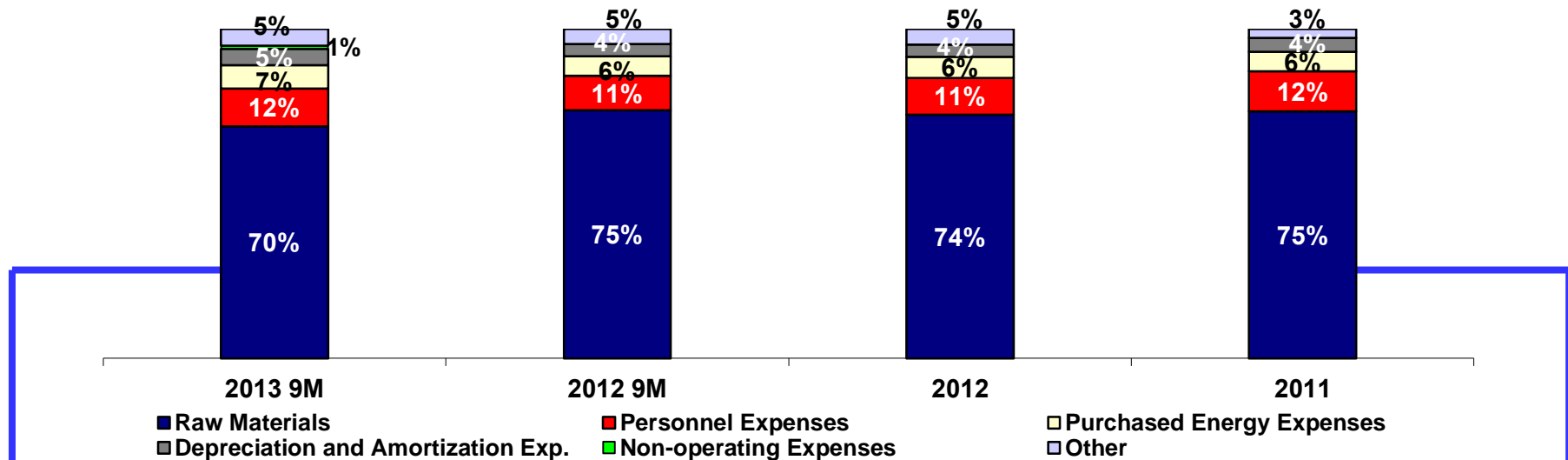
Erdemir Group has 936 million USD cash and cash equivalents at the end of 2013 3Q

BORROWINGS MATURITY PROFILE (MILLION USD)

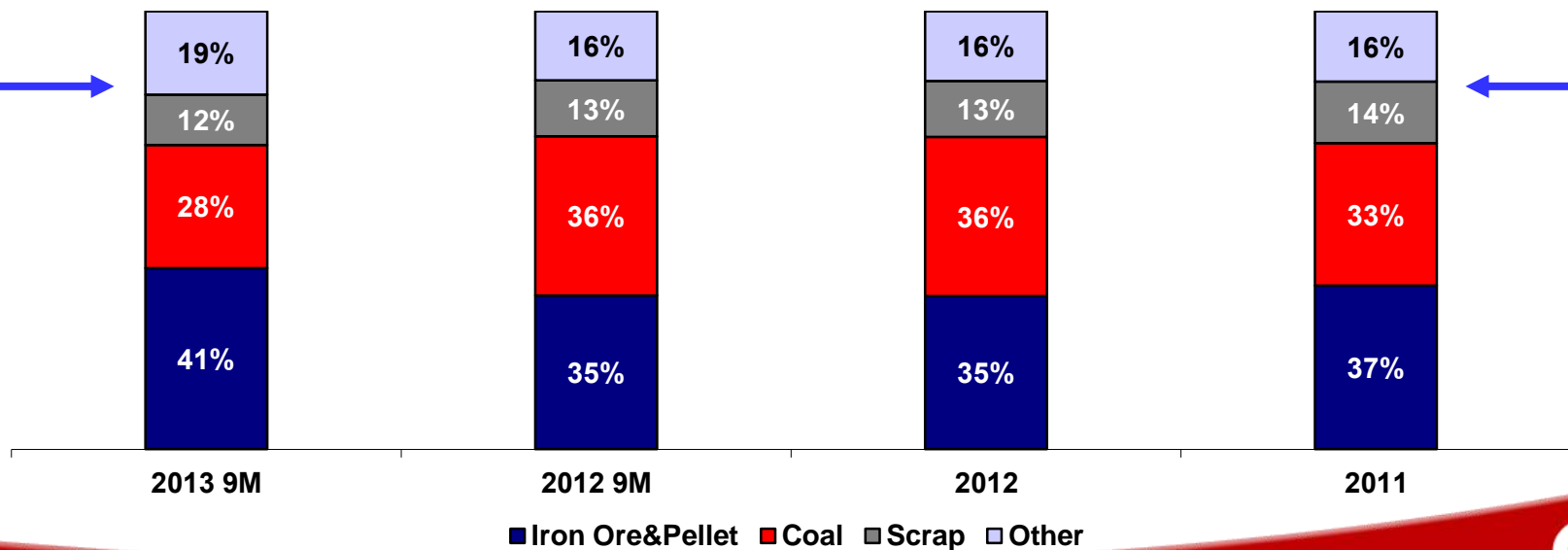


Raw materials made up 70% of the cost of goods sold in 2013 9M

COST OF PRODUCTION BREAKDOWN* - %



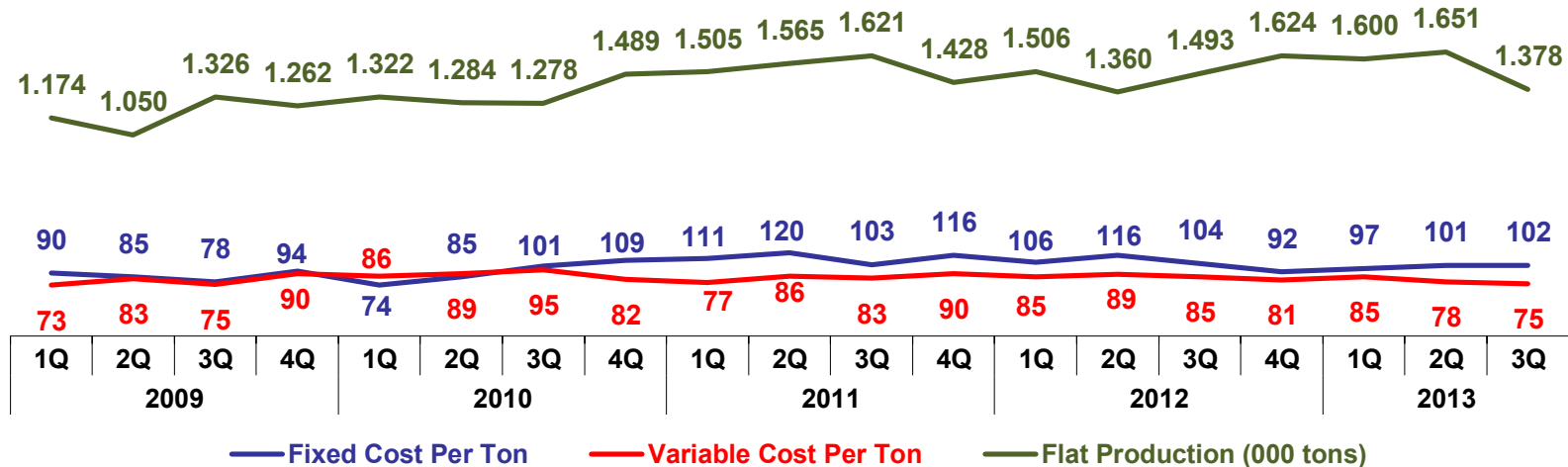
RAW MATERIALS BREAKDOWN - %



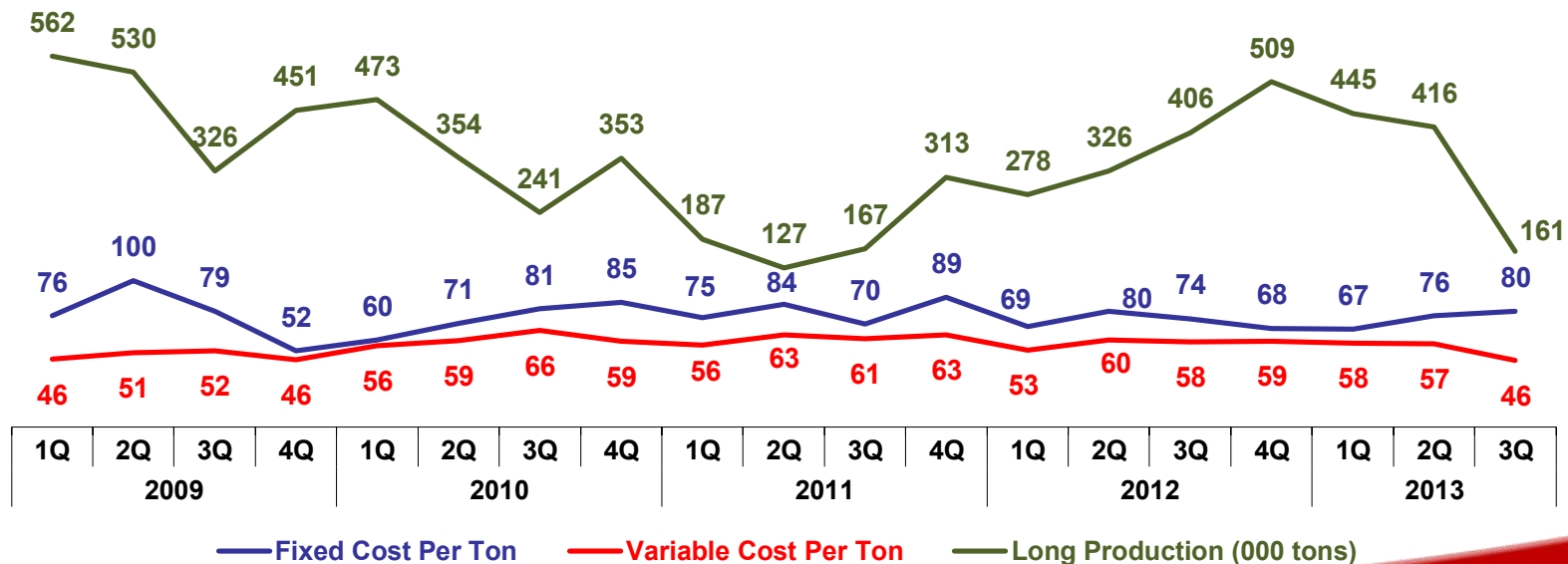
* Excluding inventory writedowns and provision released

Flat cost per ton excluding raw materials was realised as 177 USD/ton in 2013 3Q

FLAT PRODUCTS (USD/TON)*

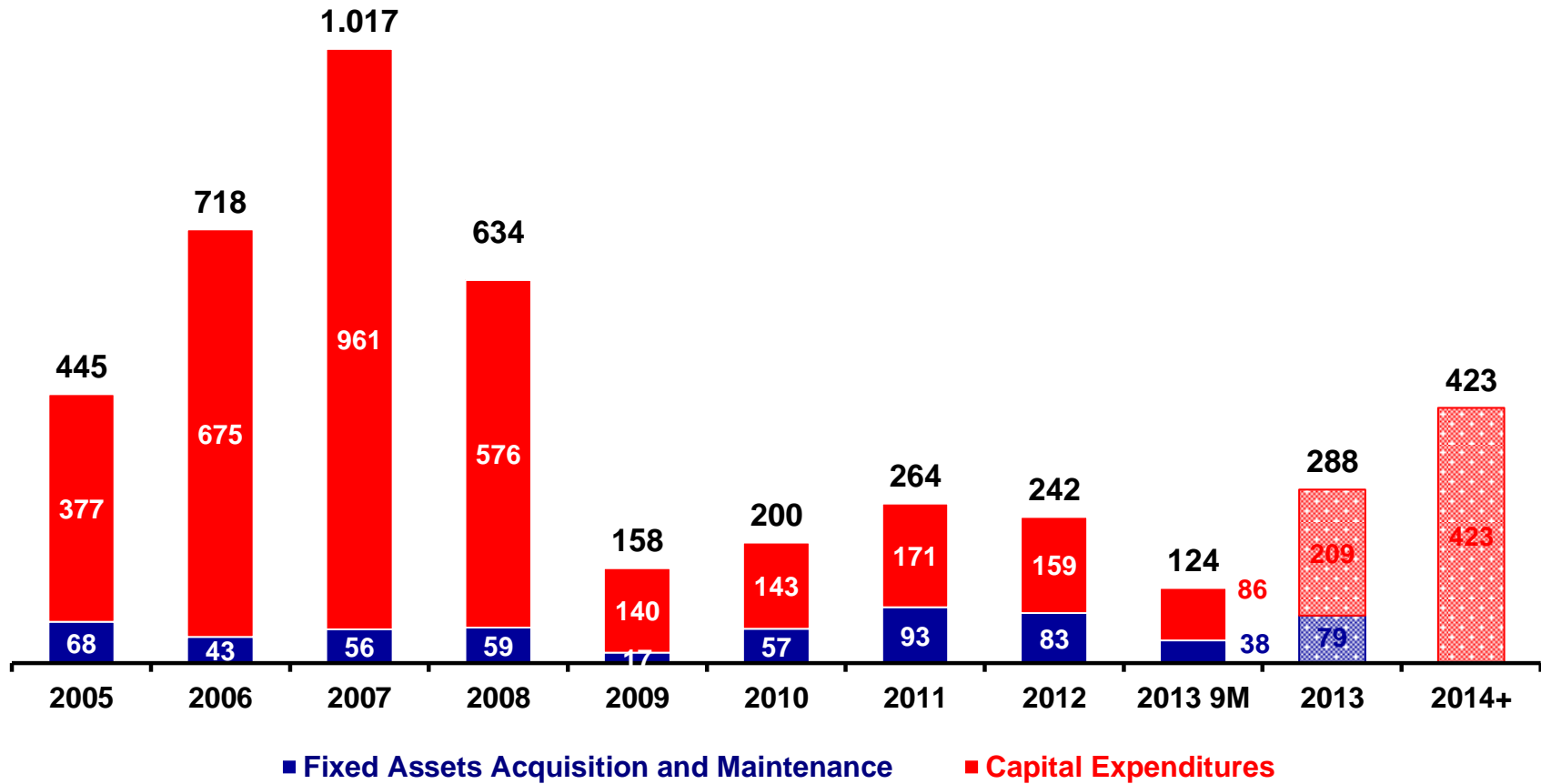


LONG PRODUCTS (USD/TON)*



Capital expenditures of 288 million USD is planned for 2013

(M USD)



* The figures only cover the board approved capex plan.

NUMBER OF EMPLOYEES

