

Erdemir Group 2014 3 Months Consolidated Financial Results



25 April 2014



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Agenda



2014 Market Overview



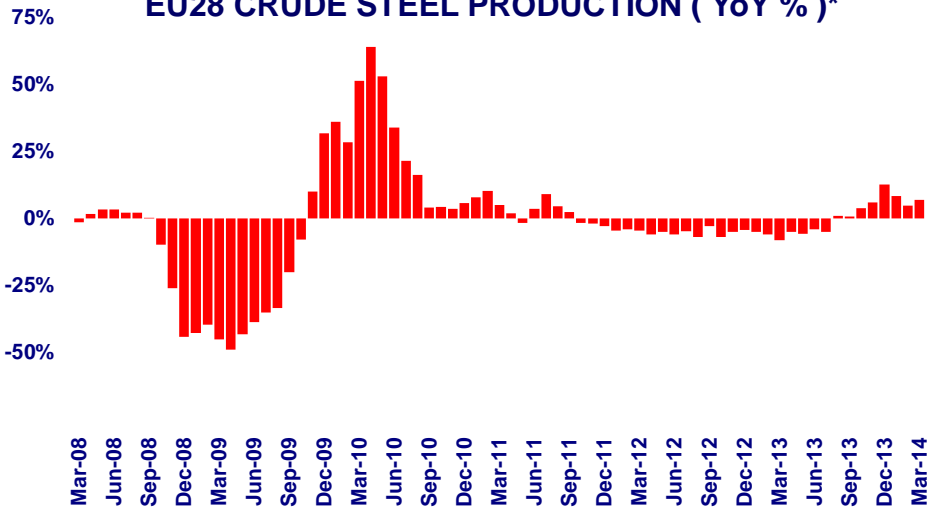
2014 3M Results



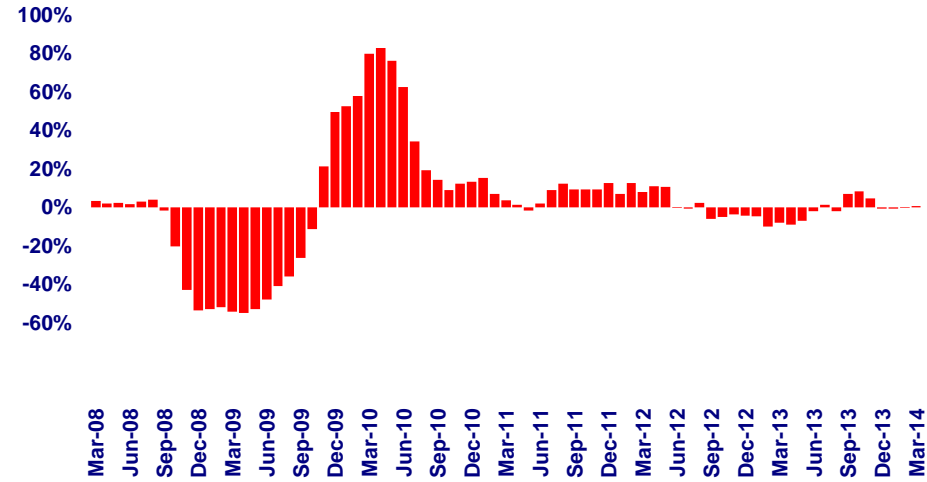
2014 Guidance



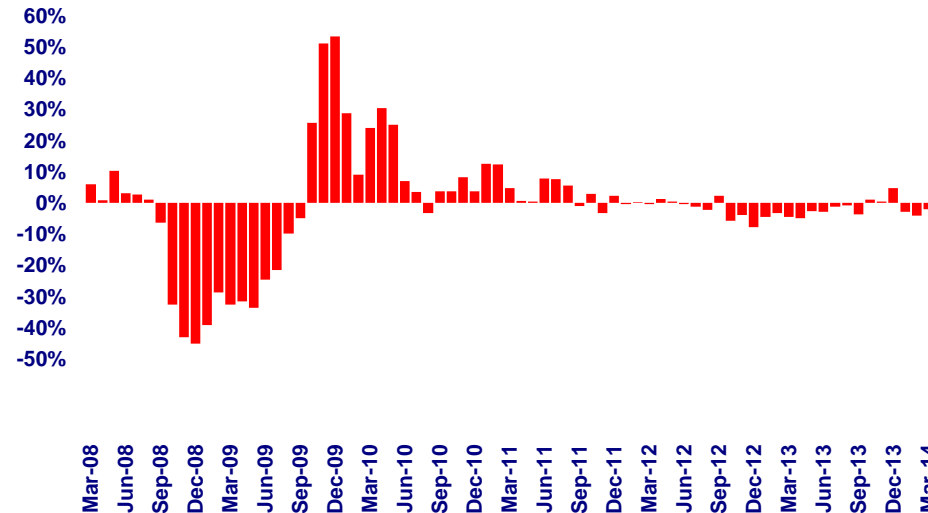
EU28 CRUDE STEEL PRODUCTION (YoY %)*



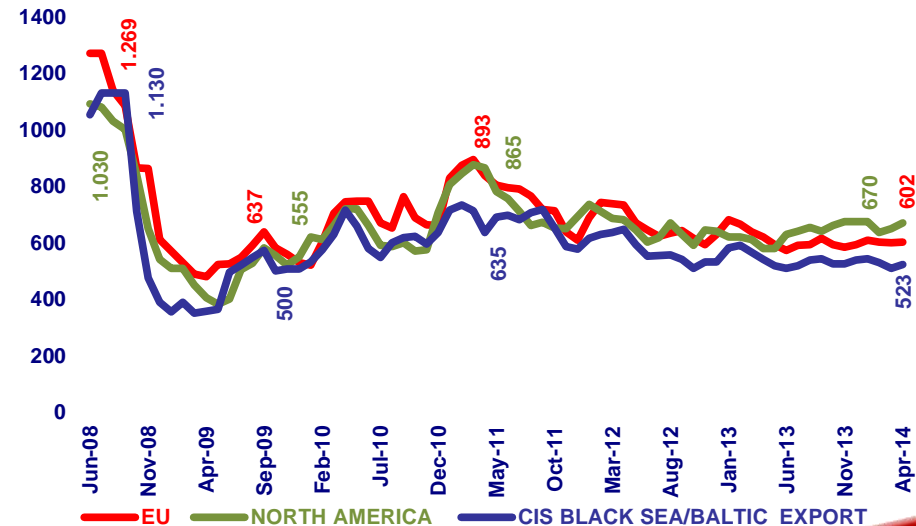
USA CRUDE STEEL PRODUCTION (YoY %)*



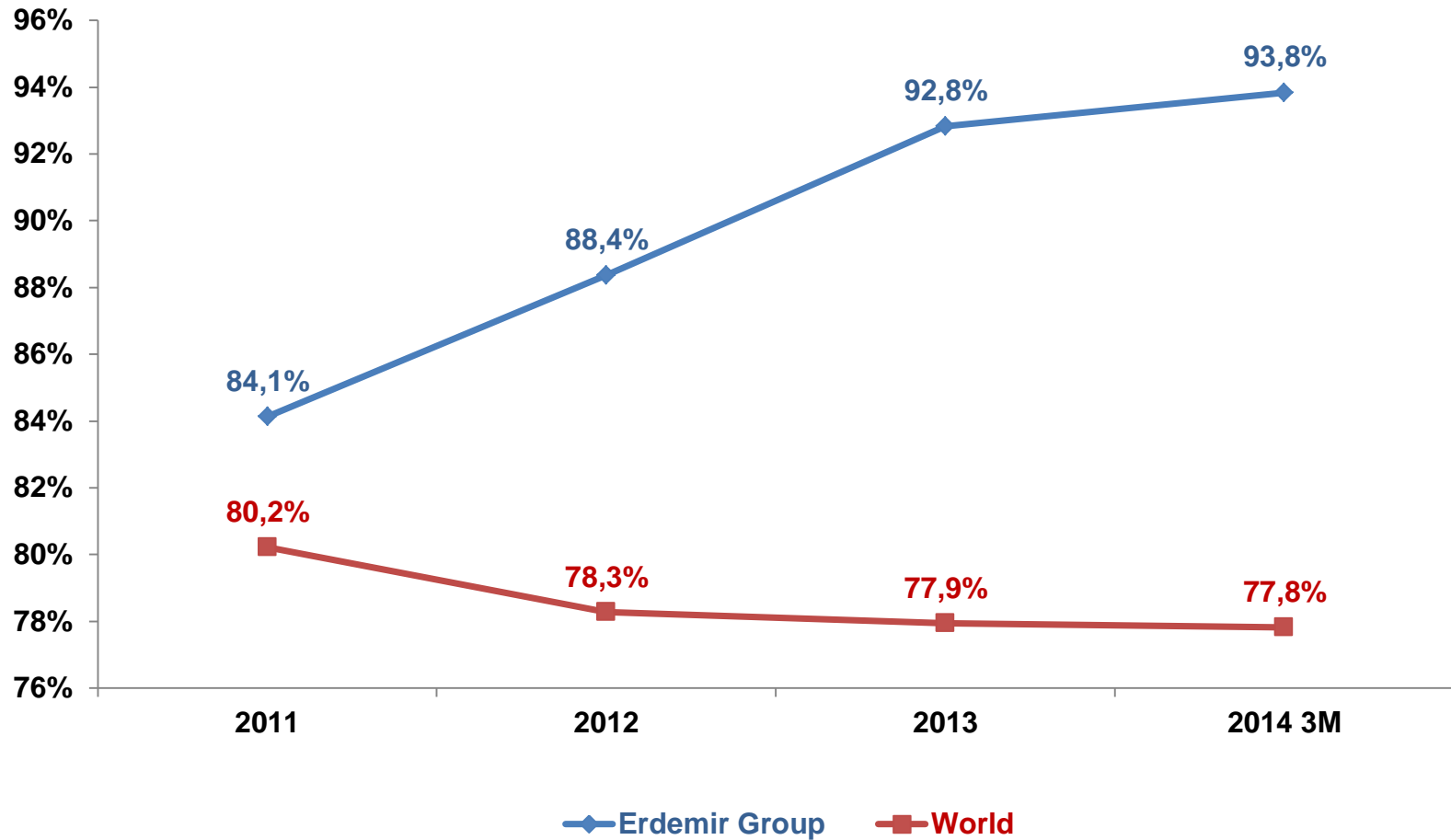
CIS CRUDE STEEL PRODUCTION (YoY %) *



HRC PRICES (USD/TON)**

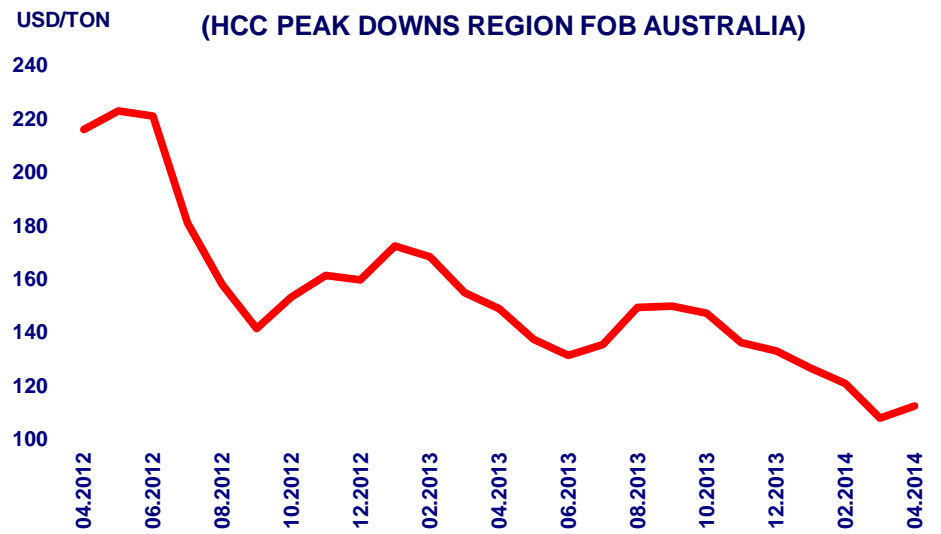


CRUDE STEEL CAPACITY UTILIZATION RATIO

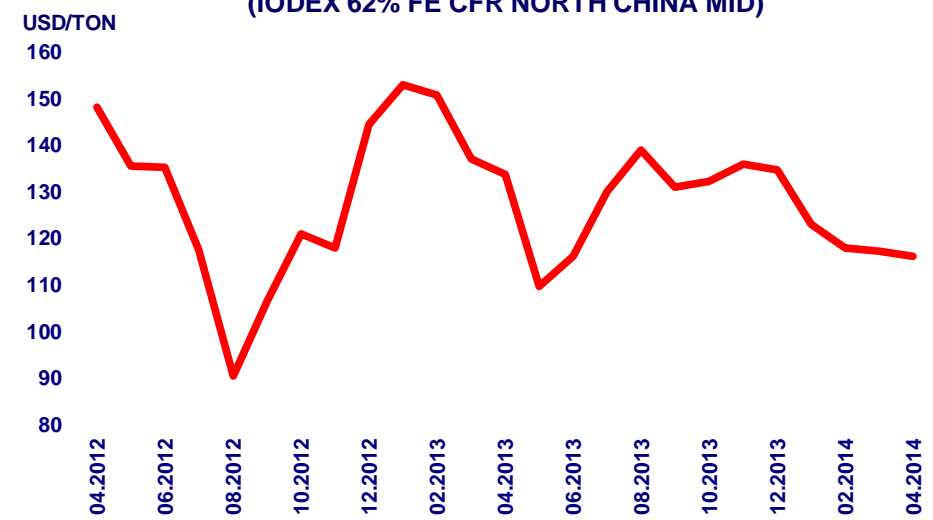




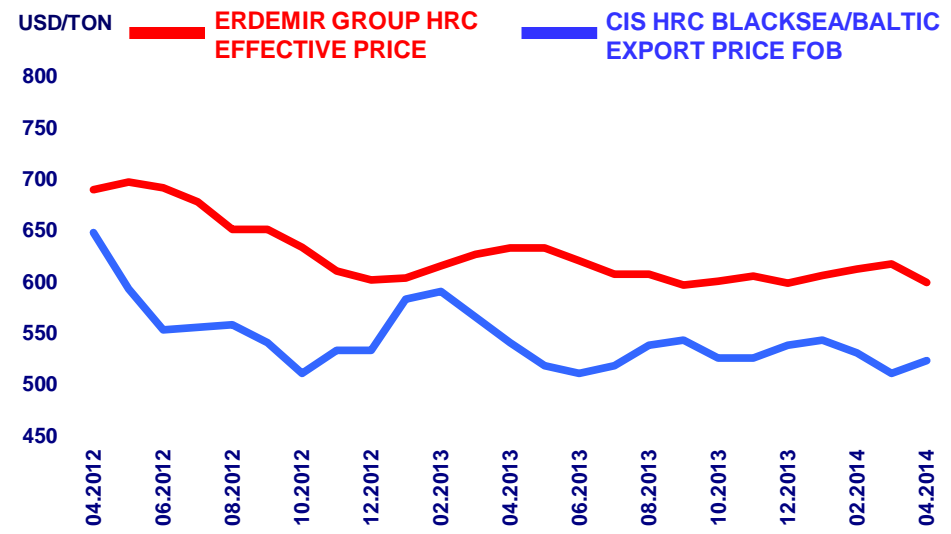
COKING COAL PRICES
(HCC PEAK DOWNS REGION FOB AUSTRALIA)



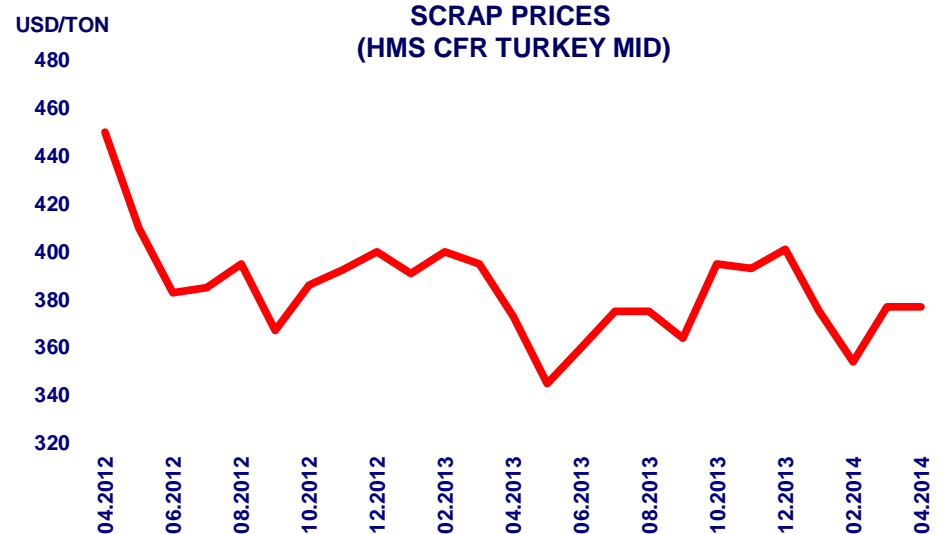
IRON ORE PRICES
(IODEX 62% FE CFR NORTH CHINA MID)



ERDEMİR GROUP HRC EFFECTIVE PRICE (Red line)
CIS HRC BLACKSEA/BALTIC EXPORT PRICE FOB (Blue line)

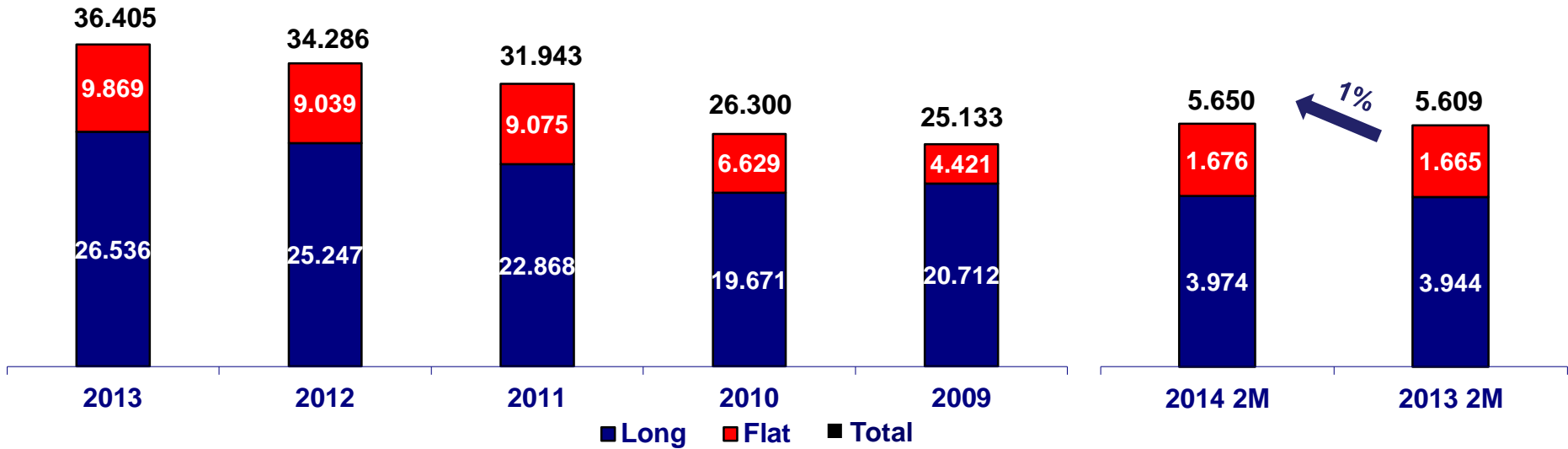


SCRAP PRICES
(HMS CFR TURKEY MID)

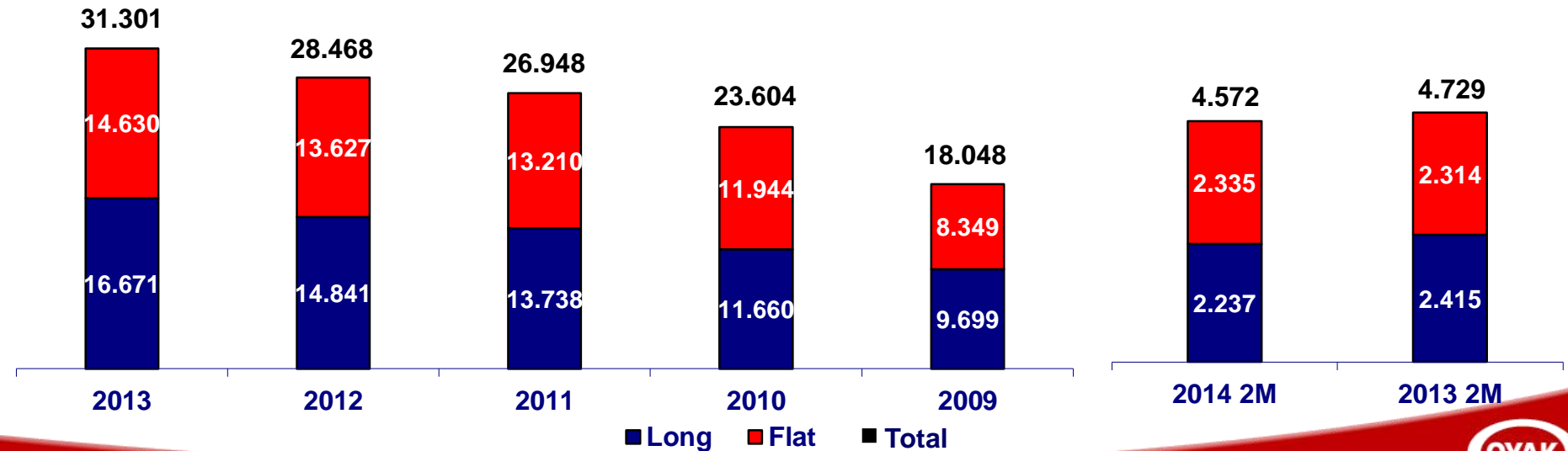




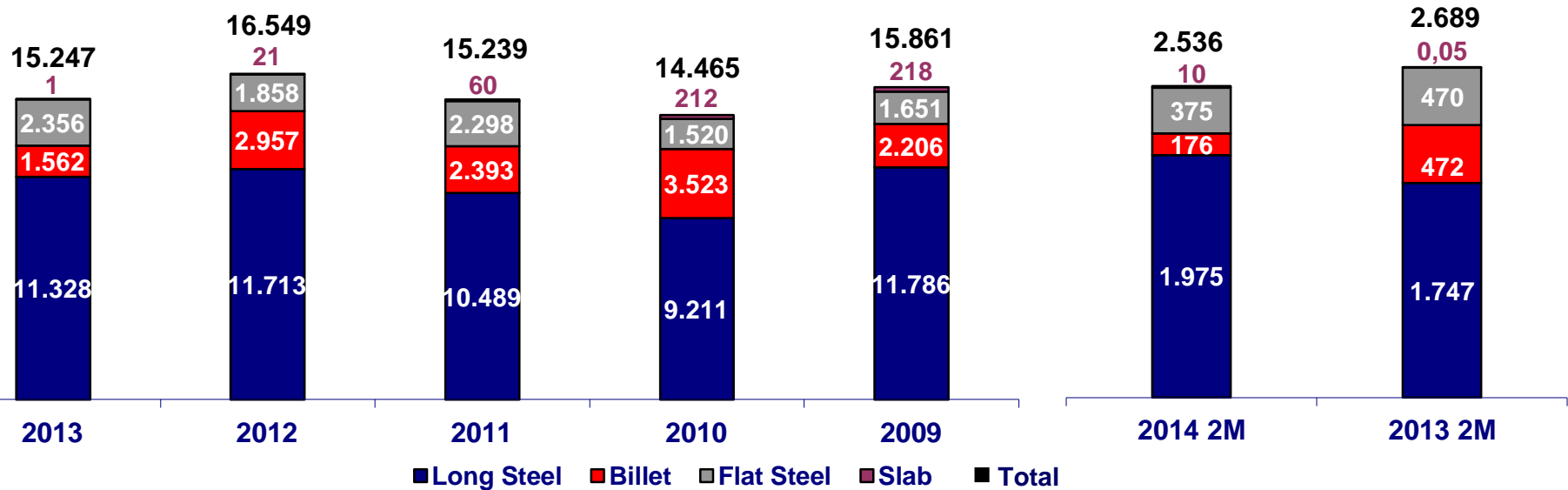
PRODUCTION (000 TONS)



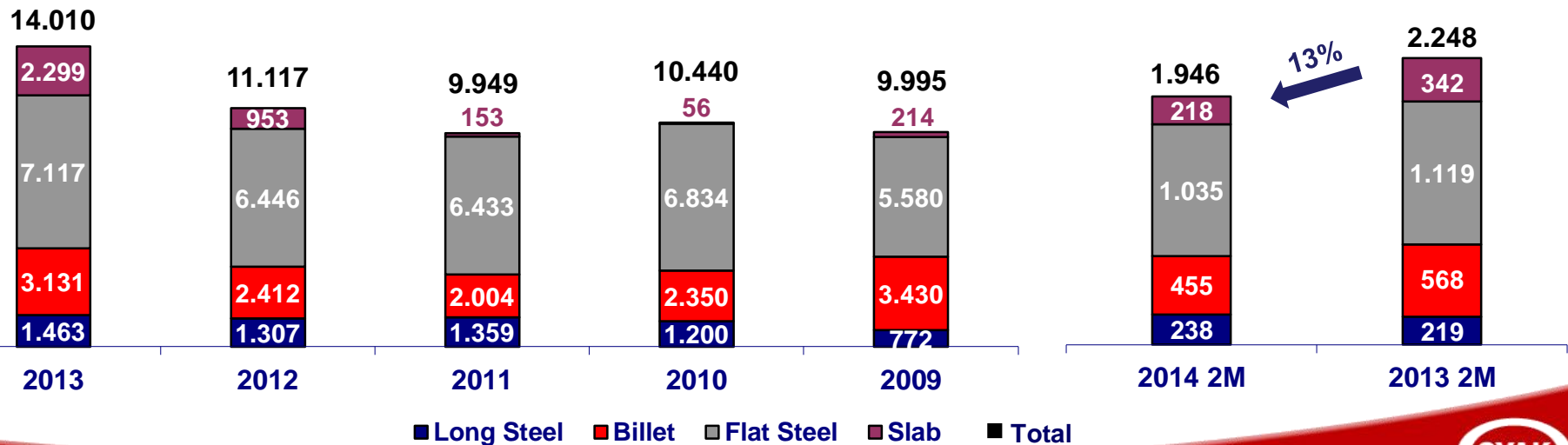
CONSUMPTION (000 TONS)



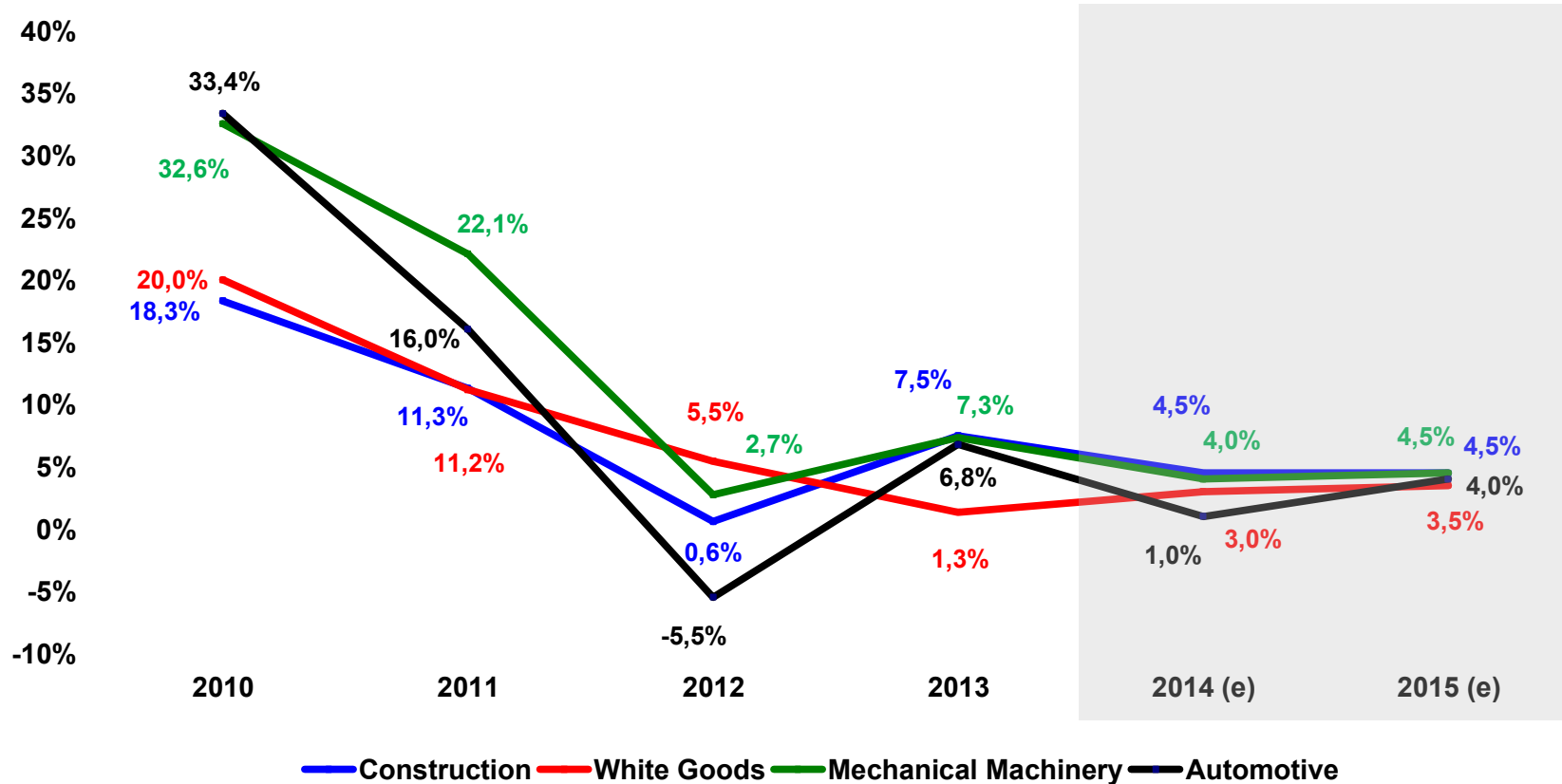
IRON AND STEEL PRODUCT EXPORTS (000 TONS)



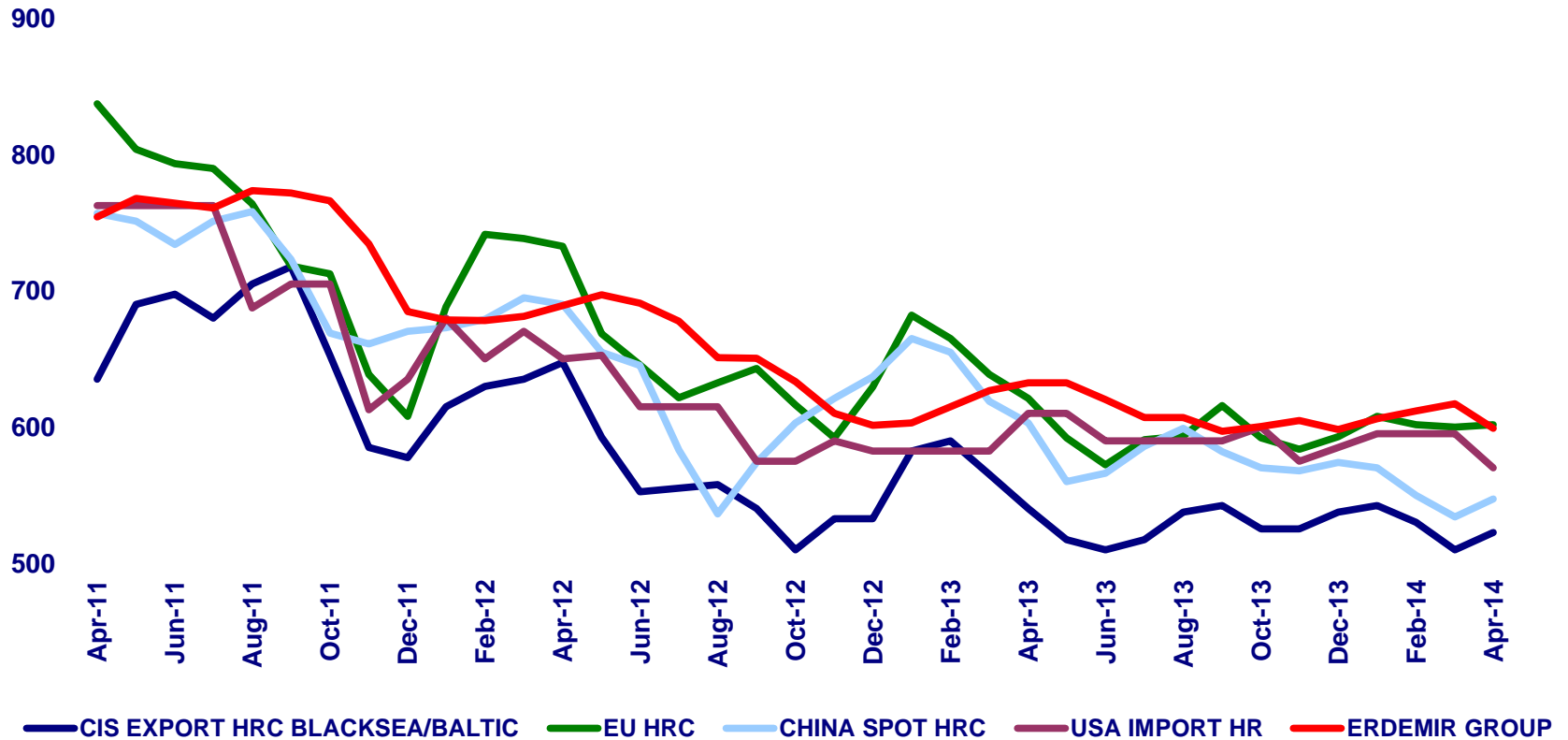
IRON AND STEEL PRODUCT IMPORTS (000 TONS)



CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)

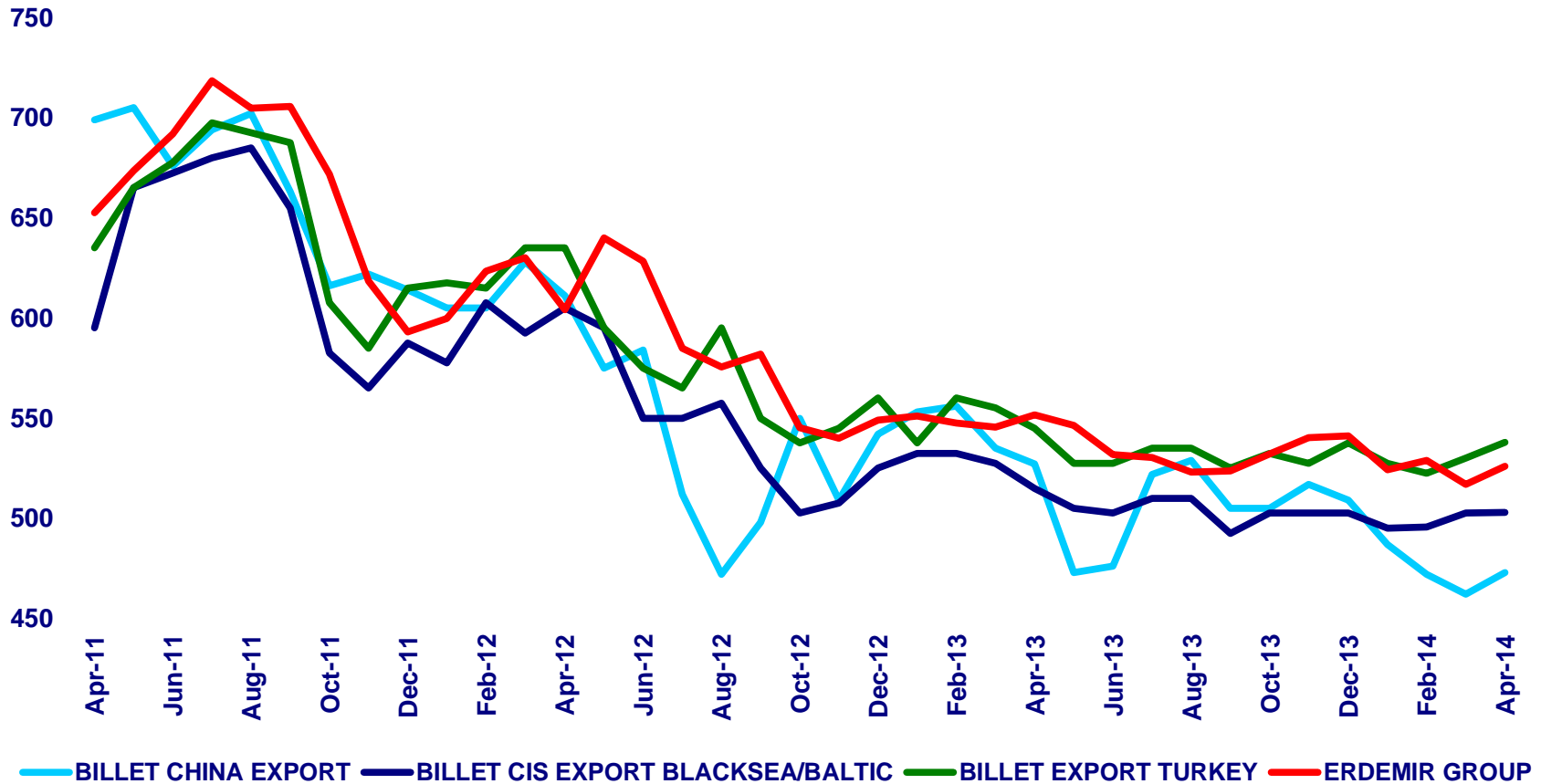


HRC PRICES (USD/Ton)



➔ As of April 2014, EU HRC price was 602 USD, China HRC spot price is 547 USD, CIS export HRC price is 523 USD. The prices were 621 USD, 603 USD, 540 USD respectively by the end of April 2013.

BILLET PRICES (USD/Ton)



➡ As of April 2014, Turkey export price was 538 USD while it was 545 USD in April 2013.

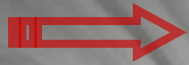
Agenda



2014 Market Overview



2014 3M Results



2014 Guidance

ERDEMİR GROUP KEY FIGURES

		2014 3M	2013 3M	2013	2012
Liquid Steel Production	<i>(000 Tons)</i>	↓ 2.135	2.216	8.447	8.042
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑ 1.813	1.735	6.865	6.329
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑ 1.675	1.600	6.427	5.983
Long Steel Production	<i>(000 Tons)</i>	↓ 317	445	1.356	1.519
Flat Steel Shipments	<i>(000 Tons)</i>	↑ 1.671	1.569	6.338	5.980
Long Steel Shipments	<i>(000 Tons)</i>	↓ 352	456	1.346	1.468
Net Sales Revenue ⁽³⁾	<i>(M. USD)</i>	↓ 1.324	1.364	5.142	5.340
EBITDA ⁽³⁾	<i>(M. USD)</i>	↑ 282	238	987	604
Net Profit For The Year ⁽³⁾	<i>(M. USD)</i>	↑ 195	128	484	252

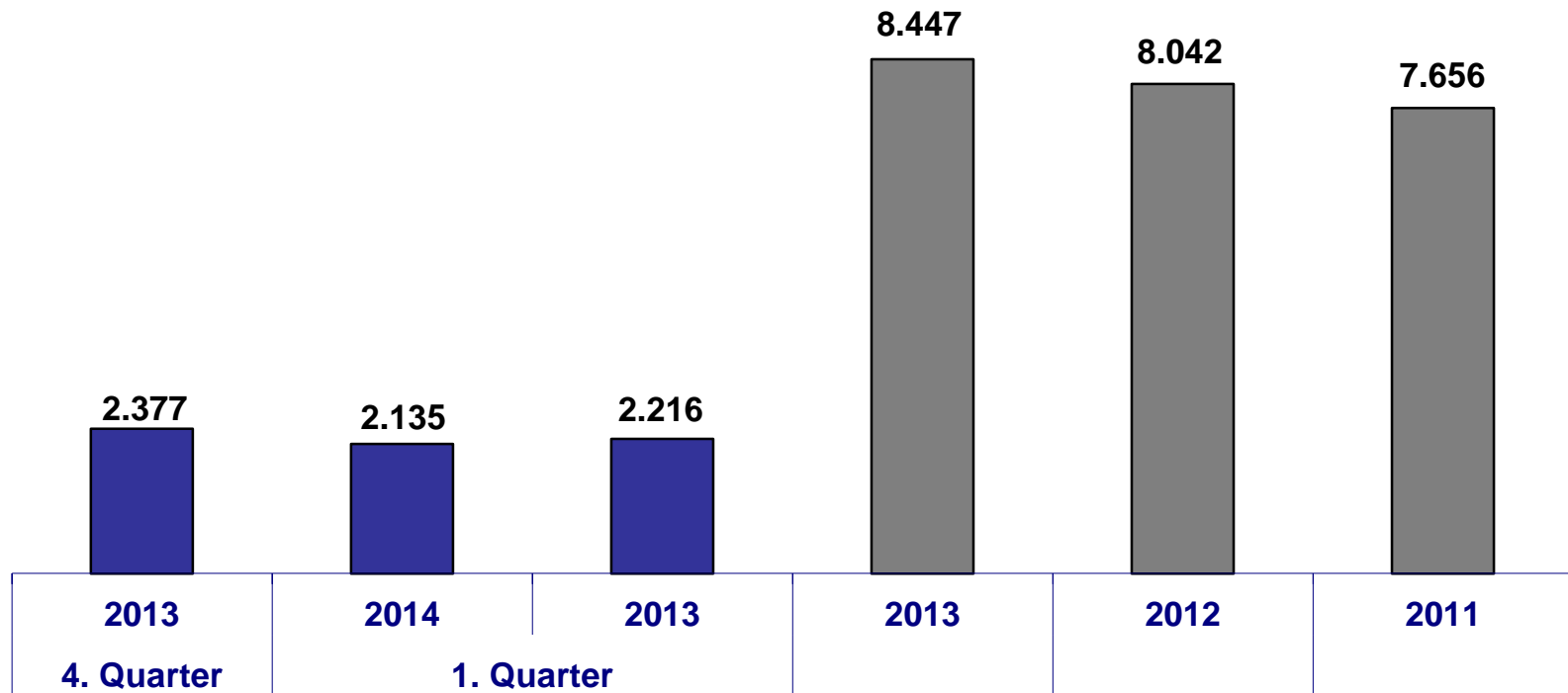
All figures are on IFRS consolidated basis unless stated otherwise.

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

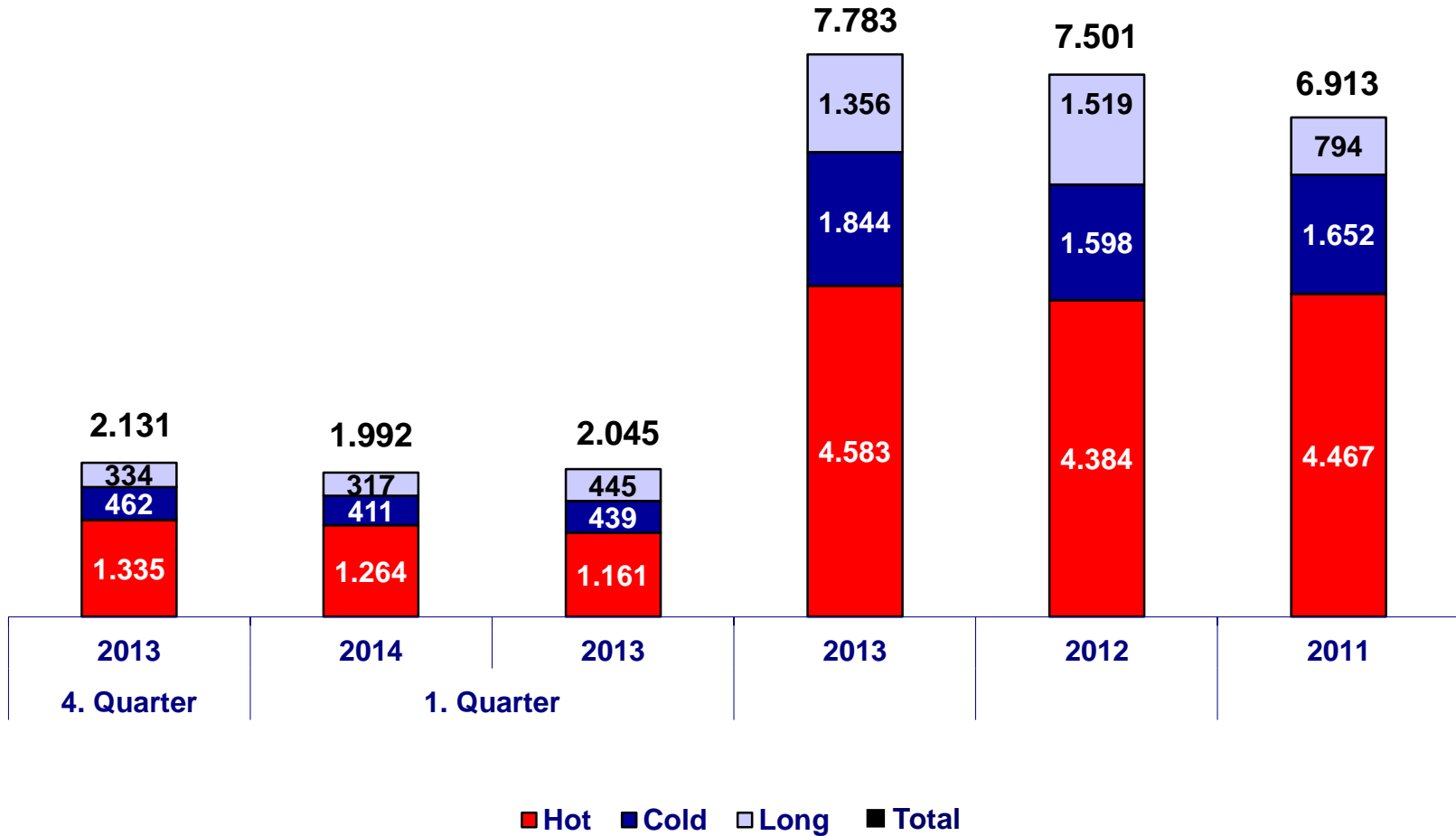
(2) Total flat steel production of Ereğli and İskenderun Plants.

(3) 1 USD = 2,2158 TRY (January-March 2014 average exchange rate)

LIQUID STEEL PRODUCTION (000 TONS)

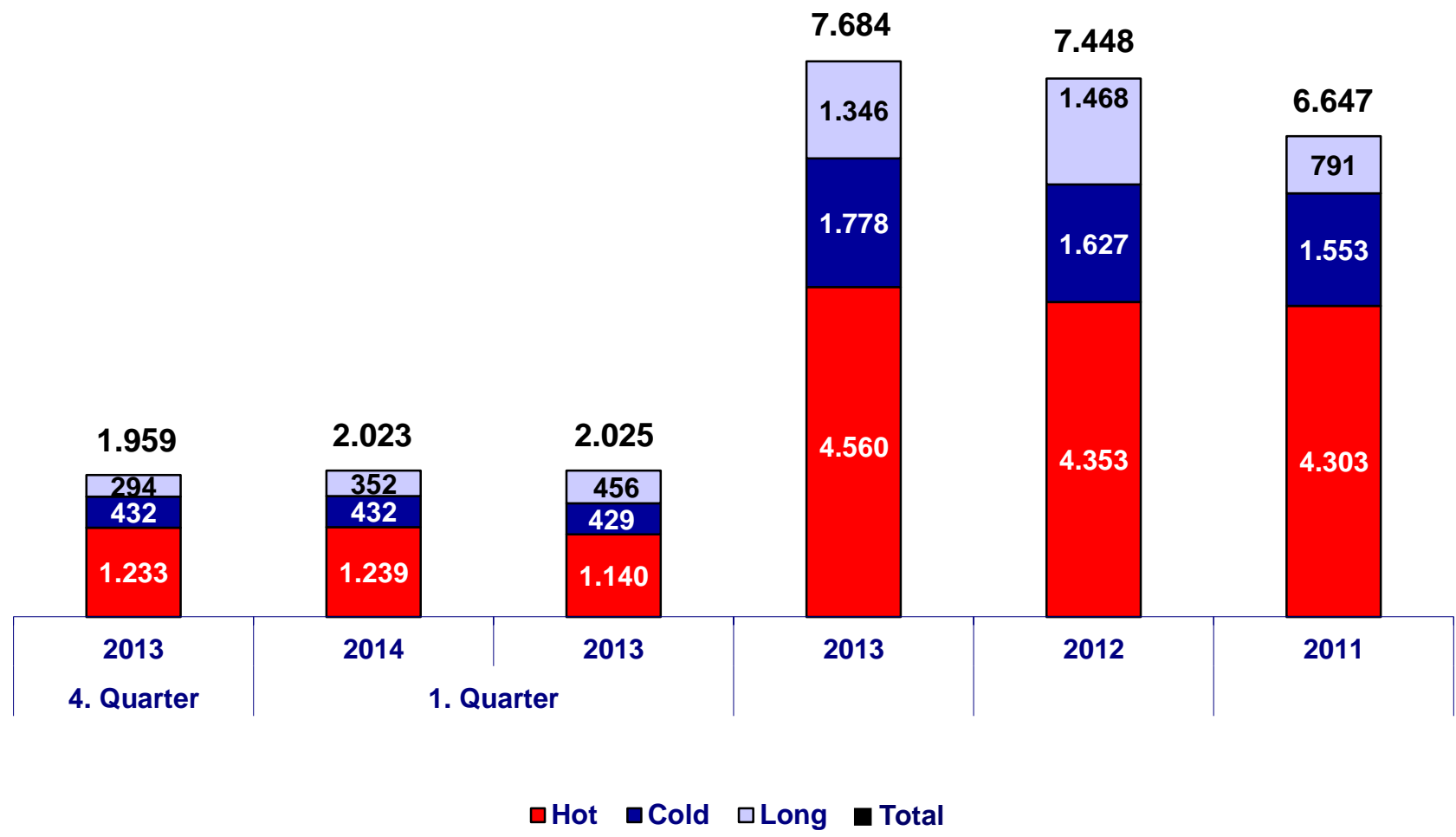


PRODUCTION VOLUMES (000 TONS)

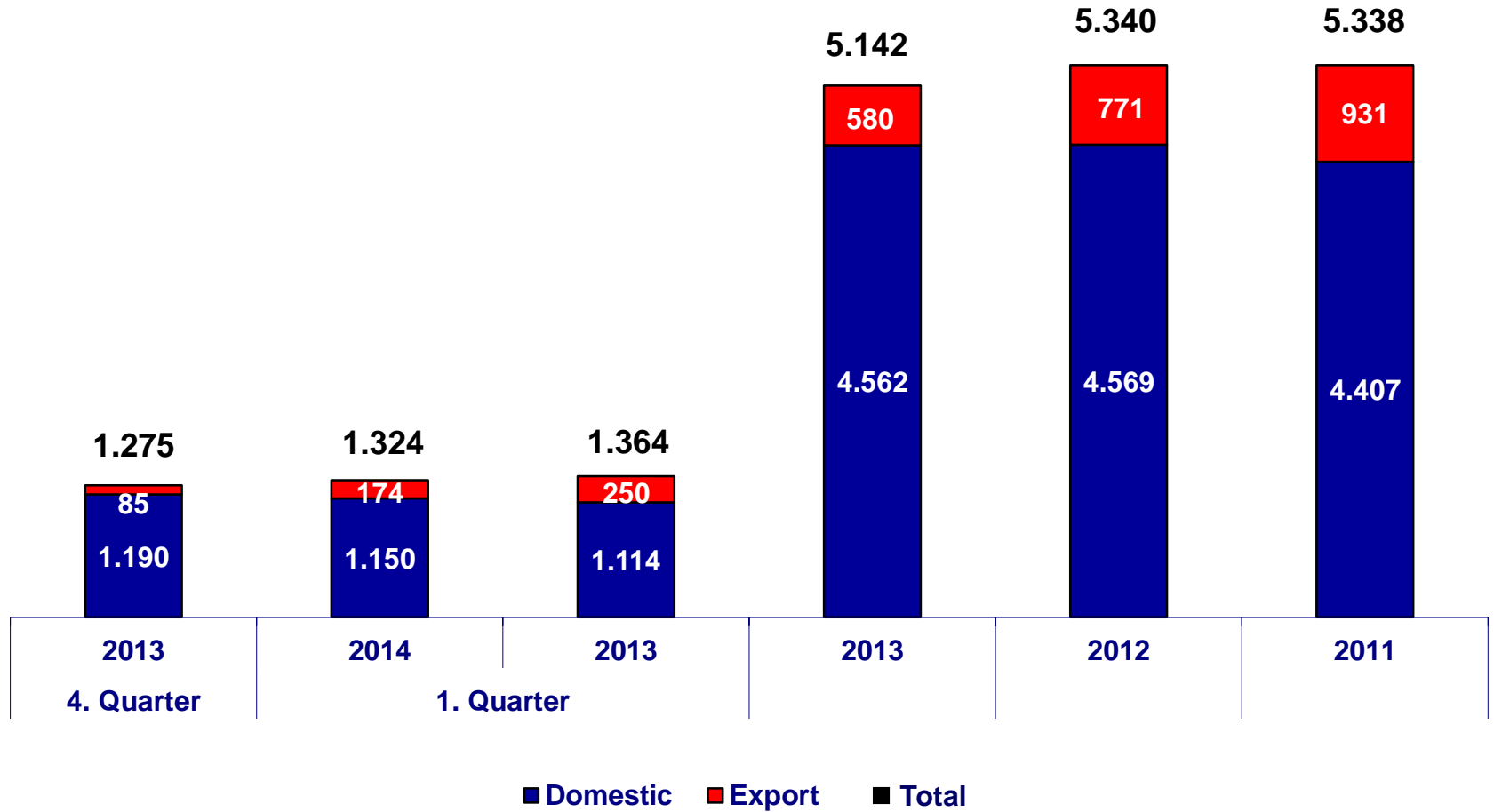




SALES VOLUMES (000 TONS)



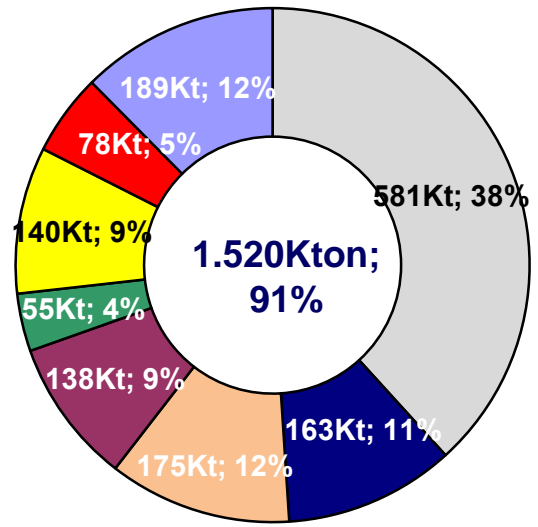
NET SALES REVENUE (MILLION USD)



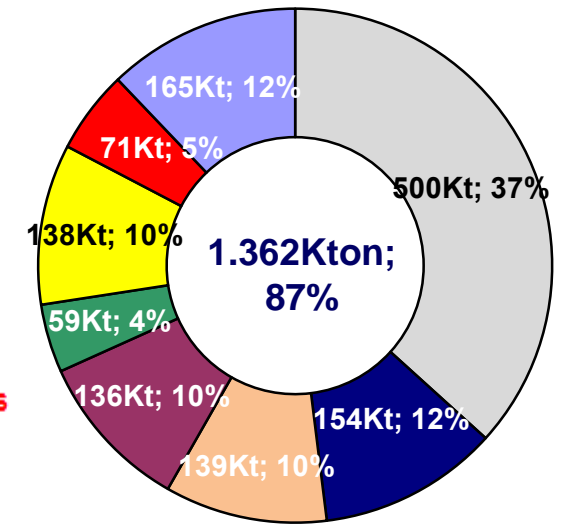
Sales to pipe and profile industry and secondary production increased in 2014 3M YoY

2014 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

2013 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

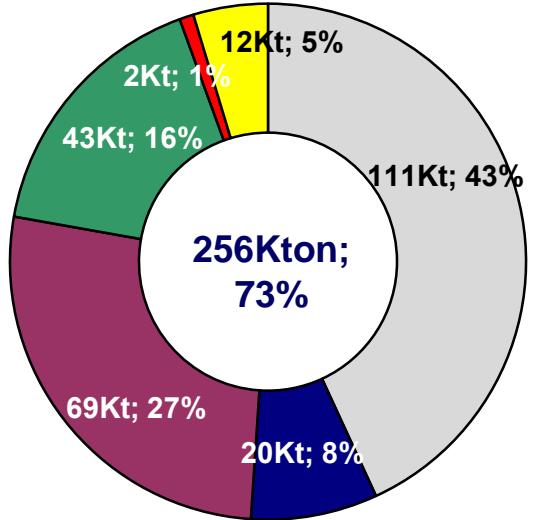


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- White Goods and Household Appliances
- General Manufacturing & Heavy Ind.

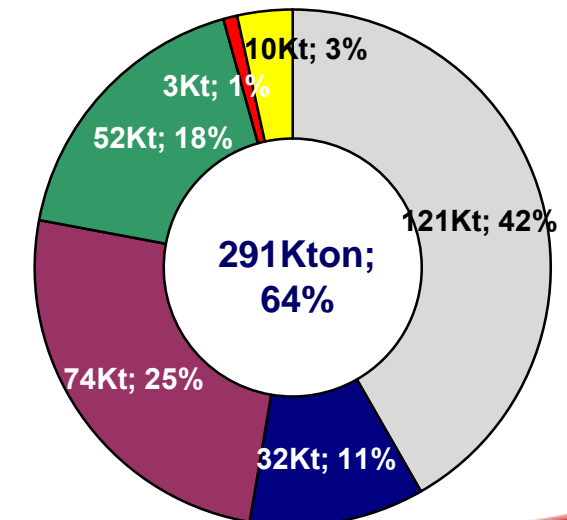


2014 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

2013 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

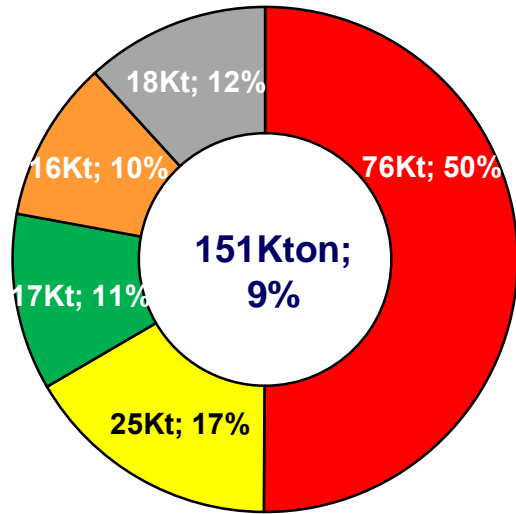


- Rebar Producers
- Profile Producers
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other



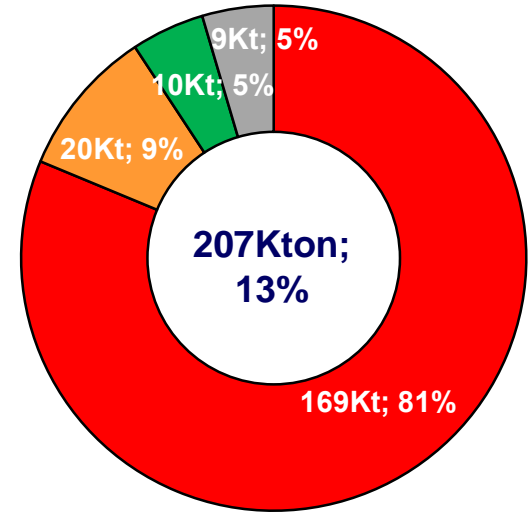
Flat steel sales to EU countries was 50% of our flat export in 2014 3M

2014 3M FLAT STEEL EXPORTS BREAKDOWN (%)

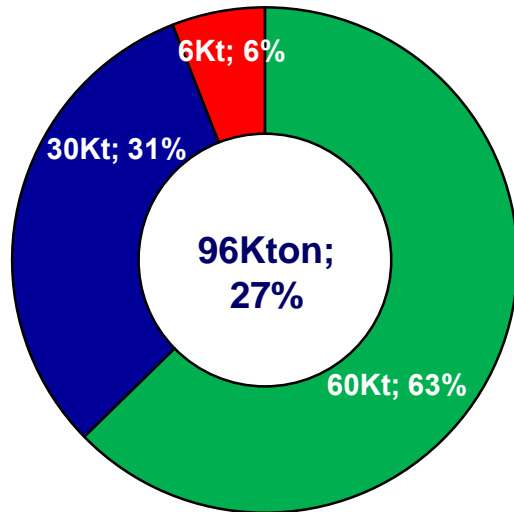


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

2013 3M FLAT STEEL EXPORTS BREAKDOWN (%)

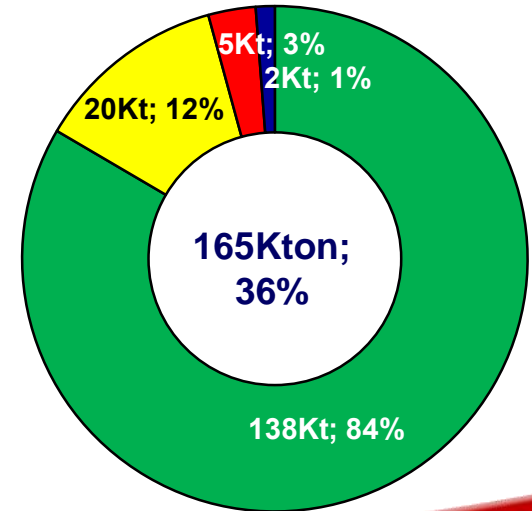


2014 3M LONG STEEL EXPORTS BREAKDOWN (%)

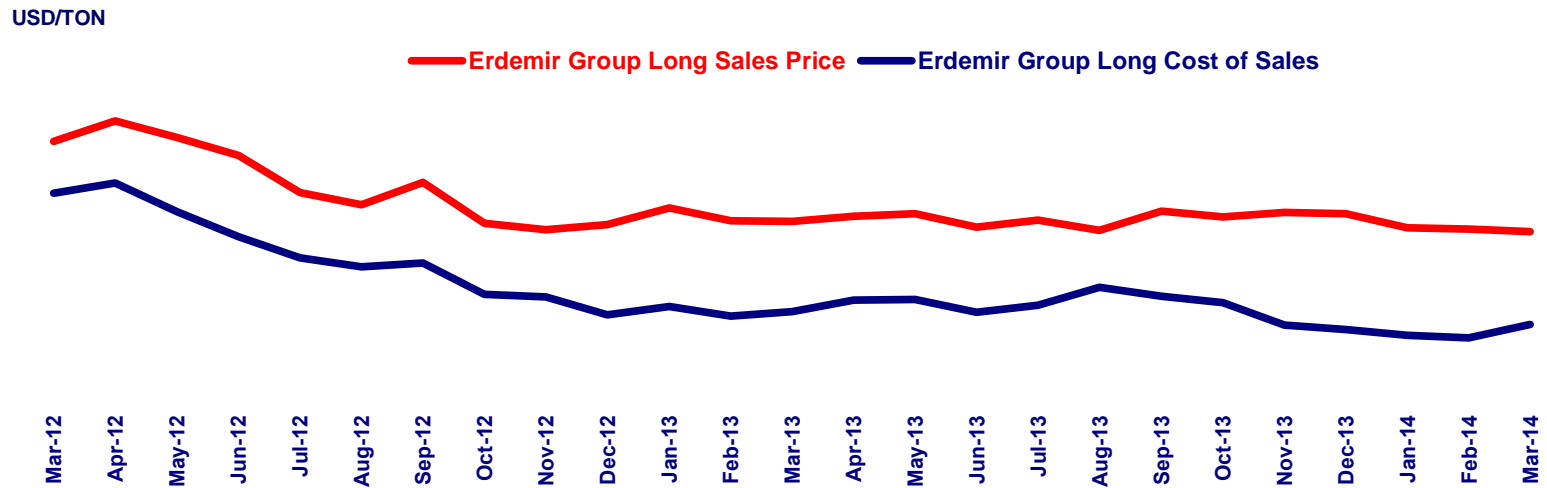
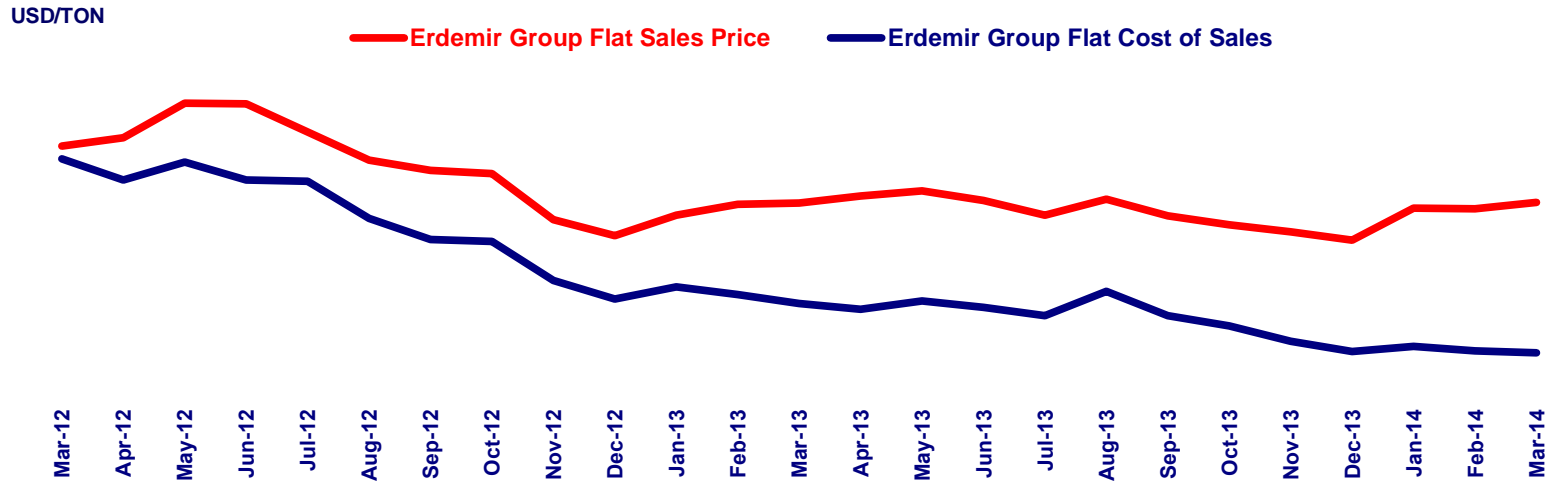


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

2013 3M LONG STEEL EXPORTS BREAKDOWN (%)

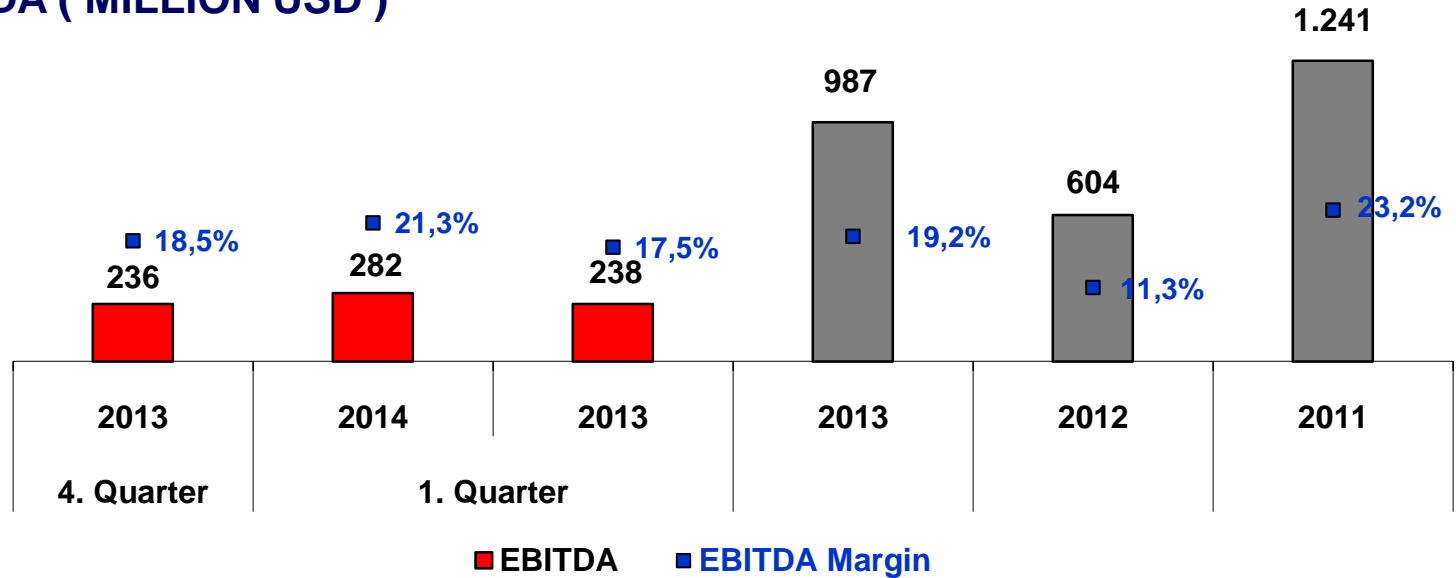


In 2014 3M, Erdemir Group average flat and long steel prices were 671 USD/ton and 568 USD/ton respectively

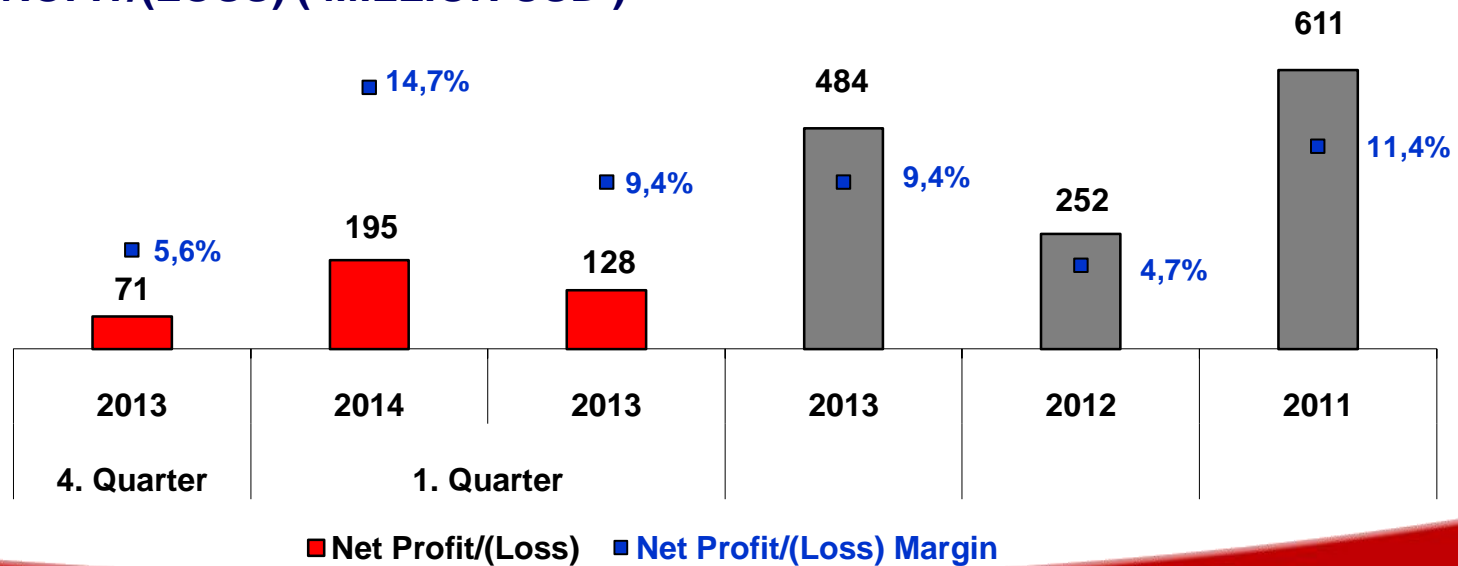


- ➡ Flat steel prices increased by 1% on average in 2014 3M YoY.
- ➡ Long steel prices decreased by 2% on average in 2014 3M YoY.

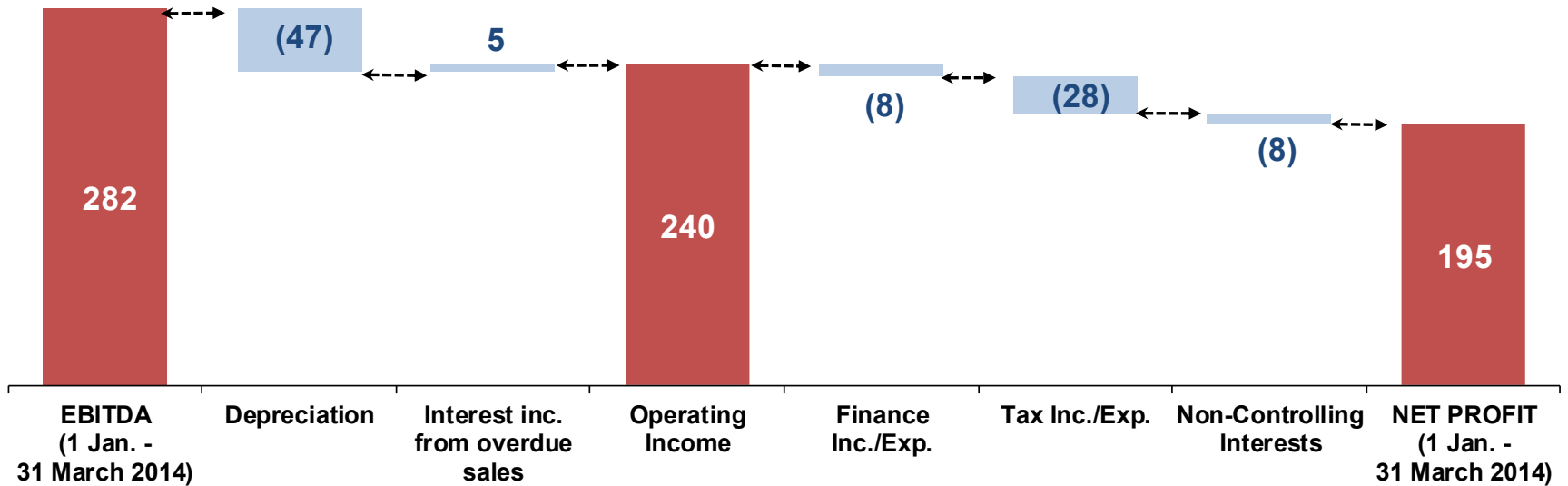
EBITDA (MILLION USD)



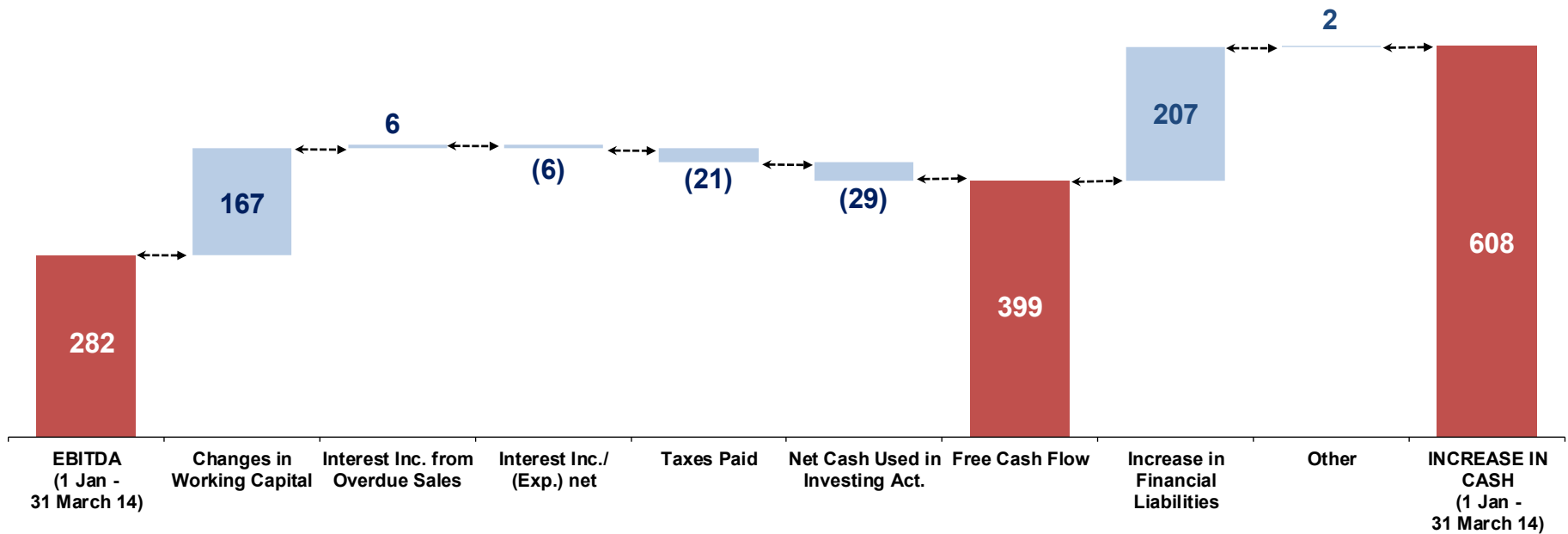
NET PROFIT/(LOSS) (MILLION USD)



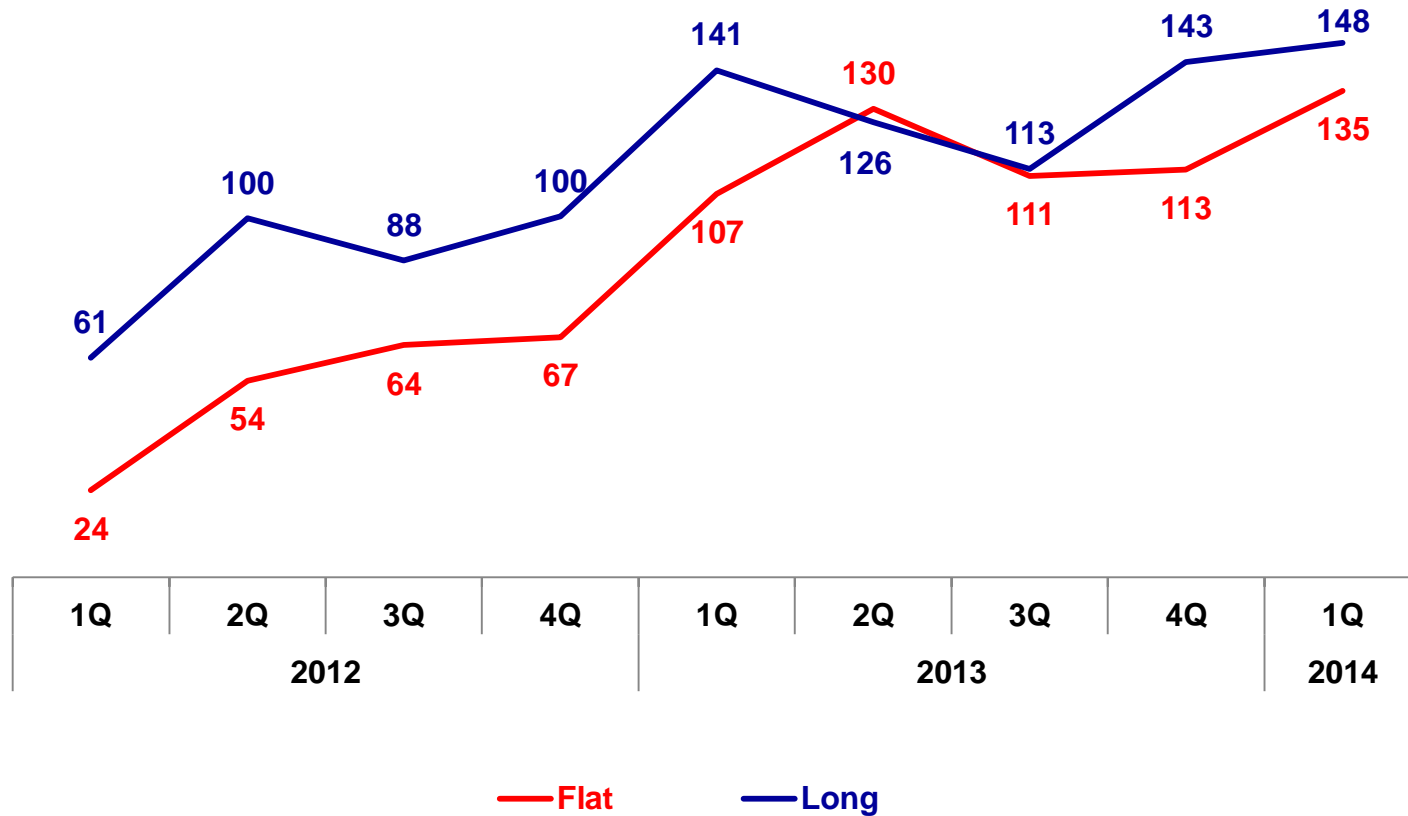
Consolidated EBITDA => Consolidated Net Profit (Million USD)



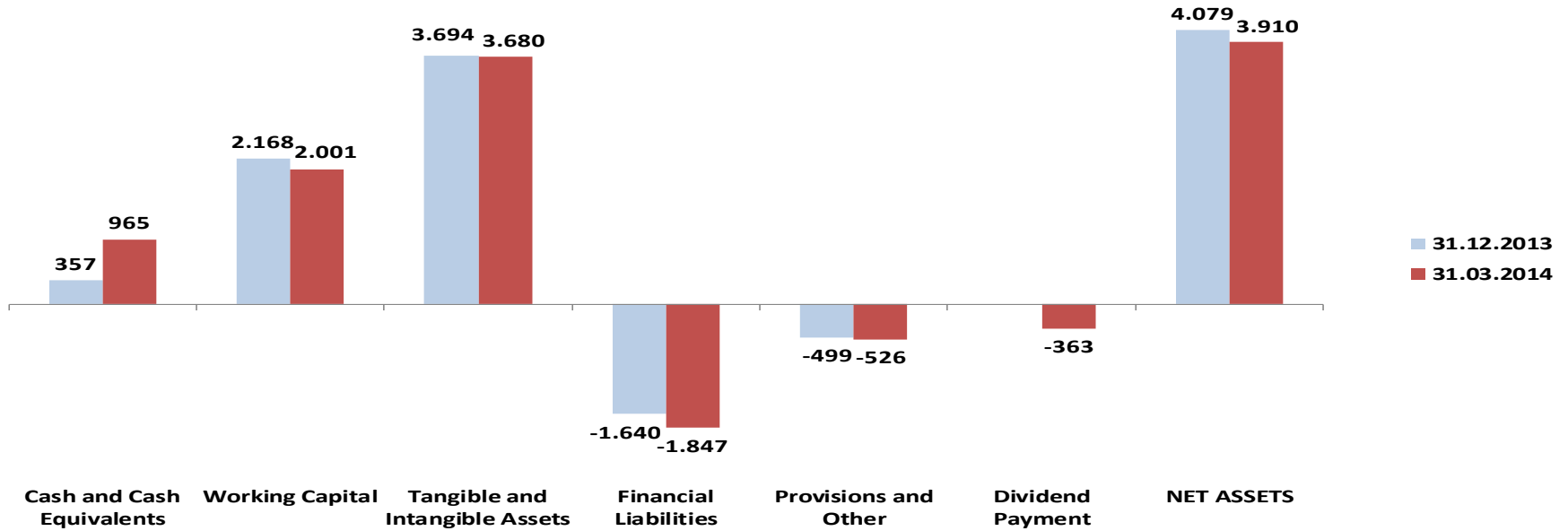
Consolidated EBITDA => Consolidated Net Cash (Million USD)



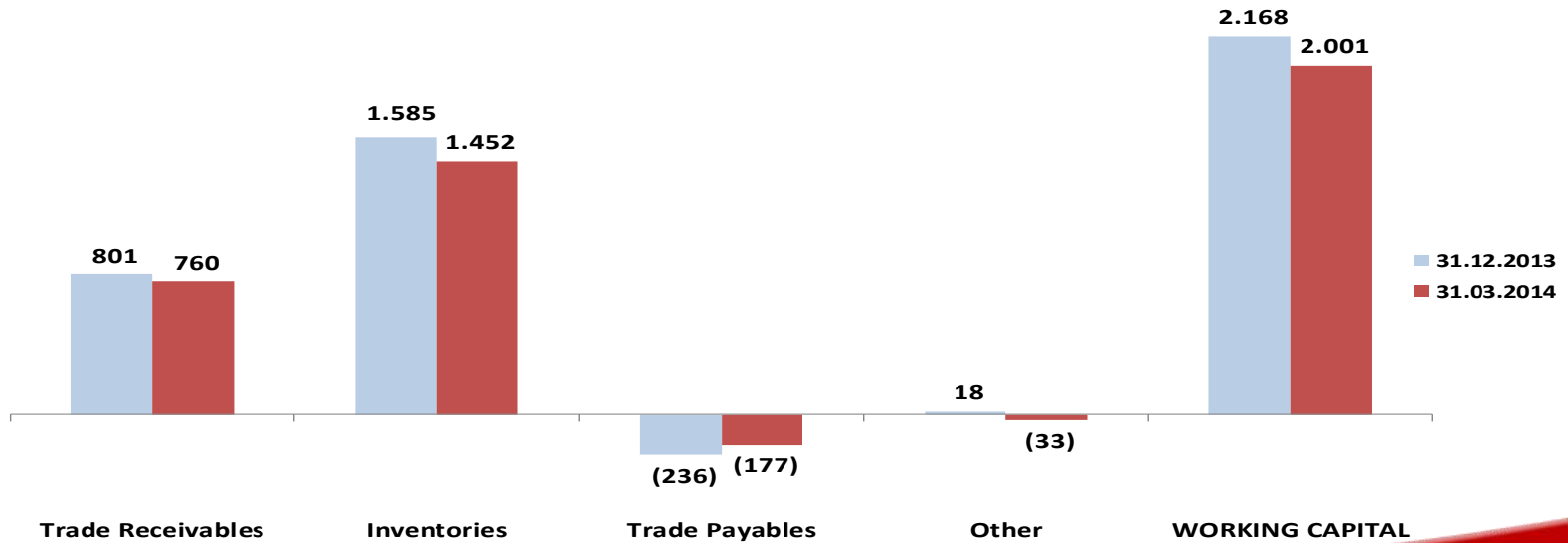
EBITDA PER TON (USD/TON)



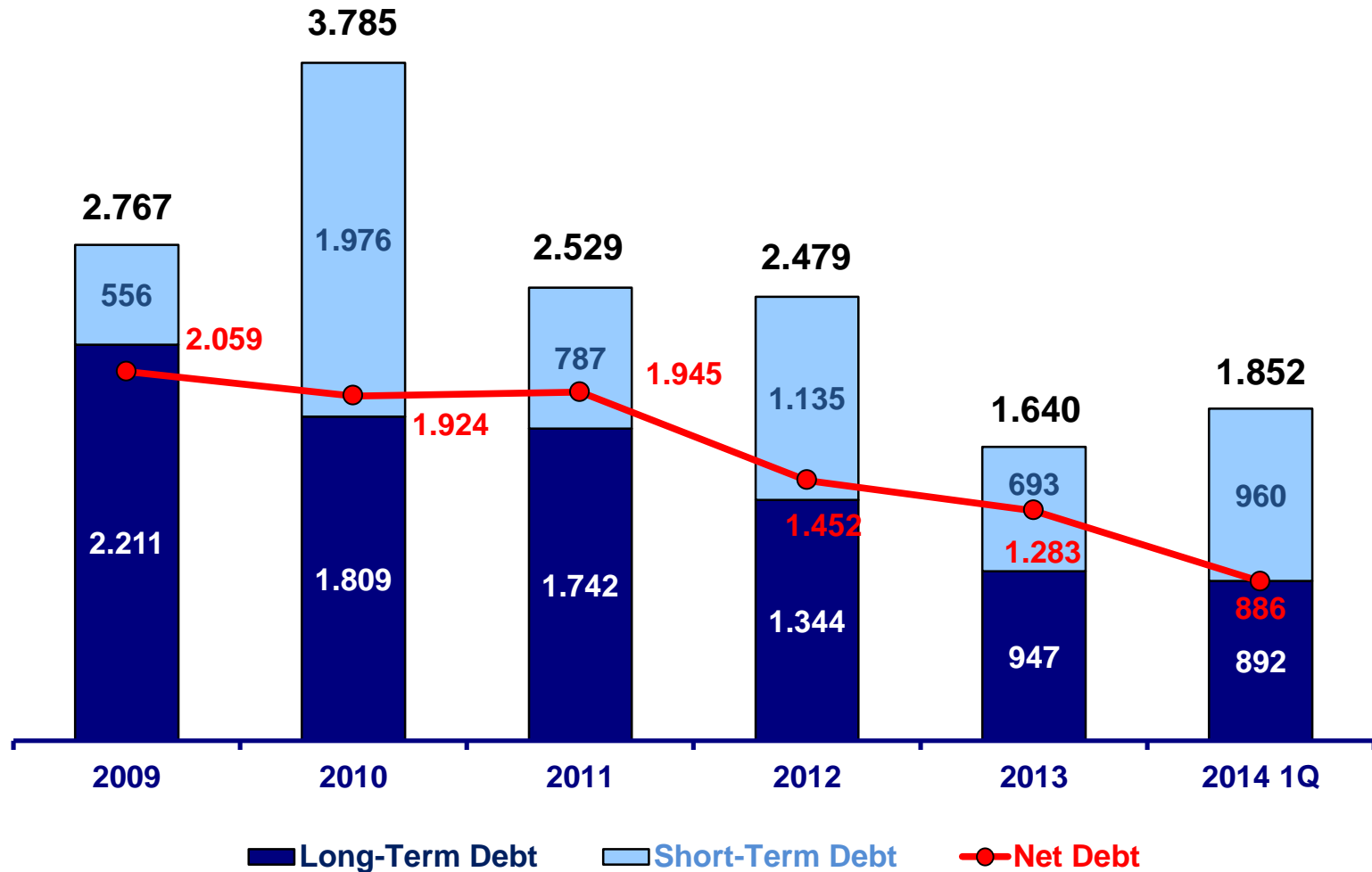
CONSOLIDATED NET ASSETS (MILLION USD)



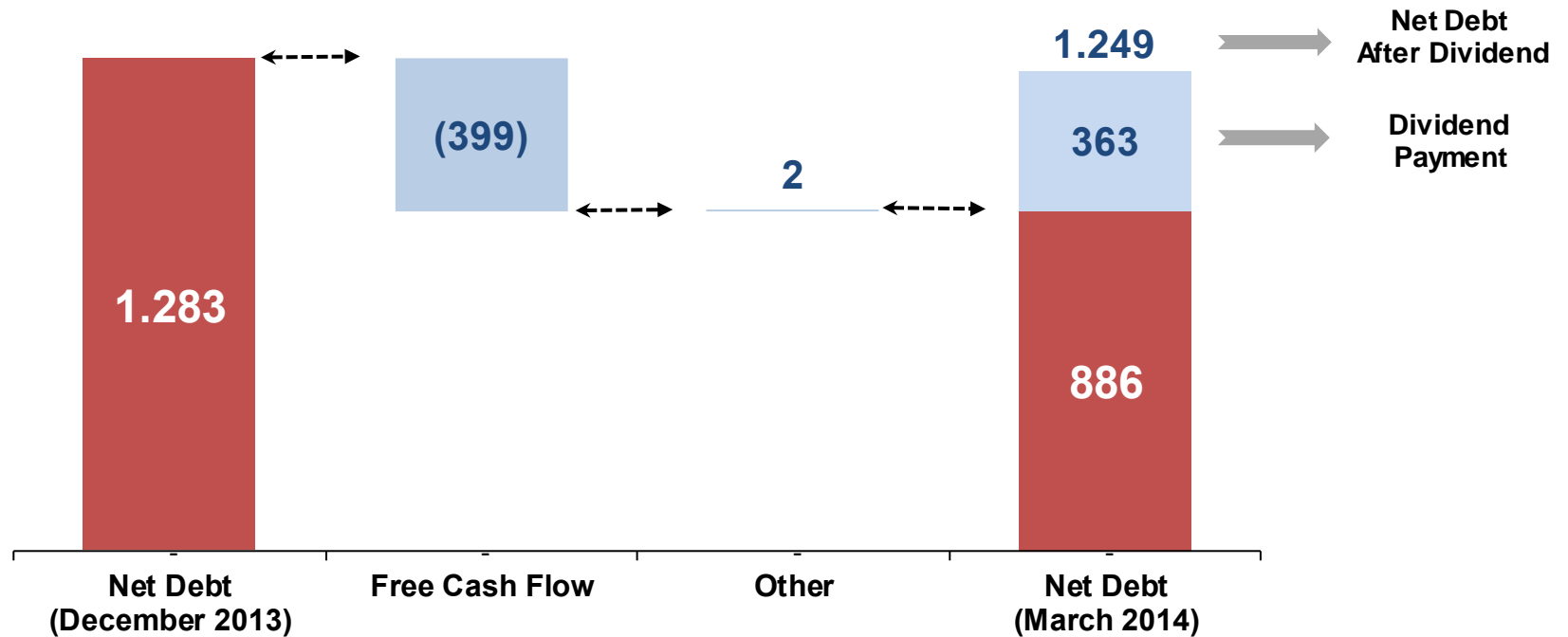
WORKING CAPITAL (MILLION USD)



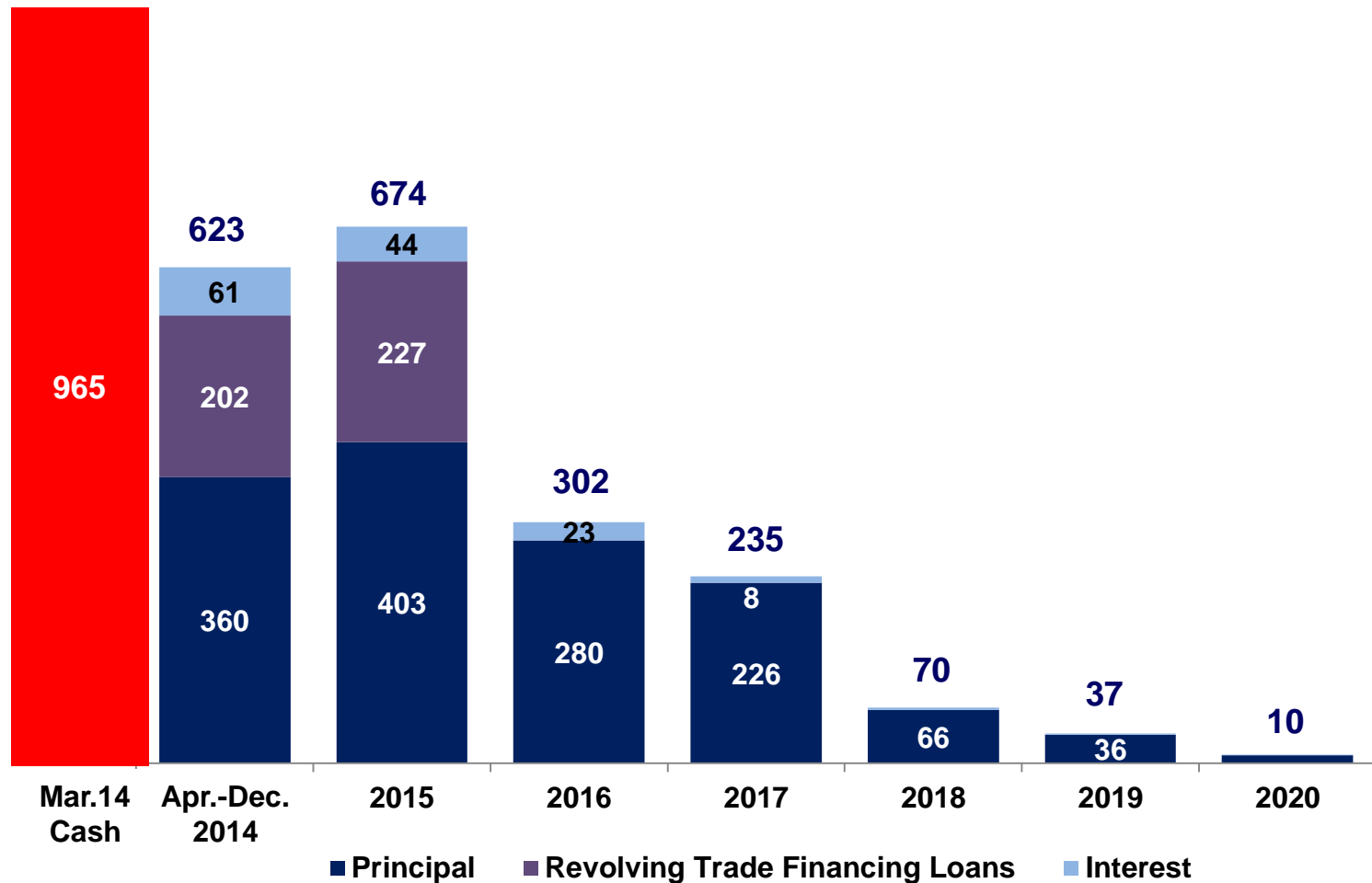
BORROWINGS (MILLION USD)



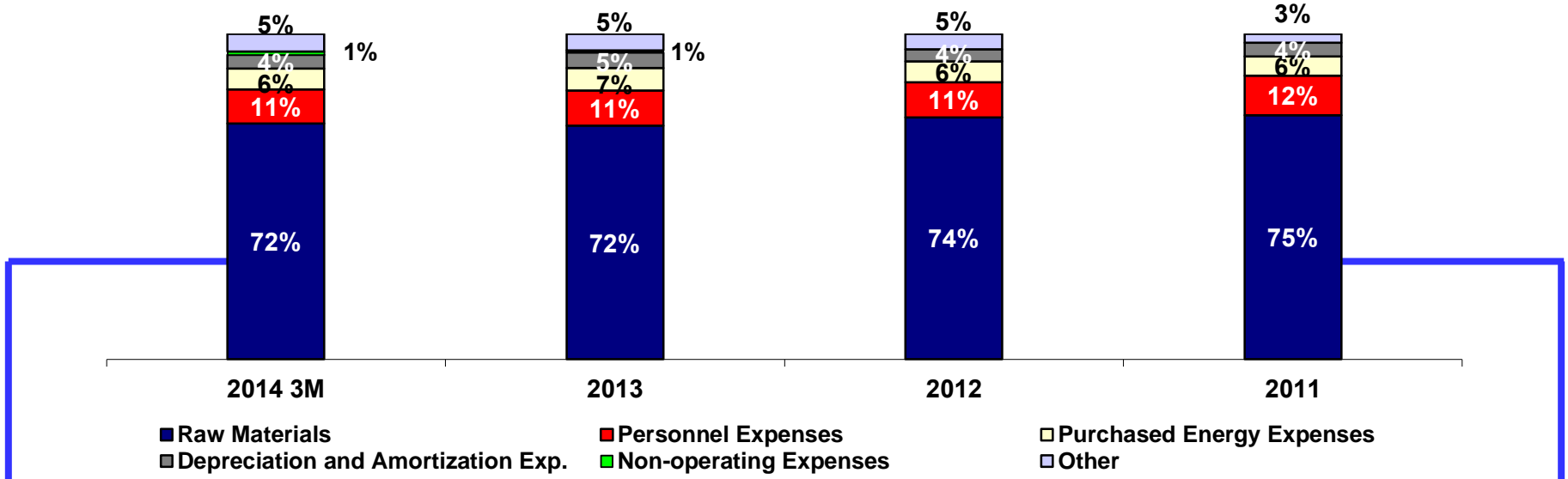
NET DEBT (MILLION USD)



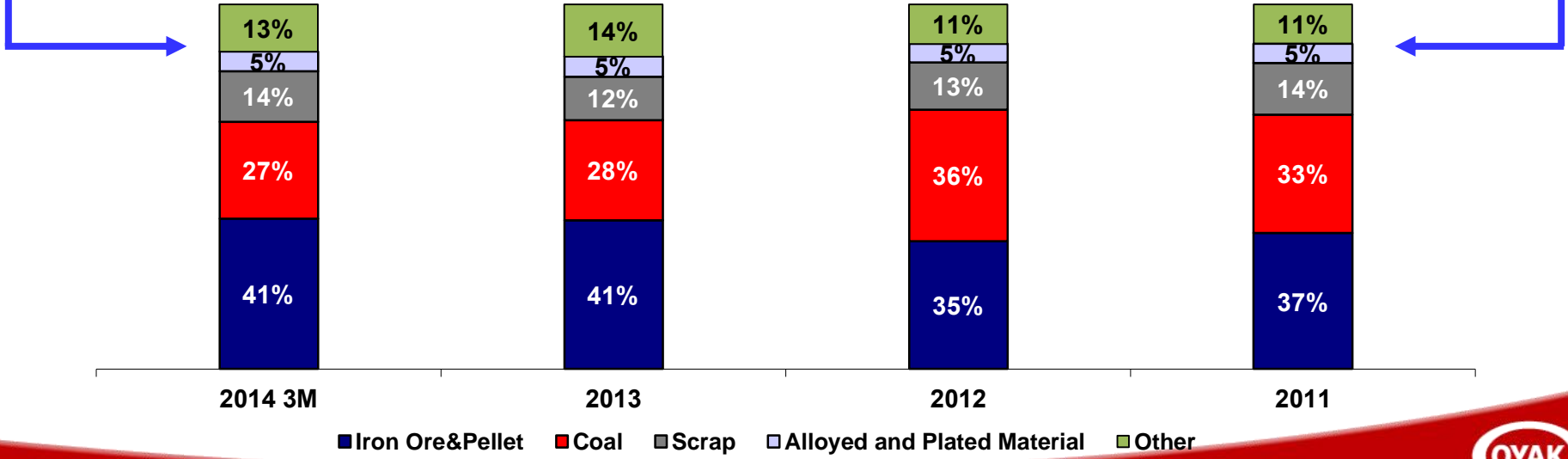
BORROWINGS MATURITY PROFILE (MILLION USD)



COST OF SALES BREAKDOWN* - %



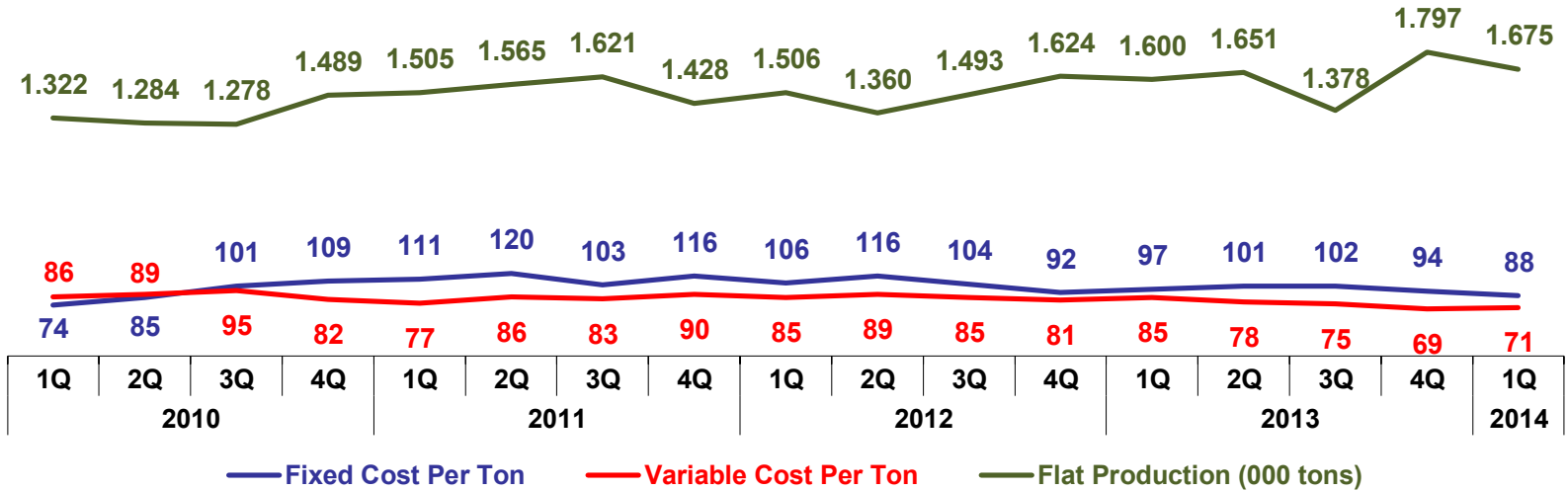
RAW MATERIALS BREAKDOWN - %



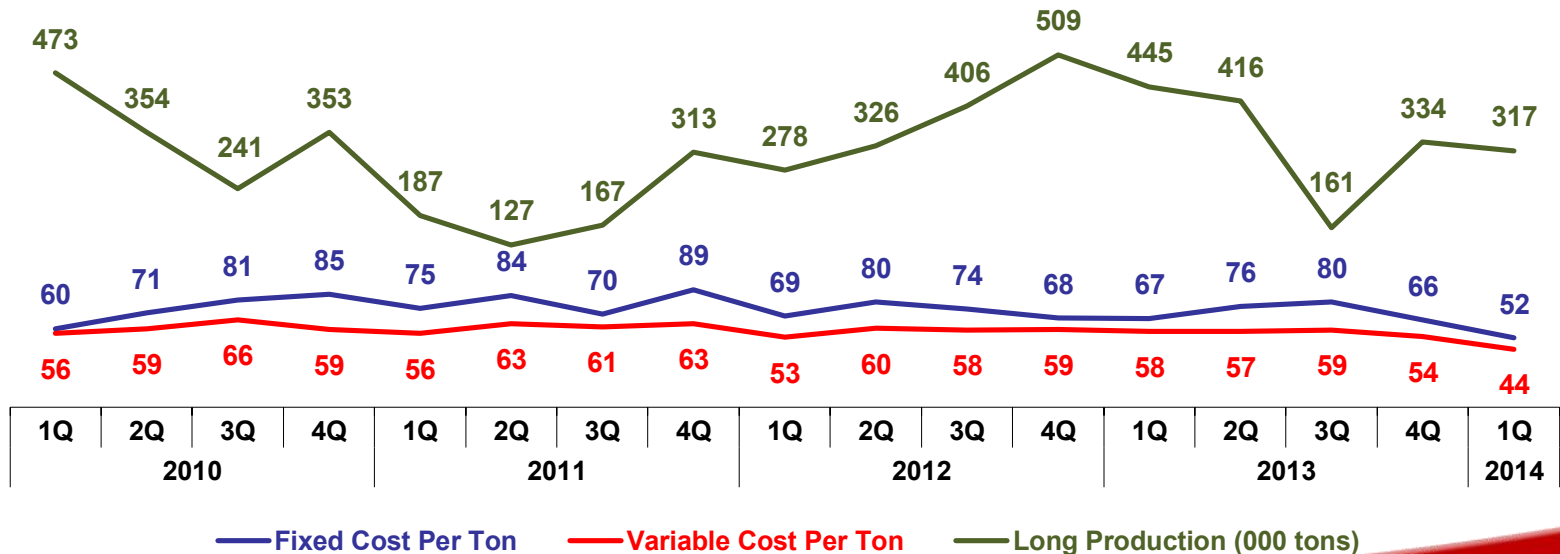
* Excluding inventory writedowns and provision released

Flat cost per ton excluding raw materials was realised as 159 USD/ton in 2014 1Q

FLAT PRODUCTS (USD/TON)*



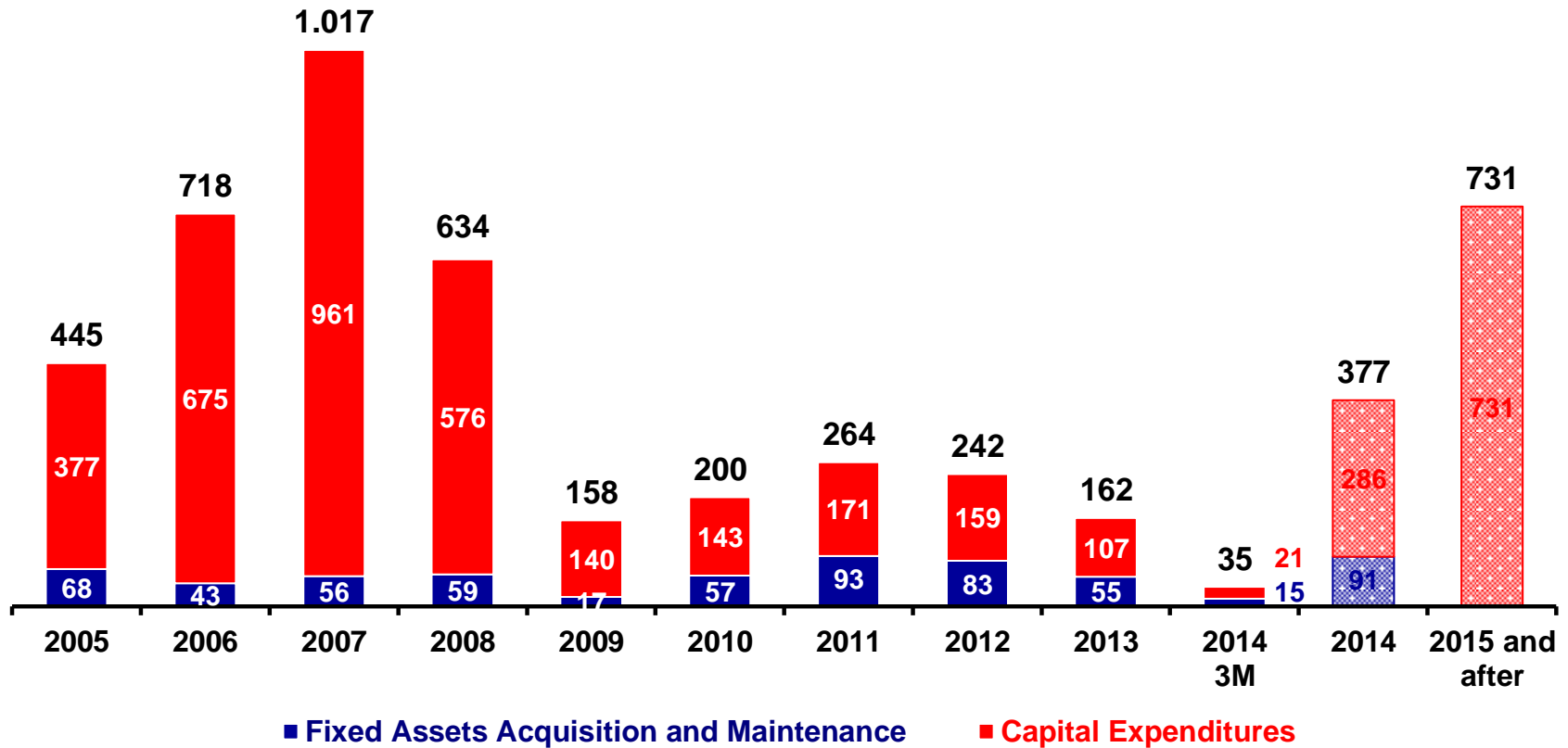
LONG PRODUCTS (USD/TON)*



Capital expenditures of 377 million USD is planned for 2014



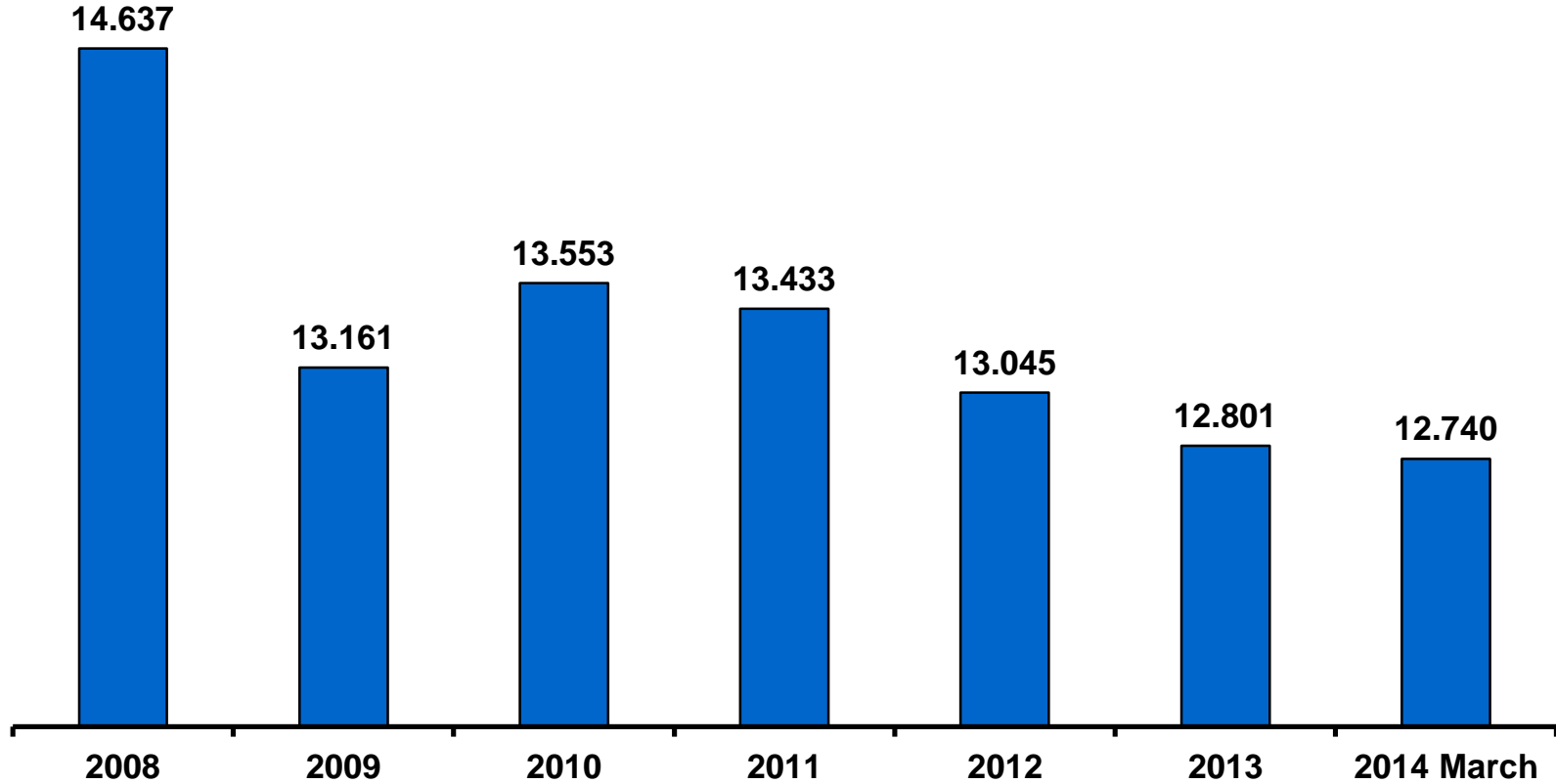
(M USD)



* The figures only cover the board approved capex plan.



NUMBER OF EMPLOYEES



Agenda



2014 Market Overview

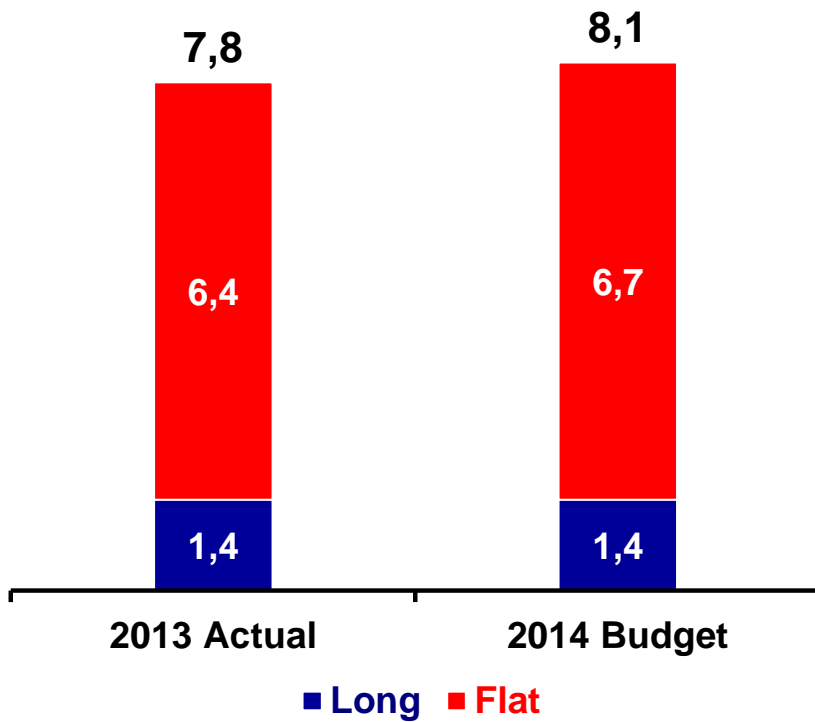


2014 3M Results

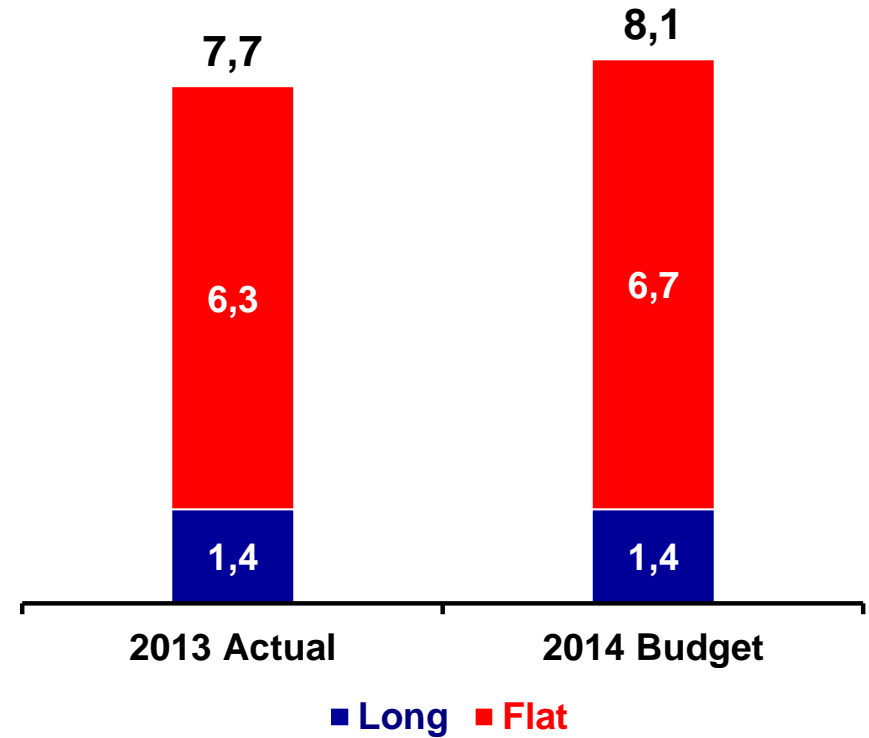


2014 Guidance

Production (M. Tons)



Sales (M. Tons)



EBITDA and Net Profit Margins

- **EBITDA and Net Profit Margins were 19.2% and 9.4% respectively in 2013.**
- **EBITDA and Net Profit Margins are expected to be 16-18% and 9-11% respectively in 2014.**

