



**Erdemir Group**  
**2010**  
**Consolidated Financial Results**

**14 March 2011**

# DISCLAIMER

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.

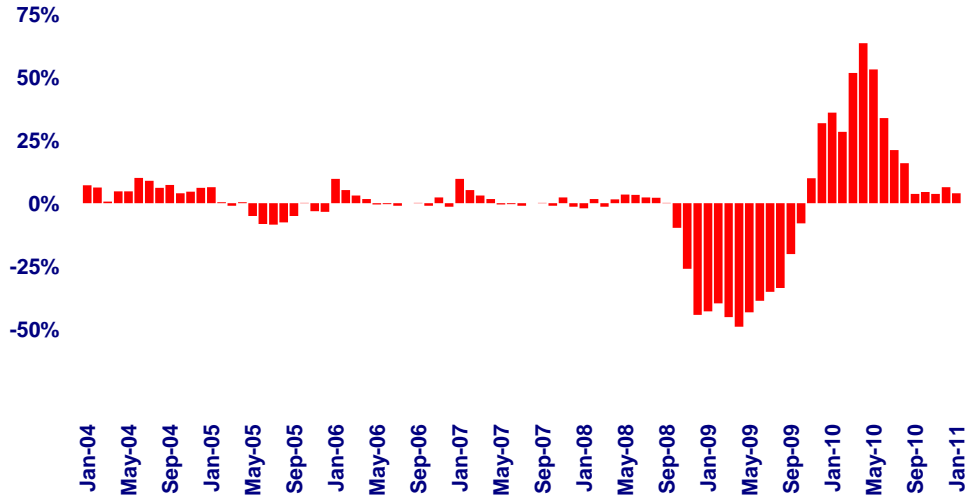
# Agenda

 **2010 Market Overview**

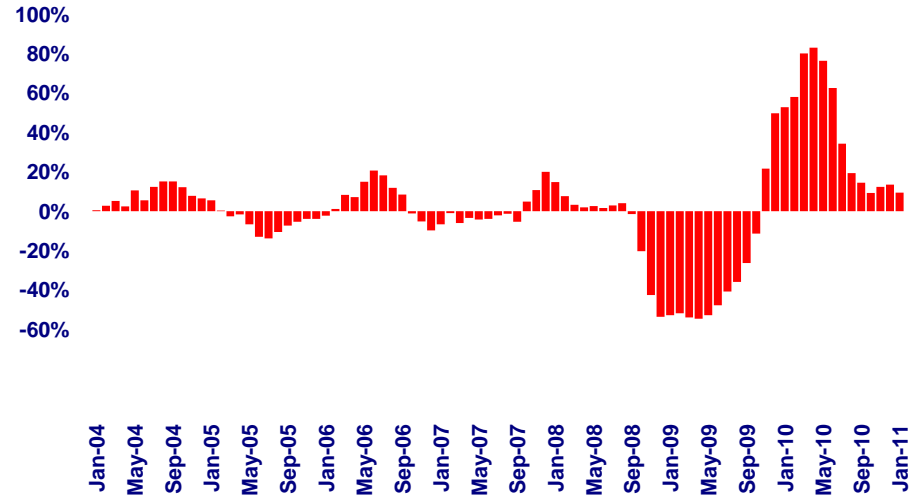
 **2010 Results**

# In EU, sales price was 873 USD/ton as of February 2011

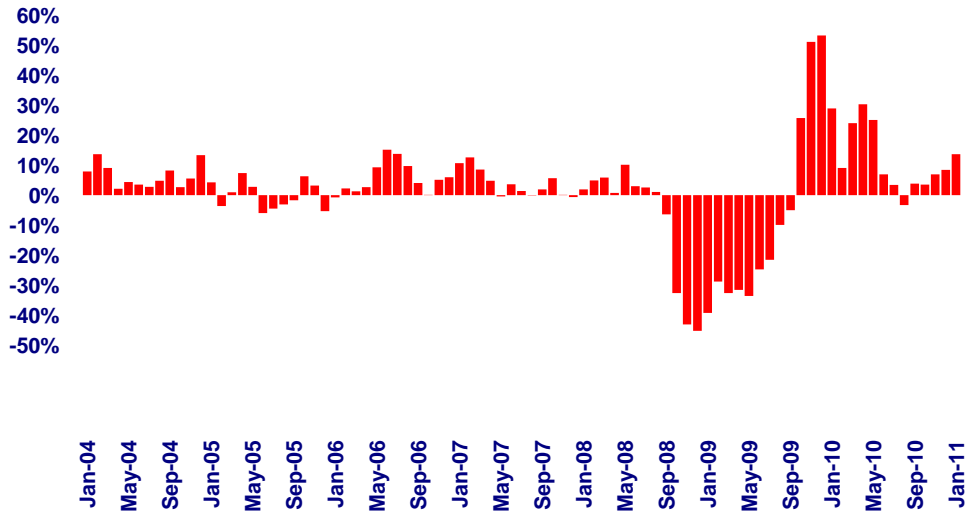
## EU27 CRUDE STEEL PRODUCTION ( YoY % )\*



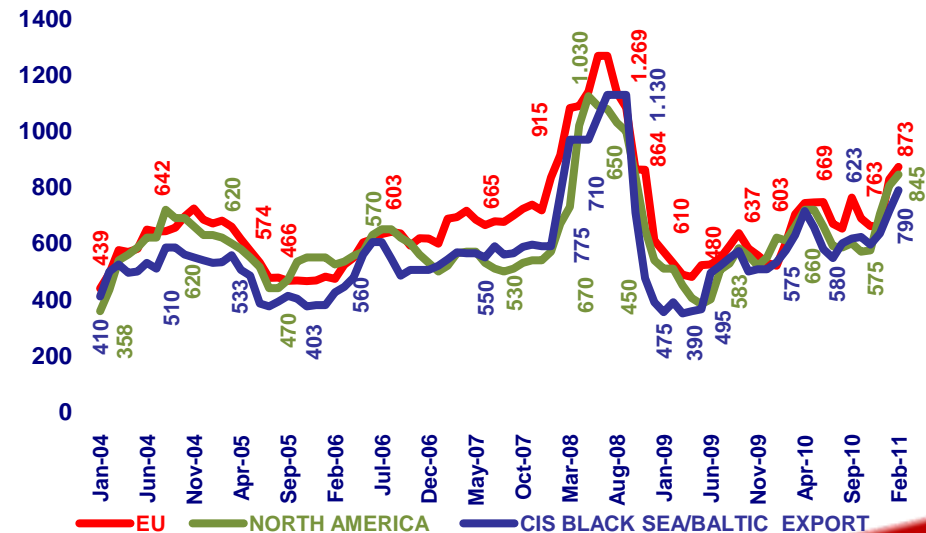
## USA CRUDE STEEL PRODUCTION ( YoY % )\*



## CIS CRUDE STEEL PRODUCTION ( YoY % ) \*

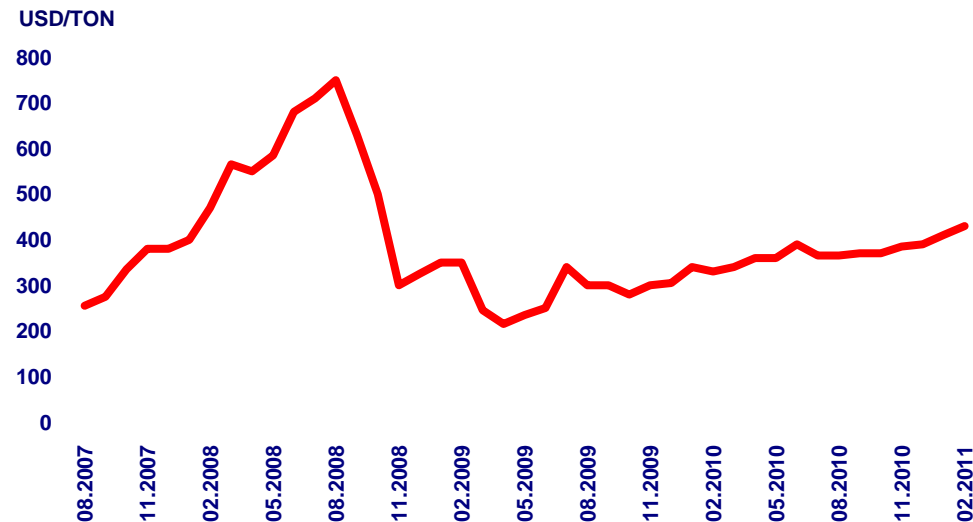


## HRC PRICES ( USD/TON ) \*\*

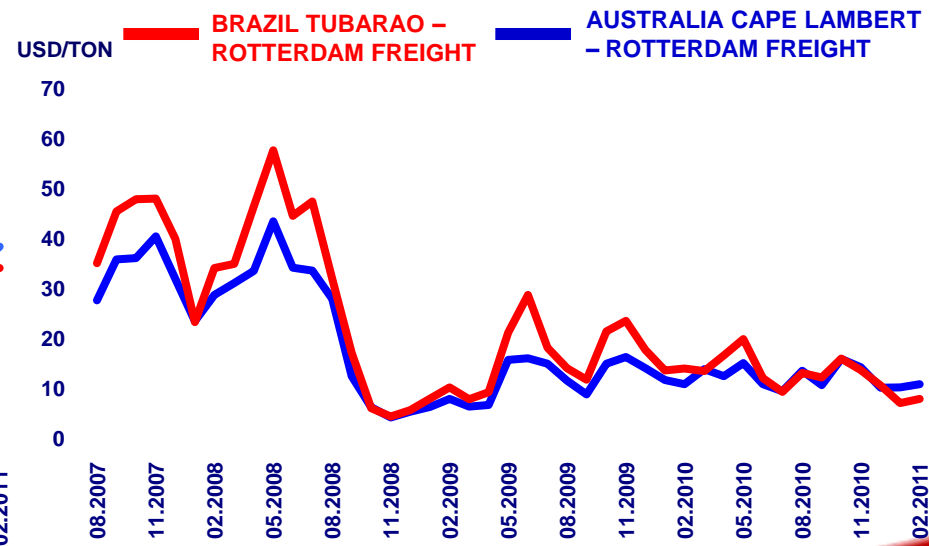
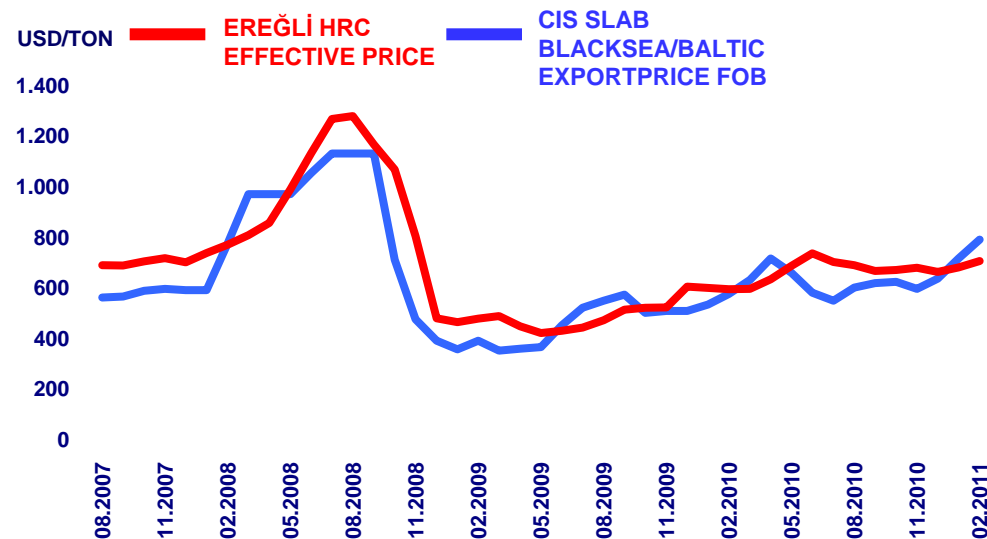
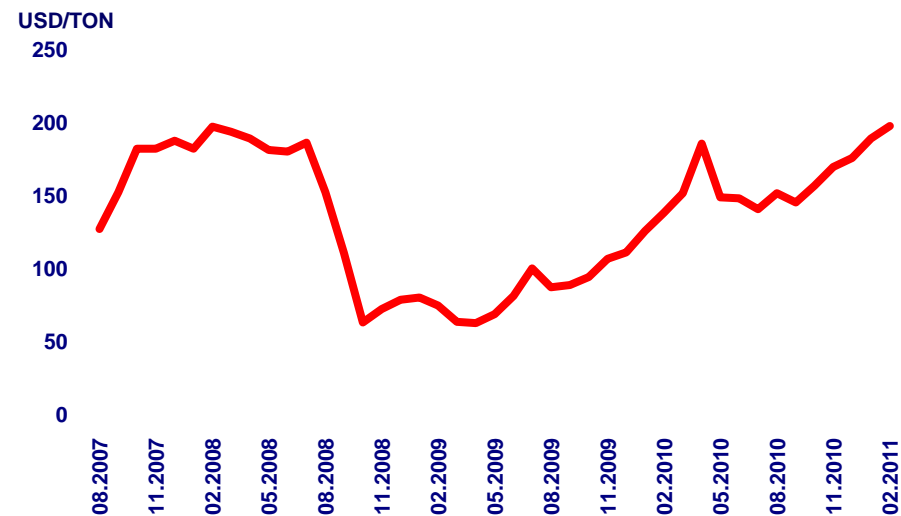


# Raw material prices are increasing

## CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

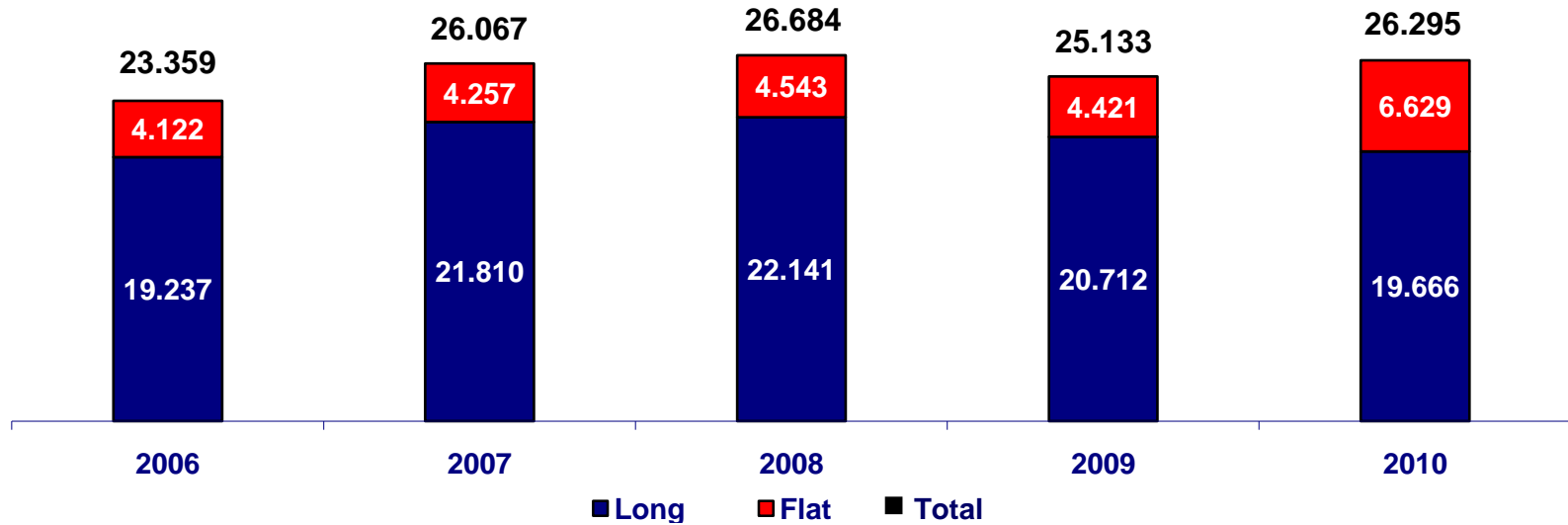


## CHINA PORT FINE ORE PRICE CFR

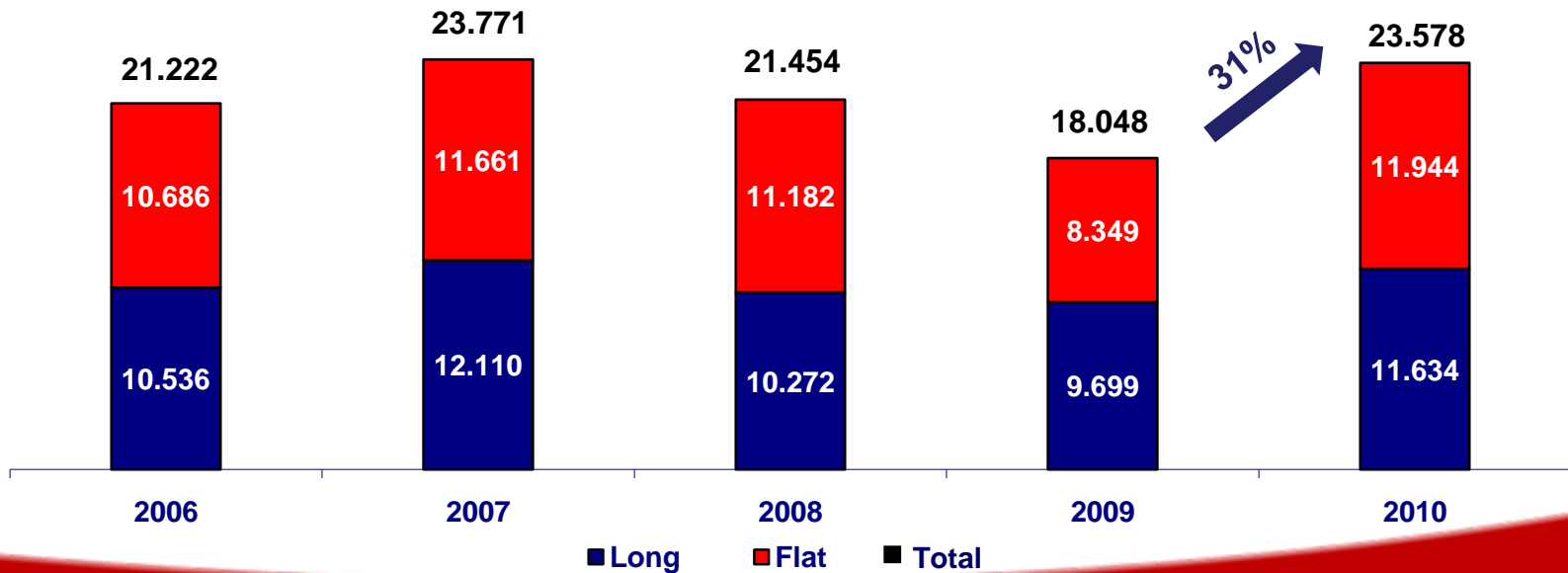


# Turkish steel consumption increased by 31% in 2010 YoY

## PRODUCTION ( 000 TONS )

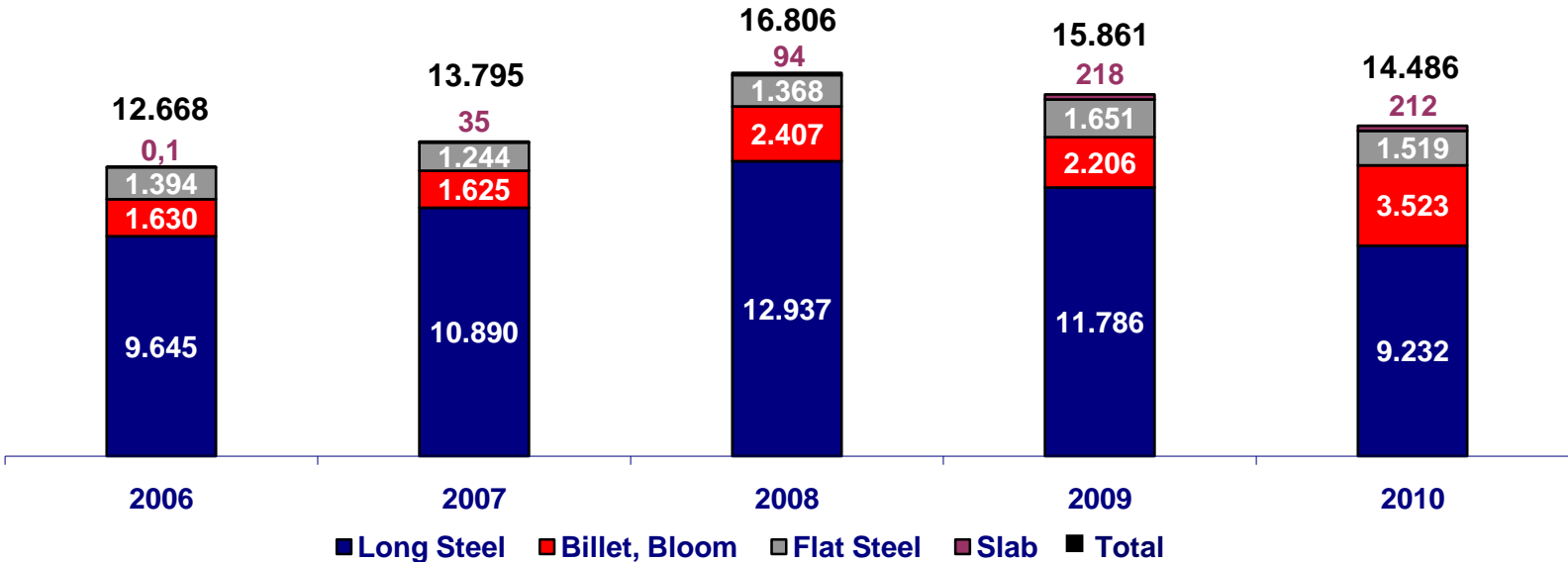


## CONSUMPTION ( 000 TONS )

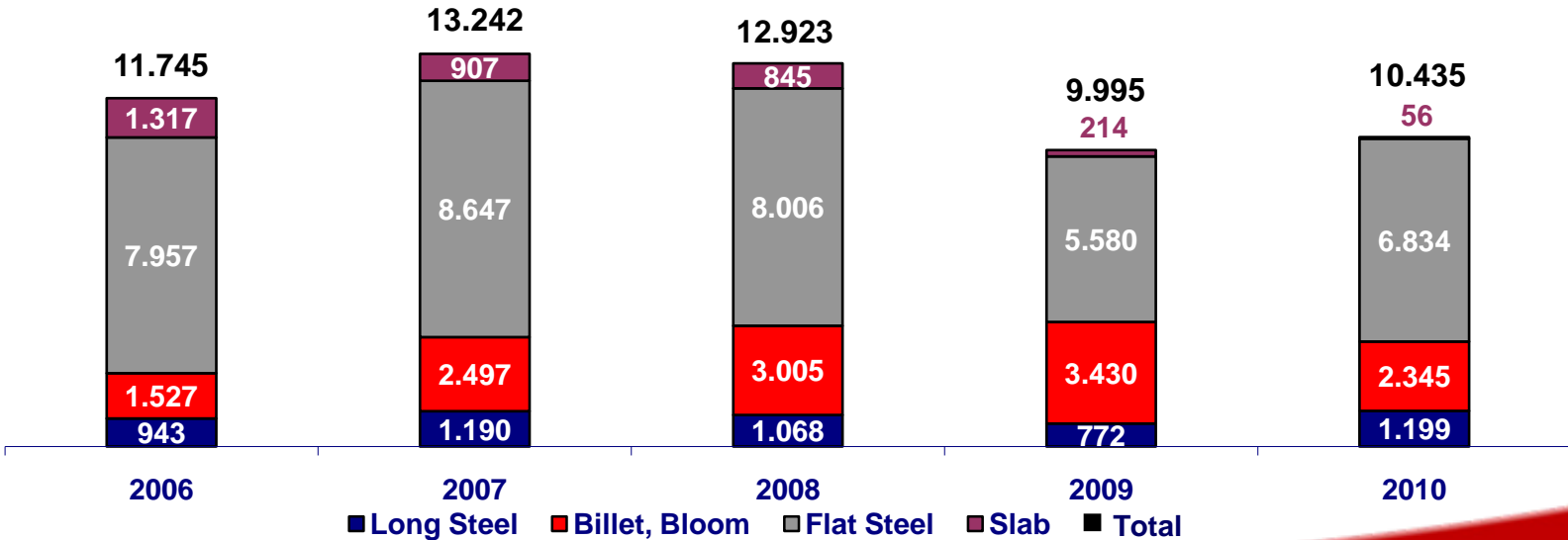


# Turkish Steel Market ( cont'd )

## IRON AND STEEL PRODUCT EXPORTS ( 000 TONS )

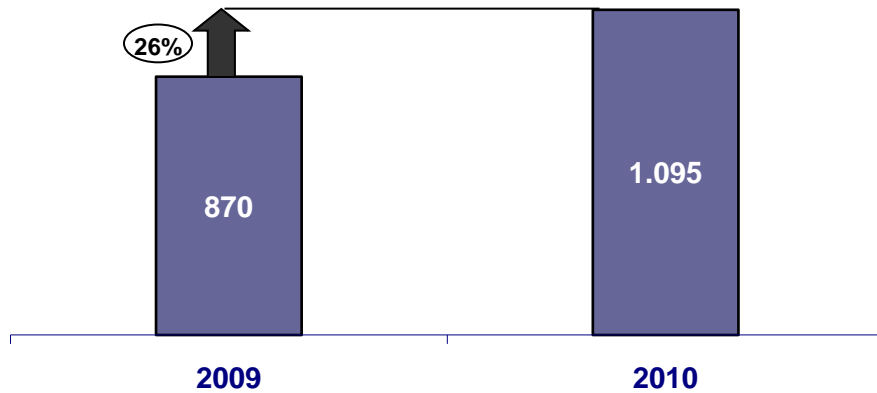


## IRON AND STEEL PRODUCT IMPORTS ( 000 TONS )

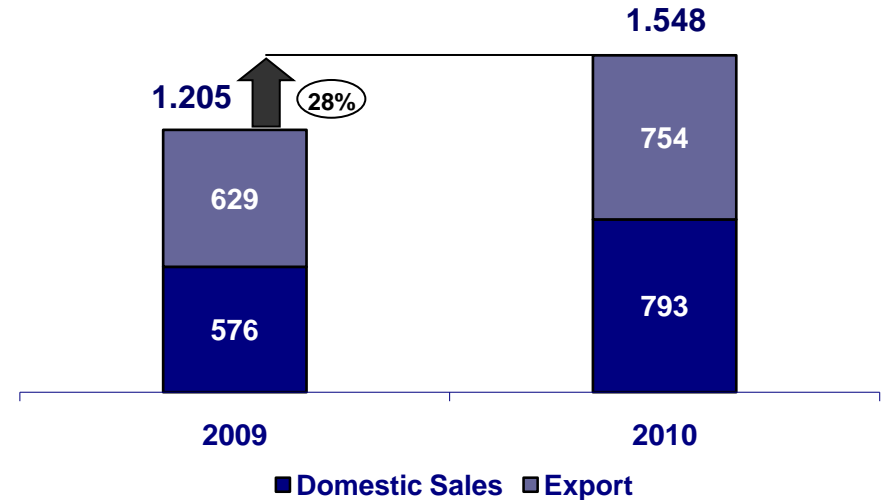


# Automotive production and sales increased by 26% and 28% respectively in 2010 YoY

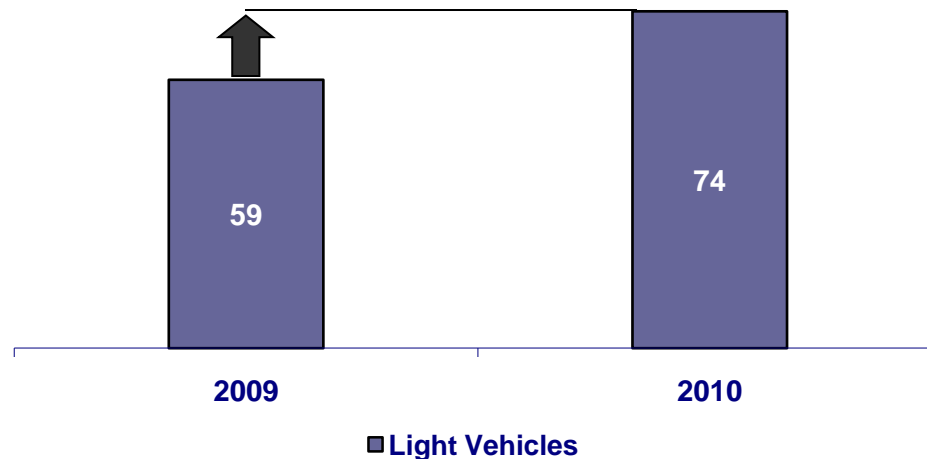
## AUTOMOTIVE PRODUCTION (000 UNITS)



## AUTOMOTIVE SALES (000 UNITS)



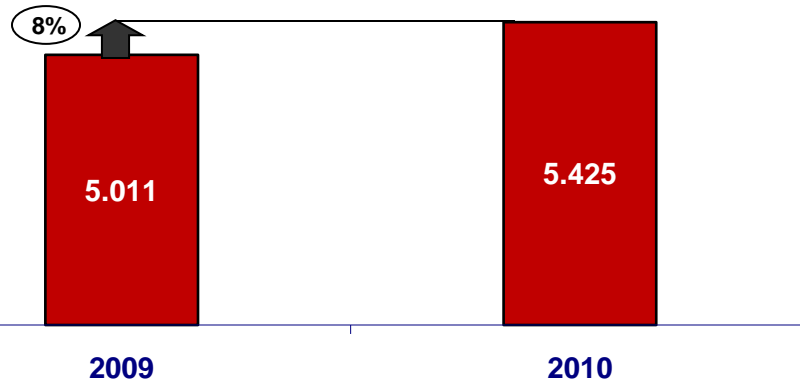
## AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)



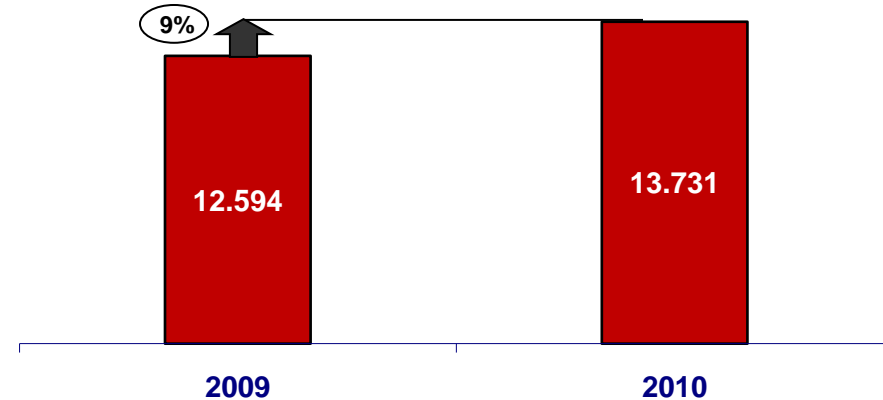


White goods exports and production increased by 9% and 12% respectively in 2010 YoY

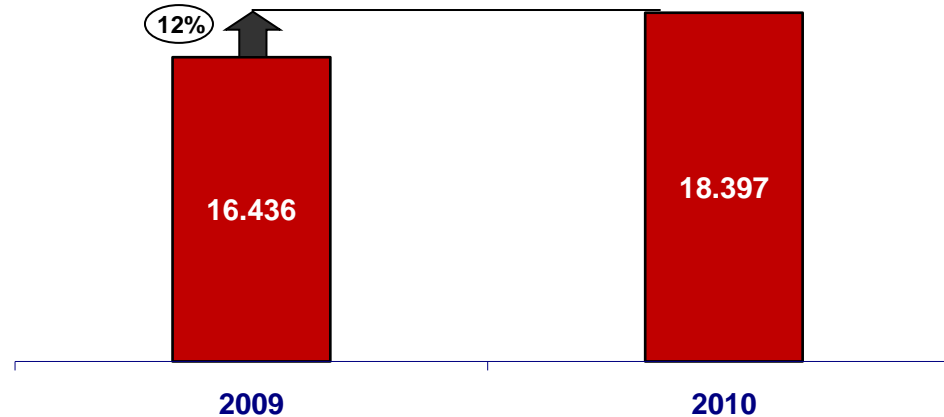
### WHITE GOODS DOMESTIC SALES (000 UNITS)



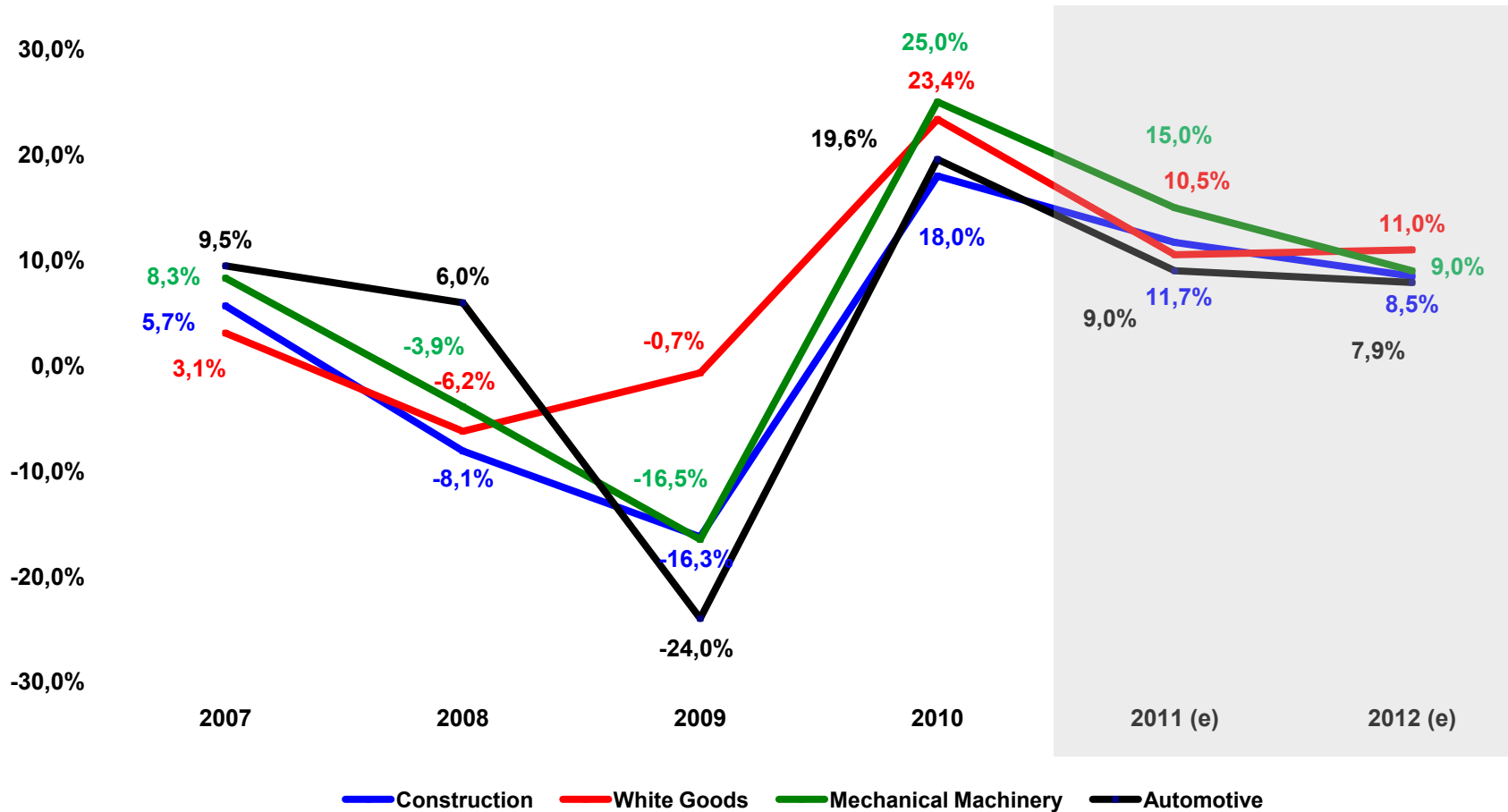
### WHITE GOODS EXPORTS (000 UNITS)



### WHITE GOODS PRODUCTION (000 UNITS)

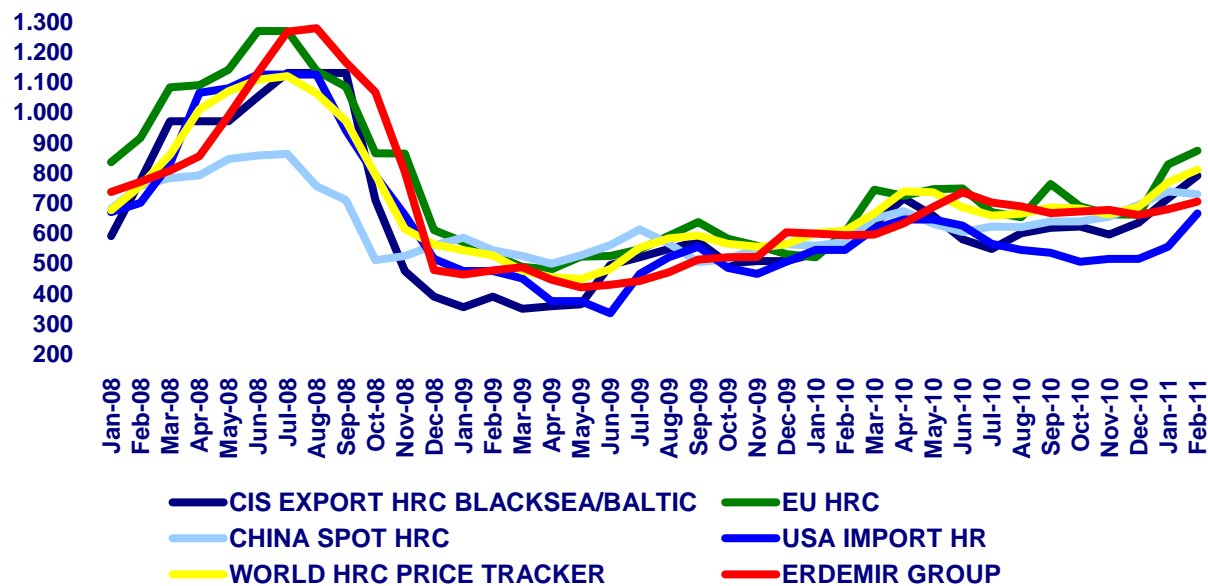


## CHANGES IN SECTOR DEVELOPMENT INDEX (%-YoY)



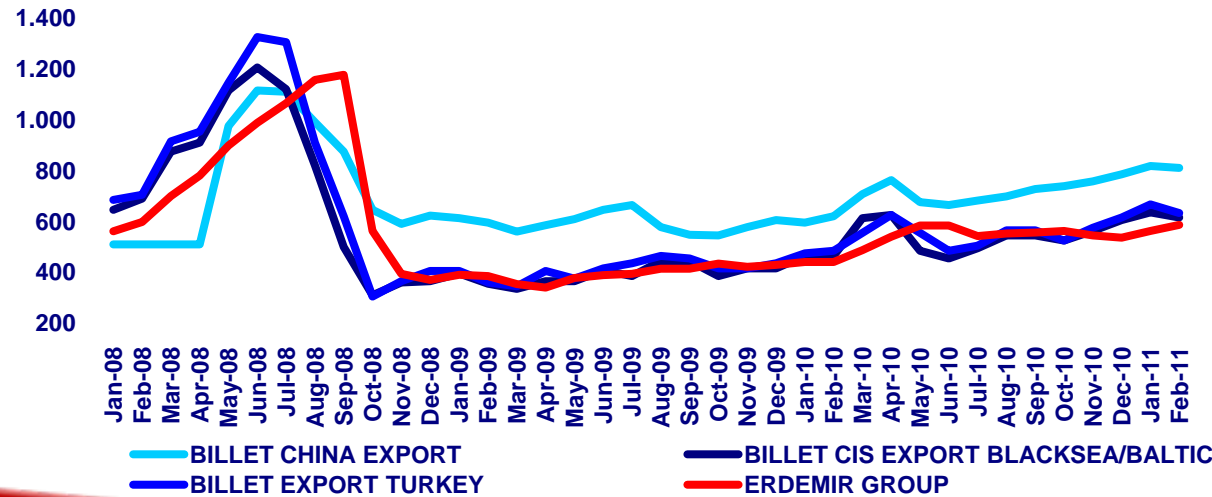
# Sales prices are going up in 2011 YoY

## HRC PRICES ( USD/Ton )



As of February 2011, CIS HRC export price is 790 USD, China HRC spot price is 729 USD, USA export HRC price is 665 USD. The prices were 635 USD, 694 USD, 515 USD respectively by the end of 2010 .

## BILLET PRICES ( USD/Ton )



As of February 2011, CIS export price is 615 USD while it was 605 USD in December 2010.



# Agenda

 2010 Market Overview

 **2010 Results**

# ERDEMİR GROUP KEY FIGURES

			2010	2009	2008
<b>Liquid Steel Production</b>	<i>(000 Tons)</i>	↑	<b>7.311</b>	6.619	6.122
<b>Slab Production <sup>(1)</sup></b>	<i>(000 Tons)</i>	↑	<b>5.674</b>	4.569	3.995
<b>Flat Steel Production <sup>(2)</sup></b>	<i>(000 Tons)</i>	↑	<b>5.373</b>	4.812	4.182
<b>Long Steel Production</b>	<i>(000 Tons)</i>	↓	<b>1.420</b>	1.869	1.950
<b>Flat Steel Shipments</b>	<i>(000 Tons)</i>	↓	<b>5.123</b>	5.128	3.932
<b>Long Steel Shipments</b>	<i>(000 Tons)</i>	↓	<b>1.393</b>	1.858	1.963
<b>Net Sales Revenue</b>	<i>(M. USD)</i>	↑	<b>4.427</b>	3.404	5.240
<b>EBITDA</b>	<i>(M. USD)</i>	↑	<b>948</b>	247	597
<b>Net Profit For the Year</b>	<i>(M. USD)</i>	↑	<b>531</b>	-109	175

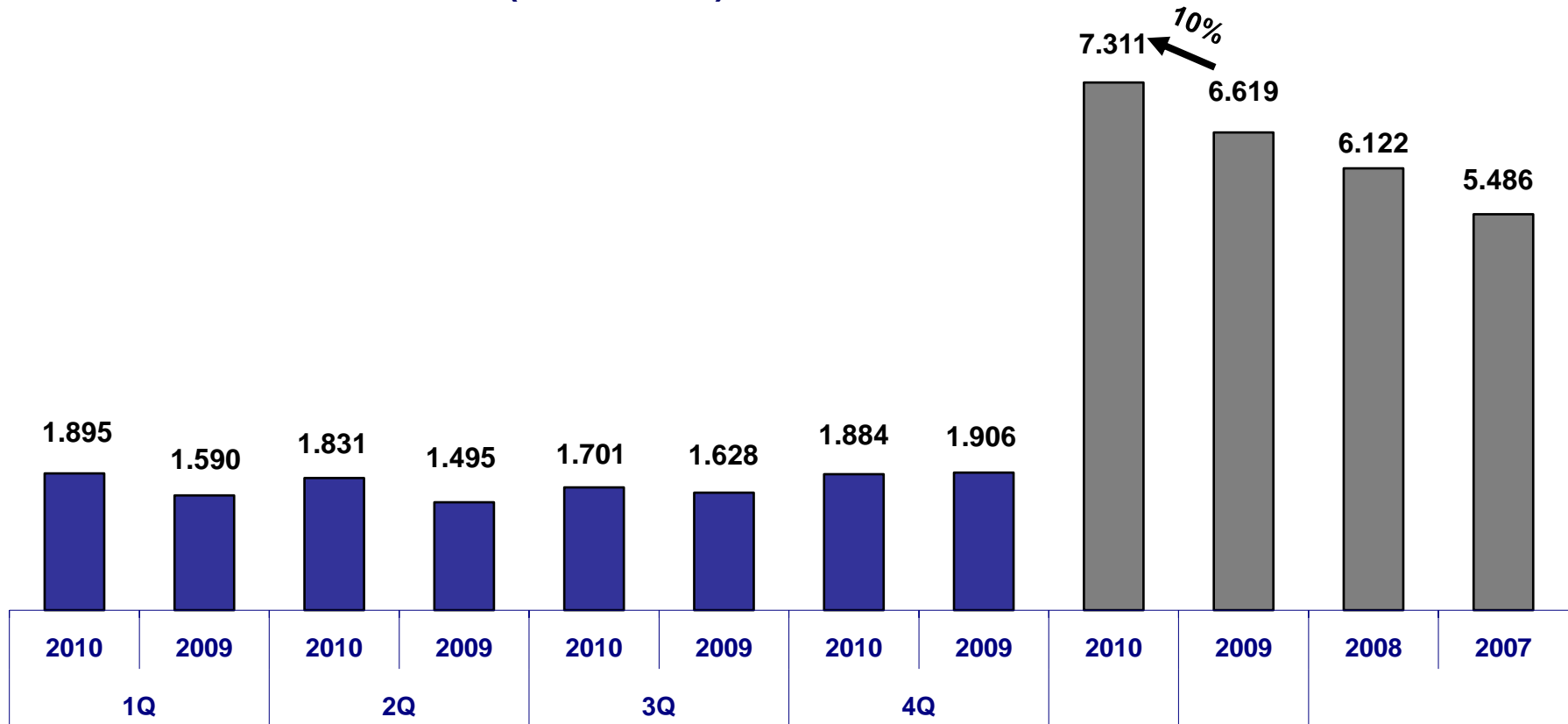
All figures are on IFRS consolidated basis unless stated otherwise.

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

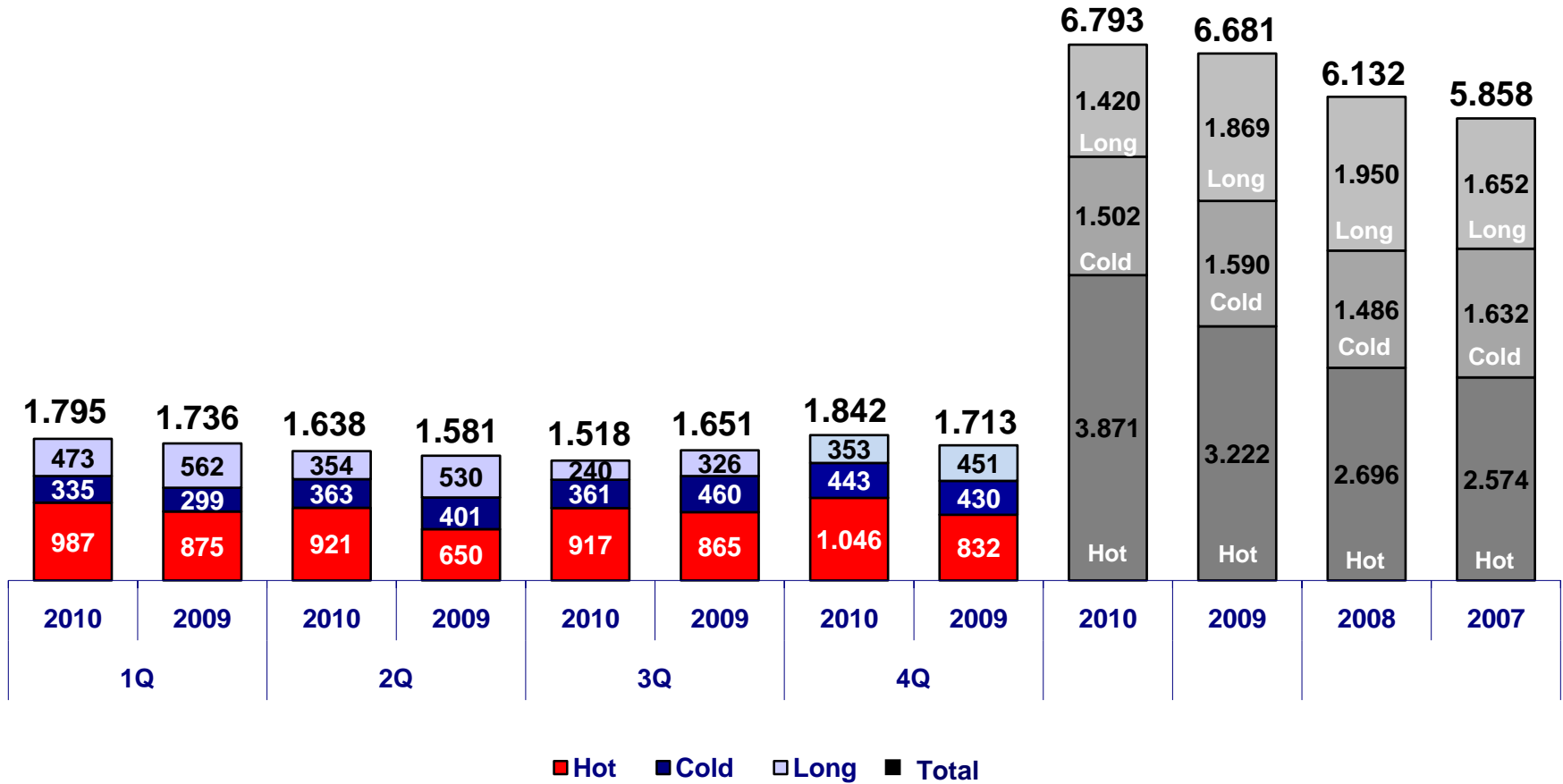
(2) Total flat steel production of Ereğli and İskenderun Plants.

# Liquid steel production increased by 10% in 2010 YoY

## LIQUID STEEL PRODUCTION ( 000 TONS )

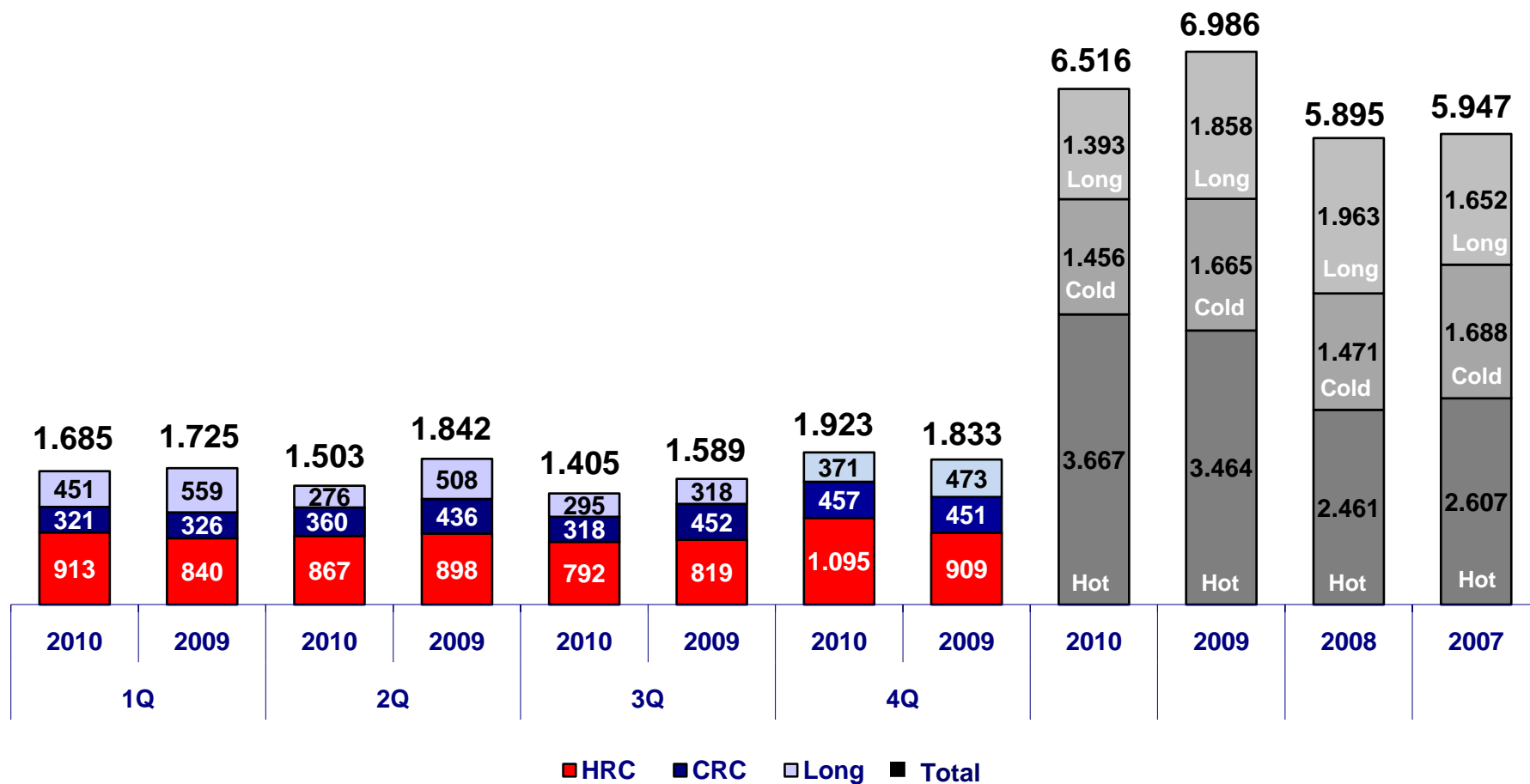


## PRODUCTION VOLUMES ( 000 TONS )



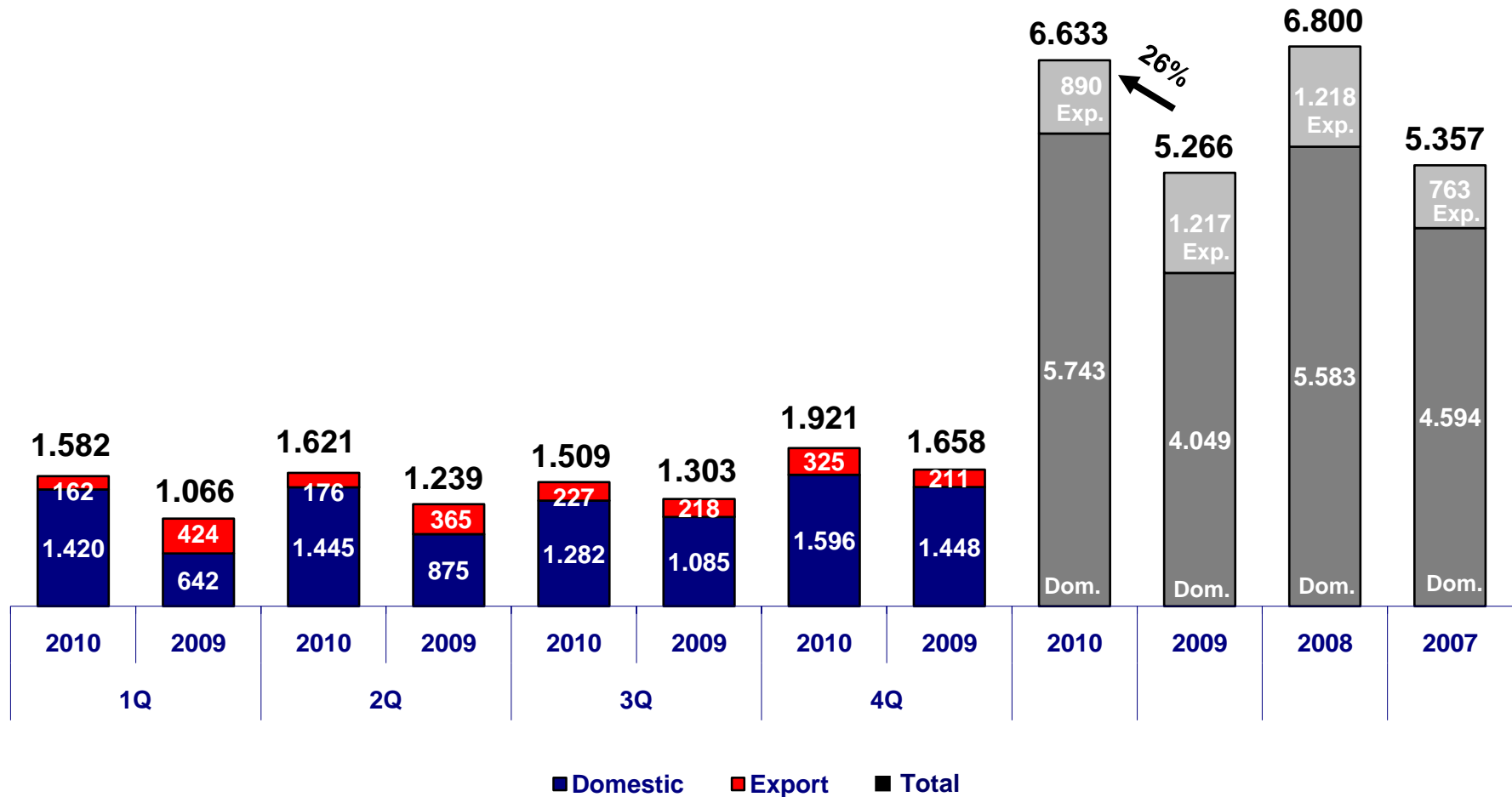
# HRC sales volume increased in 2010 4Q YoY

## SALES VOLUME ( 000 TONS )



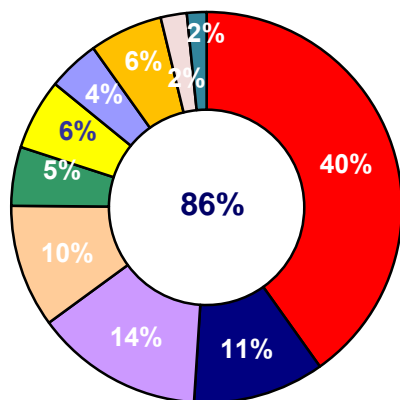


## NET SALES REVENUE ( MILLION TL )



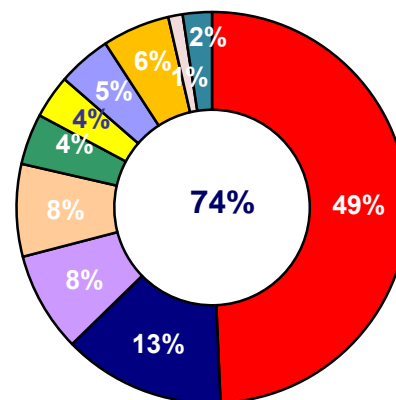
# Domestic sales increased in 2010

## 2010 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



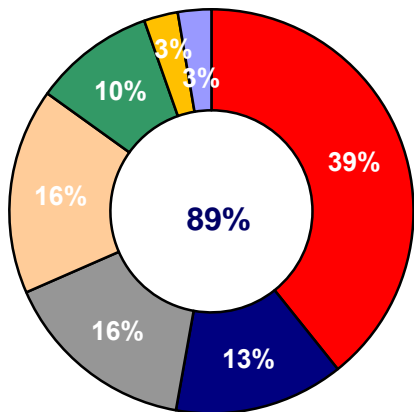
- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Heating Equipment
- Household Appliances
- General Manufacturing
- Shipbuilding & Heavy Industry

## 2009 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



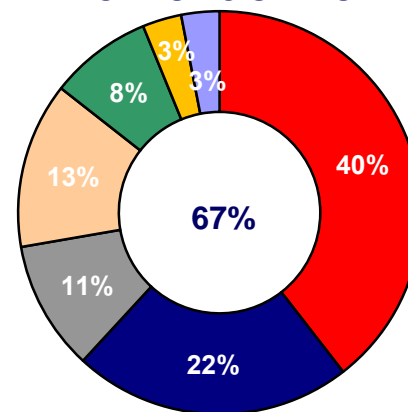
- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Heating Equipment
- Household Appliances
- General Manufacturing
- Shipbuilding & Heavy Industry

## 2010 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

## 2009 LONG STEEL DOMESTIC SALES BREAKDOWN (%)

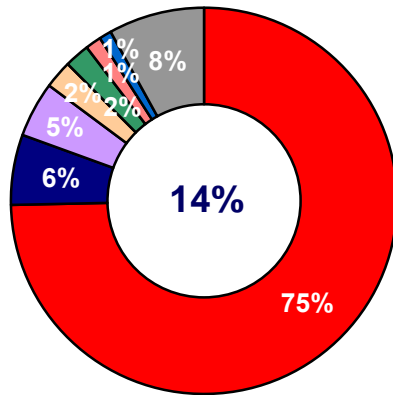


- Debar Producers
- Profile Producers
- Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

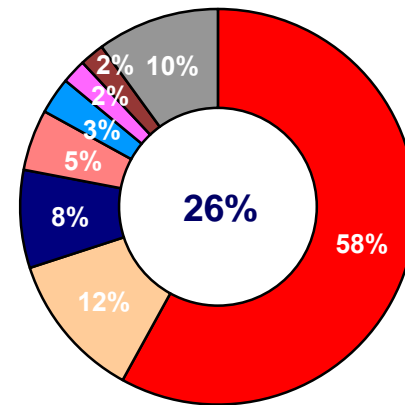


# Flat steel sales to EU countries increased in 2010

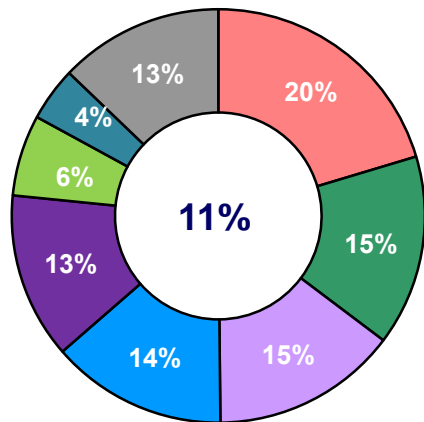
## 2010 FLAT STEEL EXPORTS BREAKDOWN ( % )



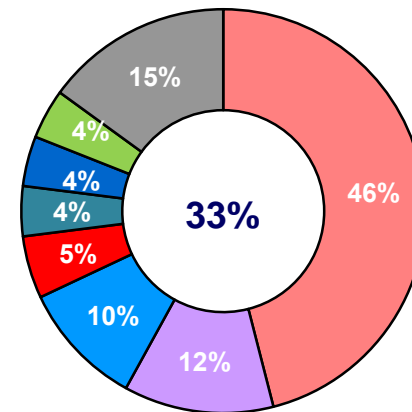
## 2009 FLAT STEEL EXPORTS BREAKDOWN ( % )



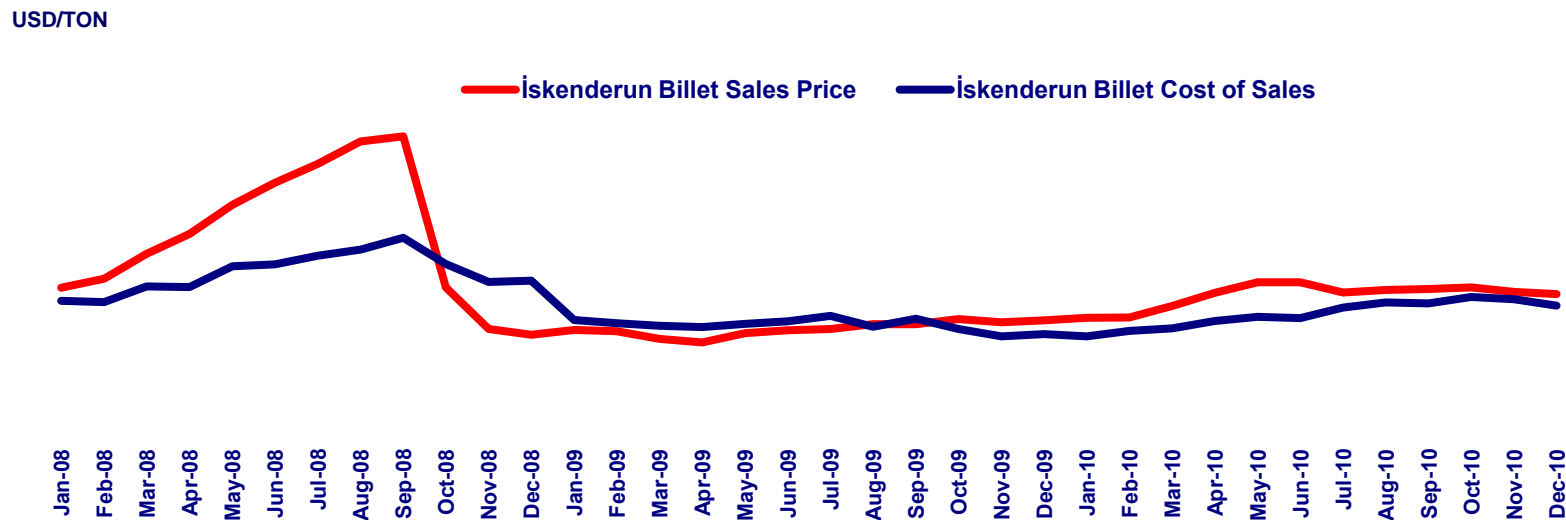
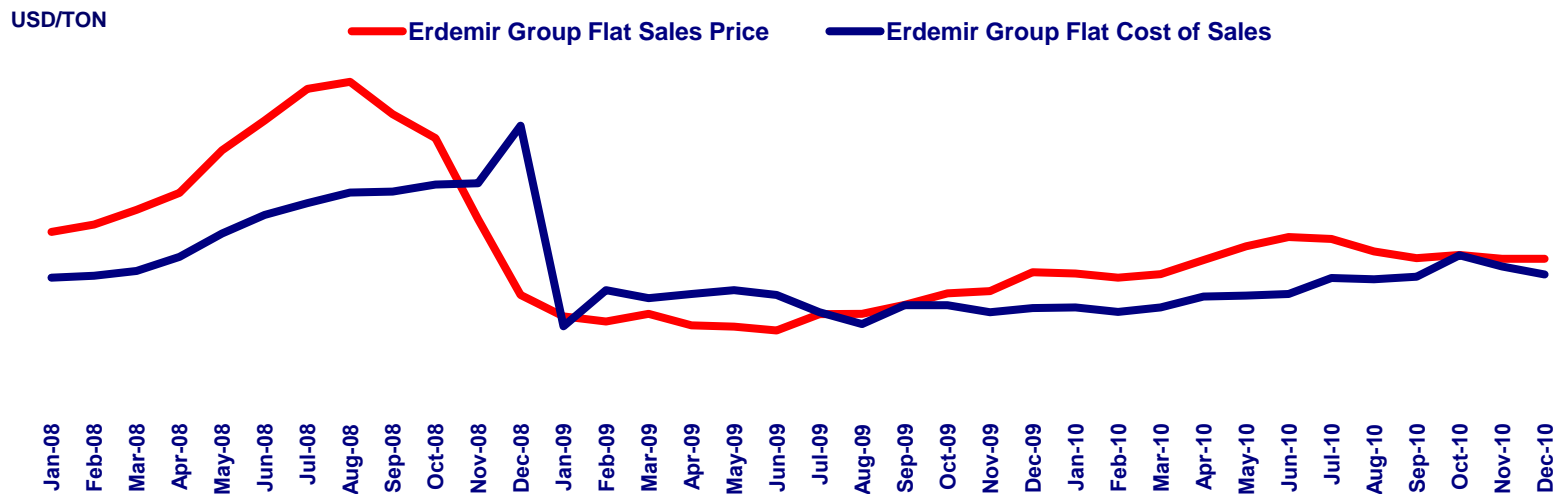
## 2010 LONG STEEL EXPORTS BREAKDOWN ( % )



## 2009 LONG STEEL EXPORTS BREAKDOWN ( % )



# In 2010, Erdemir Group average flat and long steel prices were 699 USD/ton and 562 USD/ton respectively

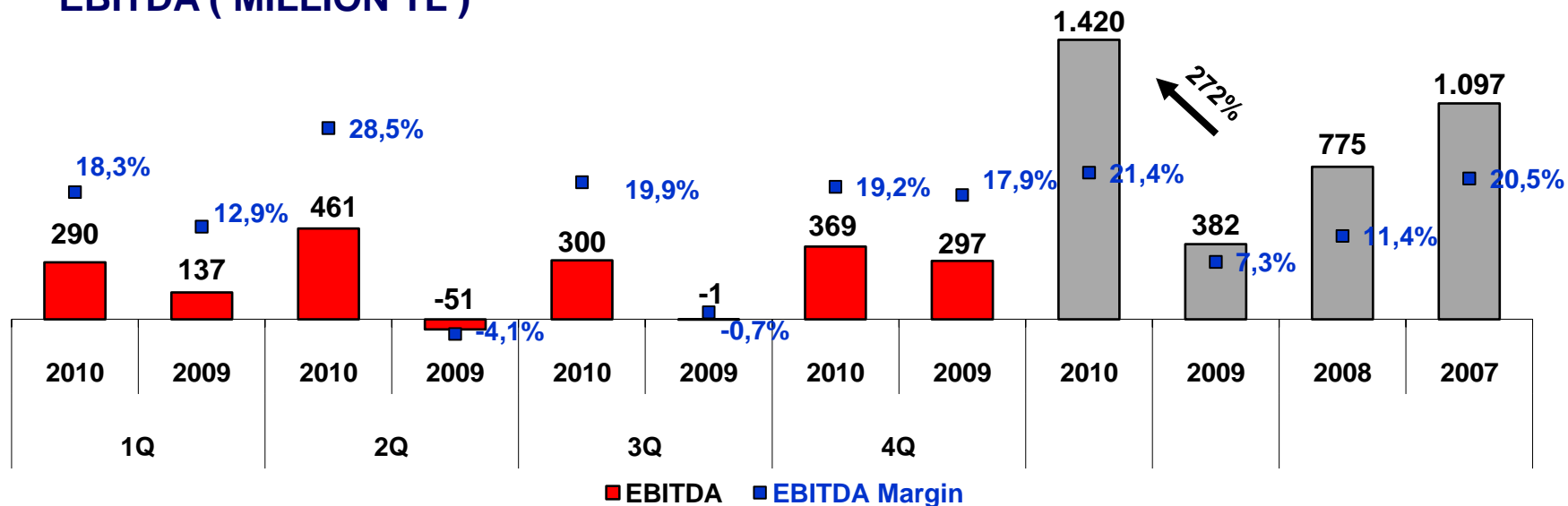


- ➡ Flat steel prices increased by 35% on average in 2010 YoY.
- ➡ Long steel prices increased by 19% on average in 2010 YoY.

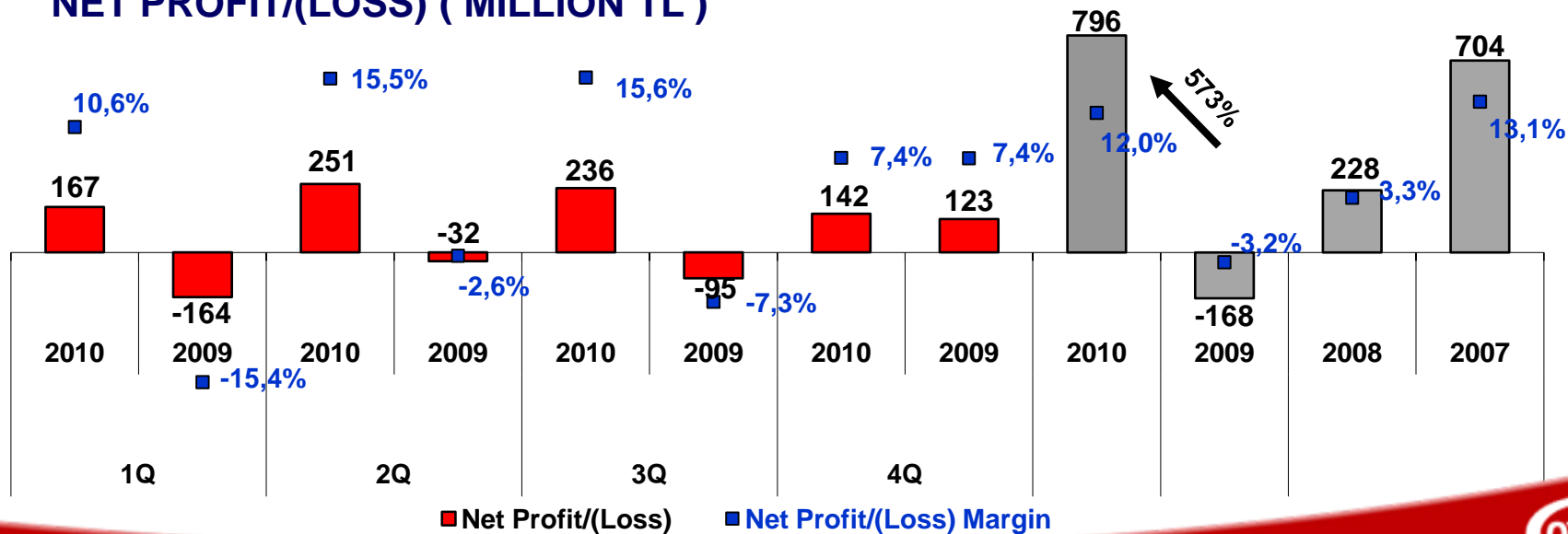


# EBITDA increased by 272% in 2010 YoY

## EBITDA ( MILLION TL )

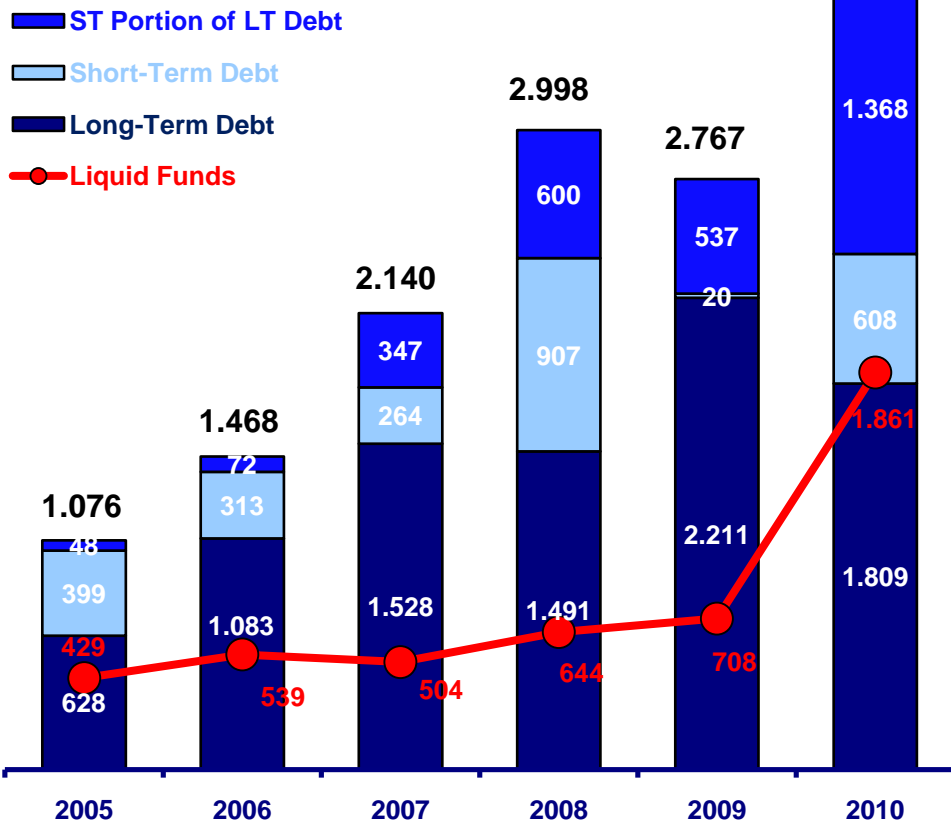


## NET PROFIT/(LOSS) ( MILLION TL )

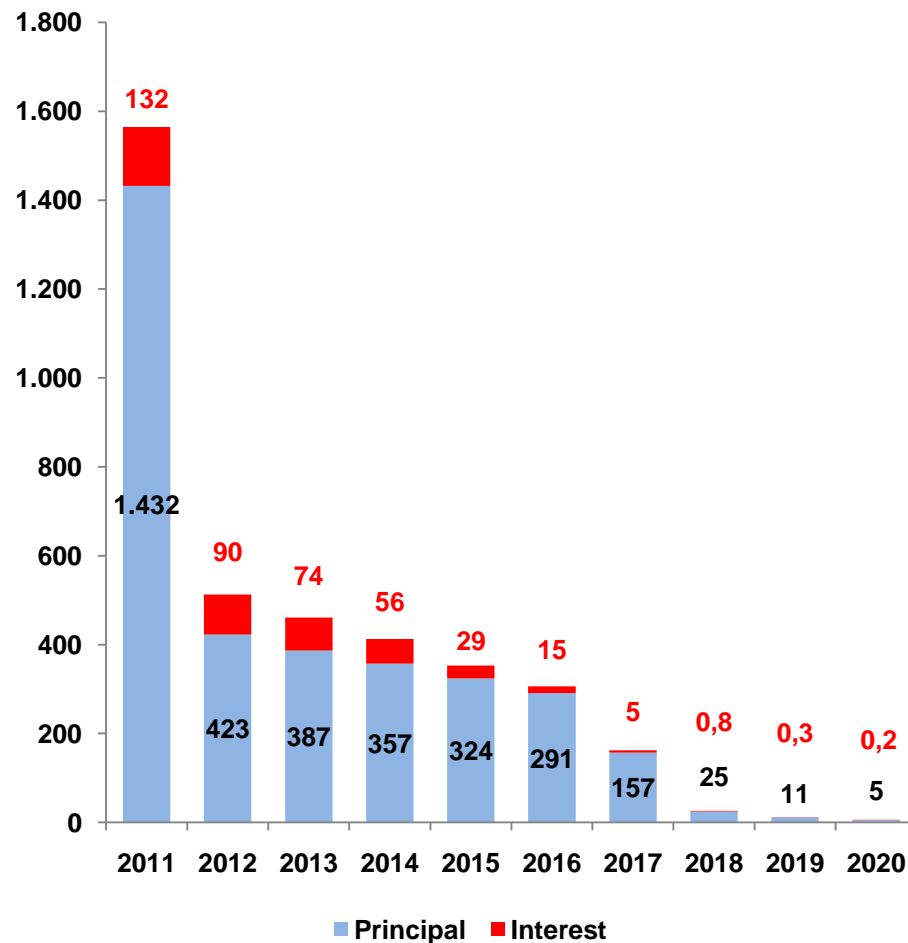


# 1,9 billion USD liquid funds at the end of 2010

## BORROWINGS ( MILLION USD )

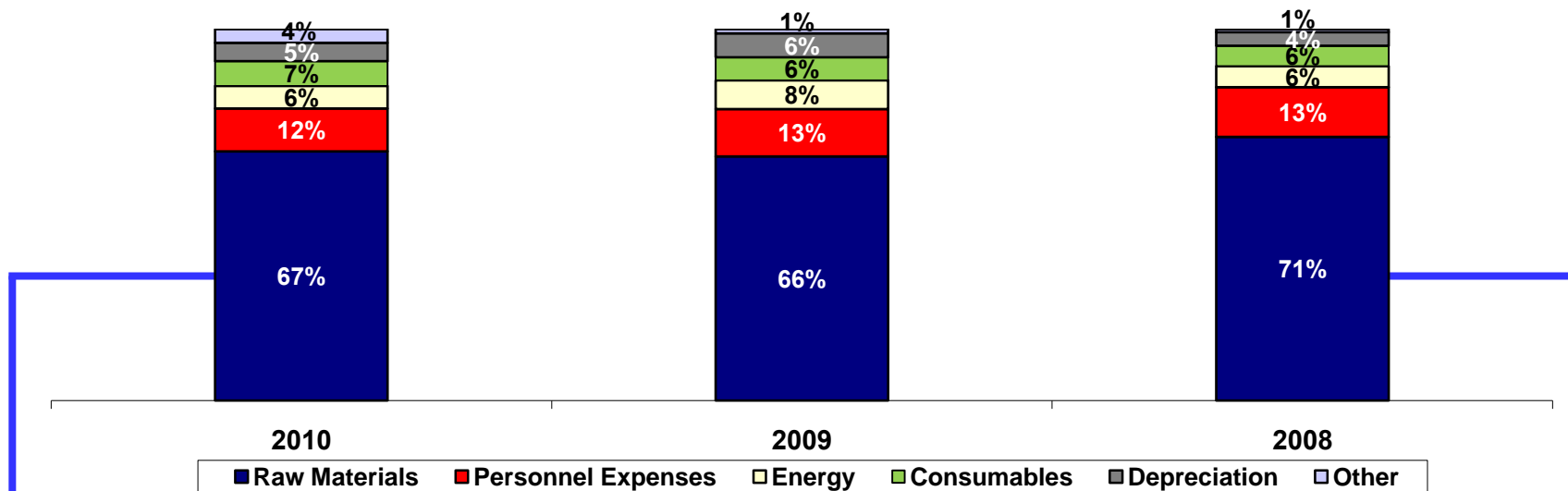


## BORROWINGS MATURITY PROFILE ( MILLION USD )

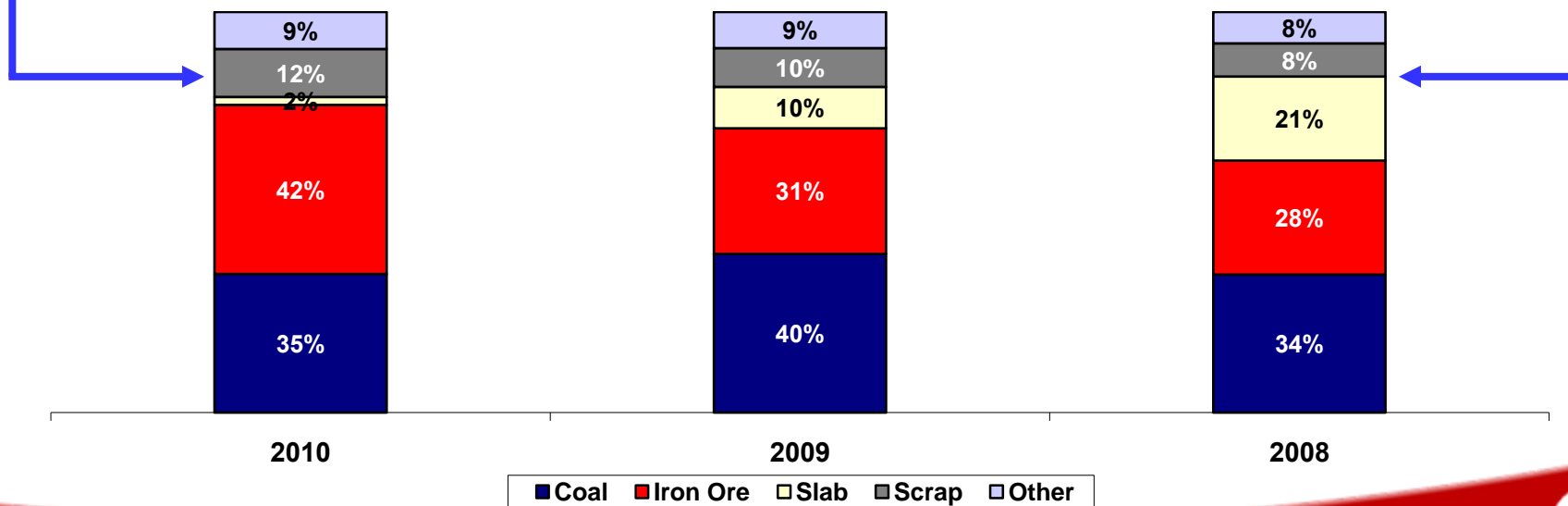


# Raw materials made up 67% of the cost of goods sold in 2010

## COST OF PRODUCTION BREAKDOWN\* - %

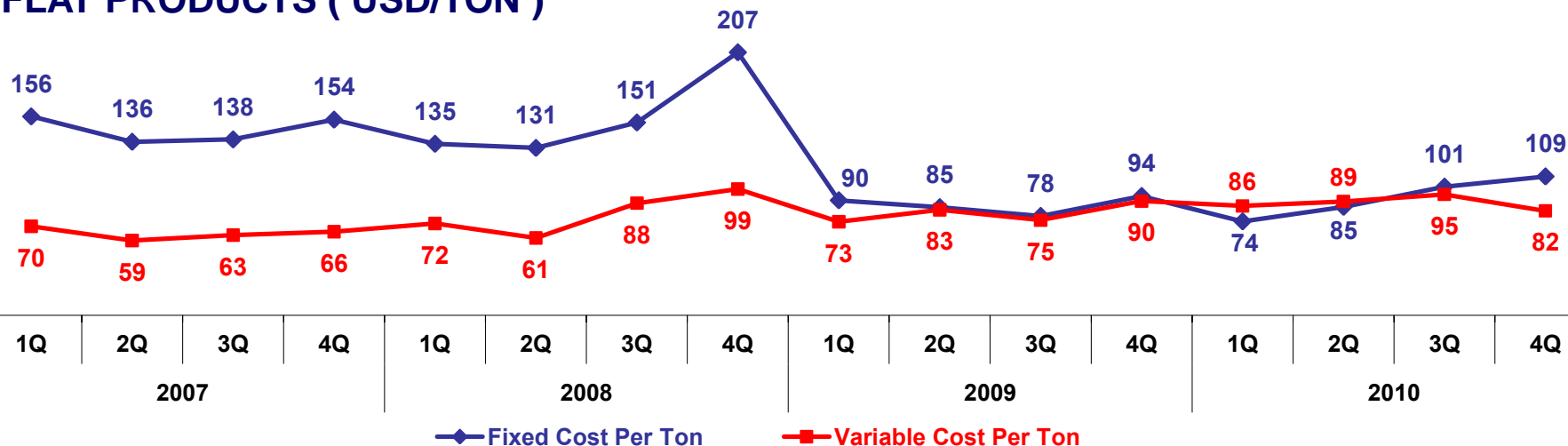


## RAW MATERIALS BREAKDOWN- %

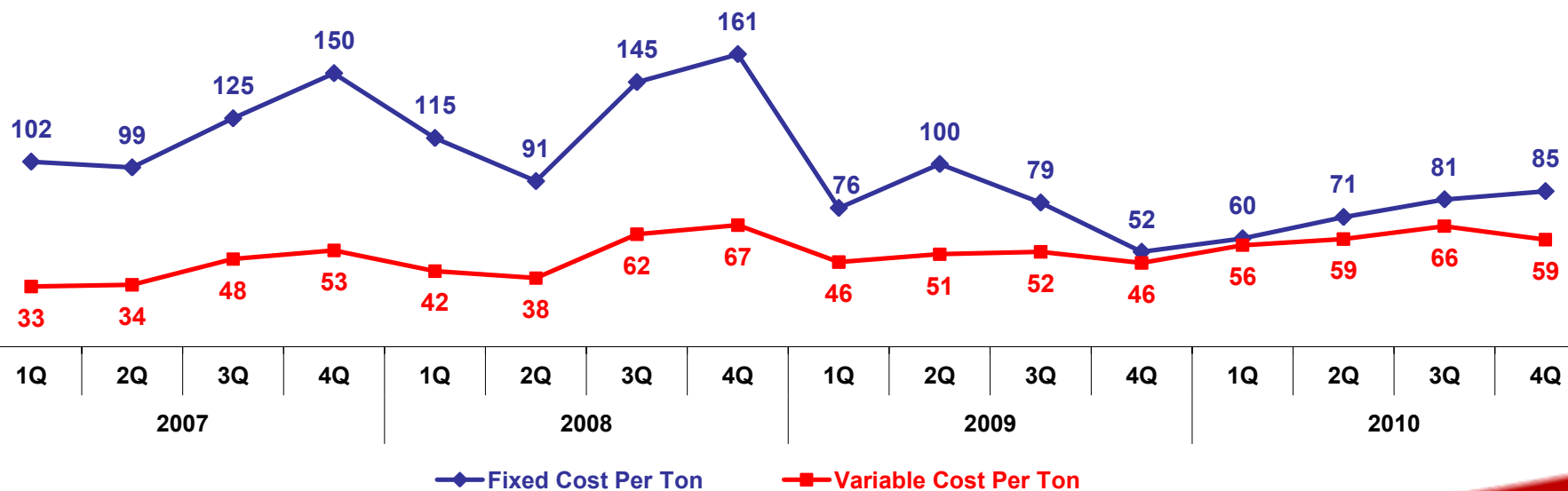


# Flat cost per ton excluding raw materials was realised as 191 USD/ton in 2010

## FLAT PRODUCTS ( USD/TON )\*



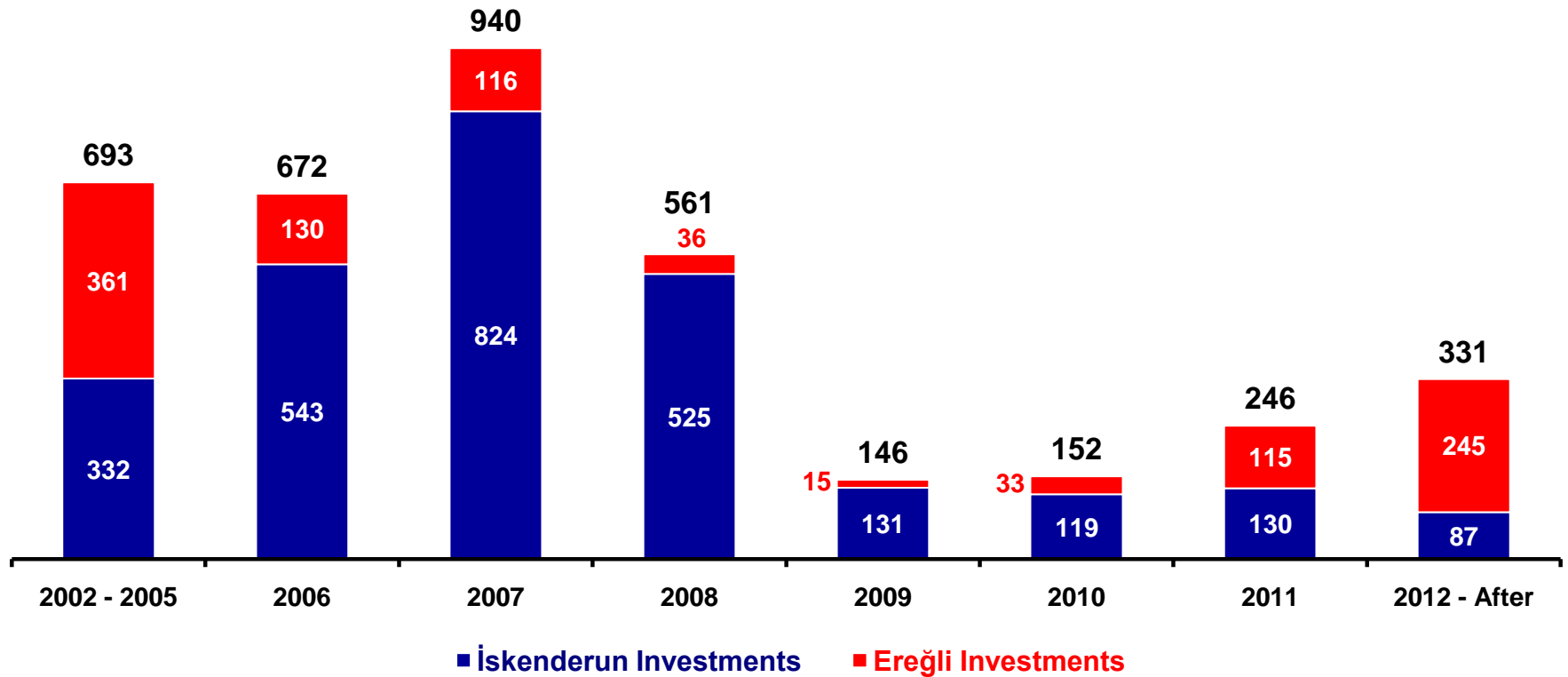
## LONG PRODUCTS ( USD/TON )\*





# Capital expenditures of 246 million USD is planned for 2011

( M USD )



## NUMBER OF EMPLOYEES

