



Erdemir Group
2011
Consolidated Financial Results

16 February 2011

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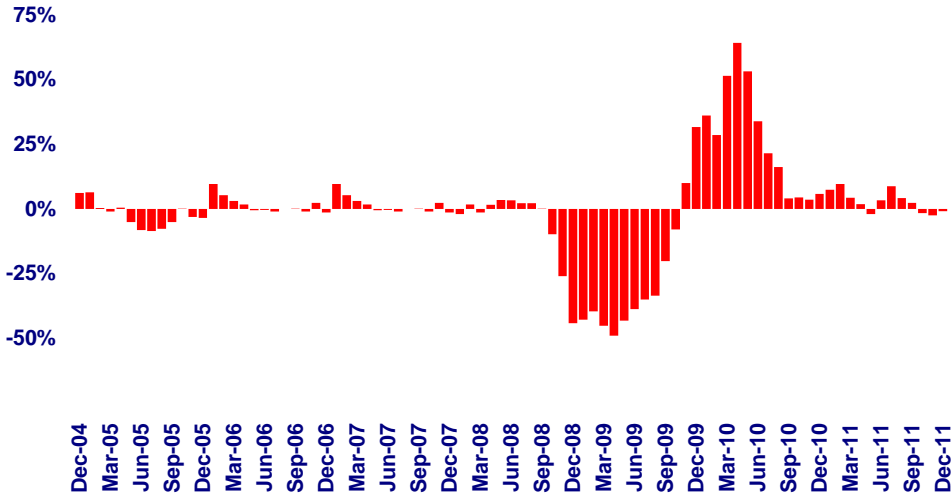
Agenda

 **2011 Market Overview**

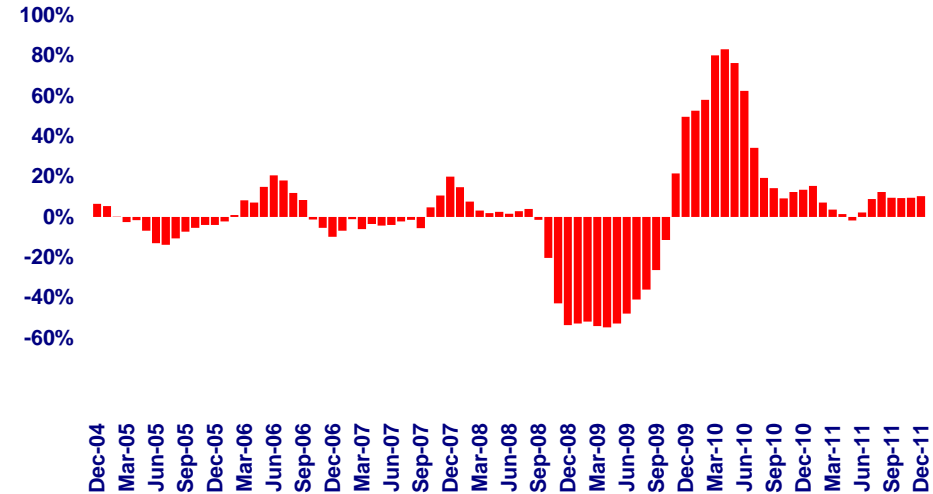
 2011 Results

In EU, sales price was 688 USD/ton as of January 2012

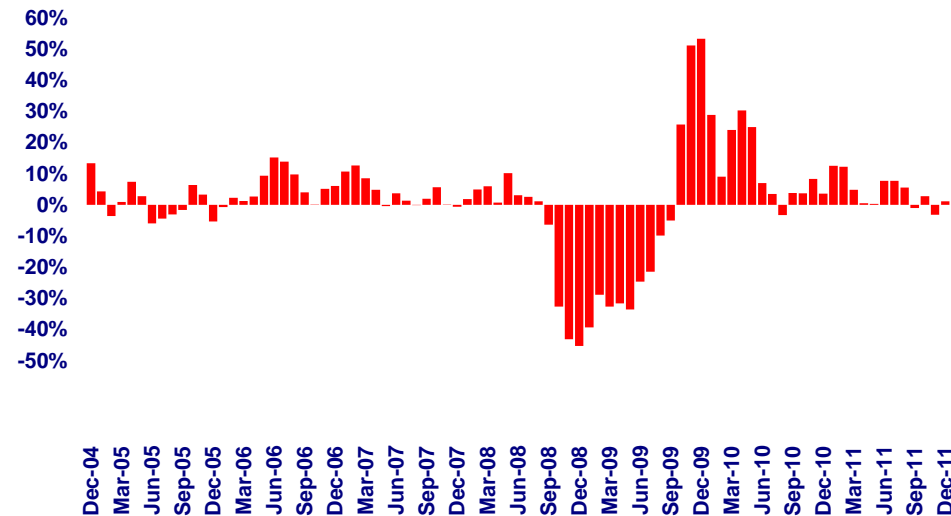
EU27 CRUDE STEEL PRODUCTION (YoY %)*



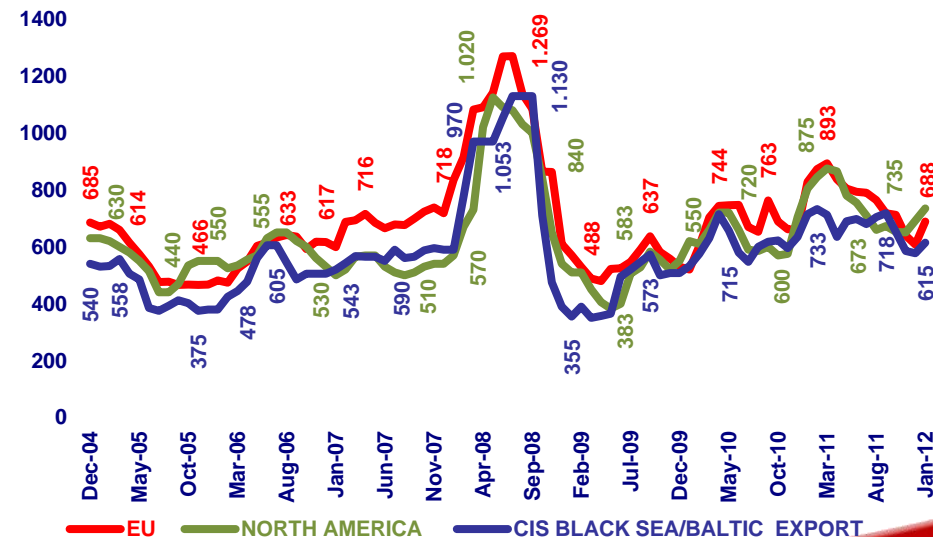
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *

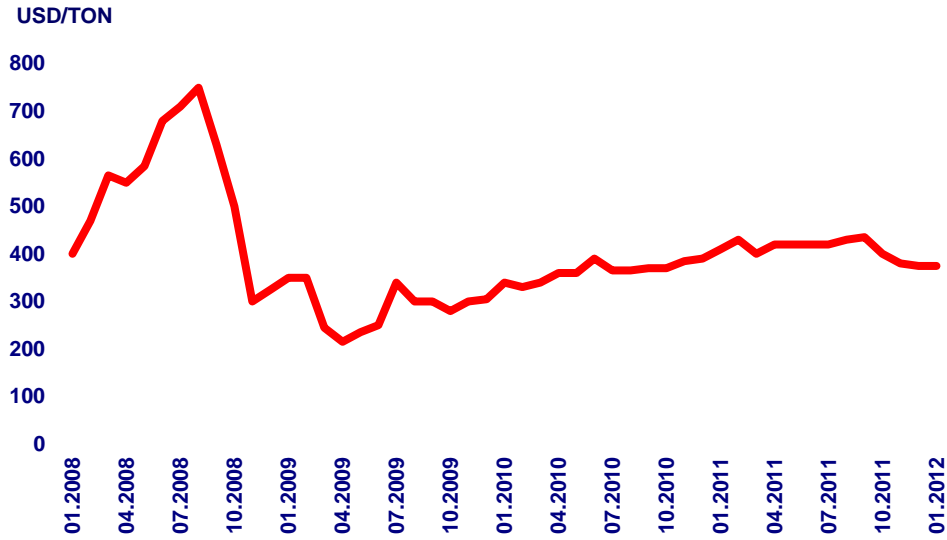


HRC PRICES (USD/TON) **

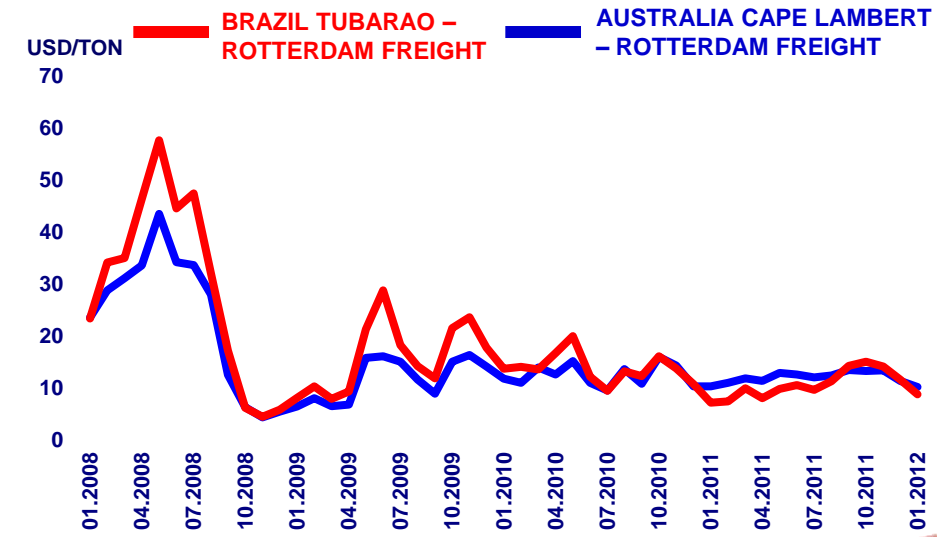
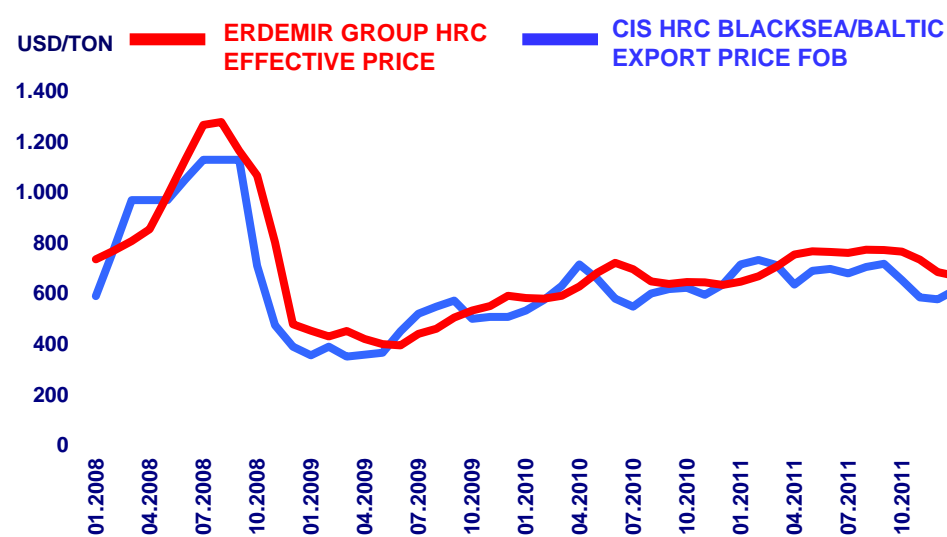
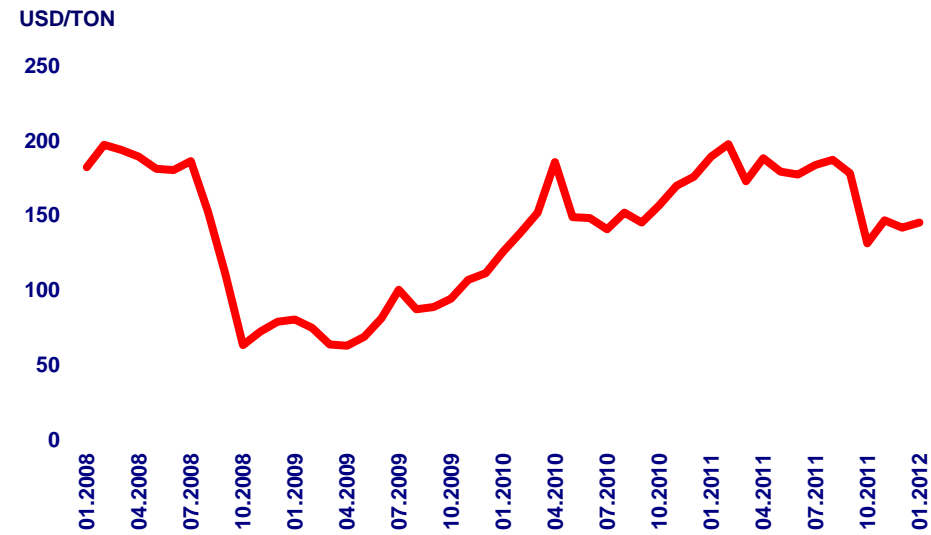


Iron ore prices are decreasing

CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

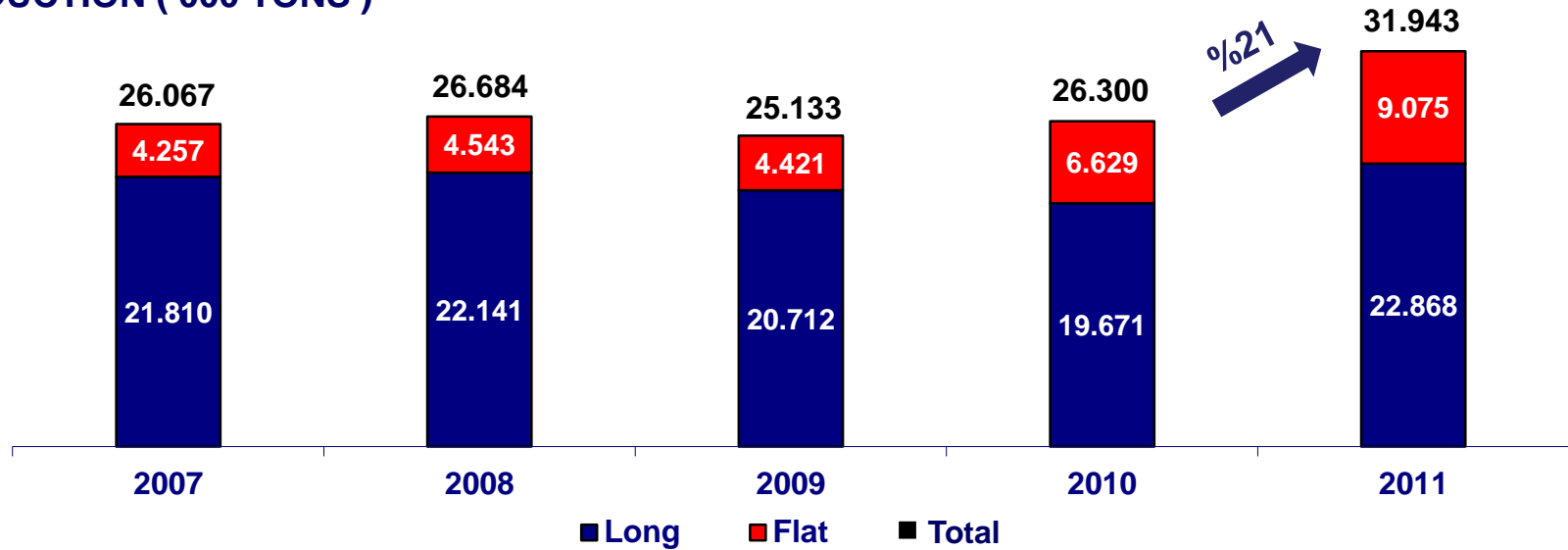


CHINA PORT FINE ORE PRICE CFR

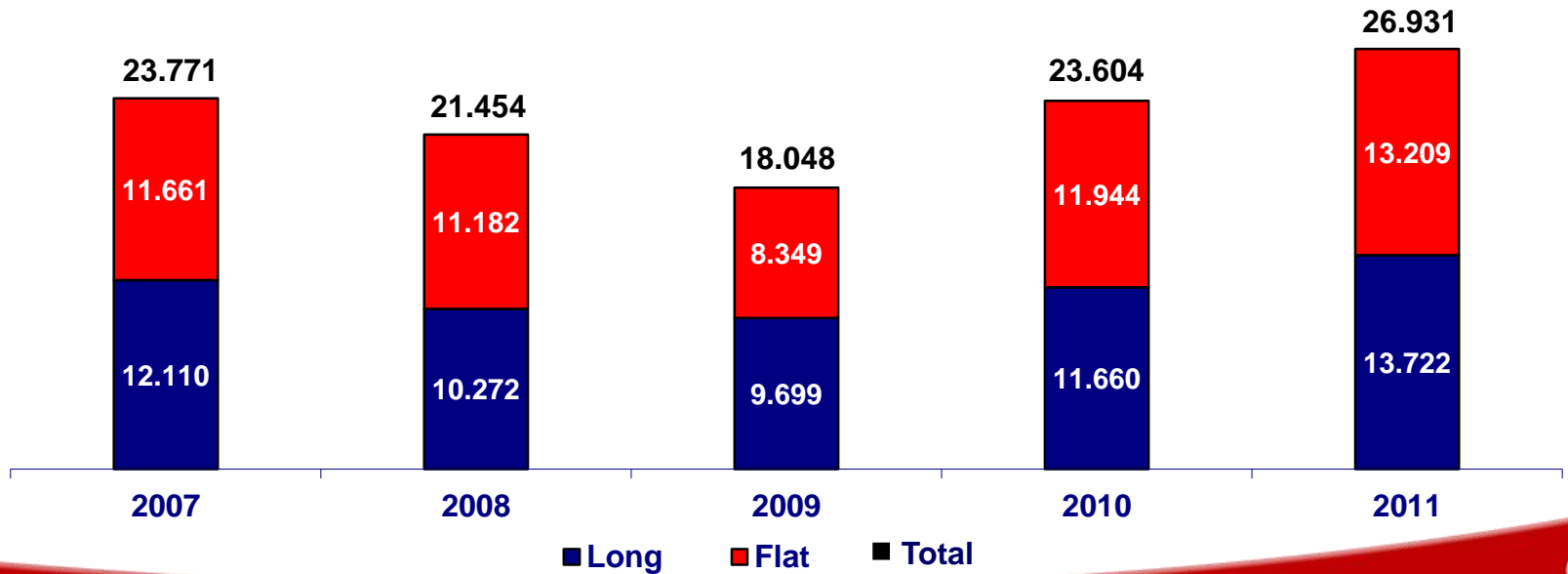


Turkish steel production increased by 21% in 2011 YoY

PRODUCTION (000 TONS)

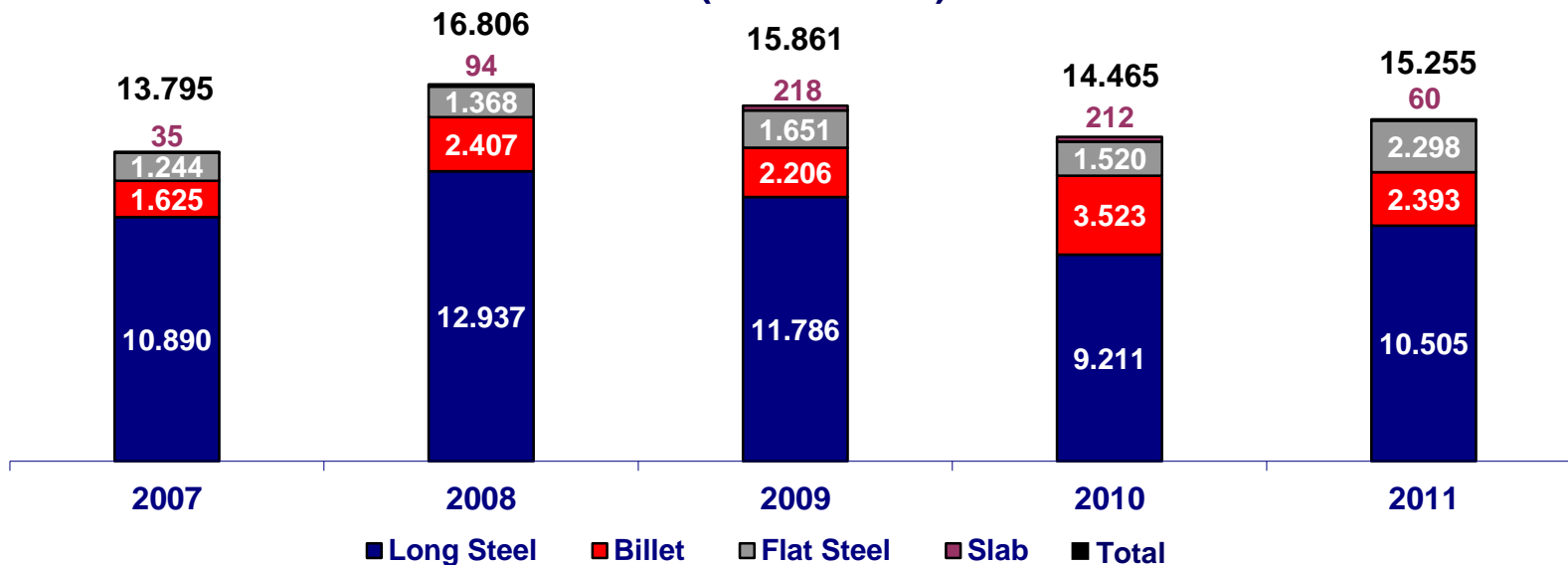


CONSUMPTION (000 TONS)

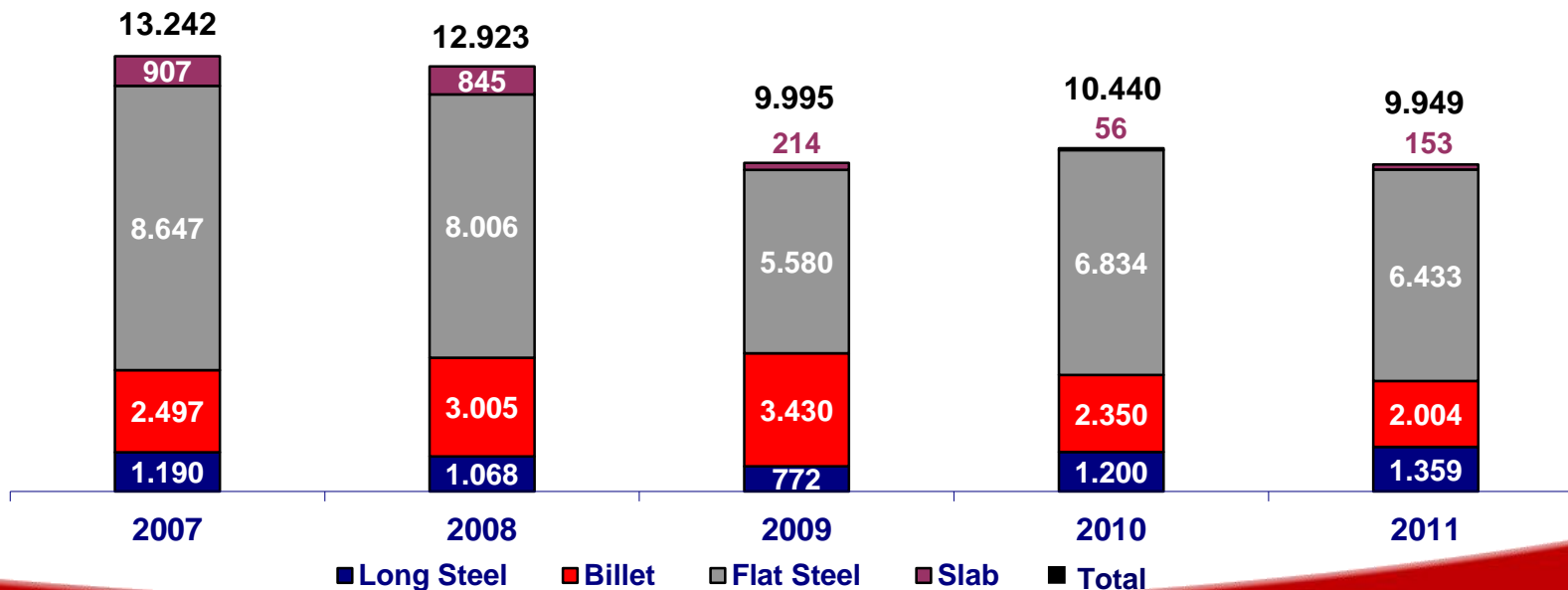


Turkish Steel Market (cont'd)

IRON AND STEEL PRODUCT EXPORTS (000 TONS)

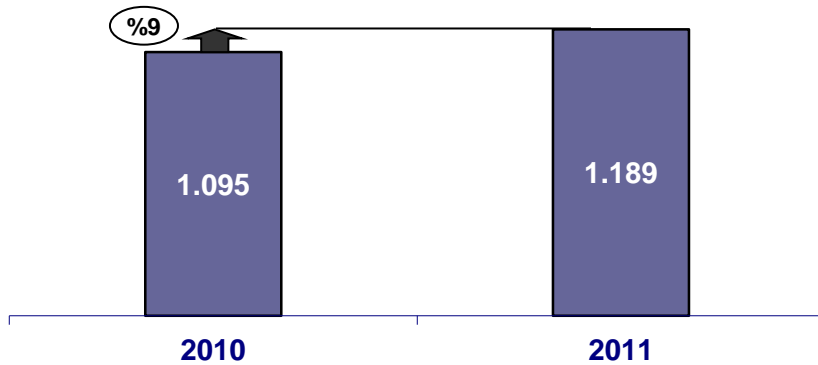


IRON AND STEEL PRODUCT IMPORTS (000 TONS)

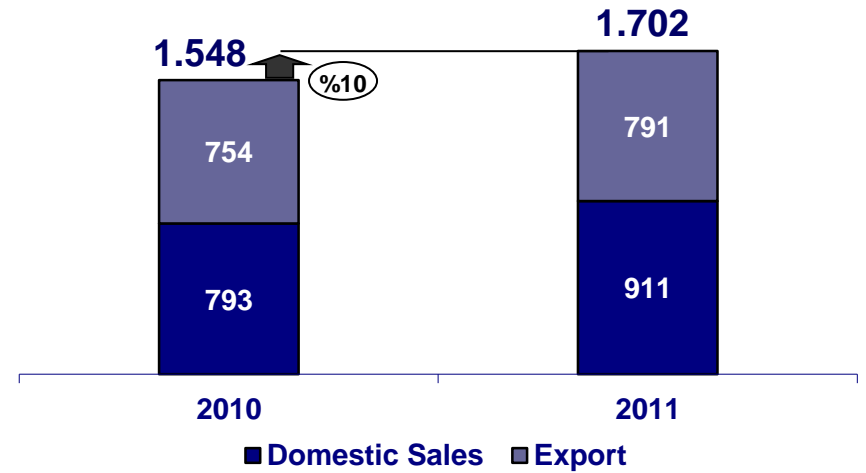


Automotive production and sales increased by 9% and 10% respectively in 2011 YoY

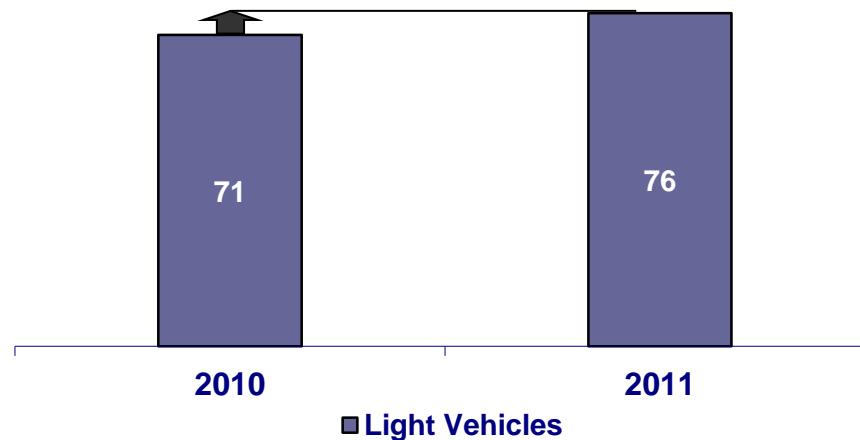
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

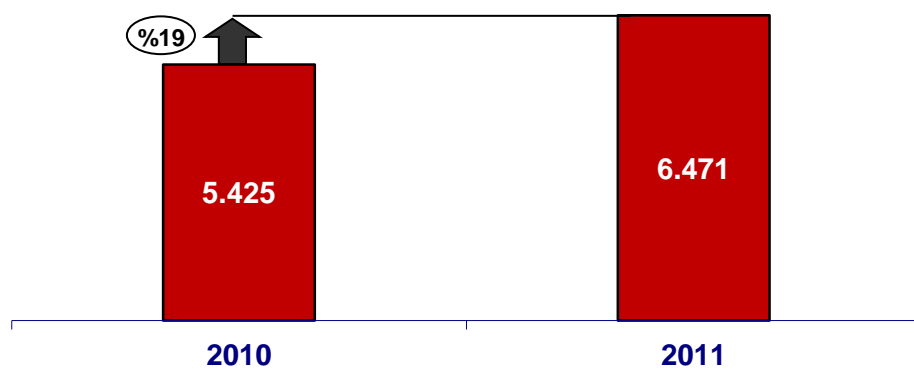


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

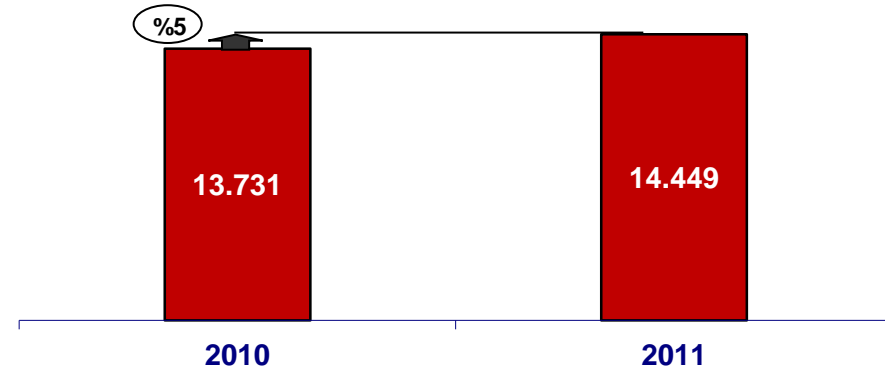


White goods domestic sales and production increased by 19% and 9% respectively in 2011 YoY

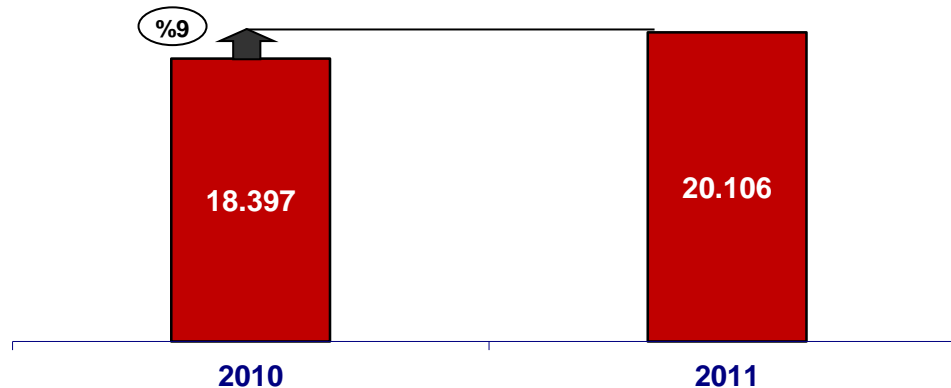
WHITE GOODS DOMESTIC SALES (000 UNITS)



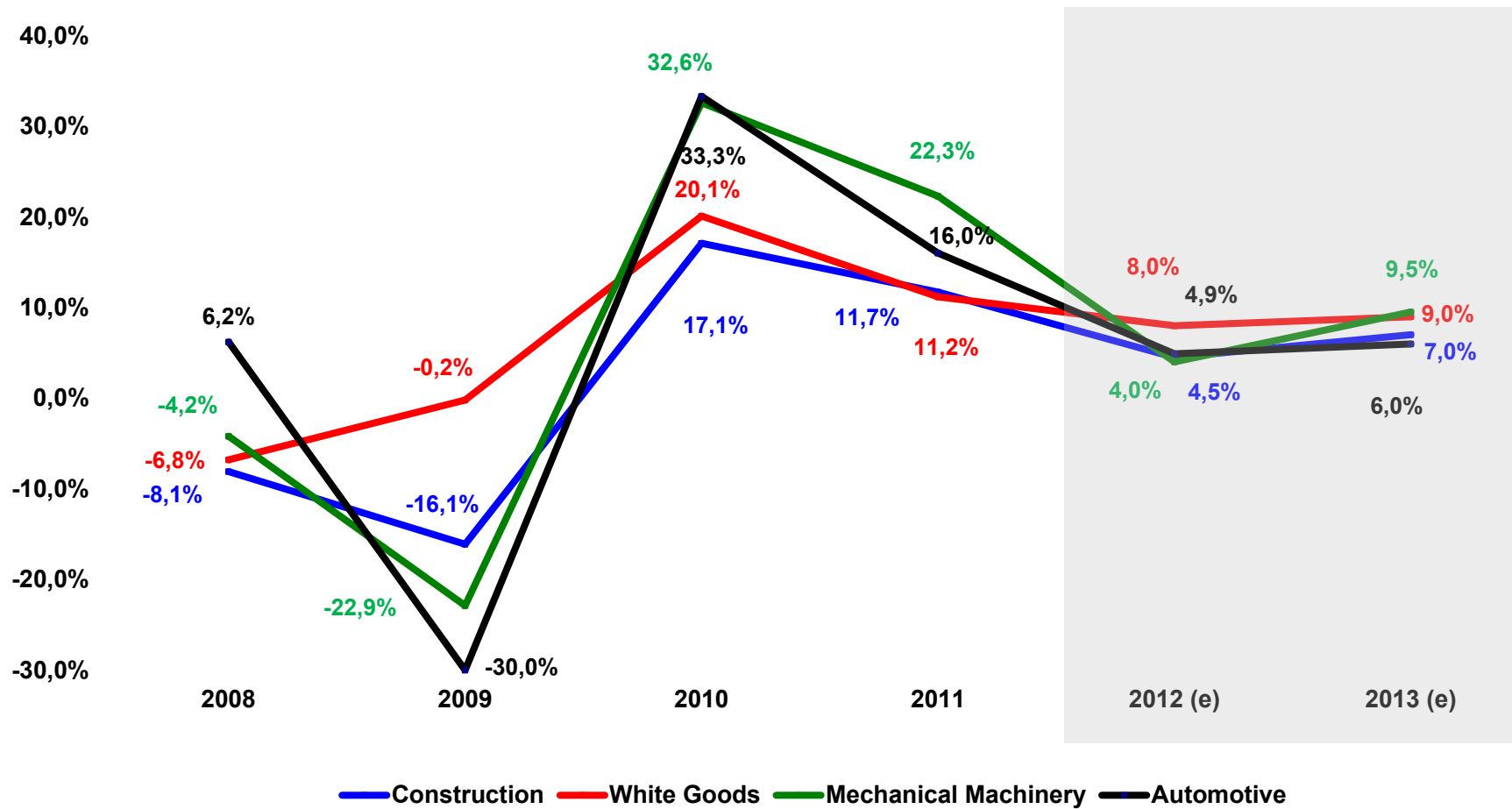
WHITE GOODS EXPORTS (000 UNITS)



WHITE GOODS PRODUCTION (000 UNITS)

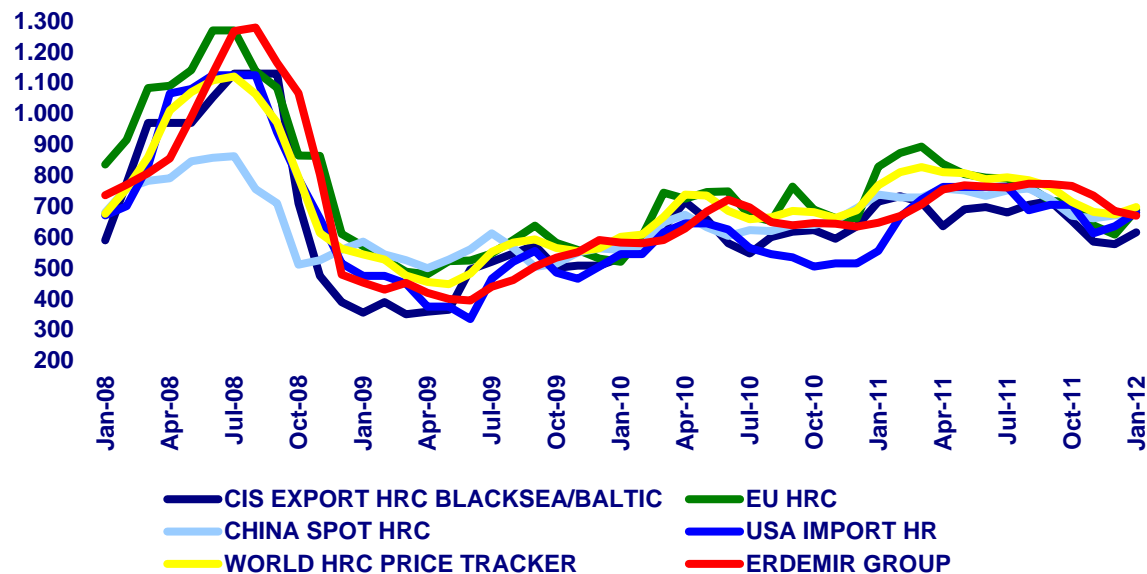


CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



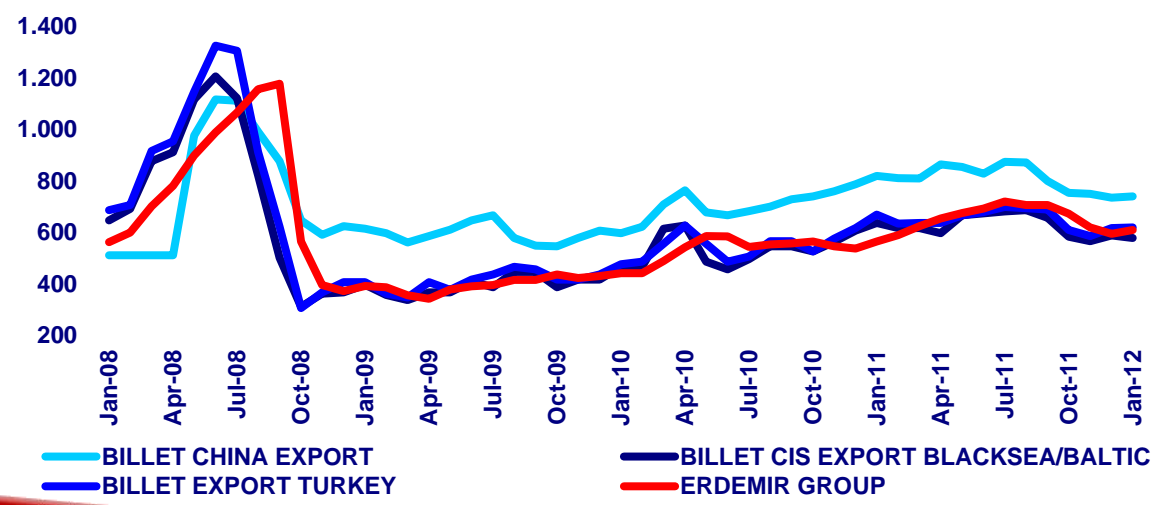
HRC sales prices are higher than December 2011

HRC PRICES (USD/Ton)



▶ As of January 2012, EU HRC price is 688 USD, China HRC spot price is 673 USD, USA export HRC price is 680 USD. The prices were 608 USD, 670 USD, 635 USD respectively by the end of 2011.

BILLET PRICES (USD/Ton)



▶ As of January 2012, Turkey export price is 618 USD while it was 615 USD in December 2011.



Agenda

 2011 Market Overview

 **2011 Results**

ERDEMİR GROUP KEY FIGURES

			2011	2010	2009
Liquid Steel Production	<i>(000 Tons)</i>	↑	7.656	7.311	6.619
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑	6.660	5.674	4.569
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑	6.119	5.373	4.812
Long Steel Production	<i>(000 Tons)</i>	↓	794	1.420	1.869
Flat Steel Shipments	<i>(000 Tons)</i>	↑	5.856	5.123	5.128
Long Steel Shipments	<i>(000 Tons)</i>	↓	791	1.393	1.858
Net Sales Revenue	<i>(M. USD)</i>	↑	5.338	4.427	3.404
EBITDA	<i>(M. USD)</i>	↑	1.217	948	247
Net Profit For The Year	<i>(M. USD)</i>	↑	602	511	-109

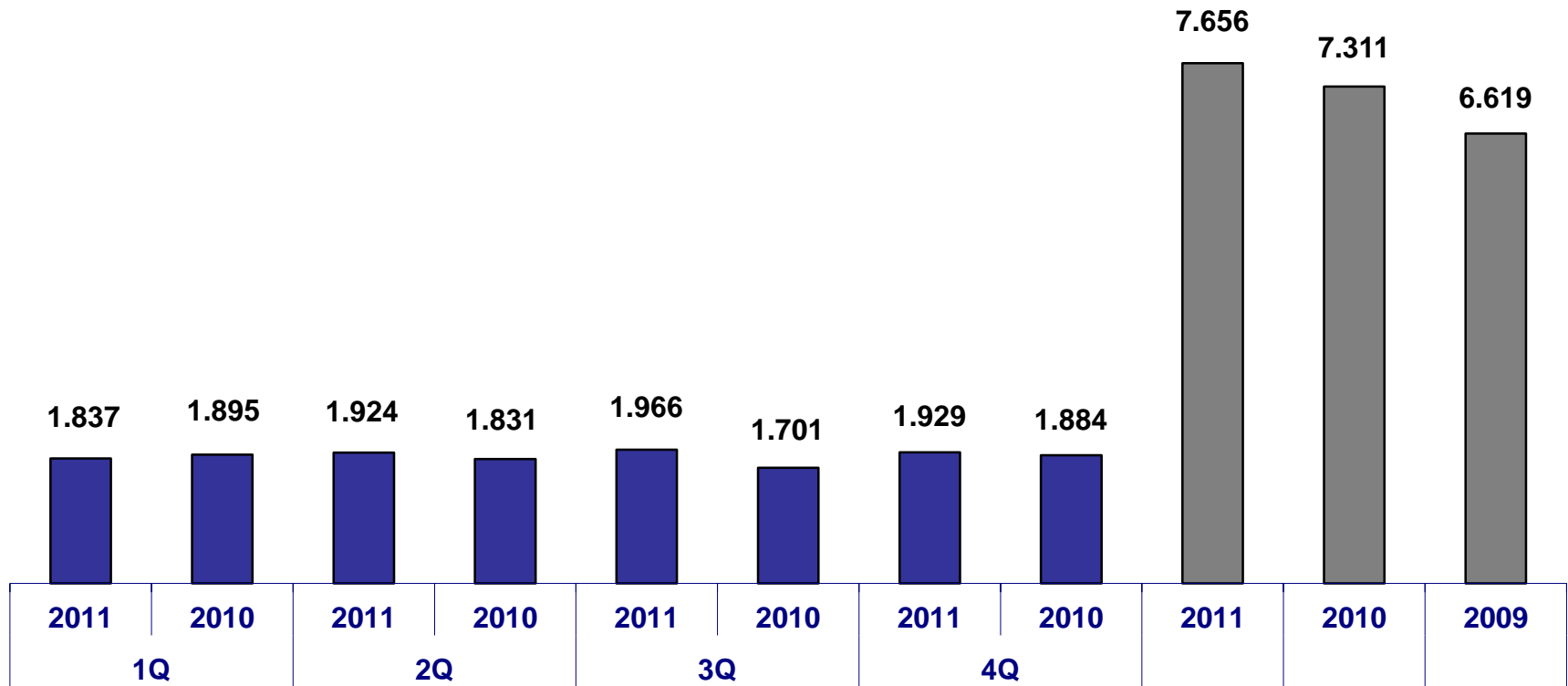
All figures are on IFRS consolidated basis unless stated otherwise.

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

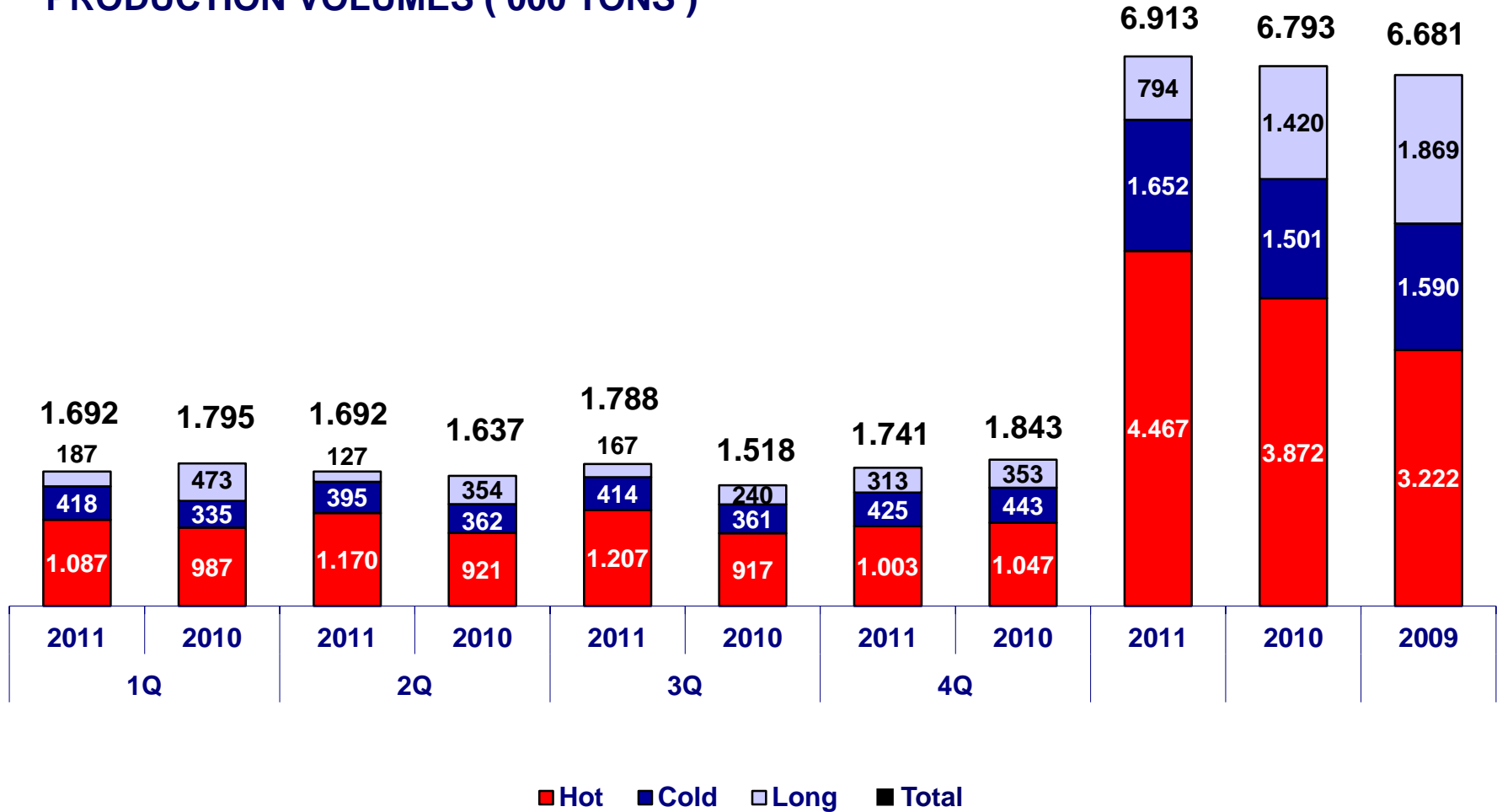
(2) Total flat steel production of Ereğli and İskenderun Plants.

Liquid steel production was 7,7 million tons in 2011

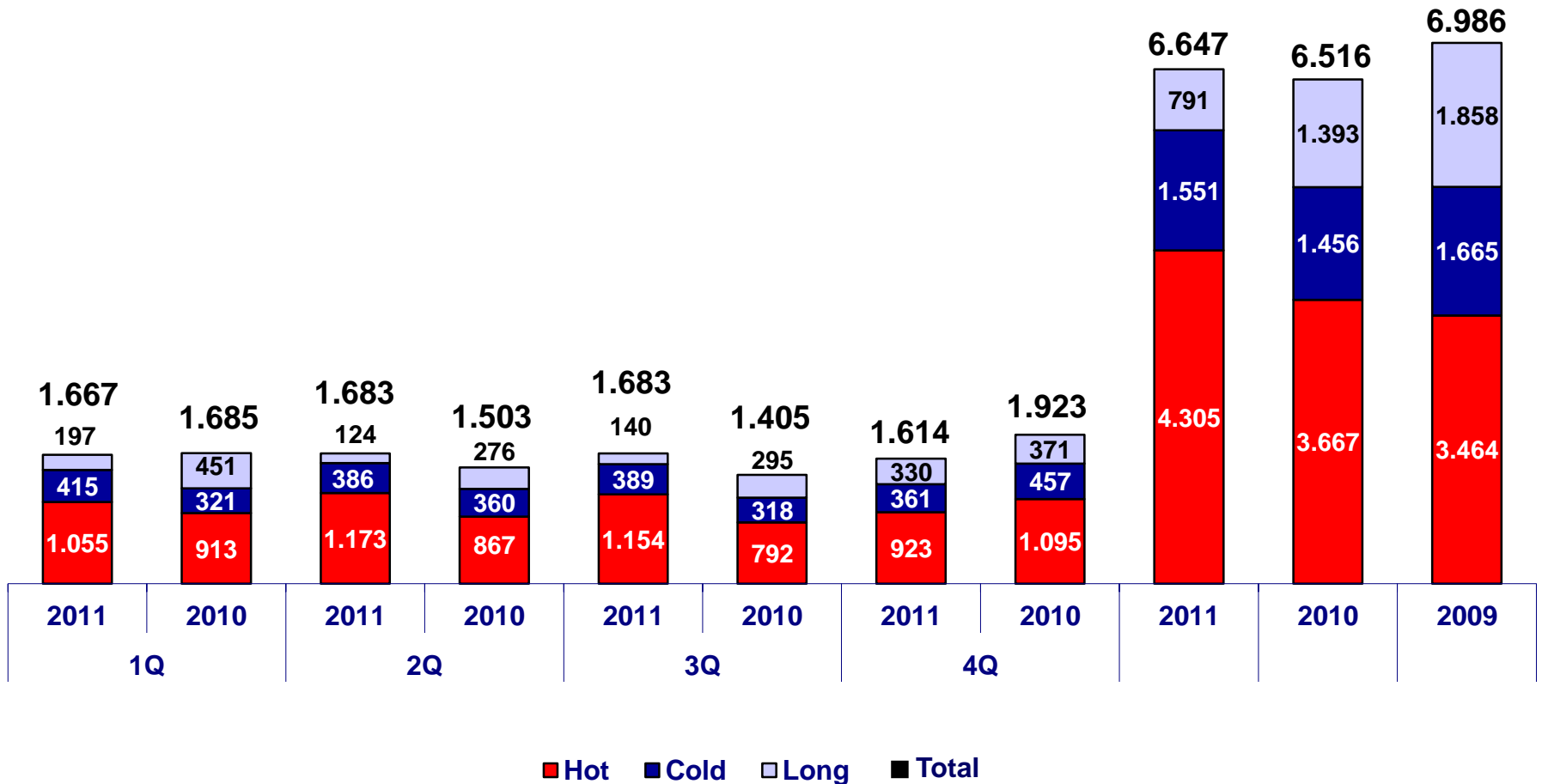
LIQUID STEEL PRODUCTION (000 TONS)



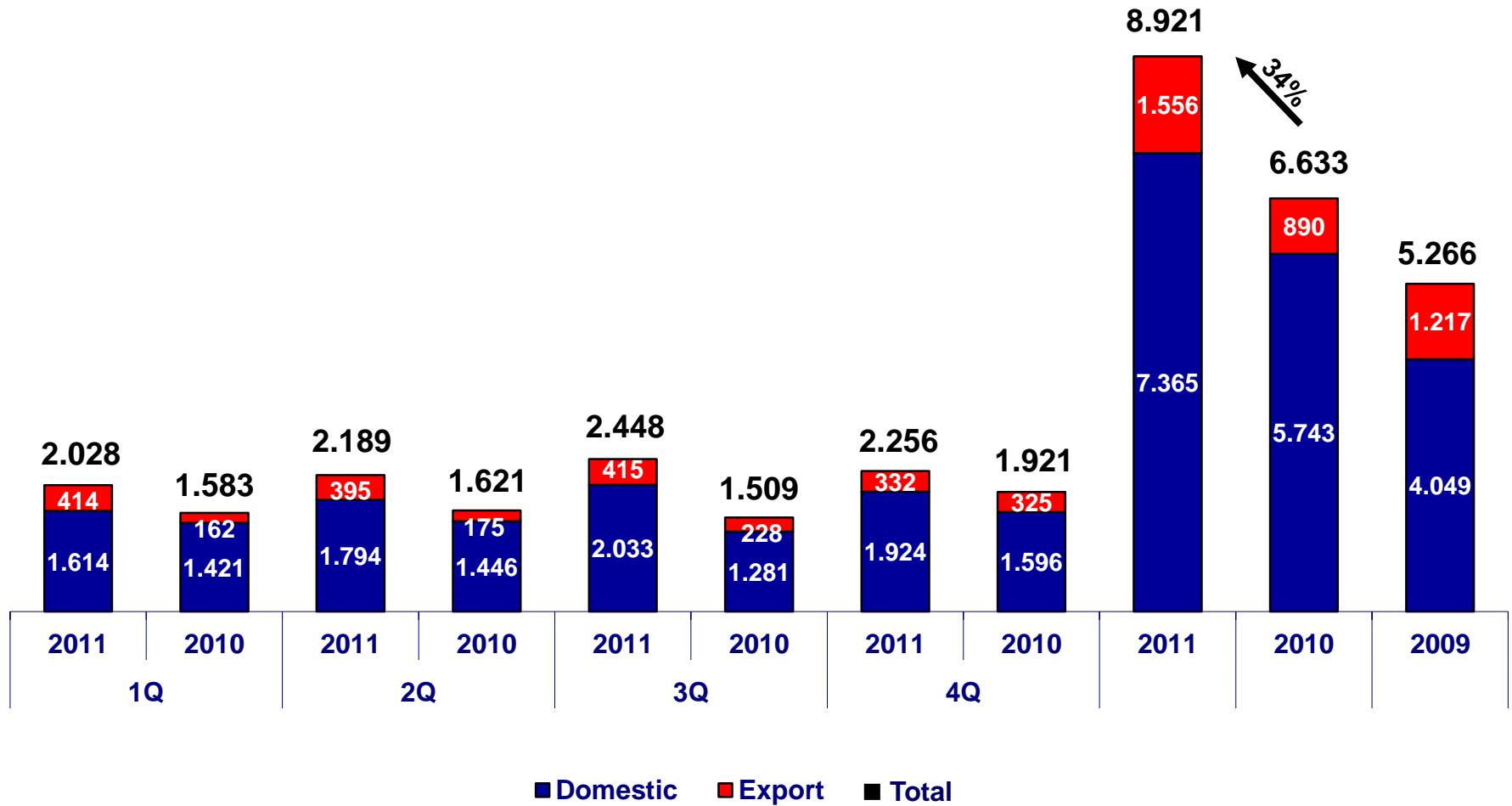
PRODUCTION VOLUMES (000 TONS)



SALES VOLUME (000 TONS)

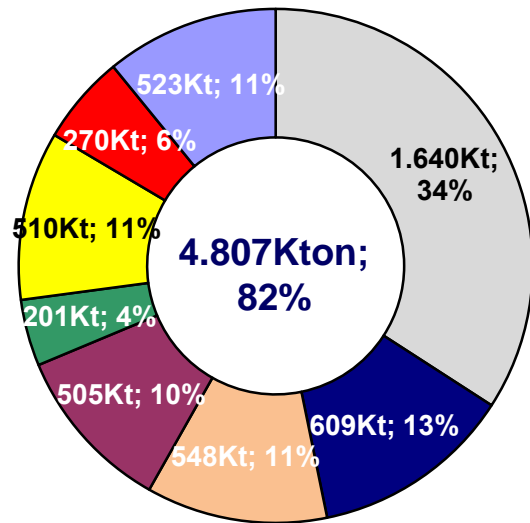


NET SALES REVENUE (MILLION TL)



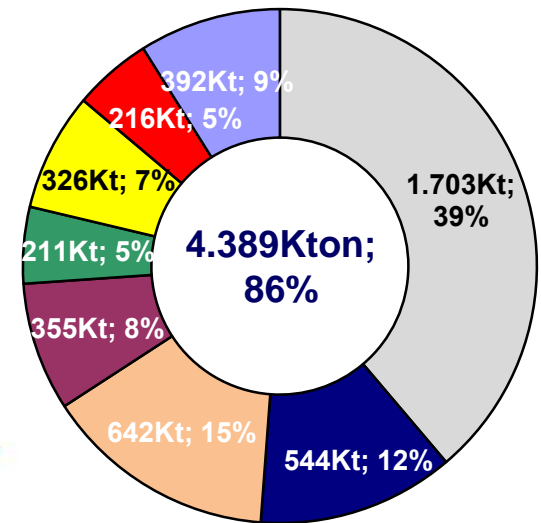
Sales to automotive sector increased by 4% in 2011

2011 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

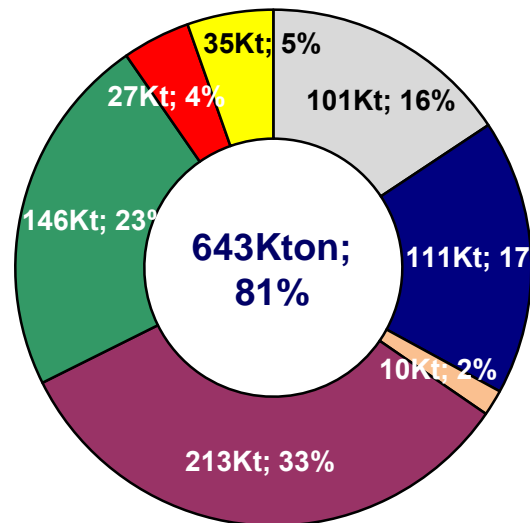


- Pipe and Profile Industry
- Steel Service Centers
- ▣ Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

2010 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

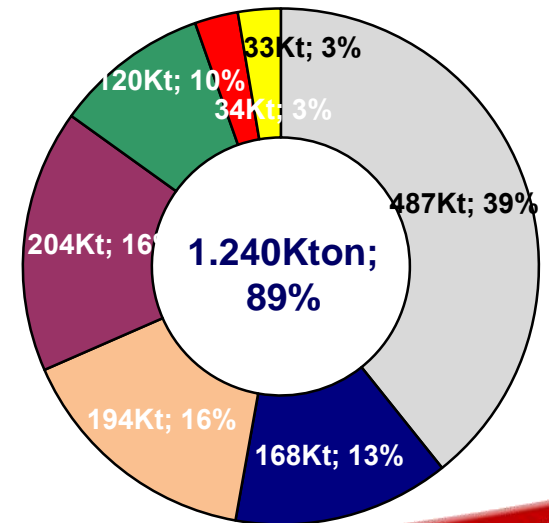


2011 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



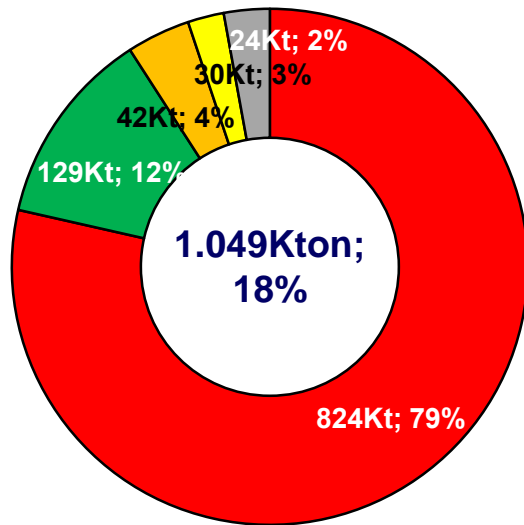
- Debar Producers
- Profile Producers
- ▣ Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

2010 LONG STEEL DOMESTIC SALES BREAKDOWN (%)

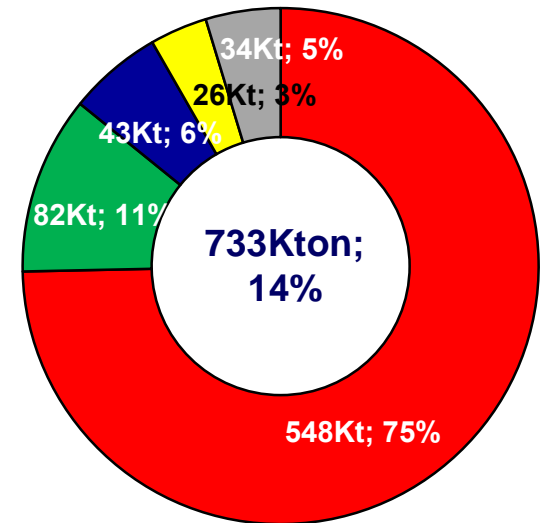


Flat steel sales to EU countries increased by 4% in 2011

2011 FLAT STEEL EXPORTS BREAKDOWN (%)

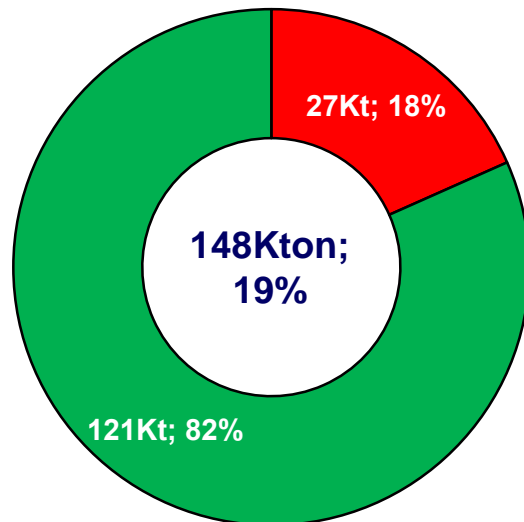


2010 FLAT STEEL EXPORTS BREAKDOWN (%)

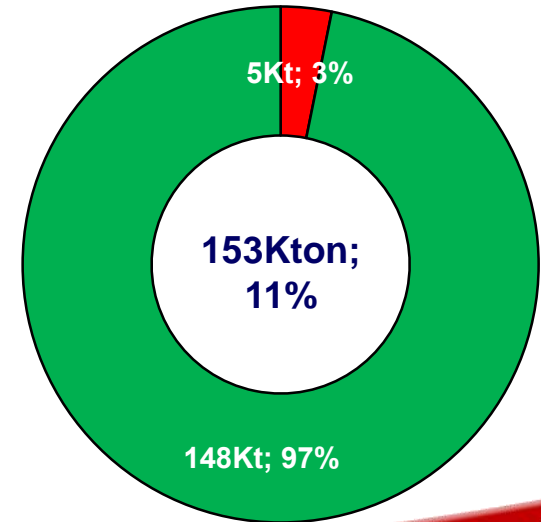


- EU
- MENA
- S. America
- N. America
- Asia
- Other

2011 LONG STEEL EXPORTS BREAKDOWN (%)



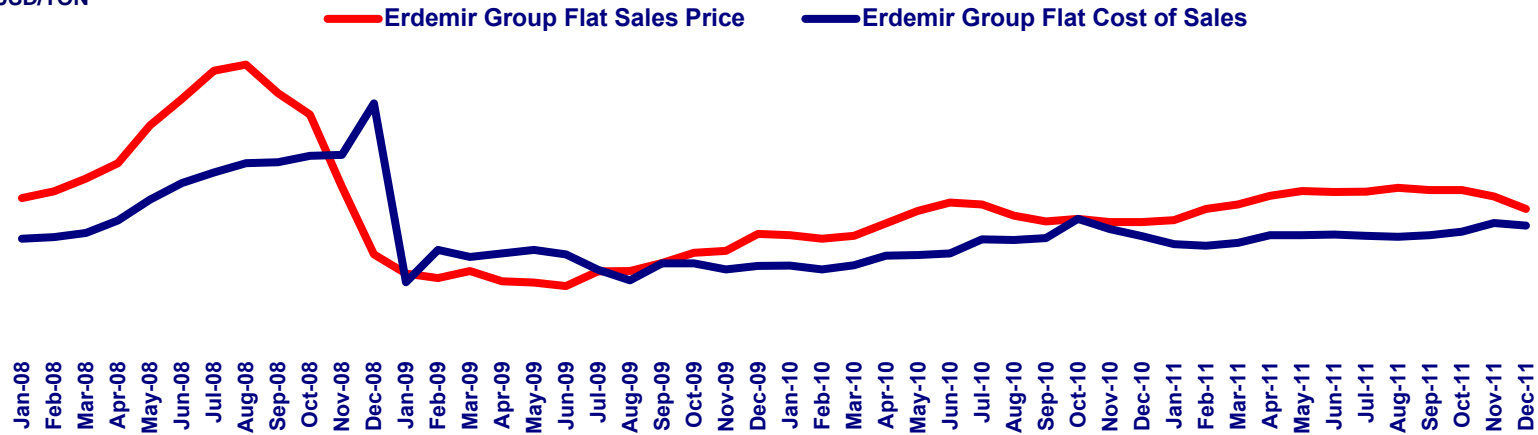
2010 LONG STEEL EXPORTS BREAKDOWN (%)



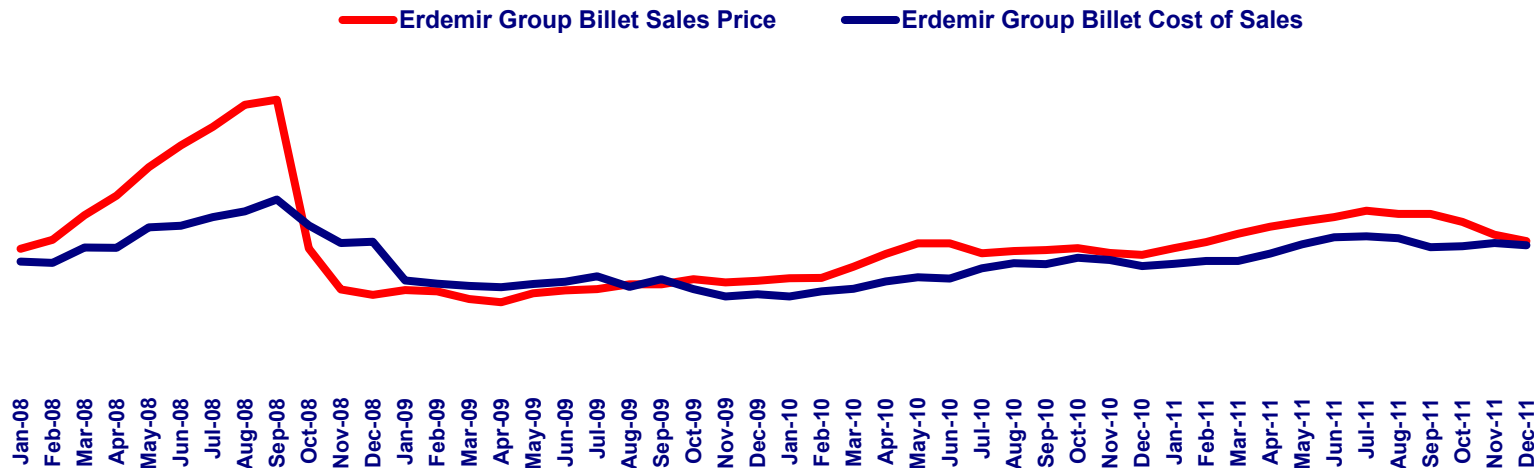
- EU
- MENA

In 2011, Erdemir Group average flat and long steel prices were 792 USD/ton and 708 USD/ton respectively

USD/TON



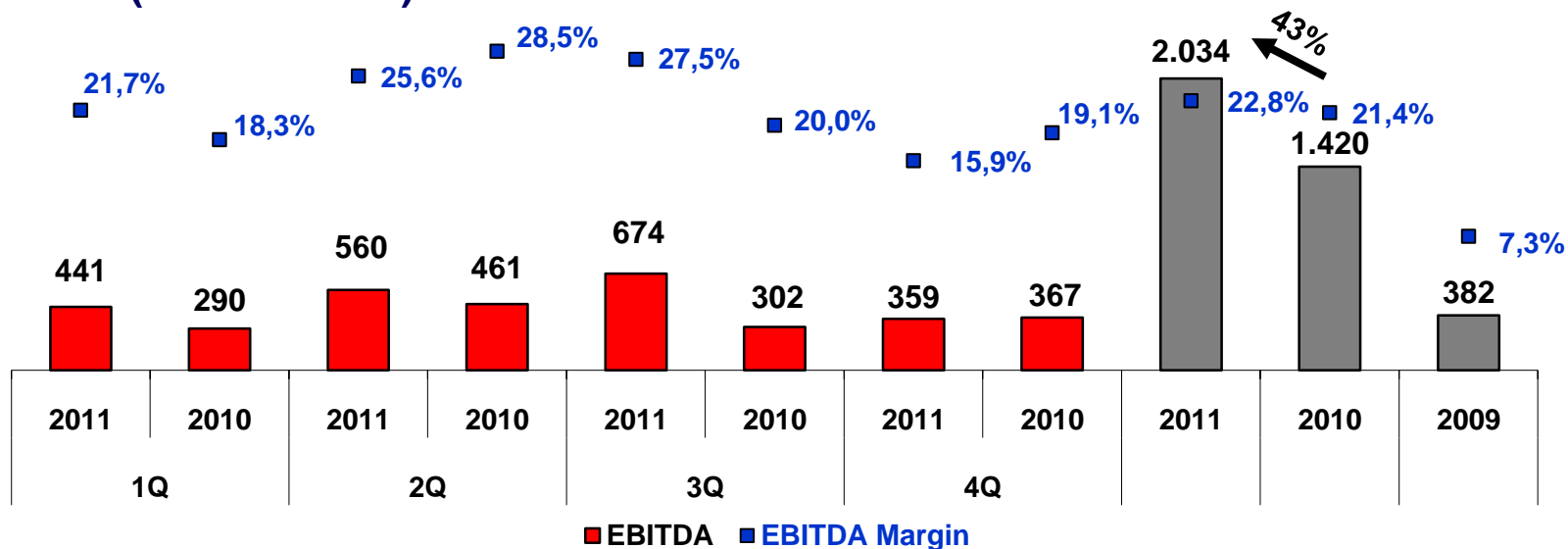
USD/TON



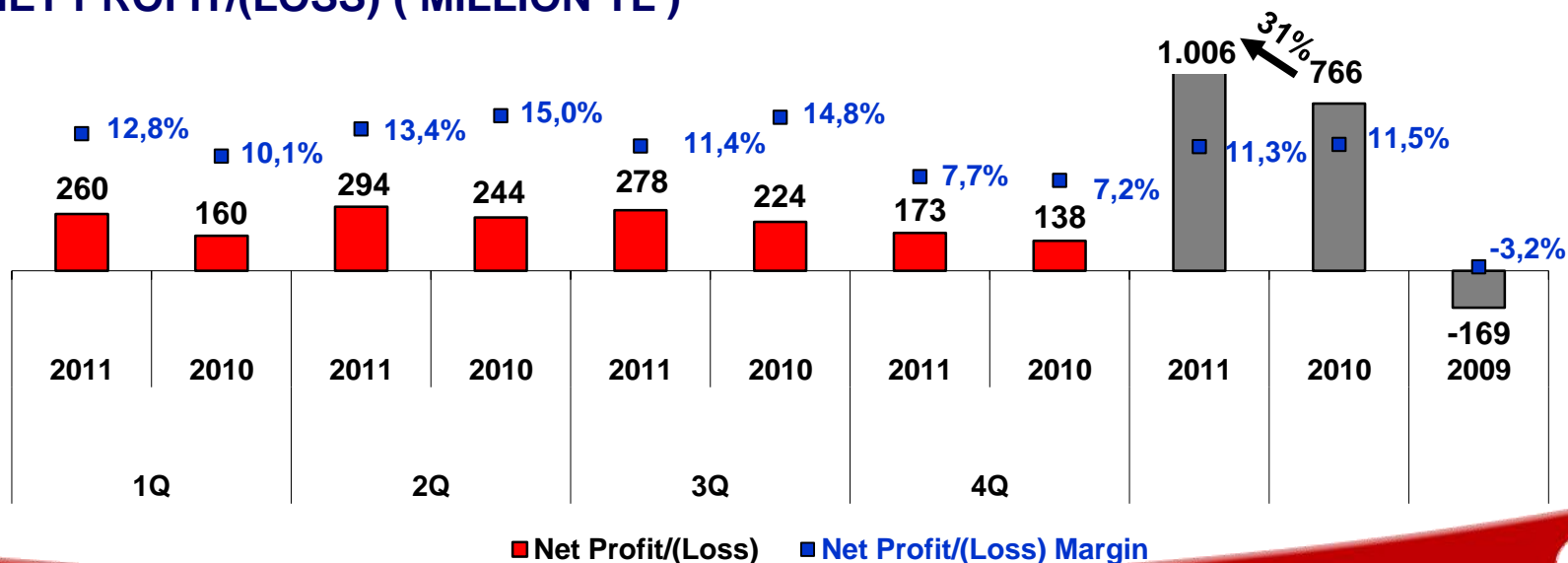
- ➡ Flat steel prices increased by 13% on average in 2011 YoY.
- ➡ Long steel prices increased by 26% on average in 2011 YoY.

Net profit increased by 31% in 2011 YoY

EBITDA (MILLION TL)

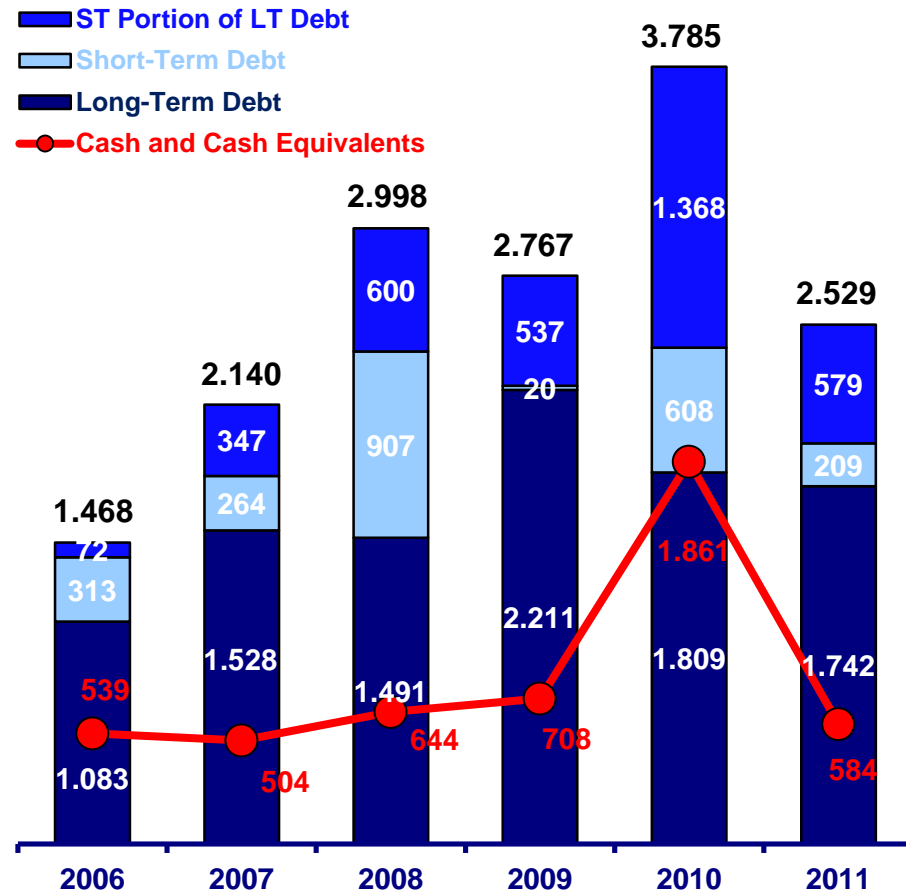


NET PROFIT/(LOSS) (MILLION TL)

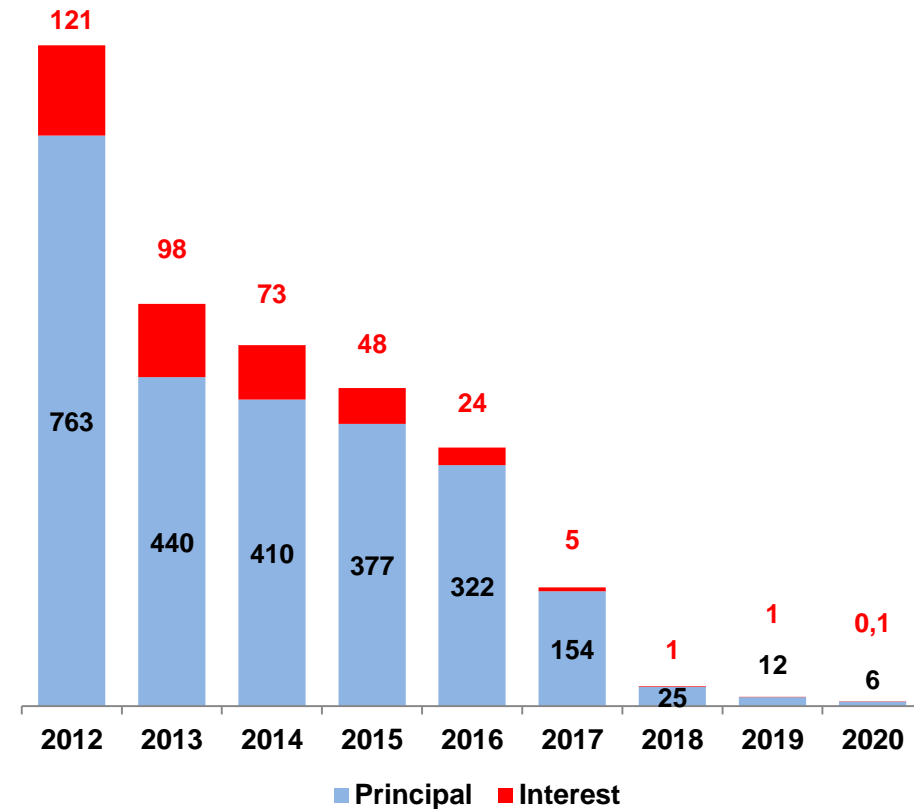


Erdemir Group has 584 million USD cash and cash equivalents at the end of 2011

BORROWINGS (MILLION USD)

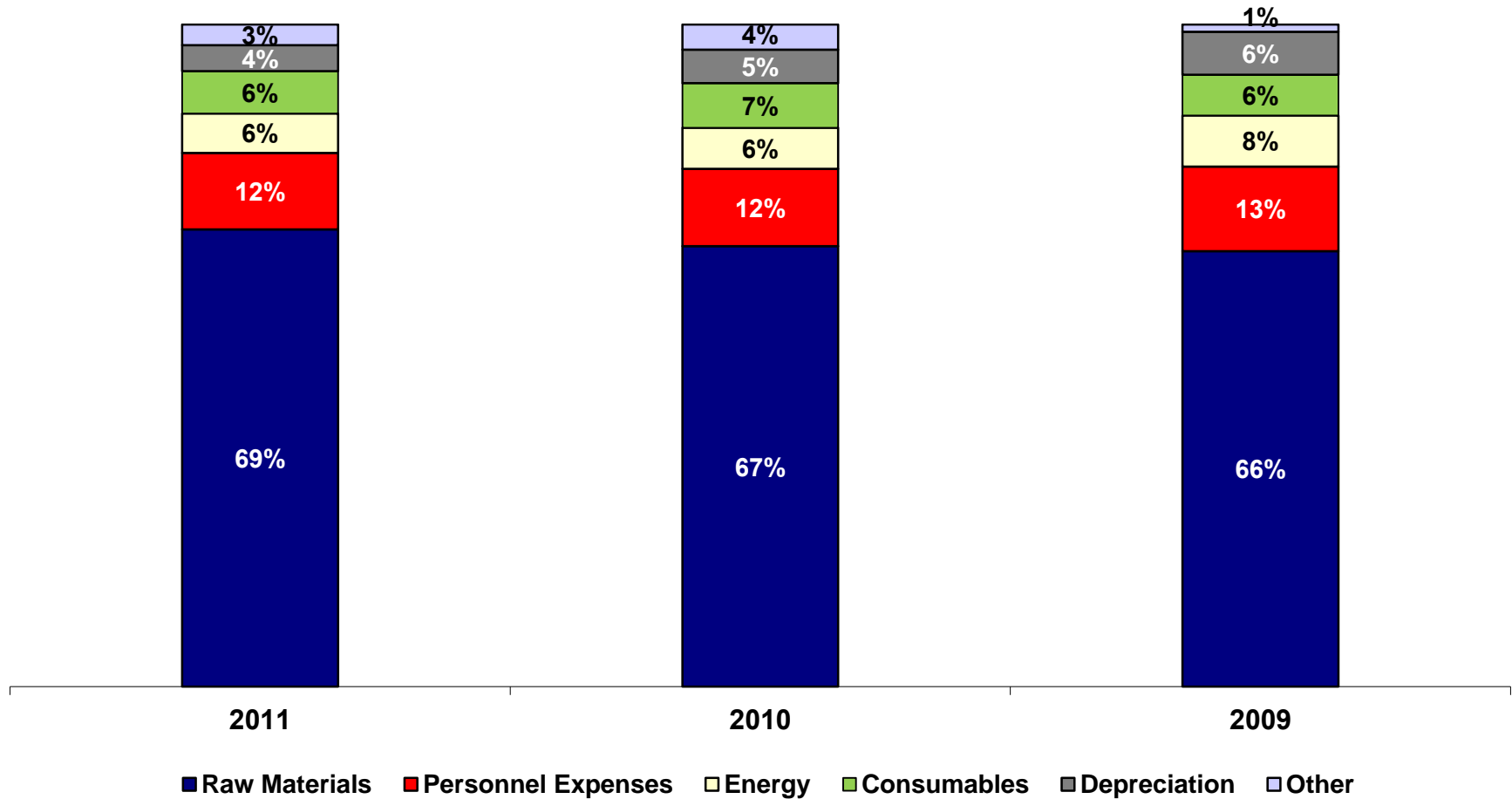


BORROWINGS MATURITY PROFILE (MILLION USD)



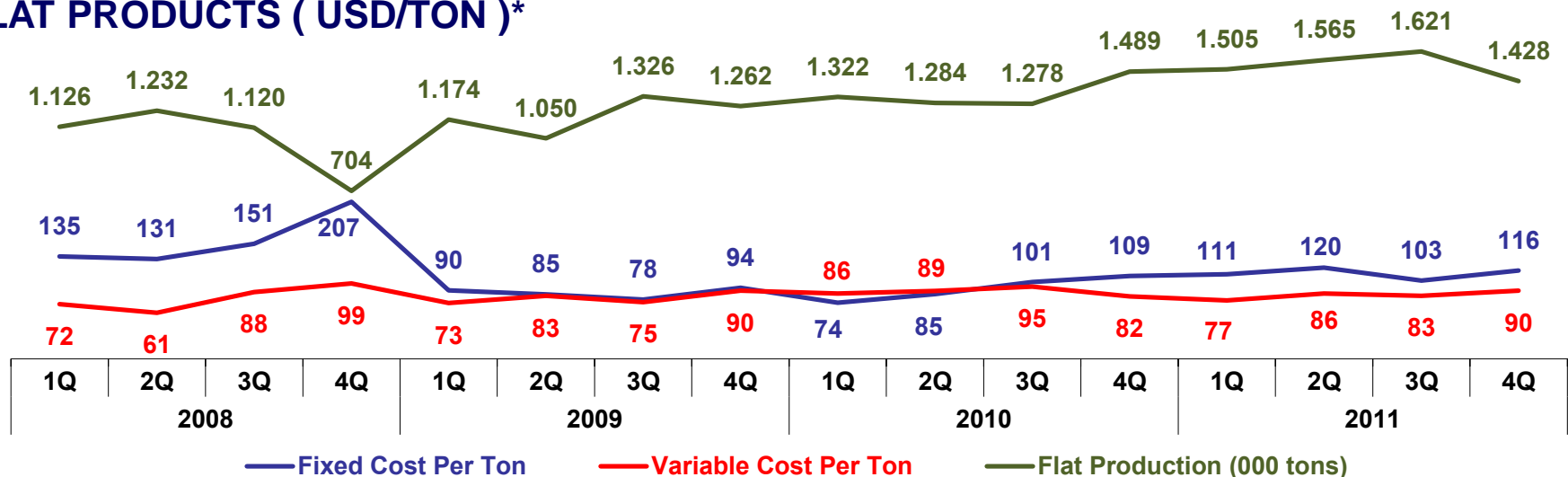
Raw materials made up 69% of the cost of goods sold in 2011

COST OF PRODUCTION BREAKDOWN* - %

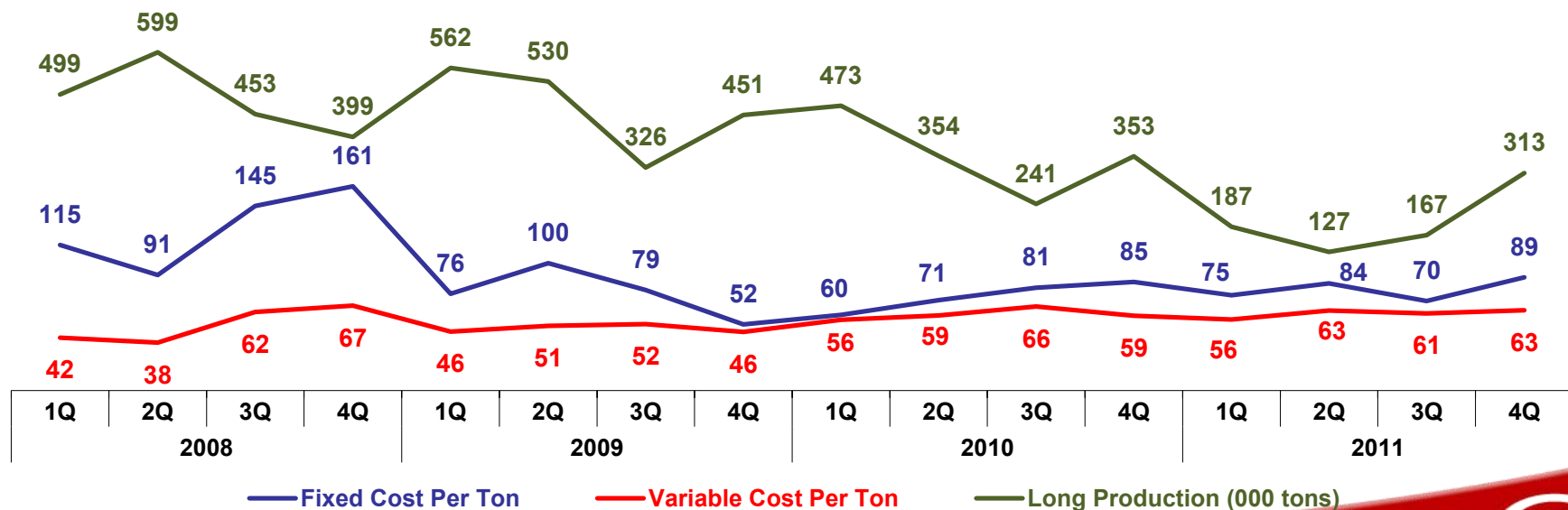


Flat cost per ton excluding raw materials was realised as 206 USD/ton in 2011

FLAT PRODUCTS (USD/TON)*

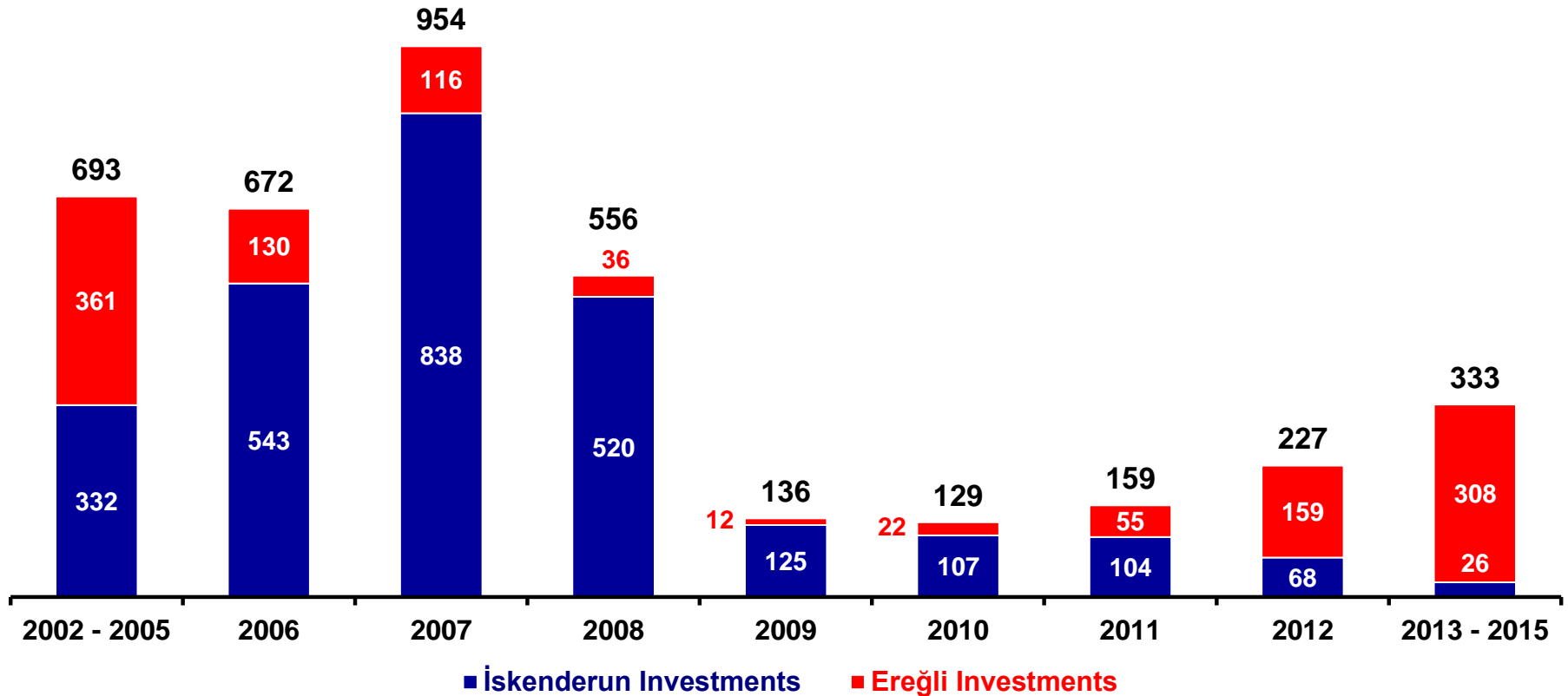


LONG PRODUCTS (USD/TON)*



Capital expenditures of 227 million USD is planned for 2012

(M USD)



NUMBER OF EMPLOYEES

