



**Erdemir Group**  
**2009 9 Months**  
**Consolidated Financial Results**

**30 October 2009**



## **DISCLAIMER**

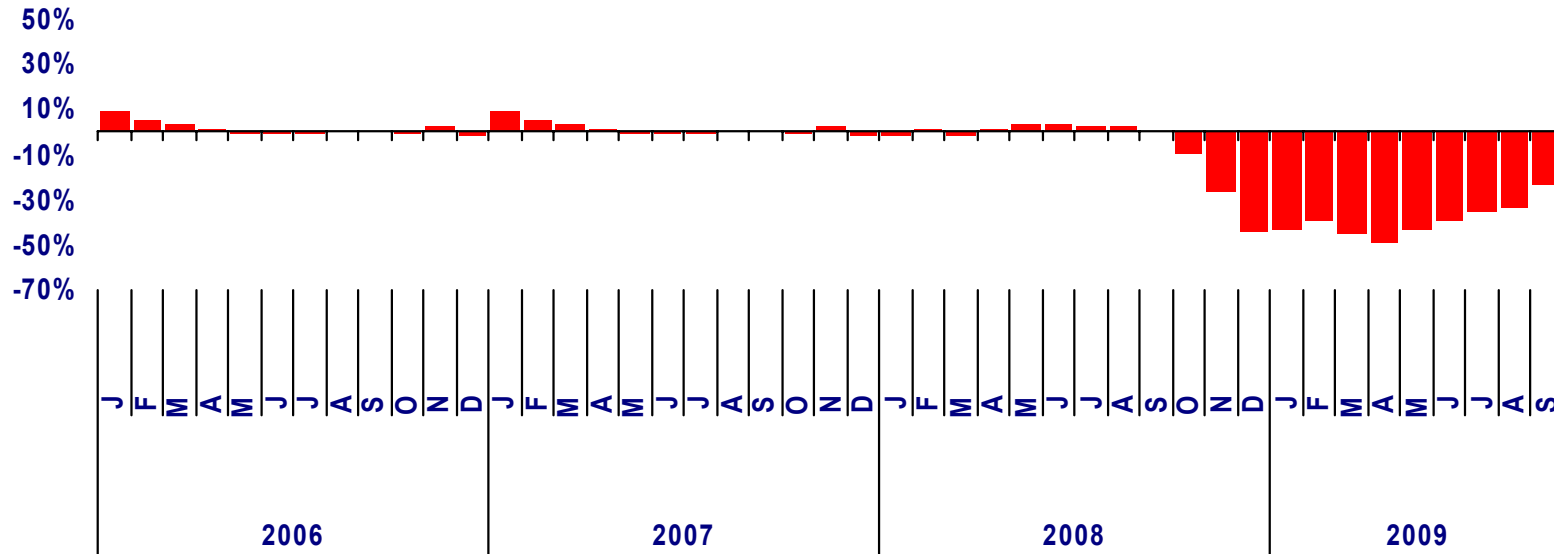
**Ereğli Demir Çelik Fabrikaları T.A.Ş. (Erdemir) may, when necessary, make written or verbal announcements about forward-looking information, expectations, estimates, targets, assessments and opinions. Erdemir has made the necessary arrangements about the amounts and results of such information through 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:**

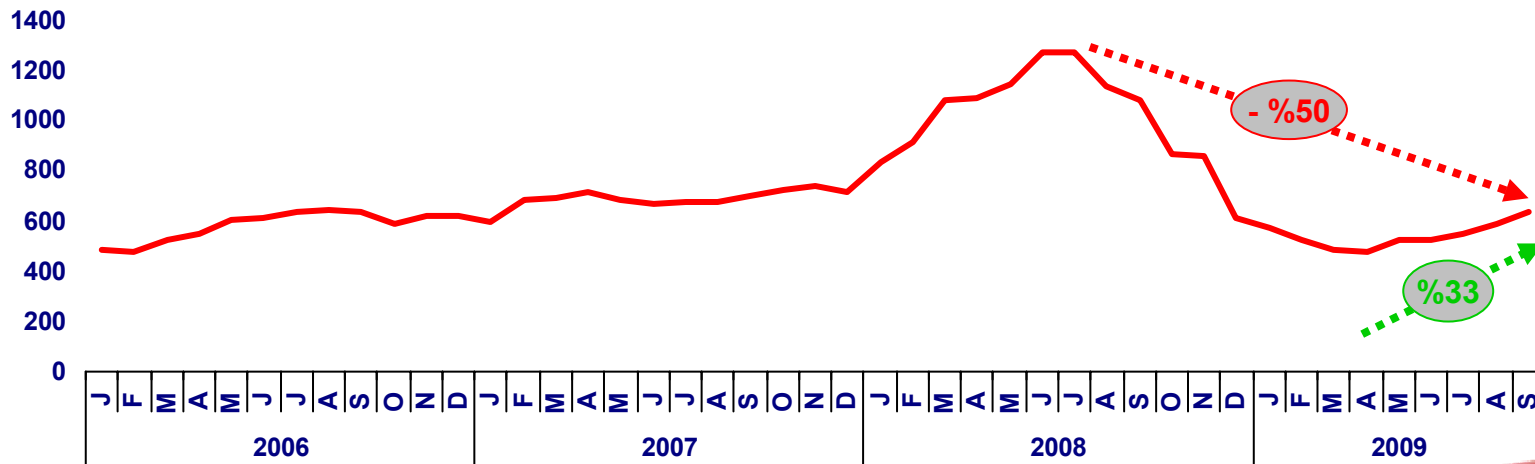
- 2009 Market Overview**
- 2009 Financial Highlights for the First Nine Months

In the European Union high prices are expected to decrease. Crude steel production increased by 45.2% in September 2009 compared to December 2008.

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

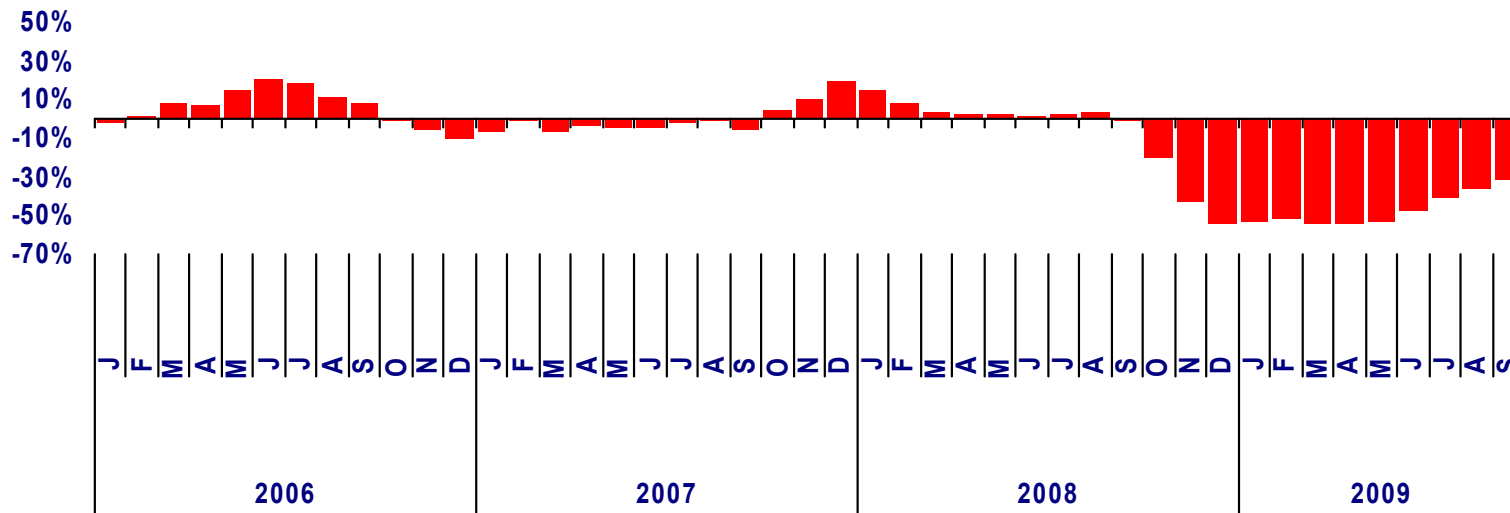


### EU HRC PRICE ( USD/TON )\*\*

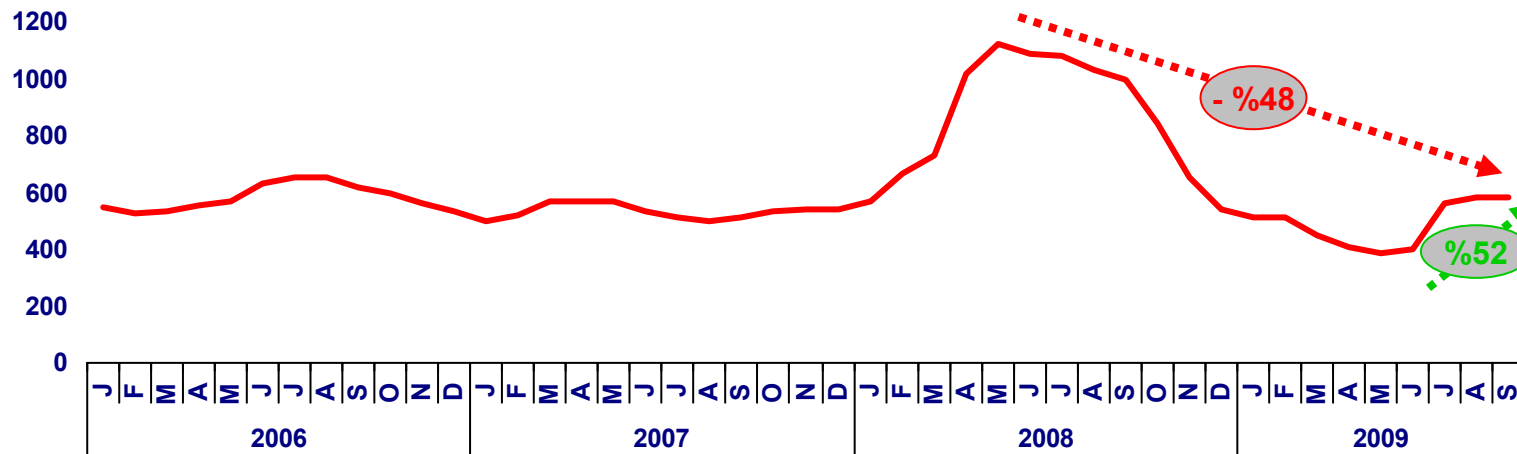


In North America production are increasing while prices are stable. Crude steel production increased by 37.3% in September 2009 compared to December 2008.

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

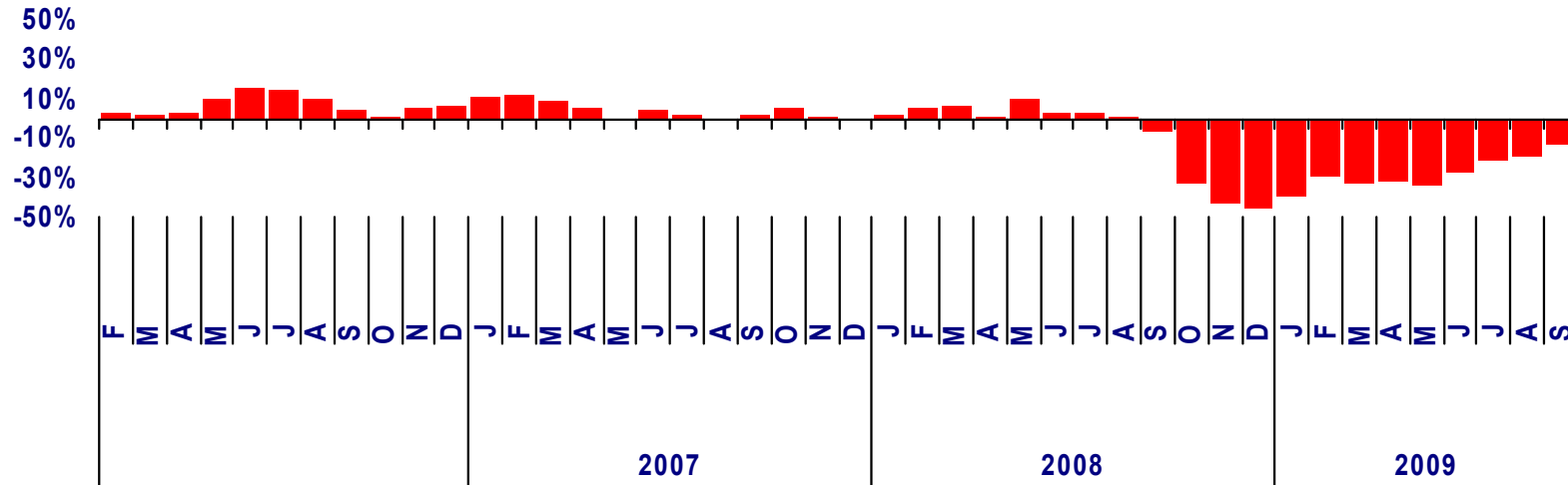


### NORTH AMERICA HRC PRICE ( FOB US MIDWEST MILL ( USD/TON ) )\*\*

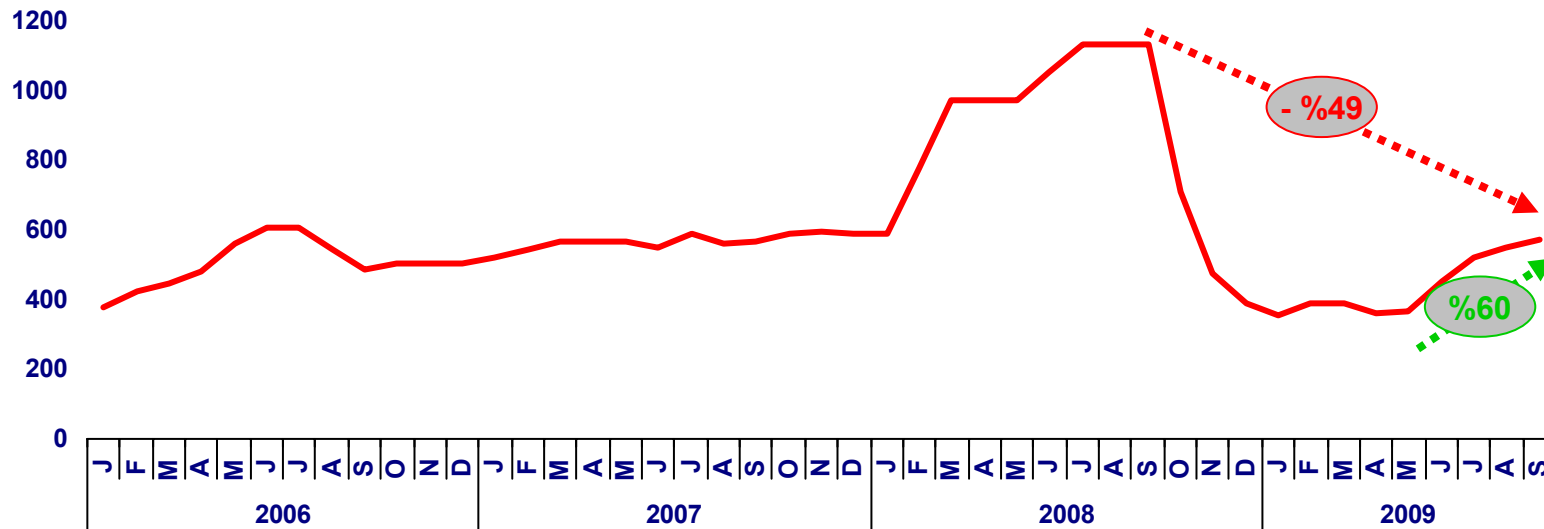


In the CIS, high prices are expected to decrease. Crude steel production increased by 39.4% in September 2009 compared to December 2008.

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

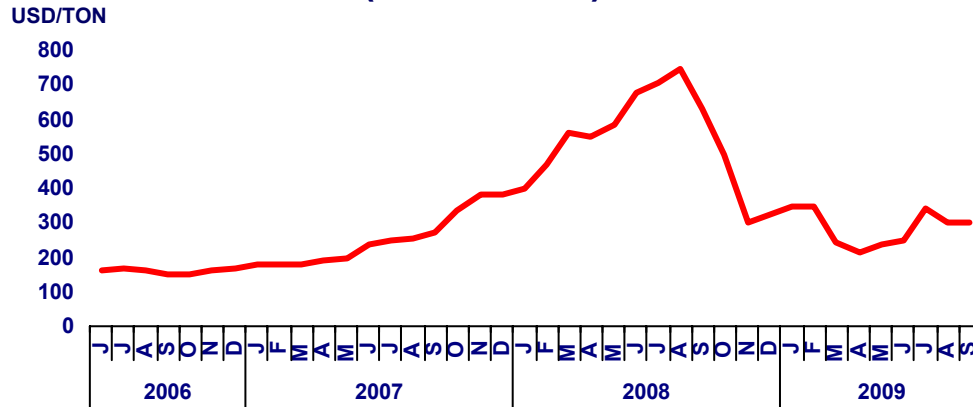


### CIS BLACK SEA/BALTIC EXPORT HRC PRICE ( FOB USD/TON )\*\*

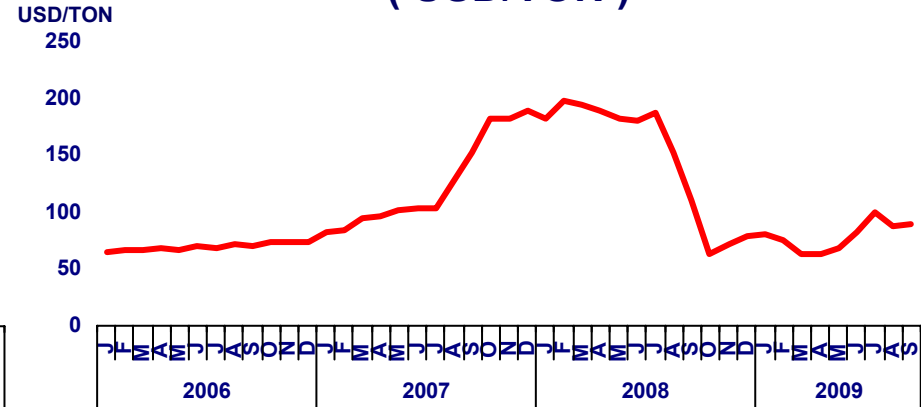


Raw material prices are fluctuating whereas high prices of finished goods are expected to decrease.

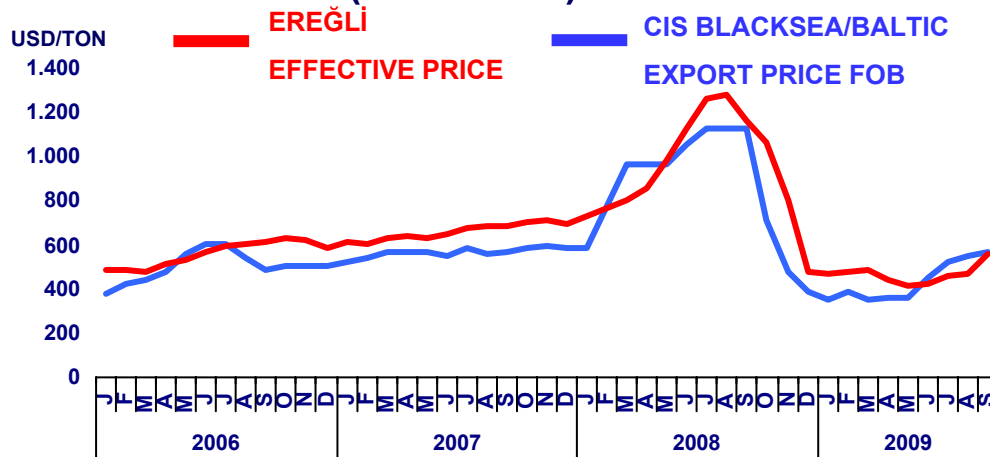
**CHINA 2ND QUALITY COKING COAL SPOT EXPORT PRICE ( USD/TON )**



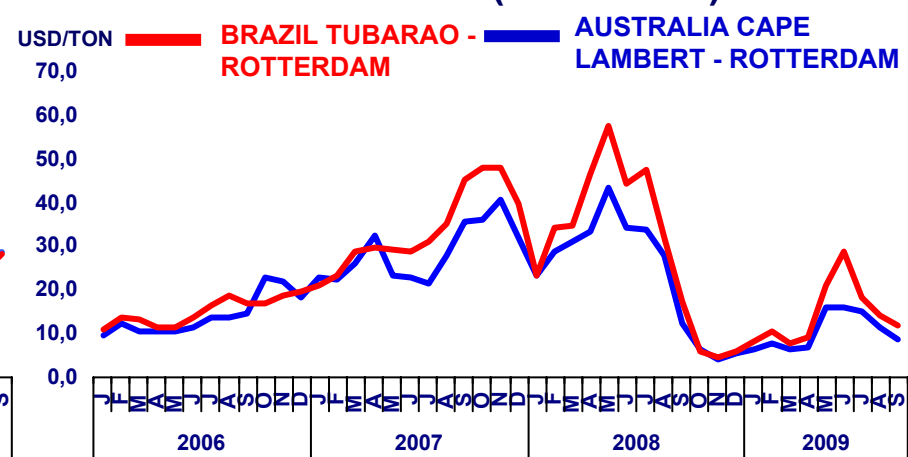
**CHINA PORT FINE ORE PRICE CFR ( USD/TON )**



**HRC PRICES ( USD/TON)**



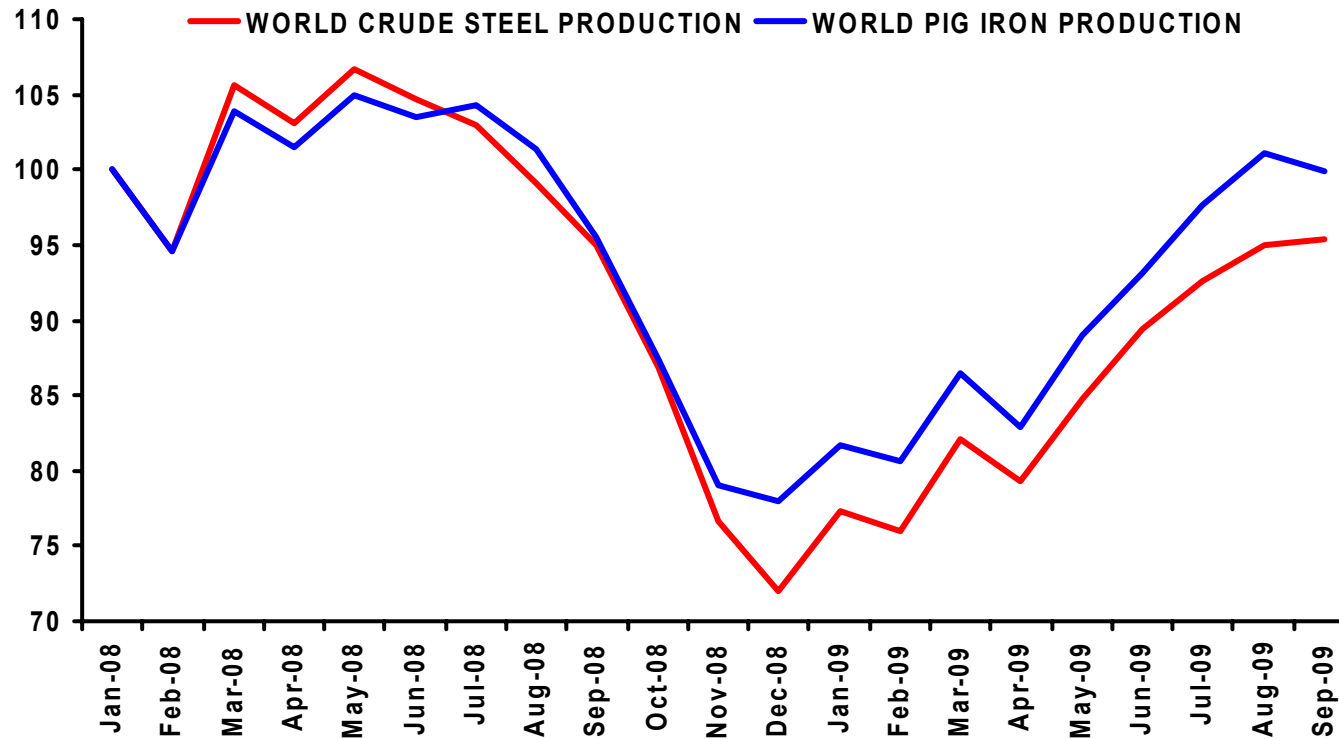
**FREIGHT ( USD/TON)**



**RAW MATERIAL PRICES ( AUGUST 2008 – SEPTEMBER 2009 )**

PELLET	↓ - 57 %	93 USD/TONS
IRON ORE	↓ - 38 %	89 USD/TONS
COKING COAL	↓ - 58 %	300 USD/TONS

## Shut down plants are restarting their production.



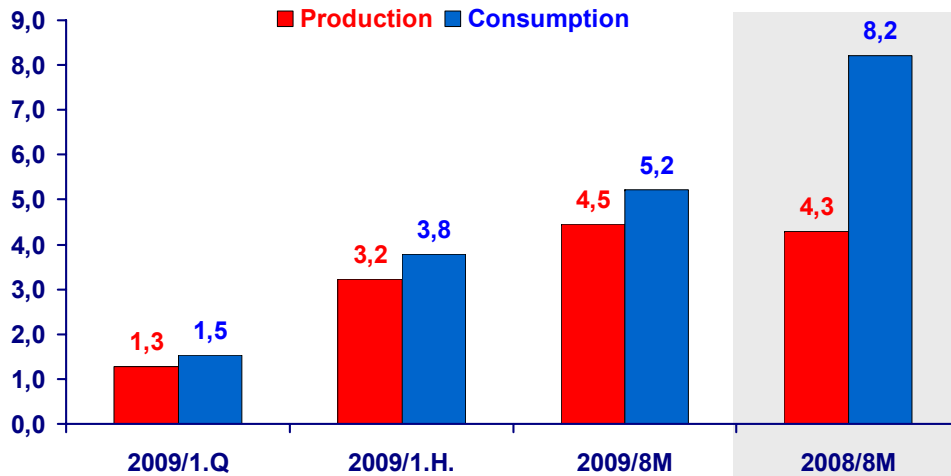
- World wide pig iron production is increasing rapidly in the last months reaching to 80 million tons in September 2009 from 62 million tons in December 2008.
- Similarly, the world wide crude steel production is up to 107 million tons in September 2009 from 82 million tons in December 2008.



During the 8 month period in 2009, production and exports have increased in the flat steel market whereas they decreased in the long steel market.

(Million Tons)

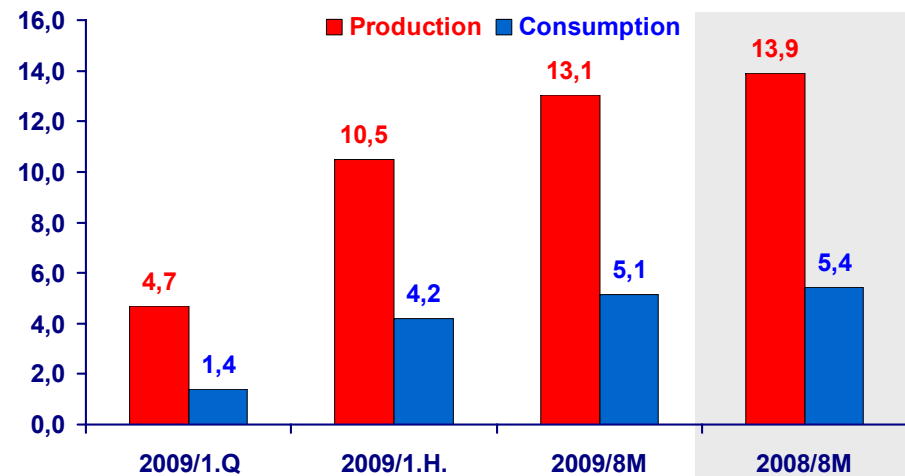
### TURKISH FLAT STEEL



( Million tons )		2009/1.Q.	2009/1.H.	2009/8M	2008/8M
( + )	Production	1,3	3,2	4,5	4,3
( + )	Import	1,0	2,3	3,2	6,3
( - )	Export	0,5	0,9	1,2	0,9
( - )	Re-Rollers	0,3	0,8	1,3	1,5
( = )	Consumption	1,5	3,8	5,2	8,2

(Million Tons)

### TURKISH LONG STEEL

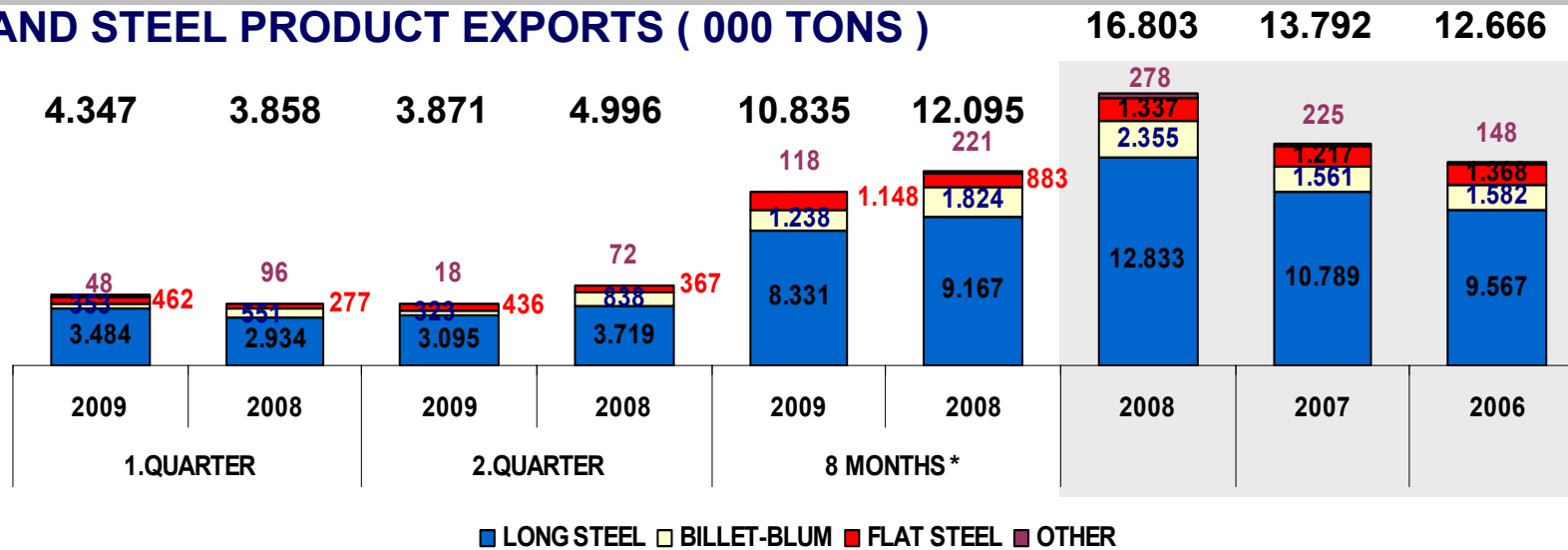


( Million tons )		2009/1.Q.	2009/1.H.	2009/8M	2008/8M
( + )	Production	4,7	10,5	13,1	13,9
( + )	Import	0,1	0,3	0,5	0,8
( - )	Export	3,5	6,6	8,4	9,2
( - )	Re-Rollers				
( = )	Consumption	1,4	4,2	5,1	5,4

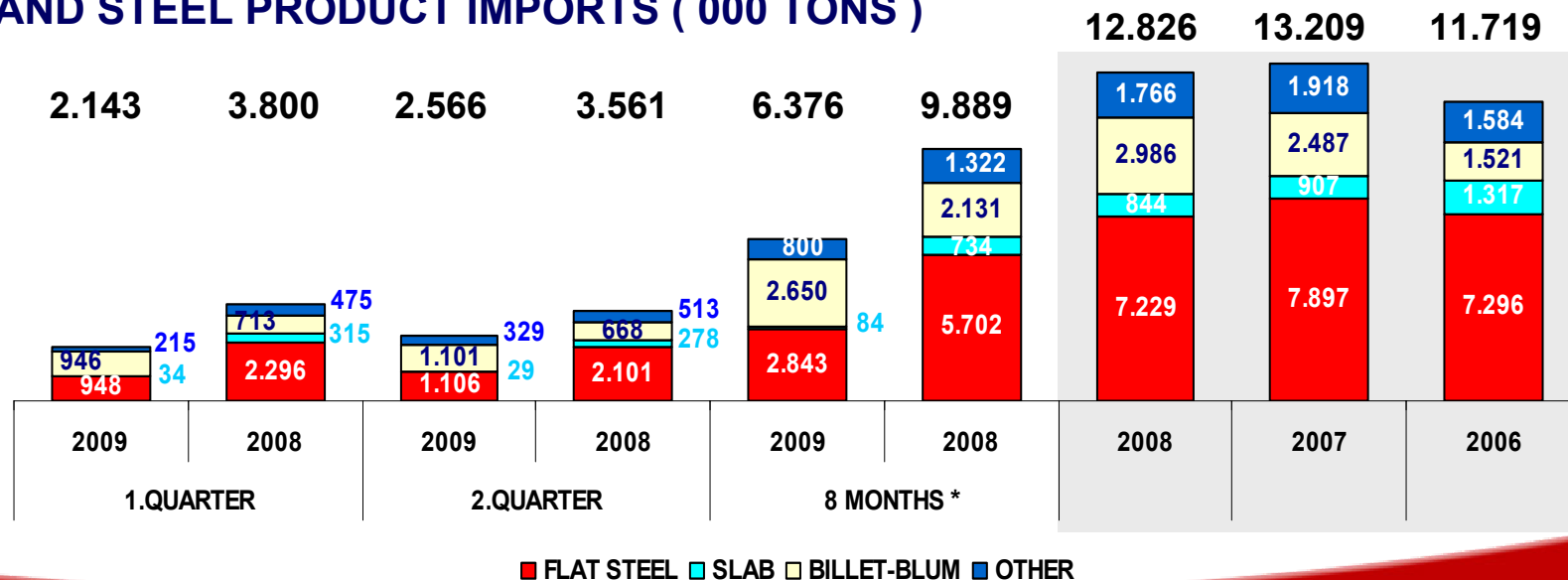
- In 2009 8M, flat steel production increased by 3,7% YoY and consumption decreased by 36,5% YoY.
- In 2009 8M, long steel production and consumption decreased by 6,2% and 5,6% YoY.

Exports and imports of steel products were down during the 8 months of 2009 YoY by 10% and 36% respectively whereas flat products exports increased by 30% YoY.

### IRON AND STEEL PRODUCT EXPORTS ( 000 TONS )



### IRON AND STEEL PRODUCT IMPORTS ( 000 TONS )



SOURCE: TSI

\* 8M 2009 FIGURES ARE ESTIMATES.



## **AGENDA:**

➤ 2009 Market Overview

➤ **2009 Financial Highlights for the First Nine Months**

## ERDEMİR GROUP KEY FIGURES

		2009/9M	2008/9M	2008	2007
<b>Liquid Steel Production</b>	<i>(000 Tons)</i>	<b>4.713</b>	4.928	6.121	5.486
<b>Slab Production <sup>(1)</sup></b>	<i>(000 Tons)</i>	<b>3.176</b>	3.234	3.994	3.680
<b>Flat Steel Production <sup>(2)</sup></b>	<i>(000 Tons)</i>	<b>3.550</b>	3.478	4.182	4.206
<b>Long Steel Production</b>	<i>(000 Tons)</i>	<b>1.434</b>	1.621	2.033	1.917
<b>Flat Steel Shipments <sup>(3)</sup></b>	<i>(000 Tons)</i>	<b>3.770</b>	3.284	3.932	4.295
<b>Long Steel Shipments</b>	<i>(000 Tons)</i>	<b>1.407</b>	1.558	2.040	1.920
<b>Net Sales Revenue <sup>(4)</sup></b>	<i>(M. USD)</i>	<b>2.299</b>	4.620	5.246	4.117
<b>EBITDA <sup>(4)</sup></b>	<i>(M. USD)</i>	<b>51</b>	1.640	602	843
<b>Net Profit/(Loss) For The Period <sup>(4)</sup></b>	<i>(M. USD)</i>	<b>(185)</b>	1.196	175	541

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.

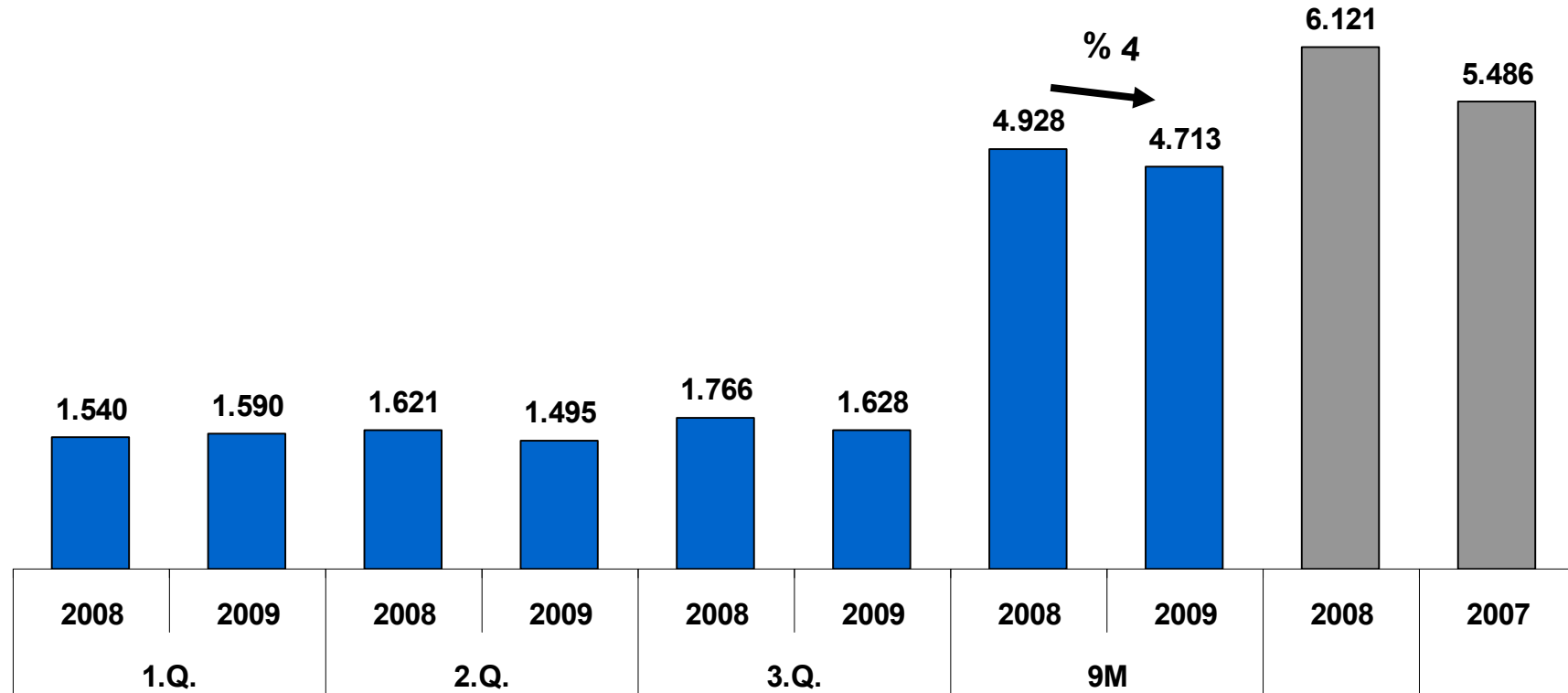
(3) Total flat steel shipments of Ereğli and İskenderun Plants.

(4) September 2009 figures are unaudited whereas those of September 2008 were limited reviewed.



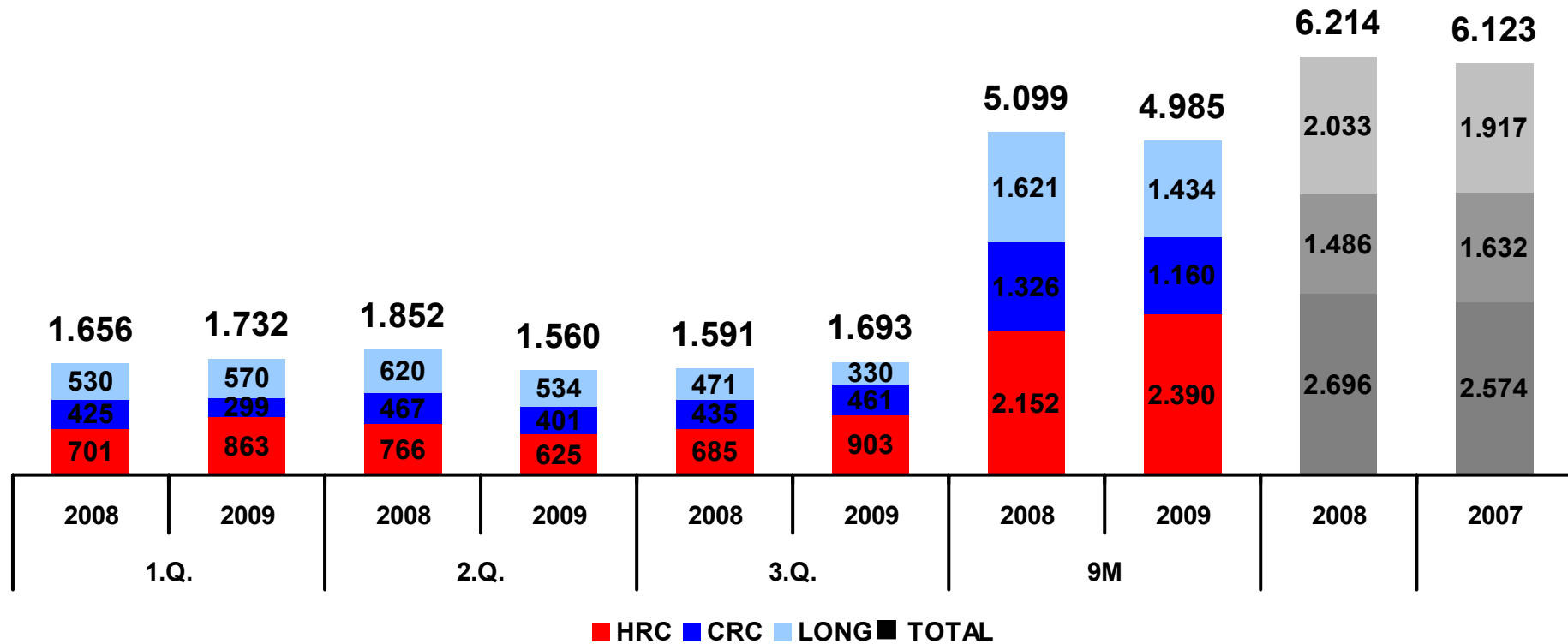
Liquid steel production in 2009 decreased by 4% compared to 2008 whereas it increased by 9% from 2Q to 3Q 2009.

## LIQUID STEEL PRODUCTION ( 000 TONS )



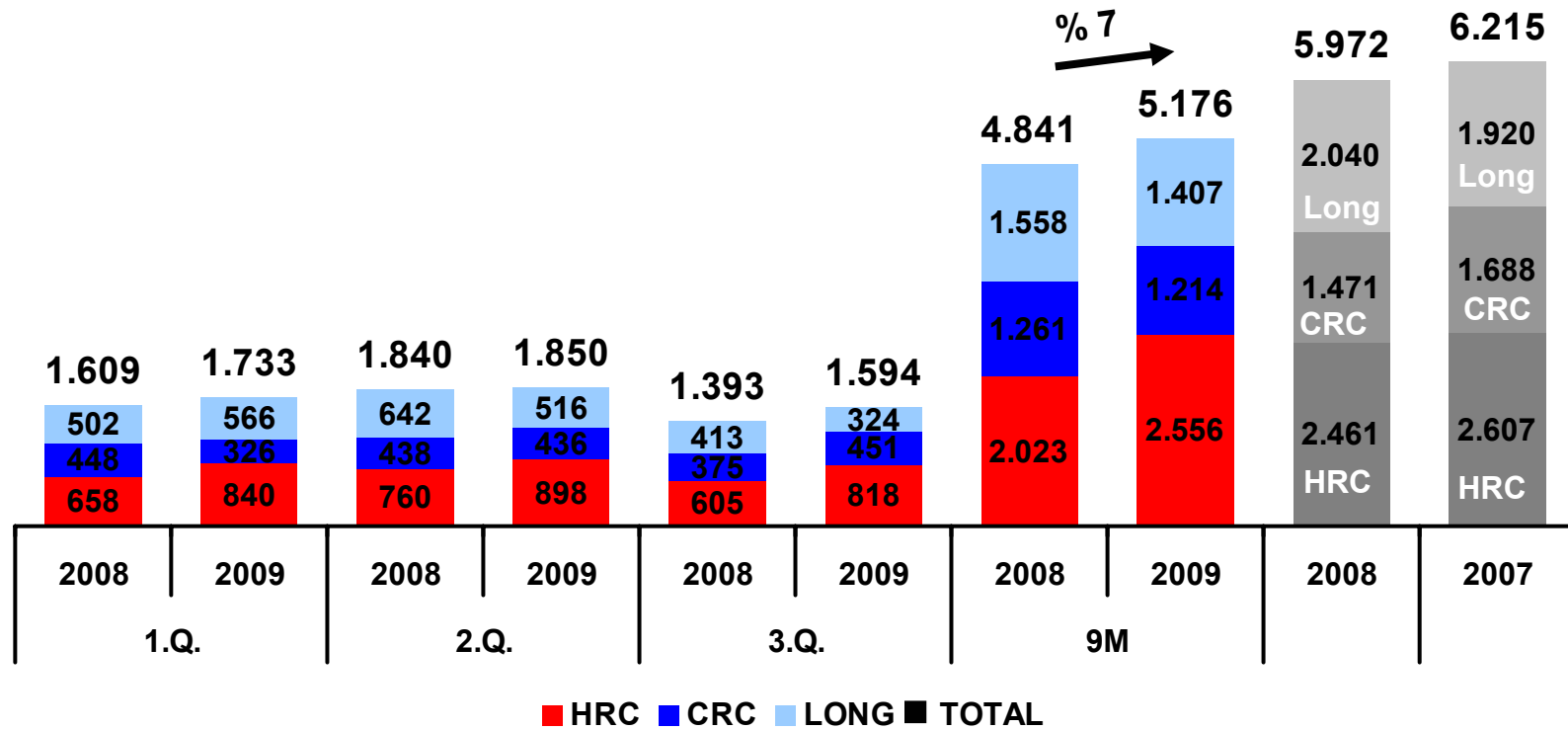
In 3Q 2009, finished goods output increased by 9% and 6% compared to 2Q 2009 and 3Q 2008 respectively.

### PRODUCTION VOLUMES ( 000 TONS )



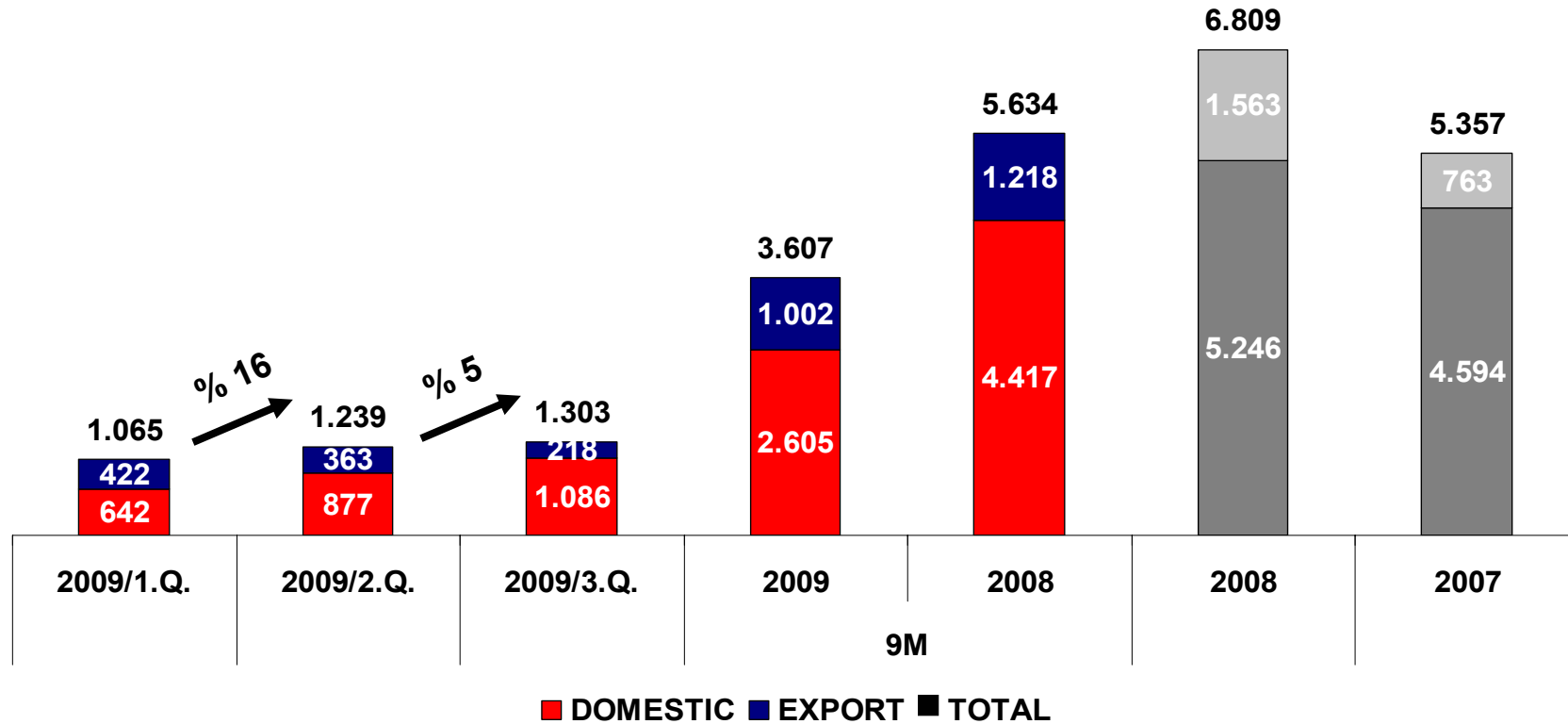
The sales volume increased by 7% in 2009 compared to 2008.

**SALES VOLUME ( 000 TONS )**



Net sales revenue in Q3 2009 increased by 5% compared to Q2 2009.

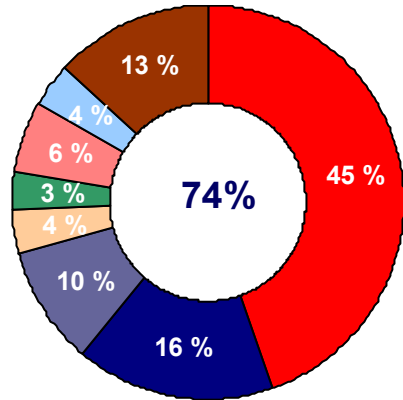
**NET SALES REVENUE ( MILLION TL )**





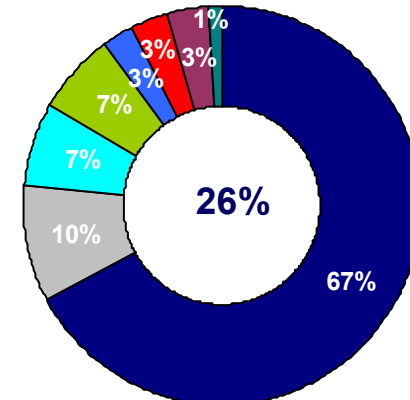
# Sales to Steel Service Centers and Household Appliances industries increased by 91% and 195% respectively in Q3 2009 compared to Q2 2009\*.

**FLAT STEEL DOMESTIC SALES BREAKDOWN ( % )**



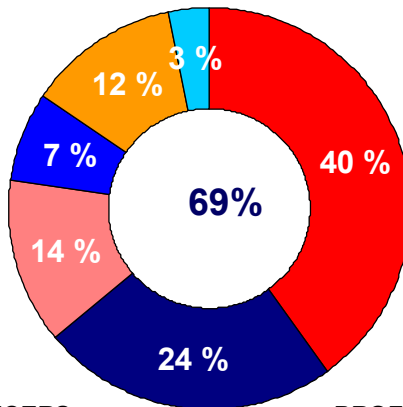
- PIPE and PROFILE INDUSTRY
- STEEL SERVICES CENTERS
- TRADERS
- AUTOMOTIVE and COMPONENTS
- PACKAGING INDUSTRY
- HEATING EQUIPMENT
- HOUSEHOLD APPLIANCES
- OTHER

**FLAT STEEL EXPORT SALES BREAKDOWN ( % )**



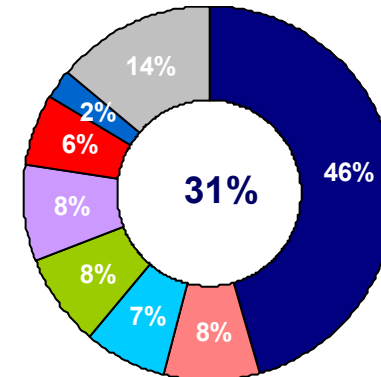
- EU
- OTHER
- EGYPT
- BRAZIL
- USA
- CHINA
- INDIA
- RUSSIA

**LONG STEEL DOMESTIC SALES BREAKDOWN ( % )**



- DEBAR PRODUCERS
- PROFILE PRODUCERS
- COMMERCIAL QUALITIES
- HIGH CARBON QUALITIES
- OTHERS
- SPECIAL THIN WIRE QUALITIES

**LONG STEEL EXPORT SALES BREAKDOWN ( % )**



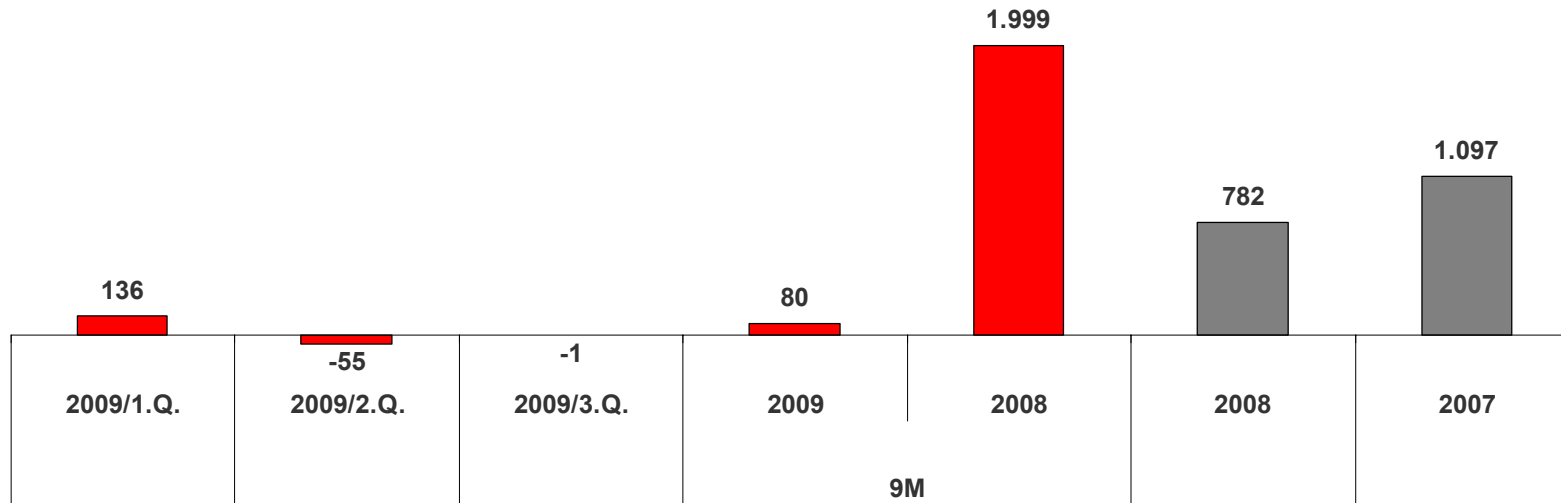
- EGYPT
- INDONESIA
- INDIA
- ISRAEL
- SAUDI ARABIA
- EU
- ETHIOPIA
- OTHER

\* TONNAGE BASED

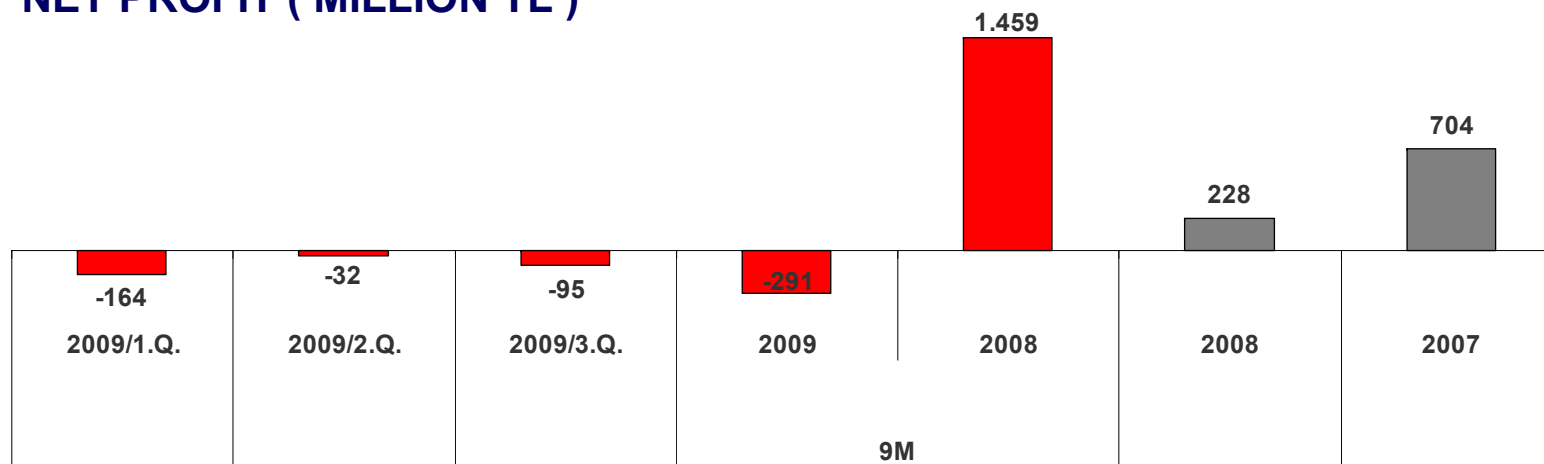


EBITDA had a recovery in the 3Q 2009 compared to 2Q 2009.

### EBITDA ( MILLION TL )

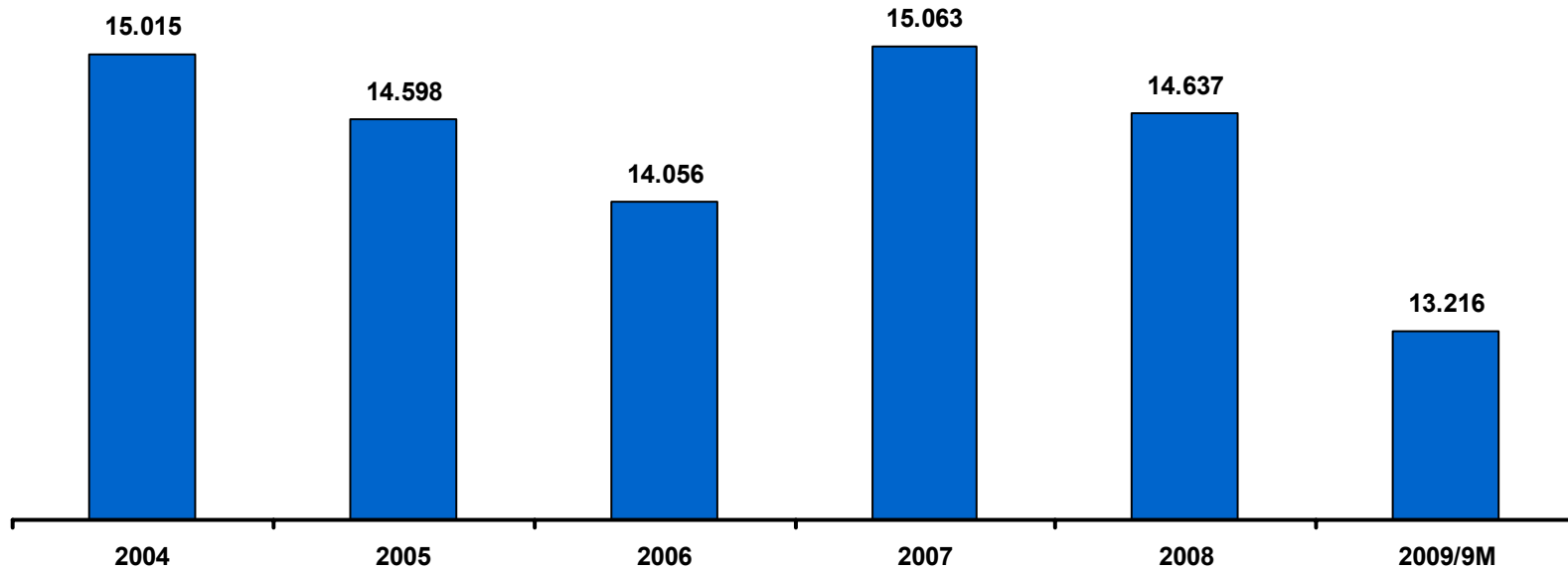


### NET PROFIT ( MILLION TL )



Number of employees decreased by about 10% since 2008, primarily through voluntary redundancies and retirements.

### NUMBER OF EMPLOYEES



- In March 2009, about 800 employees have left the Group through the voluntary redundancy program.
- The labor unions and the Group agreed to cut all wages and salaries in several group companies by 35% for a period of 16 months. A total savings of around 350 million TL is expected.
- Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (Erdemir) has made a TL 1.000 (net) support payment per employee on 14th of September 2009. Erdemir Group's total support payment accounts for TL 20 million including taxes.