



**Erdemir Group
2010 6 Months
Consolidated Financial Results**

03 August 2010



DISCLAIMER

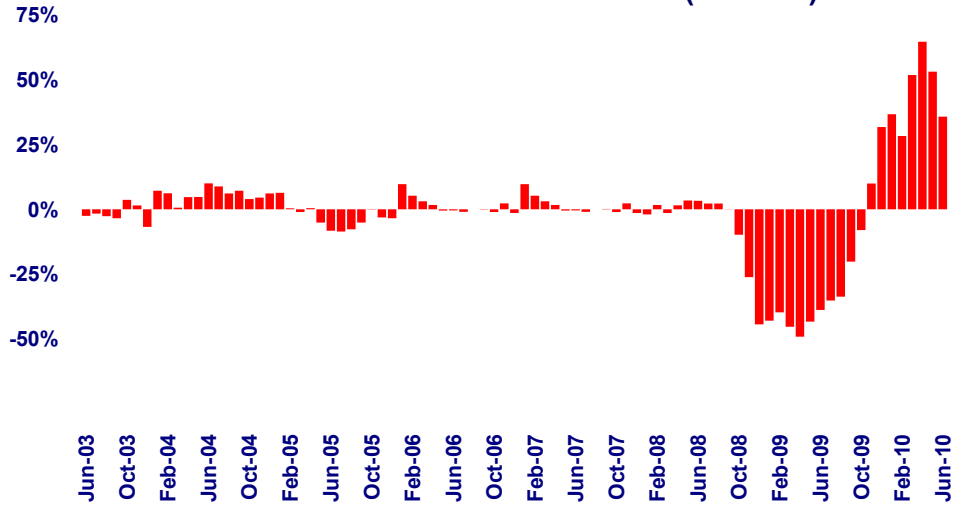
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Agenda

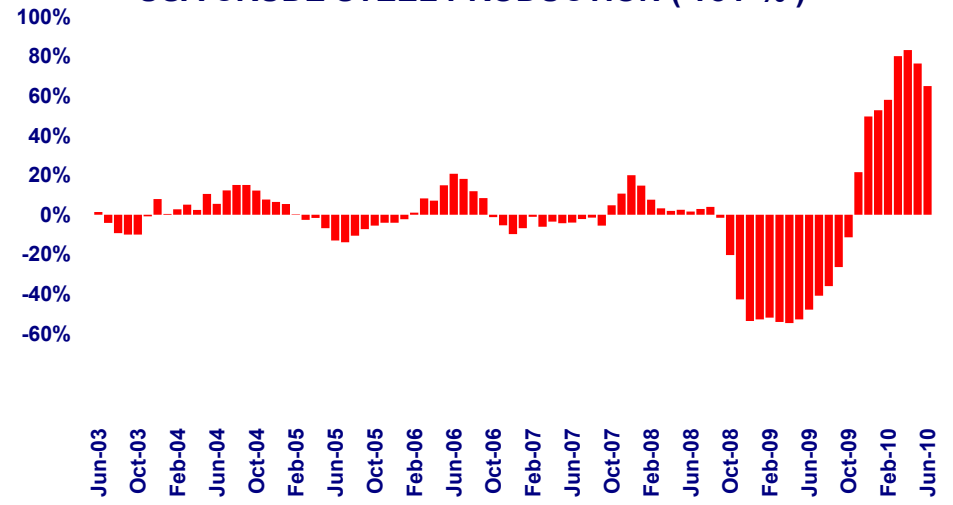
-  **2010 Market Overview**
-  1H 2010 Results

In EU27 countries, crude steel production increased by 36% in June 2010 YoY

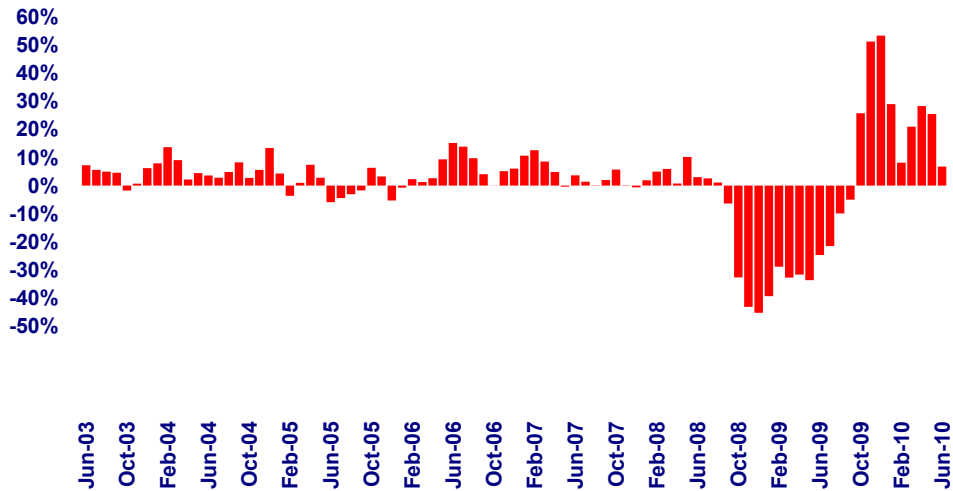
EU27 CRUDE STEEL PRODUCTION (YoY %)*



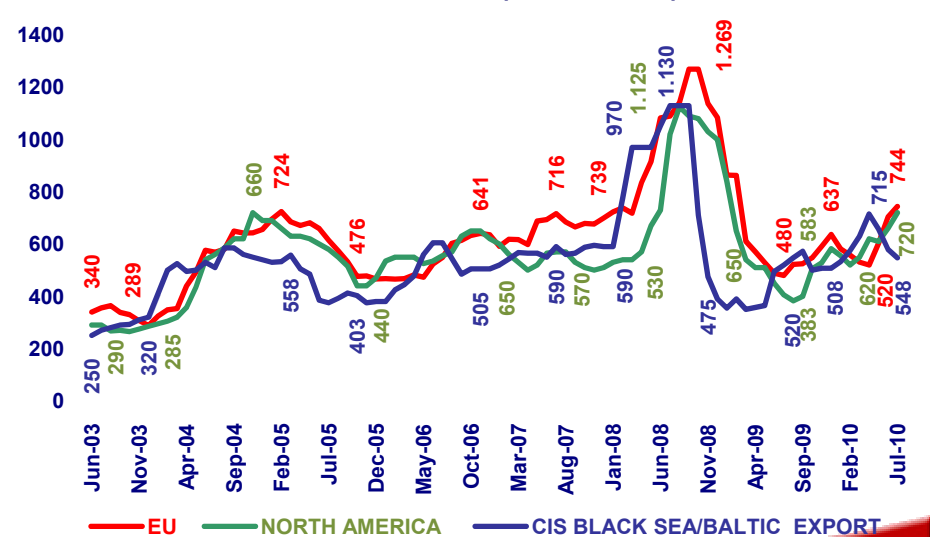
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *



HRC PRICES (USD/TON)**



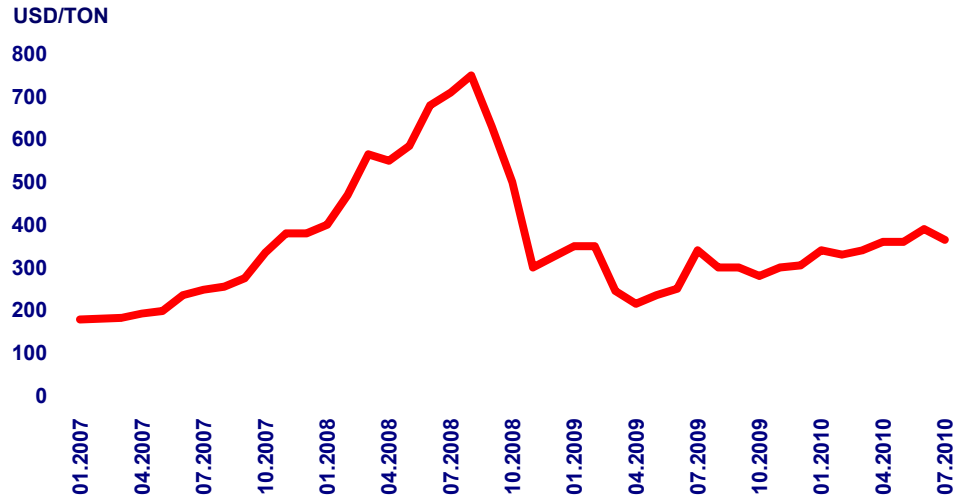
SOURCE: * WSA

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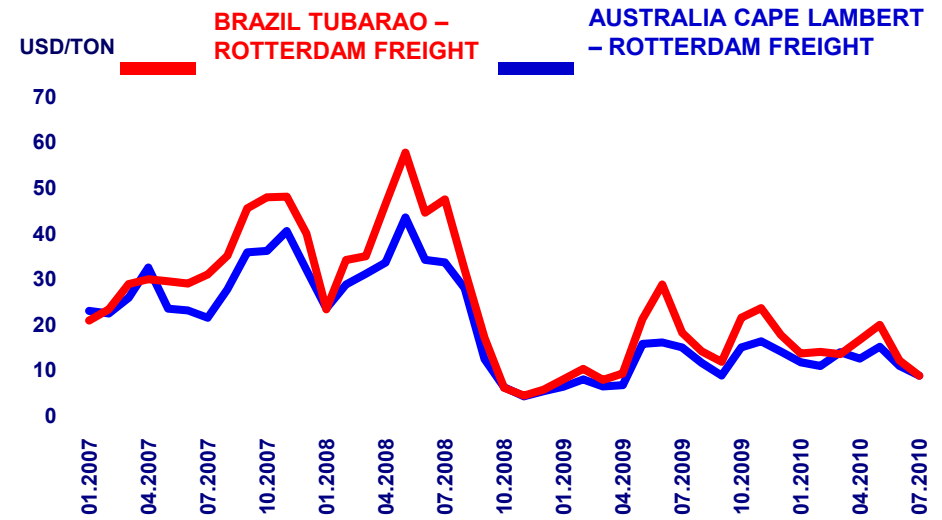
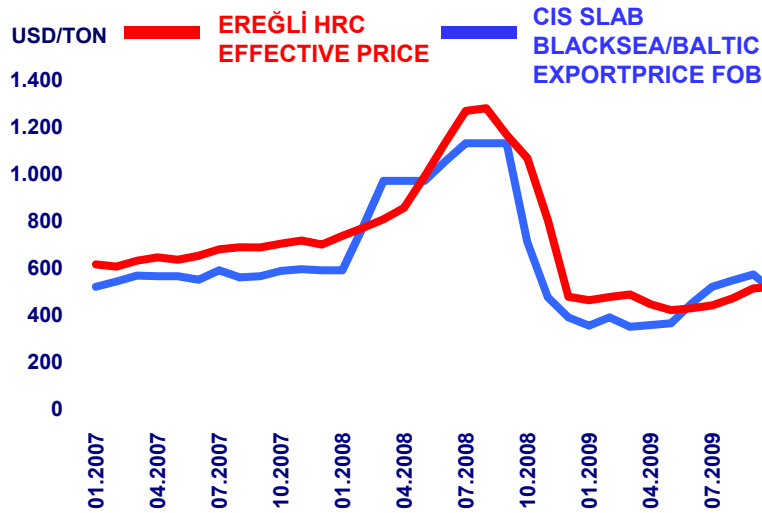
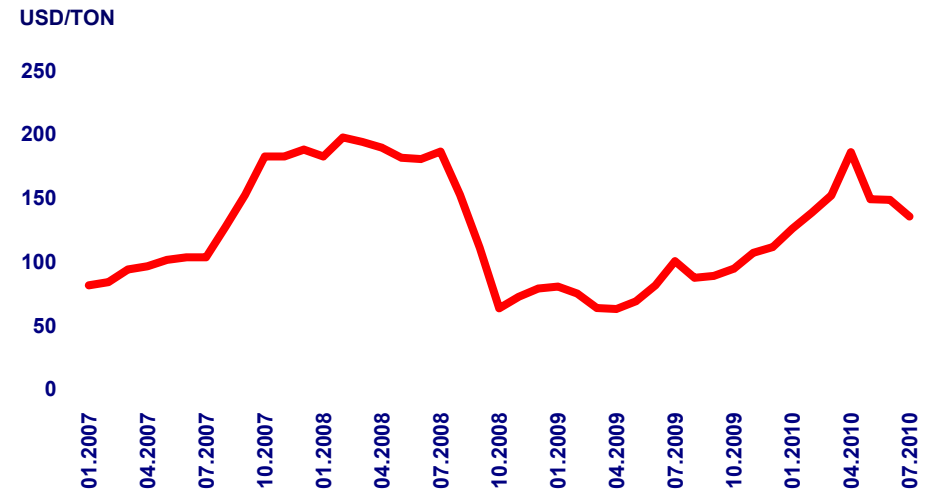


Raw material prices are stabilizing

CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

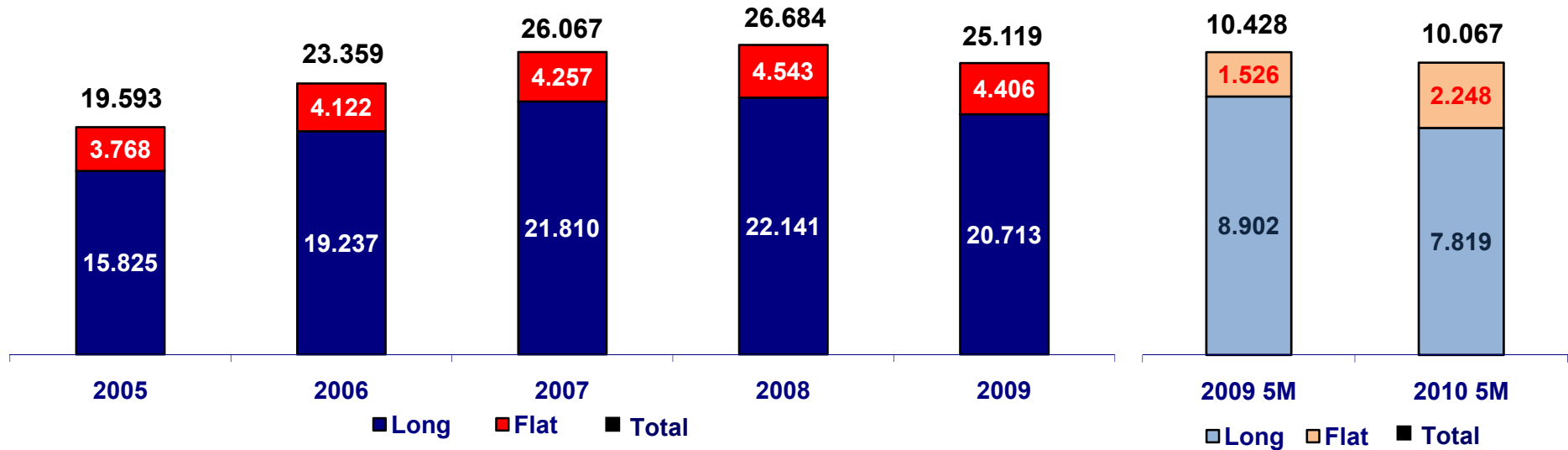


CHINA PORT FINE ORE PRICE CFR

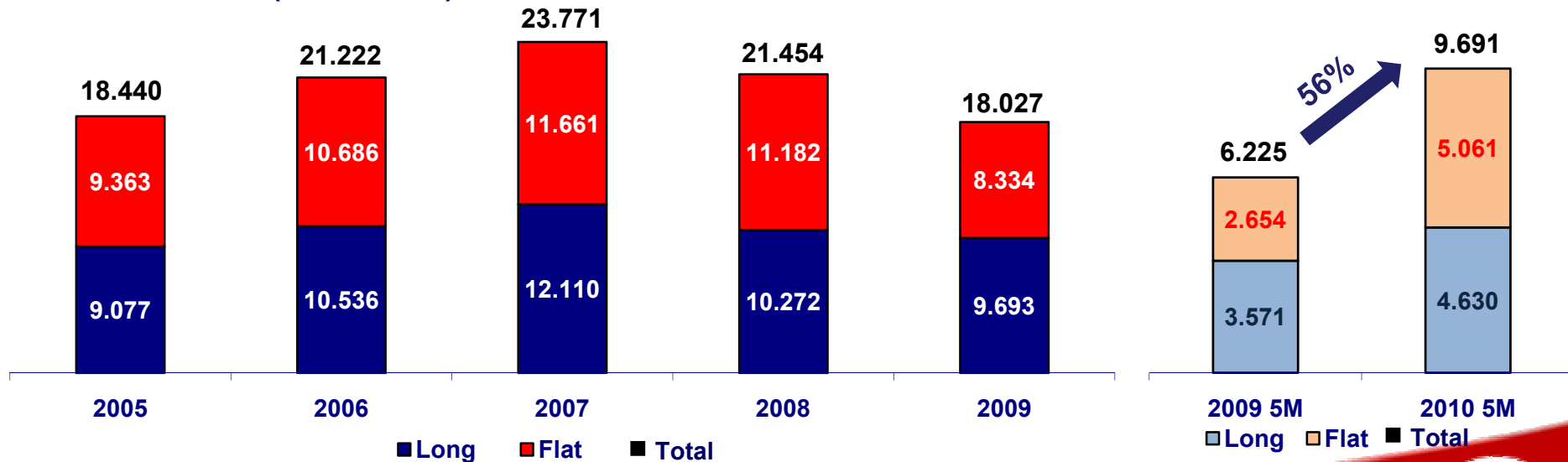


Turkish steel consumption increased by 56% in 5M 2010

PRODUCTION (000 TONS)

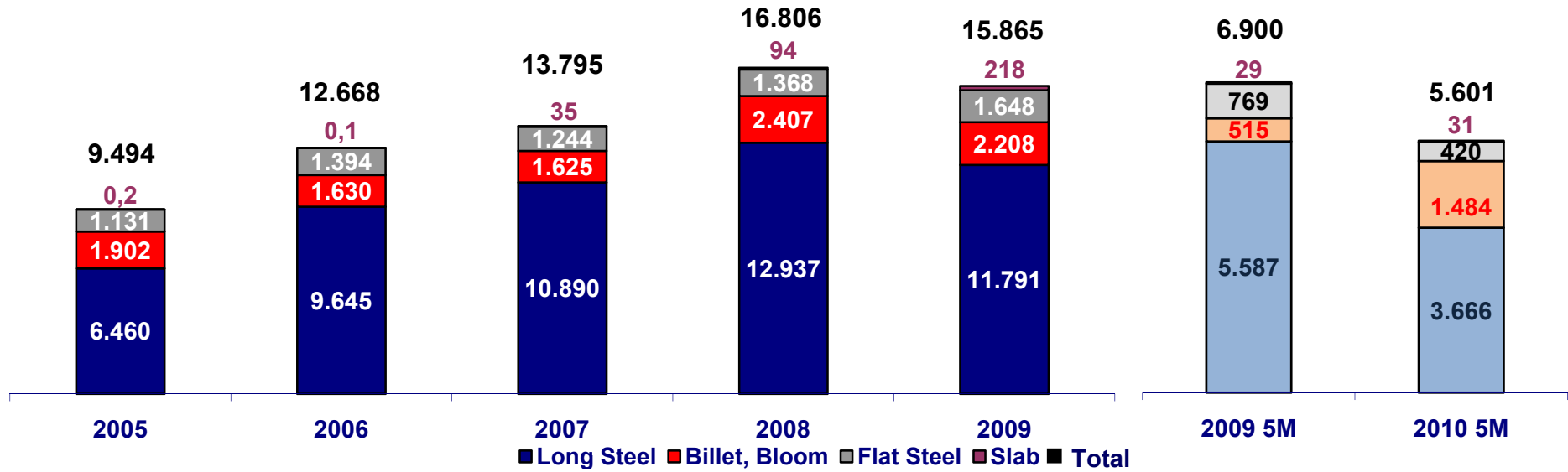


CONSUMPTION (000 TONS)

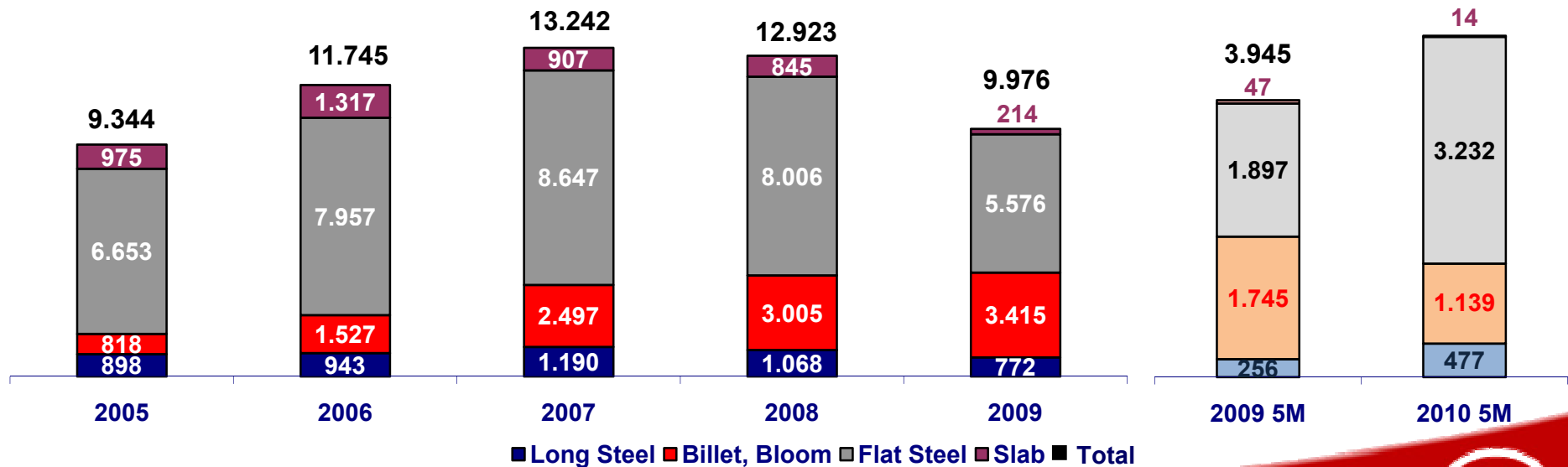


Turkish Steel Market (cont'd)

IRON AND STEEL PRODUCT EXPORTS (000 TONS)

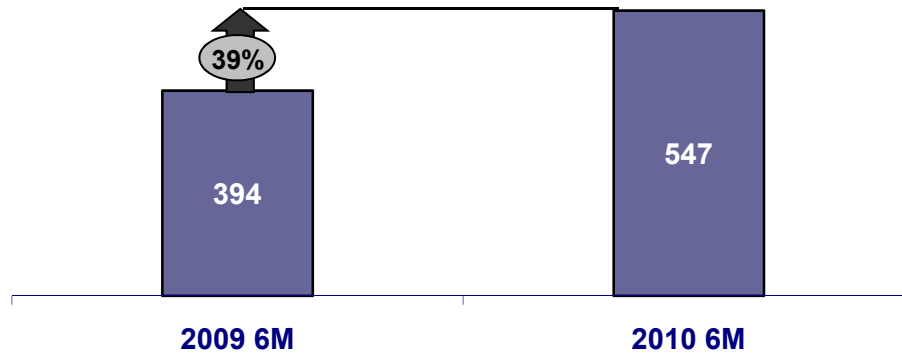


IRON AND STEEL PRODUCT IMPORTS (000 TONS)

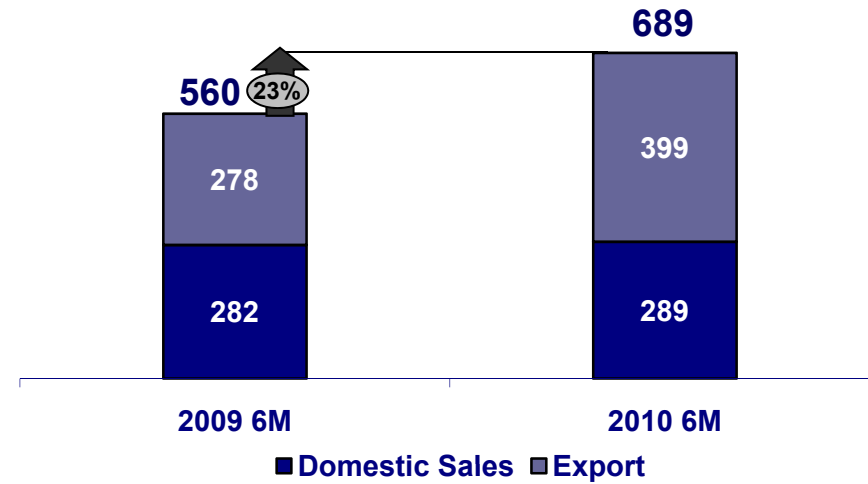


Automotive production and sales increased by 39% and 23% respectively in 1H 2010 YoY

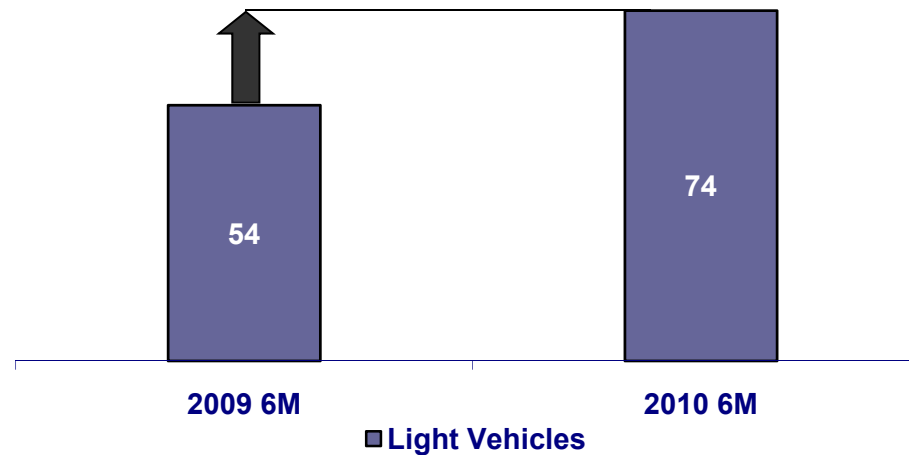
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

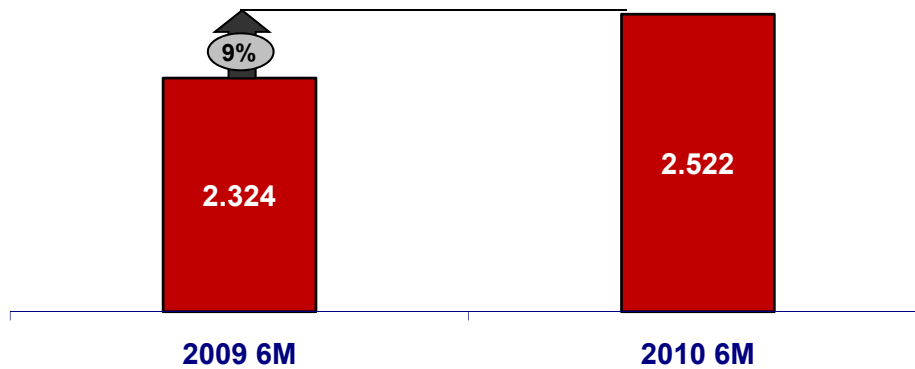


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

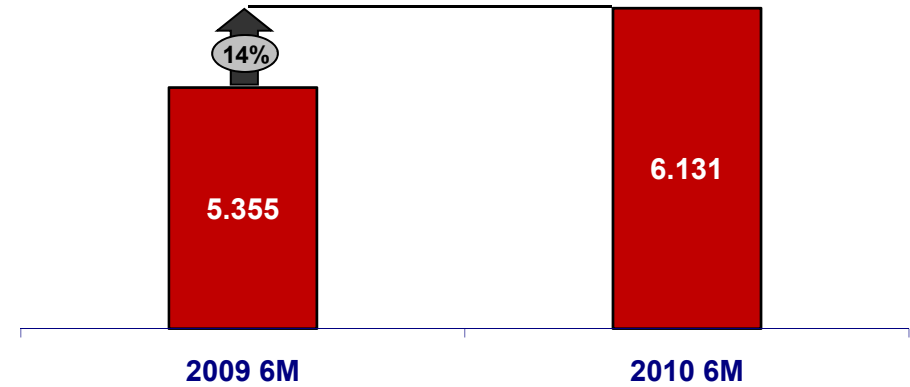


White goods production and export increased by 18% and 14% respectively in 1H 2010 YoY

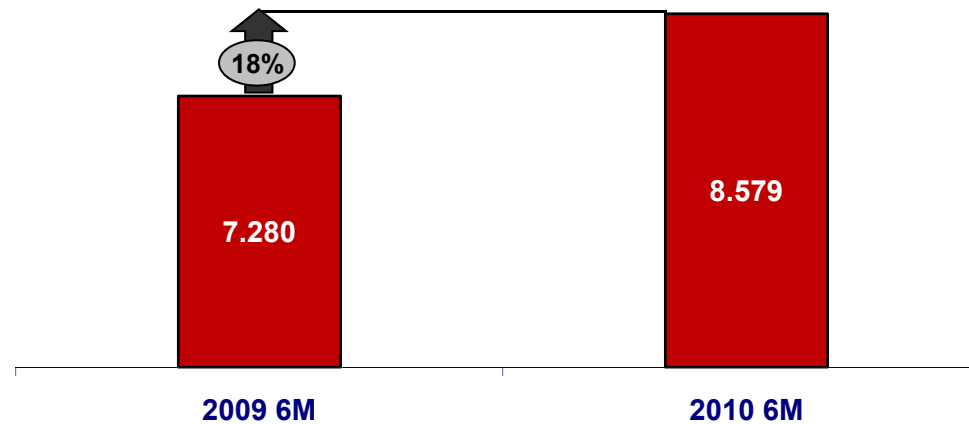
WHITE GOODS DOMESTIC SALES (000 UNITS)



WHITE GOODS EXPORTS (000 UNITS)

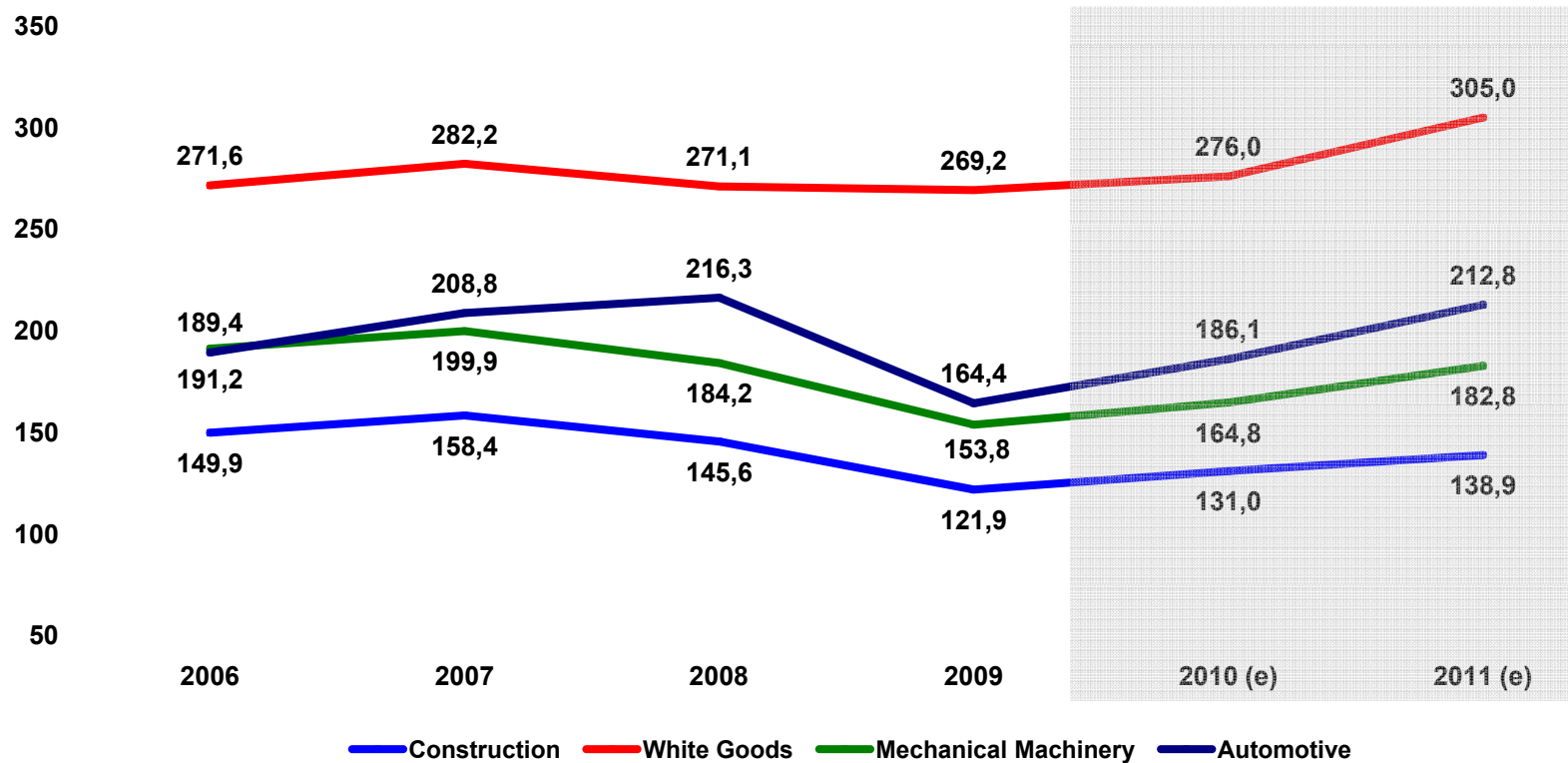


WHITE GOODS PRODUCTION (000 UNITS)



After the contraction in 2009, growth is expected in all markets in 2010

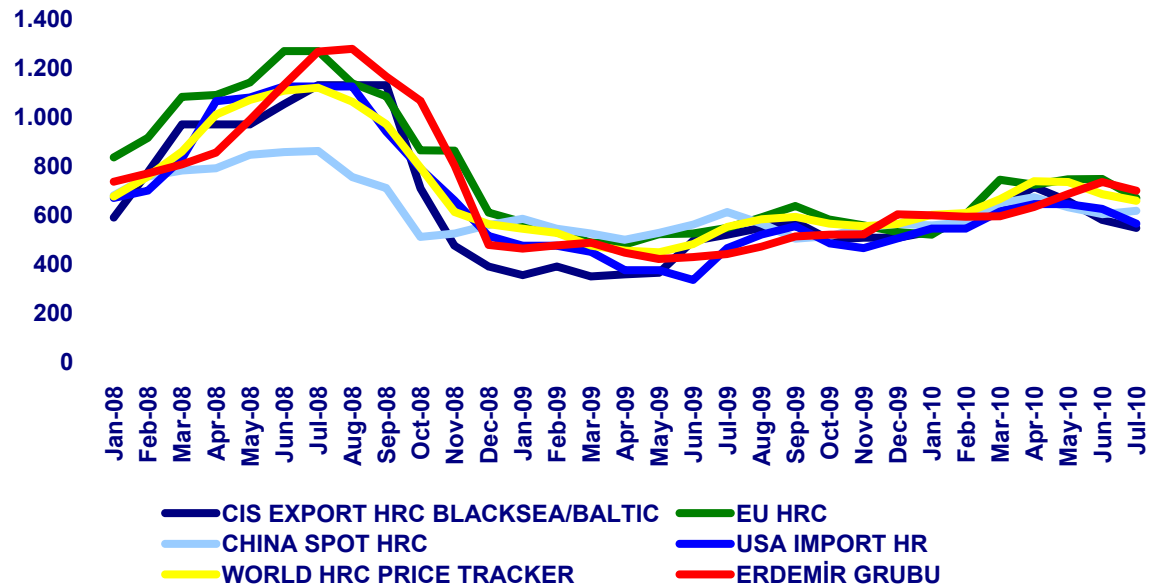
SECTOR DEVELOPMENT INDEX (2000:100)



- ◆ In 2009; all sectors have contracted as compared to 2008.
- ◆ In 2010 and 2011, all industries are expected to recover by 5-15%.

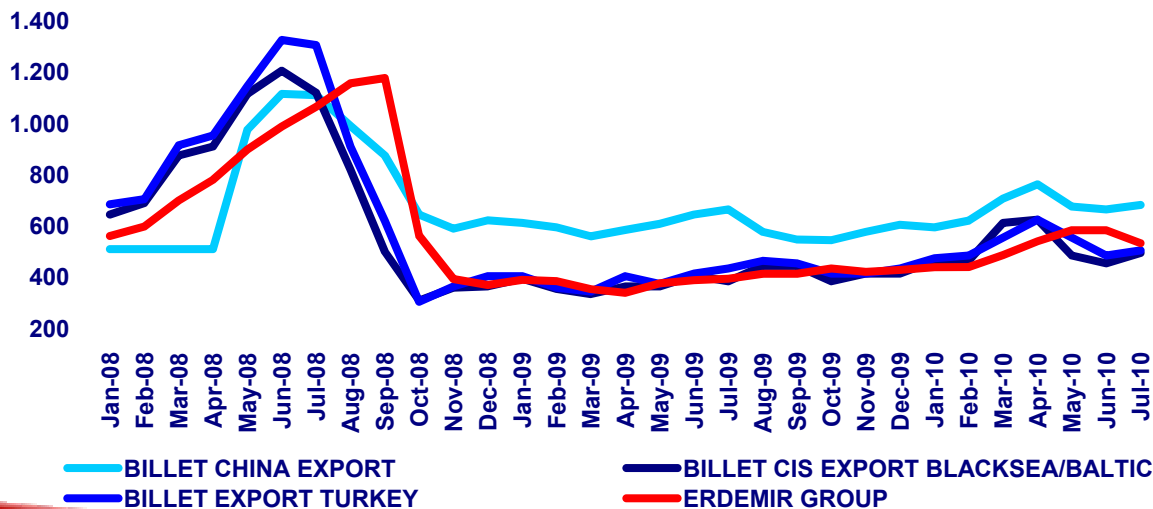
Sales prices are going up in 2010 YoY

HRC PRICES (USD/Ton)



As of July 2010, CIS HRC export price is 548 USD, China HRC spot price is 618 USD, US export HRC price is 565 USD. The prices were 508 USD, 564 USD, 505 USD respectively by the end of 2009 .

BILLET PRICES (USD/Ton)



As of July 2010, CIS export price is 495 USD while it was 415 USD in December 2009.

Agenda

 2010 Market Overview

 **1H 2010 Results**

ERDEMİR GROUP KEY FIGURES

		2010 1H	2009 1H	2009	2008
Liquid Steel Production	<i>(000 Tons)</i>	↑ 3.726	3.085	6.619	6.122
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↑ 2.786	1.919	4.569	3.995
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↑ 2.606	2.225	4.812	4.182
Long Steel Production	<i>(000 Tons)</i>	↓ 827	1.092	1.869	1.950
Flat Steel Shipments	<i>(000 Tons)</i>	↓ 2.461	2.500	5.128	3.932
Long Steel Shipments	<i>(000 Tons)</i>	↓ 727	1.067	1.858	1.963
Net Sales Revenue	<i>(M. USD)</i>	↑ 2.114	1.434	3.385	5.240
EBITDA	<i>(M. USD)</i>	↑ 496	54	247	597
Net Profit For the Year	<i>(M. USD)</i>	↑ 276	-122	-109	175

All figures are on IFRS consolidated basis unless stated otherwise.

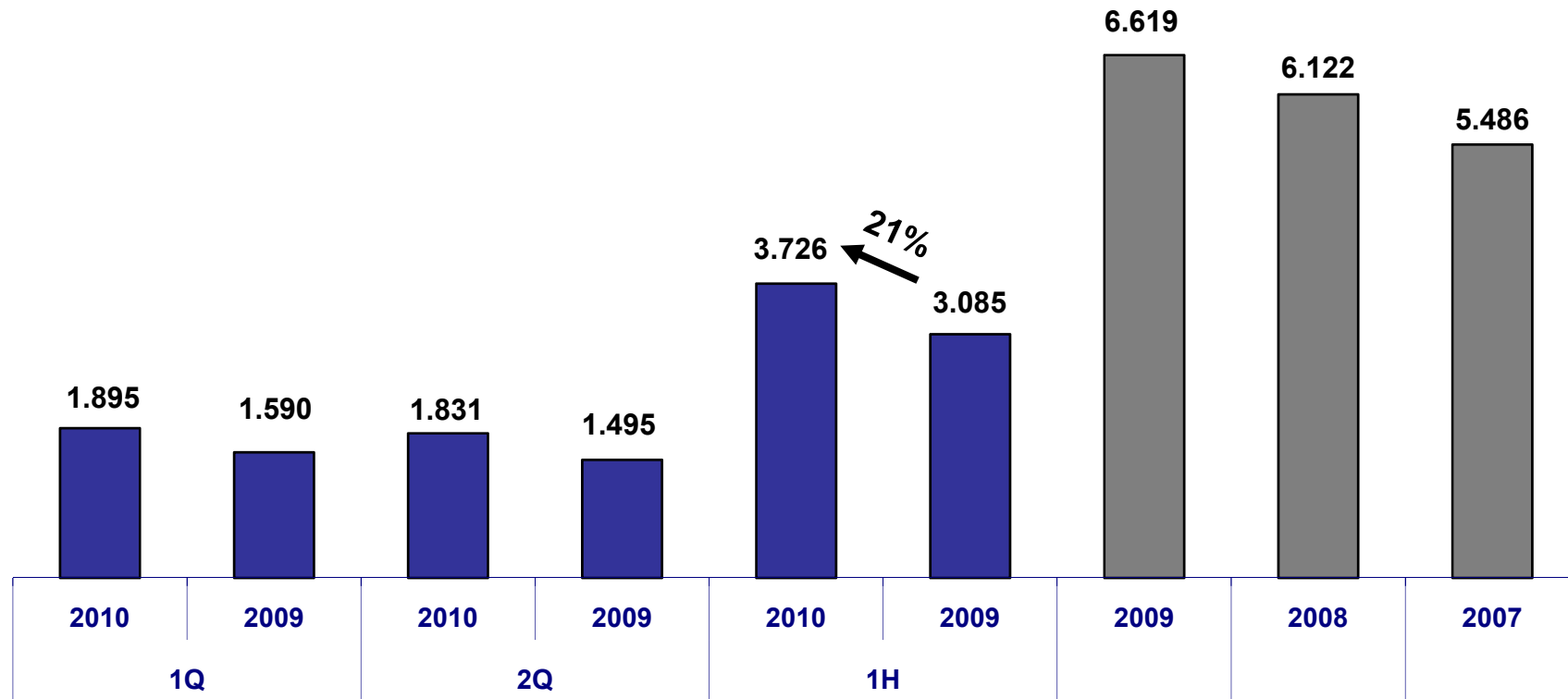
(1) Total slab production of Ereğli and İskenderun Plants.

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



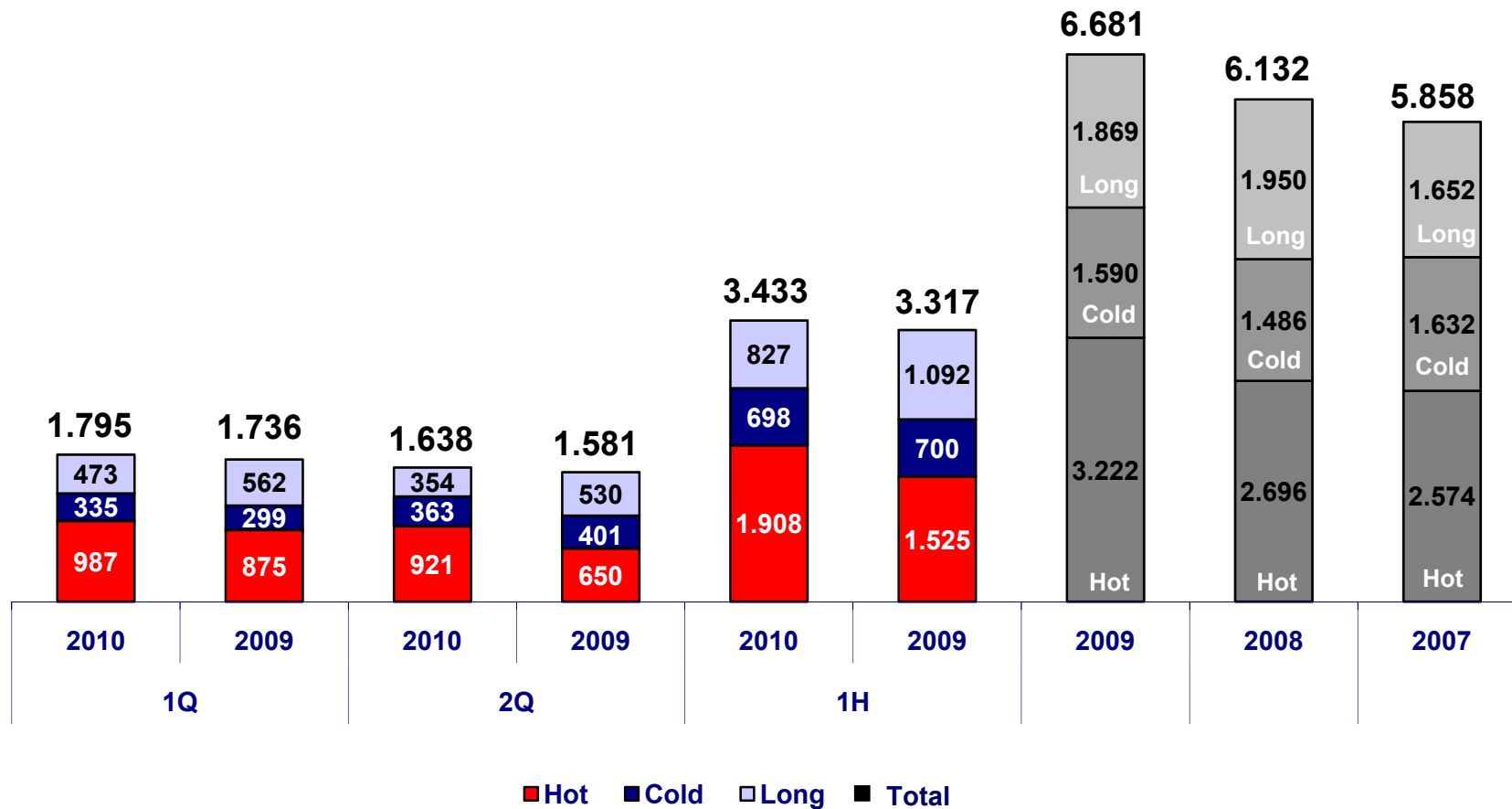
Liquid steel production increased by 21% in 1H 2010 YoY

LIQUID STEEL PRODUCTION (000 TONS)



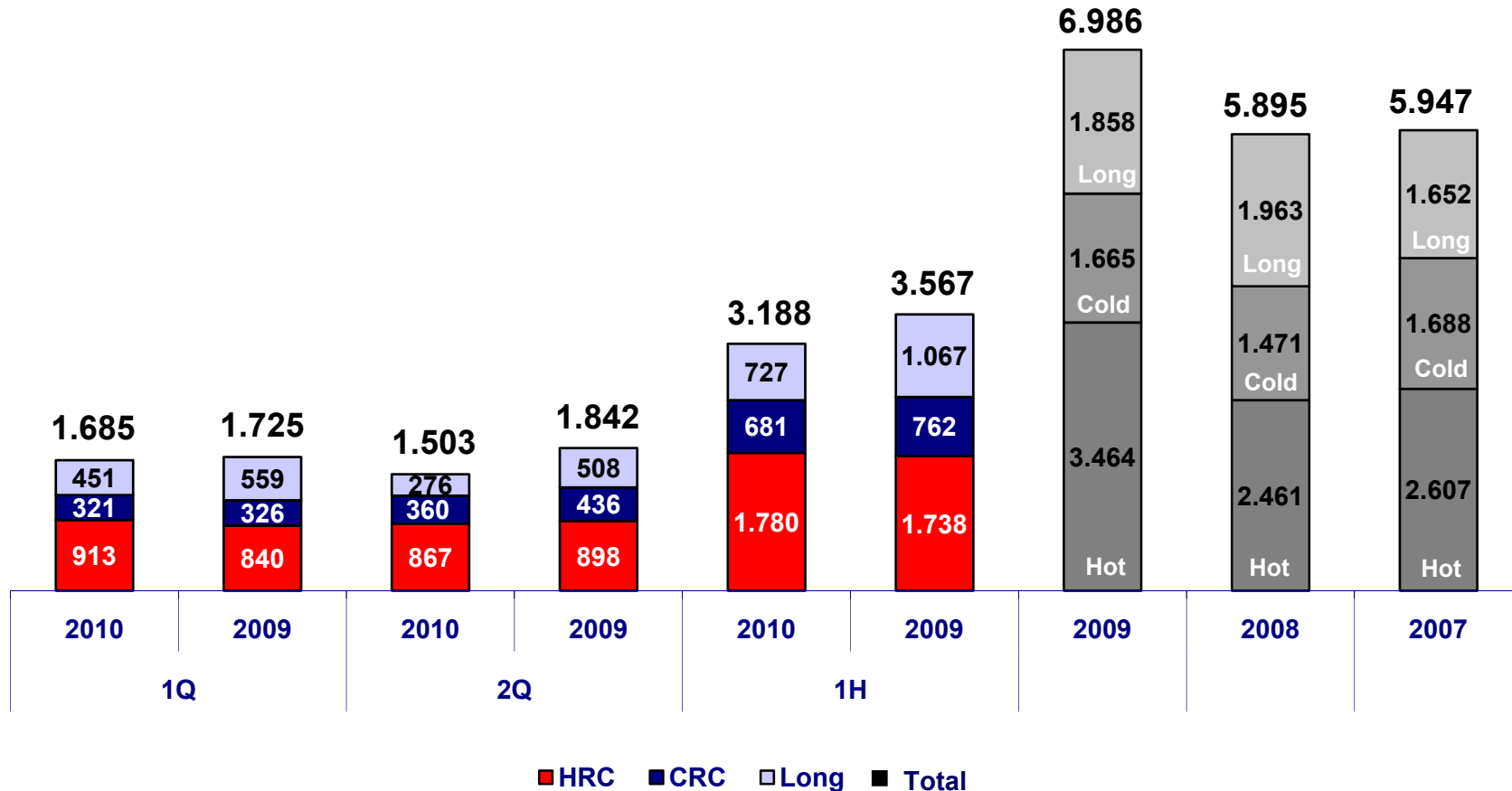
Production in 1H 2010 was 3,4 million tons

PRODUCTION VOLUMES (000 TONS)



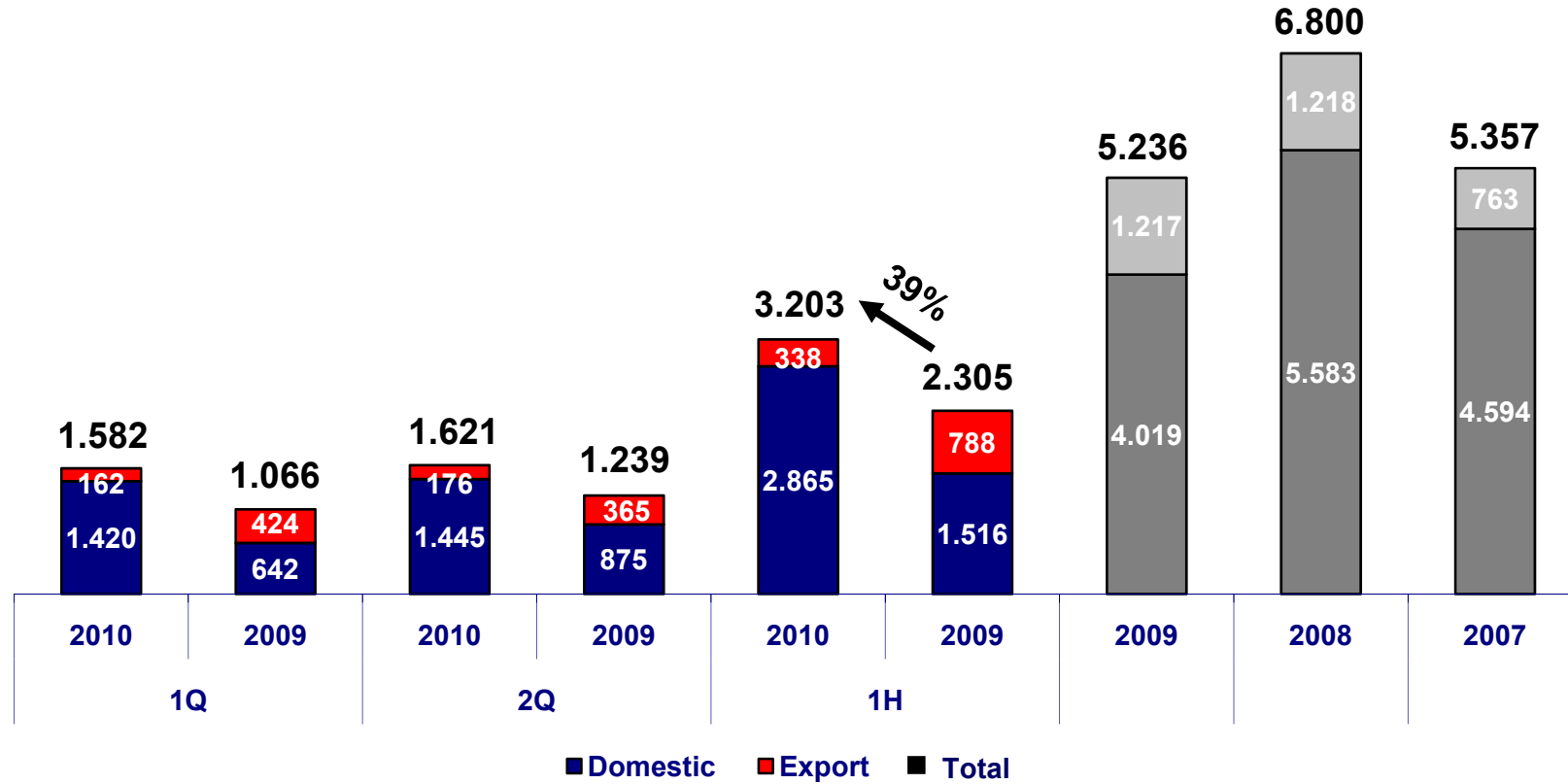
HRC sales volume increased in 1H 2010 YoY

SALES VOLUME (000 TONS)



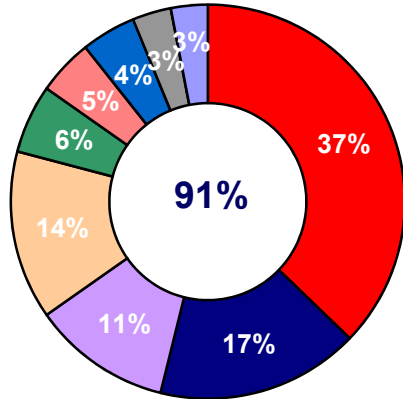
Domestic sales revenue increased by 89% in 1H 2010 YoY

NET SALES REVENUE (MILLION TL)



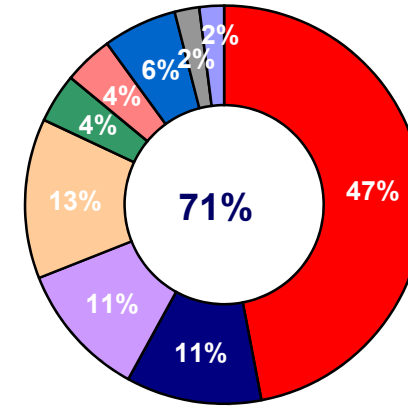
Domestic sales increased in 1H 2010

1H 2010 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



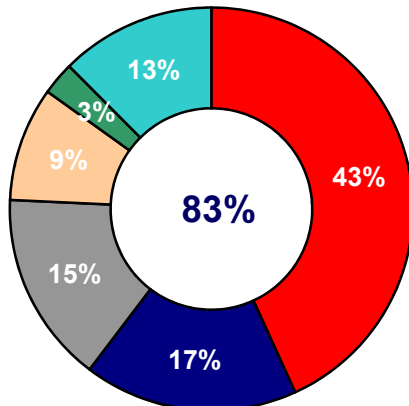
- Pipe and Profile Industry
- Secondary Production
- Steel Services Centers
- Traders
- Automotive and Components
- Packaging Industry
- Heating Equipment
- Household Appliances
- Other

1H 2009 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



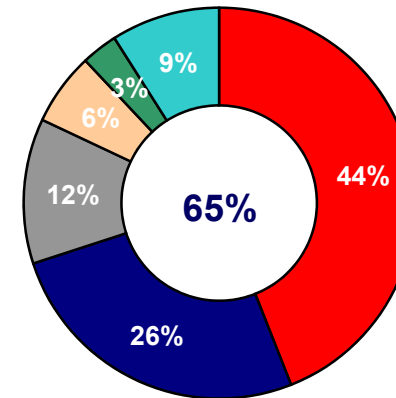
- Pipe and Profile Industry
- Secondary Production
- Steel Services Centers
- Traders
- Automotive and Components
- Packaging Industry
- Heating Equipment
- Household Appliances
- Other

1H 2010 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

1H 2009 LONG STEEL DOMESTIC SALES BREAKDOWN (%)

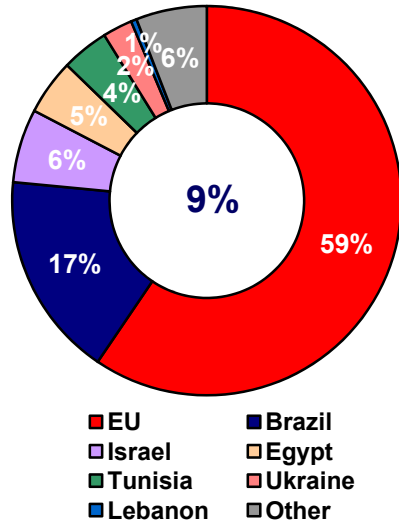


- Debar Producers
- Profile Producers
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

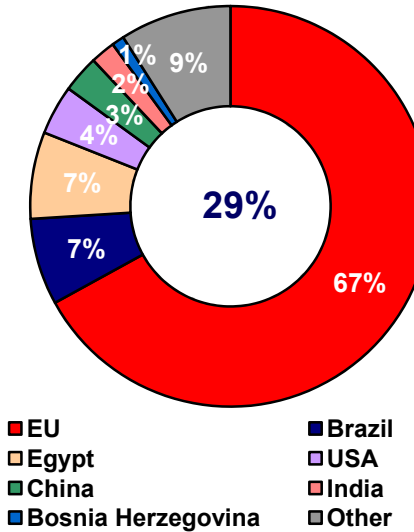


Sales to Brazil increased in 1H 2010

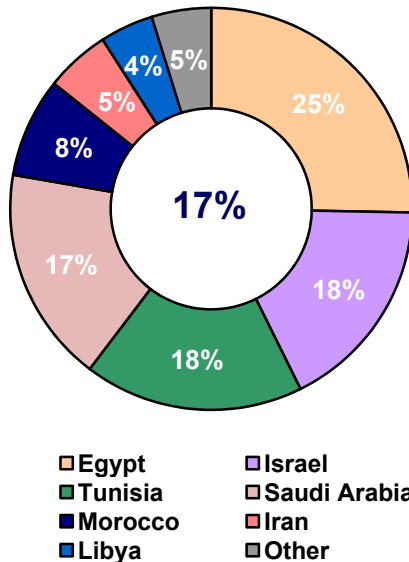
1H 2010 FLAT STEEL EXPORTS BREAKDOWN (%)



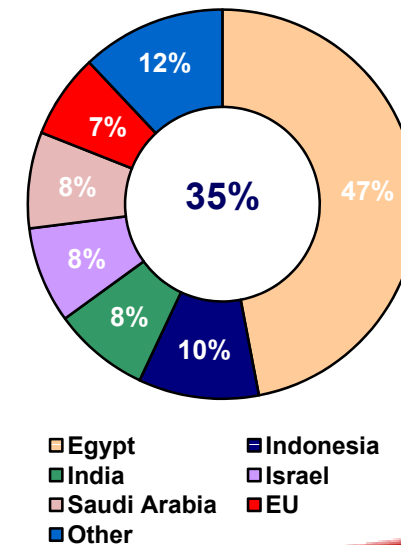
1H 2009 FLAT STEEL EXPORTS BREAKDOWN (%)



1H 2010 LONG STEEL EXPORTS BREAKDOWN (%)

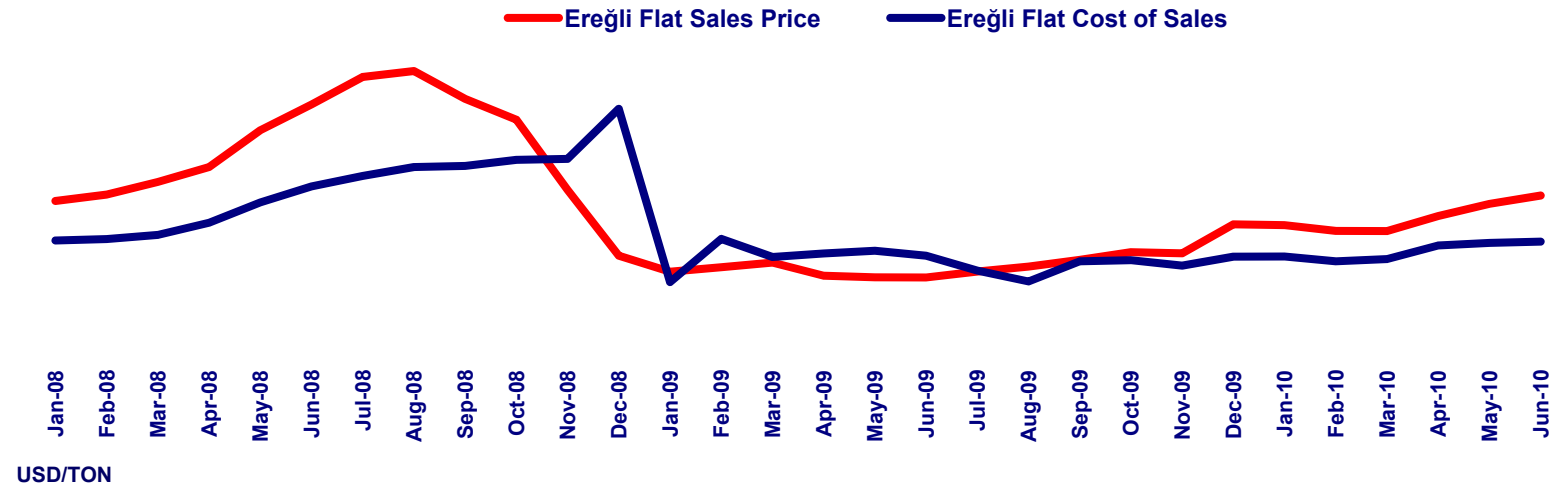


1H 2009 LONG STEEL EXPORTS BREAKDOWN (%)

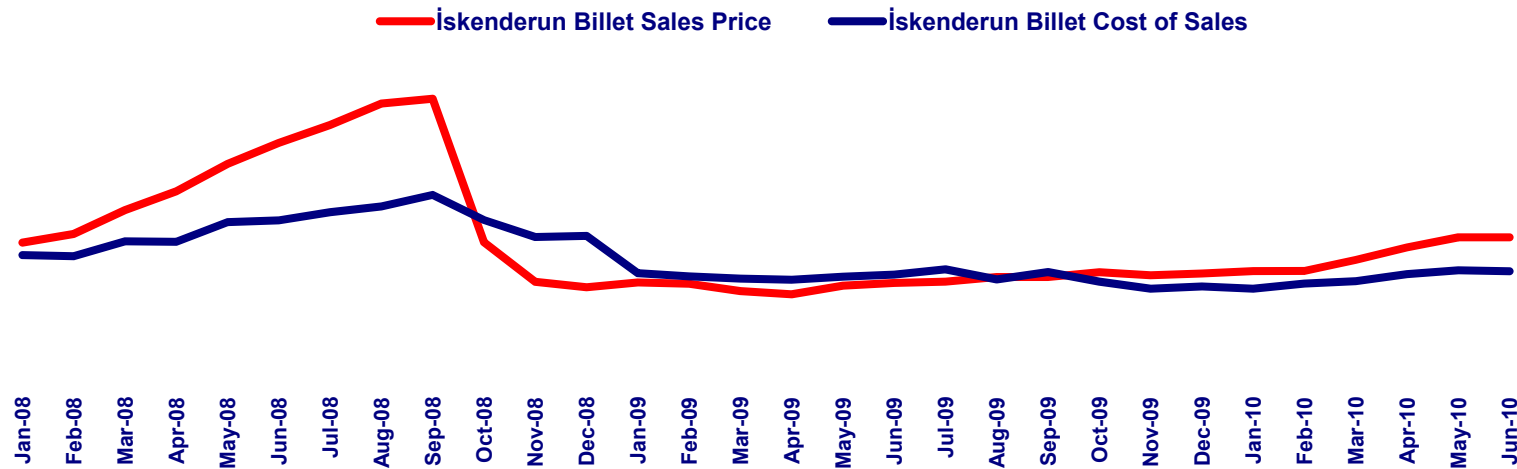


In 1H 2010, Erdemir Group average flat and long steel prices were 687 USD/ton and 535 USD/ton respectively

USD/TON



USD/TON

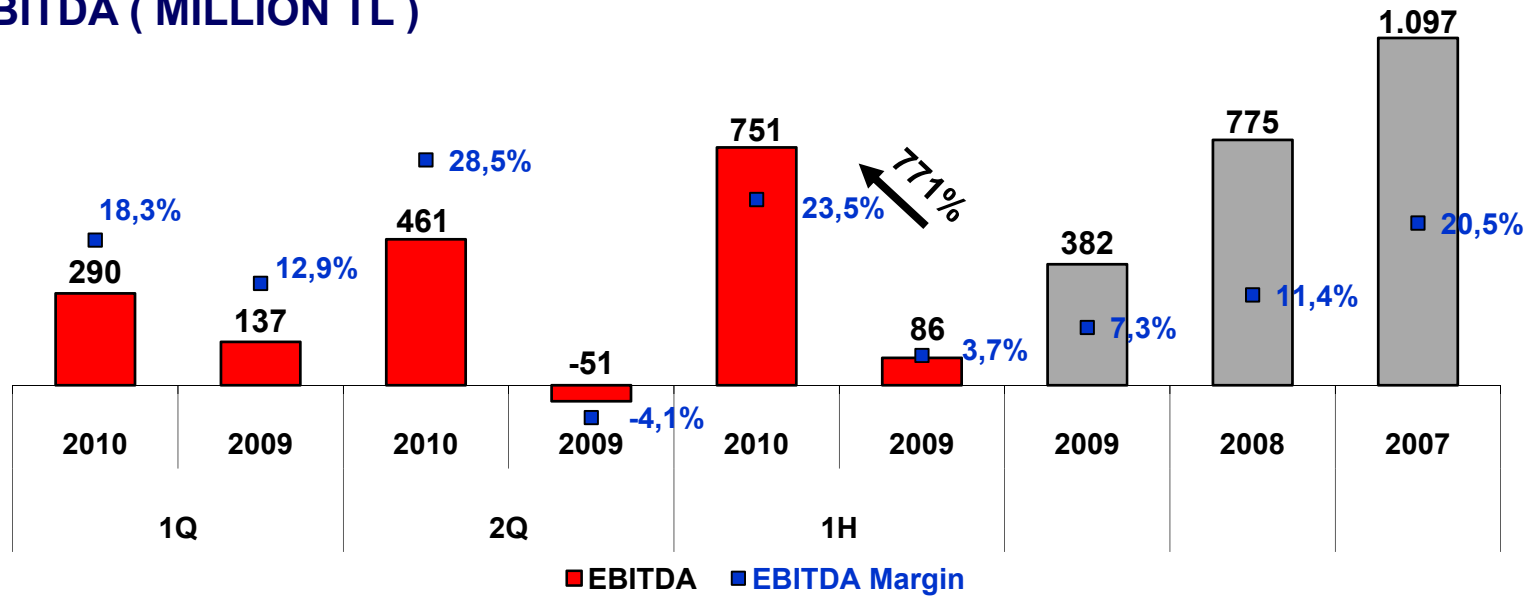


- Flat steel prices increased by 74% on average in June 2010 YoY.
- Increase in average flat product price was 45% in first half of 2010 YoY.

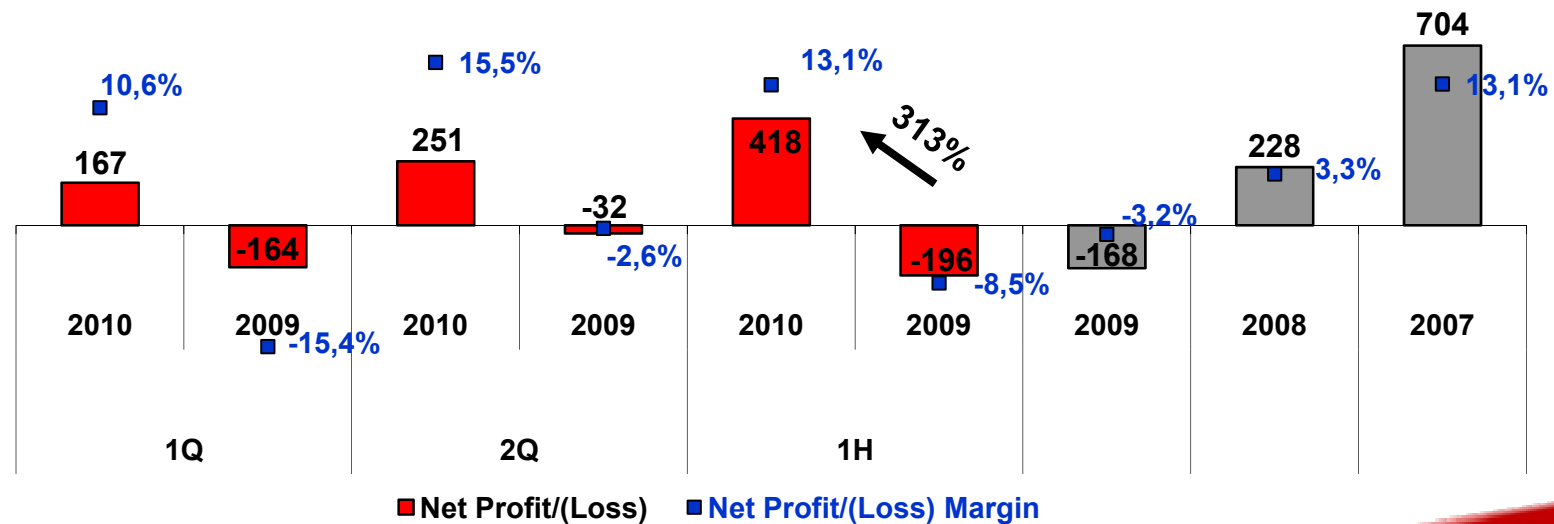


EBITDA increased by 771% in 1H 2010 YoY

EBITDA (MILLION TL)

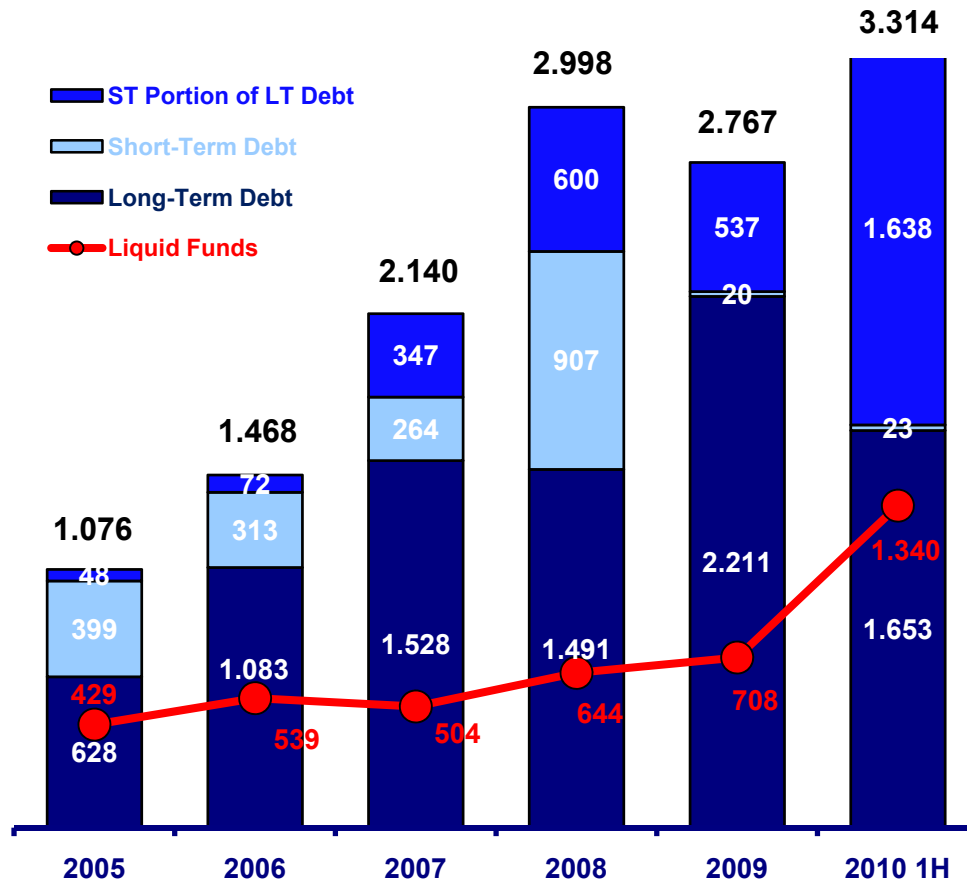


NET PROFIT/(LOSS) (MILLION TL)

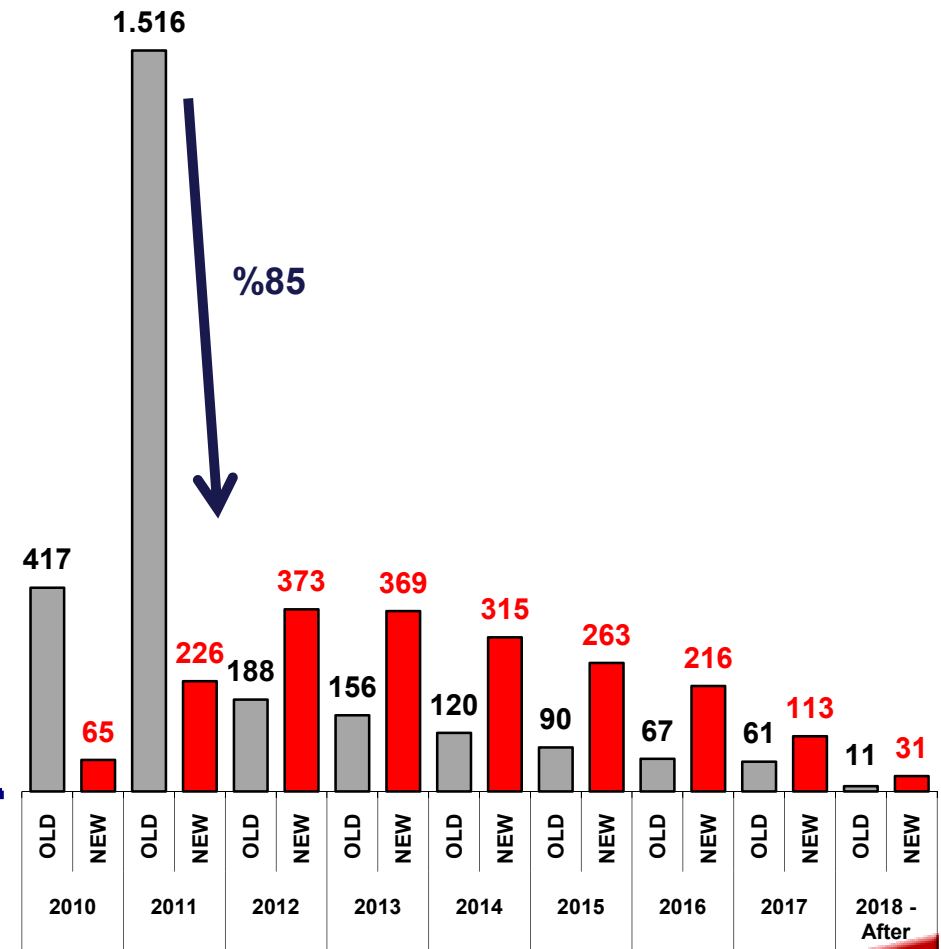


Medium term liquidity risk was significantly reduced through refinancing

BORROWINGS (MILLION USD)

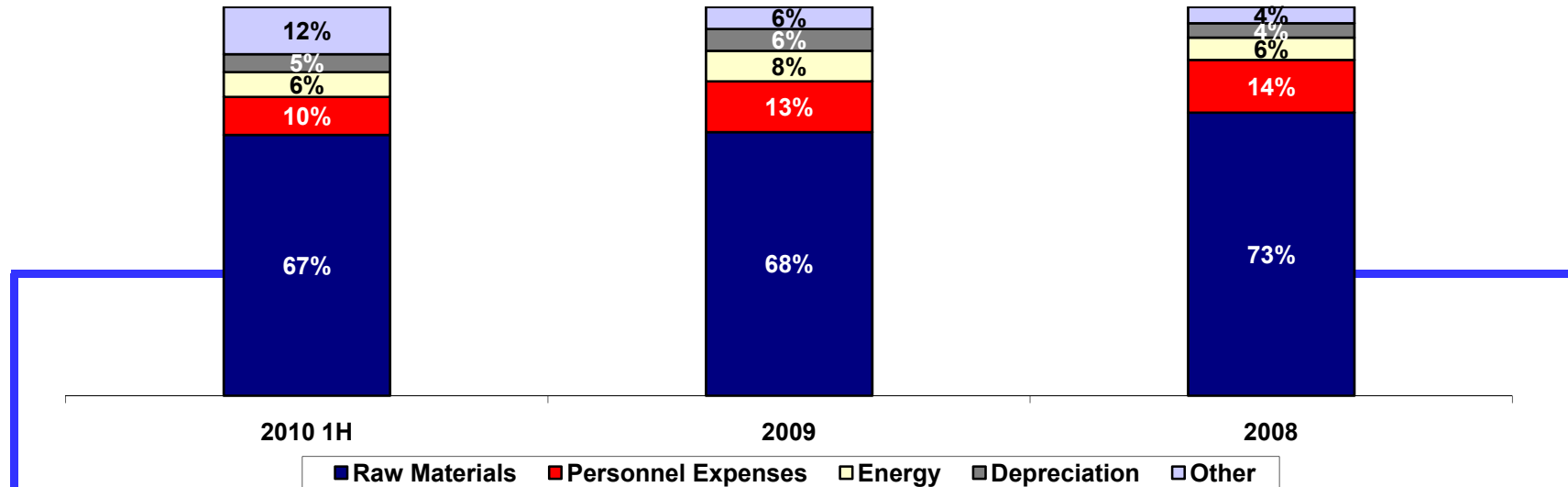


BORROWINGS MATURITY PROFILE (MILLION USD)

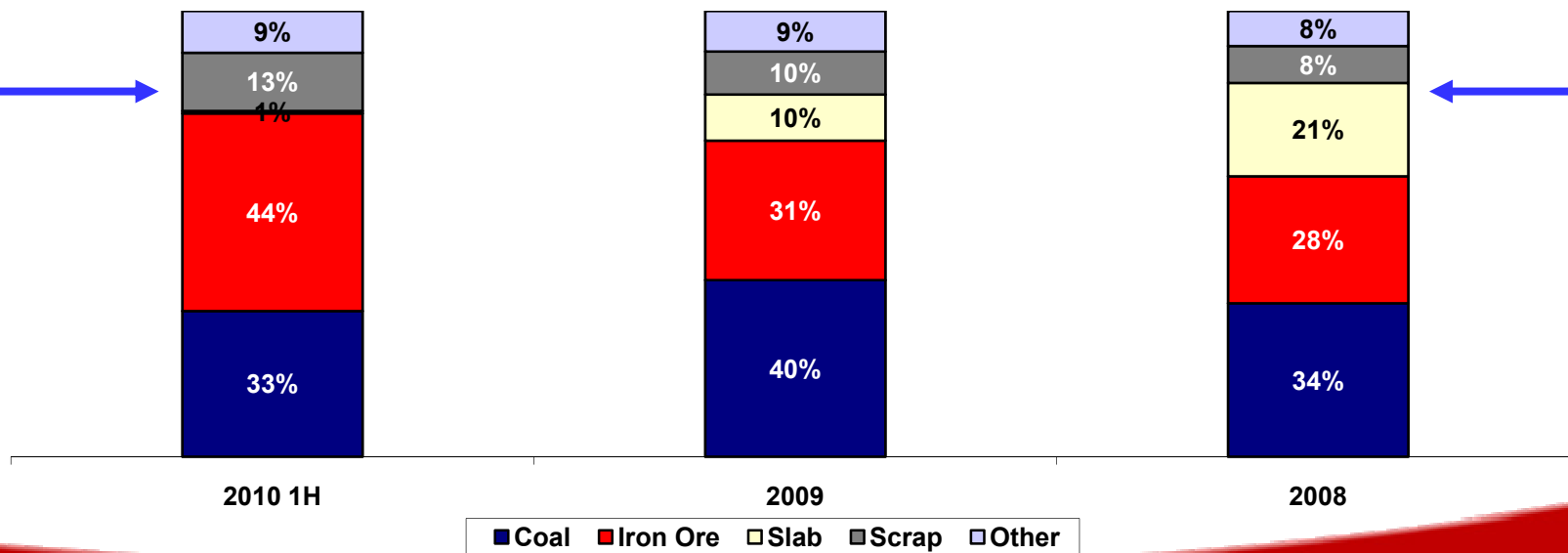


Raw materials made up 67% of the cost of goods sold in 1H 2010

COST OF PRODUCTION BREAKDOWN* - %

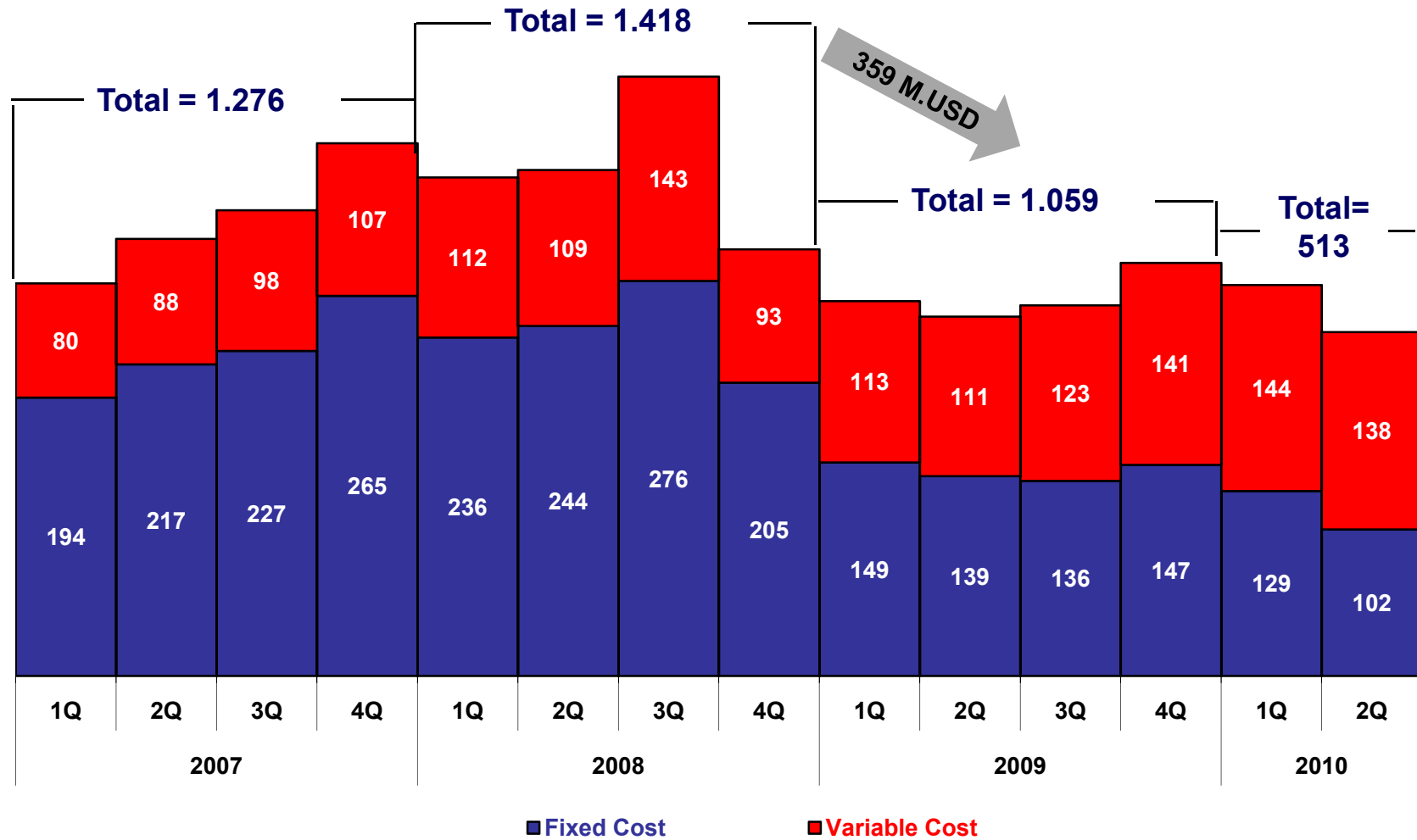


RAW MATERIALS BREAKDOWN- %



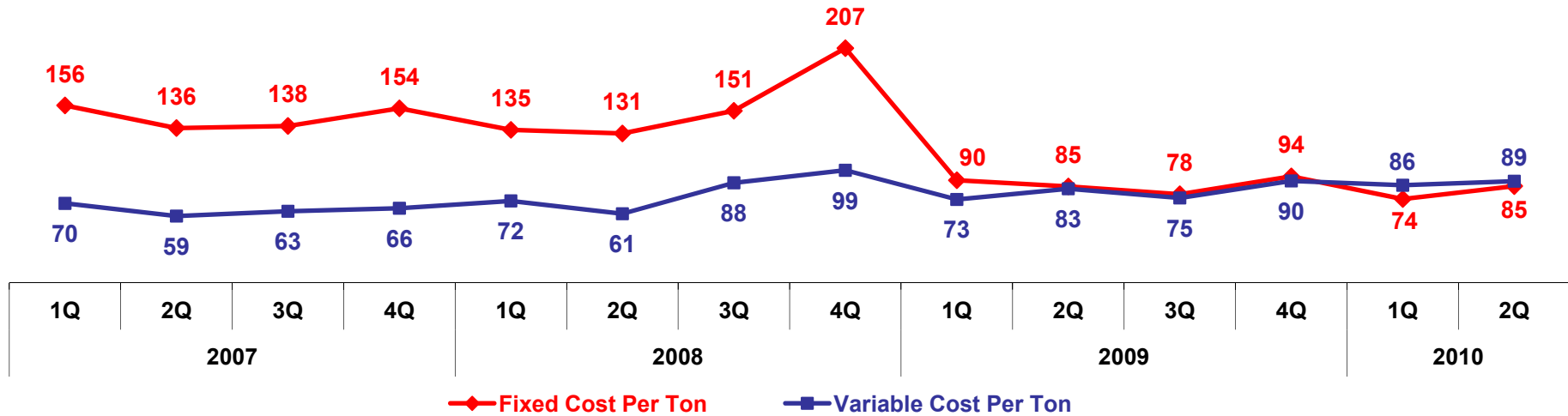
Lowest level of fixed costs was attained in 2Q 2010

(MILLION USD)

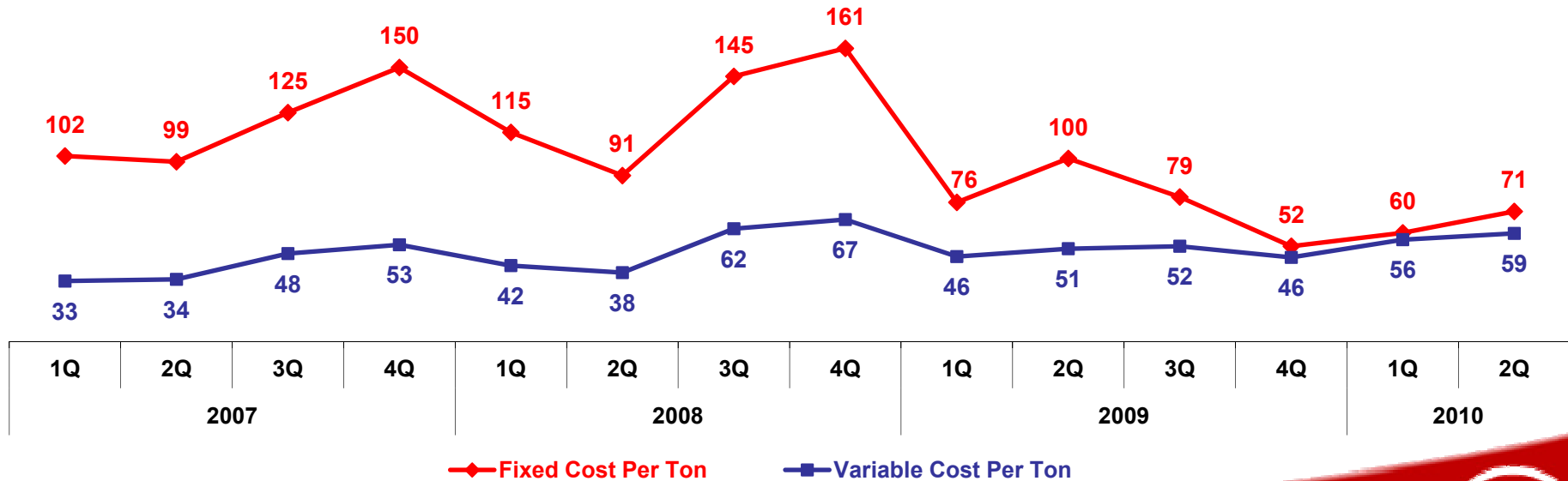


Overhead cost is decreasing in flat products

FLAT PRODUCTS (USD/TON)

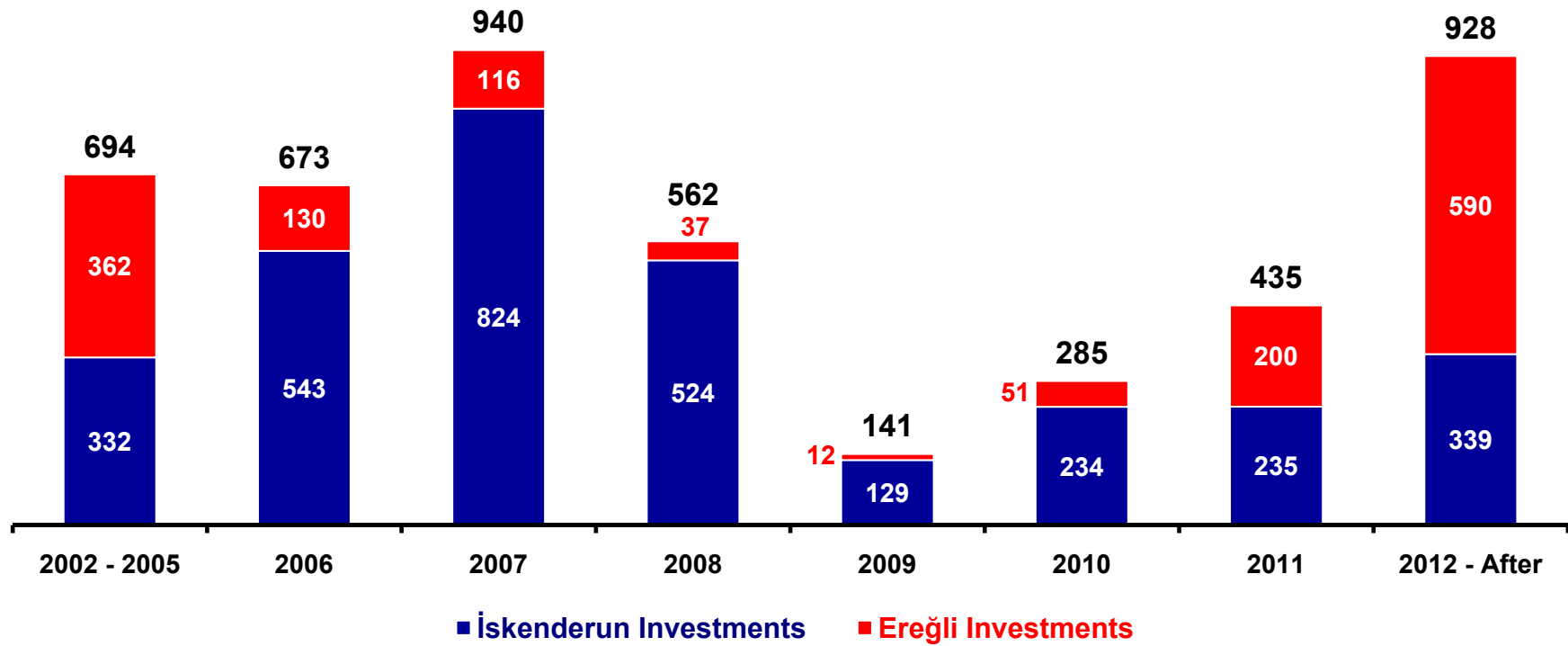


LONG PRODUCTS (USD/TON)



Capital expenditures of 285 million USD is planned for 2010

(M USD)



Number of employees decreased about 12% since 2007 due to voluntary redundancies and retirements

NUMBER OF EMPLOYEES

