



Erdemir Group
2010 9 Months
Consolidated Financial Results

27 October 2010

DISCLAIMER

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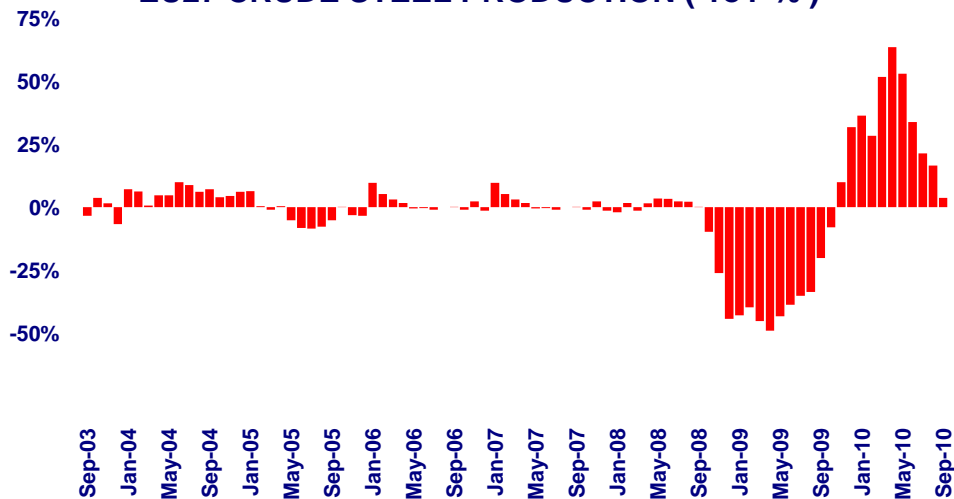
Agenda

 **2010 Market Overview**

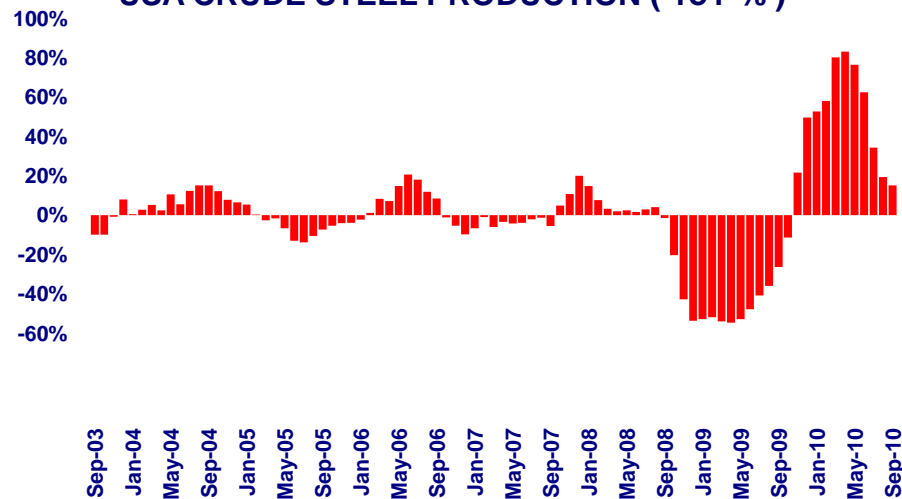
 **2010 9M Results**

In CIS, sales price was 623 USD/ton as of October 2010

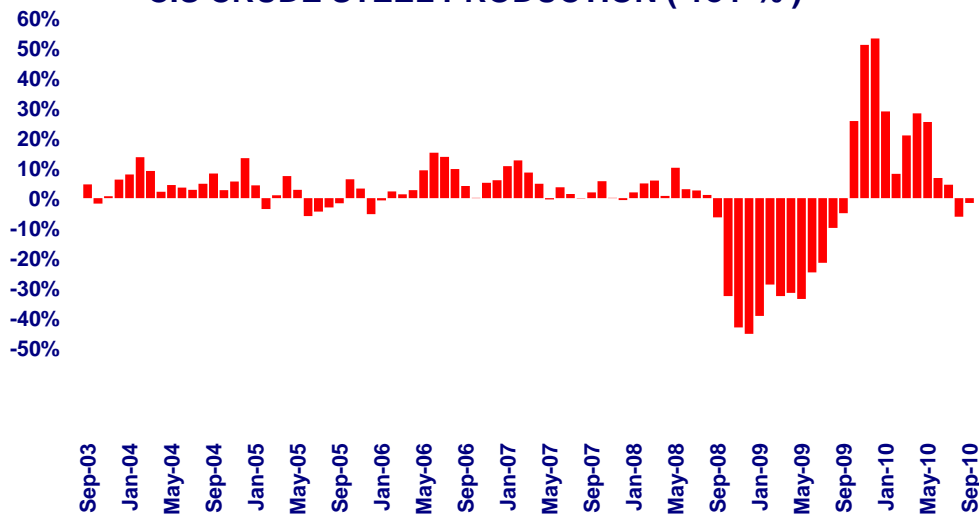
EU27 CRUDE STEEL PRODUCTION (YoY %)*



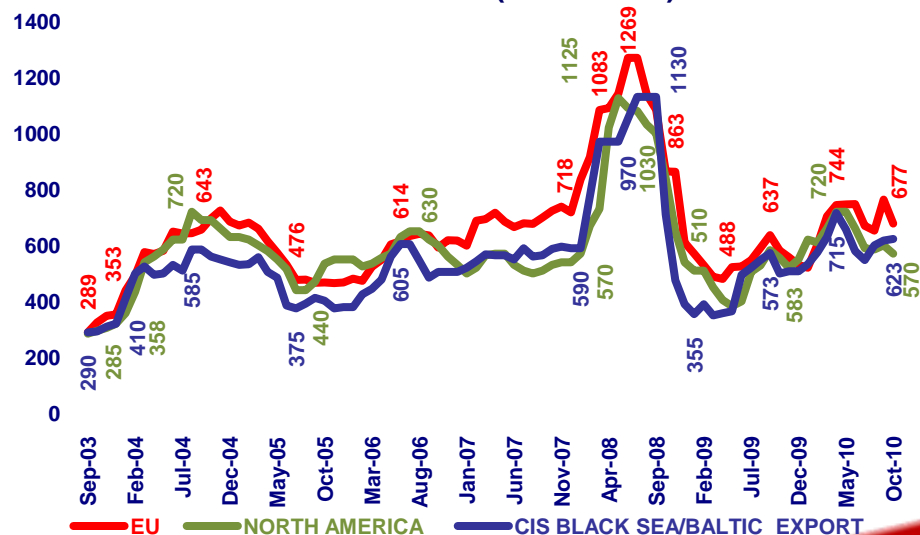
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *

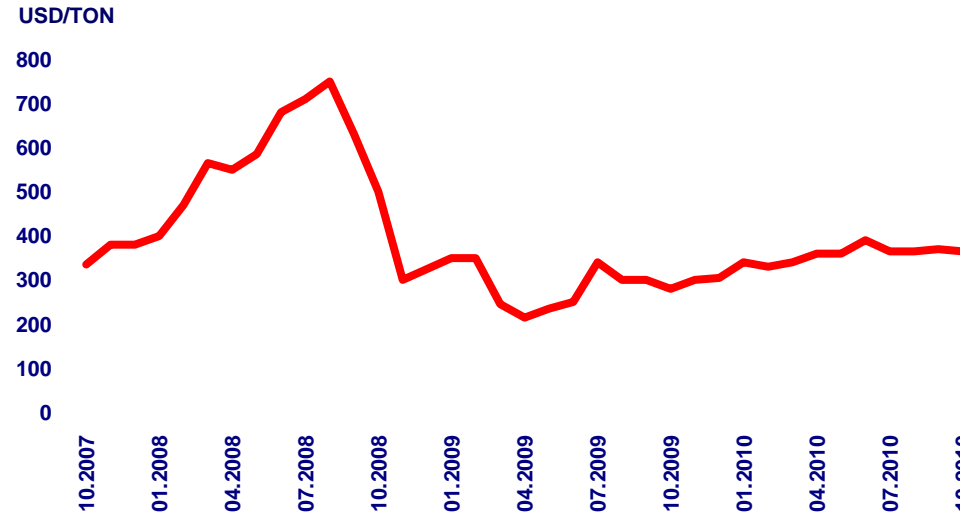


HRC PRICES (USD/TON)**

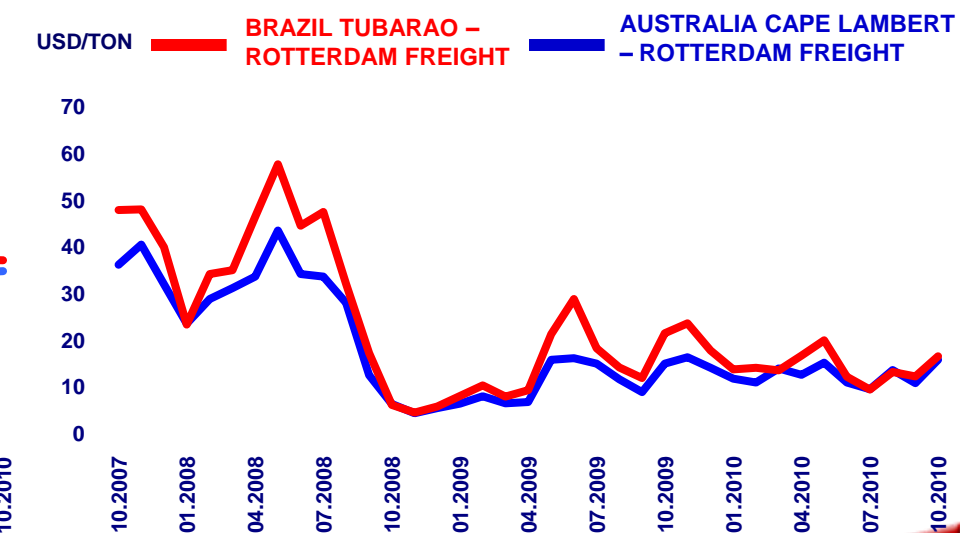
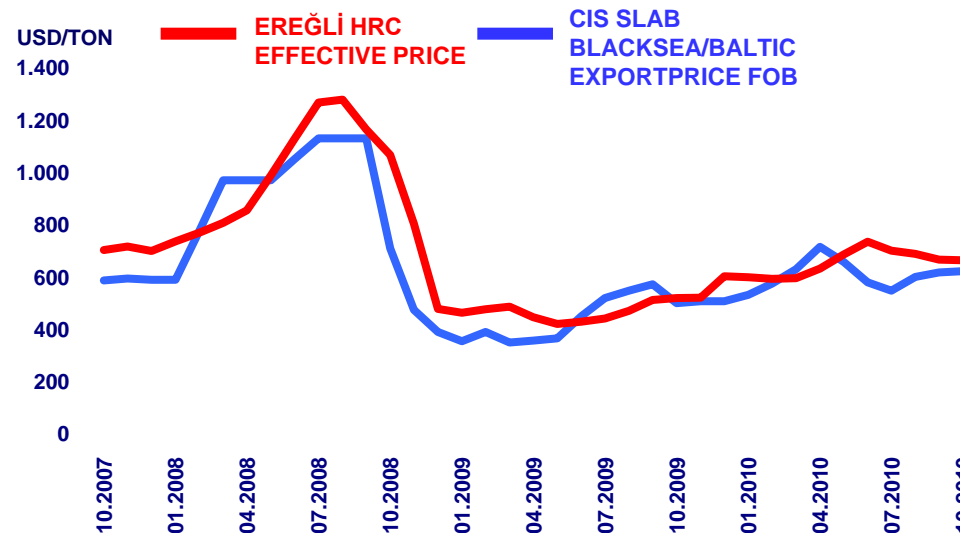
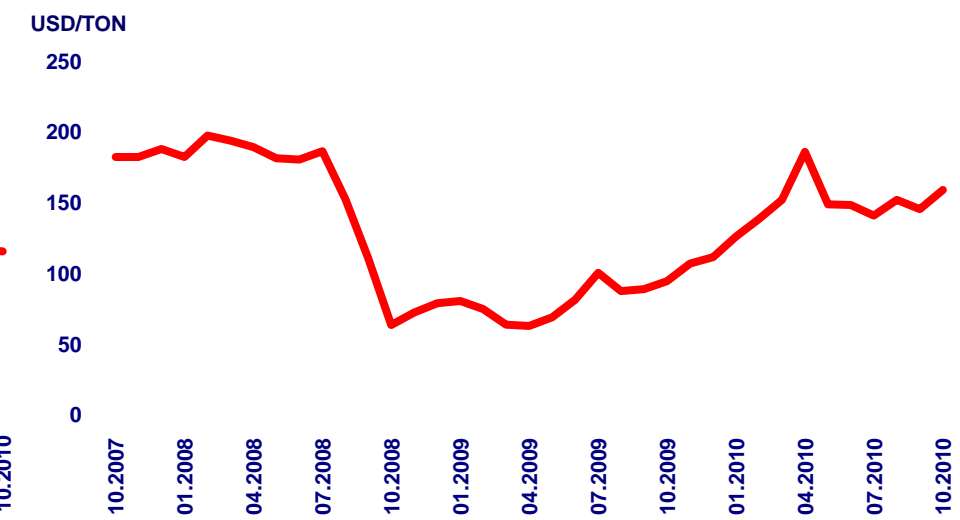


Raw material prices are stabilizing

CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

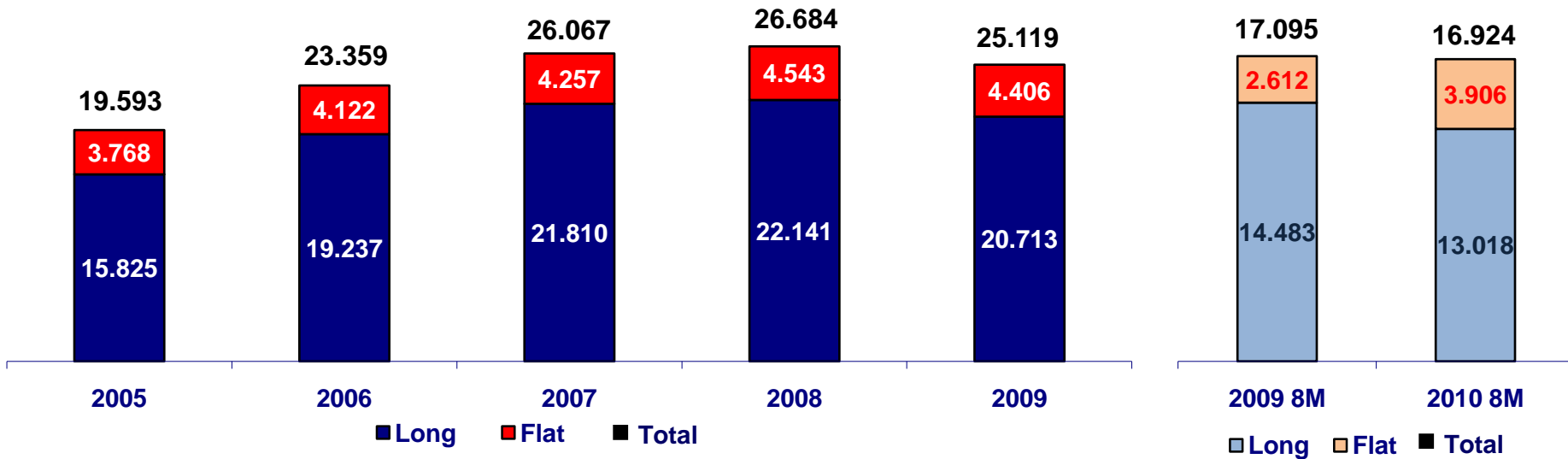


CHINA PORT FINE ORE PRICE CFR

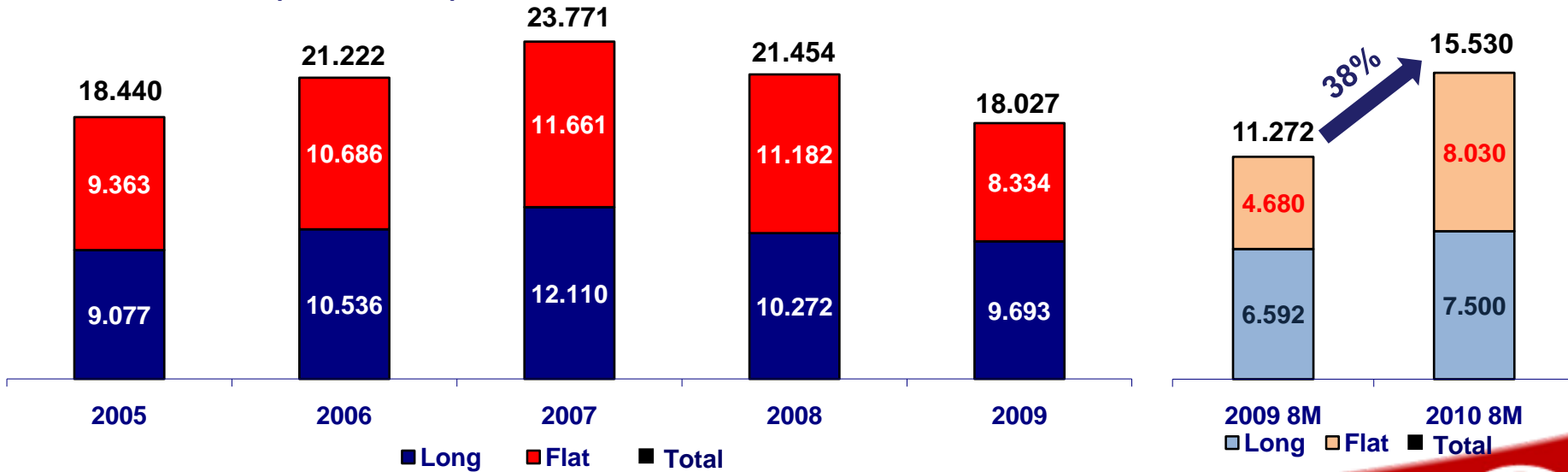


Turkish steel consumption increased by 38% in 2010 8M

PRODUCTION (000 TONS)

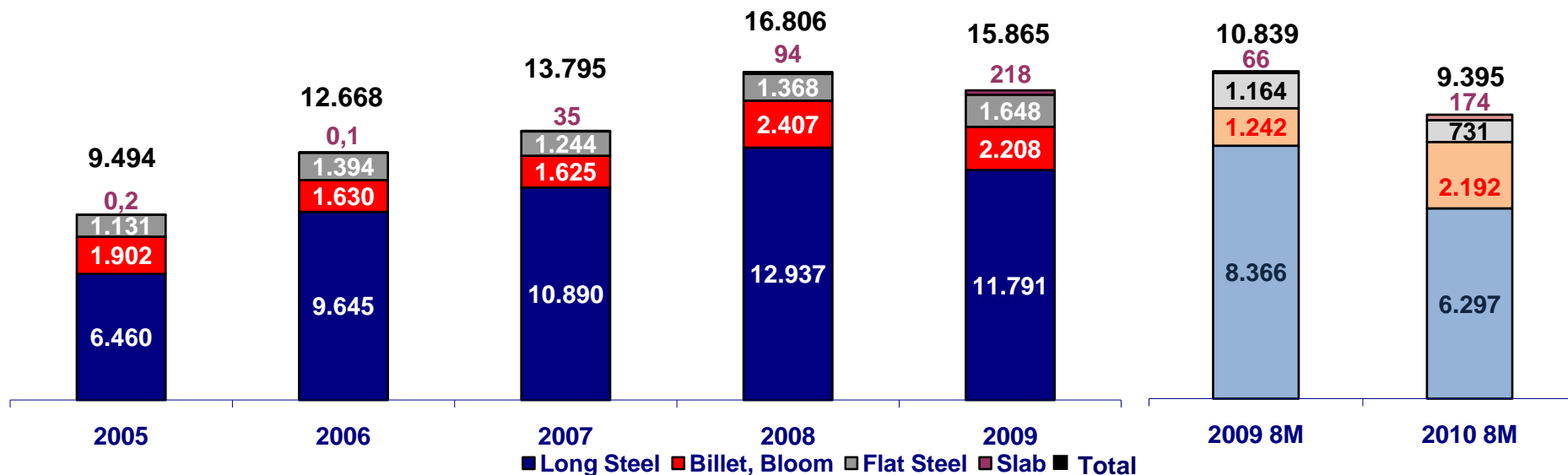


CONSUMPTION (000 TONS)

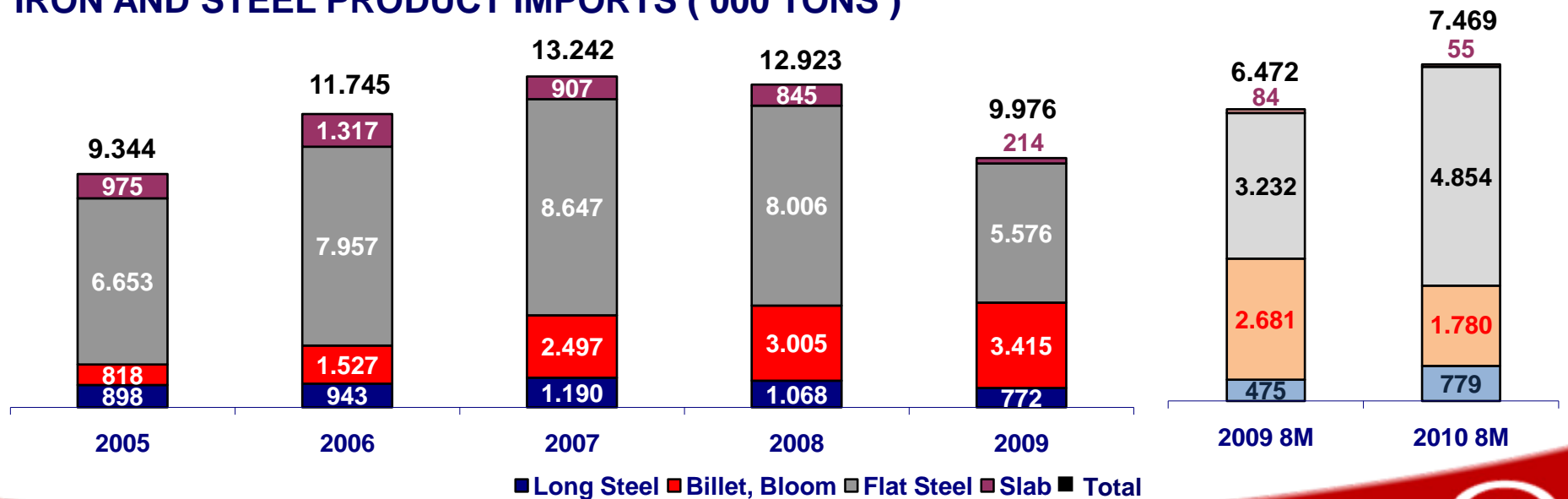


Turkish Steel Market (cont'd)

IRON AND STEEL PRODUCT EXPORTS (000 TONS)

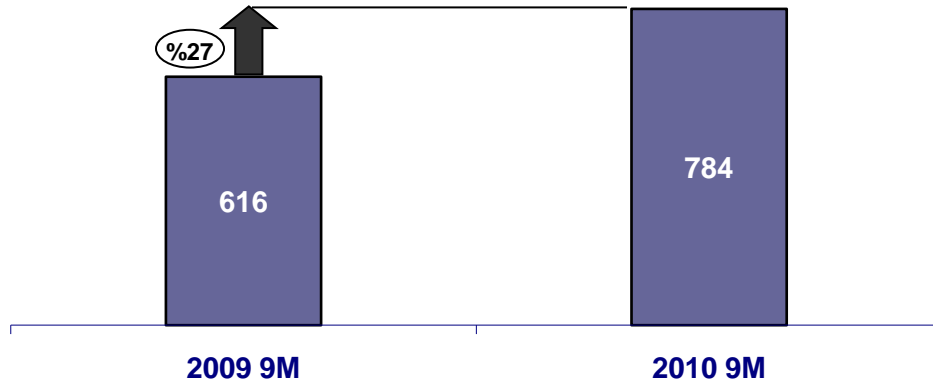


IRON AND STEEL PRODUCT IMPORTS (000 TONS)

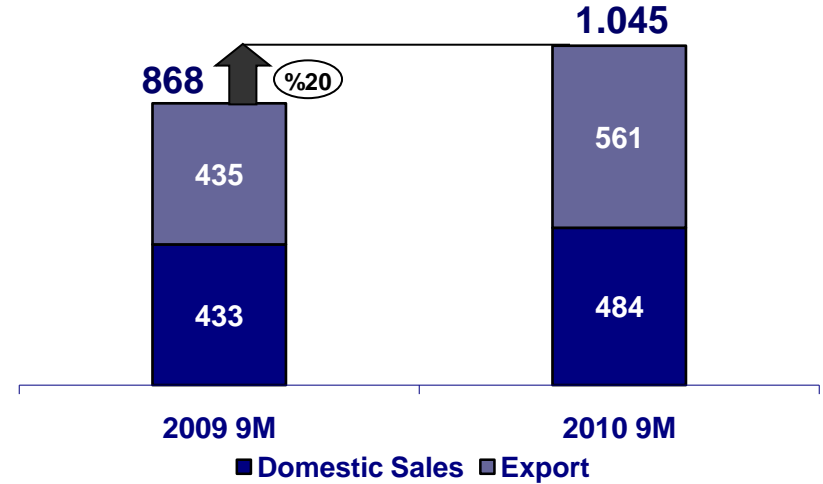


Automotive production and sales increased by 27% and 20% respectively in 2010 9M YoY

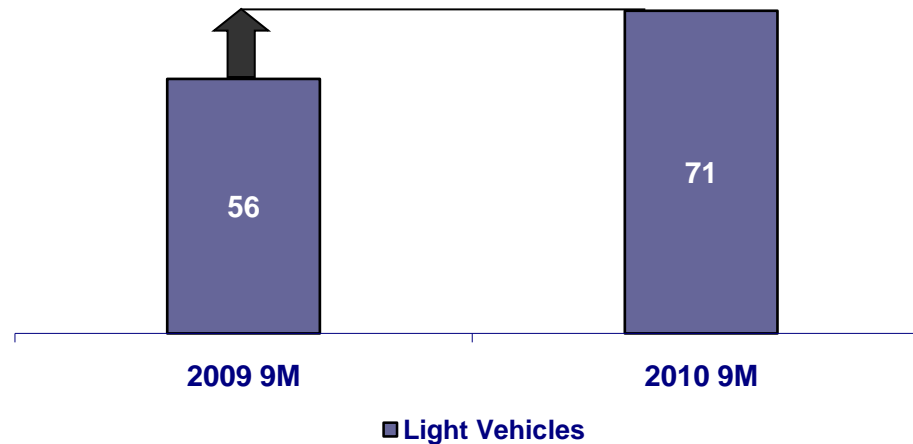
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

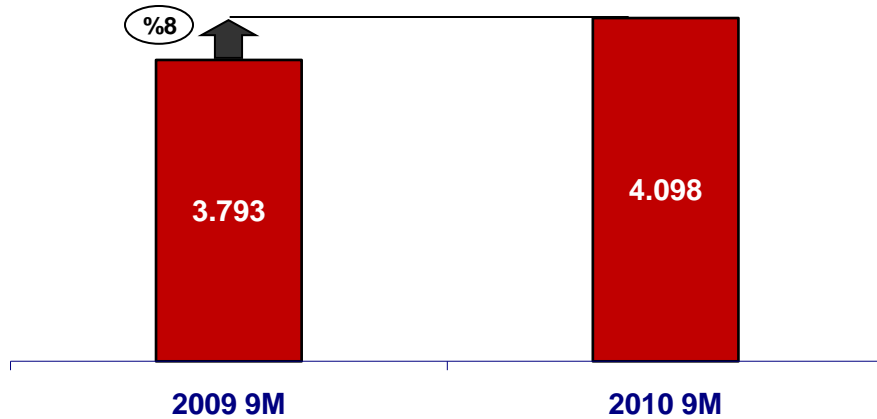


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

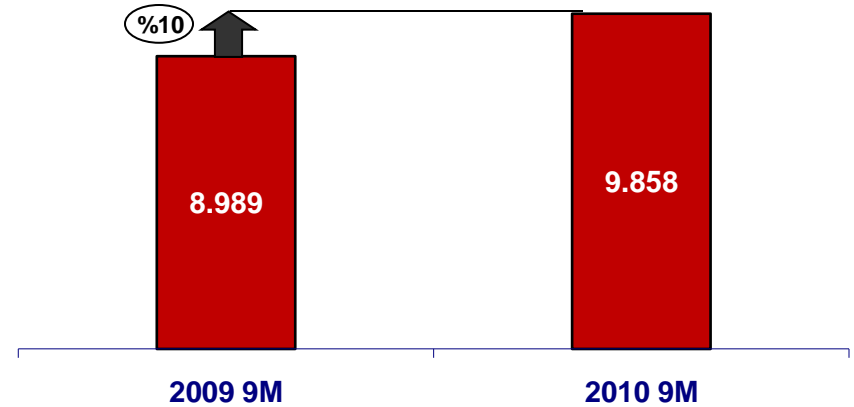


White goods production and export increased by 13% and 10% respectively in 2010 9M YoY

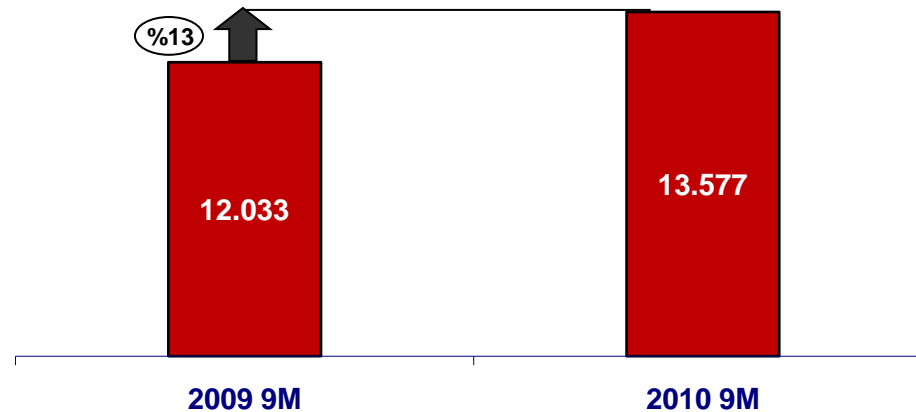
WHITE GOODS DOMESTIC SALES (000 UNITS)



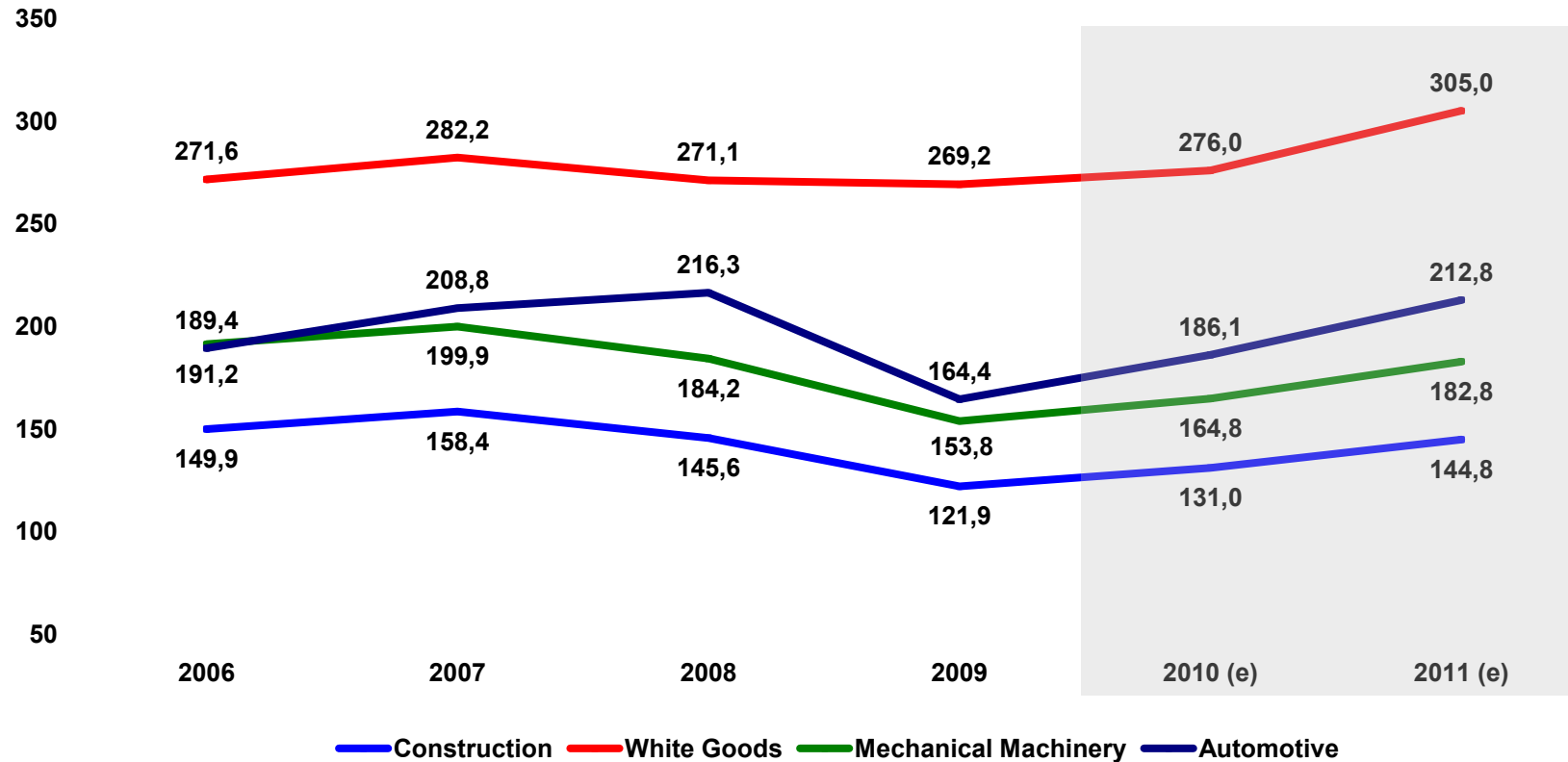
WHITE GOODS EXPORTS (000 UNITS)



WHITE GOODS PRODUCTION (000 UNITS)



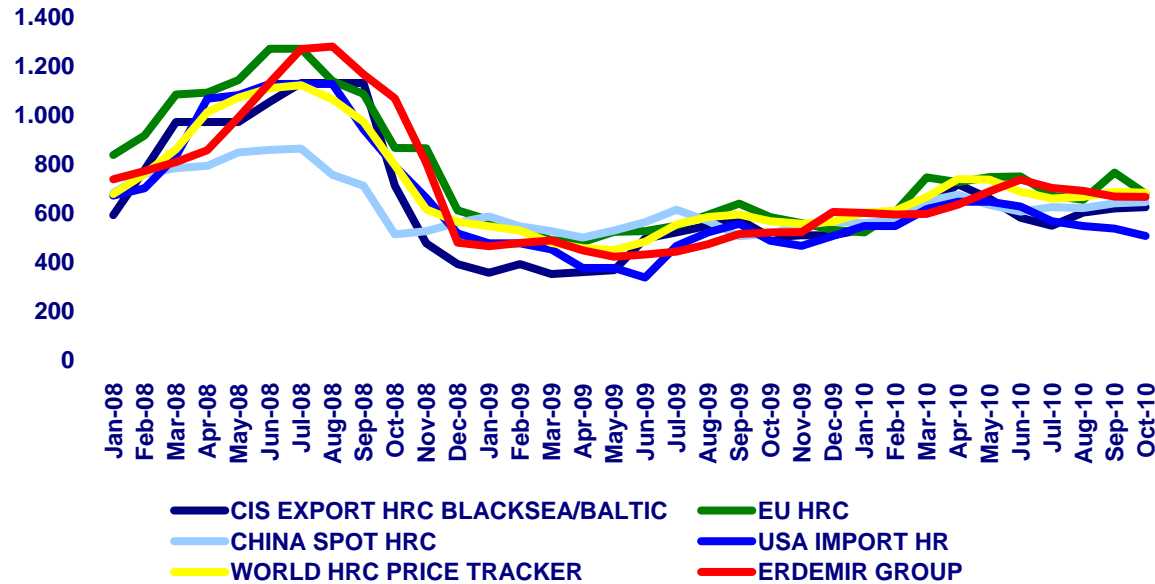
SECTOR DEVELOPMENT INDEX (2000:100)



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

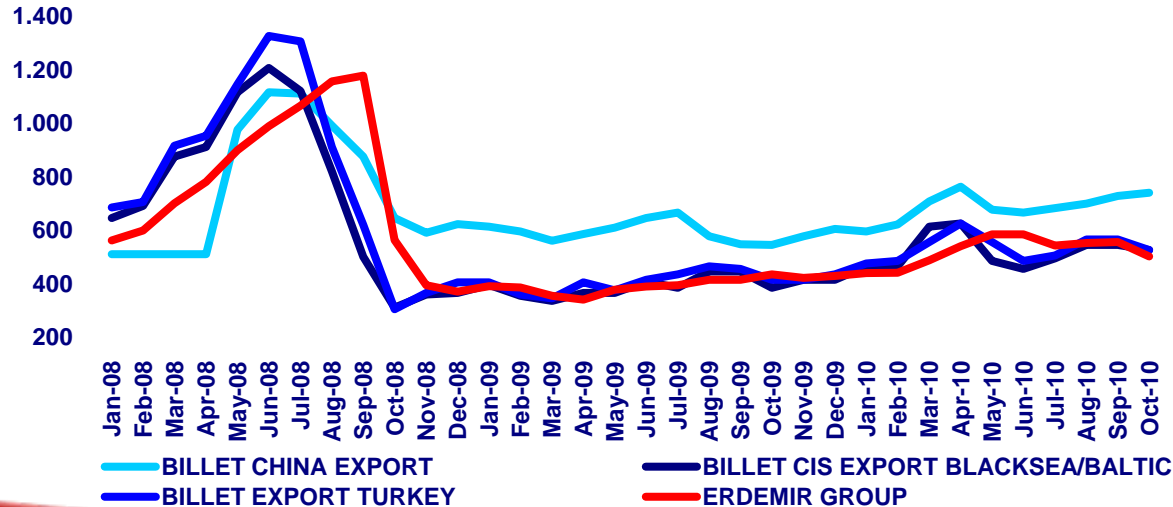
Sales prices are going up in 2010 YoY

HRC PRICES (USD/Ton)





▶ As of October 2010, CIS HRC export price is 623 USD, China HRC spot price is 644 USD, USA export HRC price is 505 USD. The prices were 508 USD, 564 USD, 505 USD respectively by the end of 2009 .

BILLET PRICES (USD/Ton)












▶ As of October 2010, CIS export price is 525 USD while it was 415 USD in December 2009.

Agenda

-  2010 Market Overview
-  **2010 9M Results**

ERDEMİR GROUP KEY FIGURES

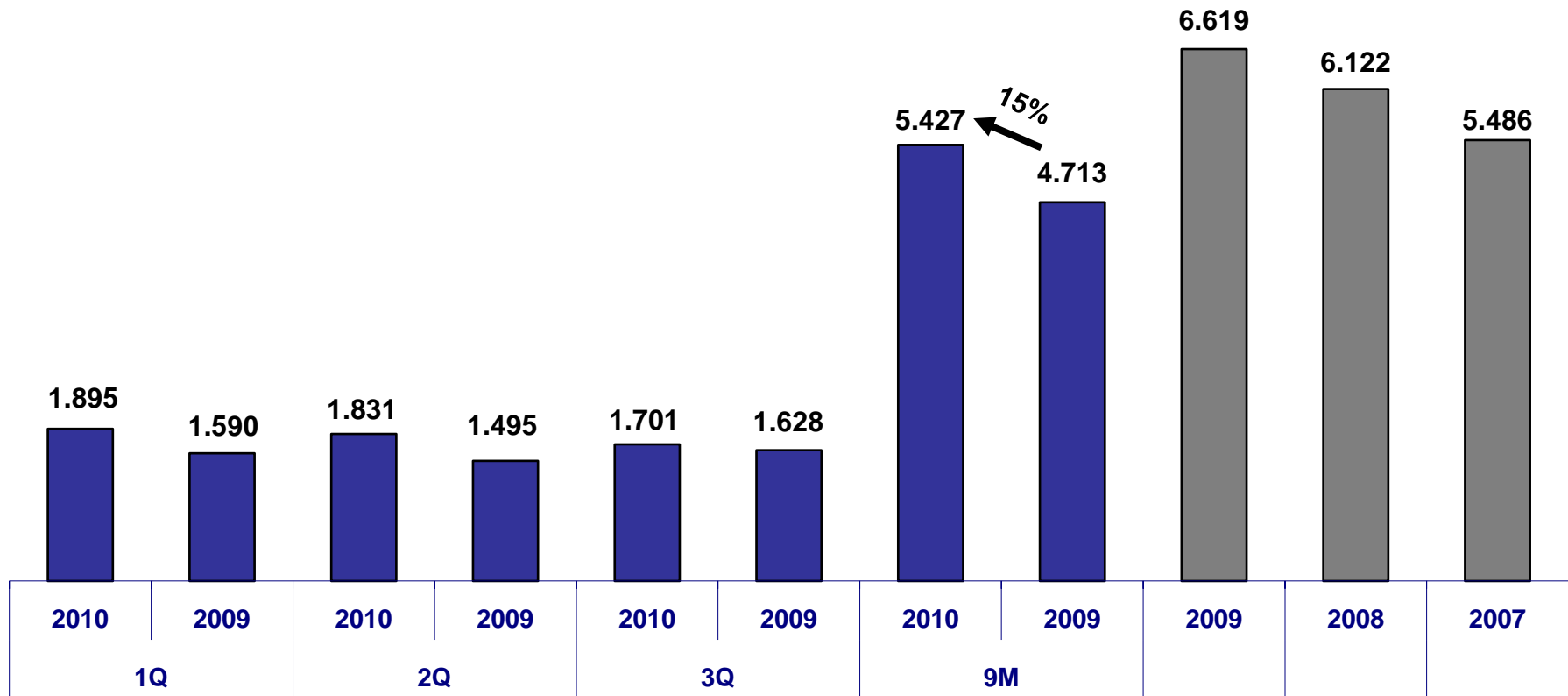
		2010 9M	2009 9M	2009	2008
Liquid Steel Production	<i>(000 Tons)</i>	 5.427	4.713	6.619	6.122
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	 4.197	3.176	4.569	3.995
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	 3.884	3.550	4.812	4.182
Long Steel Production	<i>(000 Tons)</i>	 1.067	1.418	1.869	1.950
Flat Steel Shipments	<i>(000 Tons)</i>	 3.571	3.771	5.128	3.932
Long Steel Shipments	<i>(000 Tons)</i>	 1.022	1.385	1.858	1.963
Net Sales Revenue	<i>(M. USD)</i>	 3.114	2.300	3.385	5.240
EBITDA	<i>(M. USD)</i>	 695	54	247	597
Net Profit For the Year	<i>(M. USD)</i>	 432	-185	-109	175

All figures are on IFRS consolidated basis unless stated otherwise.

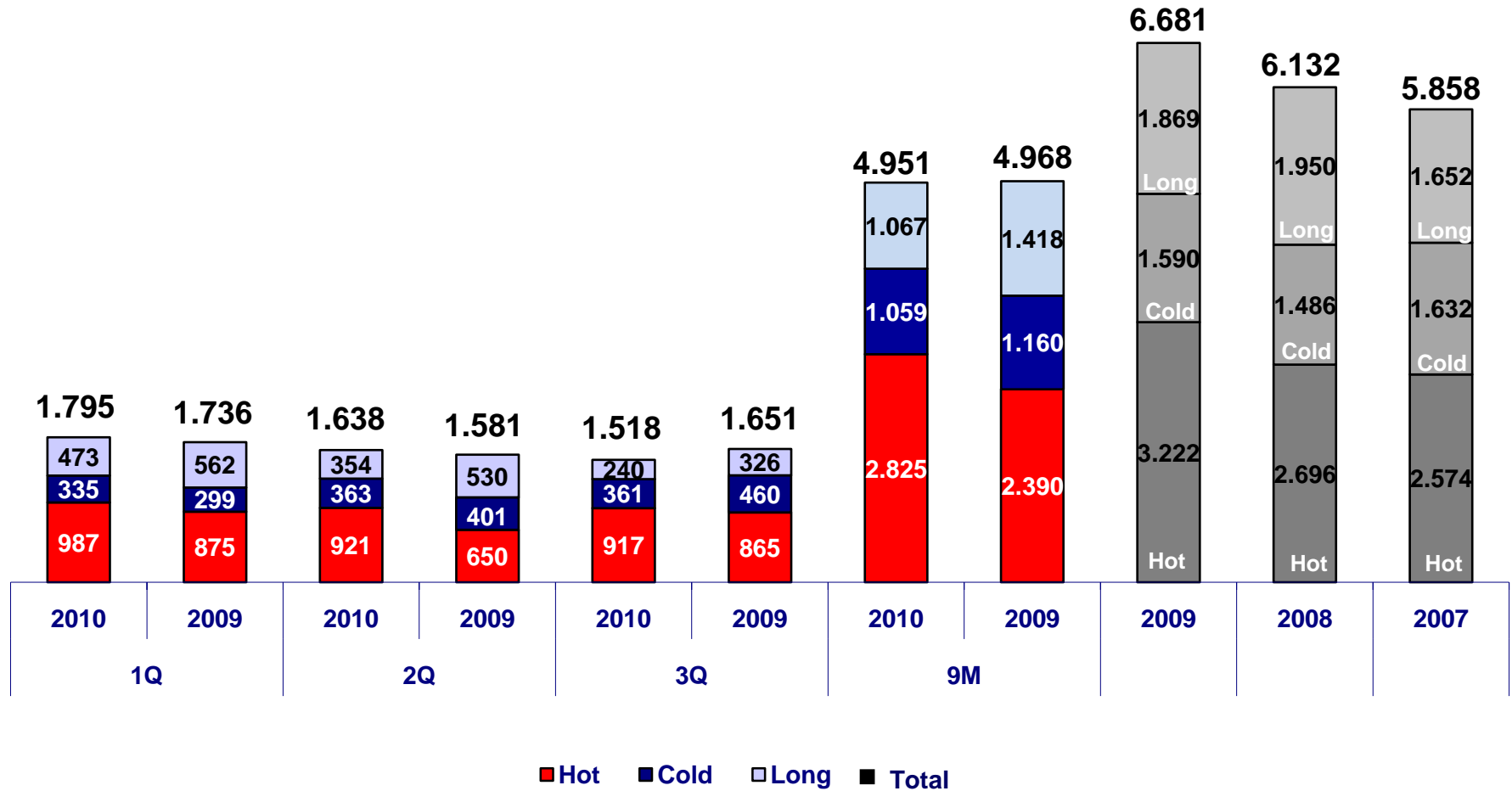
(1) Total slab production of Ereğli and İskenderun Plants.

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

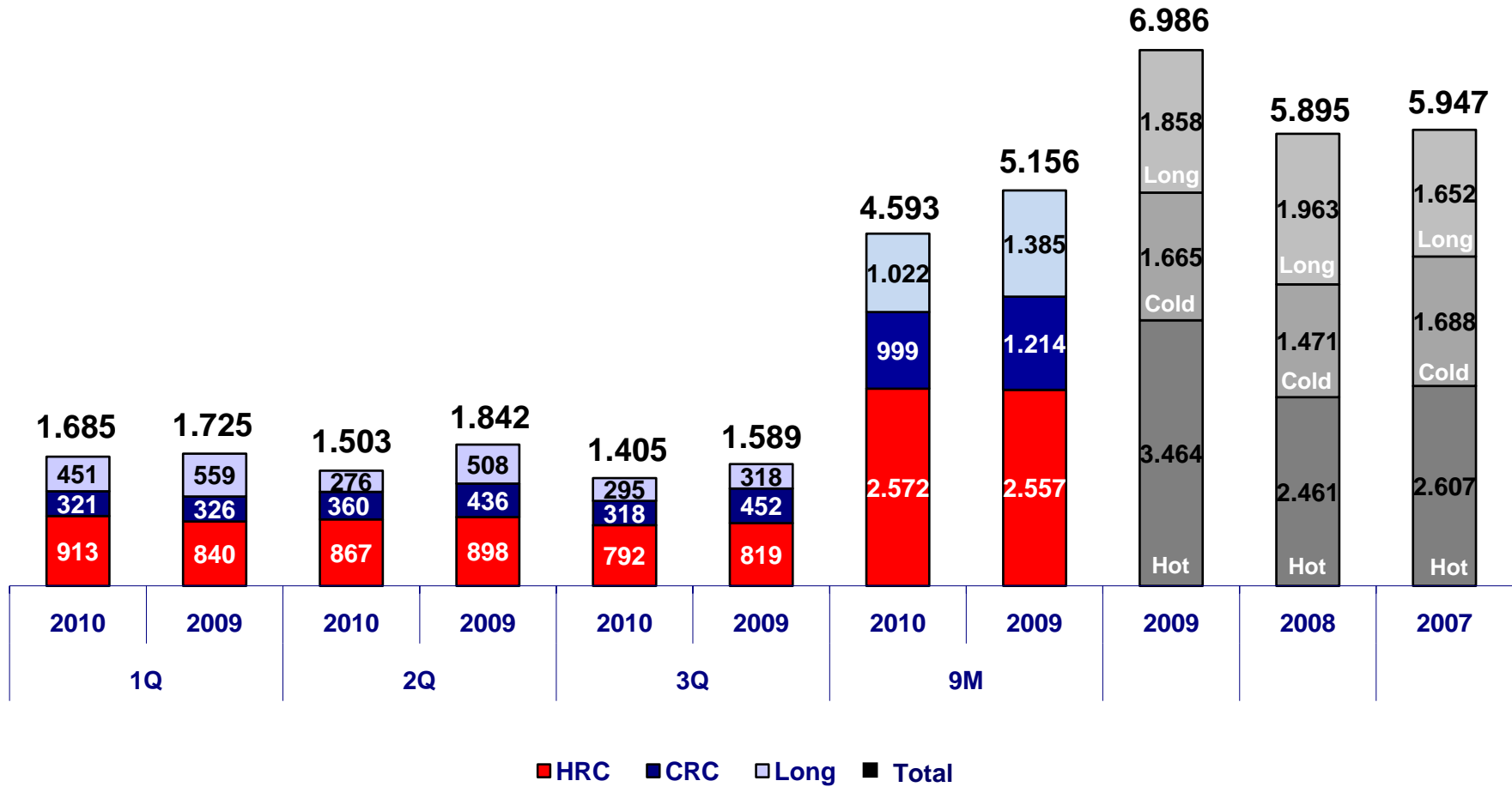
LIQUID STEEL PRODUCTION (000 TONS)



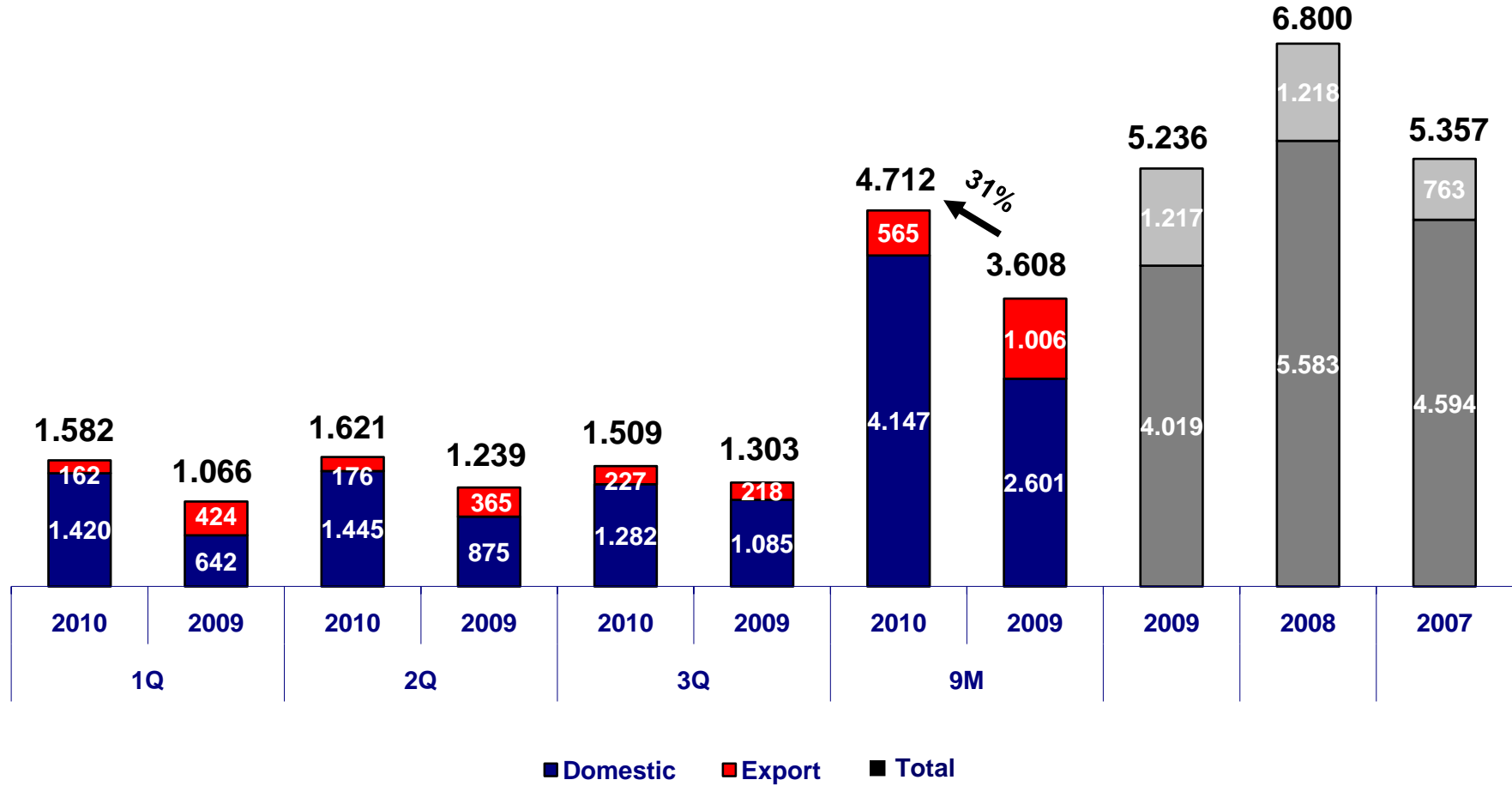
PRODUCTION VOLUMES (000 TONS)



SALES VOLUME (000 TONS)

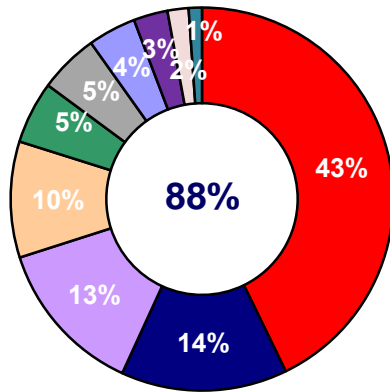


NET SALES REVENUE (MILLION TL)



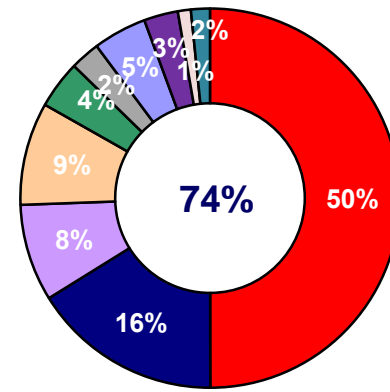
Domestic sales increased in 2010 9M

2010 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



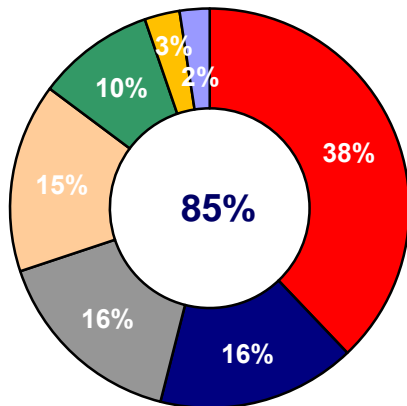
- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Heating Equipment
- Household Appliances
- General Manufacturing
- Shipbuilding & Heavy Industry

2009 9M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



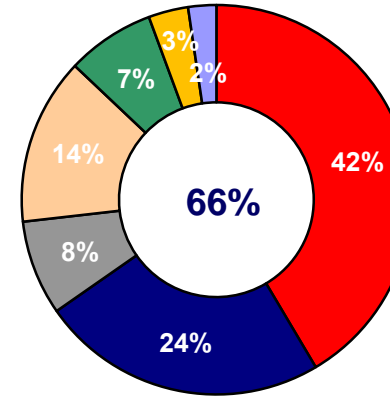
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- Automotive and Components
- Heating Equipment
- Household Appliances
- General Manufacturing
- Shipbuilding & Heavy Industry

2010 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

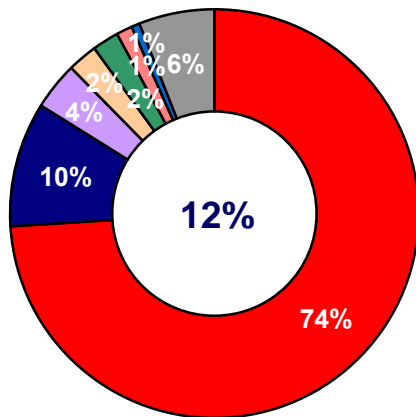
2009 9M LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

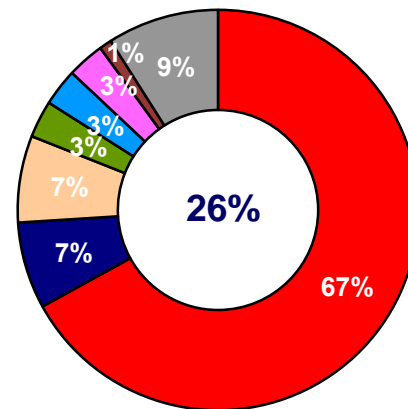
Flat steel sales to EU countries increased in 2010 9M

2010 9M FLAT STEEL EXPORTS BREAKDOWN (%)



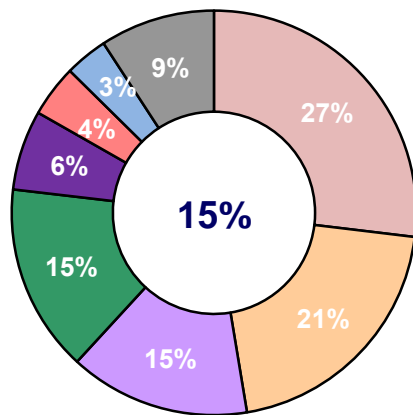
- EU
- Brazil
- Israel
- Egypt
- Tunisia
- Ukraine
- Lebanon
- Other

2009 9M FLAT STEEL EXPORTS BREAKDOWN (%)



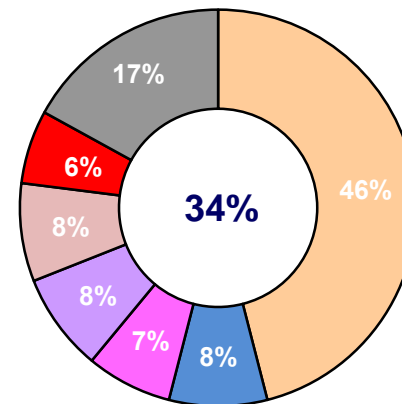
- EU
- Brazil
- Egypt
- USA
- China
- India
- Rusia
- Other

2010 9M LONG STEEL EXPORTS BREAKDOWN (%)



- Saudi Arabia
- Egypt
- Israel
- Tunisia
- Morocco
- Iran
- Libya
- Other

2009 9M LONG STEEL EXPORTS BREAKDOWN (%)

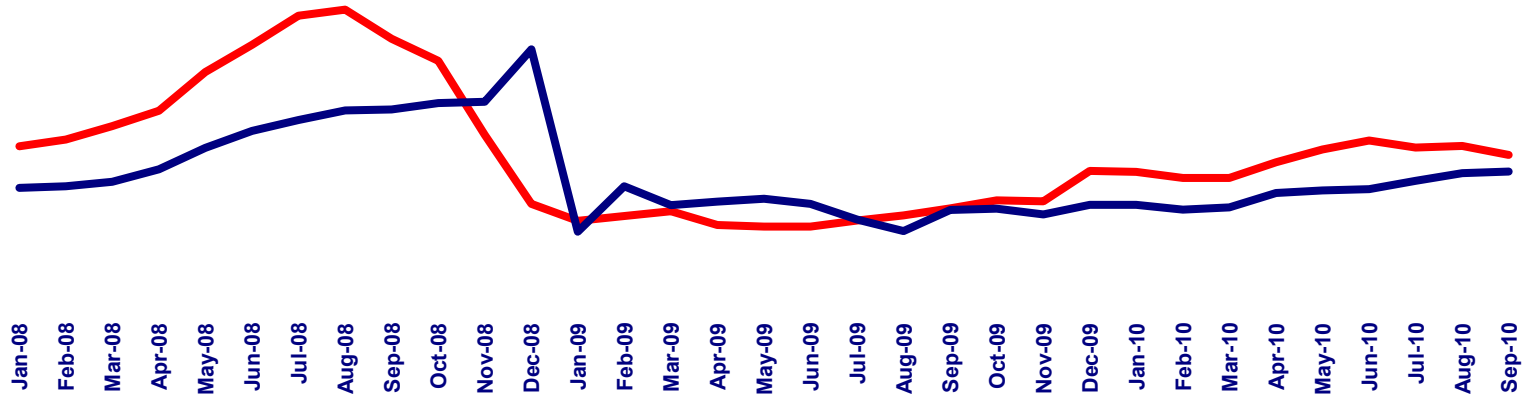


- Egypt
- Indonesia
- India
- Israel
- Saudi Arabia
- EU
- Other

In 2010 9M, Erdemir Group average flat and long steel prices were 698 USD/ton and 549 USD/ton respectively

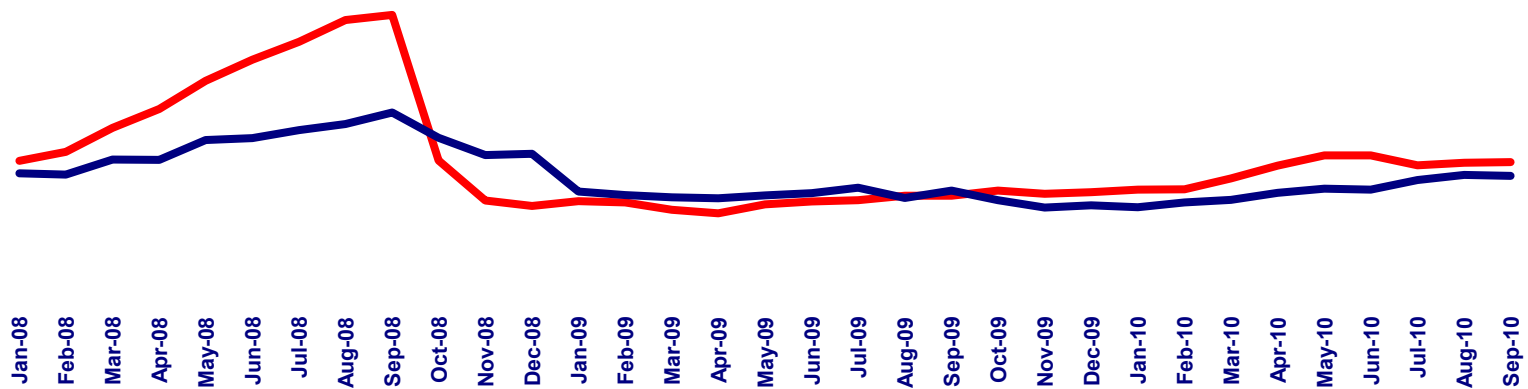
USD/TON

Ereğli Flat Sales Price Ereğli Flat Cost of Sales



USD/TON

İskenderun Billet Sales Price İskenderun Billet Cost of Sales

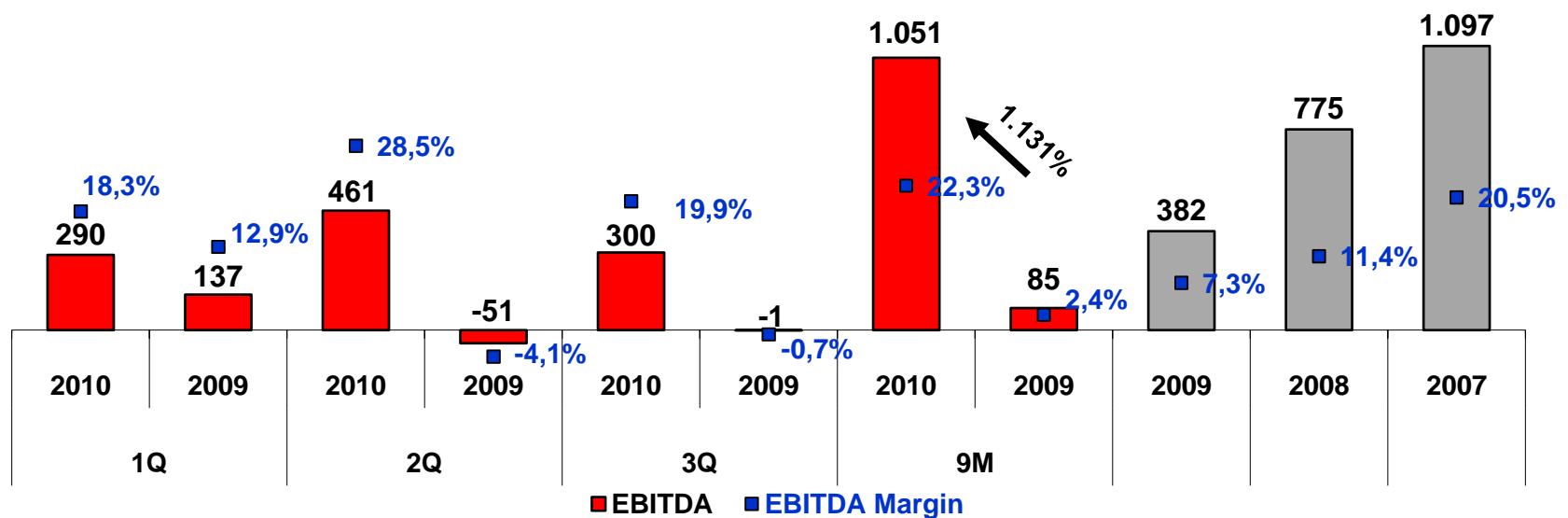


- ➡ Flat steel prices increased by 30% on average in September 2010 YoY.
- ➡ Increase in average flat product price was 44% in first 9 months of 2010 YoY.

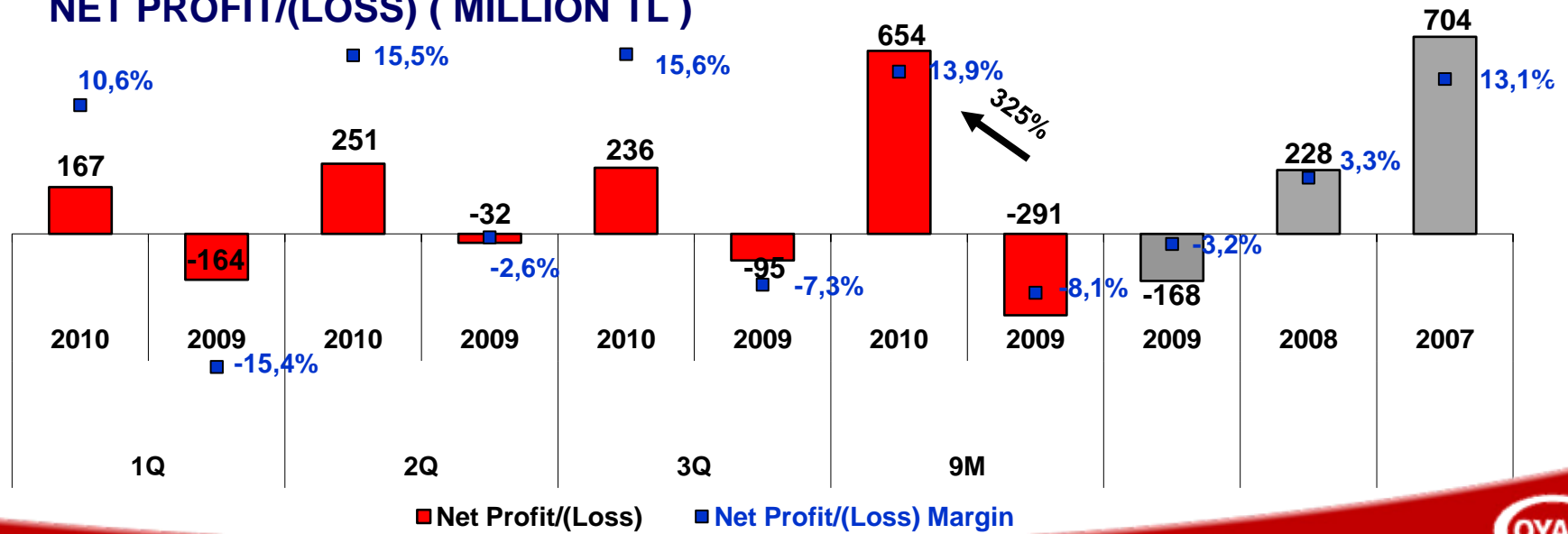


EBITDA increased by 1.131% in 2010 9M YoY

EBITDA (MILLION TL)

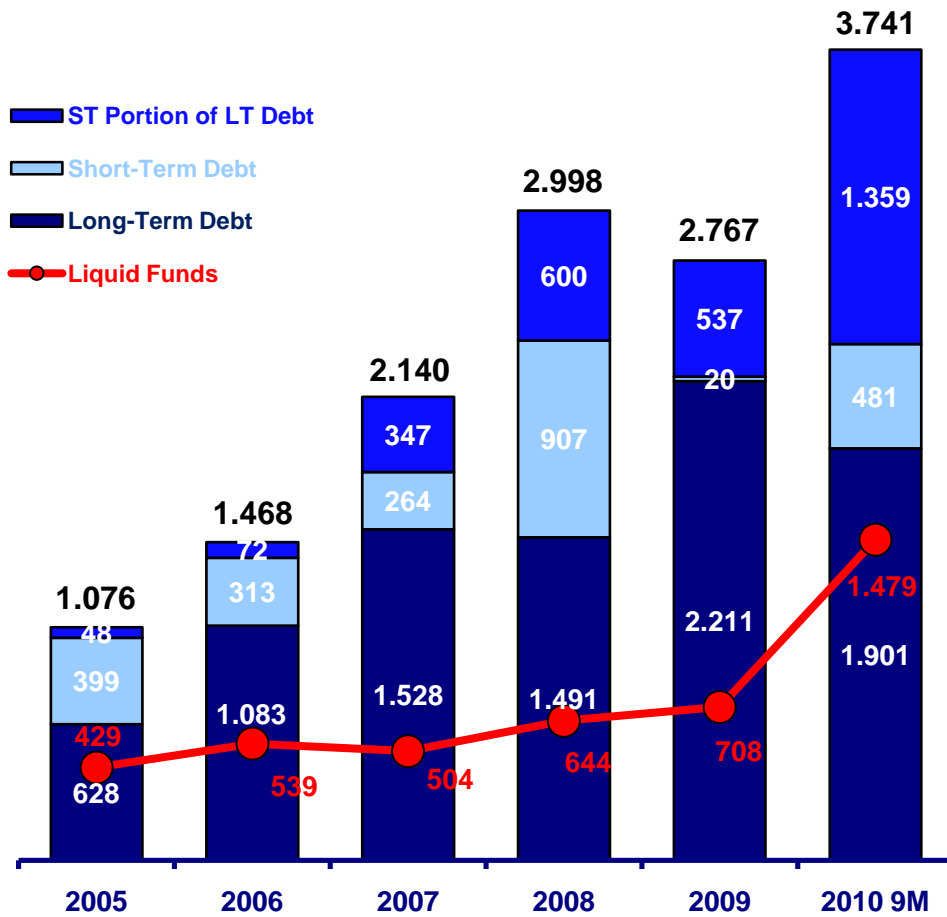


NET PROFIT/(LOSS) (MILLION TL)

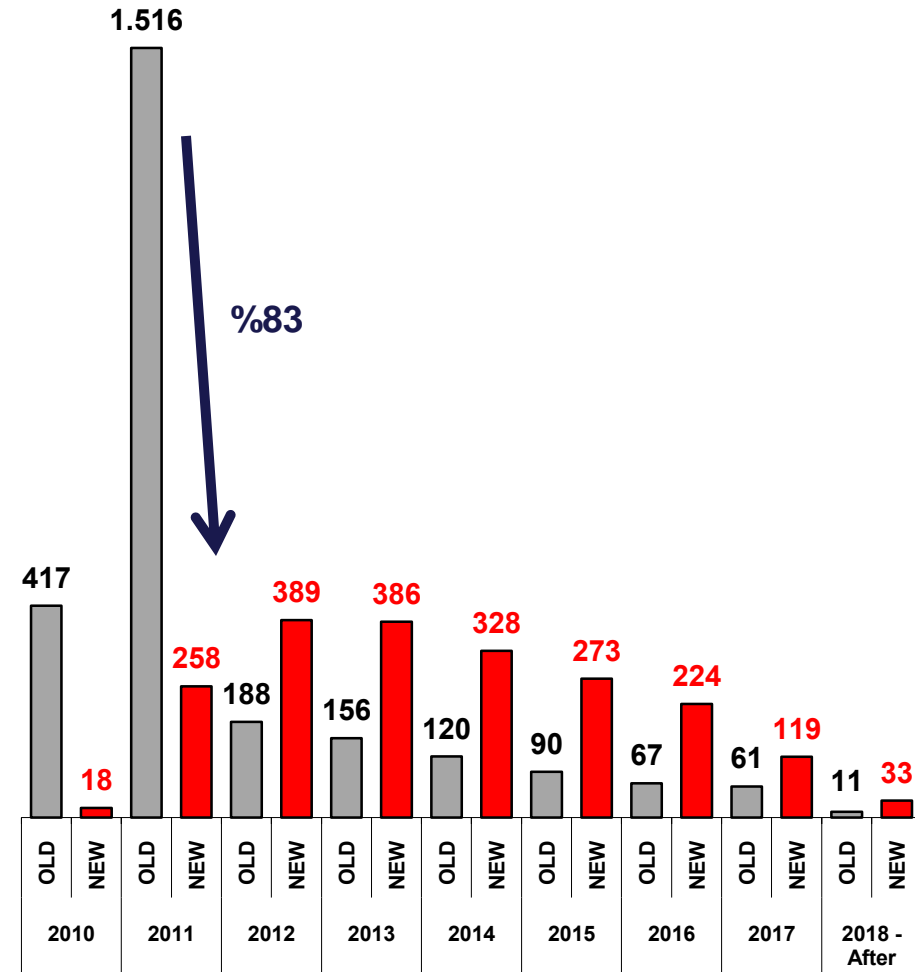


Medium term liquidity risk was significantly reduced through refinancing

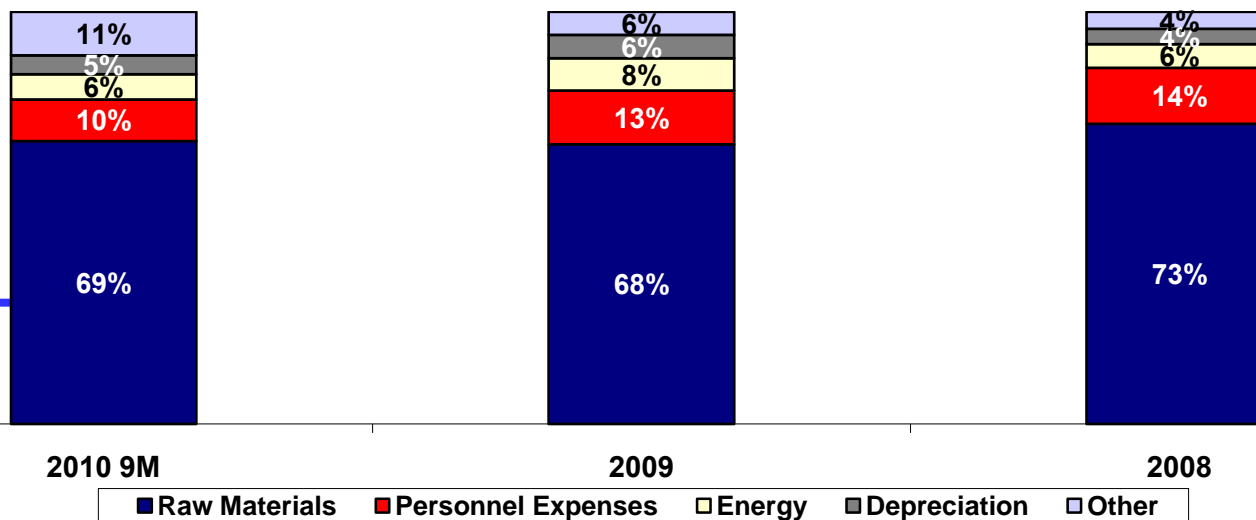
BORROWINGS (MILLION USD)



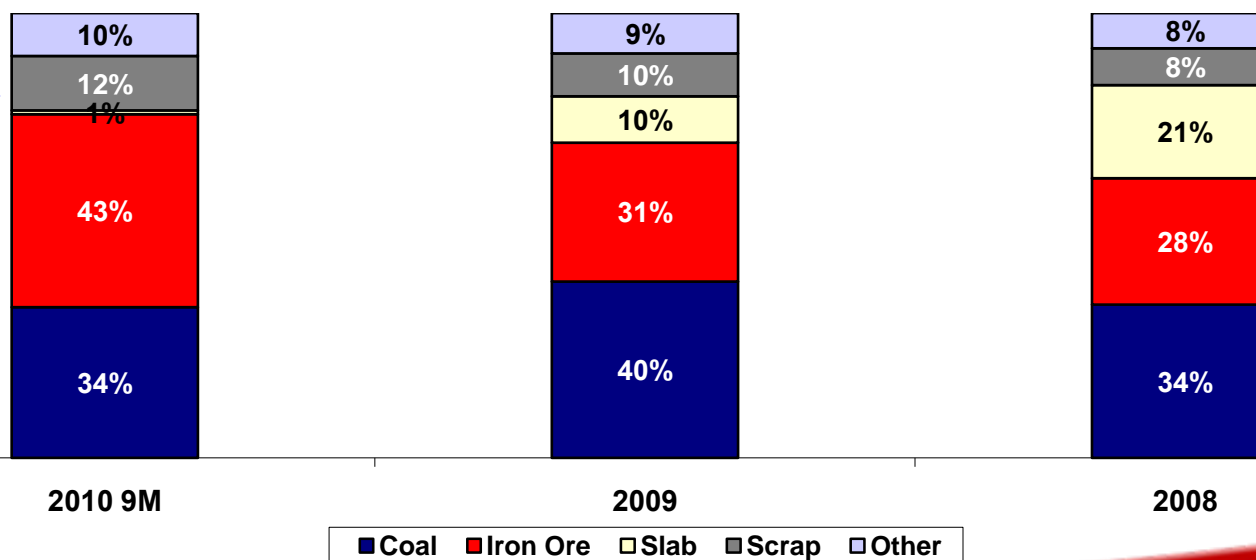
BORROWINGS MATURITY PROFILE (MILLION USD)



COST OF PRODUCTION BREAKDOWN* - %

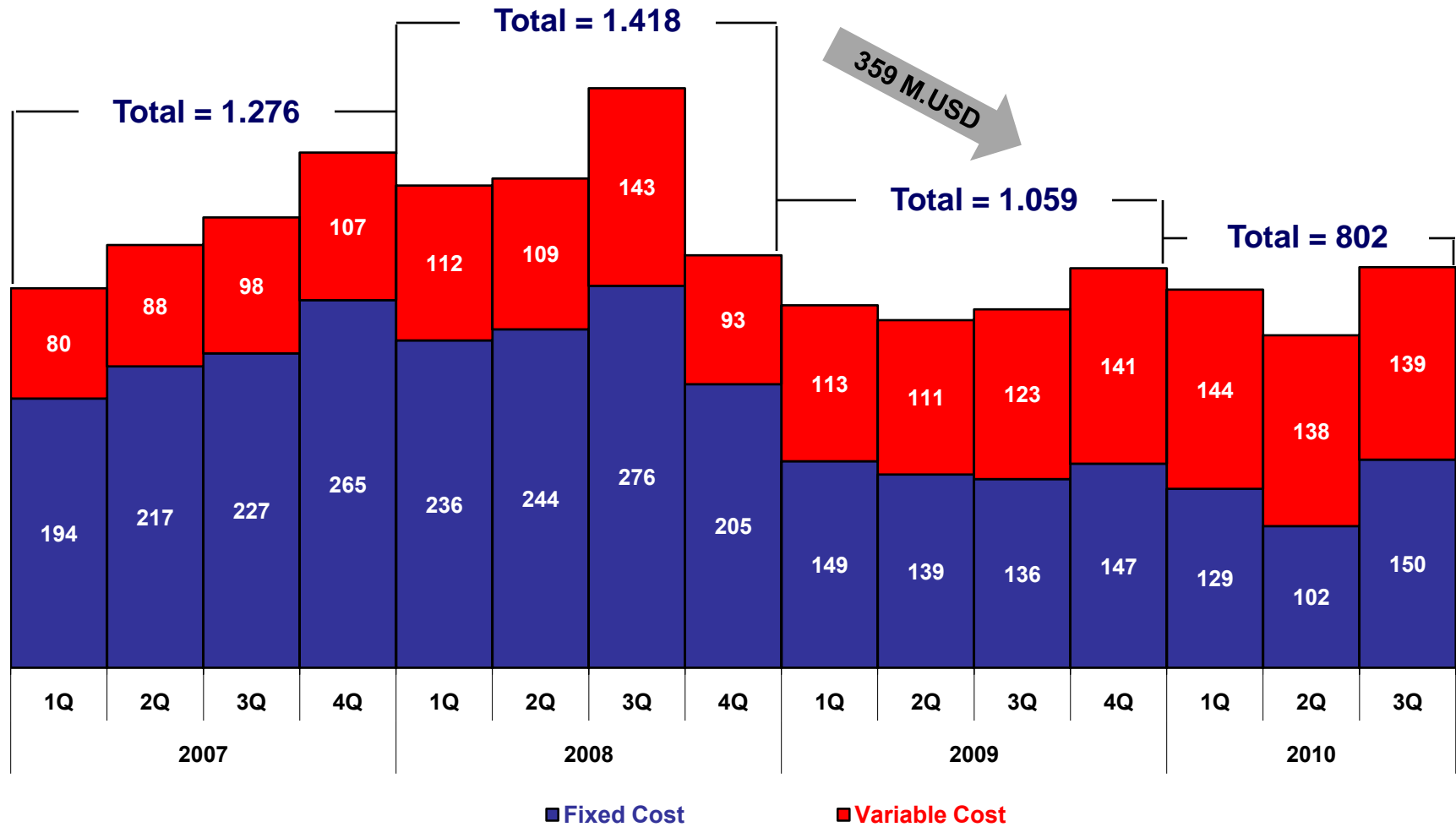


RAW MATERIALS BREAKDOWN- %



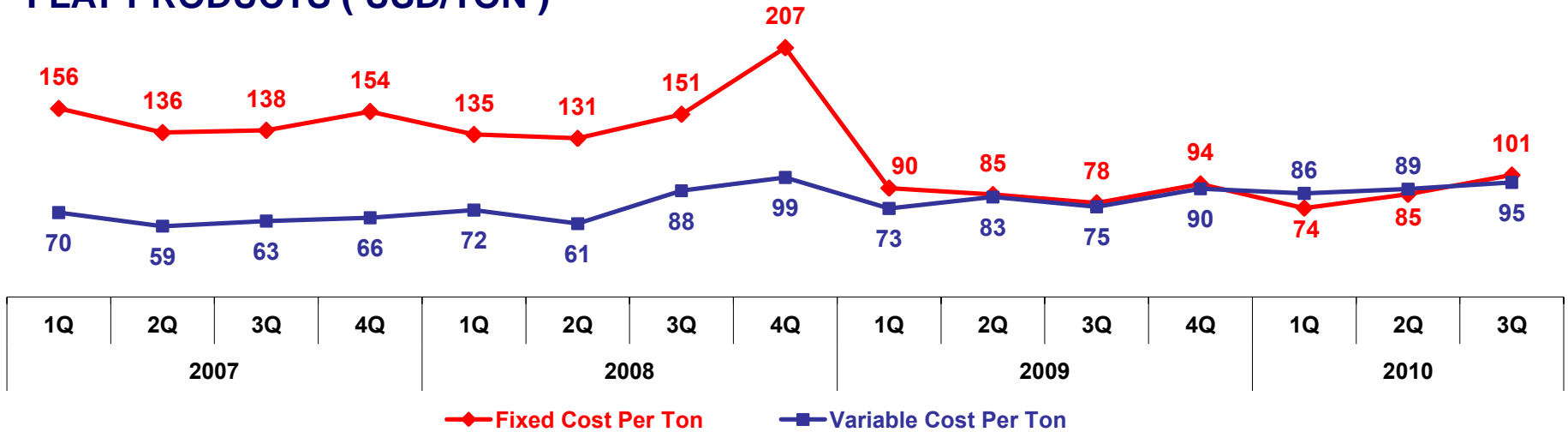
Lowest level of fixed costs was attained in 2010 9M

(MILLION USD)

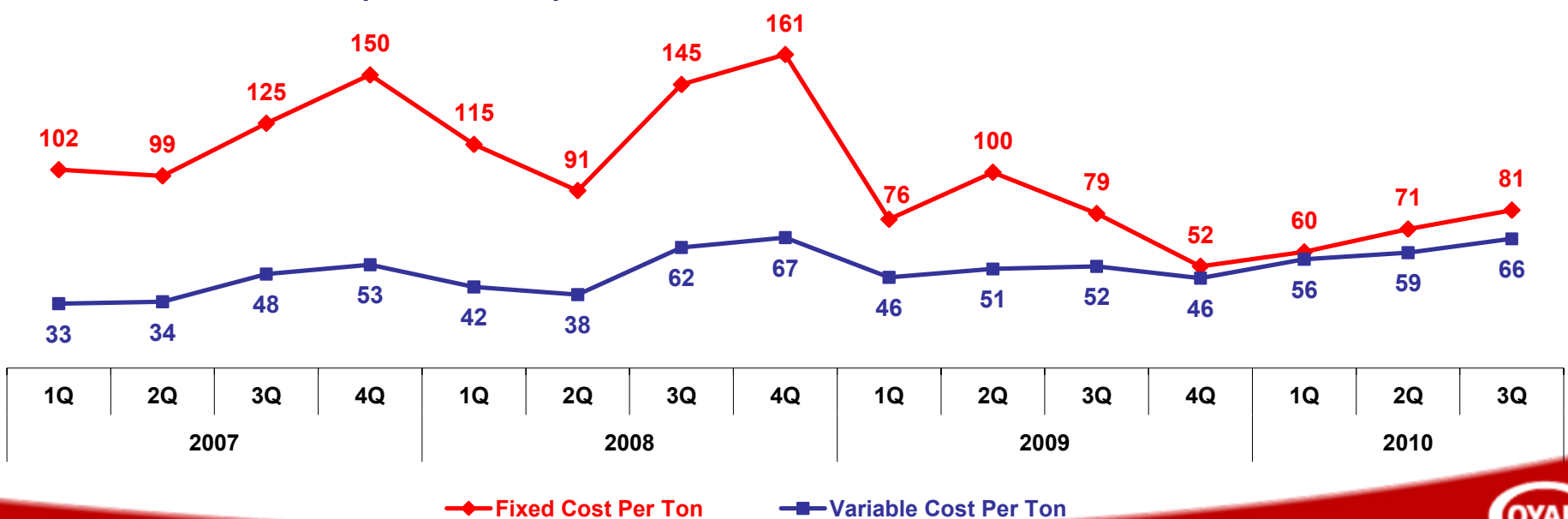


Costs per ton increased in 2010 3Q due to decrease in sales volume

FLAT PRODUCTS (USD/TON)

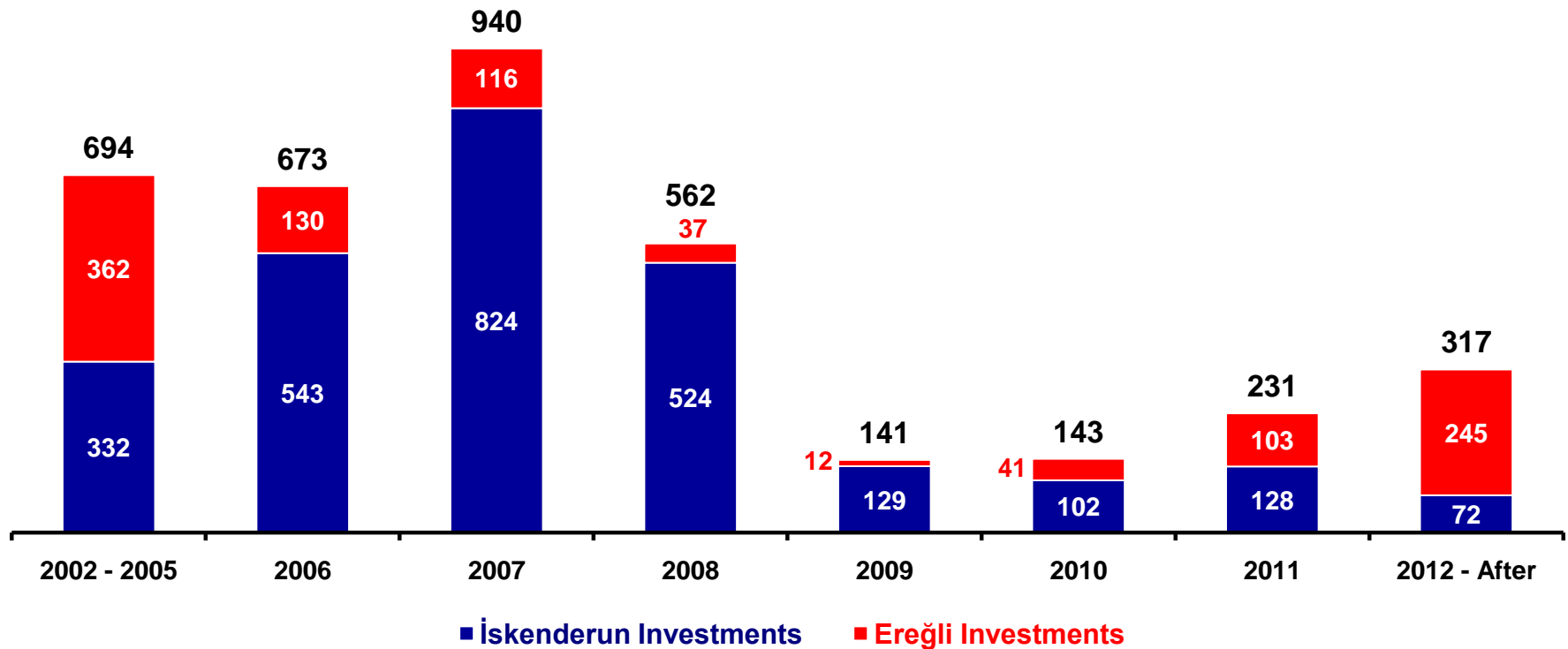


LONG PRODUCTS (USD/TON)



Capital expenditures of 143 million USD is planned for 2010

(M USD)



Number of employees decreased about 11% since 2007 due to voluntary redundancies and retirements

NUMBER OF EMPLOYEES

