



**Erdemir Group**  
**2011 First Quarter**  
**Consolidated Financial Results**

**06 May 2011**

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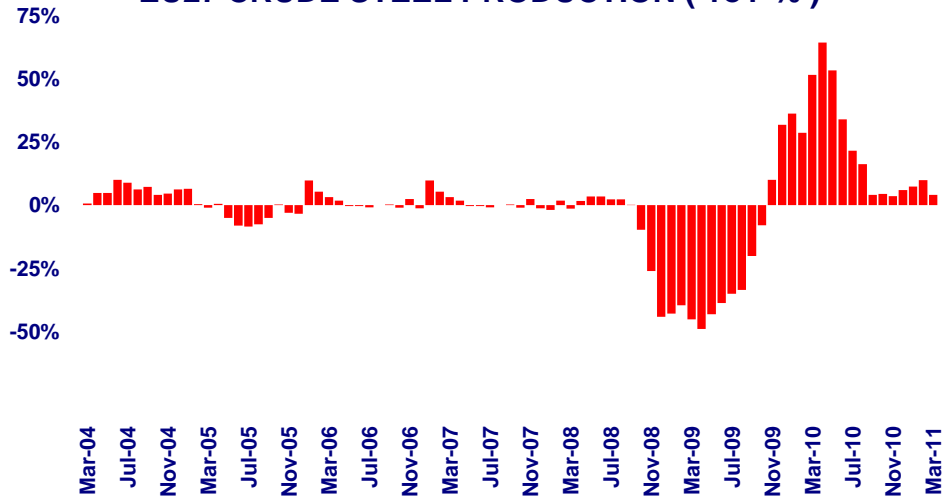
# Agenda

 **2011 Market Overview**

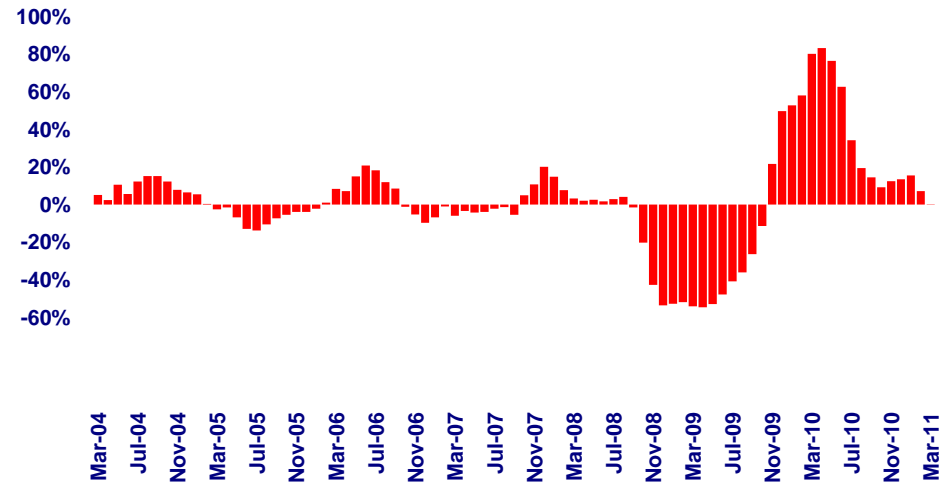
 **2011 1Q Results**

# In EU, sales price was 837 USD/ton as of April 2011

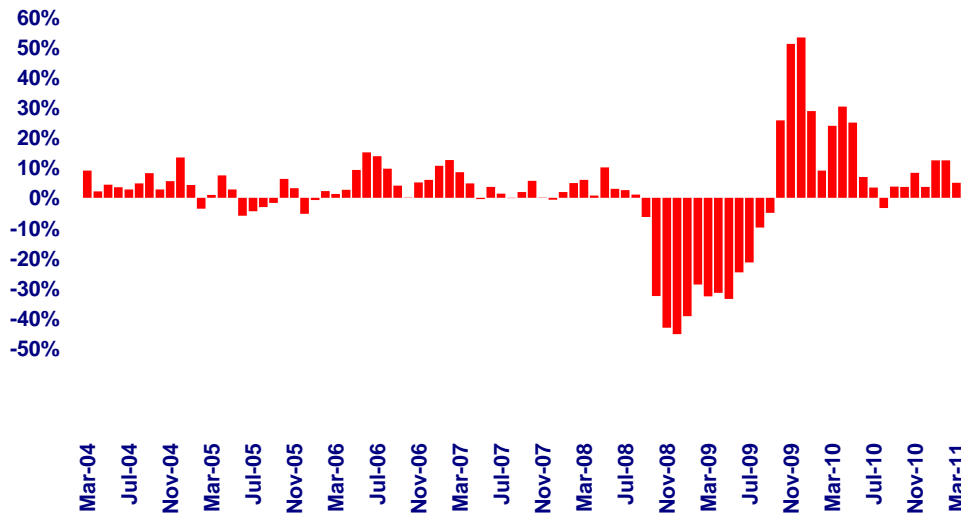
## EU27 CRUDE STEEL PRODUCTION ( YoY % )\*



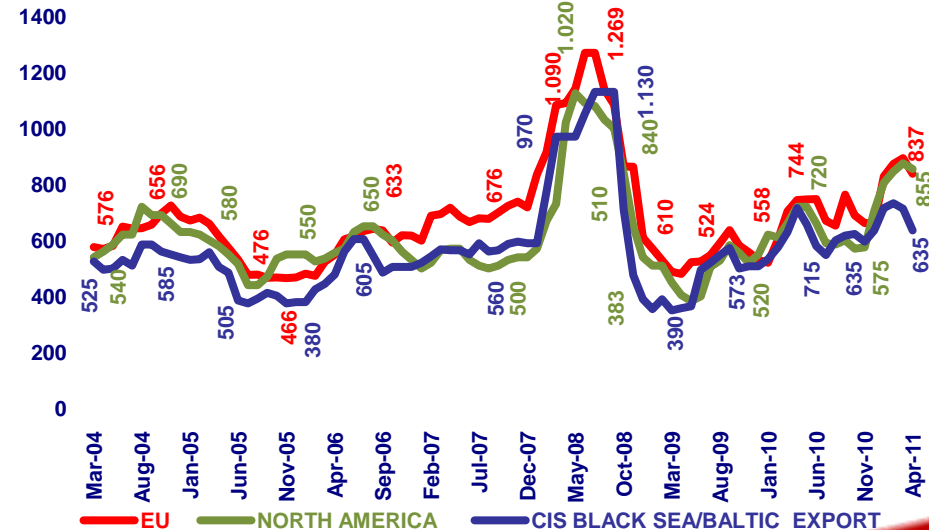
## USA CRUDE STEEL PRODUCTION ( YoY % )\*



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

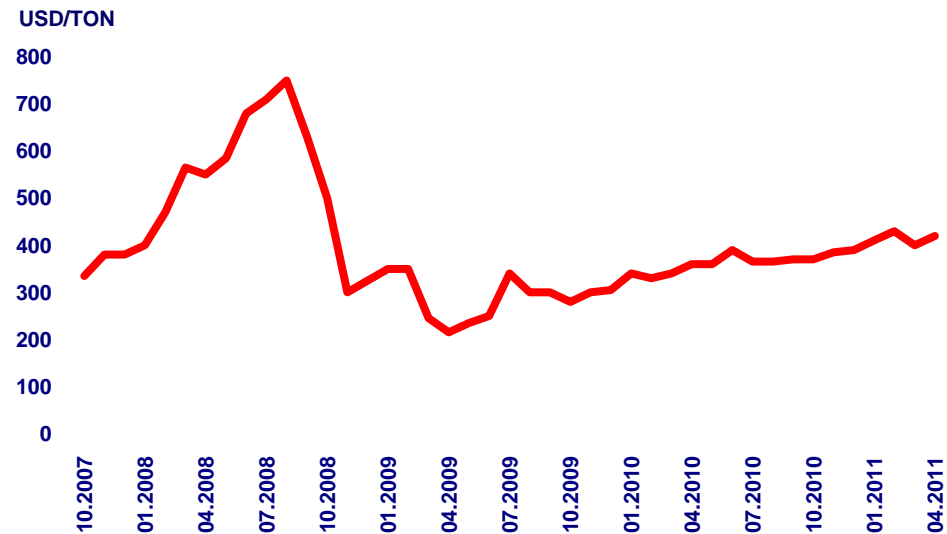


## HRC PRICES ( USD/TON ) \*\*

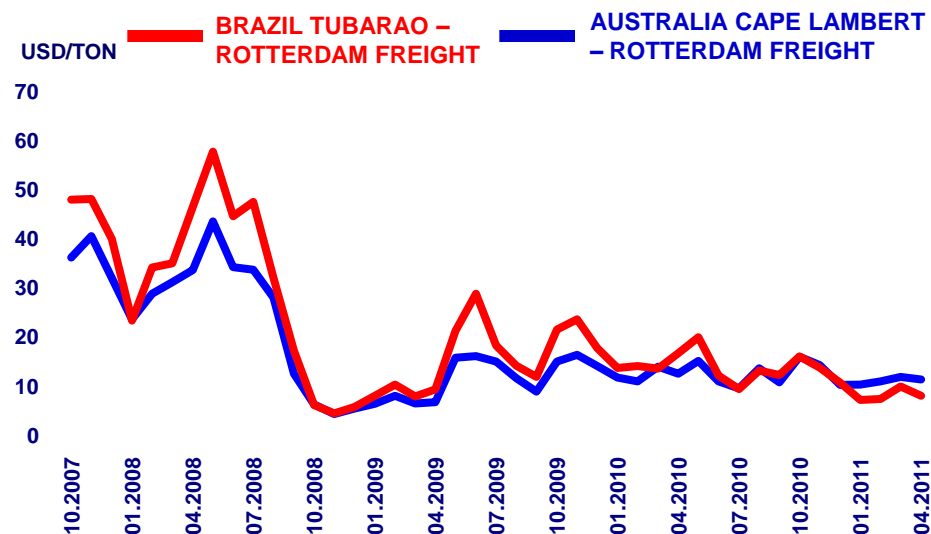
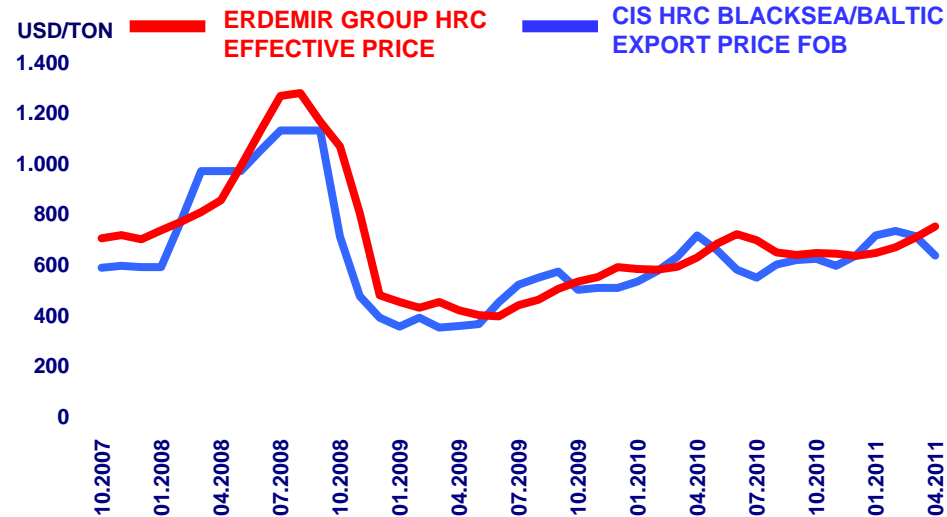
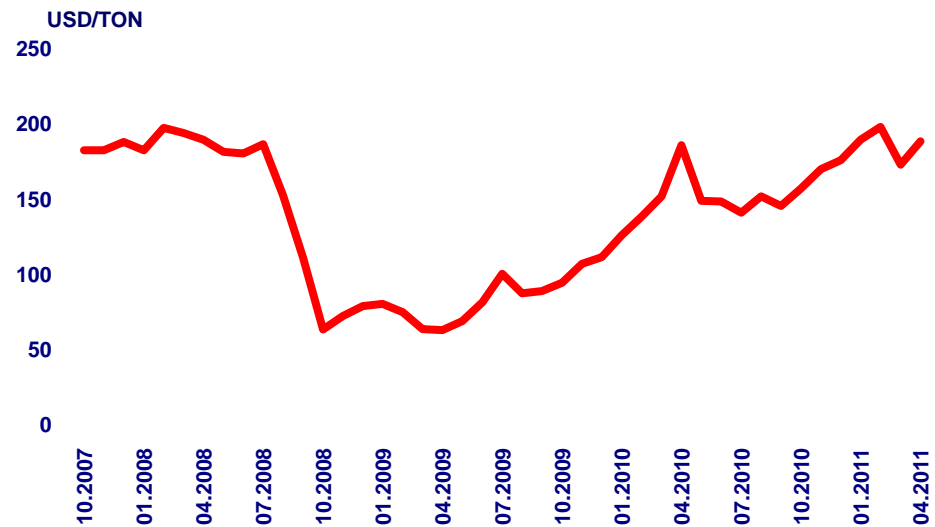


# Raw material prices are increasing

## CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

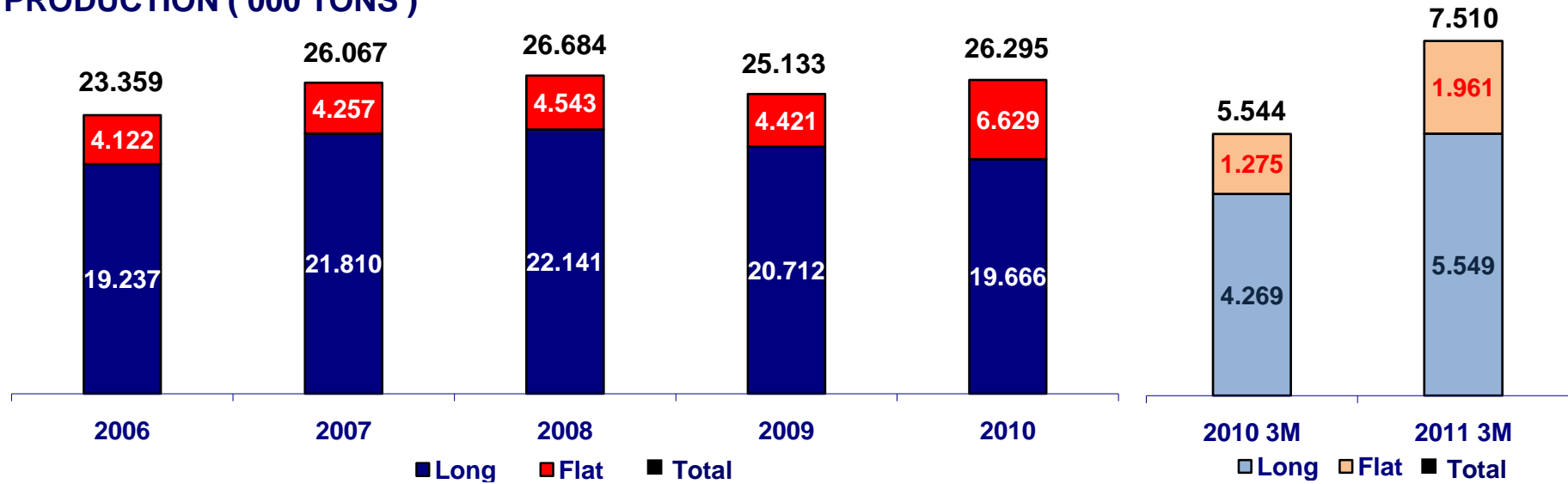


## CHINA PORT FINE ORE PRICE CFR

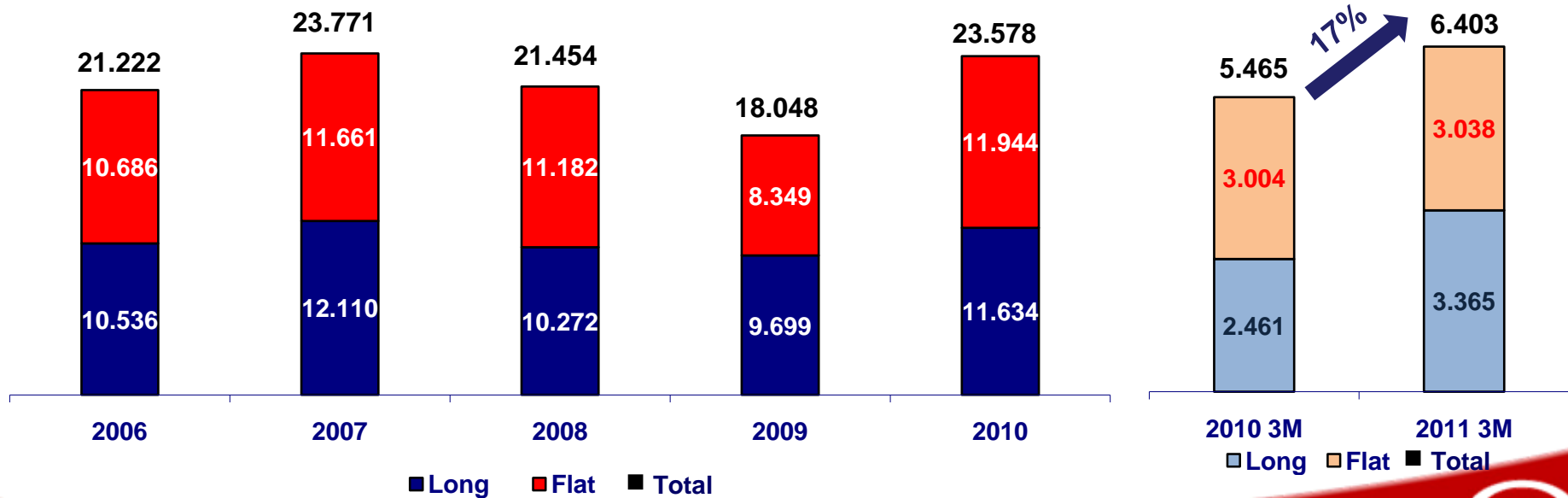


# Turkish steel consumption increased by 17% in 2011 3M YoY

## PRODUCTION ( 000 TONS )

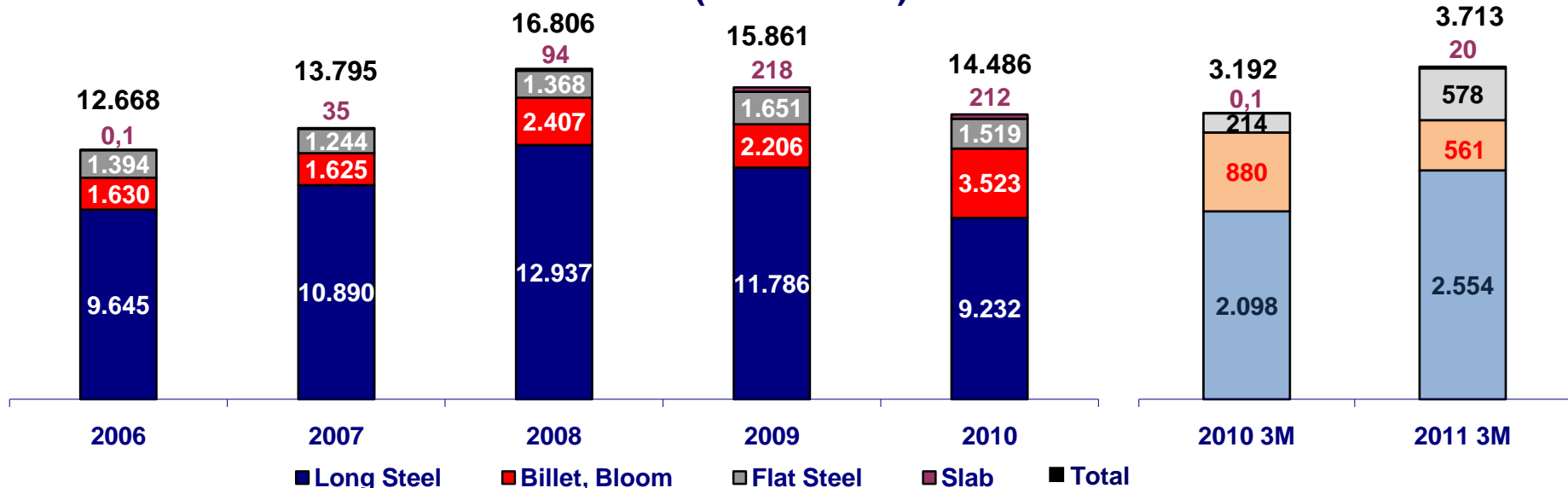


## CONSUMPTION ( 000 TONS )

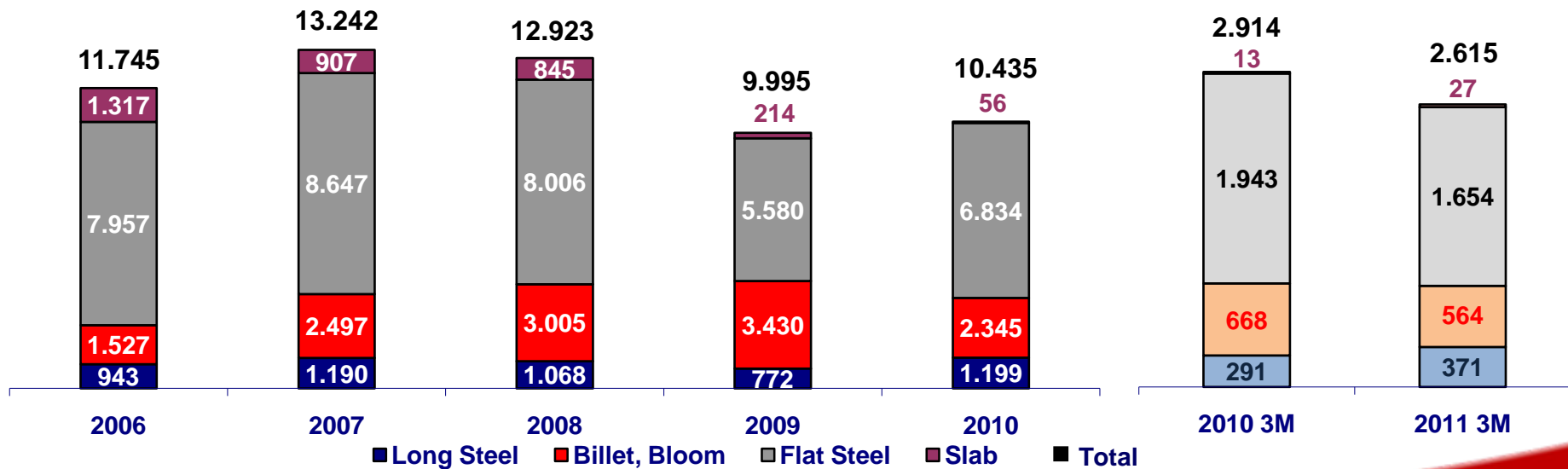


# Turkish Steel Market ( cont'd )

## IRON AND STEEL PRODUCT EXPORTS ( 000 TONS )

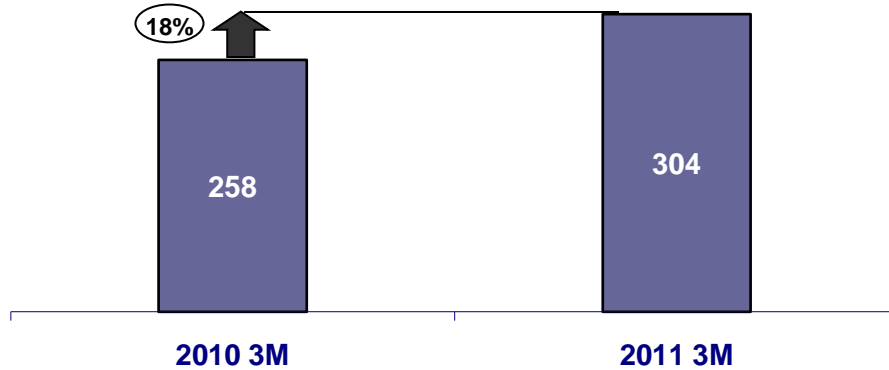


## IRON AND STEEL PRODUCT IMPORTS ( 000 TONS )

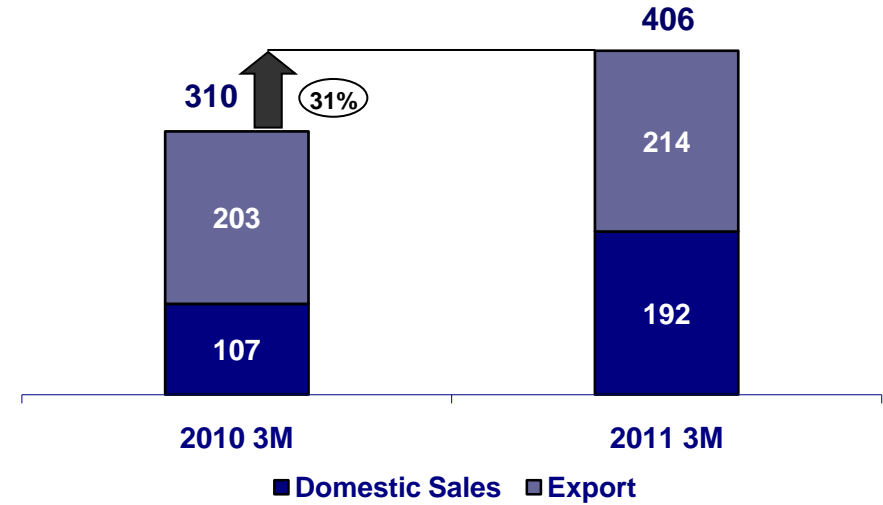


# Automotive production and sales increased by 18% and 31% respectively in 2011 3M YoY

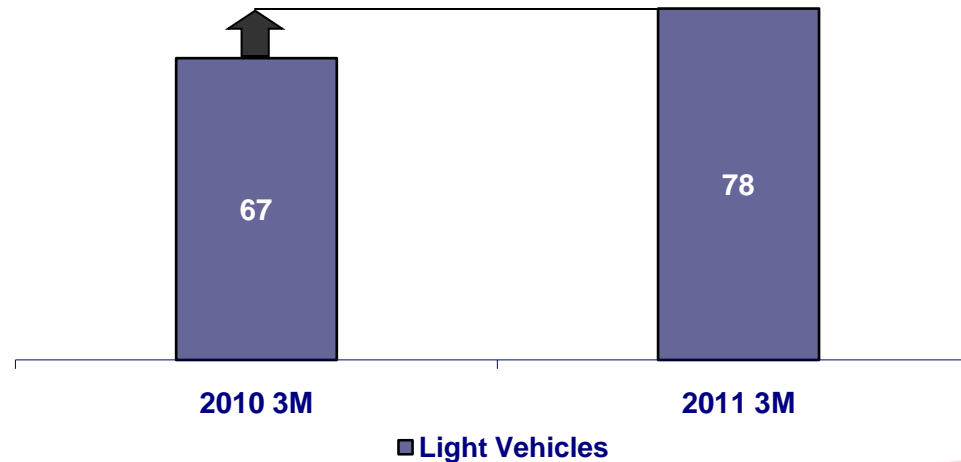
## AUTOMOTIVE PRODUCTION (000 UNITS)



## AUTOMOTIVE SALES (000 UNITS)



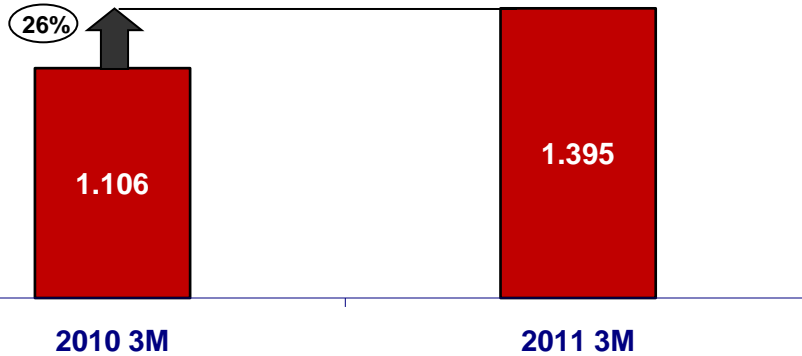
## AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)



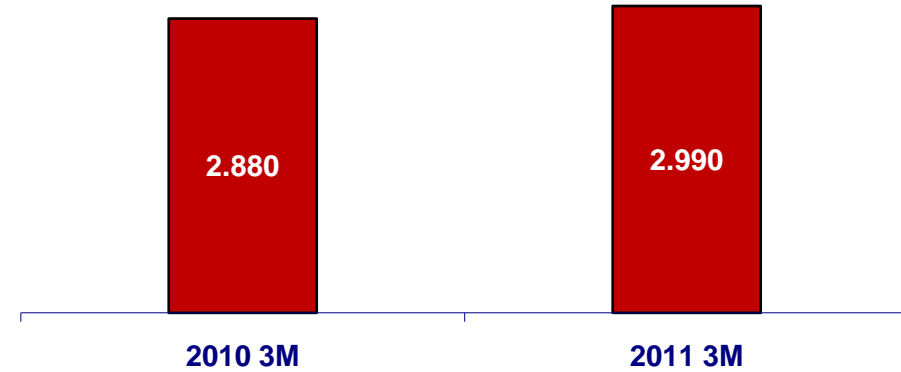


# White goods domestic sales and production increased by 26% and 12% respectively in 2011 3M YoY

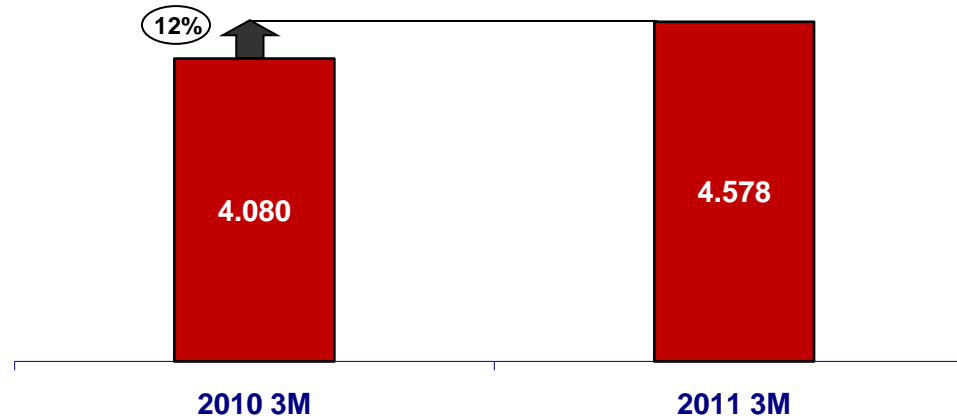
## WHITE GOODS DOMESTIC SALES (000 UNITS)



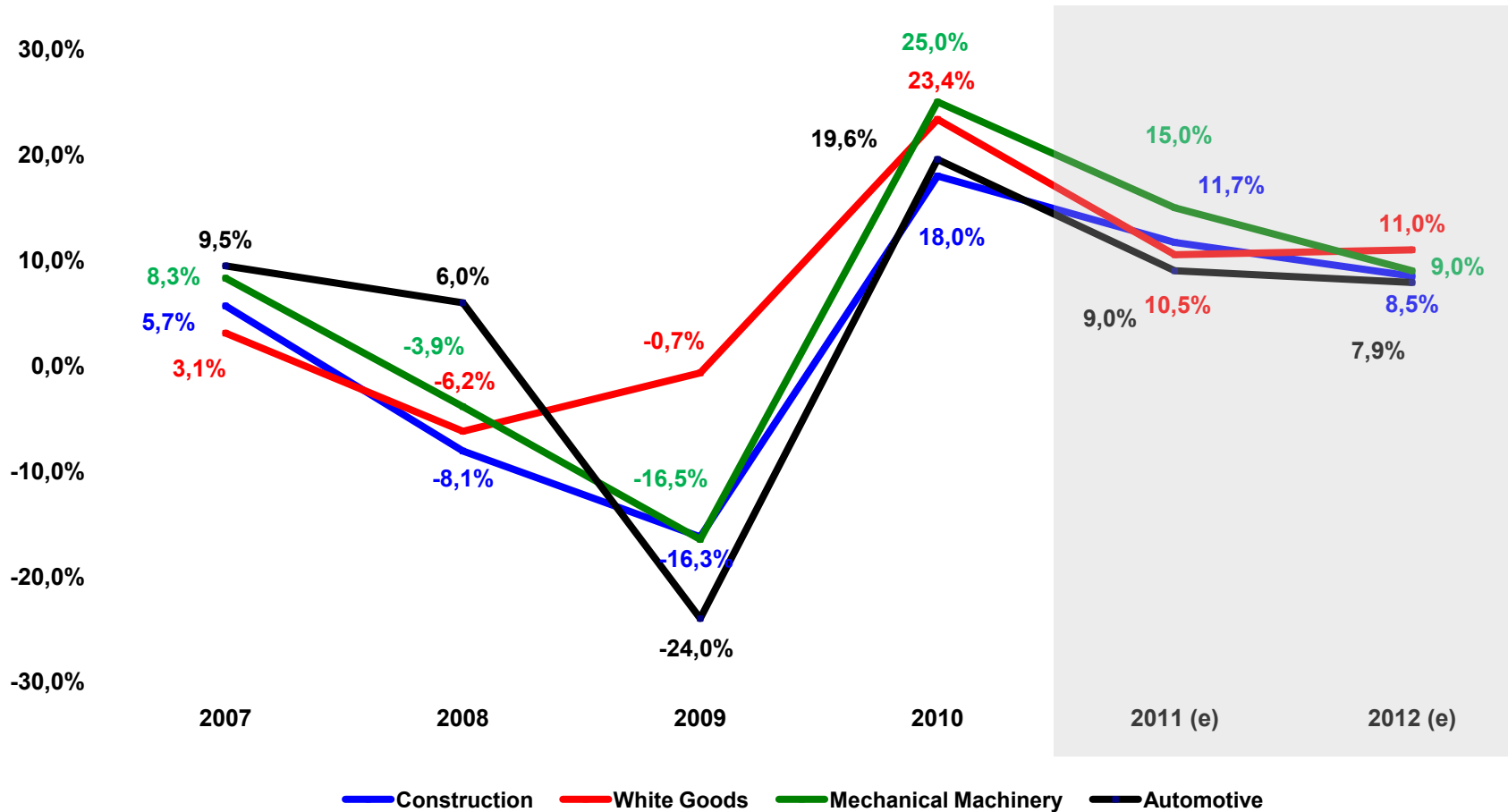
## WHITE GOODS EXPORTS (000 UNITS)



## WHITE GOODS PRODUCTION (000 UNITS)

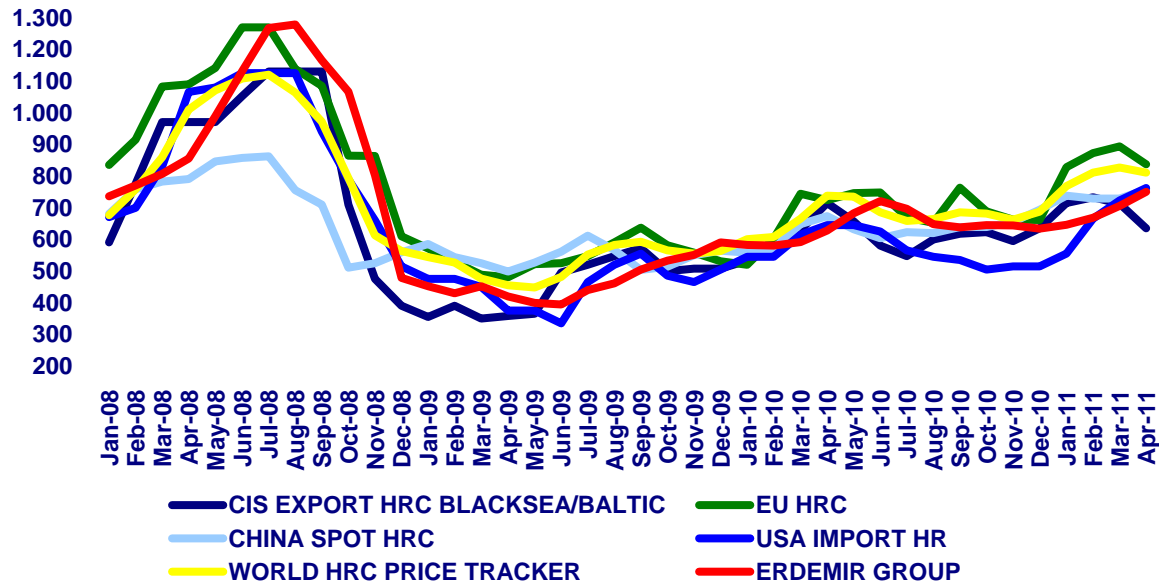


## CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



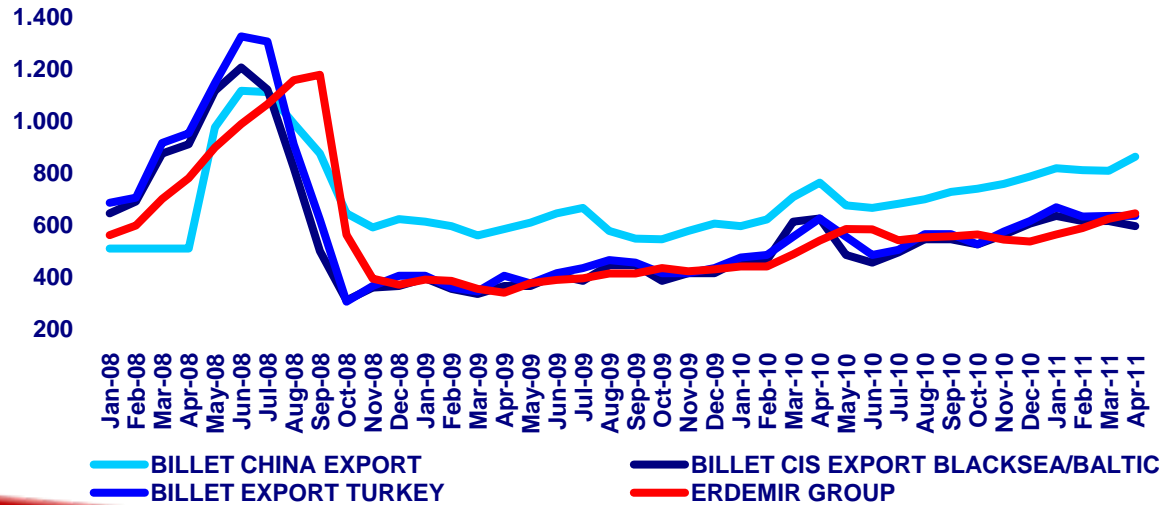
# Sales prices are going up in 2011 YoY

## HRC PRICES ( USD/Ton )



▶ As of April 2011, EU HRC price is 837 USD, China HRC spot price is 757 USD, USA export HRC price is 763 USD. The prices were 661 USD, 694 USD, 515 USD respectively by the end of 2010 .

## BILLET PRICES ( USD/Ton )



▶ As of April 2011, Turkey export price is 635 USD while it was 615 USD in December 2010.



# Agenda

 2011 Market Overview

 **2011 1Q Results**

# ERDEMİR GROUP KEY FIGURES

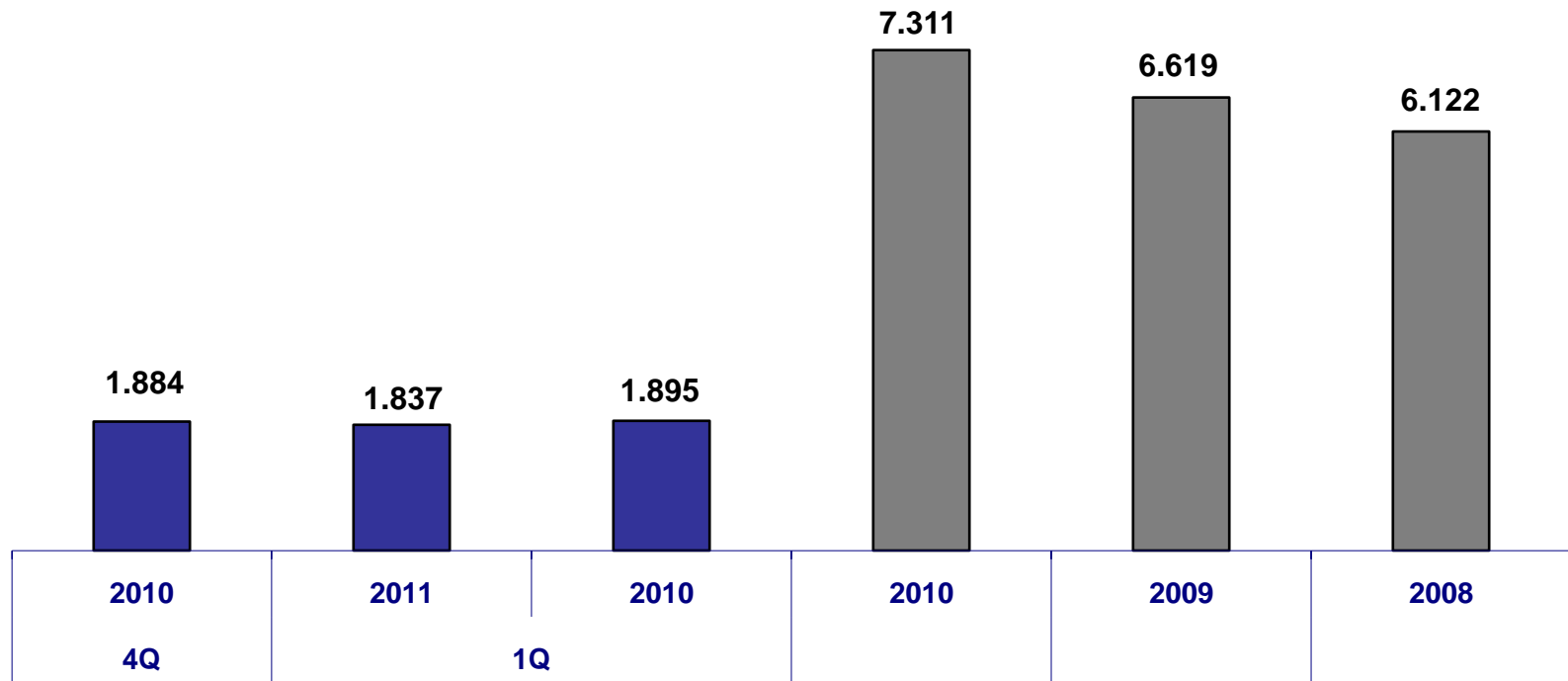
|   |                   |   | 2011 1Q | 2010 1Q | 2010  | 2009  |
|---|-------------------|---|---------|---------|-------|-------|
| <b>Liquid Steel Production</b>              | <i>(000 Tons)</i> | ↓ | 1.837   | 1.895   | 7.311 | 6.619 |
| <b>Slab Production <sup>(1)</sup></b>       | <i>(000 Tons)</i> | ↑ | 1.598   | 1.362   | 5.674 | 4.569 |
| <b>Flat Steel Production <sup>(2)</sup></b> | <i>(000 Tons)</i> | ↑ | 1.498   | 1.322   | 5.373 | 4.812 |
| <b>Long Steel Production</b>                | <i>(000 Tons)</i> | ↓ | 187     | 473     | 1.420 | 1.869 |
| <b>Flat Steel Shipments</b>                 | <i>(000 Tons)</i> | ↑ | 1.471   | 1.234   | 5.123 | 5.128 |
| <b>Long Steel Shipments</b>                 | <i>(000 Tons)</i> | ↓ | 197     | 451     | 1.393 | 1.858 |
| <b>Net Sales Revenue</b>                    | <i>(M. USD)</i>   | ↑ | 1.291   | 1.055   | 4.427 | 3.404 |
| <b>EBITDA</b>                               | <i>(M. USD)</i>   | ↑ | 281     | 193     | 948   | 247   |
| <b>Net Profit For The Year</b>              | <i>(M. USD)</i>   | ↑ | 166     | 107     | 511   | -109  |

All figures are on IFRS consolidated basis unless stated otherwise.

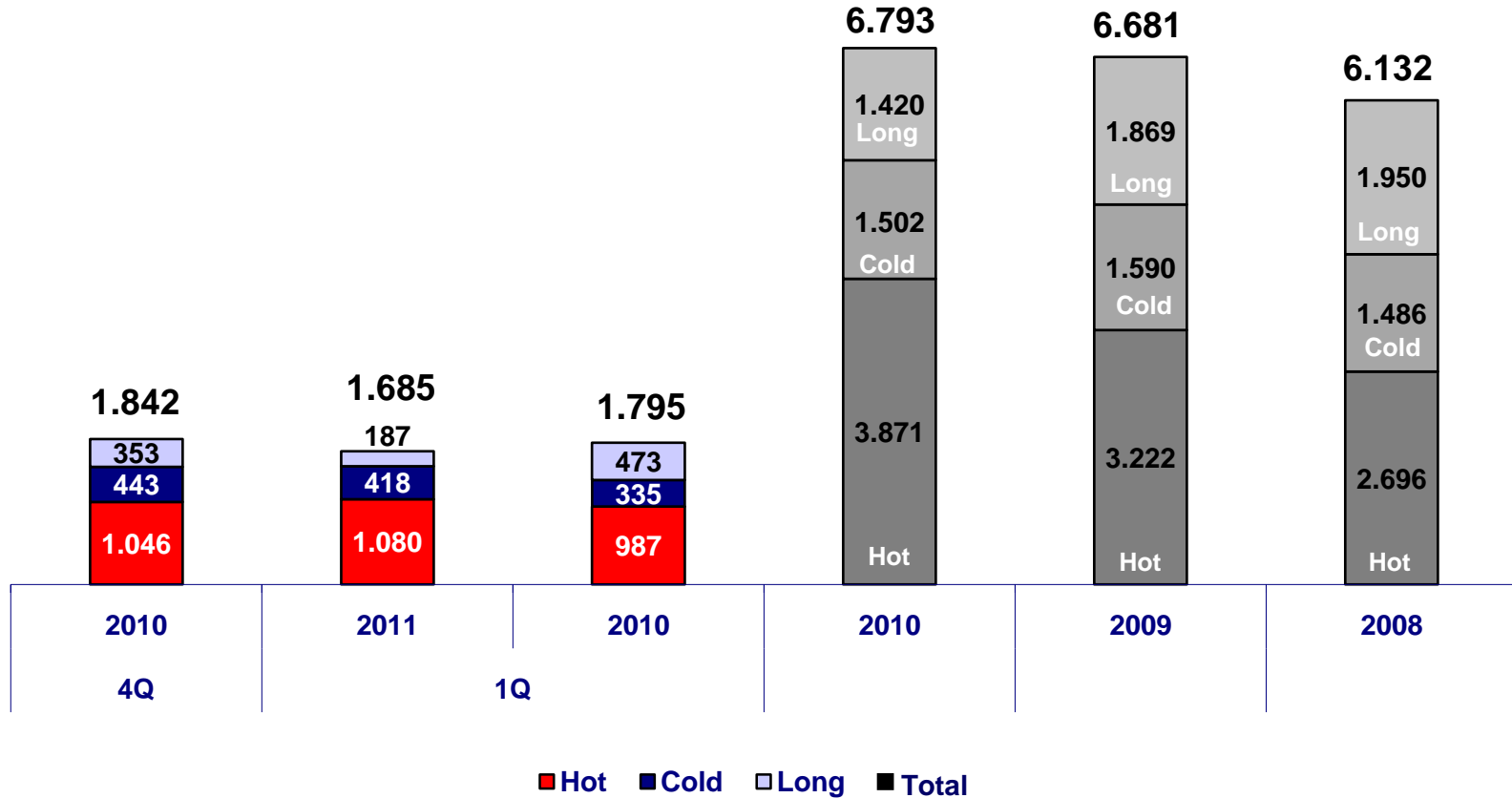
(1) Total slab production of Ereğli and İskenderun Plants.

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

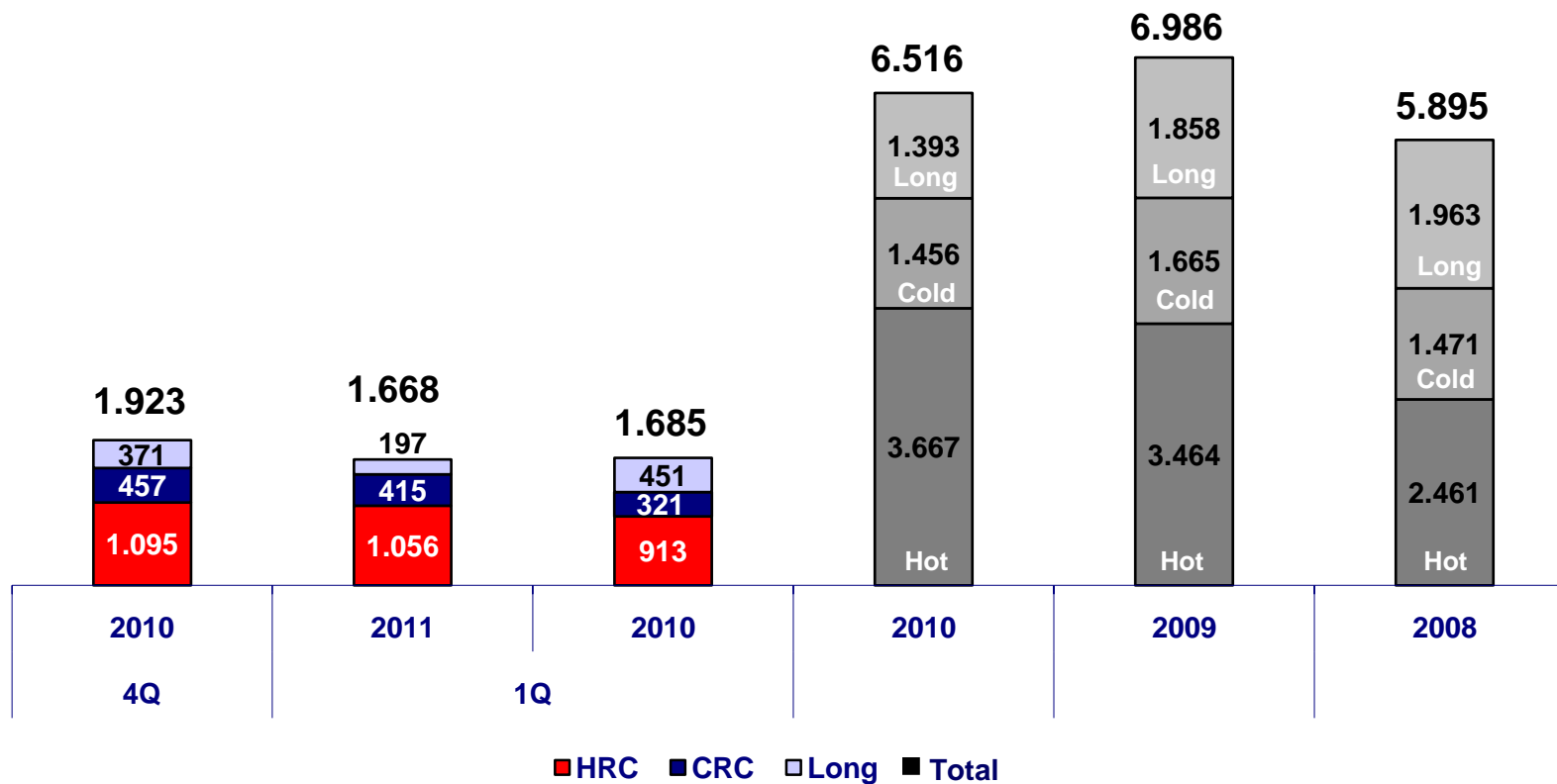
## LIQUID STEEL PRODUCTION ( 000 TONS )



## PRODUCTION VOLUMES ( 000 TONS )

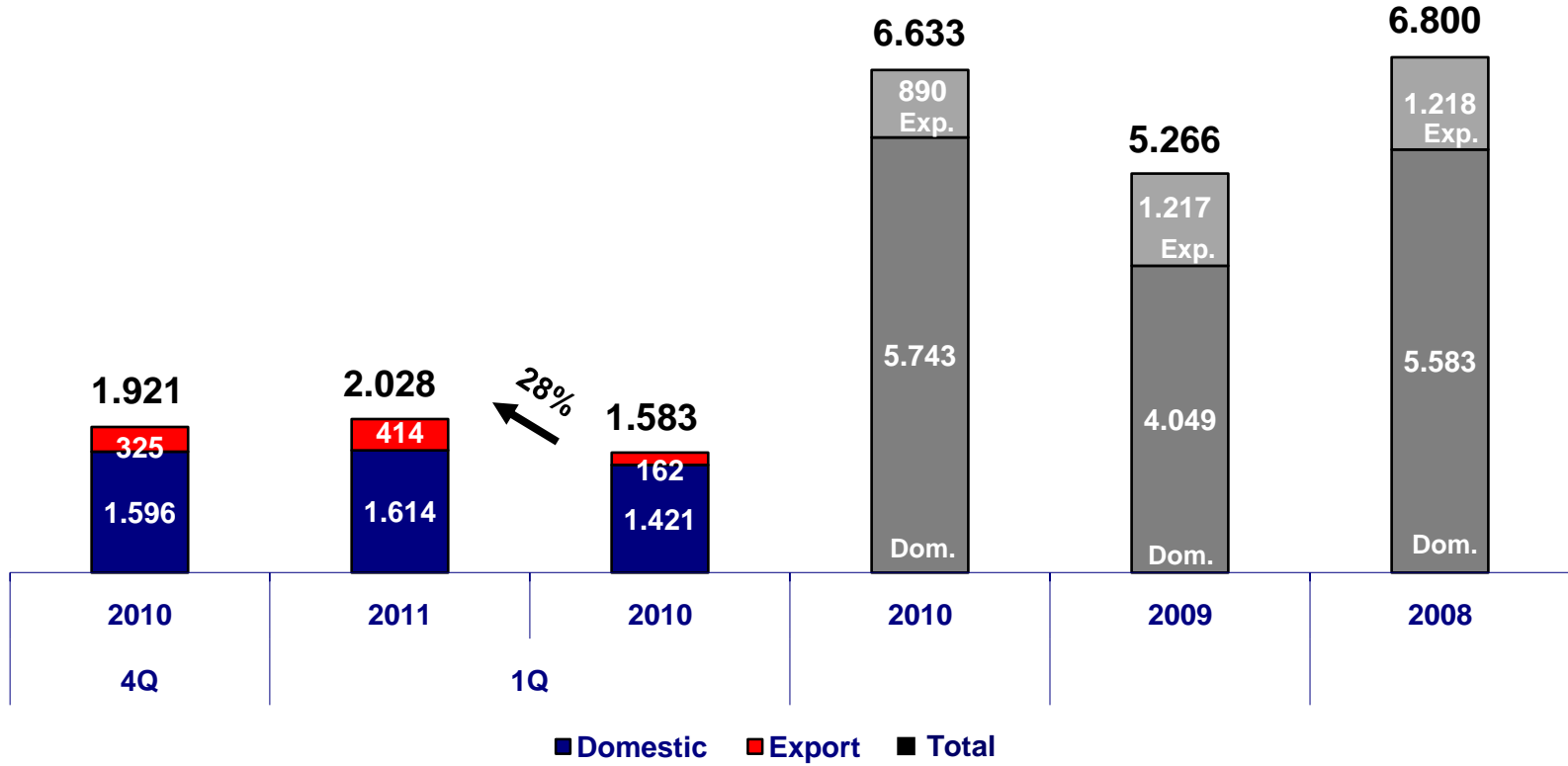


## SALES VOLUME ( 000 TONS )



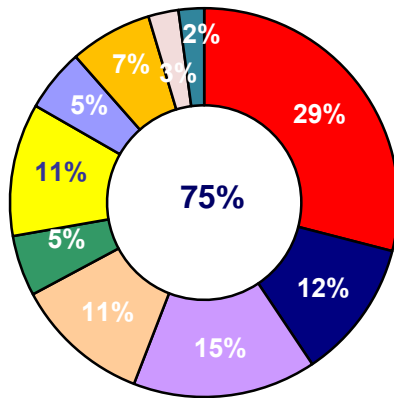


## NET SALES REVENUE ( MILLION TL )



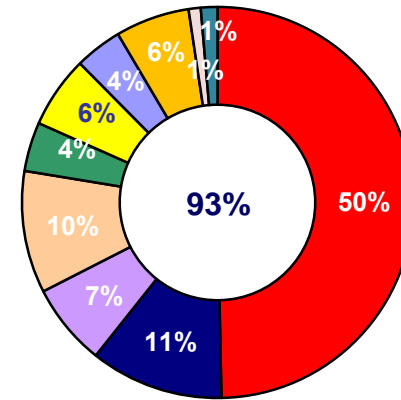
# Sales to automotive sector increased in 2011 1Q

## 2011 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



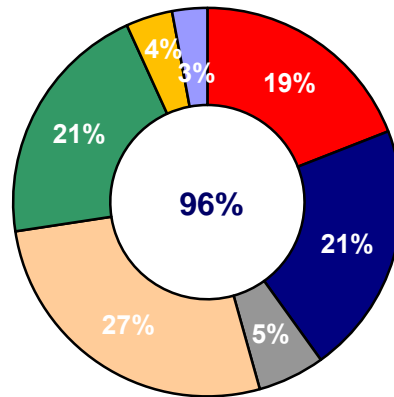
- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Heating Equipment
- Household Appliances
- General Manufacturing
- Shipbuilding & Heavy Industry

## 2010 3M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)



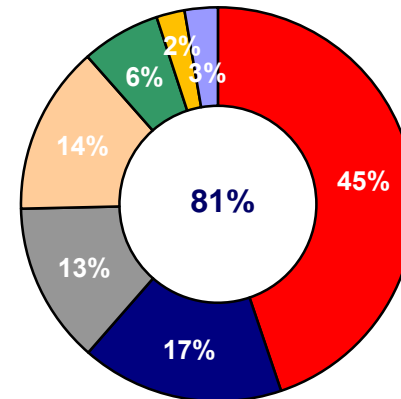
- Pipe and Profile Industry
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- General Manufacturing
- Shipbuilding & Heavy Industry

## 2011 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

## 2010 3M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

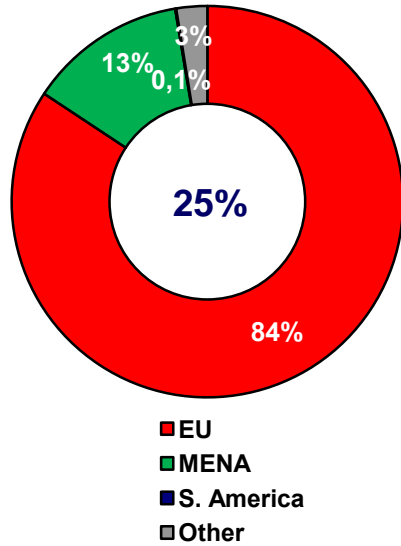


- Debar Producers
- Profile Producers
- Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

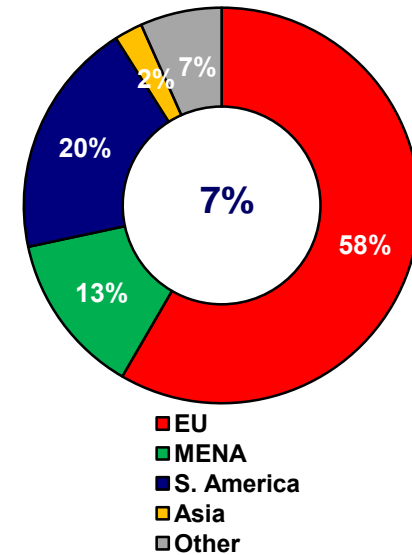


# Flat and long steel sales to EU countries increased in 2011

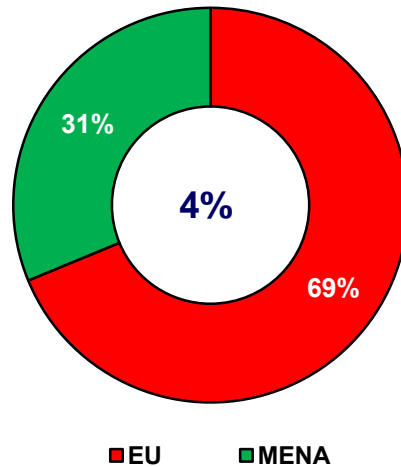
## 2011 3M FLAT STEEL EXPORTS BREAKDOWN (%)



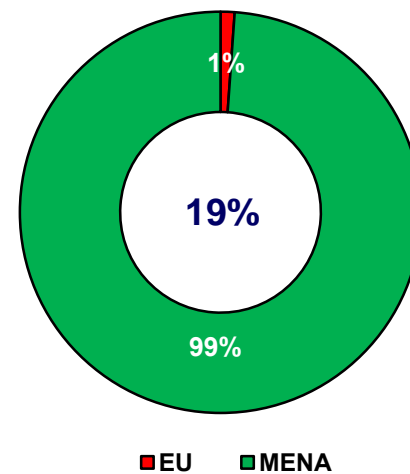
## 2010 3M FLAT STEEL EXPORTS BREAKDOWN (%)



## 2011 3M LONG STEEL EXPORTS BREAKDOWN (%)

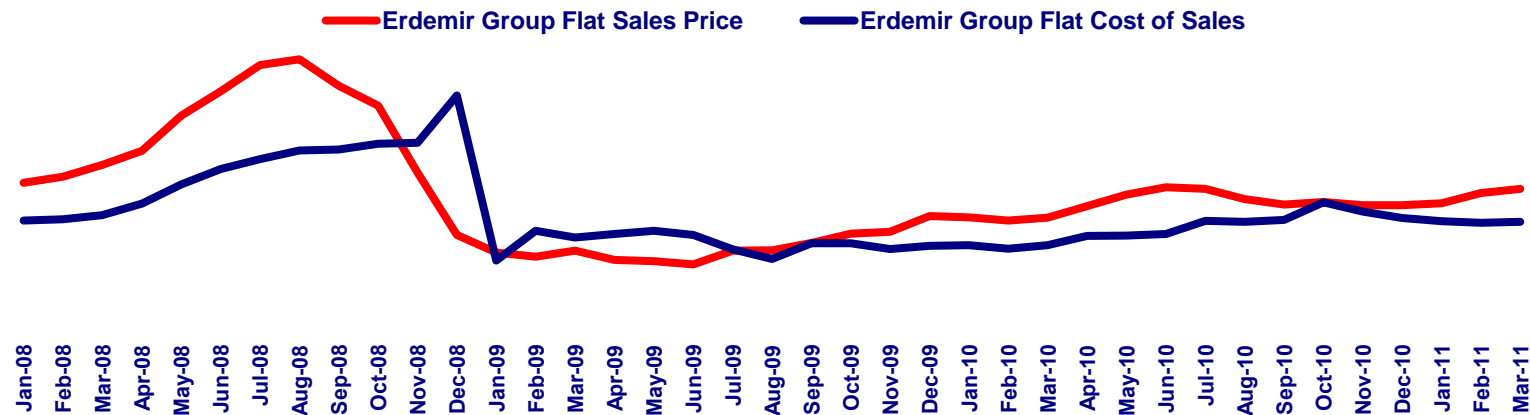


## 2010 3M LONG STEEL EXPORTS BREAKDOWN (%)

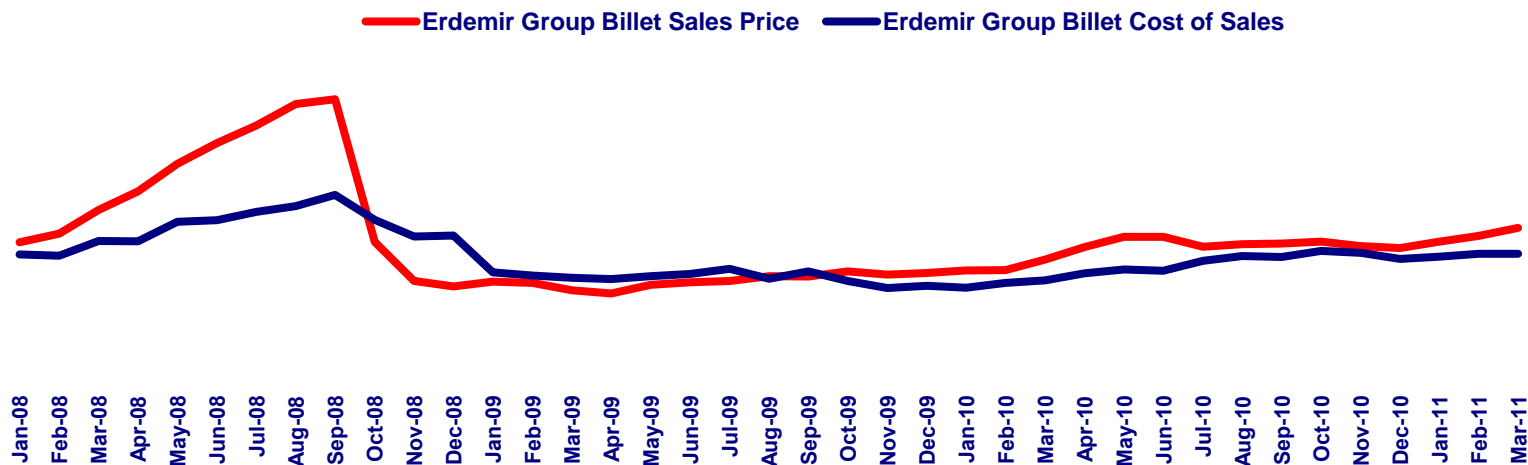


# In 2011 3M, Erdemir Group average flat and long steel prices were 739 USD/ton and 663 USD/ton respectively

USD/TON



USD/TON

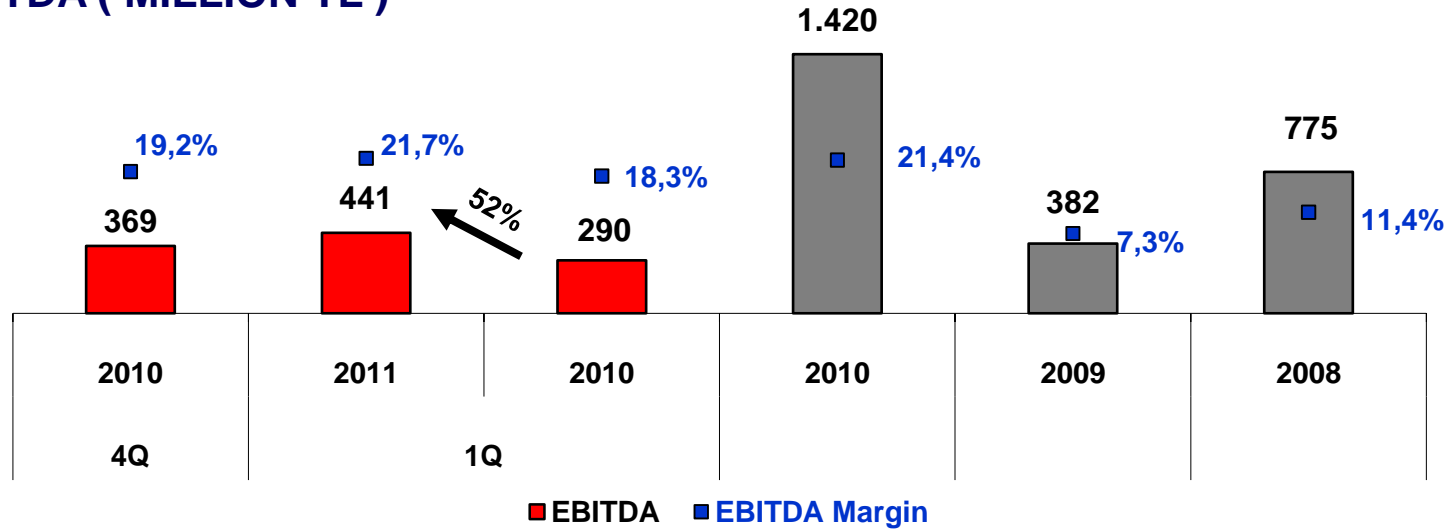


- Flat steel prices increased by 16% on average in 2011 3M YoY.
- Long steel prices increased by 34% on average in 2011 3M YoY.

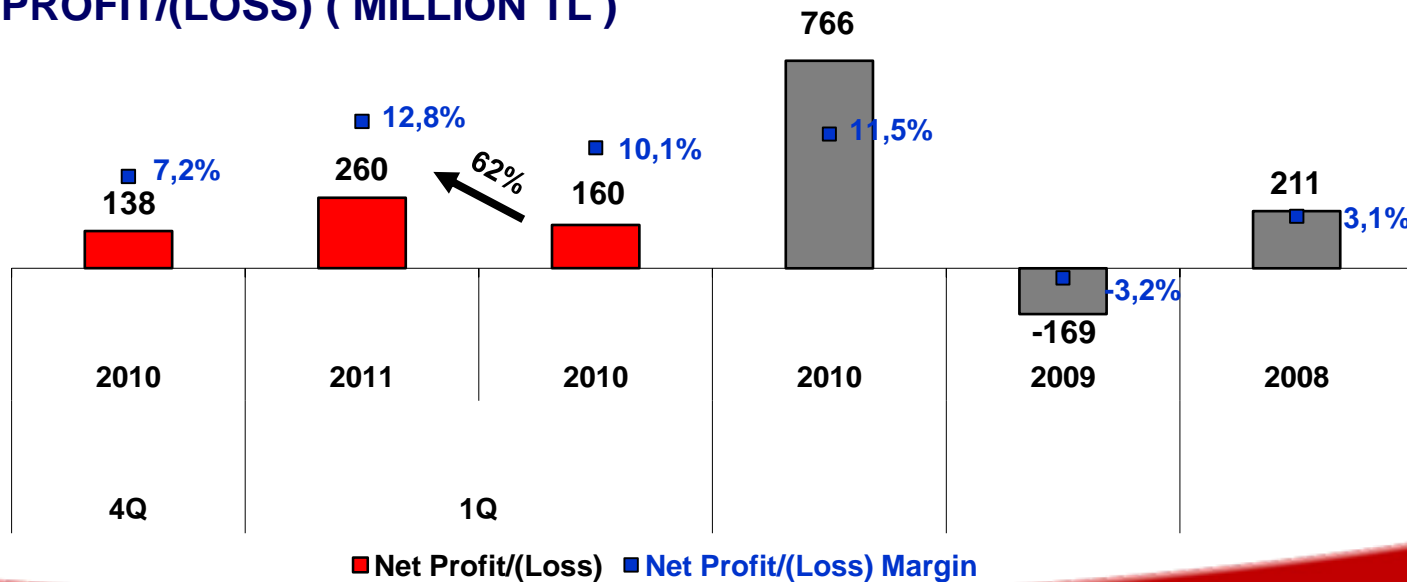


# Net profit increased by 62% in 2011 1Q YoY

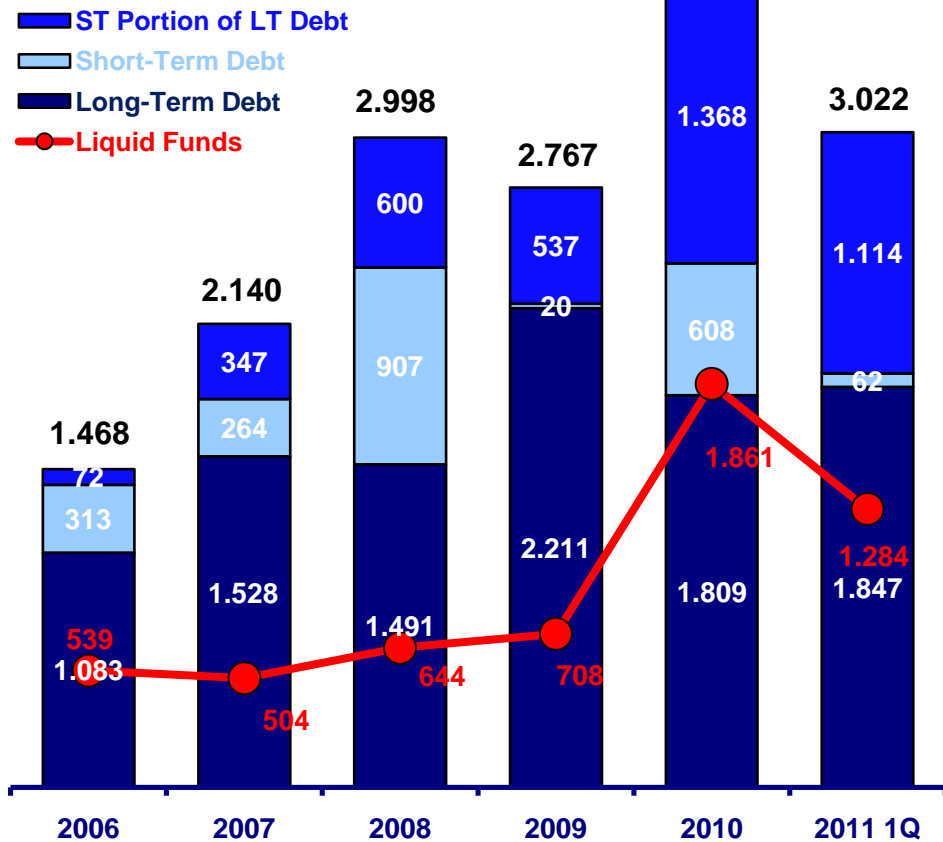
## EBITDA ( MILLION TL )



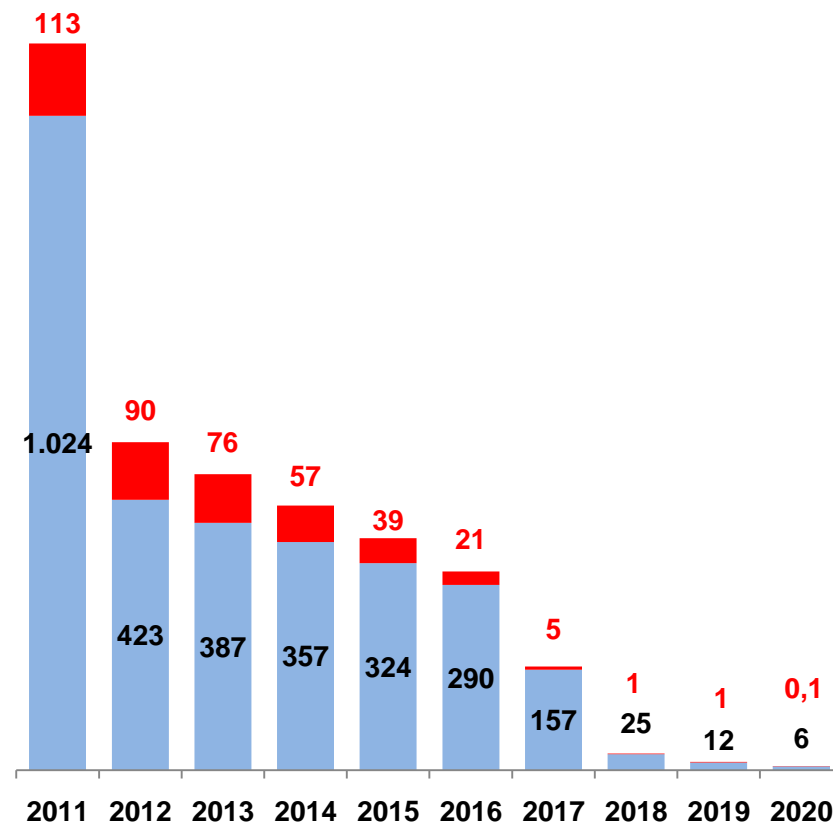
## NET PROFIT/(LOSS) ( MILLION TL )



## BORROWINGS ( MILLION USD )



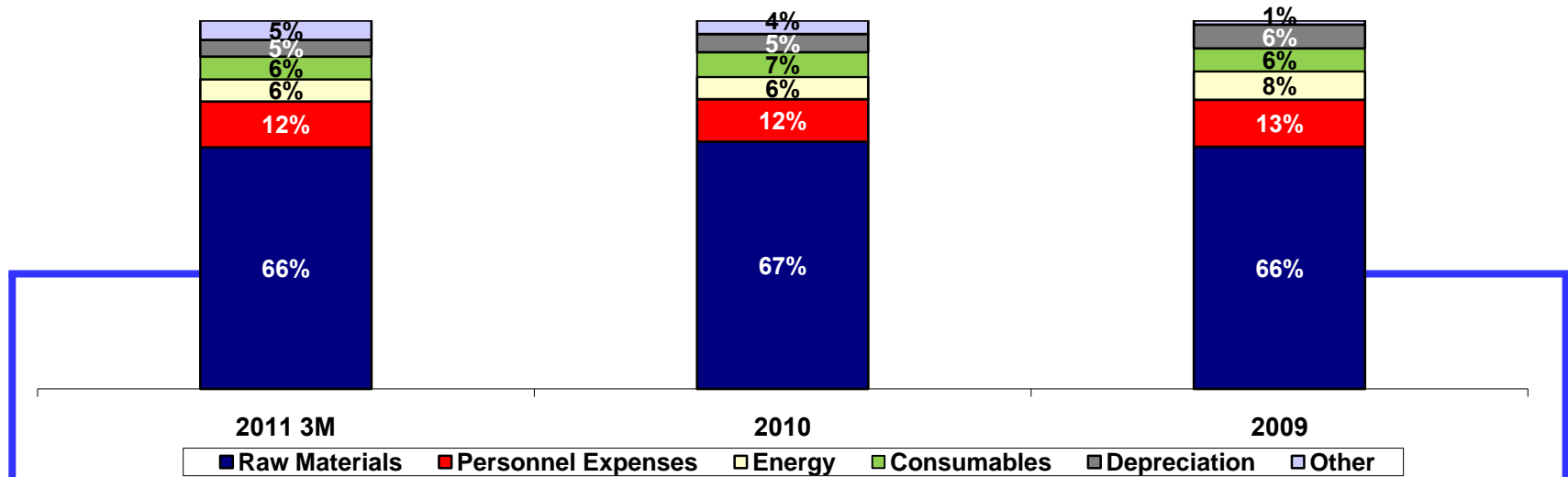
## BORROWINGS MATURITY PROFILE ( MILLION USD )



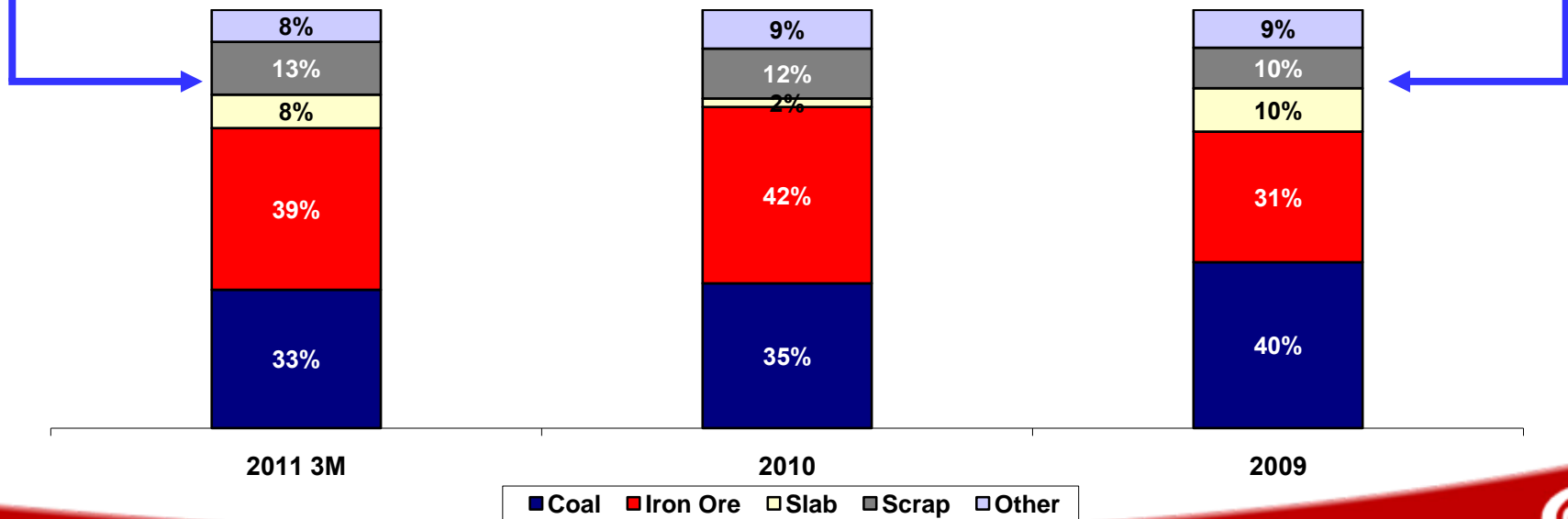
■ Principal ■ Interest

# Raw materials made up 66% of the cost of goods sold in 2011 3M

## COST OF PRODUCTION BREAKDOWN\* - %

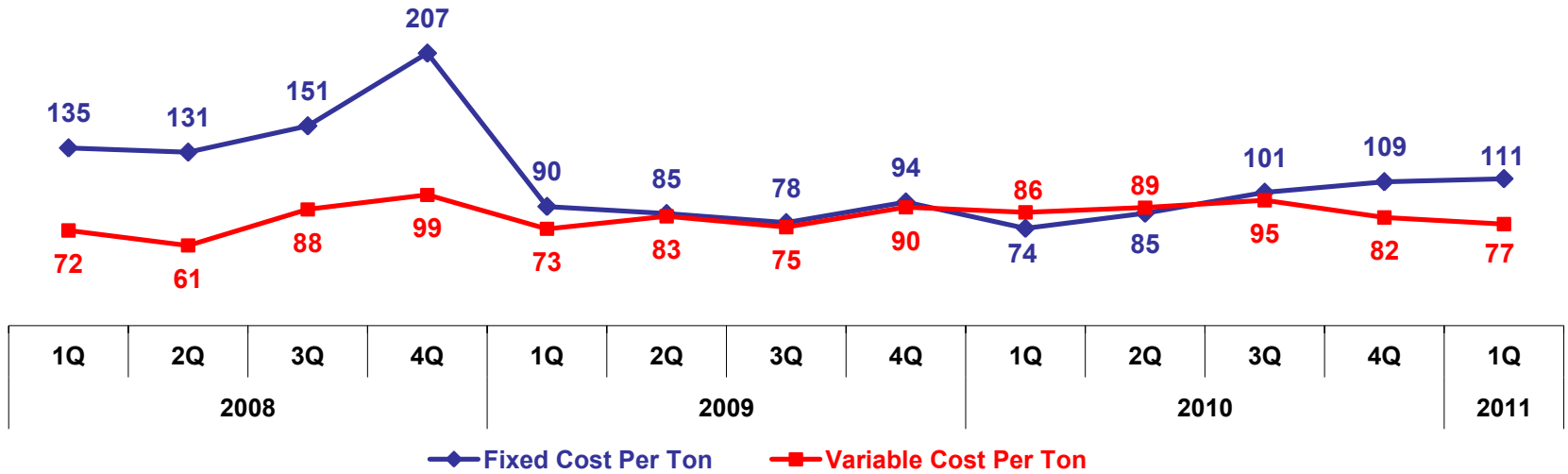


## RAW MATERIALS BREAKDOWN- %

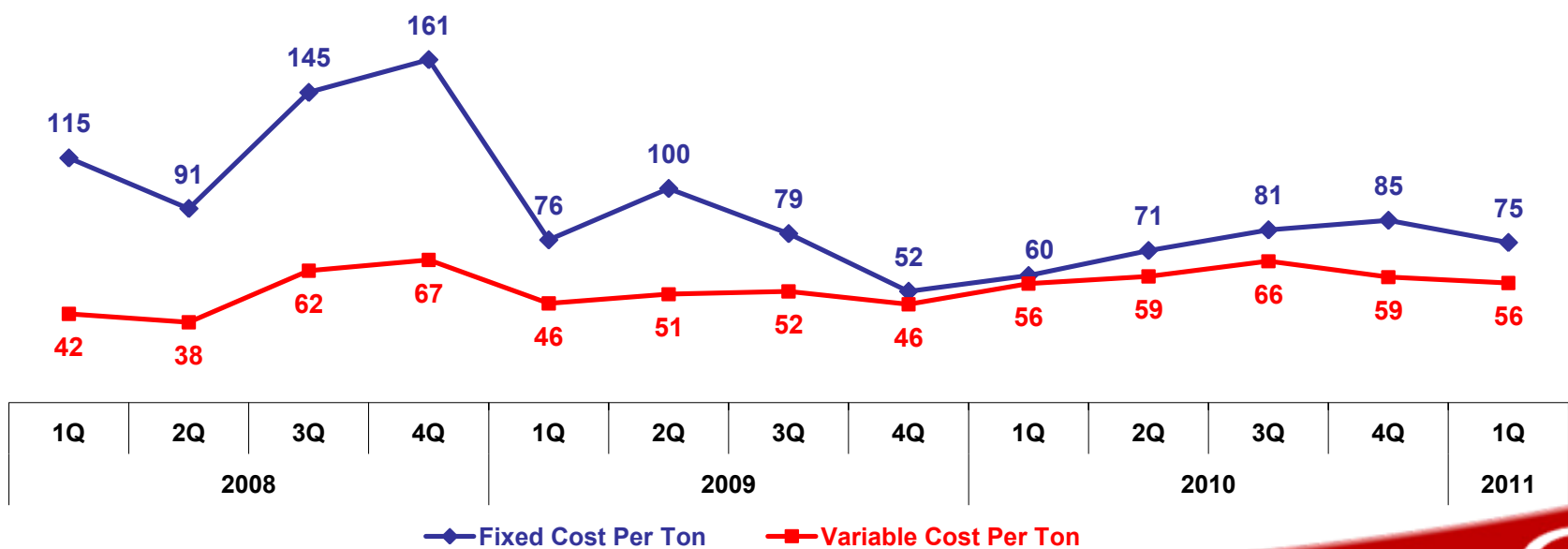


# Flat cost per ton excluding raw materials was realised as 188 USD/ton in 2011 1Q

## FLAT PRODUCTS ( USD/TON )\*



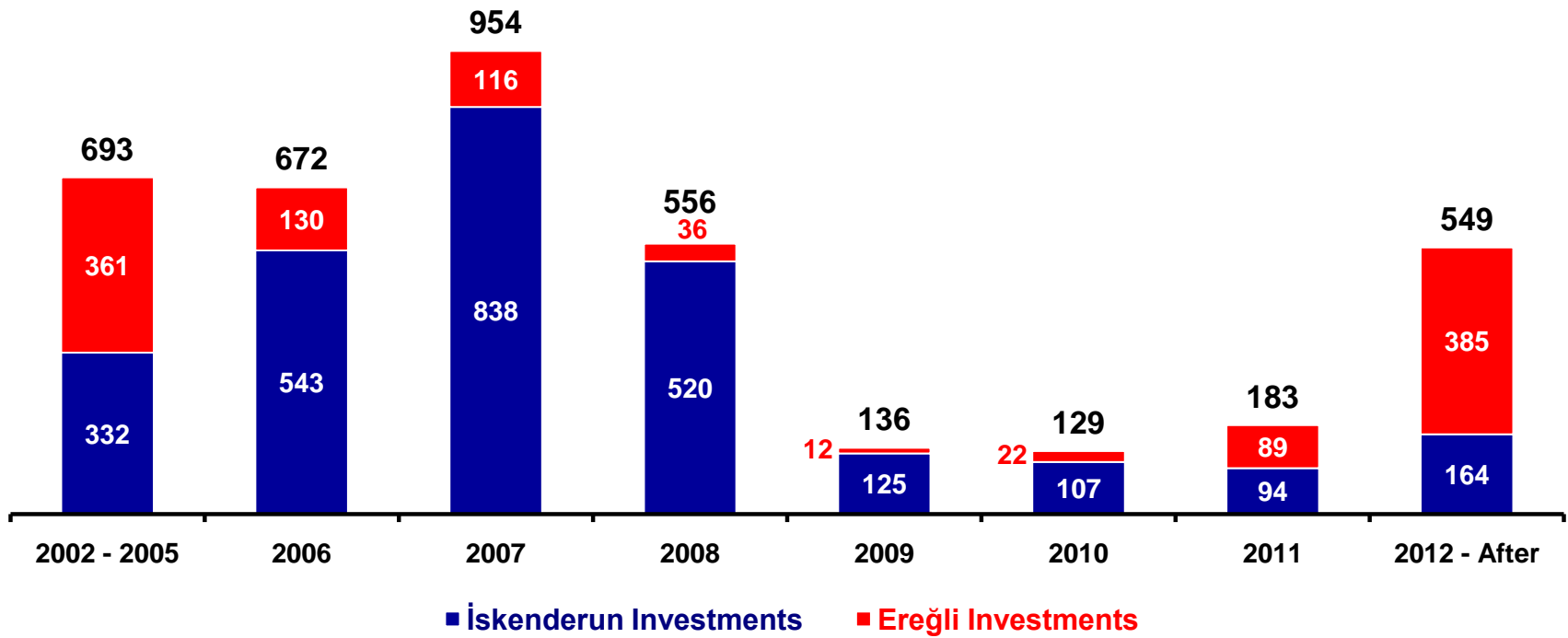
## LONG PRODUCTS ( USD/TON )\*





# Capital expenditures of 183 million USD is planned for 2011

( M USD )



## NUMBER OF EMPLOYEES

