



**Erdemir Group**  
**2011 6 Months**  
**Consolidated Financial Results**

**5 August 2011**

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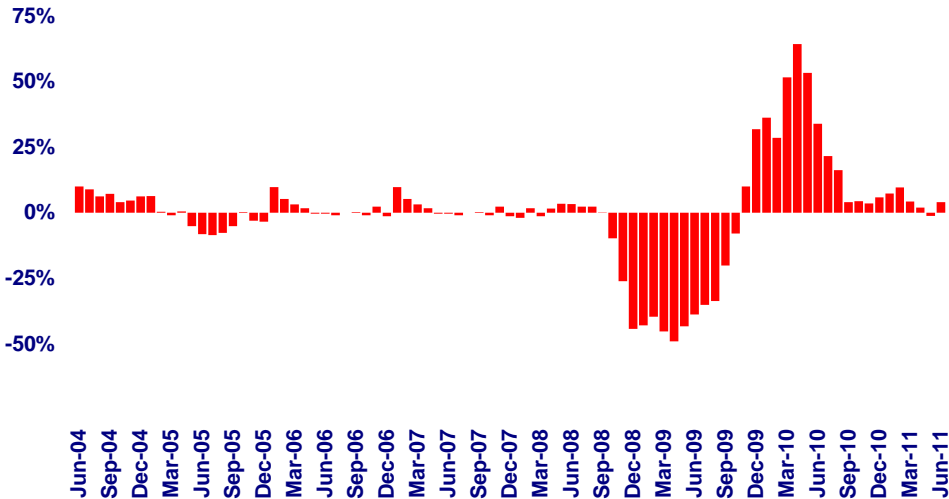
# Agenda

 **2011 Market Overview**

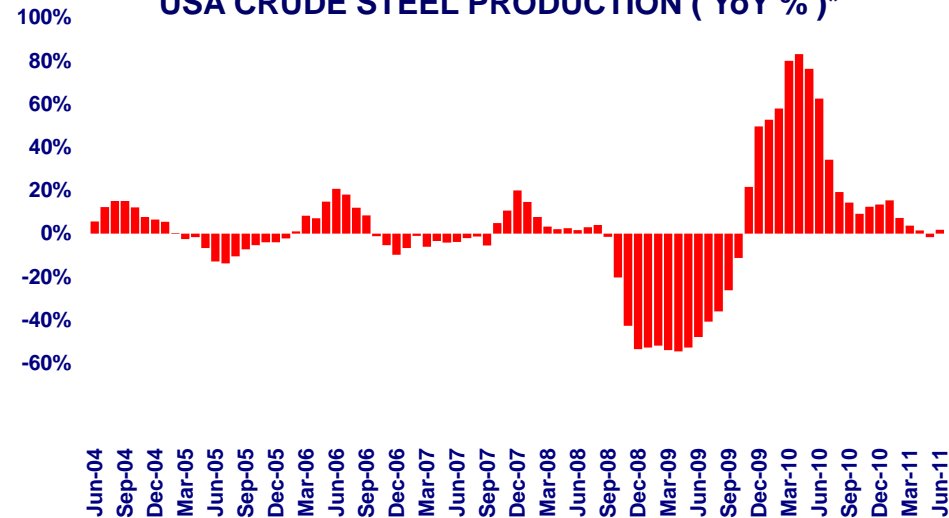
 **2011 6 Months Results**

# In EU, sales price was 796 USD/ton as of July 2011

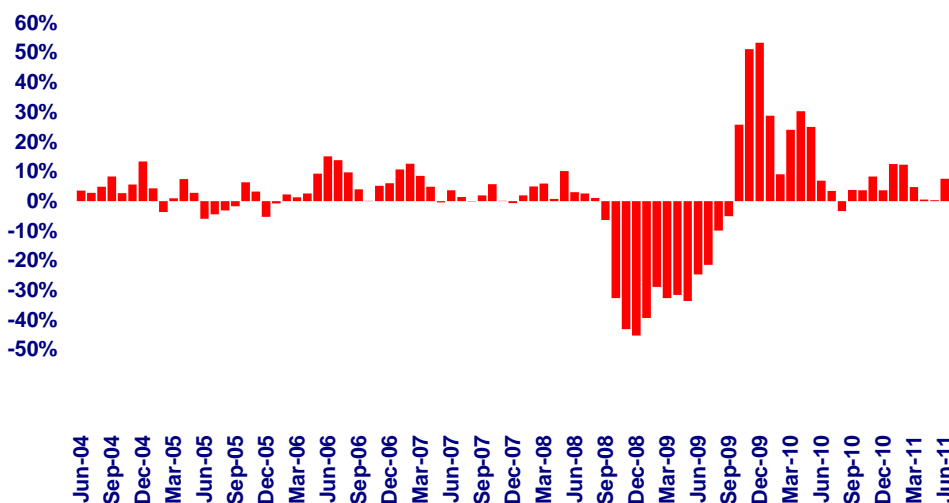
## EU27 CRUDE STEEL PRODUCTION ( YoY % )\*



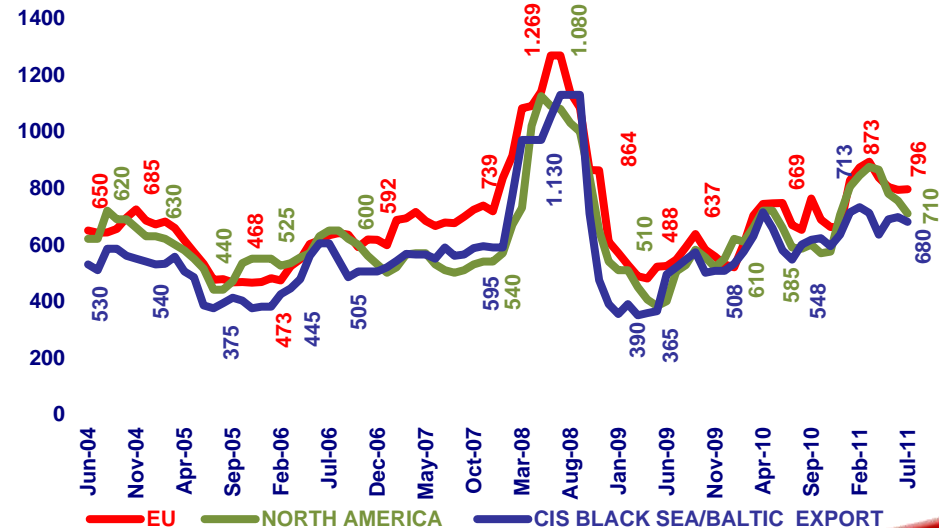
## USA CRUDE STEEL PRODUCTION ( YoY % )\*



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

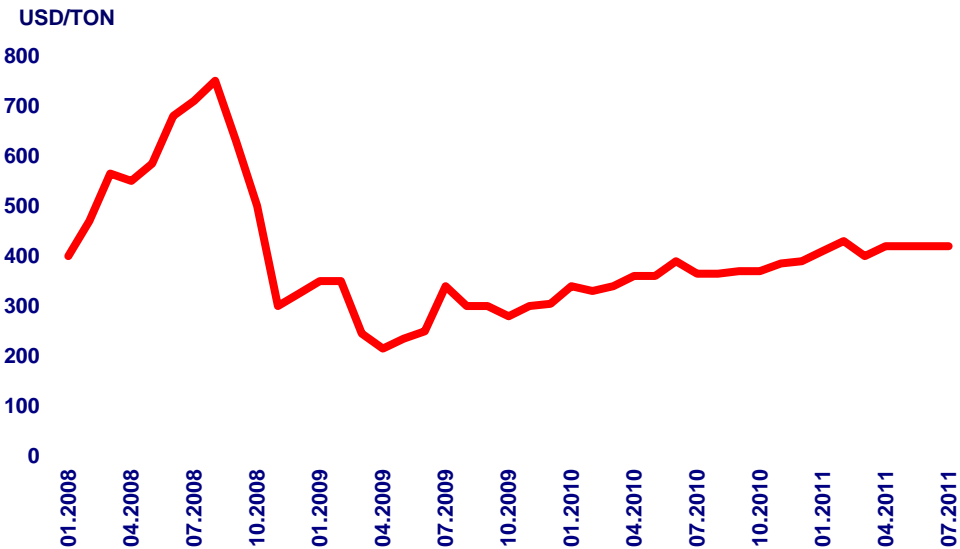


## HRC PRICES ( USD/TON )\*\*

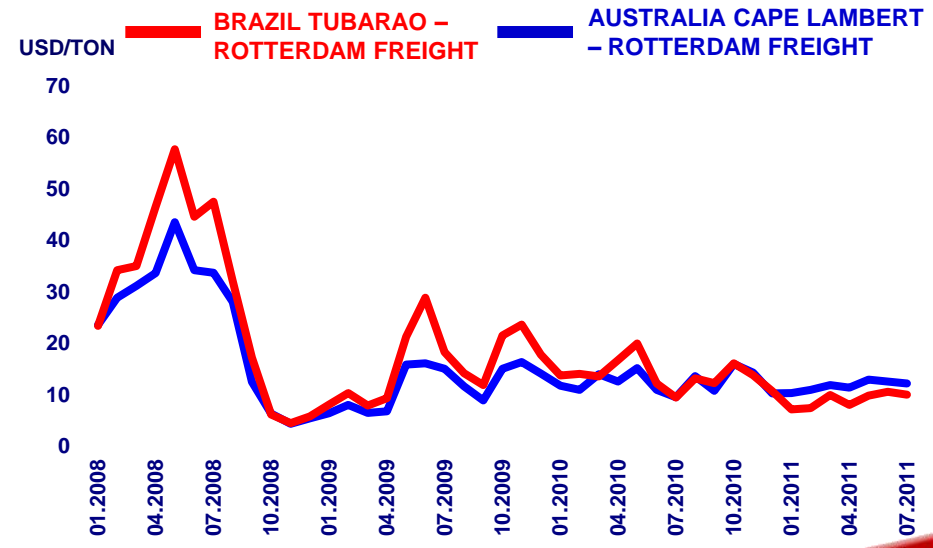
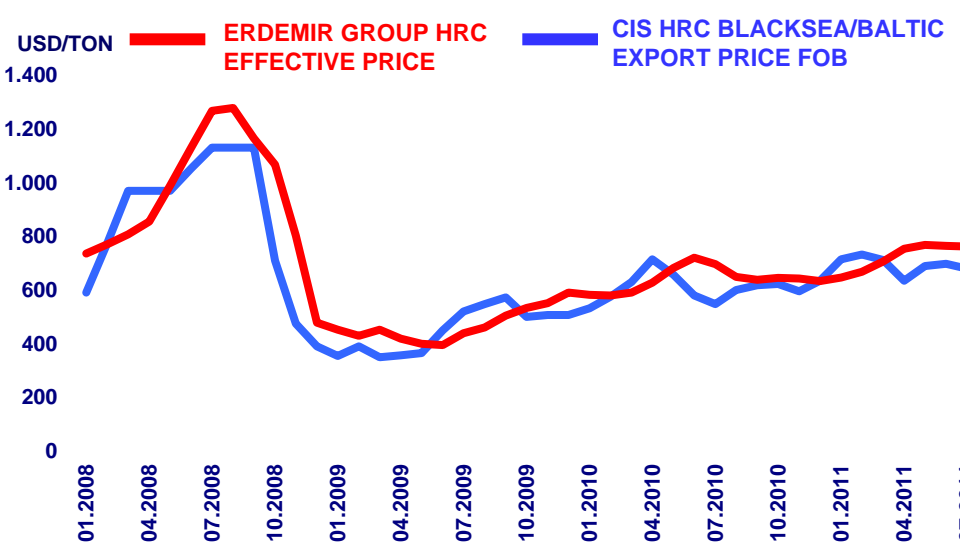
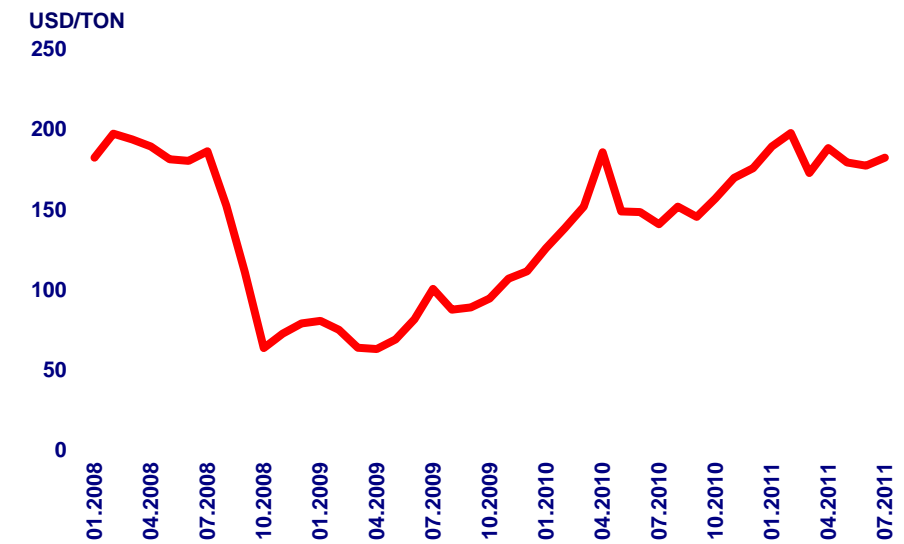


# Raw material prices are stable

## CHINA 2ND QUALITY COKE SPOT EXPORT PRICE

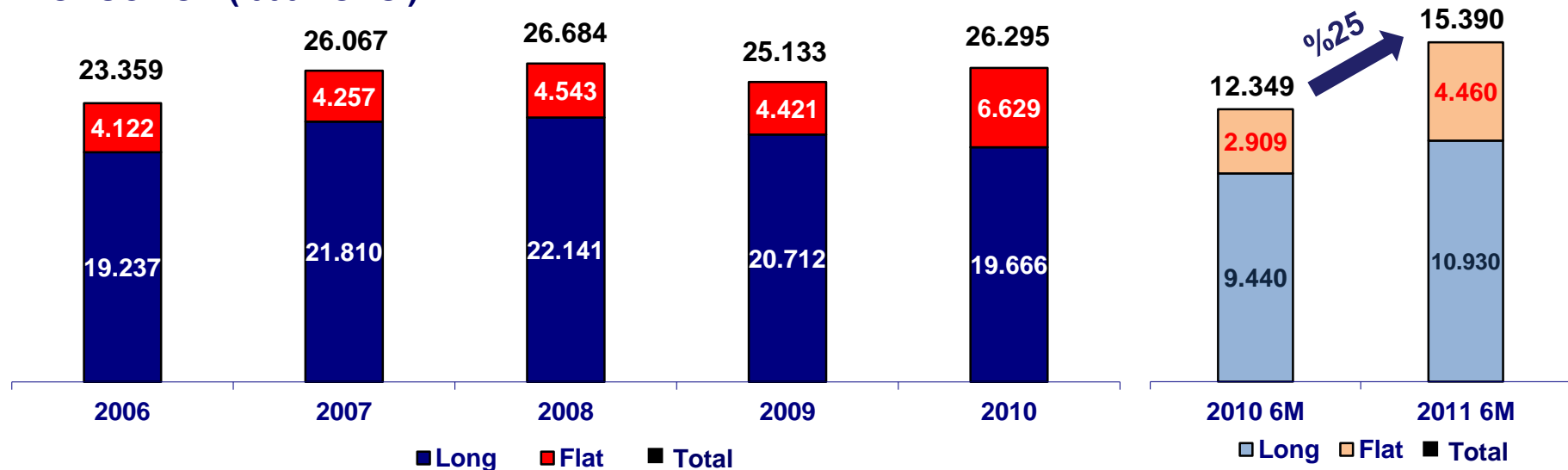


## CHINA PORT FINE ORE PRICE CFR

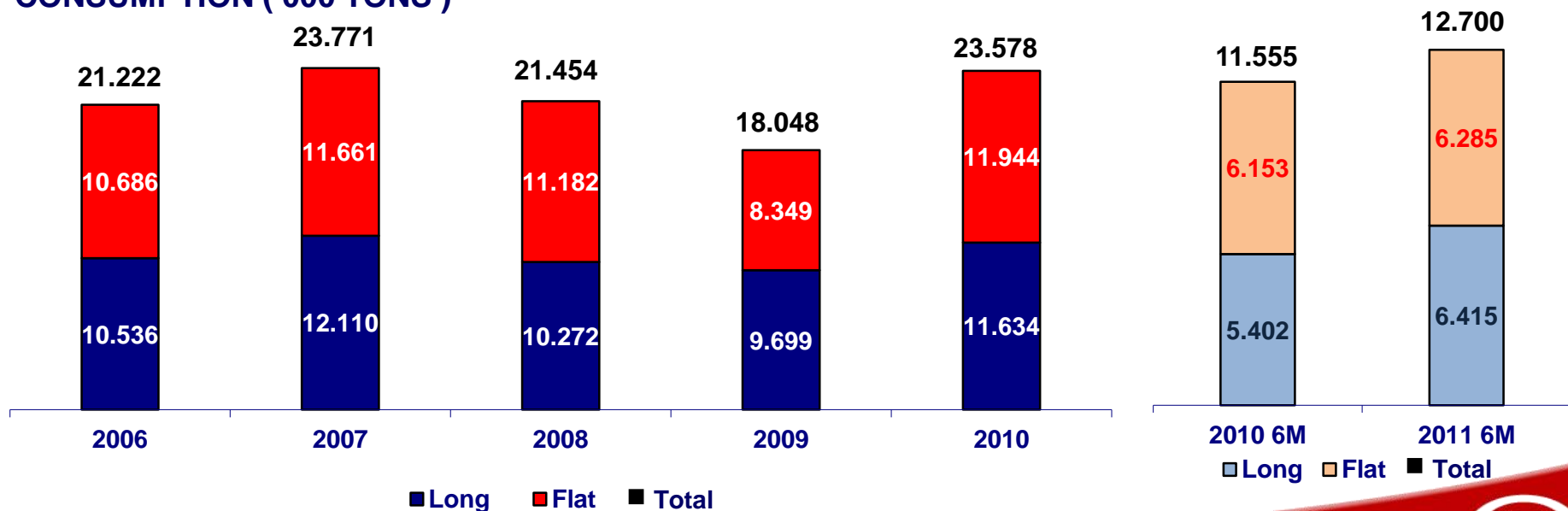


# Turkish steel production increased by 25% in 2011 6M YoY

## PRODUCTION ( 000 TONS )

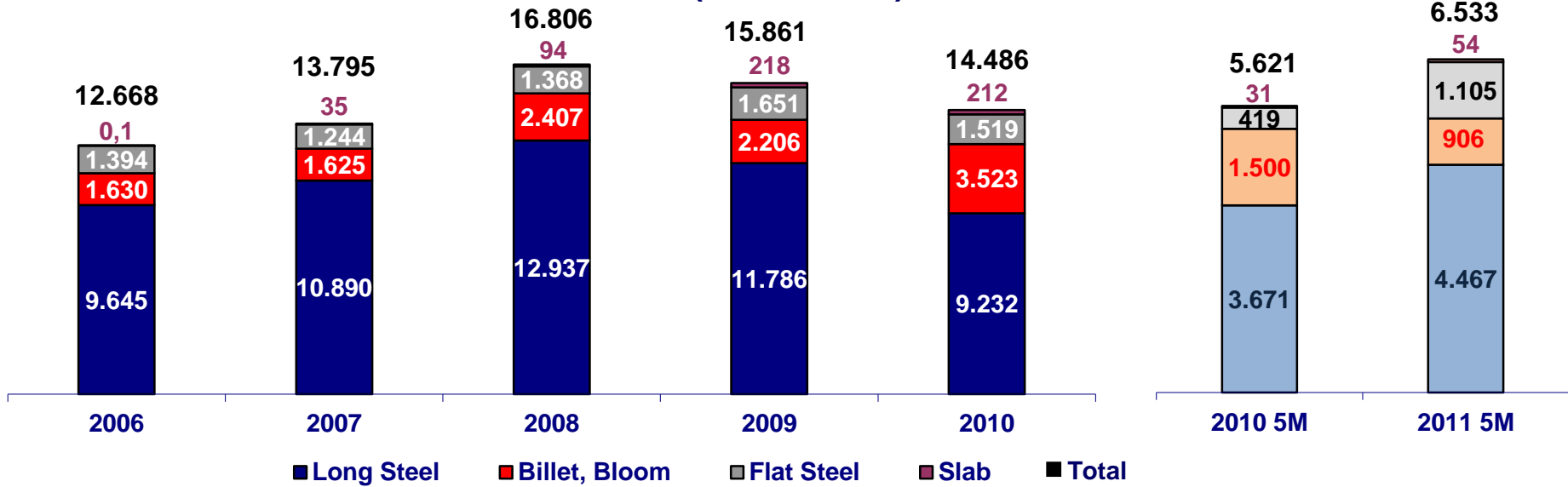


## CONSUMPTION ( 000 TONS )

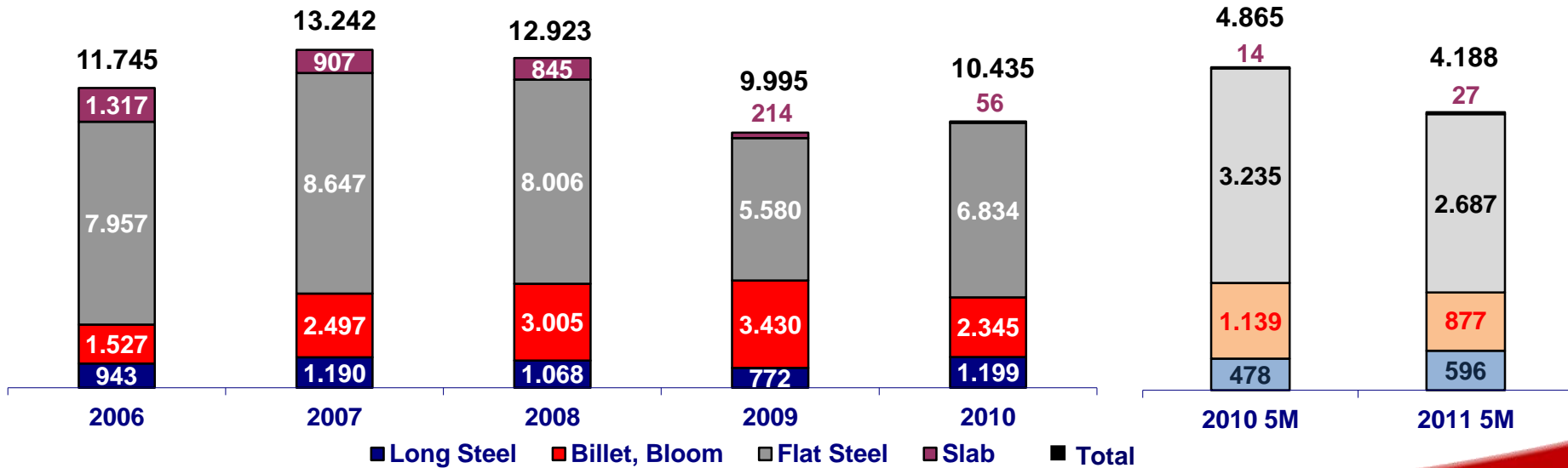


# Turkish Steel Market ( cont'd )

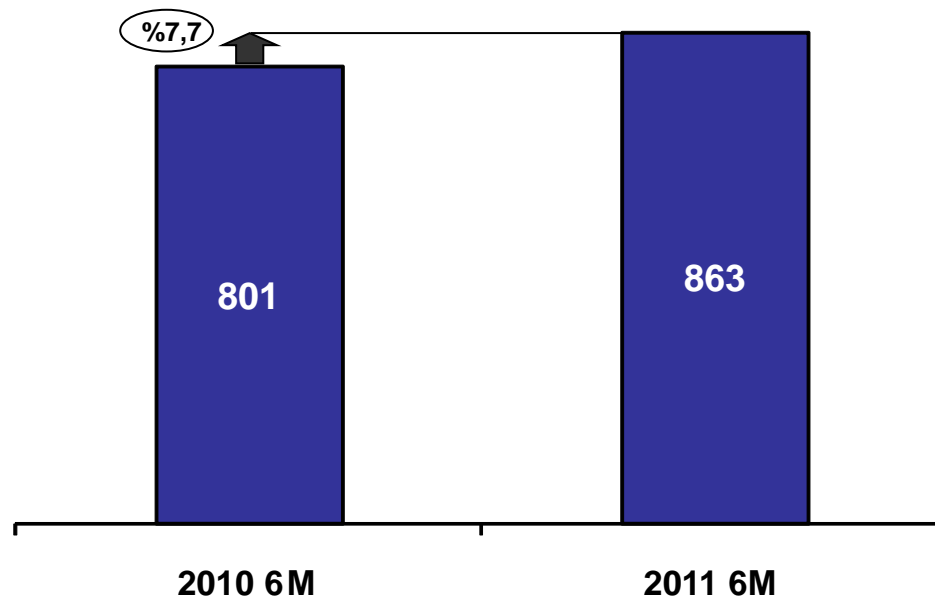
## IRON AND STEEL PRODUCT EXPORTS ( 000 TONS )



## IRON AND STEEL PRODUCT IMPORTS ( 000 TONS )



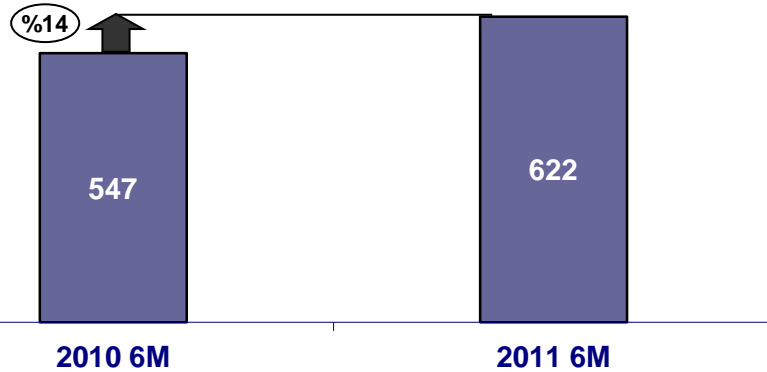
## PIPE EXPORTS (000 TONS)



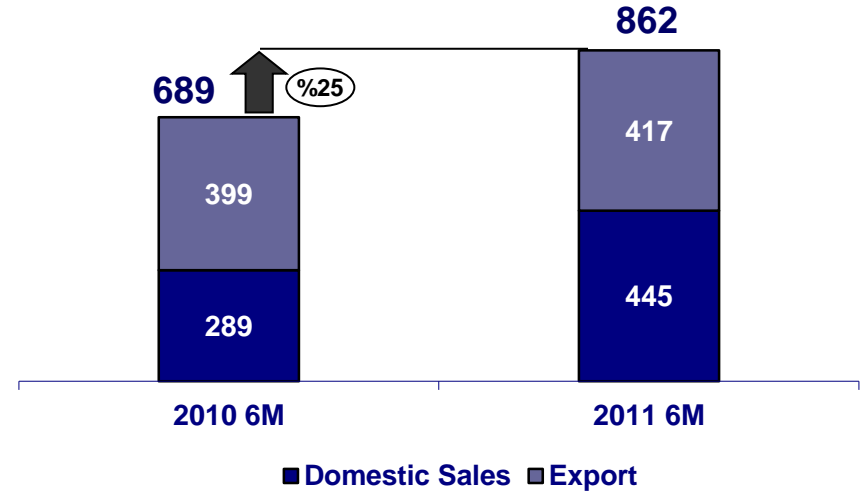


# Automotive production and sales increased by 14% and 25% respectively in 2011 6M YoY

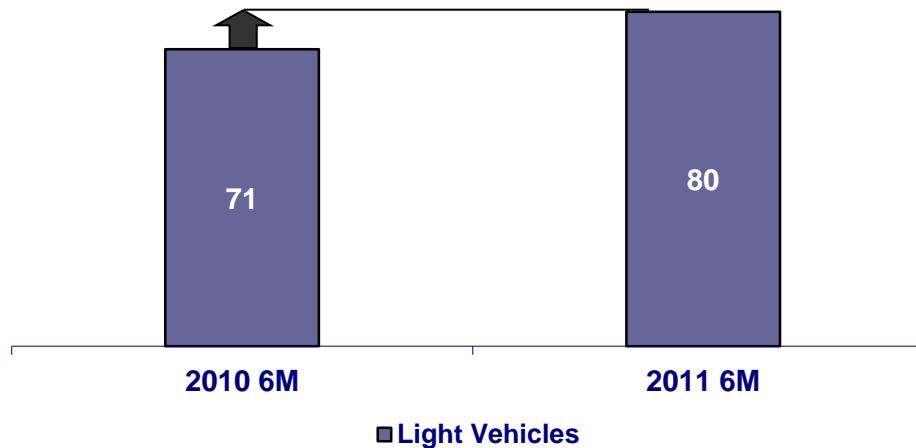
## AUTOMOTIVE PRODUCTION (000 UNITS)



## AUTOMOTIVE SALES (000 UNITS)

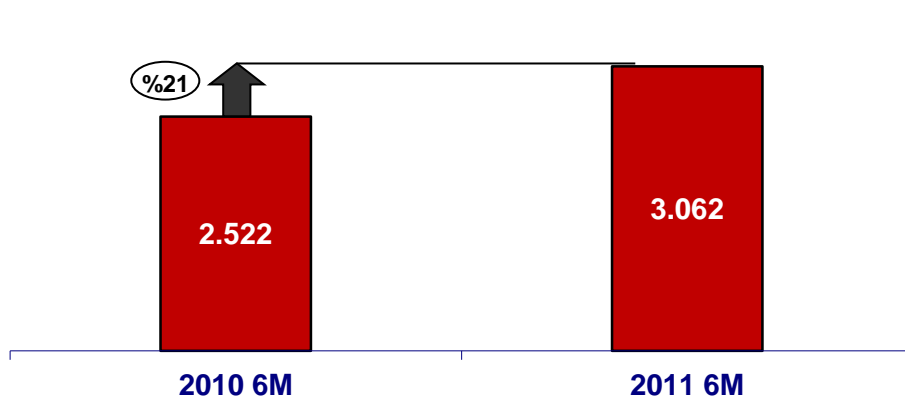


## AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

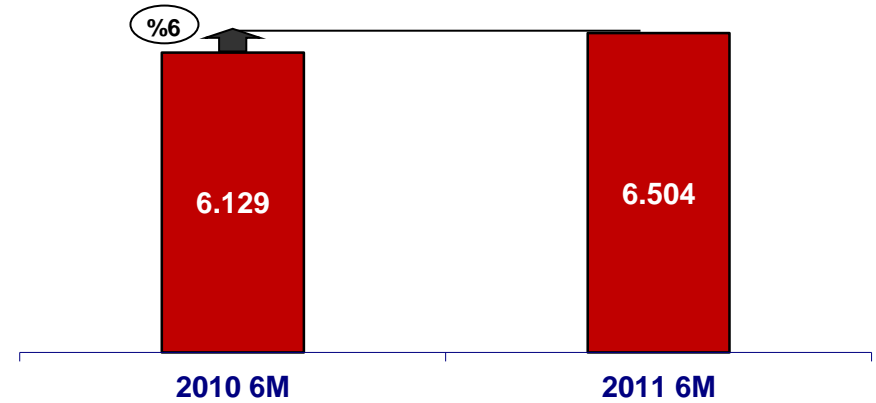


White goods domestic sales and production increased by 21% and 11% respectively in 2011 6M YoY

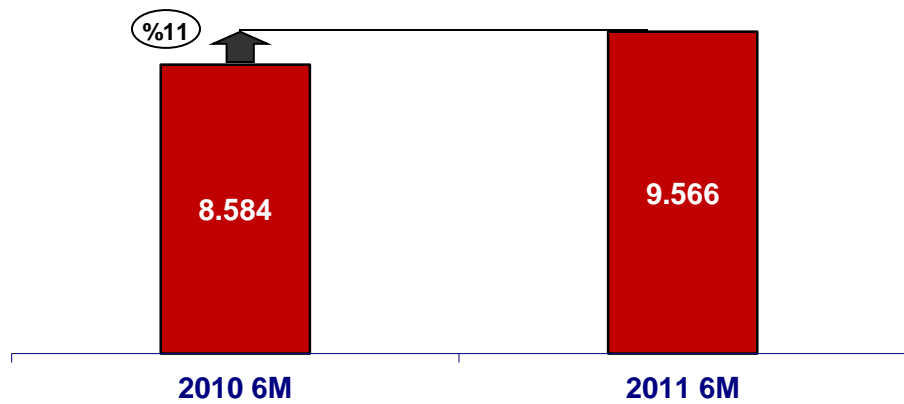
### WHITE GOODS DOMESTIC SALES (000 UNITS)



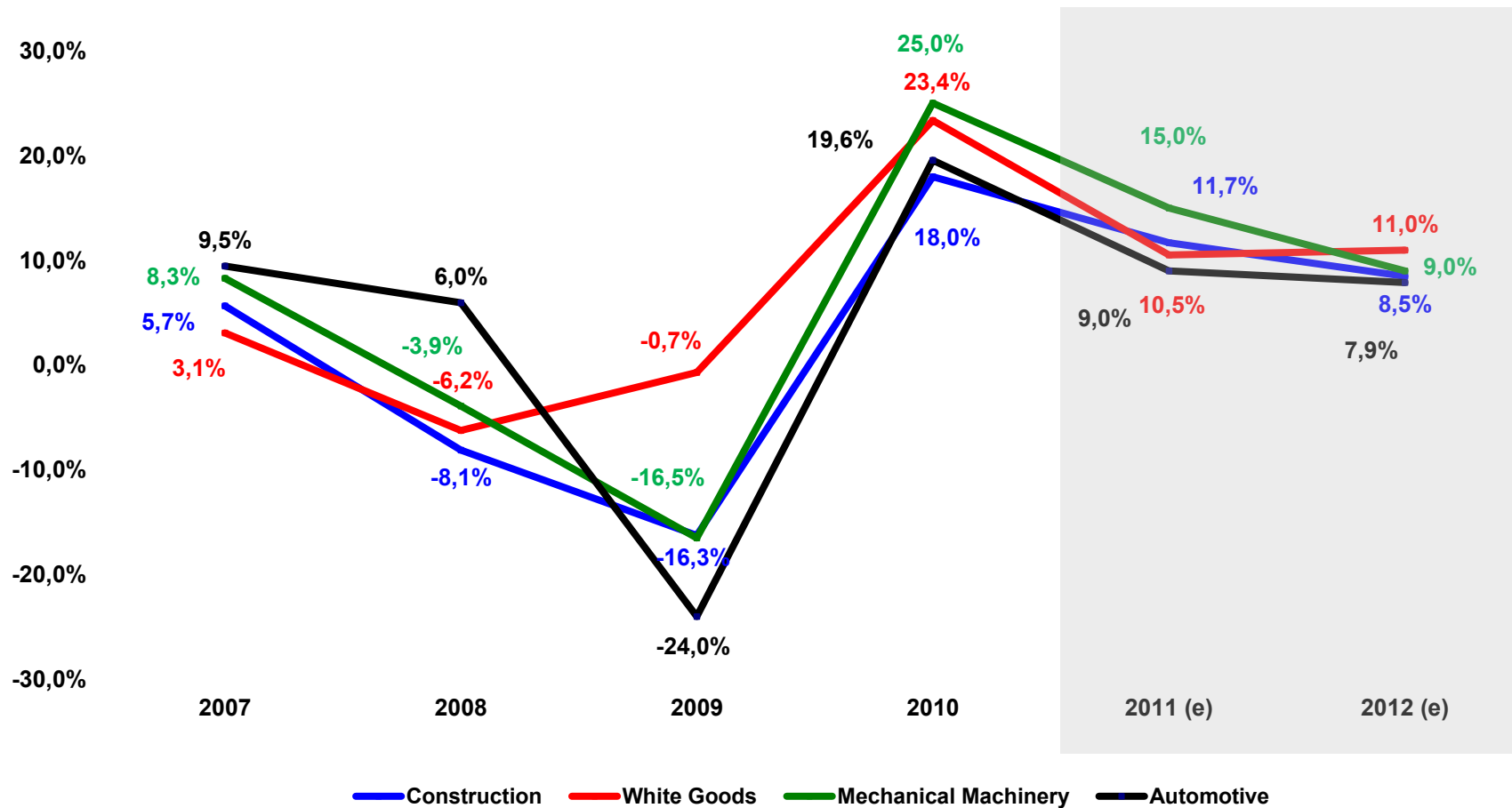
### WHITE GOODS EXPORTS (000 UNITS)



### WHITE GOODS PRODUCTION (000 UNITS)

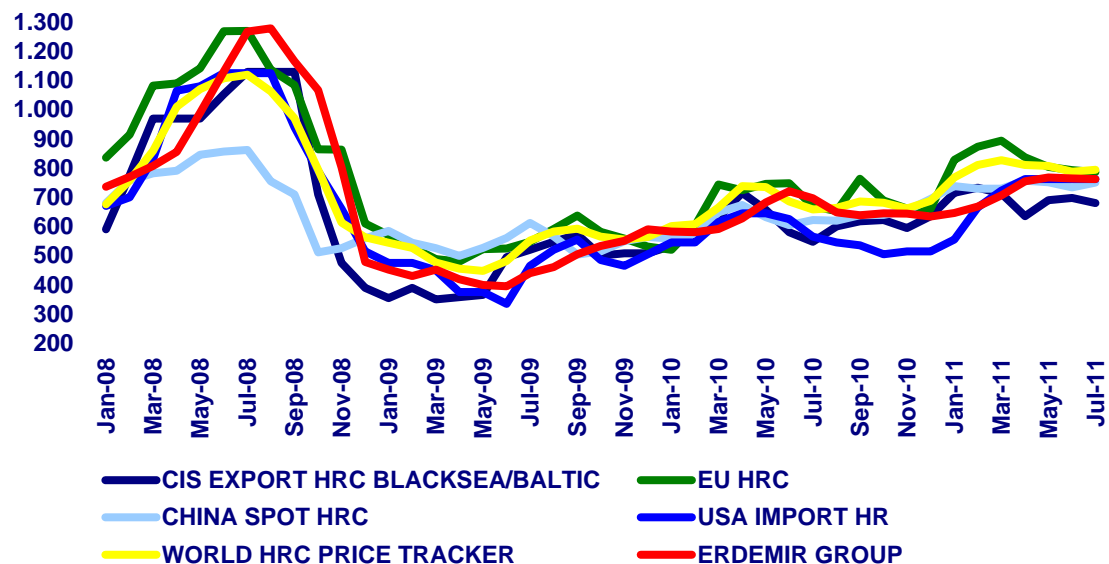


## CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



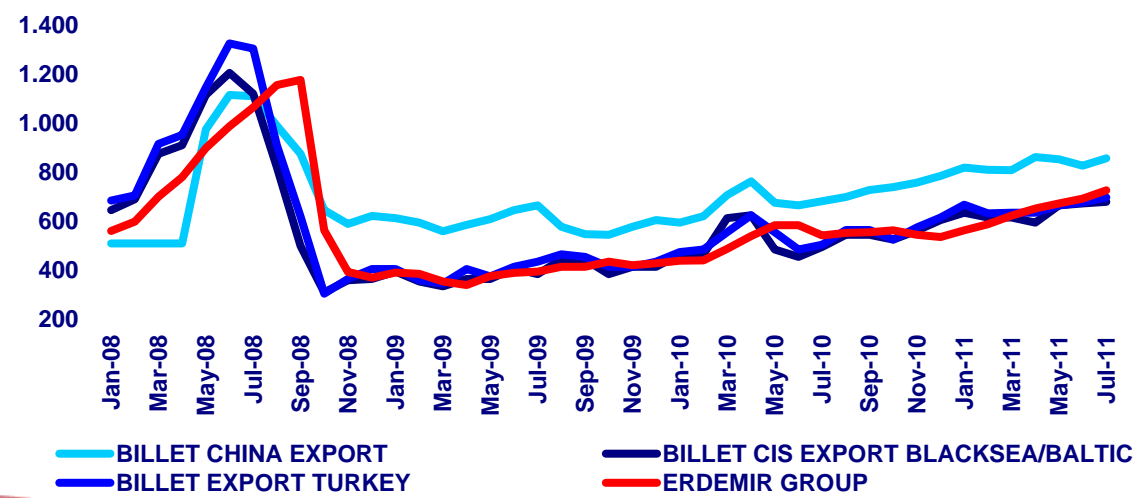
# Sales prices are going up in 2011 YoY

## HRC PRICES ( USD/Ton )



▶ As of July 2011, EU HRC price is 786 USD, China HRC spot price is 750 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 July 2011, Turkey export price is 698 USD while it was 615 USD in December 2010.



# Agenda



2011 Market Overview



**2011 6 Months Results**

## ERDEMİR GROUP KEY FIGURES

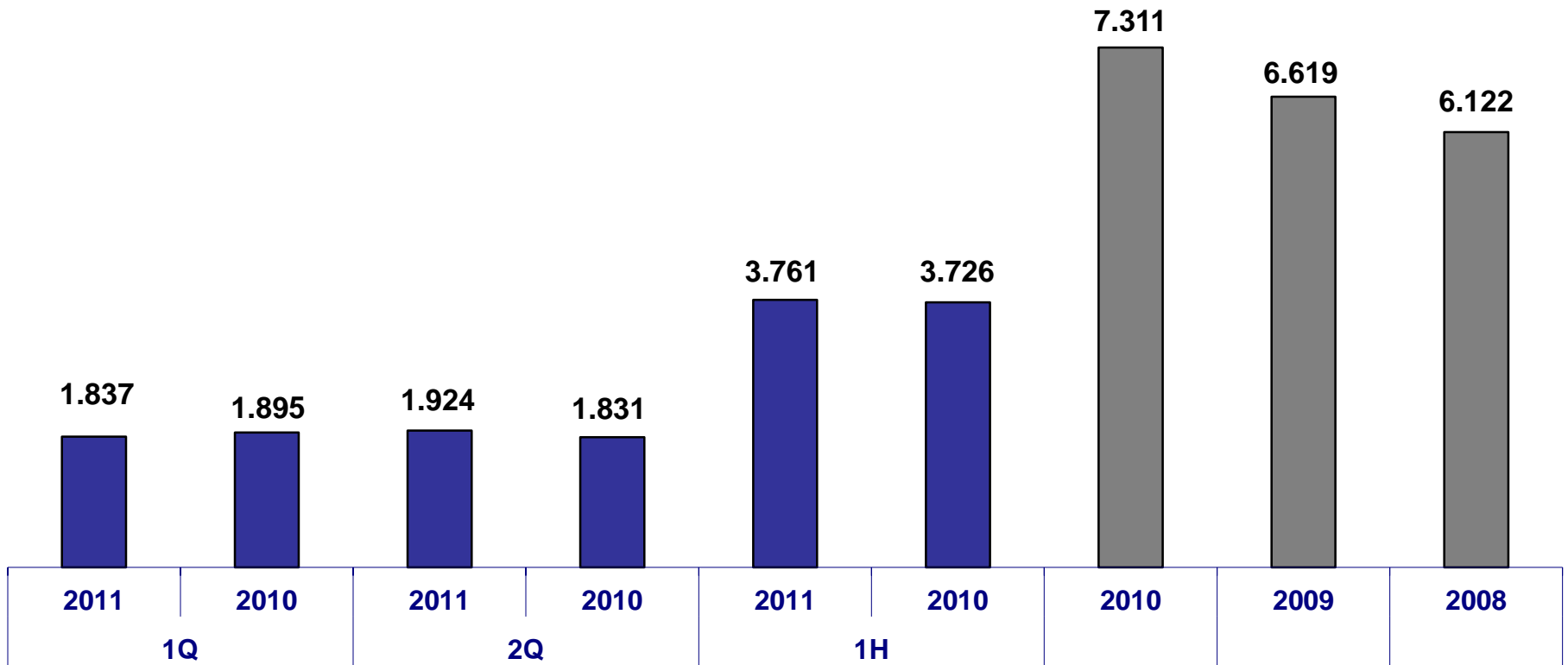
			2011 1H	2010 1H	2010	2009
<b>Liquid Steel Production</b>	<i>(000 Tons)</i>	↑	<b>3.761</b>	3.726	7.311	6.619
<b>Slab Production <sup>(1)</sup></b>	<i>(000 Tons)</i>	↑	<b>3.345</b>	2.786	5.674	4.569
<b>Flat Steel Production <sup>(2)</sup></b>	<i>(000 Tons)</i>	↑	<b>3.067</b>	2.606	5.373	4.812
<b>Long Steel Production</b>	<i>(000 Tons)</i>	↓	<b>314</b>	827	1.420	1.869
<b>Flat Steel Shipments</b>	<i>(000 Tons)</i>	↑	<b>3.030</b>	2.461	5.123	5.128
<b>Long Steel Shipments</b>	<i>(000 Tons)</i>	↓	<b>321</b>	727	1.393	1.858
<b>Net Sales Revenue</b>	<i>(M. USD)</i>	↑	<b>2.696</b>	2.114	4.427	3.404
<b>EBITDA</b>	<i>(M. USD)</i>	↑	<b>640</b>	496	948	247
<b>Net Profit For The Year</b>	<i>(M. USD)</i>	↑	<b>354</b>	267	511	-109

All figures are on IFRS consolidated basis unless stated otherwise.

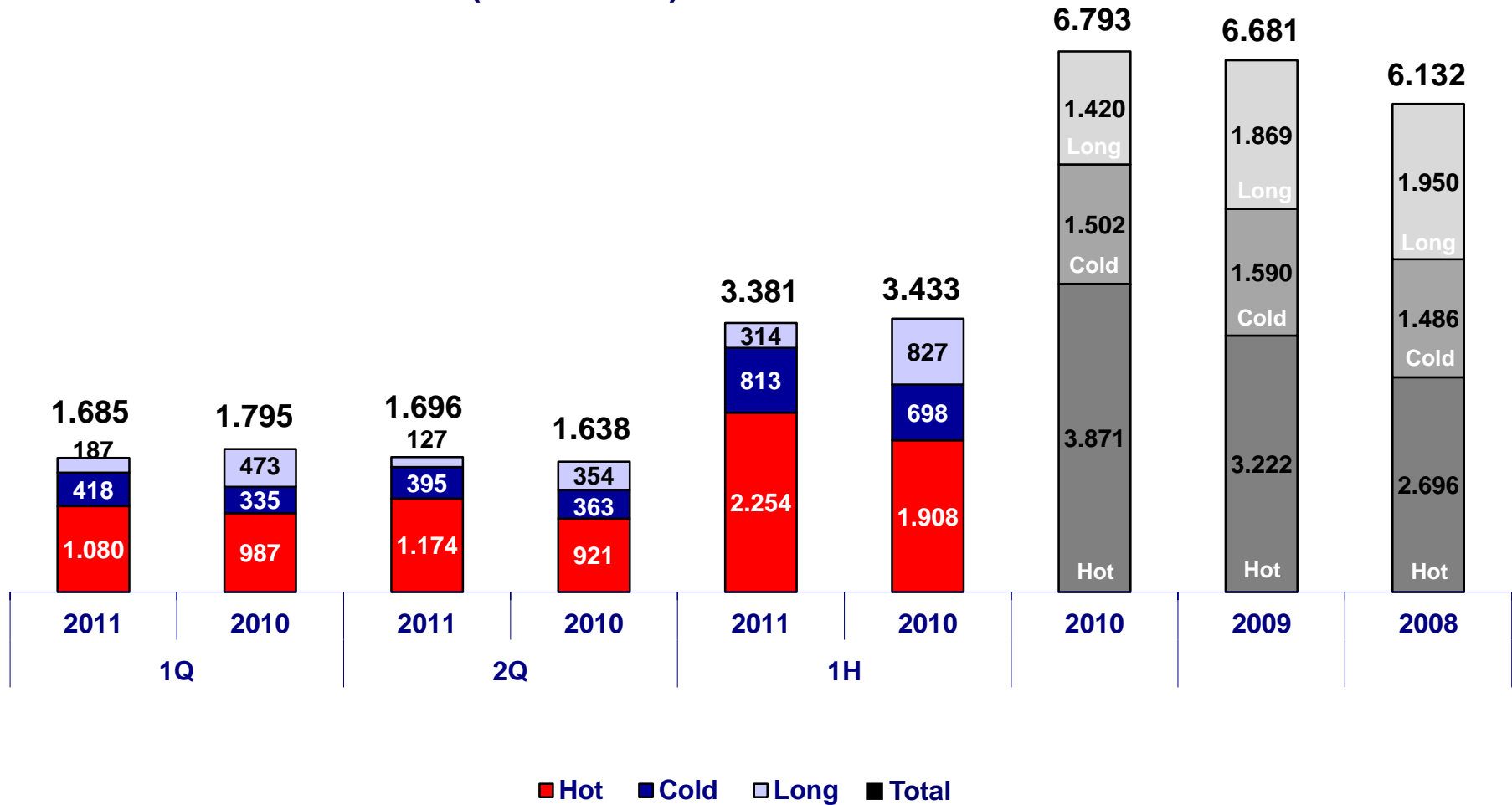
(1) Total slab production of Ereğli and İskenderun Plants.

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

**LIQUID STEEL PRODUCTION ( 000 TONS )**



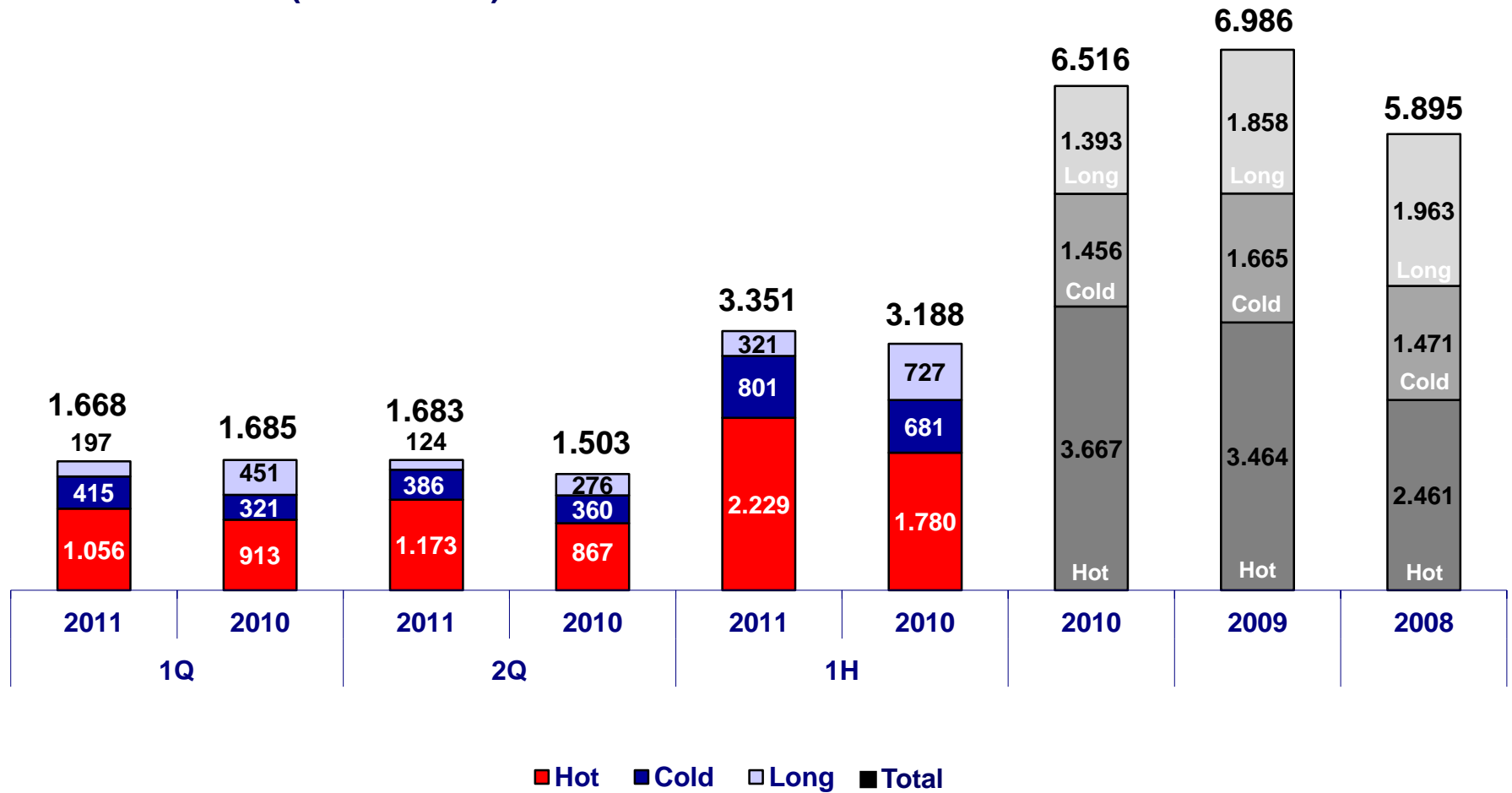
## PRODUCTION VOLUMES ( 000 TONS )



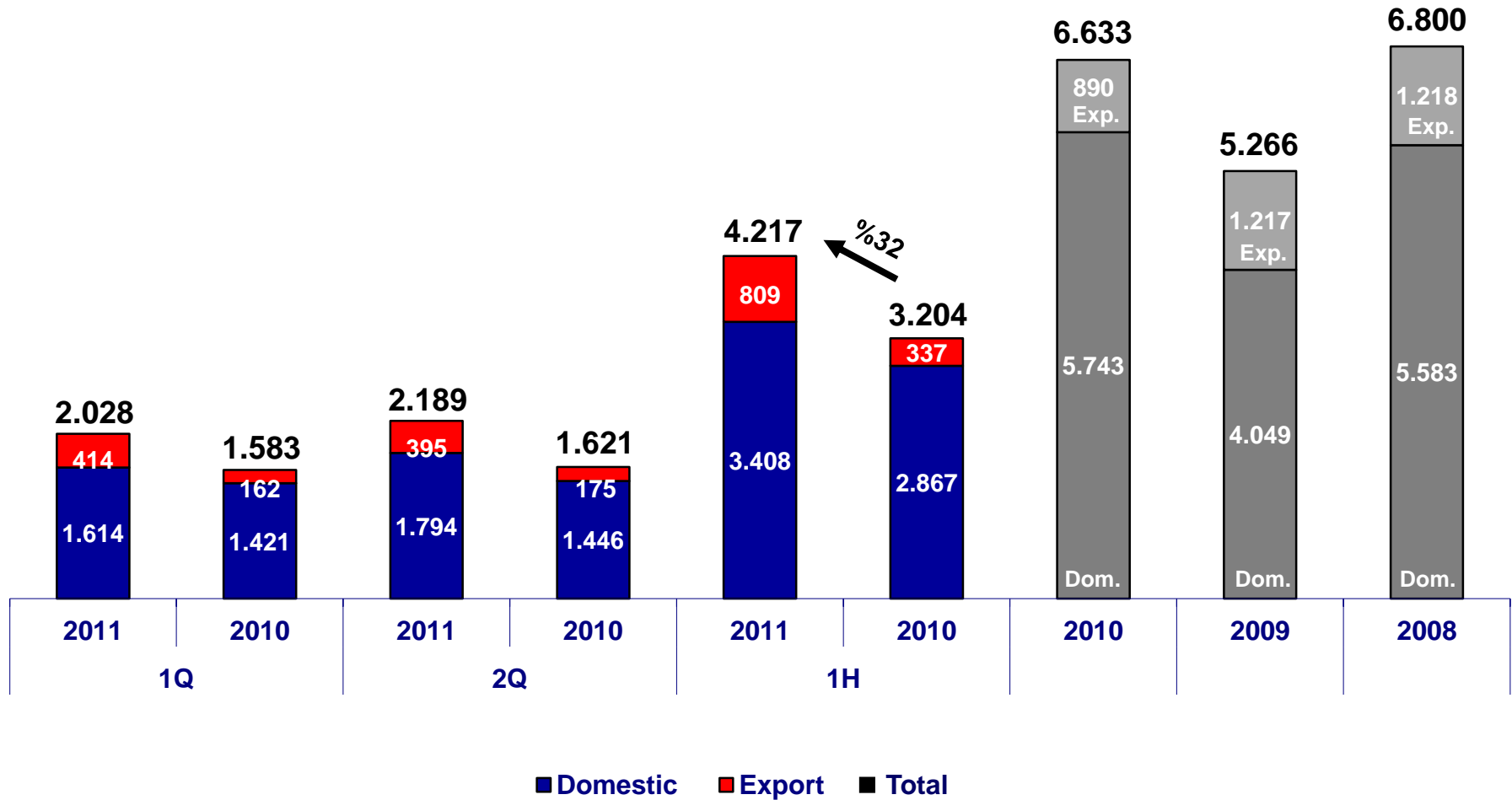


# HRC sales volume increased by 25% in 2011 1H YoY

## SALES VOLUME ( 000 TONS )



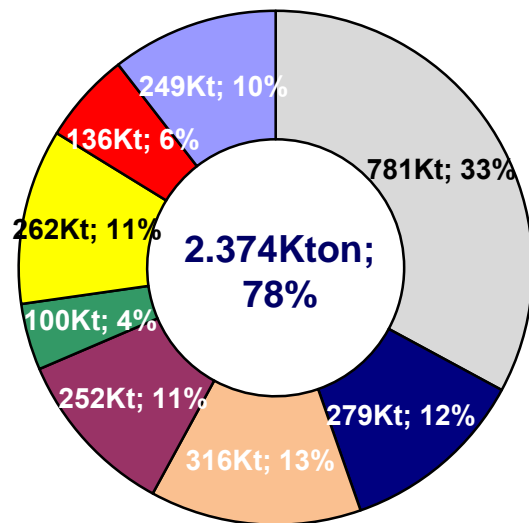
## NET SALES REVENUE ( MILLION TL )



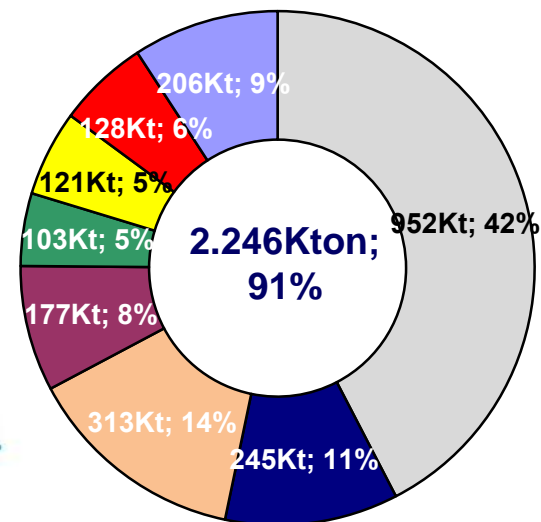
# Sales to automotive sector increased by 6% in 2011 6M

## 2011 6M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

## 2010 6M FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

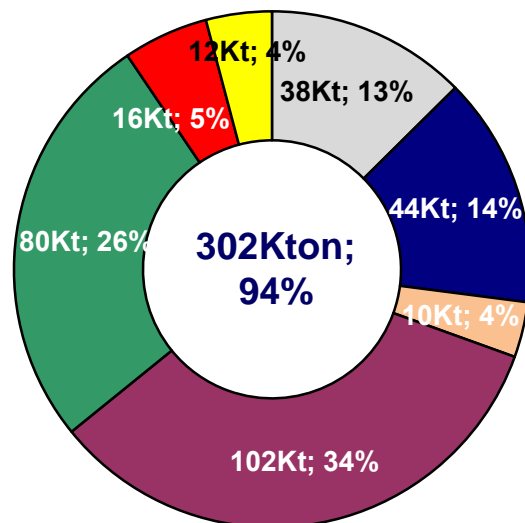


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

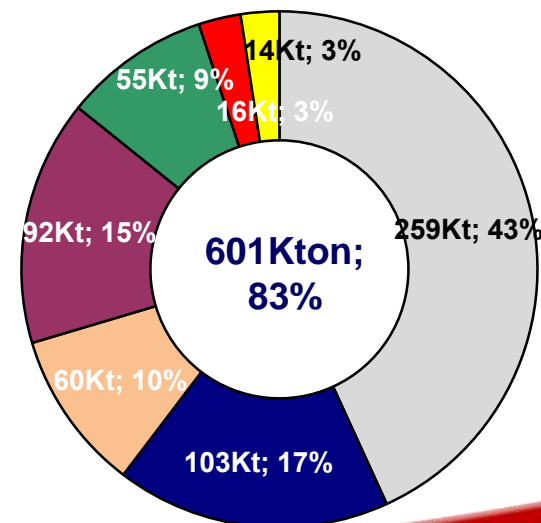


## 2011 6M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

## 2010 6M LONG STEEL DOMESTIC SALES BREAKDOWN (%)

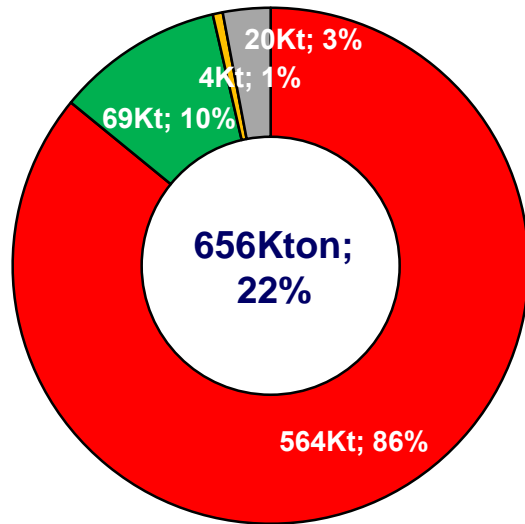


- Debar Producers
- Profile Producers
- Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

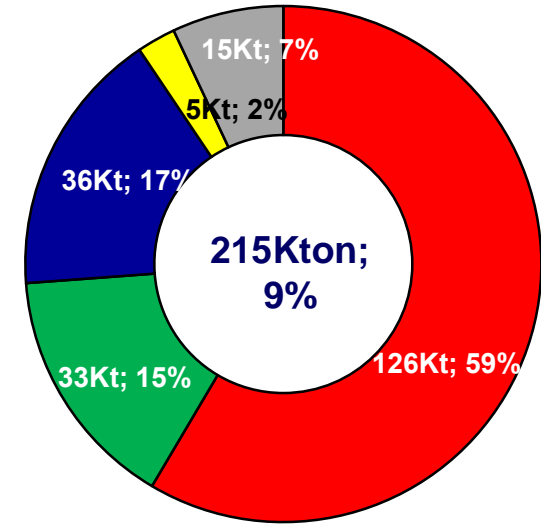


# Flat steel sales to EU countries increased by 27% in 2011

## 2011 6M FLAT STEEL EXPORTS BREAKDOWN (%)

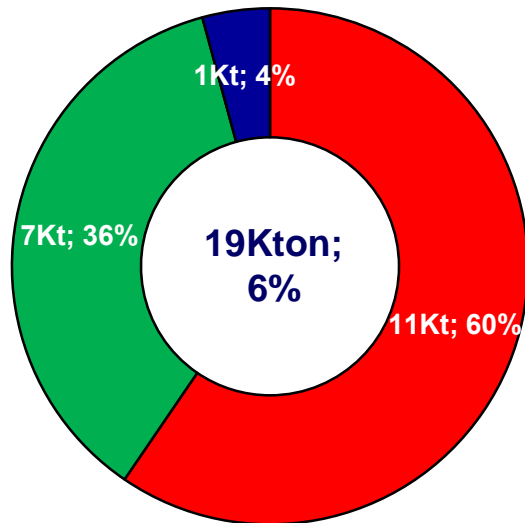


## 2010 6M FLAT STEEL EXPORTS BREAKDOWN (%)

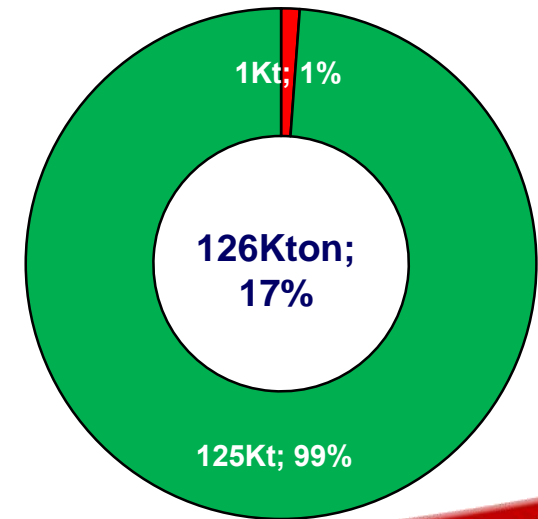


- EU
- MENA
- S. America
- N. America
- Asia
- Other

## 2011 6M LONG STEEL EXPORTS BREAKDOWN (%)

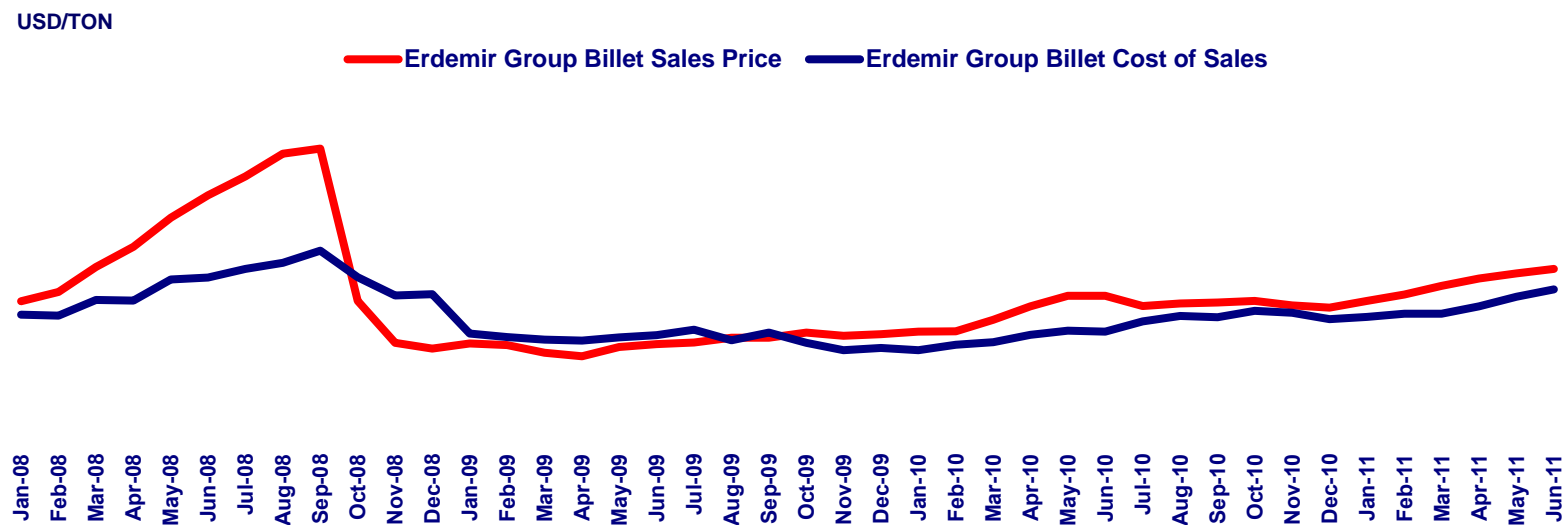
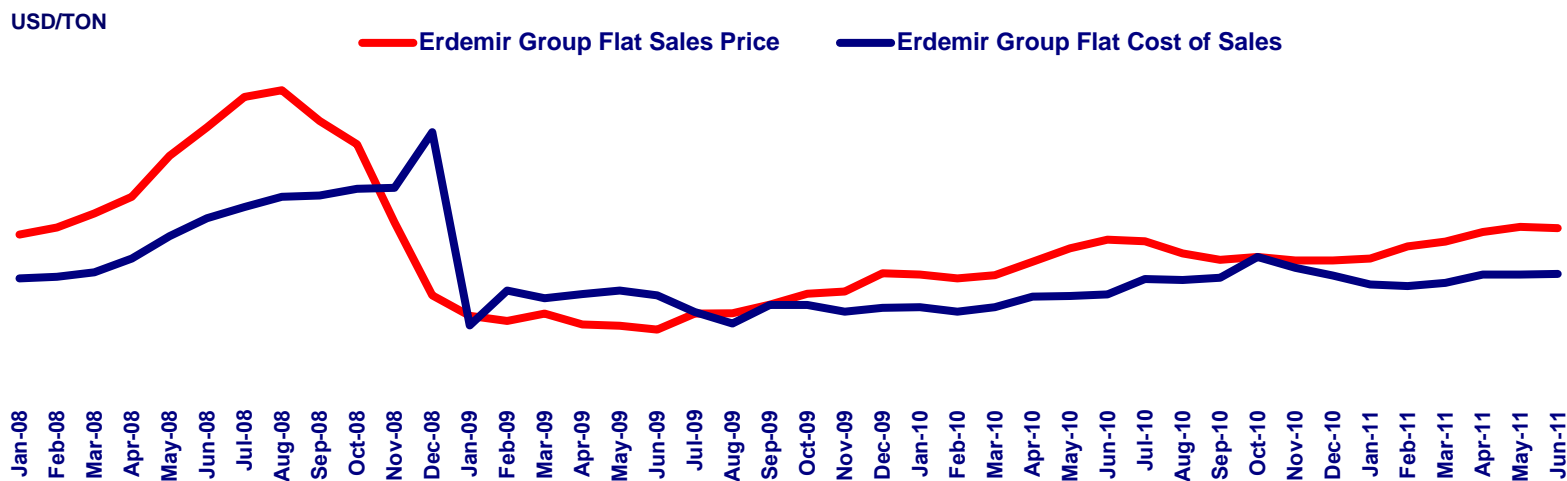


## 2010 6M LONG STEEL EXPORTS BREAKDOWN (%)



- EU
- MENA
- S. America

# In 2011 6M, Erdemir Group average flat and long steel prices were 776 USD/ton and 713 USD/ton respectively

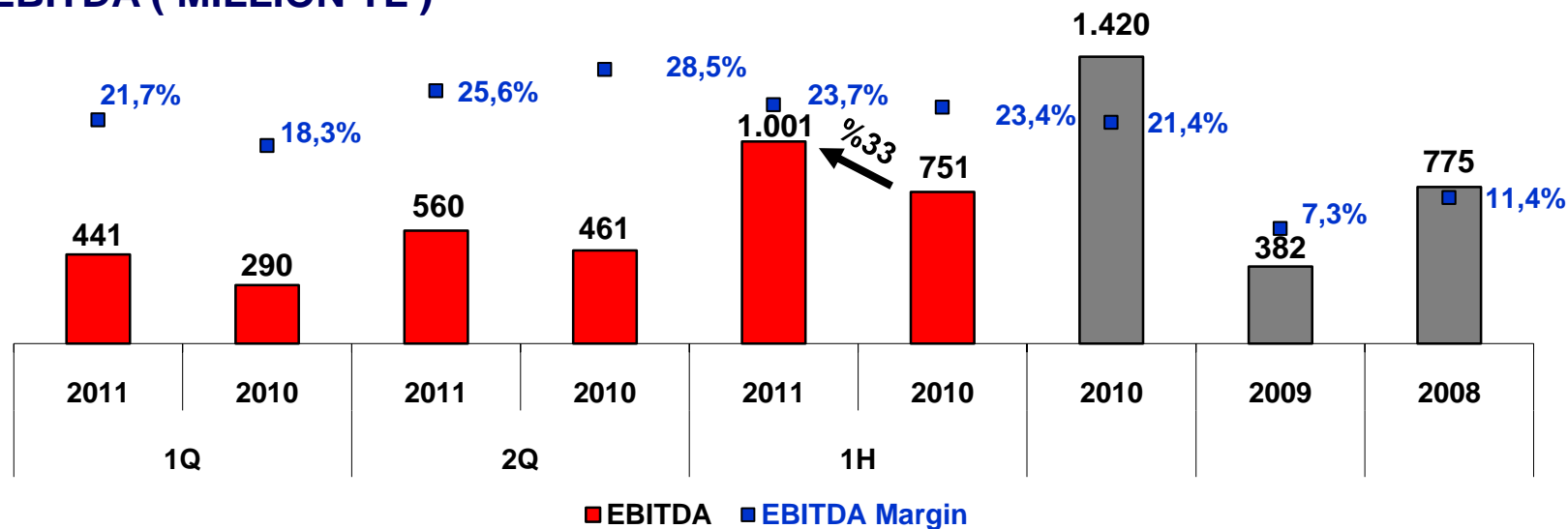


- ▶ Flat steel prices increased by 20% on average in 2011 6M YoY.
- ▶ Long steel prices increased by 36% on average in 2011 6M YoY.

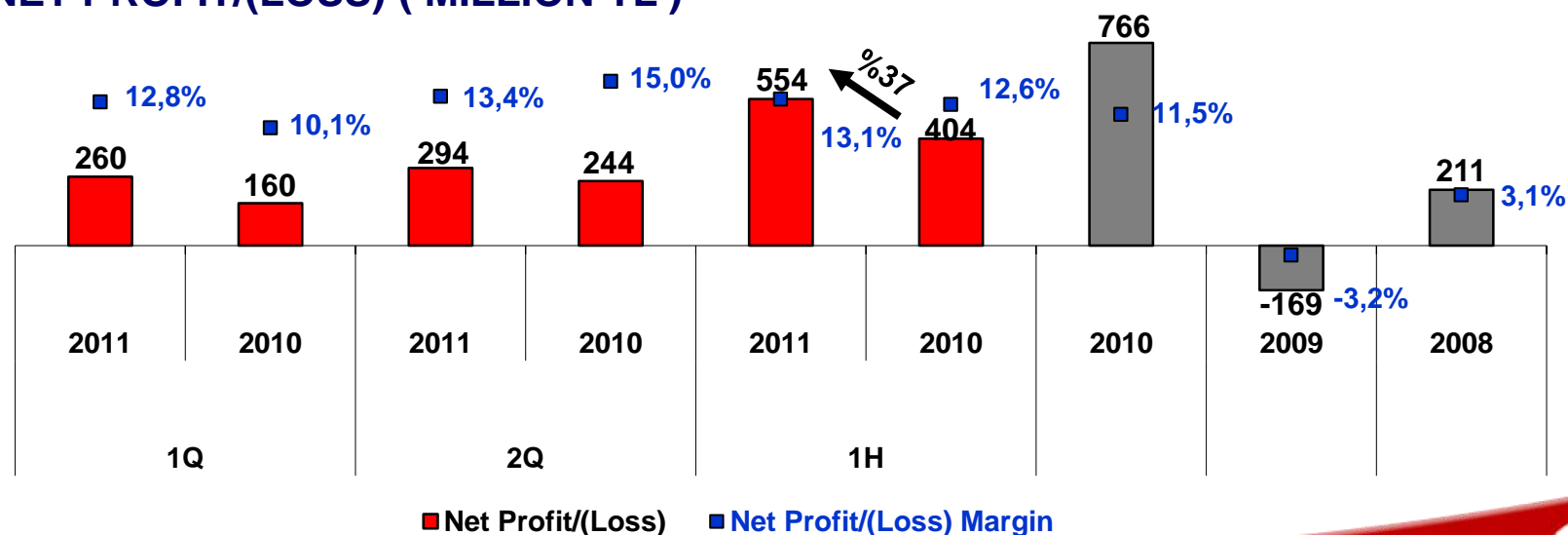


# Net profit increased by 37% in 2011 1H YoY

## EBITDA ( MILLION TL )

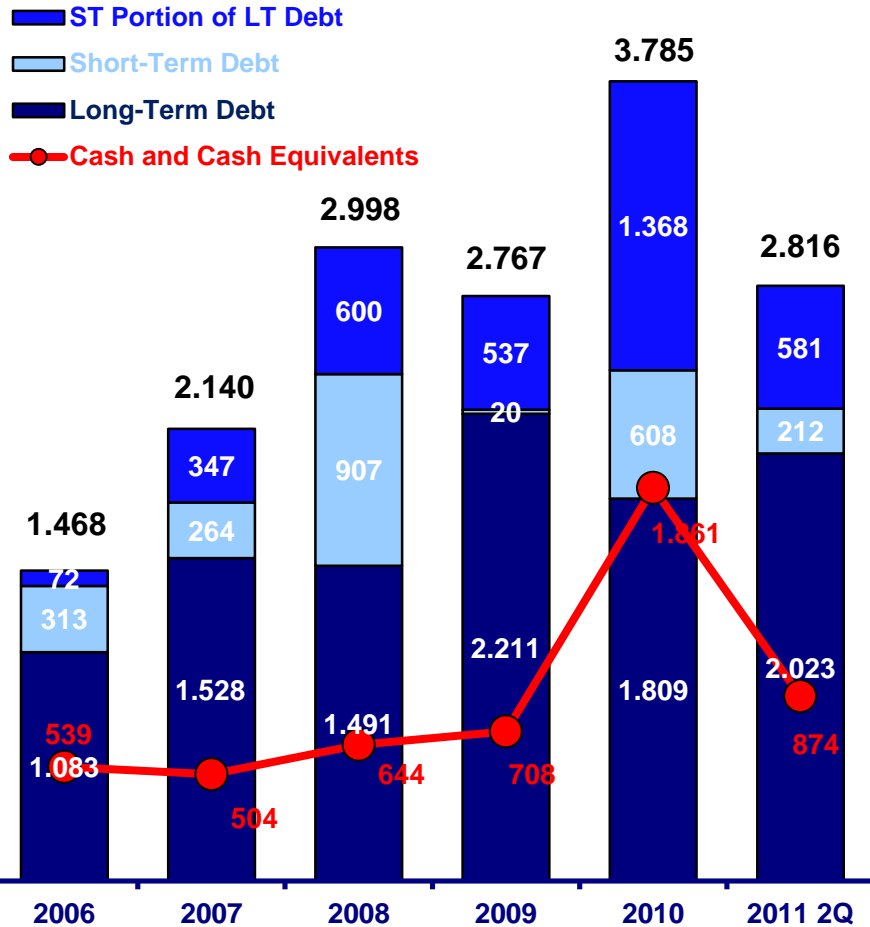


## NET PROFIT/(LOSS) ( MILLION TL )

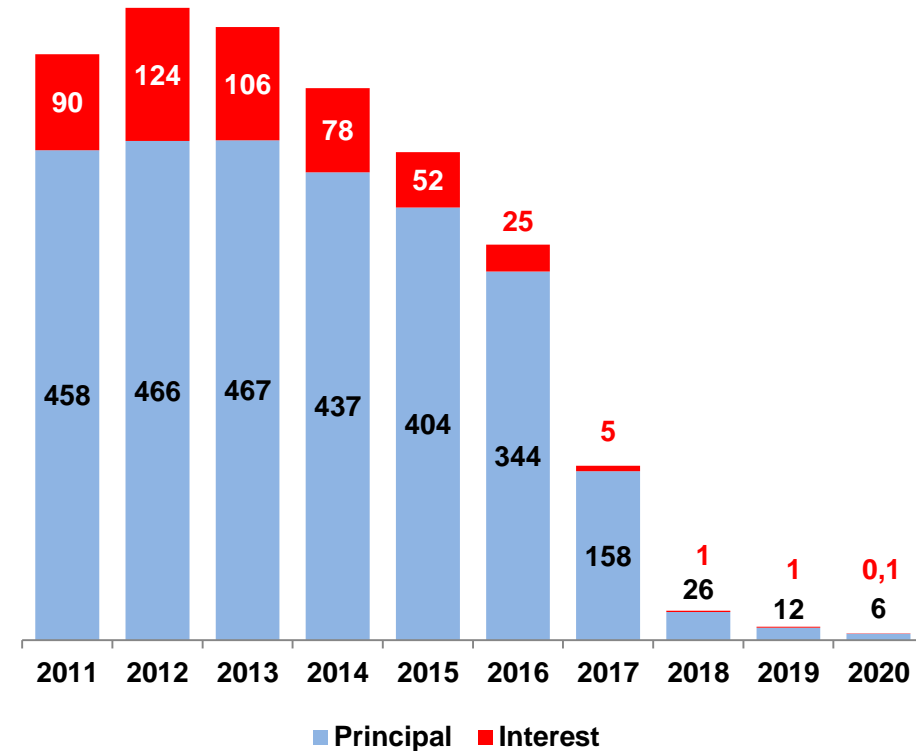


# Erdemir Group has 874 million USD cash and cash equivalents at the end of 2011 2Q

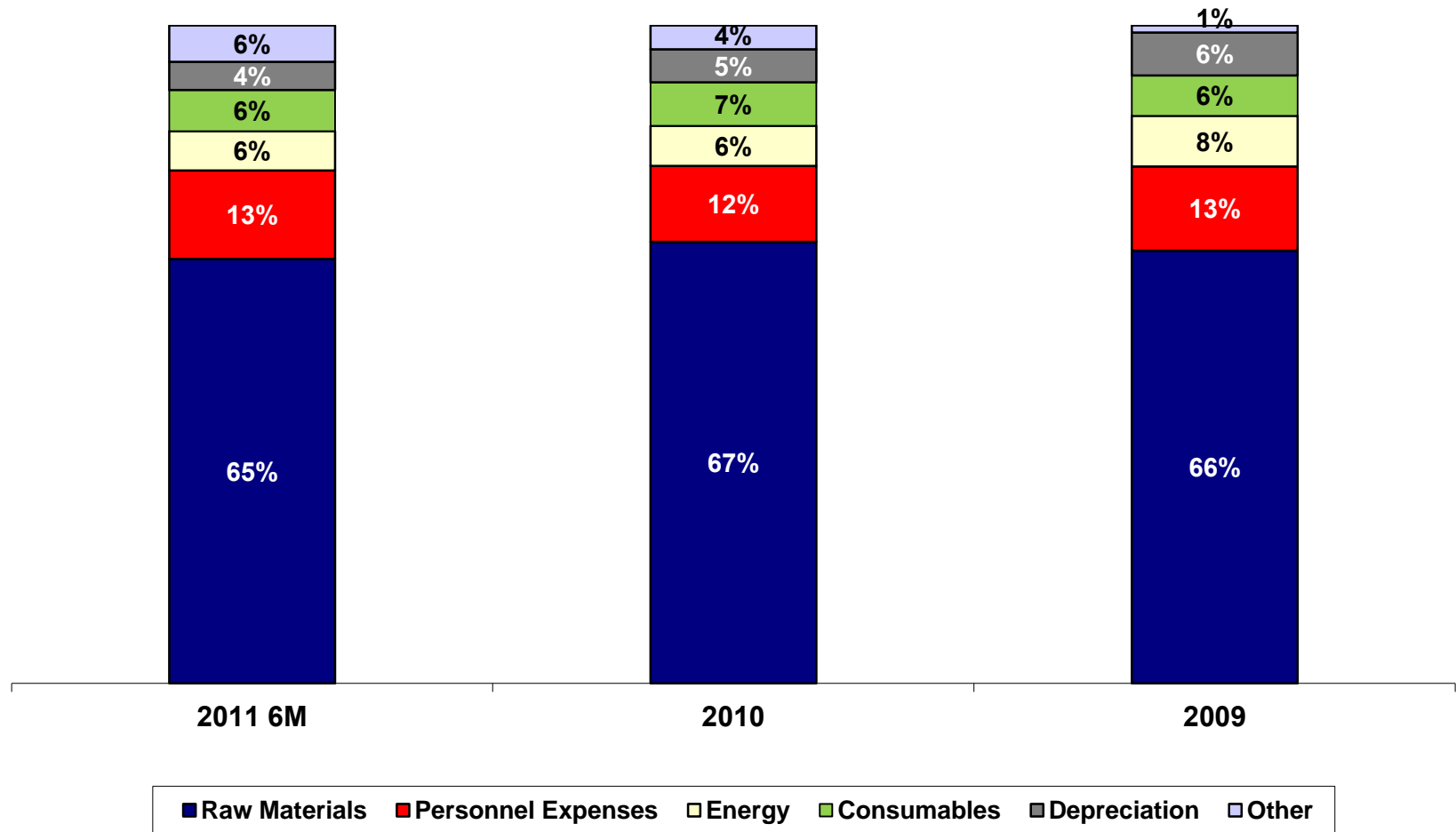
## BORROWINGS ( MILLION USD )



## BORROWINGS MATURITY PROFILE ( MILLION USD )



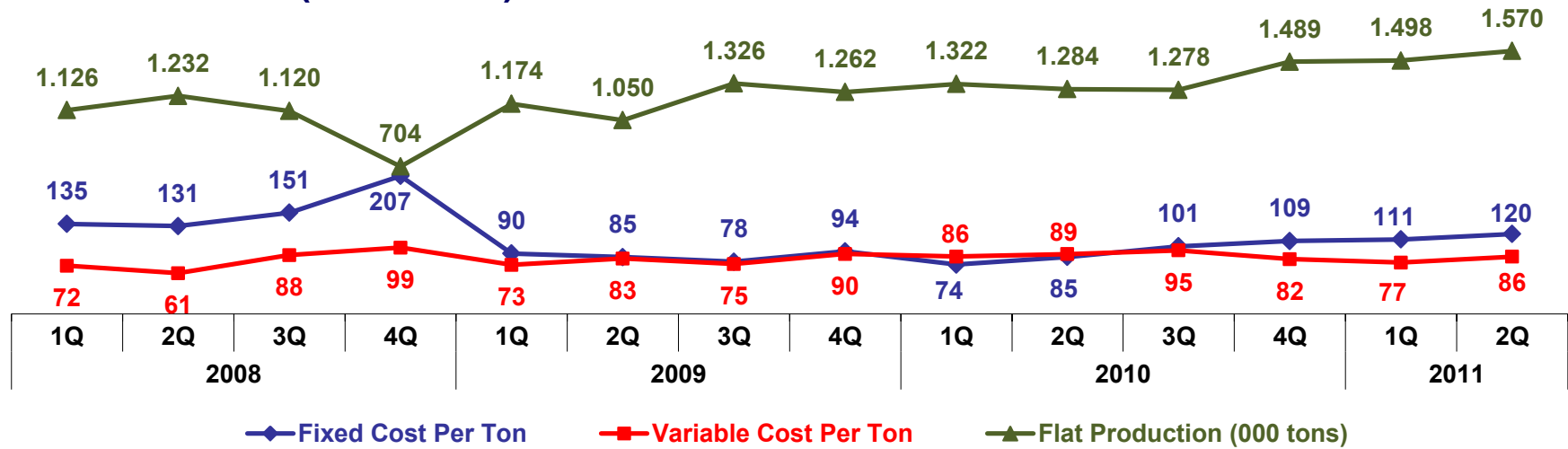
## COST OF PRODUCTION BREAKDOWN\* - %



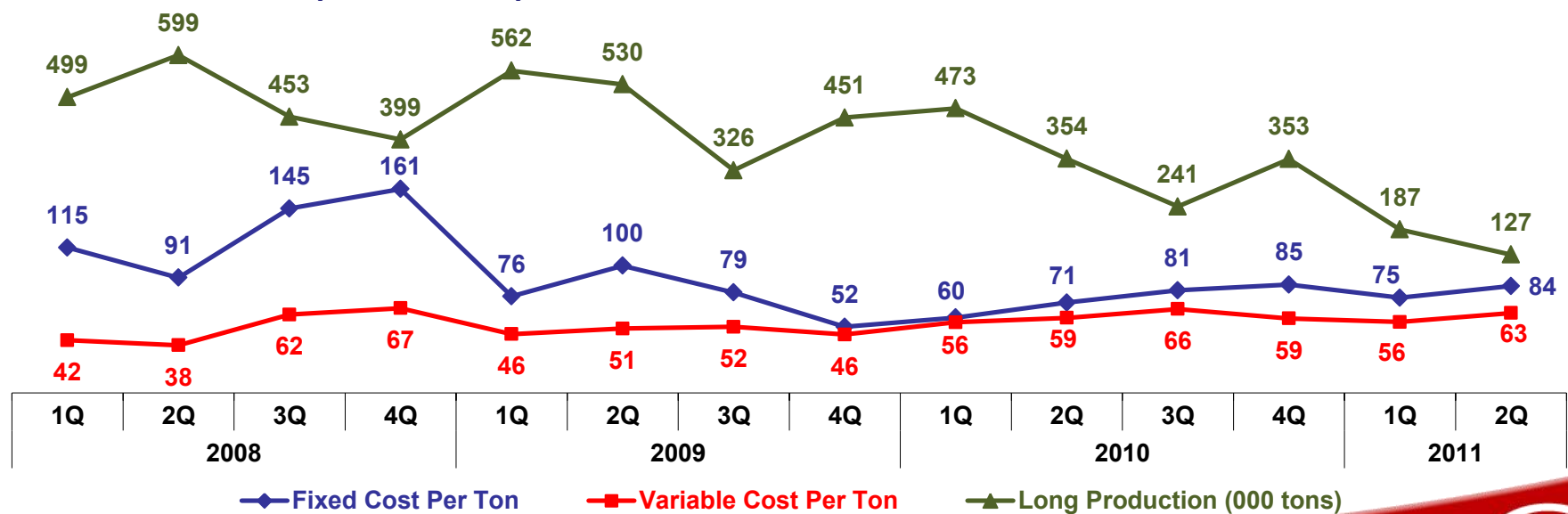


# Flat cost per ton excluding raw materials was realised as 206 USD/ton in 2011 2Q

## FLAT PRODUCTS ( USD/TON )\*

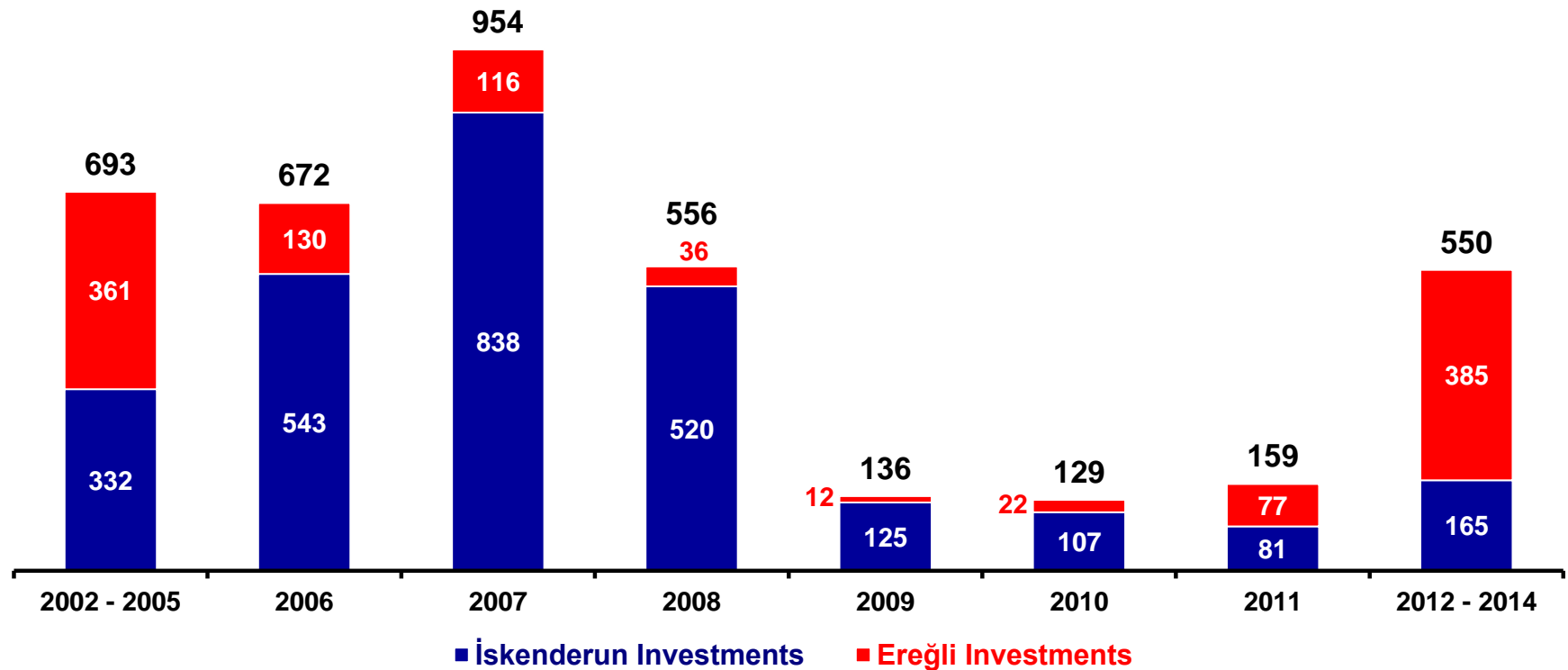


## LONG PRODUCTS ( USD/TON )\*



# Capital expenditures of 159 million USD is planned for 2011

( M USD )



## NUMBER OF EMPLOYEES

