



Erdemir Group
2012
Consolidated Financial Results

20 February 2013

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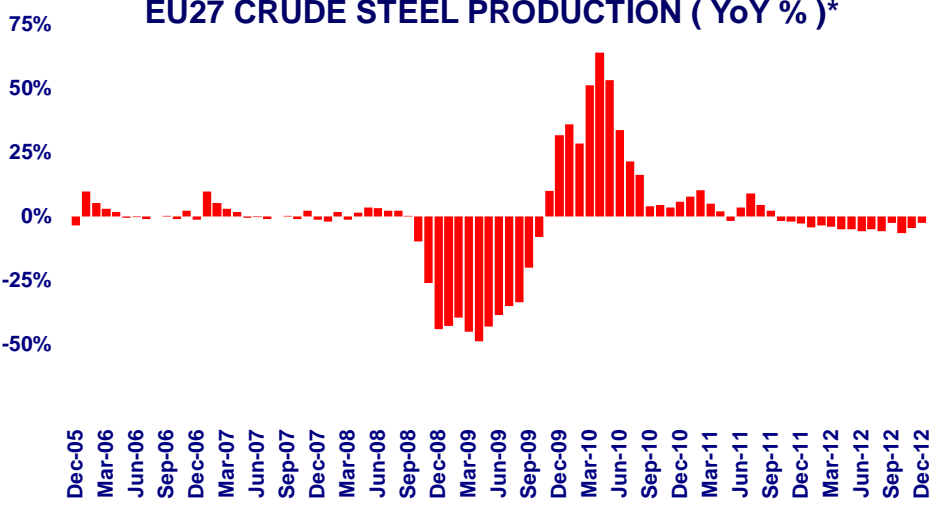
Agenda

 **2012 Market Overview**

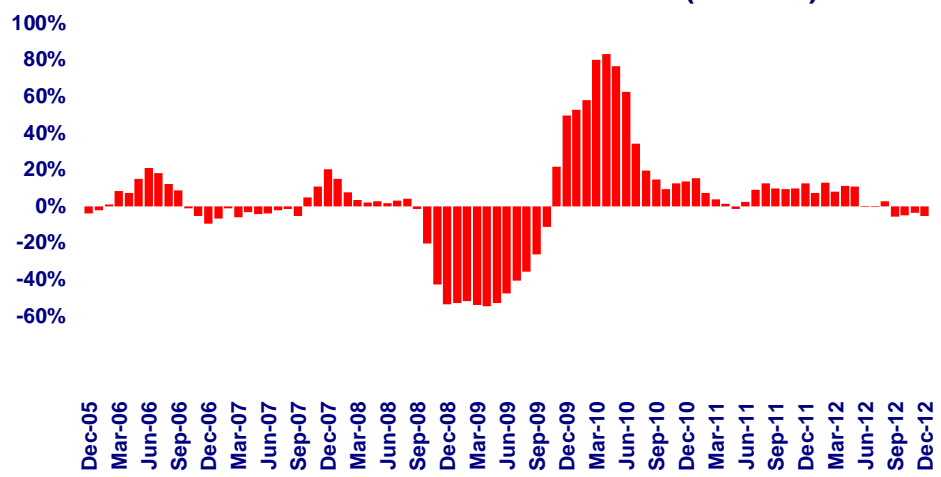
 **2012 Results**

In EU, sales price was 666 USD/ton as of February 2013

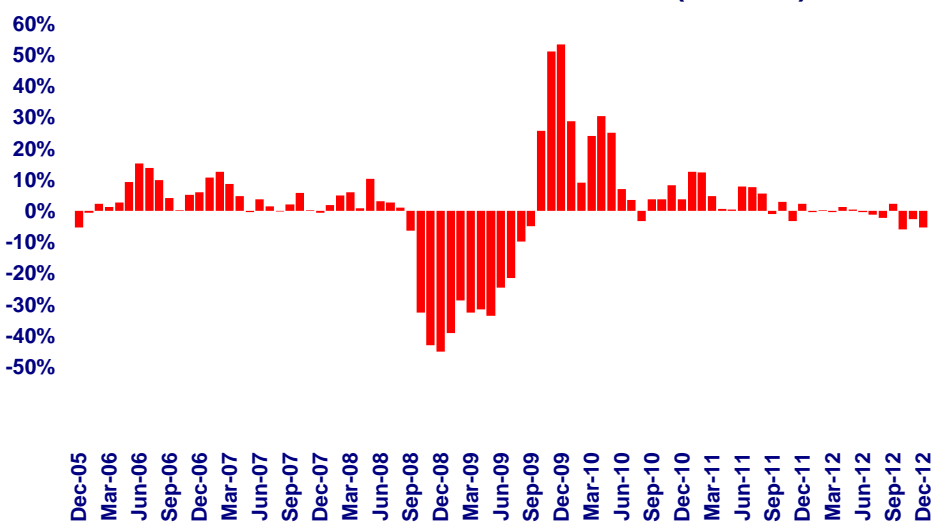
EU27 CRUDE STEEL PRODUCTION (YoY %)*



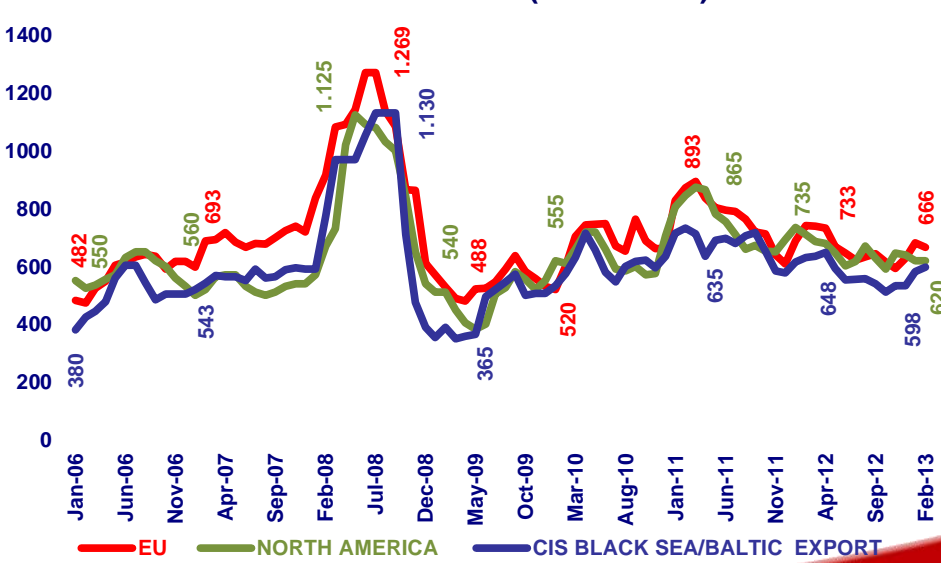
USA CRUDE STEEL PRODUCTION (YoY %)*



CIS CRUDE STEEL PRODUCTION (YoY %) *

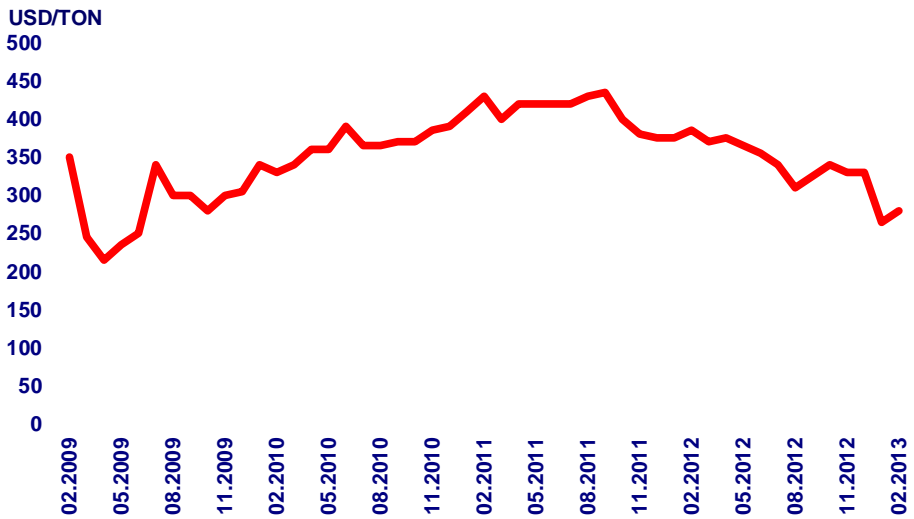


HRC PRICES (USD/TON) **

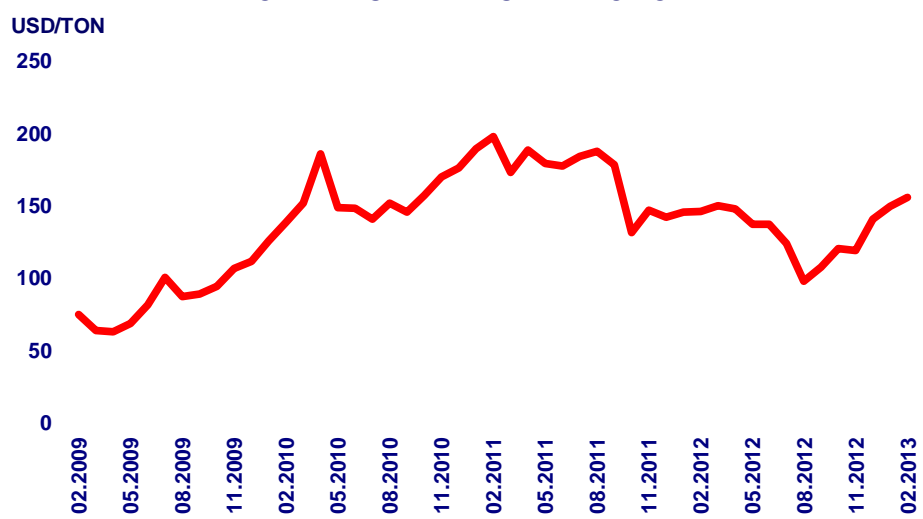


Iron ore prices have been increasing after sharp decrease since July

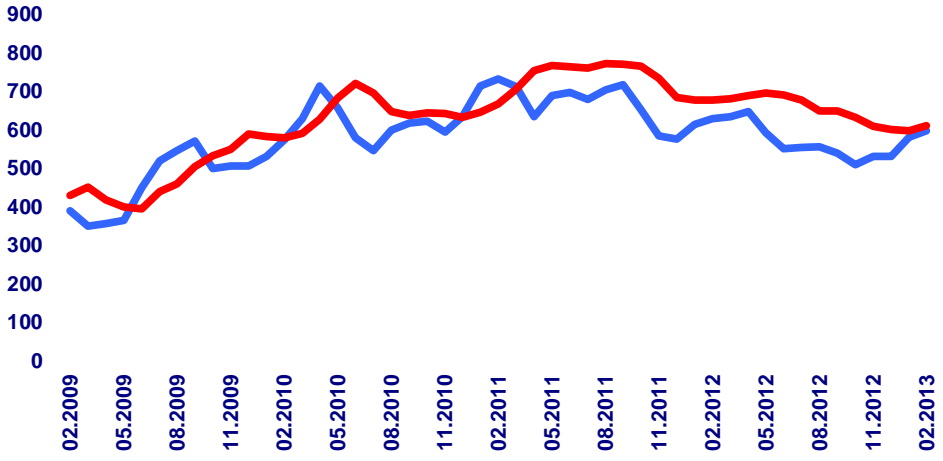
CHINA 2ND QUALITY COKE SPOT EXPORT PRICE



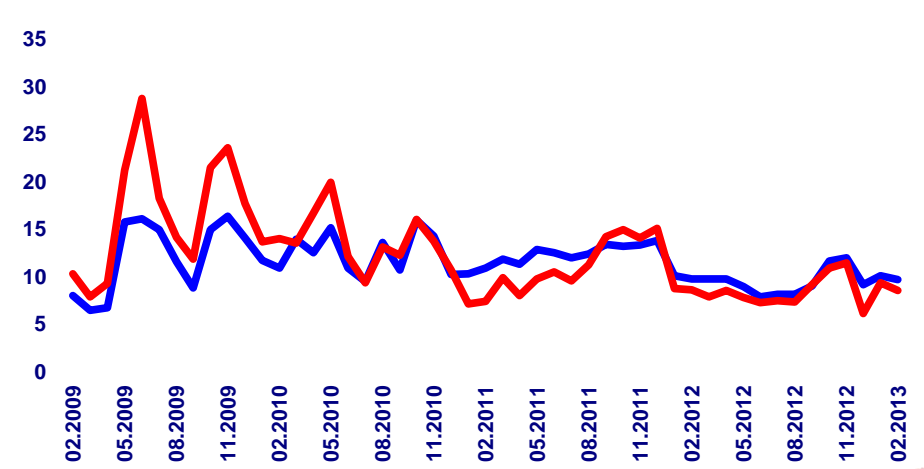
CHINA PORT FINE ORE PRICE CFR



ERDEMIR GROUP HRC EFFECTIVE PRICE (Red line)
CIS HRC BLACKSEA/BALTIC EXPORT PRICE FOB (Blue line)

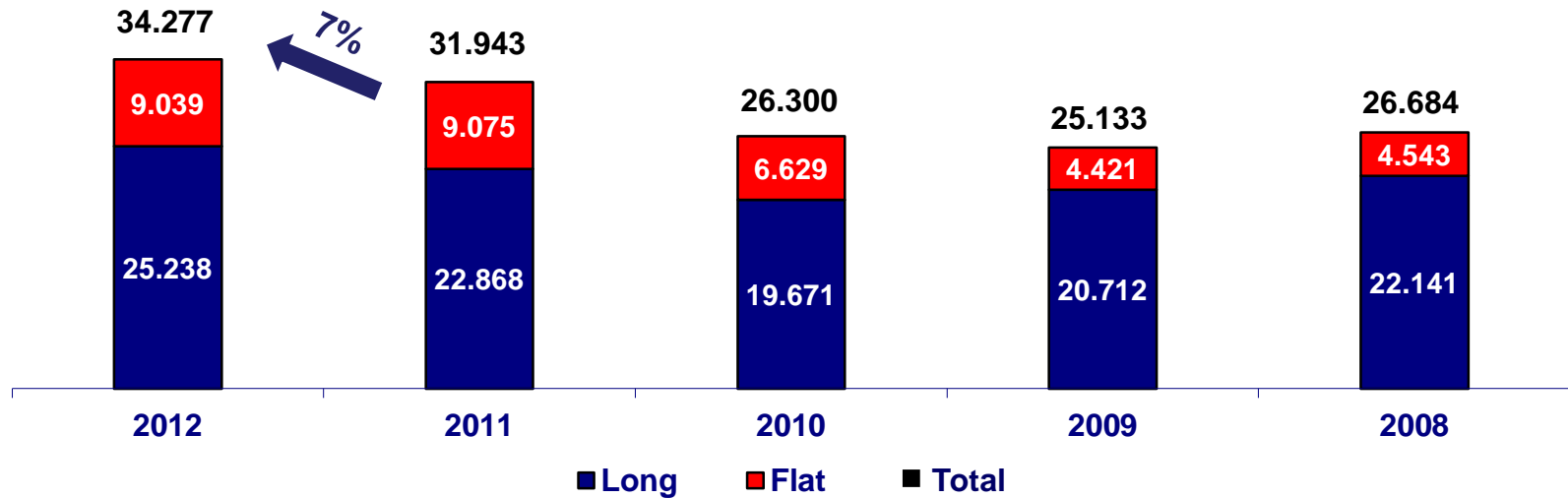


BRAZIL TUBARAO - ROTTERDAM FREIGHT (Red line)
AUSTRALIA CAPE LAMBERT - ROTTERDAM FREIGHT (Blue line)

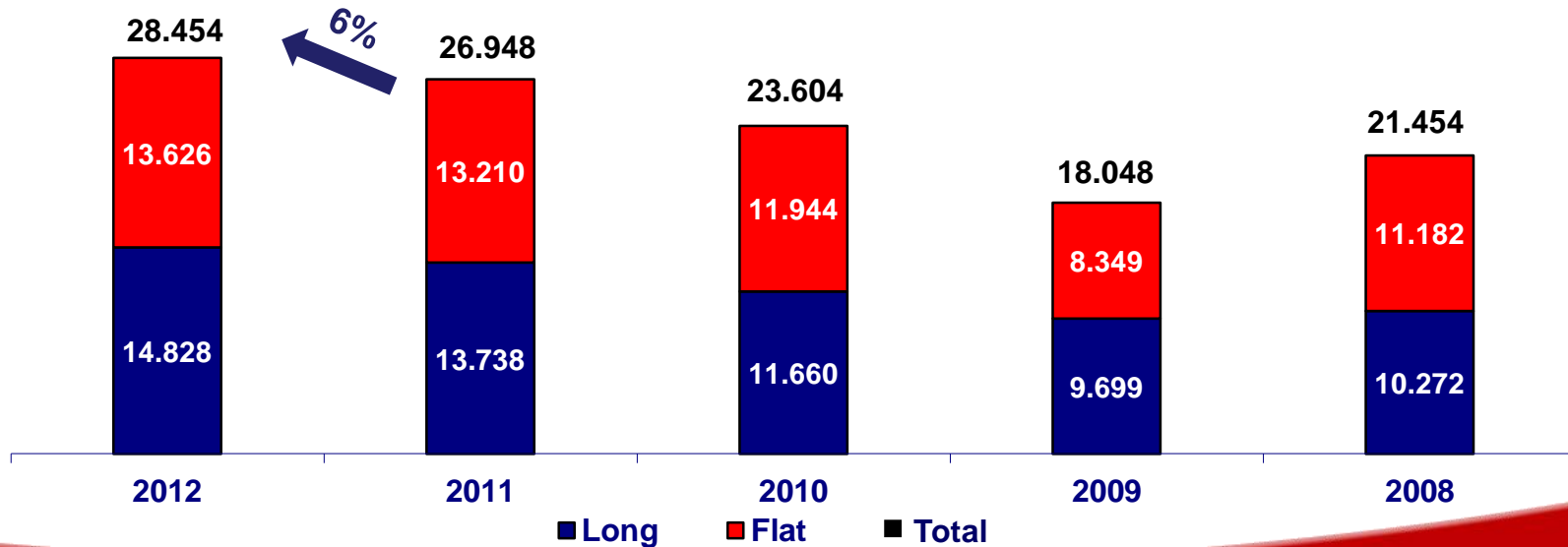


Turkish steel production increased by 7% in 2012 YoY

PRODUCTION (000 TONS)

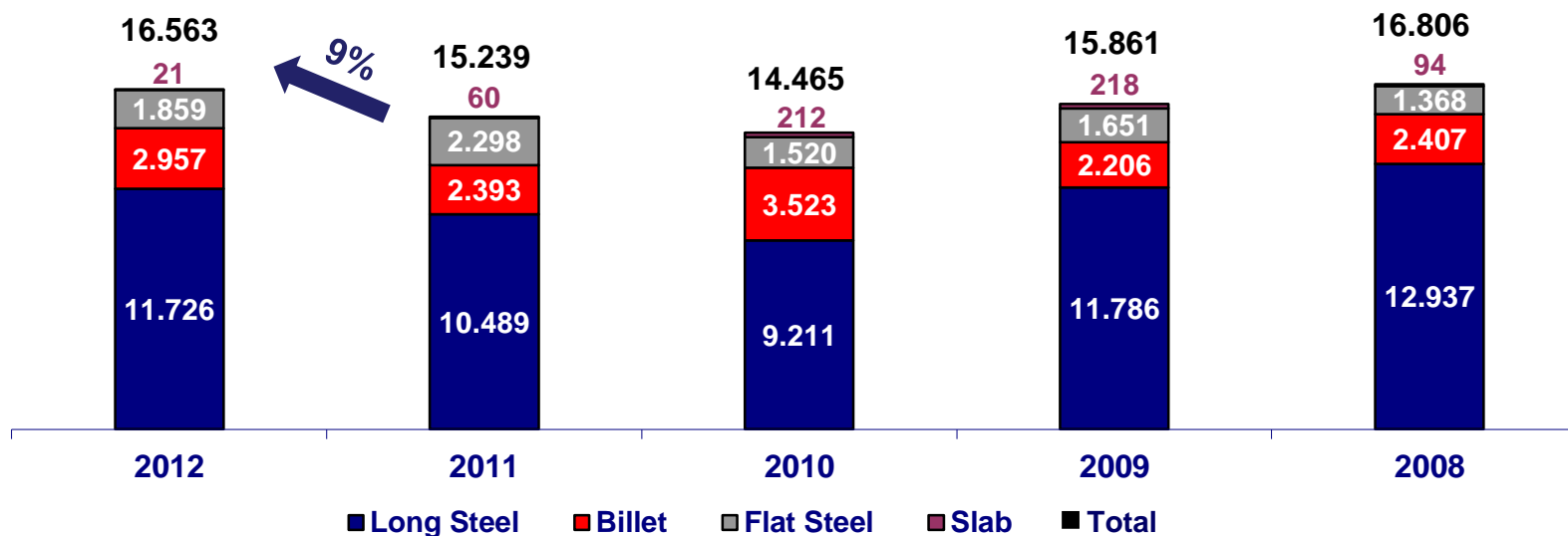


CONSUMPTION (000 TONS)

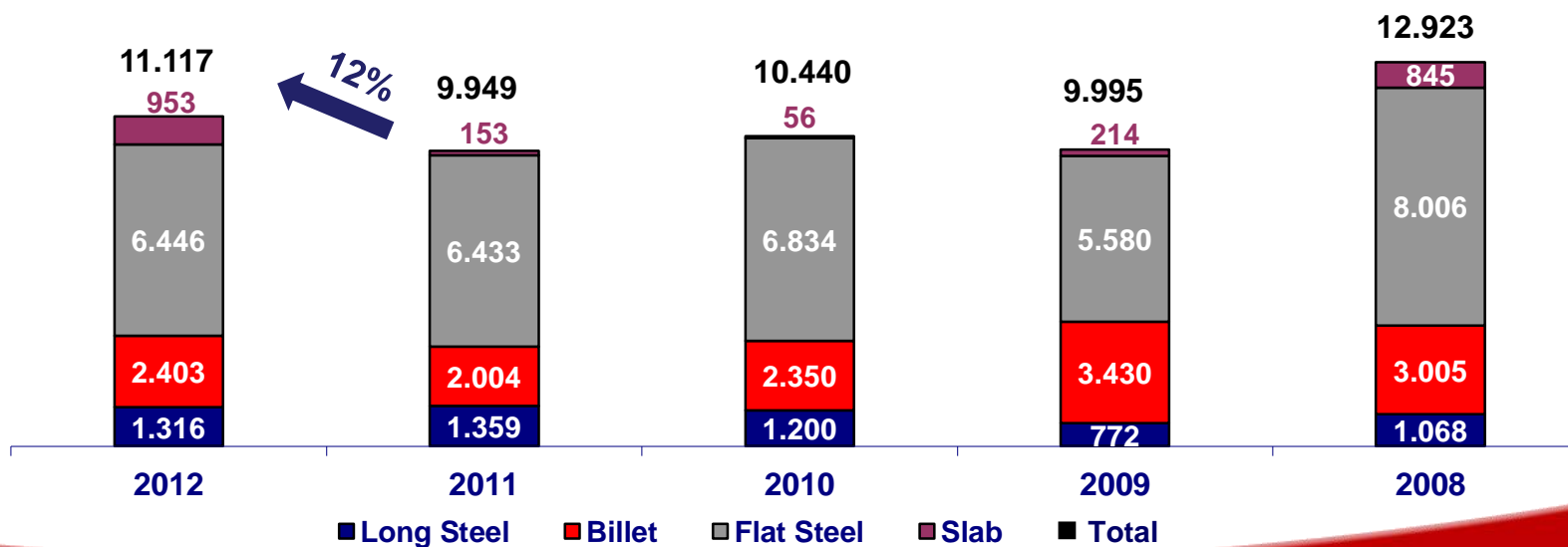


Turkish iron and steel product exports increased by 9% in 2012 YoY

IRON AND STEEL PRODUCT EXPORTS (000 TONS)

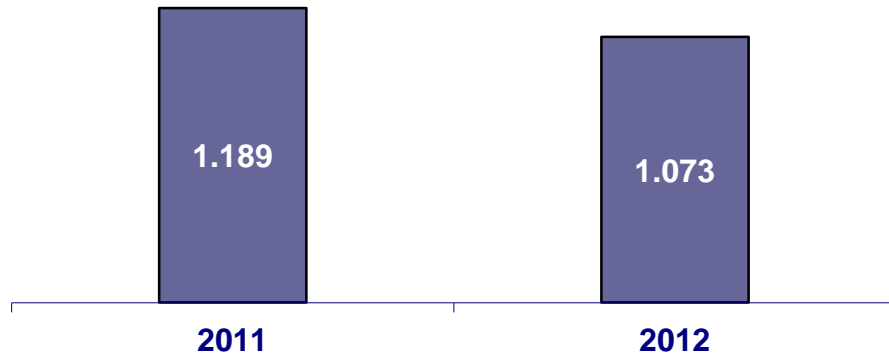


IRON AND STEEL PRODUCT IMPORTS (000 TONS)

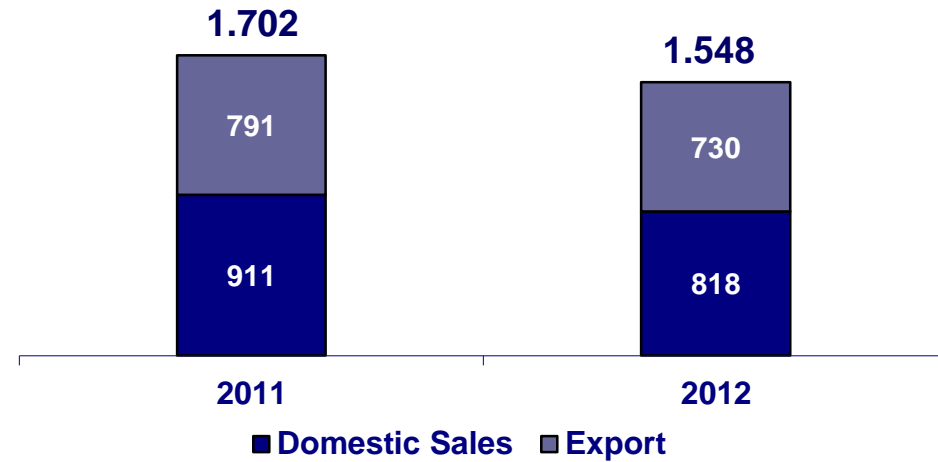


Automotive production was 1.073 thousand units in 2012

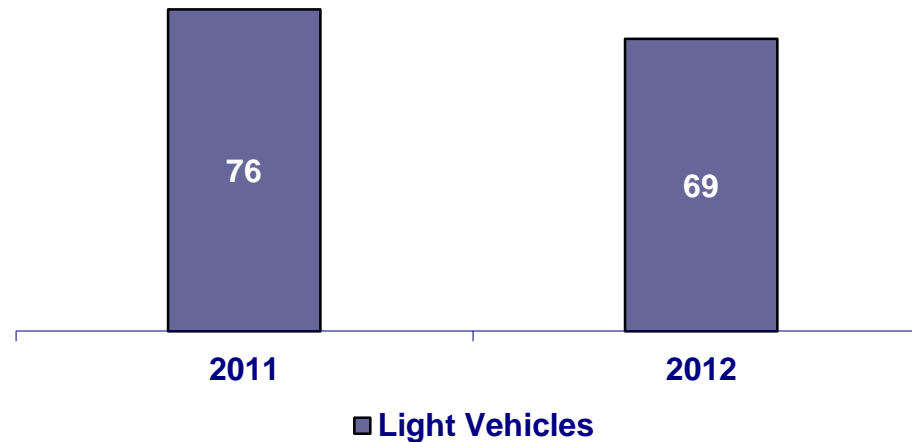
AUTOMOTIVE PRODUCTION (000 UNITS)



AUTOMOTIVE SALES (000 UNITS)

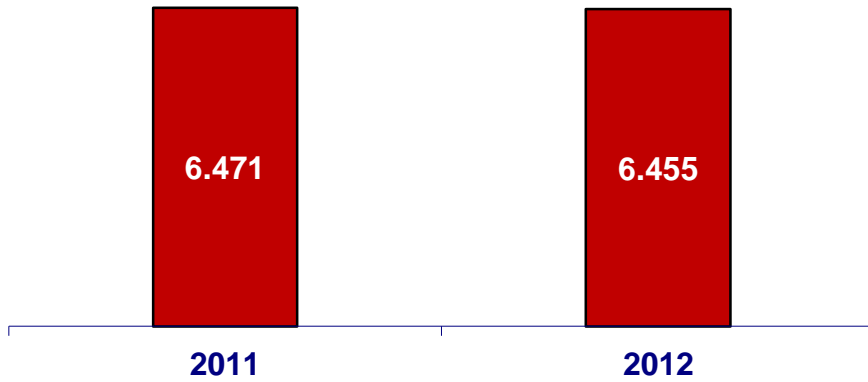


AUTOMOTIVE CAPACITY UTILIZATION RATIO (%)

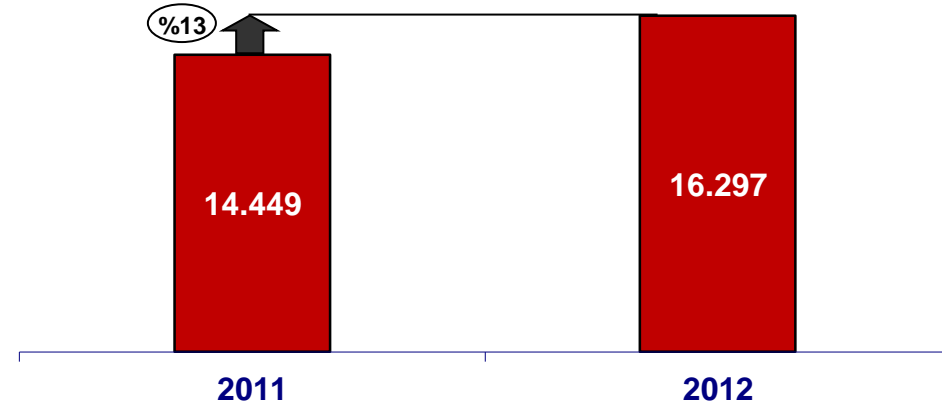


White goods exports and production increased by 13% and 8% respectively in 2012 YoY

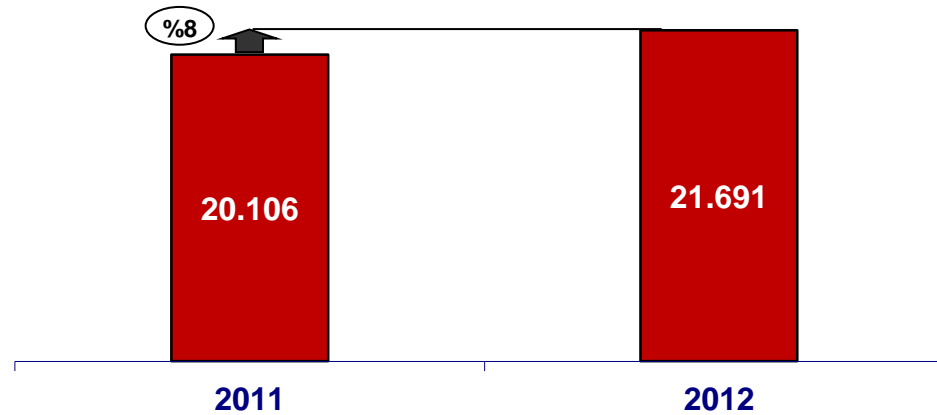
WHITE GOODS DOMESTIC SALES (000 UNITS)



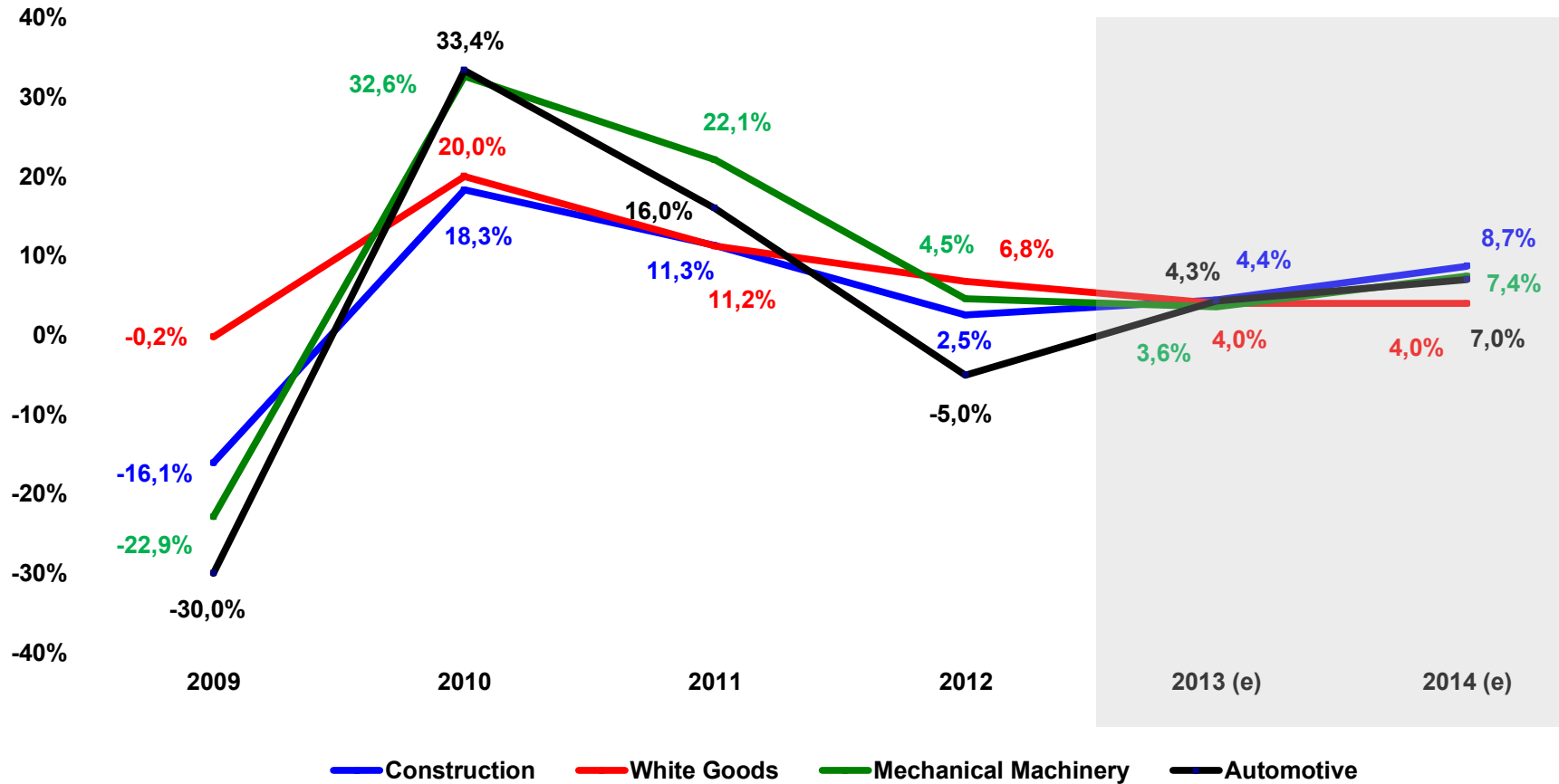
WHITE GOODS EXPORTS (000 UNITS)



WHITE GOODS PRODUCTION (000 UNITS)

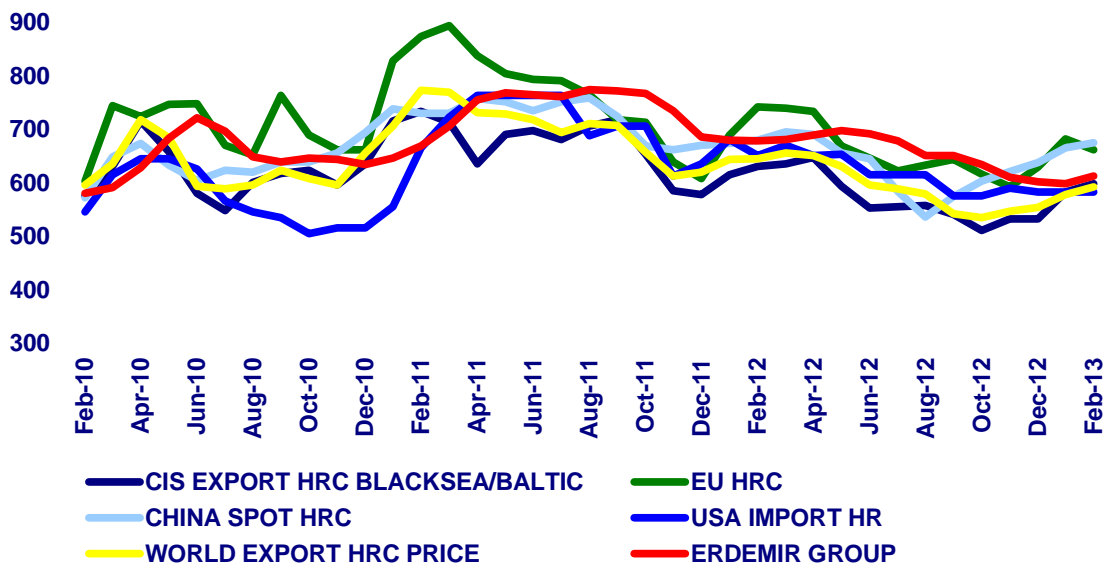


CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)



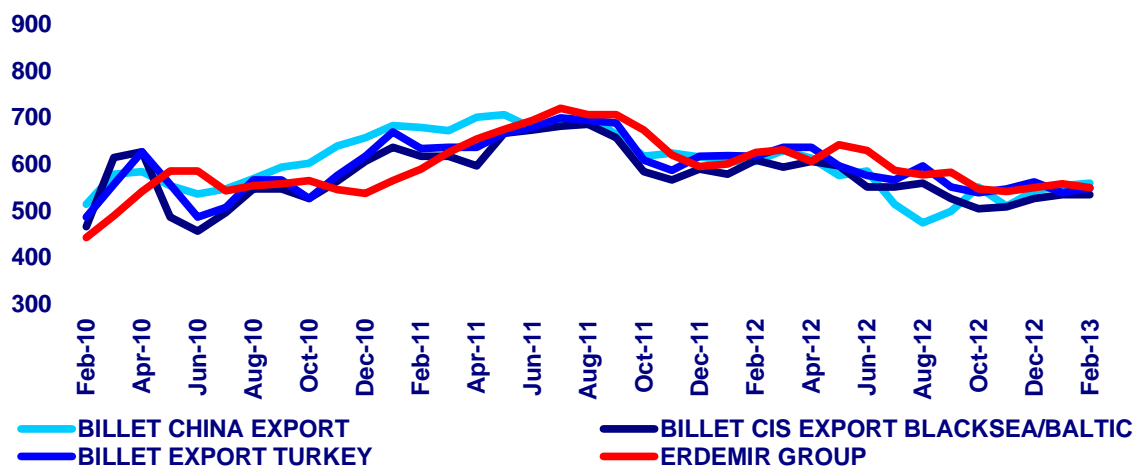
HRC sales prices are increasing in last quarter

HRC PRICES (USD/Ton)



▶ As of February 2013, EU HRC price was 666 USD, China HRC spot price is 675 USD, USA export HRC price is 583 USD. The prices were 629 USD, 637 USD, 583 USD respectively by the end of 2012.

BILLET PRICES (USD/Ton)



▶ As of February 2013, Turkey export price was 548 USD while it was 560 USD in December 2012.



Agenda

 2012 Market Overview

 **2012 Results**

ERDEMİR GROUP KEY FIGURES

			2012	2011	2010
Liquid Steel Production	<i>(000 Tons)</i>	↑	8.042	7.656	7.311
Slab Production ⁽¹⁾	<i>(000 Tons)</i>	↓	6.329	6.660	5.674
Flat Steel Production ⁽²⁾	<i>(000 Tons)</i>	↓	5.983	6.119	5.373
Long Steel Production	<i>(000 Tons)</i>	↑	1.519	794	1.420
Flat Steel Shipments	<i>(000 Tons)</i>	↑	5.980	5.856	5.123
Long Steel Shipments	<i>(000 Tons)</i>	↑	1.468	791	1.393
Net Sales Revenue	<i>(M. TL)</i>	↑	9.570	8.921	6.633
EBITDA	<i>(M. TL)</i>	↓	1.026	2.039	1.420
Net Profit For The Year	<i>(M. TL)</i>	↓	424	1.006	766

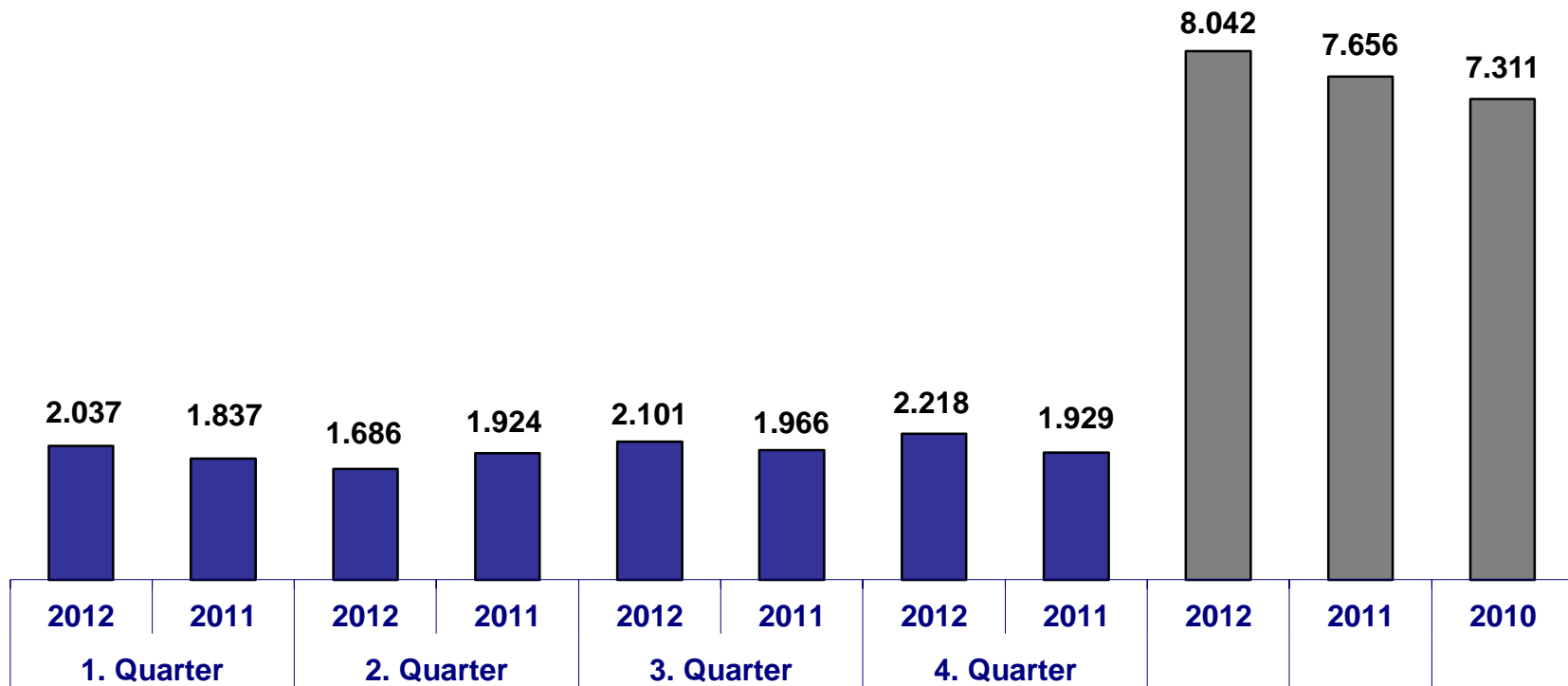
All figures are on IFRS consolidated basis unless stated otherwise.

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

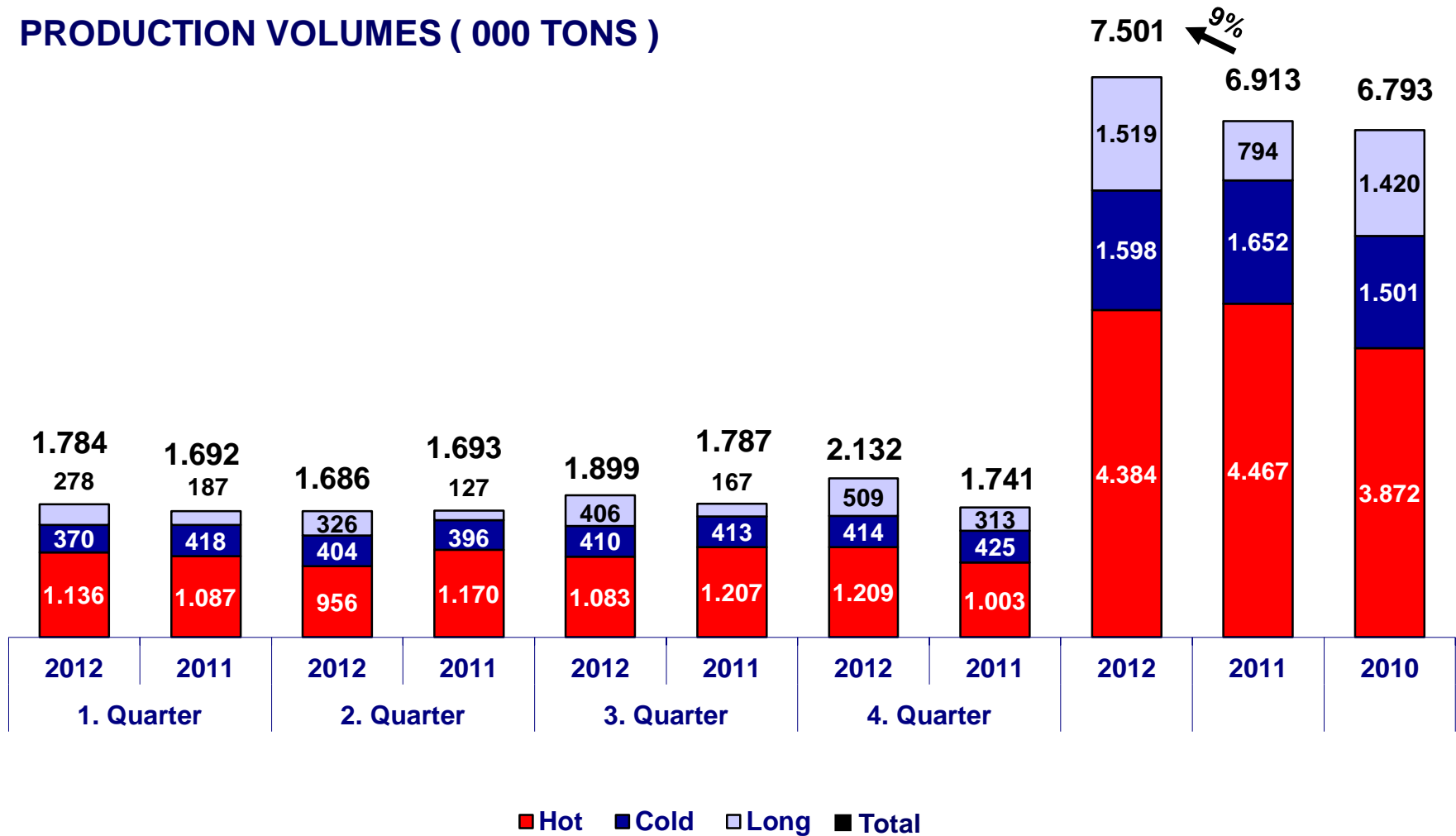
(2) Total flat steel production of Ereğli and İskenderun Plants.

Liquid steel production was 8,0 million tons in 2012

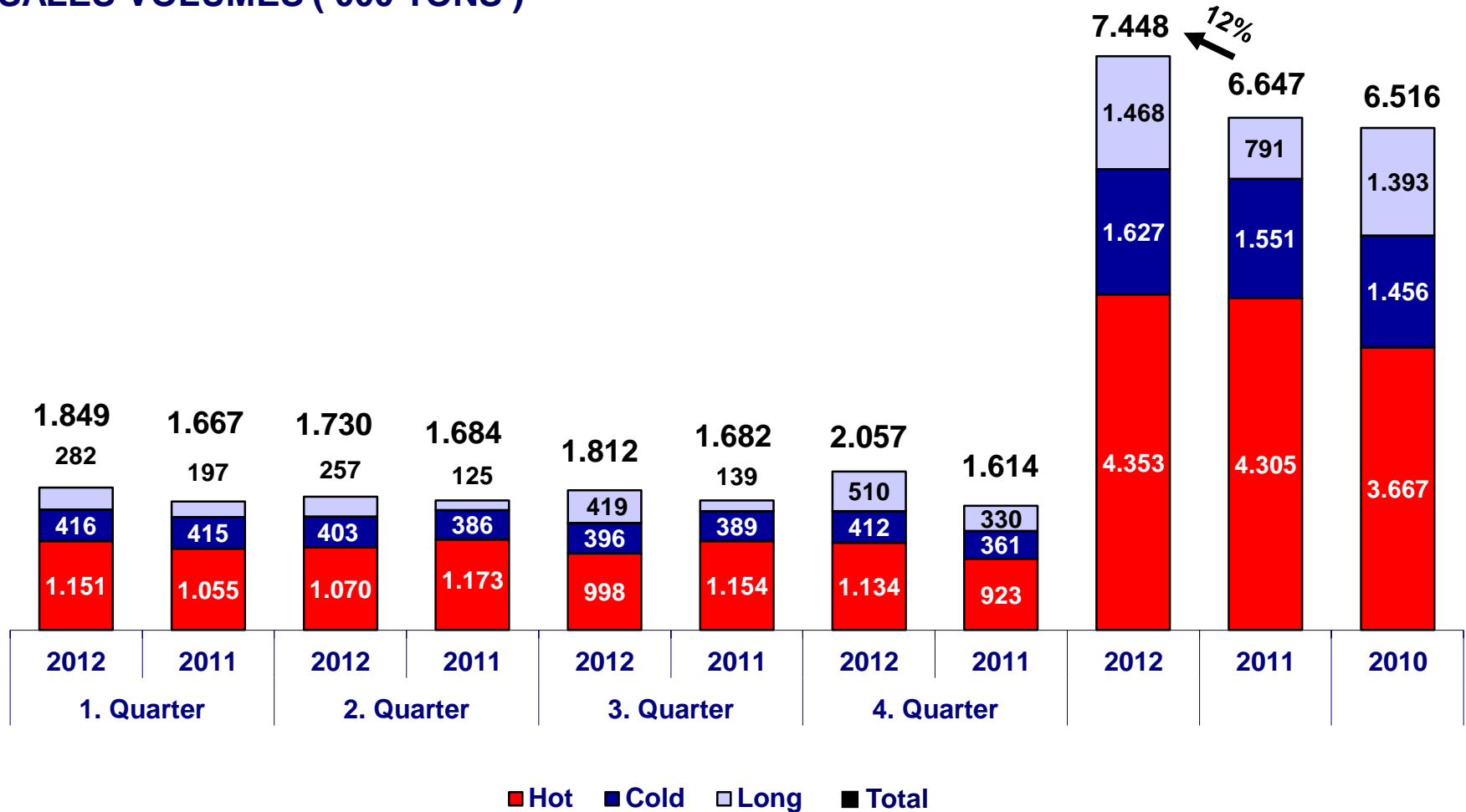
LIQUID STEEL PRODUCTION (000 TONS)



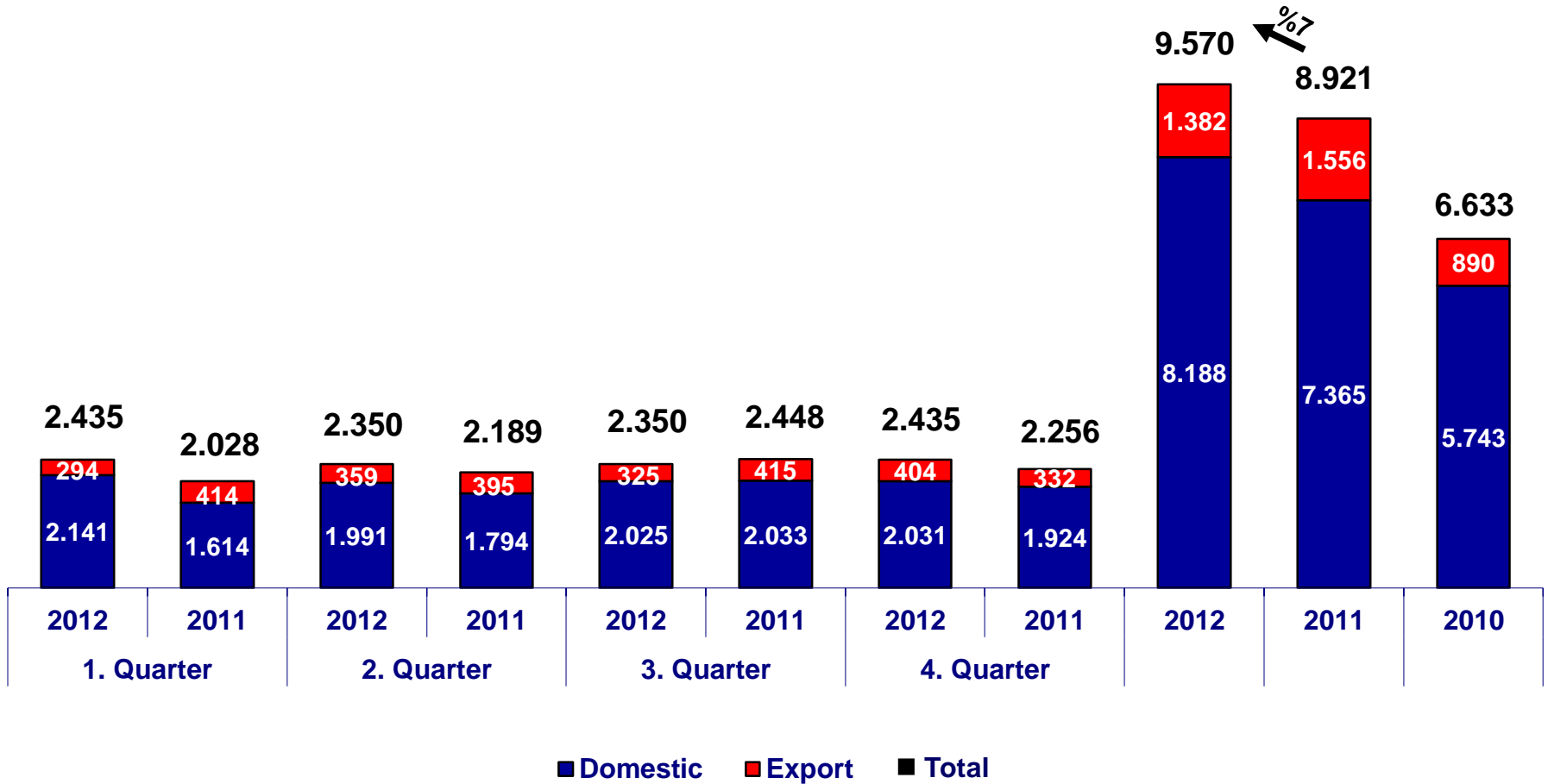
PRODUCTION VOLUMES (000 TONS)



SALES VOLUMES (000 TONS)

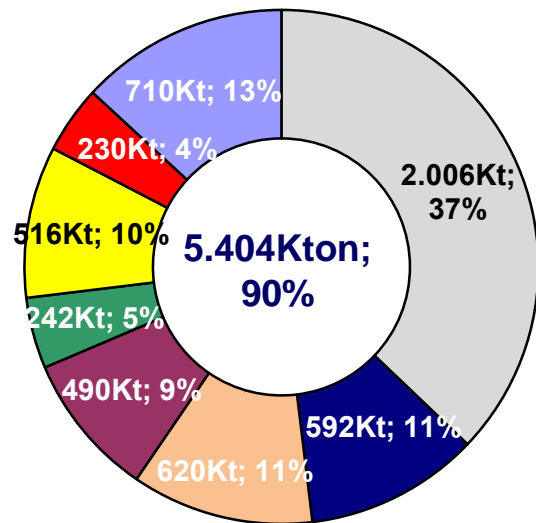


NET SALES REVENUE (MILLION TL)



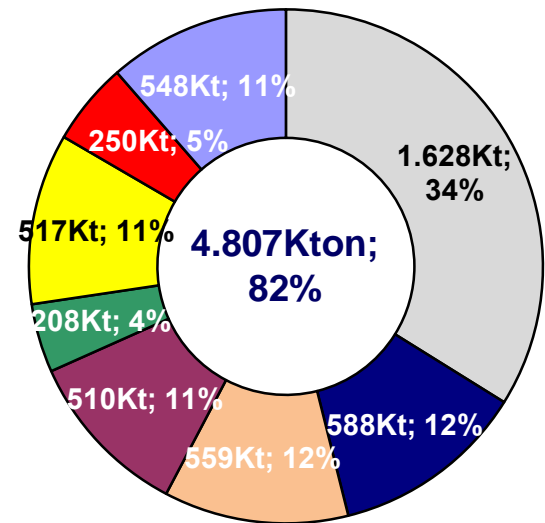
Sales to pipe and profile industry increased in 2012 YoY

2012 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

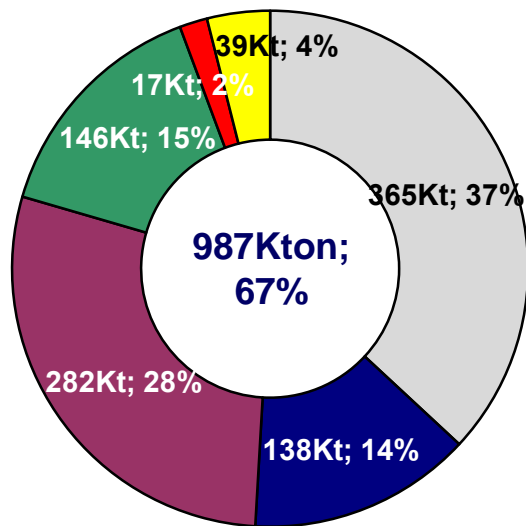


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

2011 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

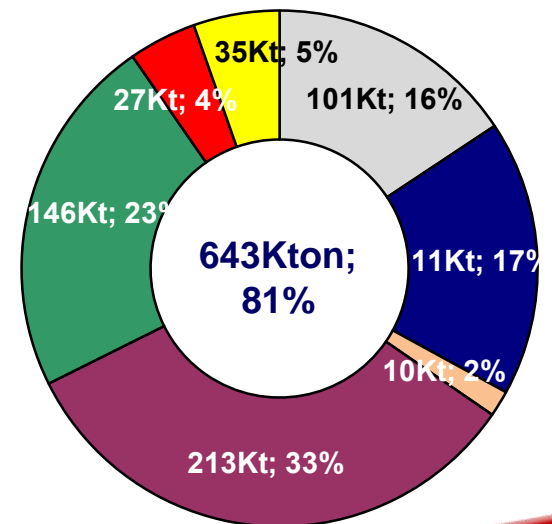


2012 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



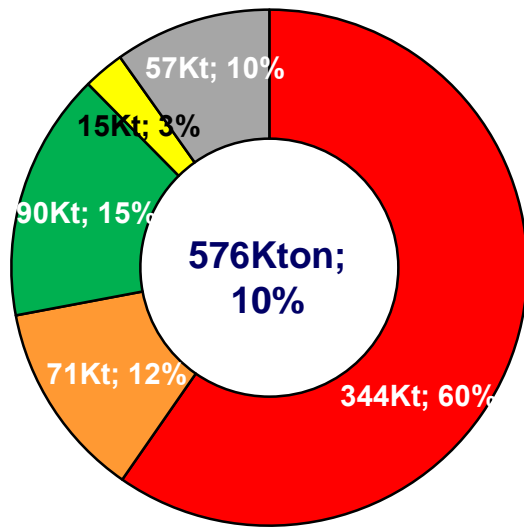
- Debar Producers
- Profile Producers
- Construction
- Commercial Qualities
- High Carbon Qualities
- Special Qualities
- Other

2011 LONG STEEL DOMESTIC SALES BREAKDOWN (%)

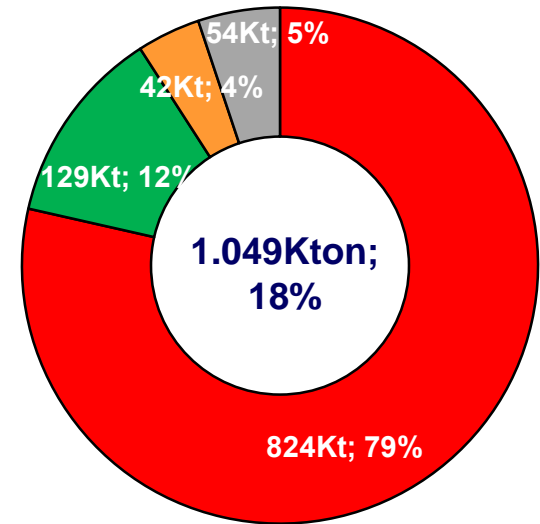


Flat steel sales to North America countries was 12% of our flat export in 2012

2012 FLAT STEEL EXPORTS BREAKDOWN (%)

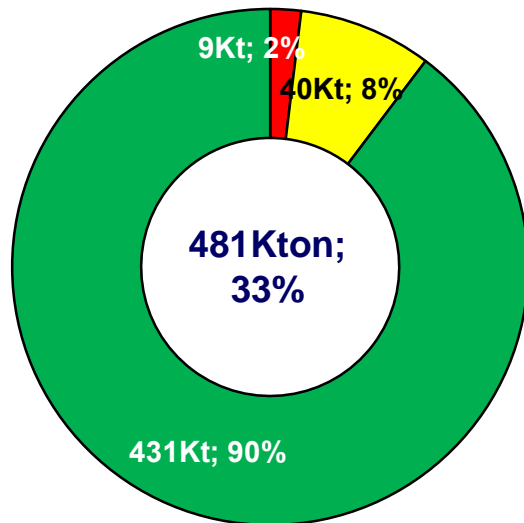


2011 FLAT STEEL EXPORTS BREAKDOWN (%)

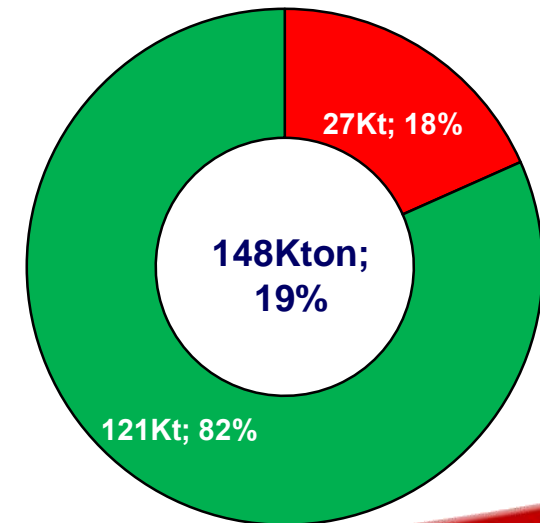


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

2012 LONG STEEL EXPORTS BREAKDOWN (%)

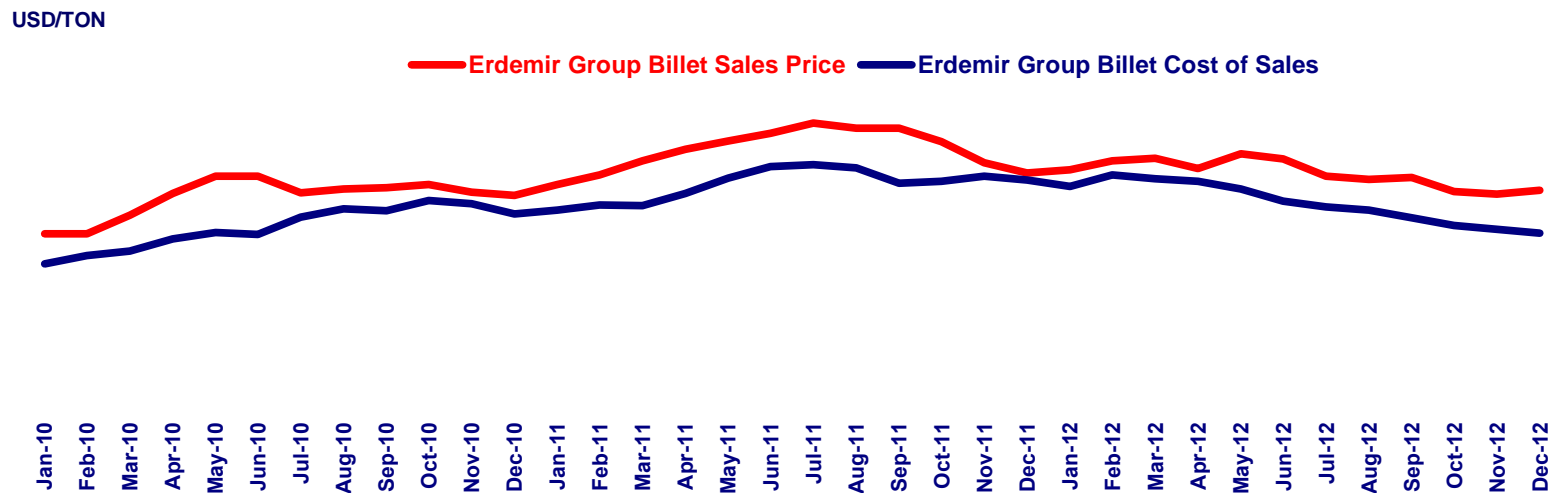
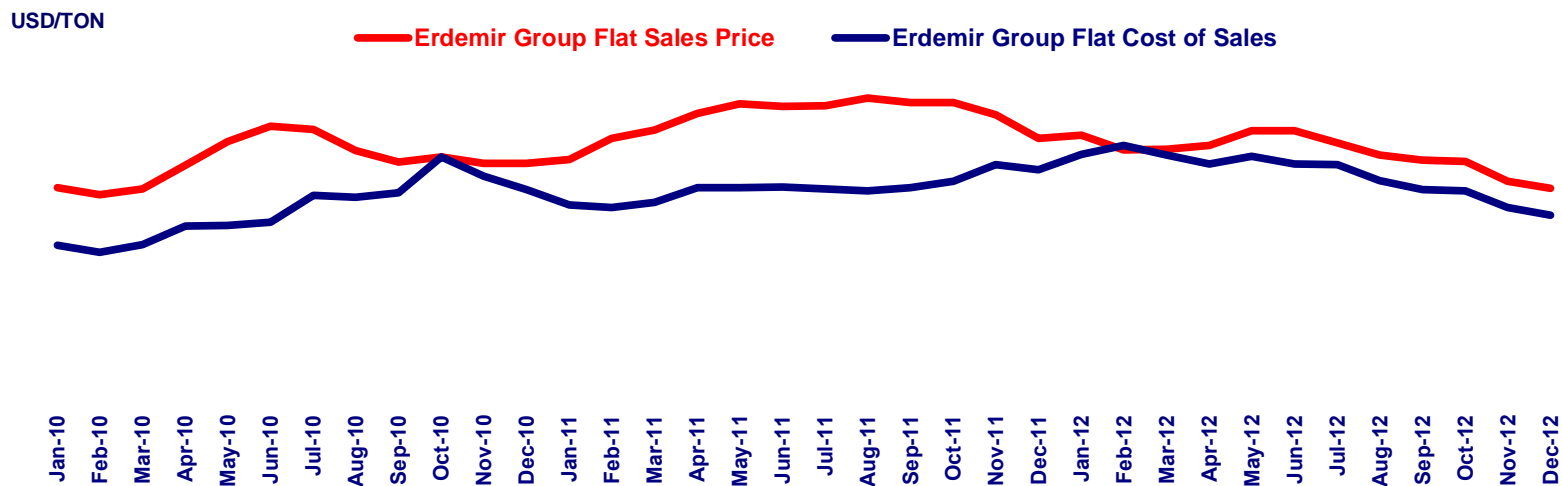


2011 LONG STEEL EXPORTS BREAKDOWN (%)



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

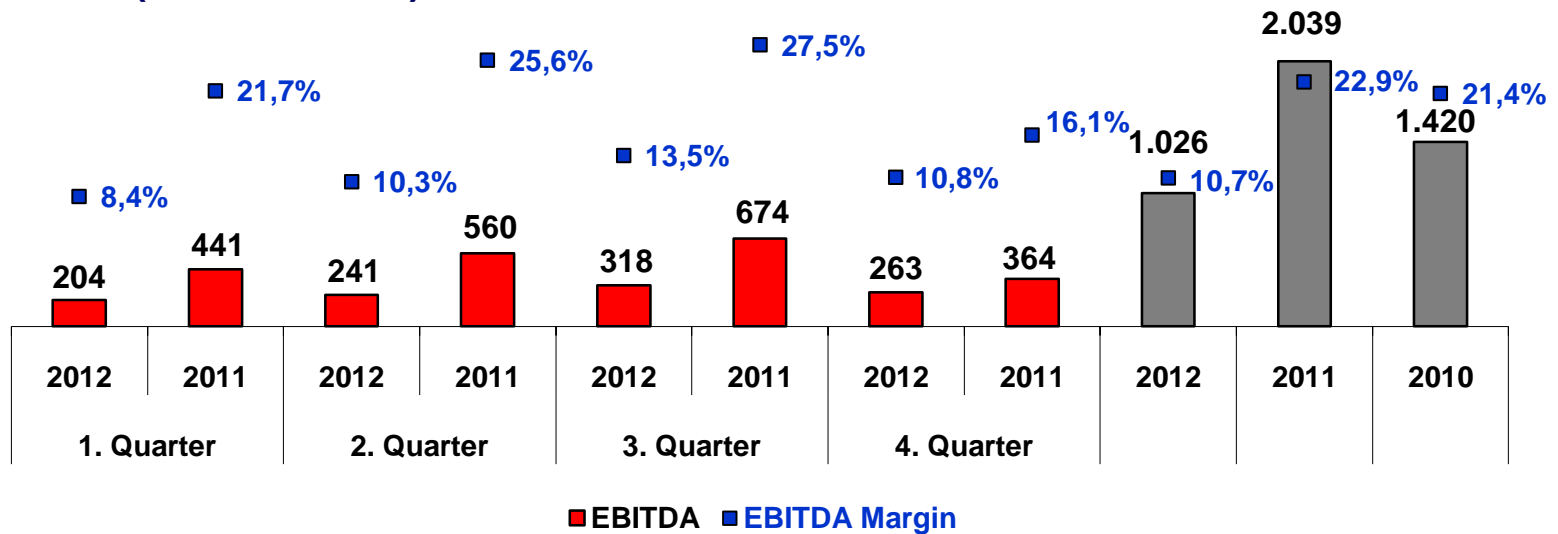
In 2012, Erdemir Group average flat and long steel prices were 717 USD/ton and 619 USD/ton respectively



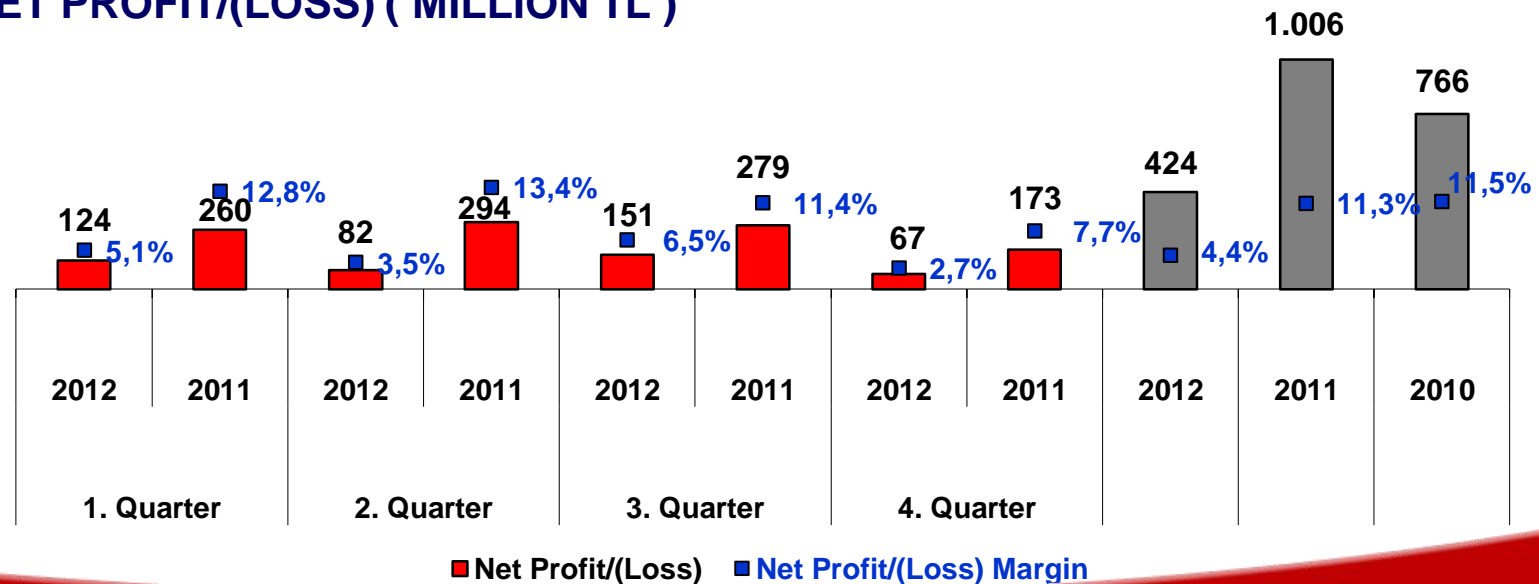
- ➡ Flat steel prices decreased by 9% on average in 2012 YoY.
- ➡ Long steel prices decreased by 13% on average in 2012 YoY.

Net profit was 424 million TL in 2012

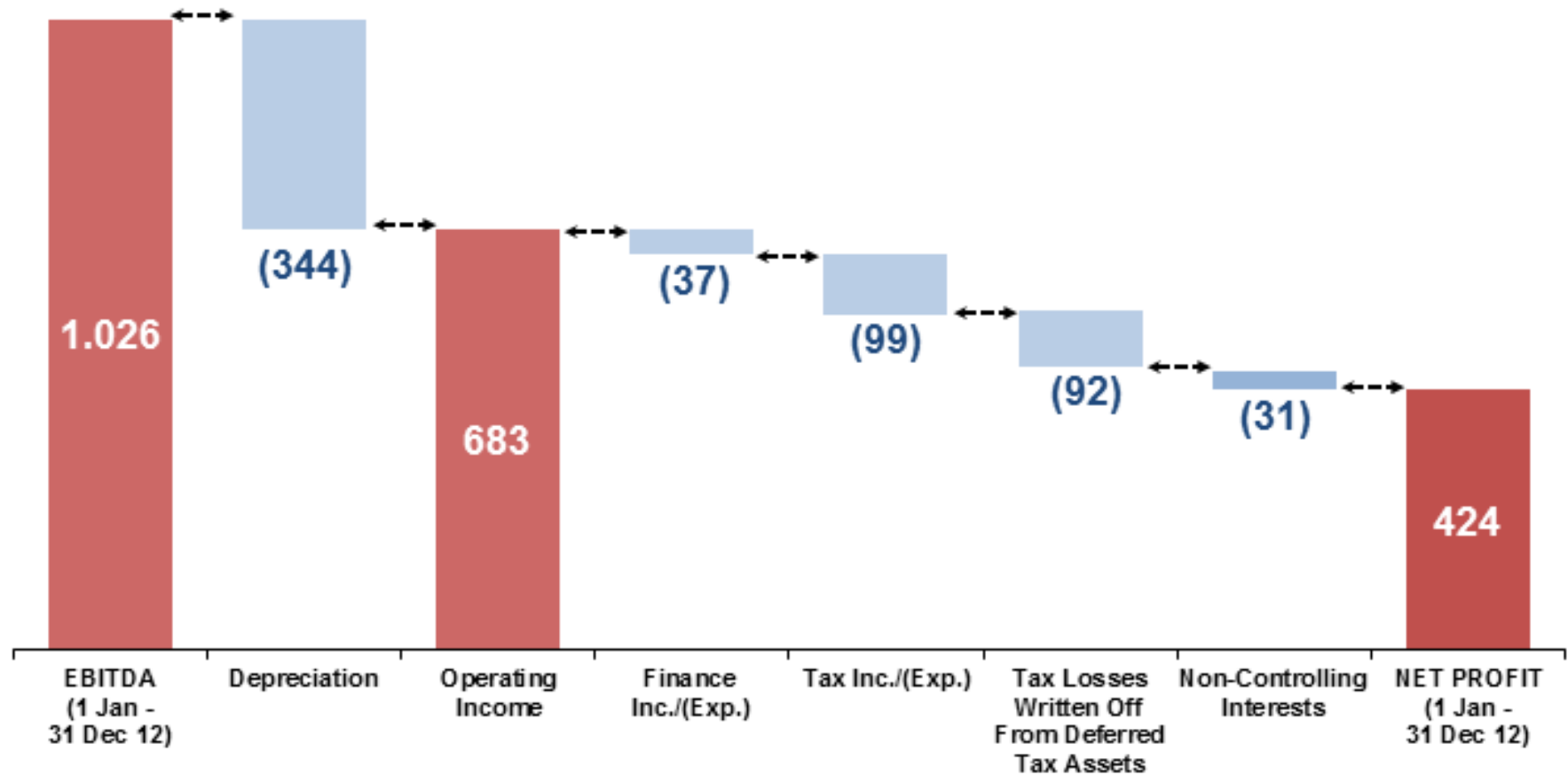
EBITDA (MILLION TL)



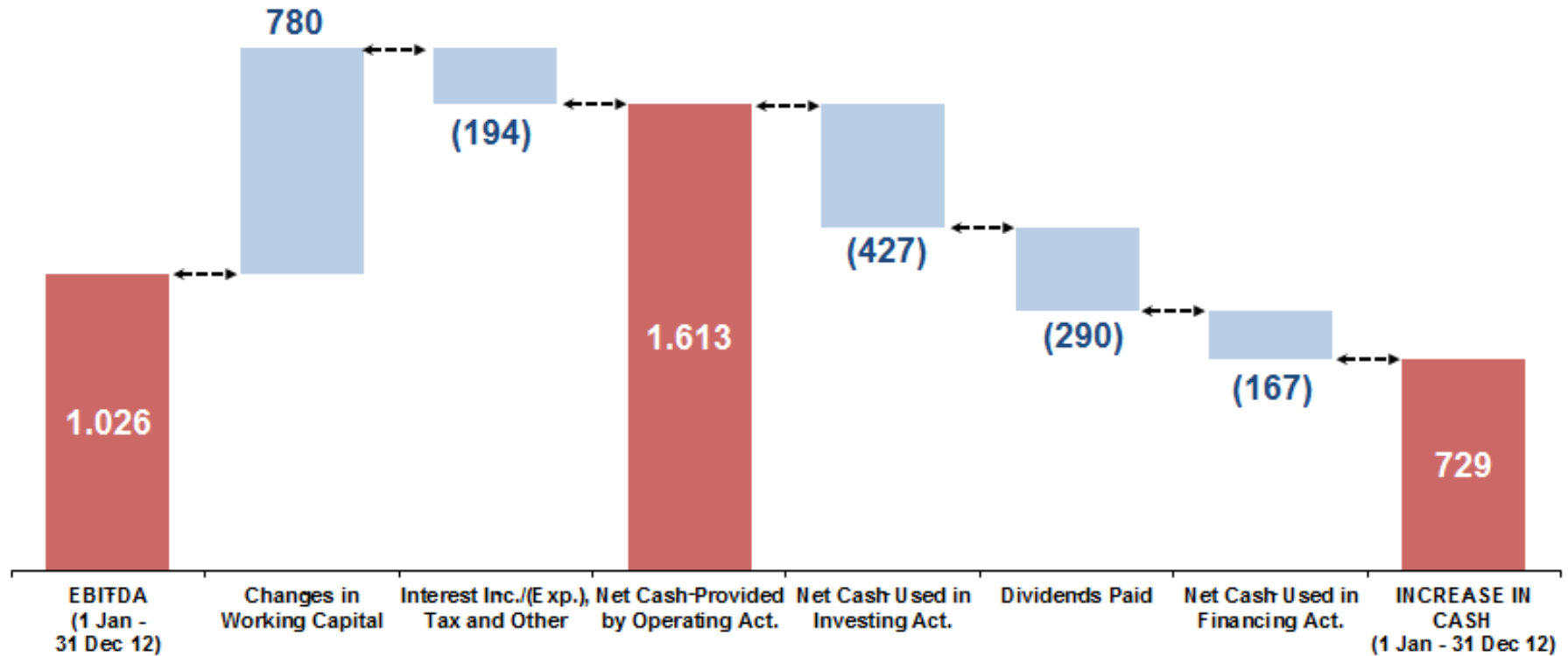
NET PROFIT/(LOSS) (MILLION TL)



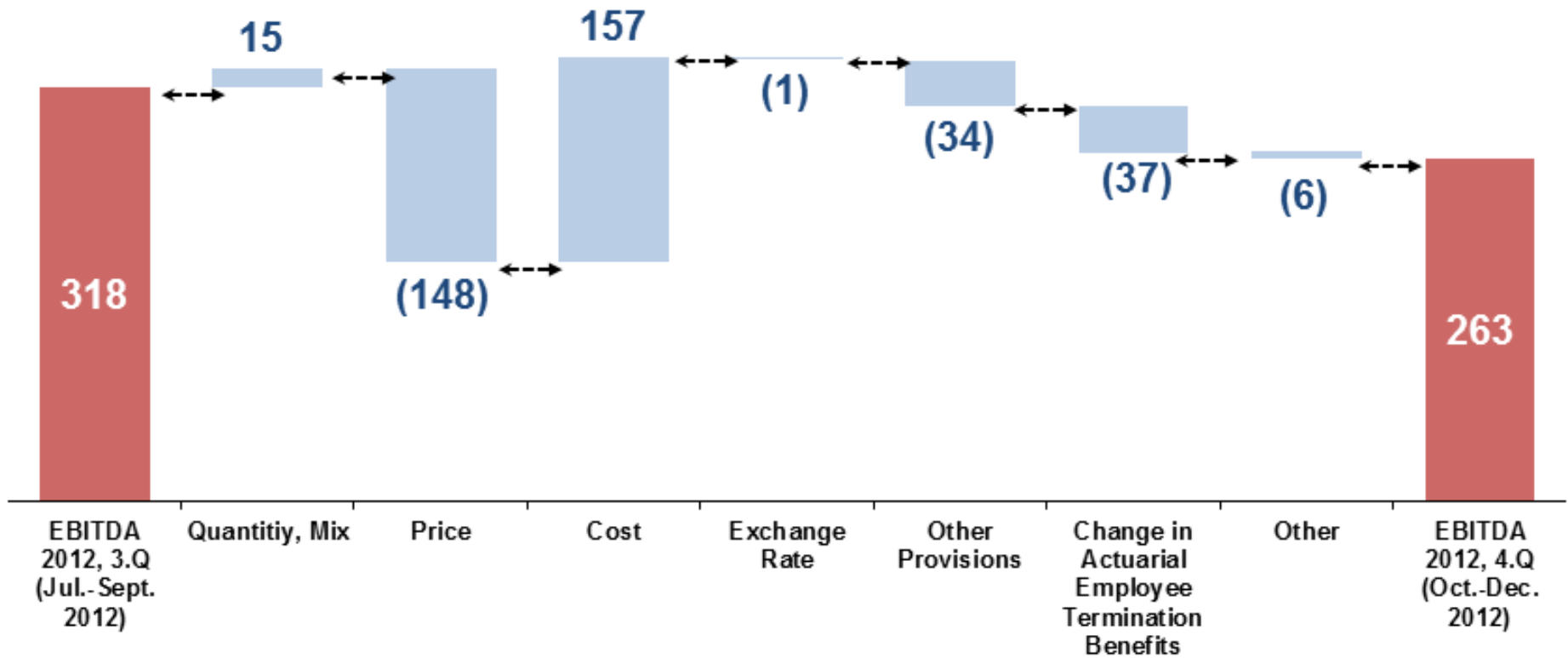
Consolidated EBITDA => Consolidated Net Profit (Million TL)



Consolidated EBITDA => Consolidated Net Cash (Million TL)

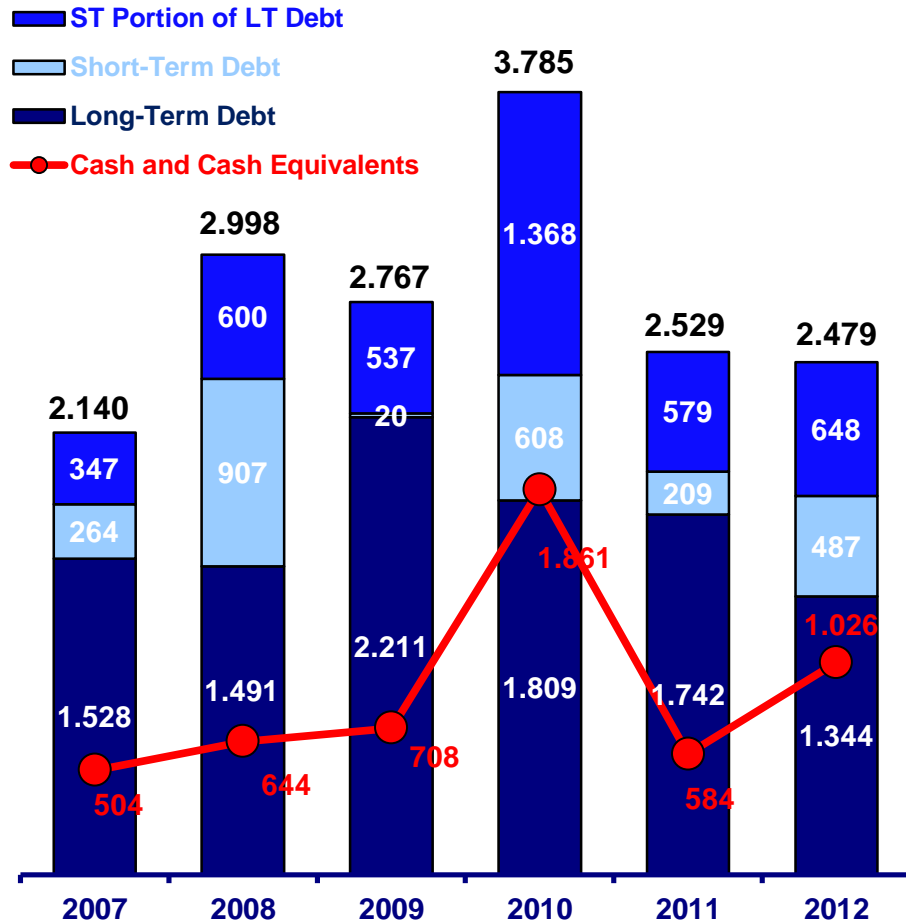


The reasons of the decline in 4Q EBITDA are provisions and employee termination benefits

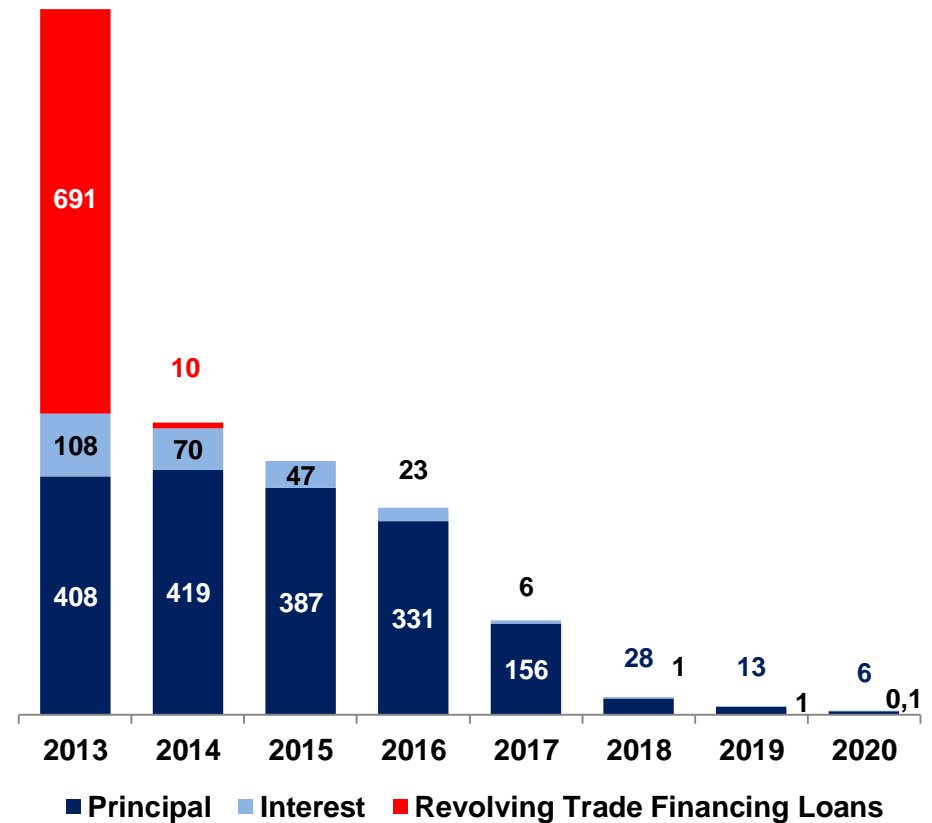


Erdemir Group has 1.026 million USD cash and cash equivalents at the end of 2012

BORROWINGS (MILLION USD)

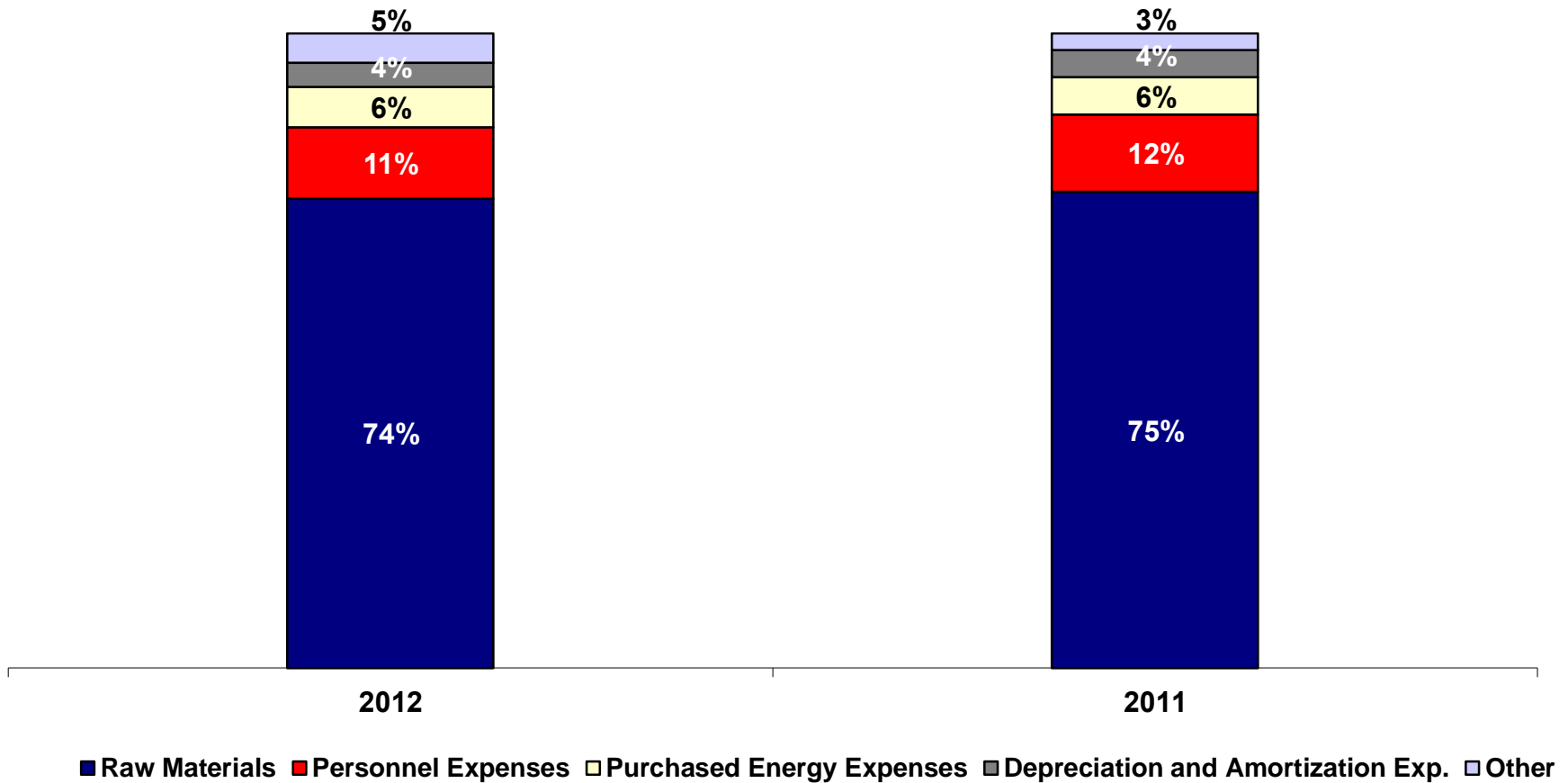


BORROWINGS MATURITY PROFILE (MILLION USD)



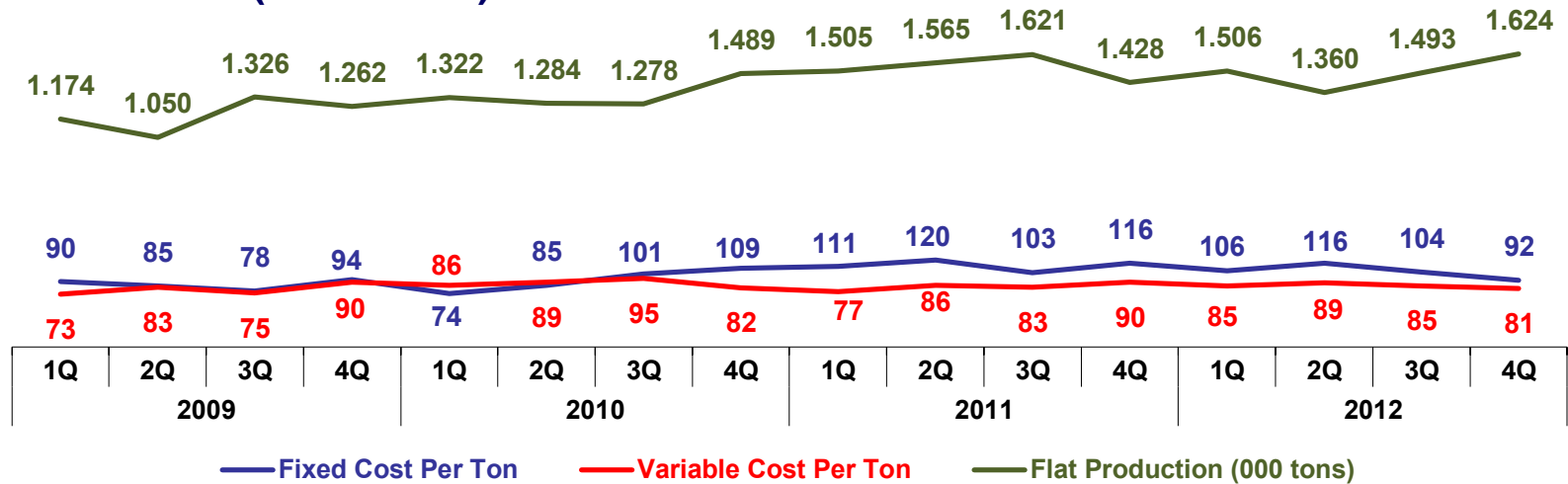
Raw materials made up 74% of the cost of goods sold in 2012

COST OF PRODUCTION BREAKDOWN* - %

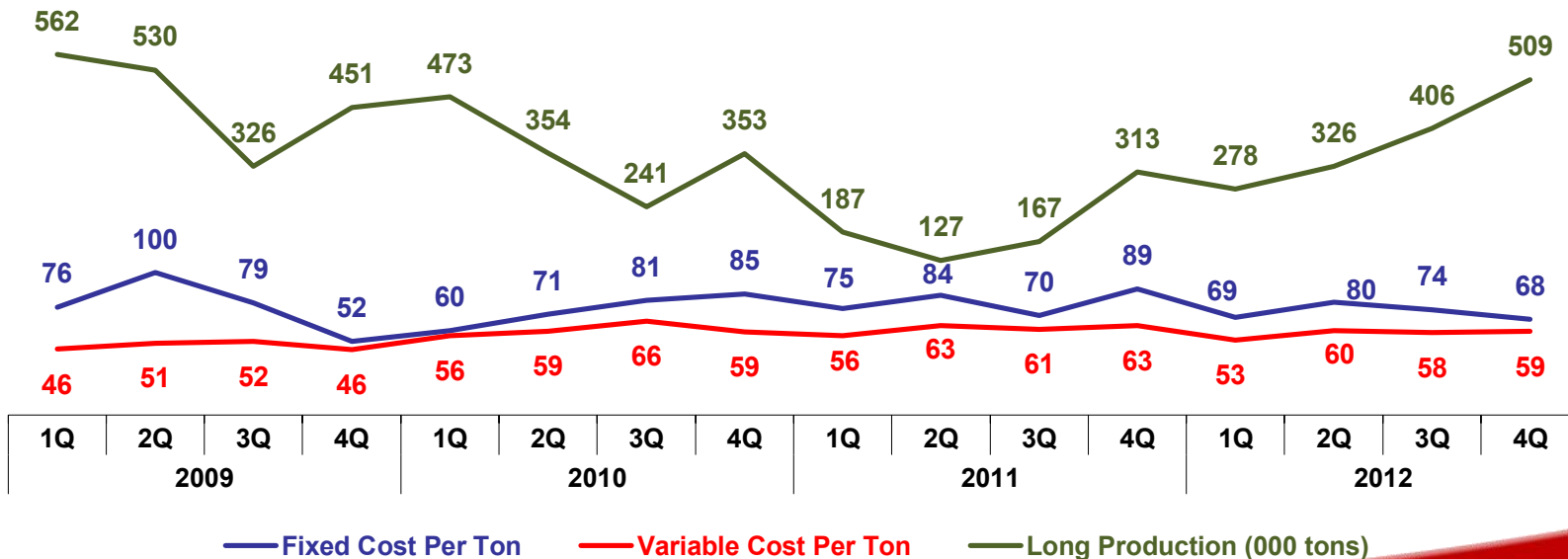


Flat cost per ton excluding raw materials was realised as 173 USD/ton in 2012

FLAT PRODUCTS (USD/TON)*

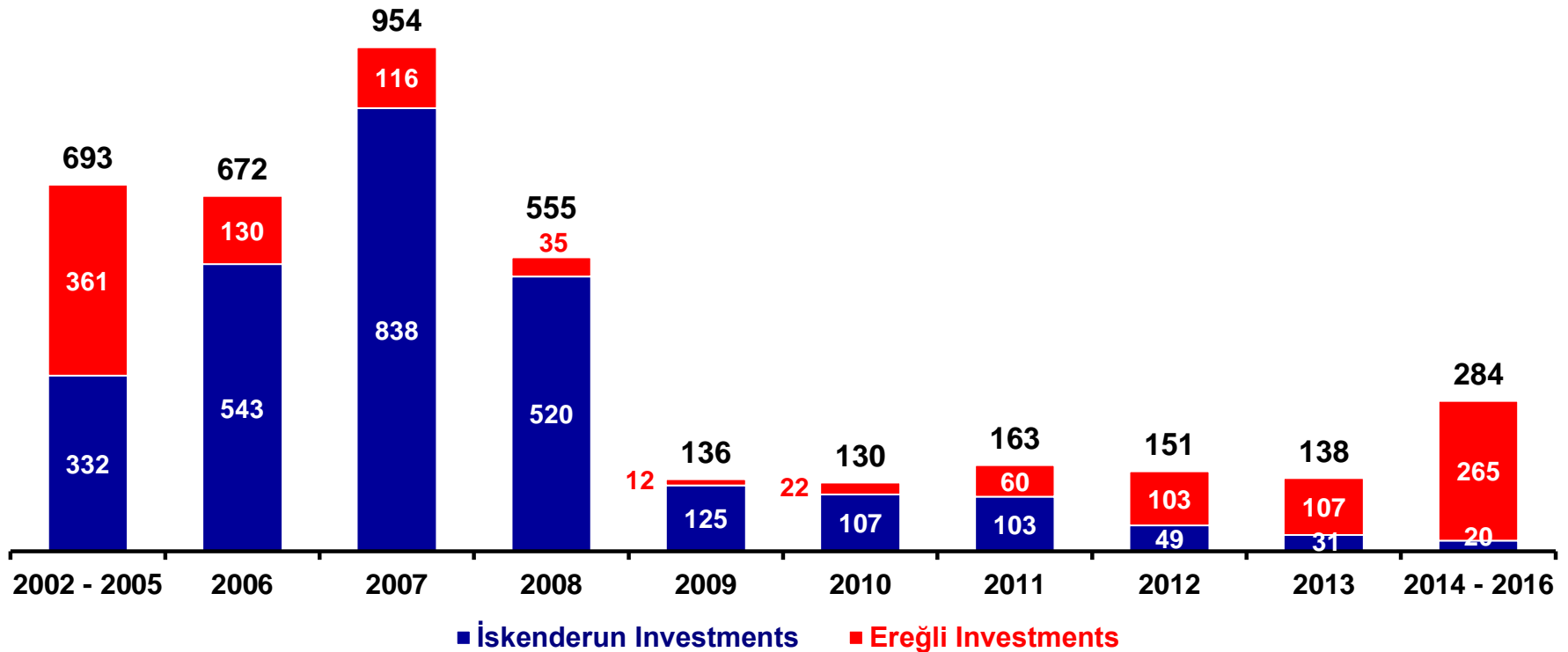


LONG PRODUCTS (USD/TON)*



Capital expenditures of 138 million USD is planned for 2013

(M USD)



NUMBER OF EMPLOYEES

