

Erdemir Group

2013 Consolidated Financial Results



13 February 2014



DISCLAIMER

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Agenda



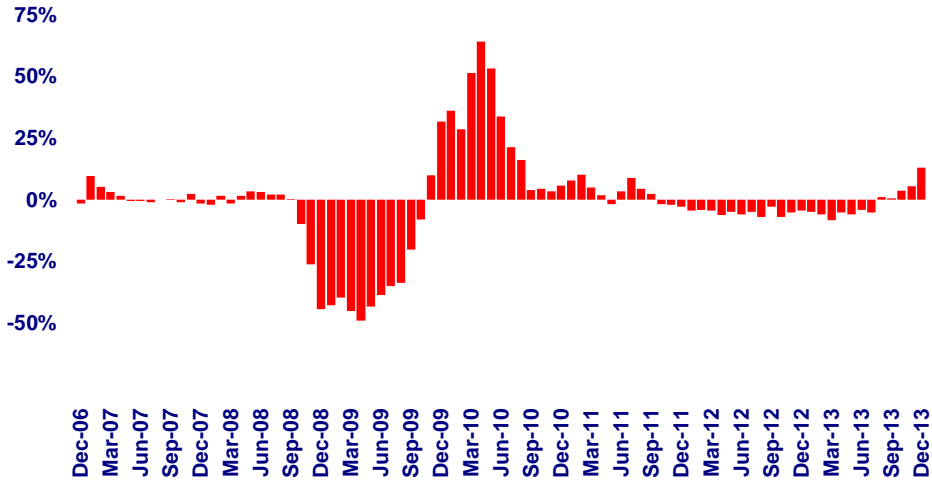
2013 Market Overview



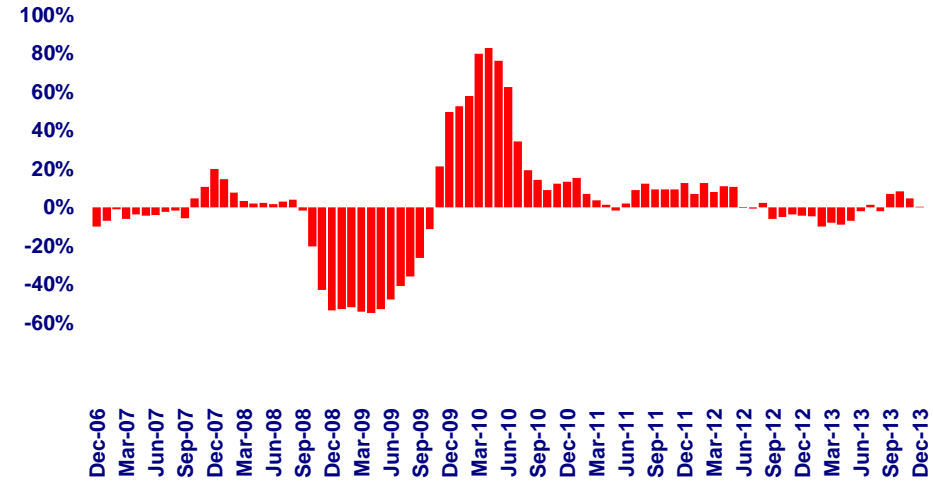
2013 Results



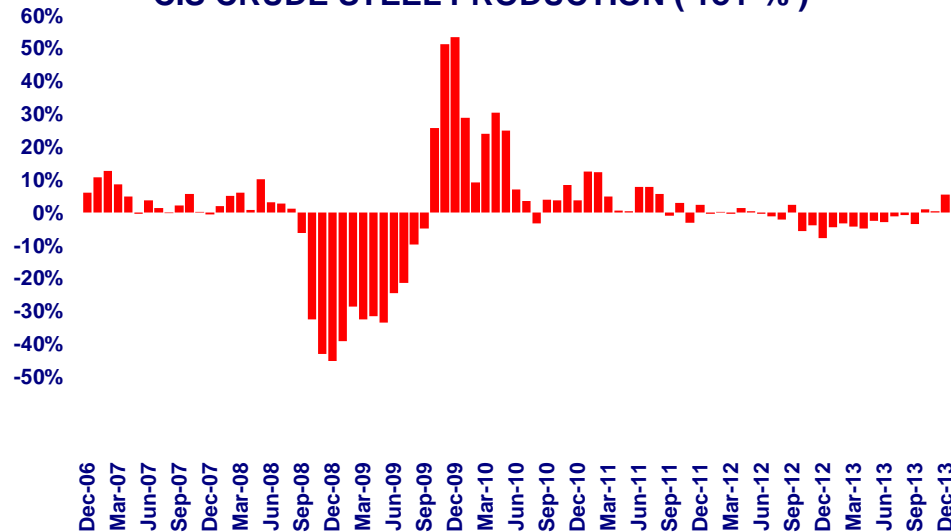
EU27 CRUDE STEEL PRODUCTION (YoY %)*



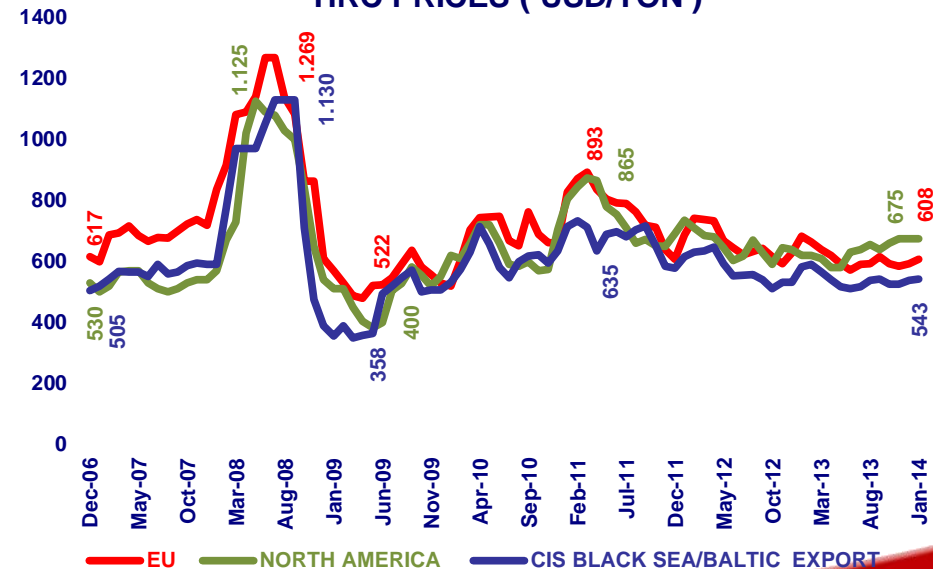
USA CRUDE STEEL PRODUCTION (YoY %)*



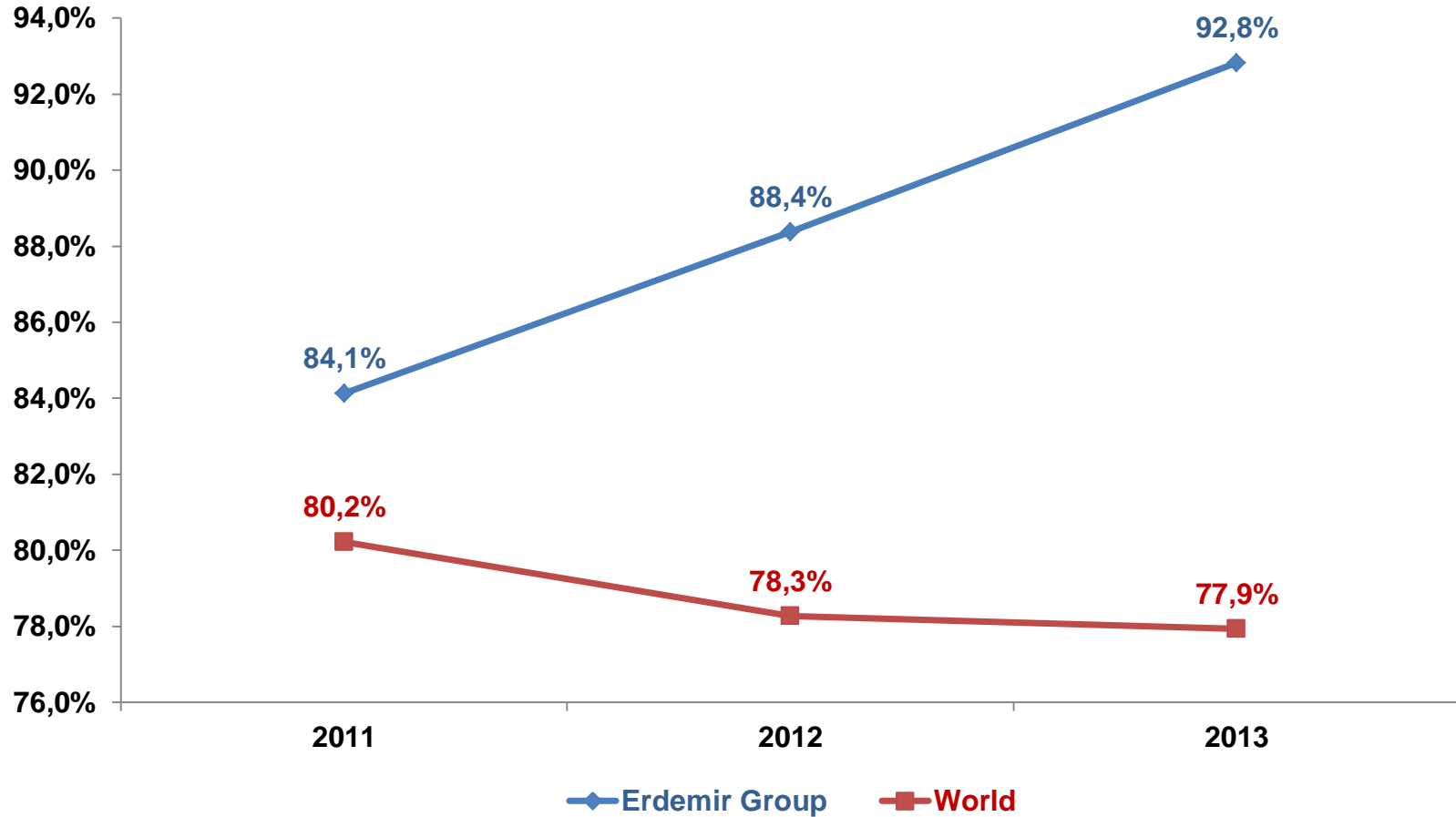
CIS CRUDE STEEL PRODUCTION (YoY %) *



HRC PRICES (USD/TON)**



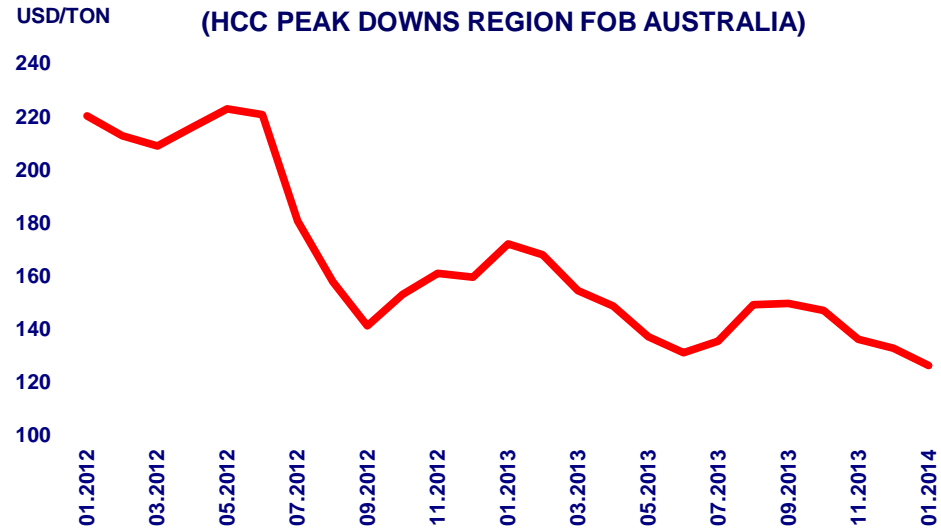
CRUDE STEEL CAPACITY UTILIZATION RATIO



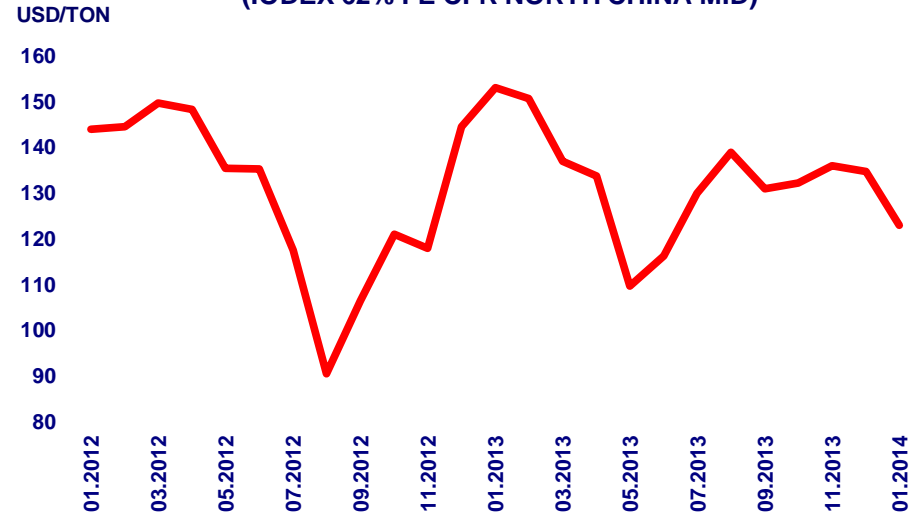
Coking coal and iron ore prices are decreasing



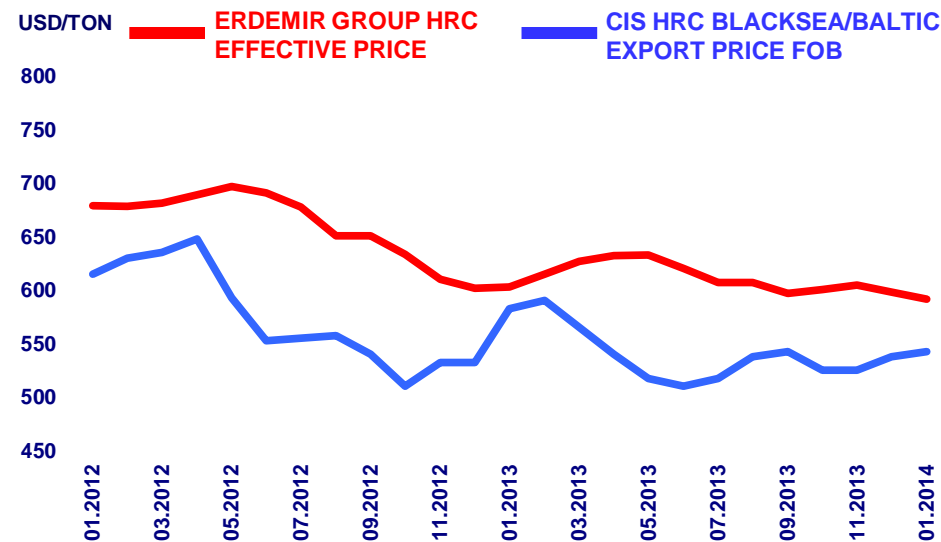
COKING COAL PRICES
(HCC PEAK DOWNS REGION FOB AUSTRALIA)



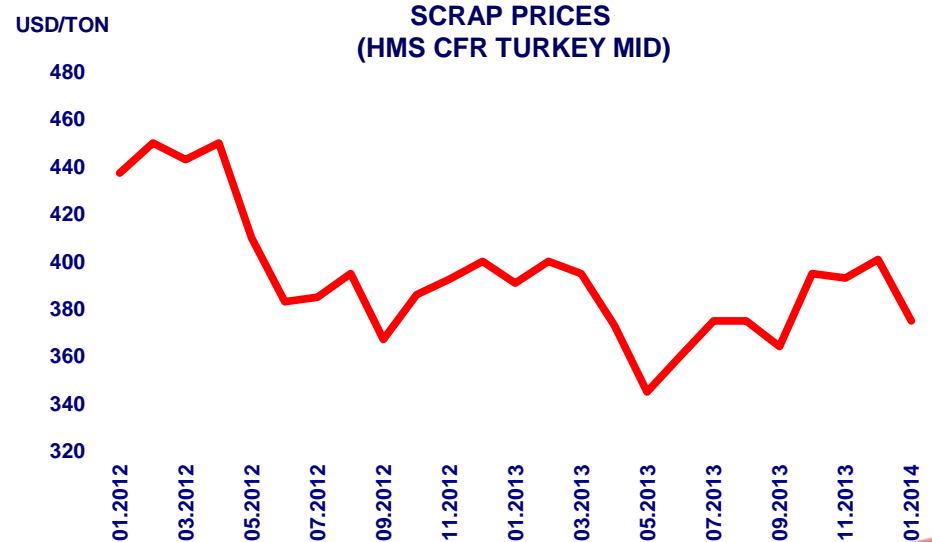
IRON ORE PRICES
(IODEX 62% FE CFR NORTH CHINA MID)



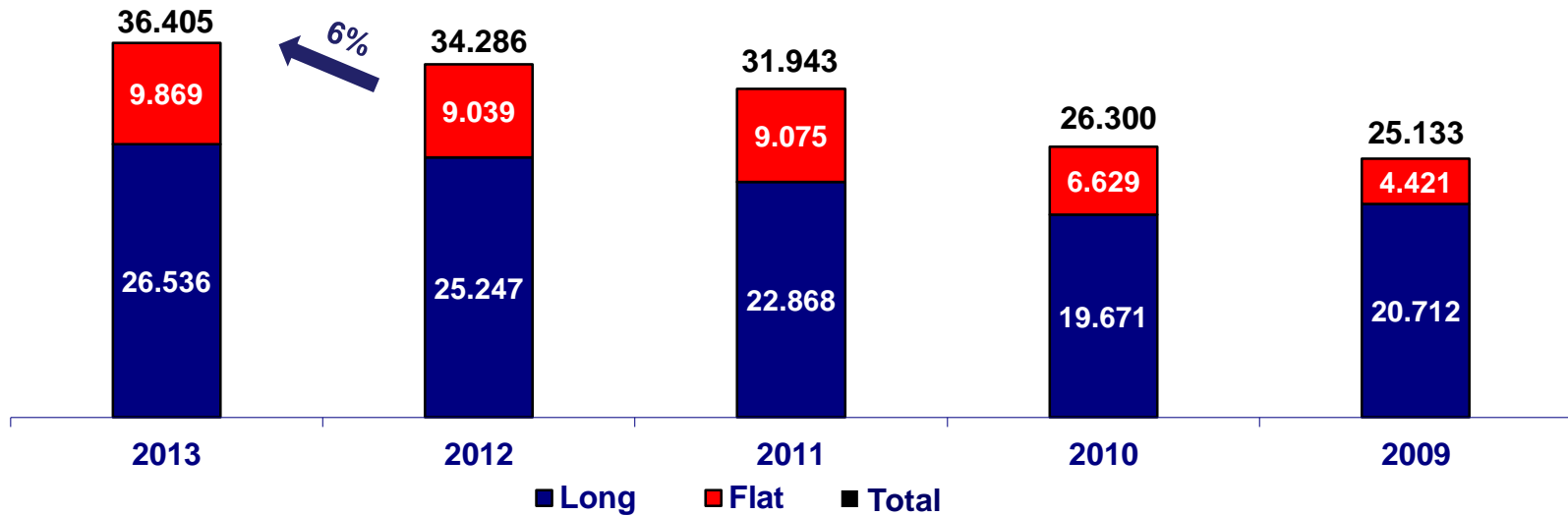
ERDEMİR GROUP HRC EFFECTIVE PRICE (Red line)
CIS HRC BLACKSEA/BALTIC EXPORT PRICE FOB (Blue line)



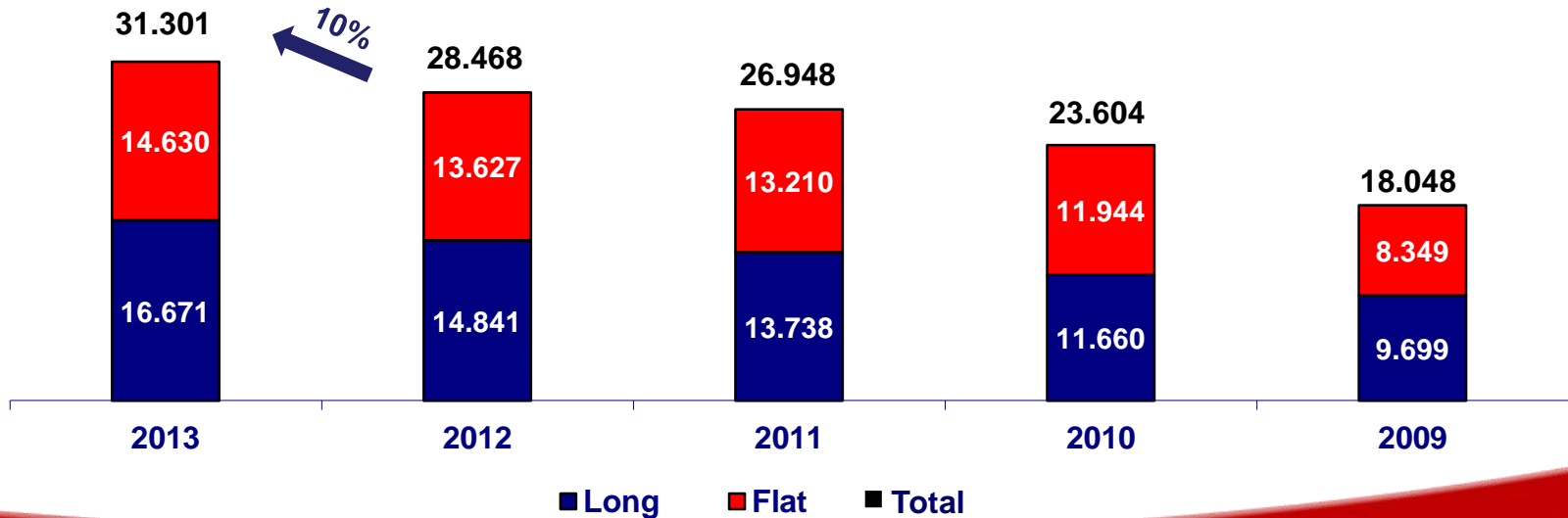
SCRAP PRICES
(HMS CFR TURKEY MID)



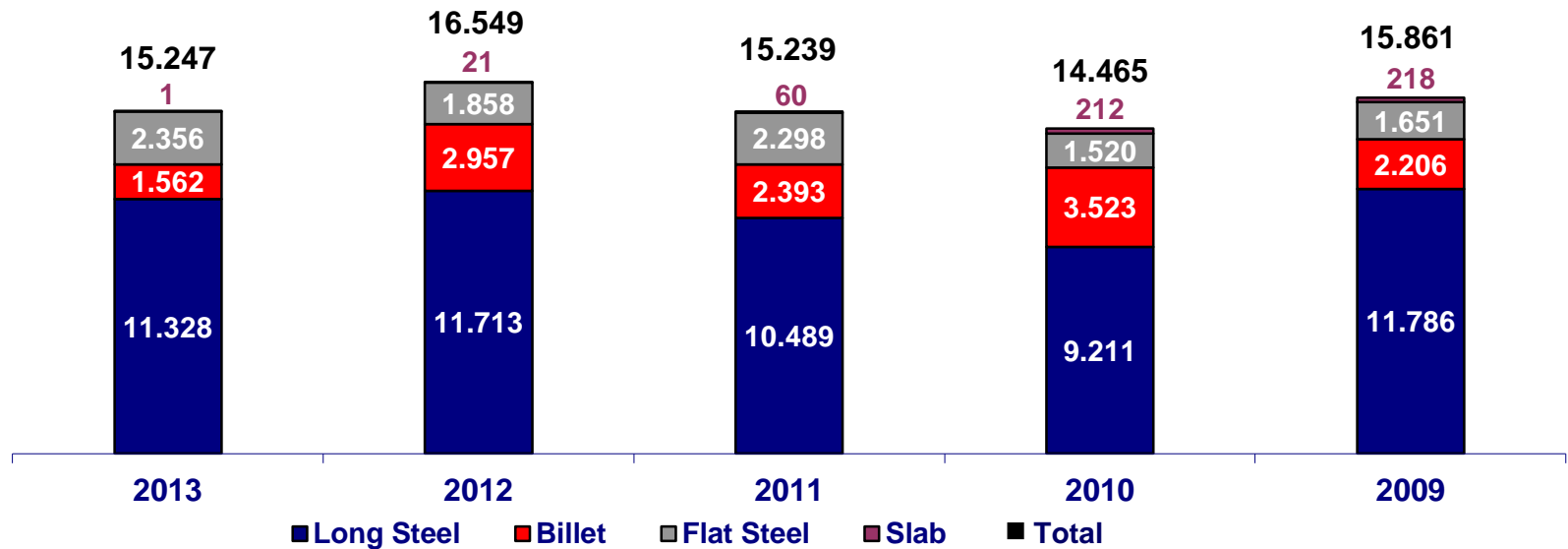
PRODUCTION (000 TONS)



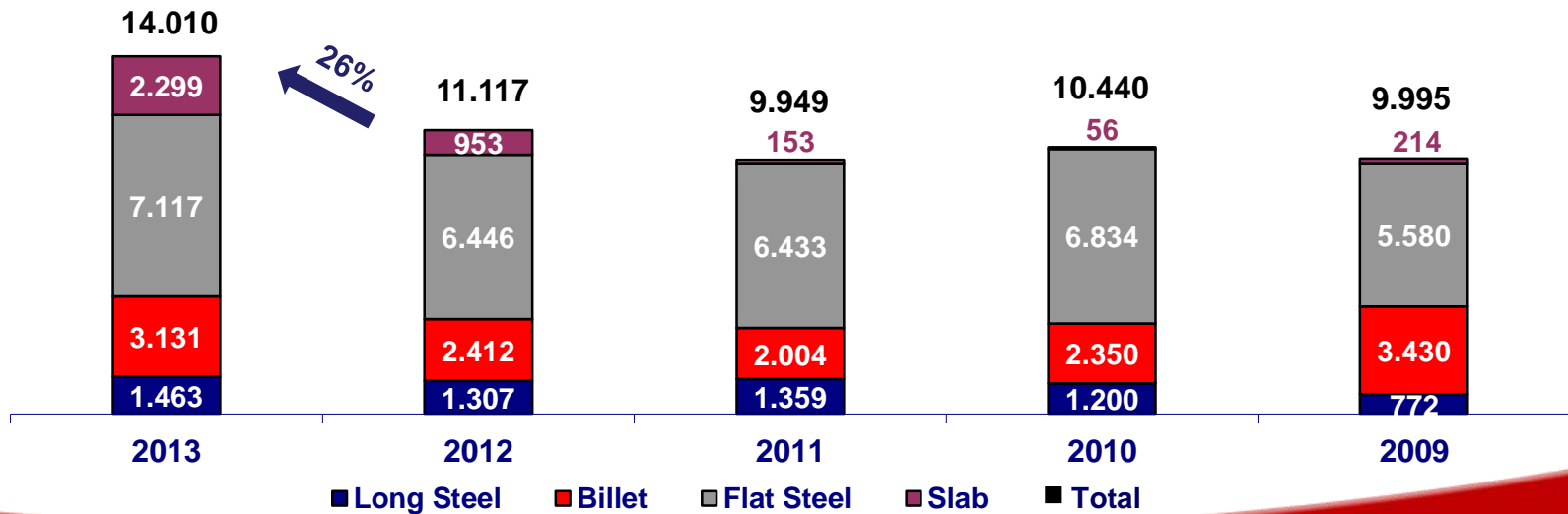
CONSUMPTION (000 TONS)



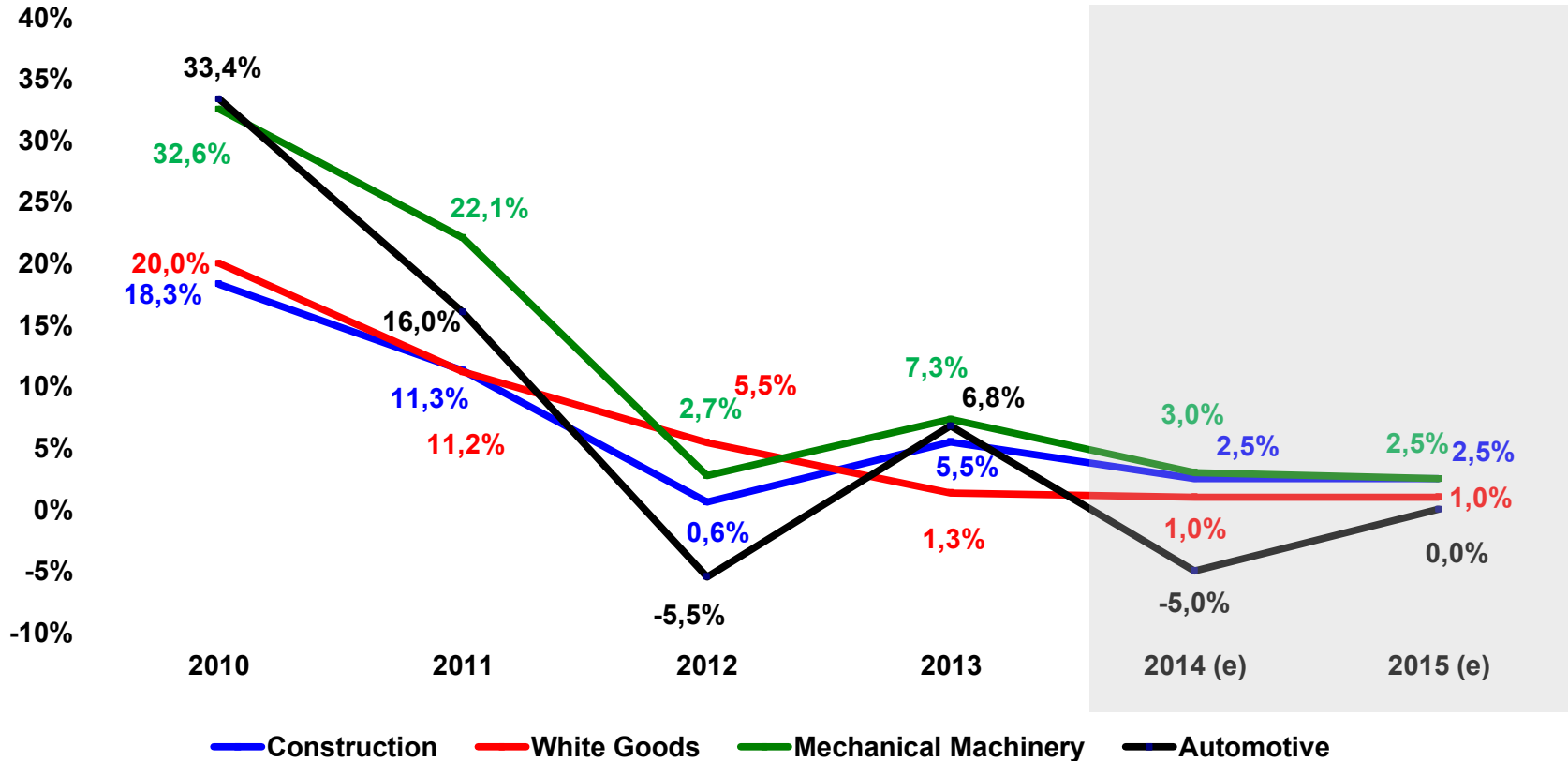
IRON AND STEEL PRODUCT EXPORTS (000 TONS)



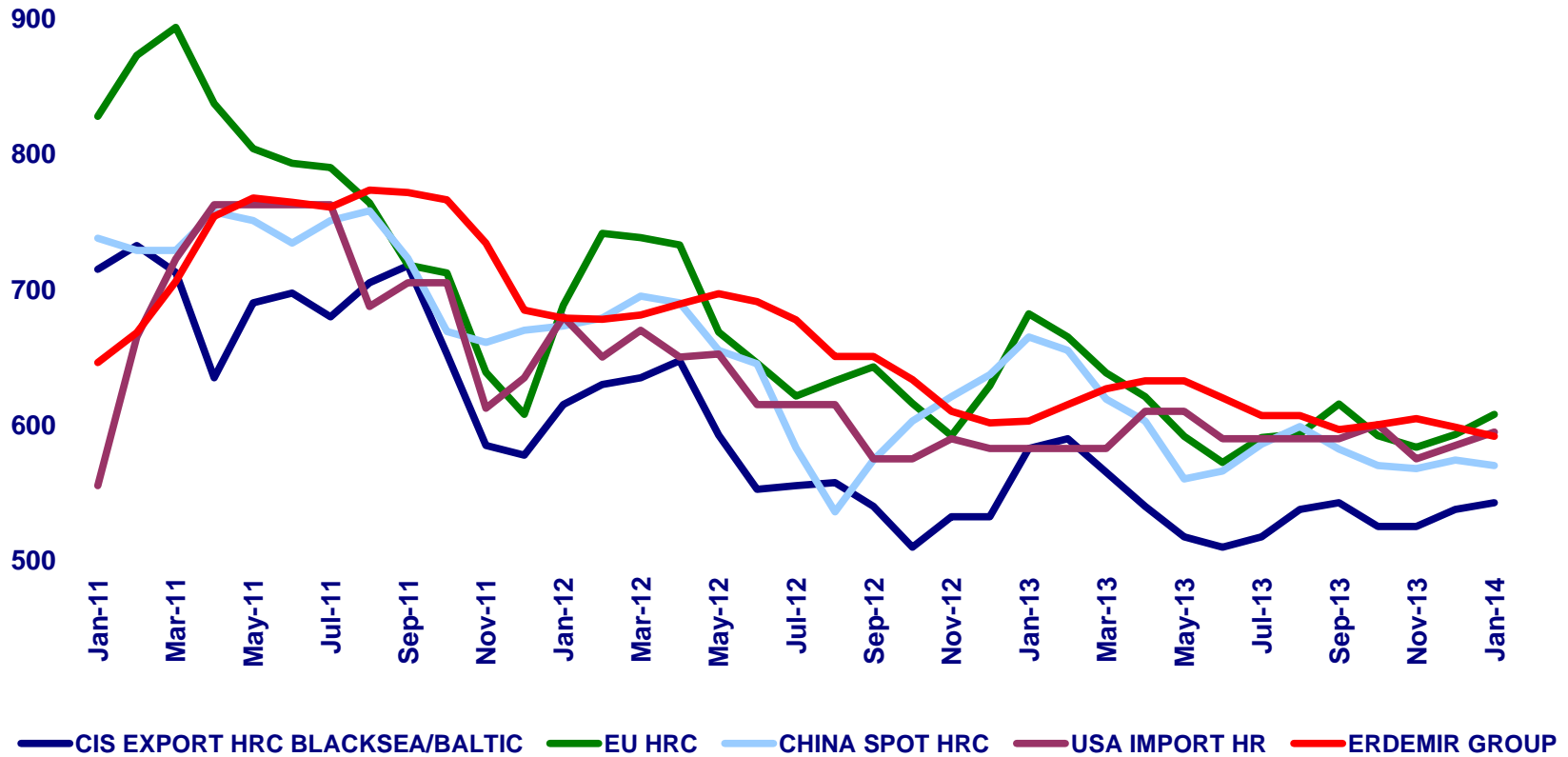
IRON AND STEEL PRODUCT IMPORTS (000 TONS)



CHANGES IN SECTOR DEVELOPMENT INDEX (% YoY)

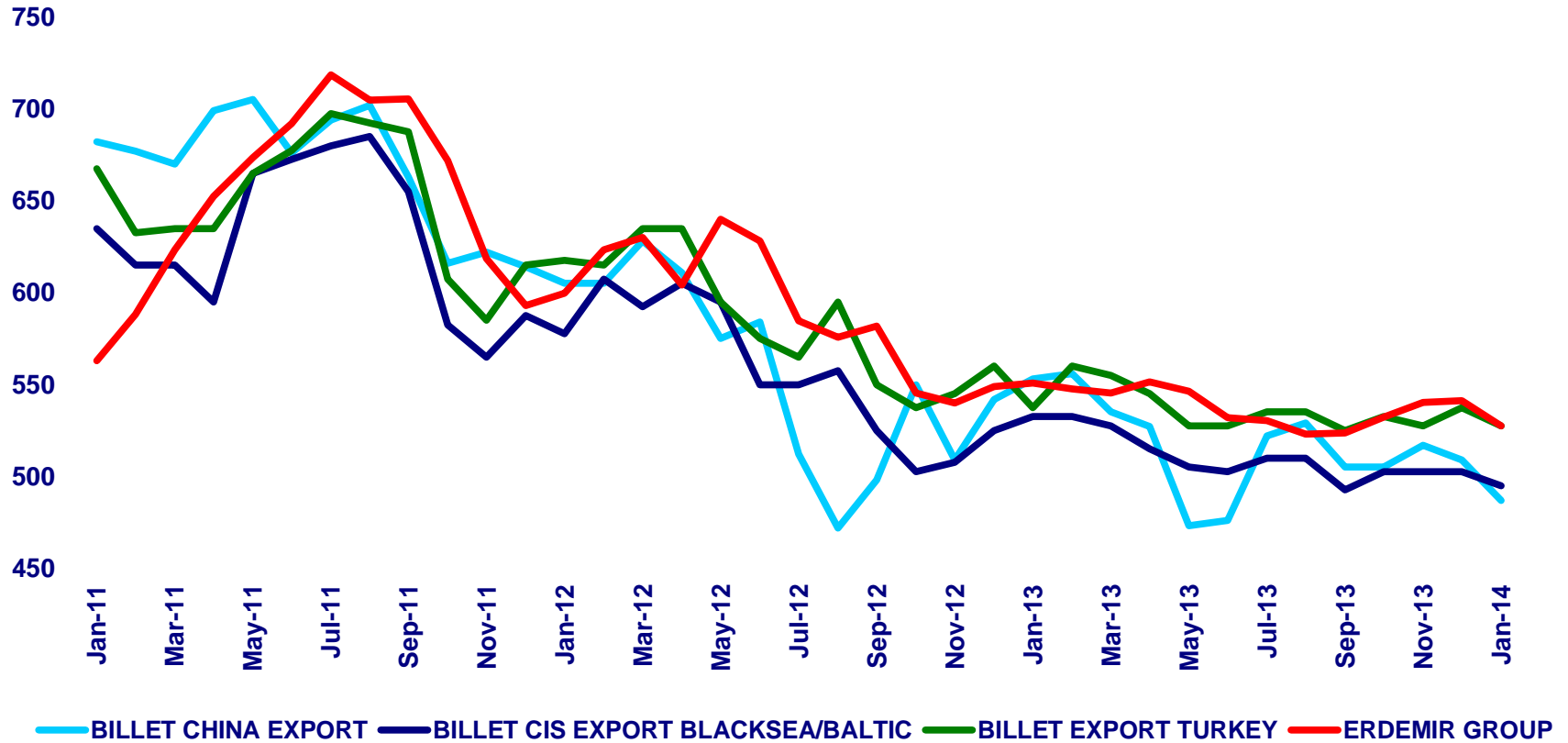


HRC PRICES (USD/Ton)



➡ As of January 2014, EU HRC price was 608 USD, China HRC spot price is 570 USD, CIS export HRC price is 543 USD. The prices were 682 USD, 665 USD, 583 USD respectively by the end of January 2013.

BILLET PRICES (USD/Ton)



➡ As of January 2014, Turkey export price was 528 USD while it was 538 USD in January 2013.

Gündem












2013 Market Overview



2013 Results

ERDEMİR GROUP KEY FIGURES

| | | 2013 | 2012 | 2011 |
|---|-------------------|---|-------|-------|
| Liquid Steel Production | <i>(000 Tons)</i> |  8.447 | 8.042 | 7.656 |
| Slab Production ⁽¹⁾ | <i>(000 Tons)</i> |  6.865 | 6.329 | 6.660 |
| Flat Steel Production ⁽²⁾ | <i>(000 Tons)</i> |  6.427 | 5.983 | 6.119 |
| Long Steel Production | <i>(000 Tons)</i> |  1.356 | 1.519 | 794 |
| Flat Steel Shipments | <i>(000 Tons)</i> |  6.338 | 5.980 | 5.856 |
| Long Steel Shipments | <i>(000 Tons)</i> |  1.346 | 1.468 | 791 |
| Net Sales Revenue ⁽³⁾ | <i>(M. USD)</i> |  5.142 | 5.340 | 5.338 |
| EBITDA ⁽³⁾ | <i>(M. USD)</i> |  987 | 604 | 1.241 |
| Net Profit For The Year ⁽³⁾ | <i>(M. USD)</i> |  484 | 252 | 611 |

All figures are on IFRS consolidated basis unless stated otherwise.

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

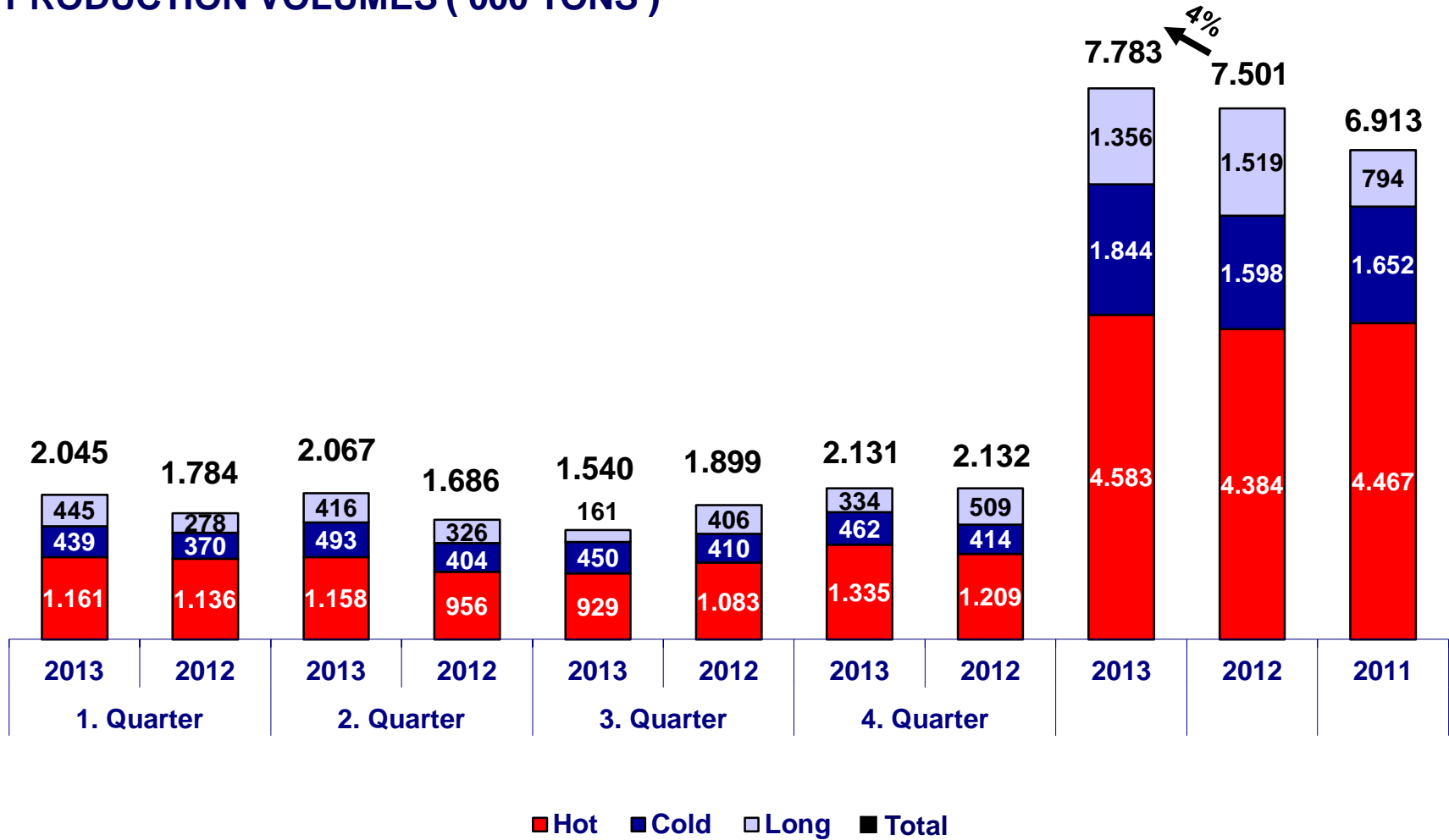
(2) Total flat steel production of Ereğli and İskenderun Plants.

(3) 1 USD = 1,9022 TRY (2013 average exchange rate)

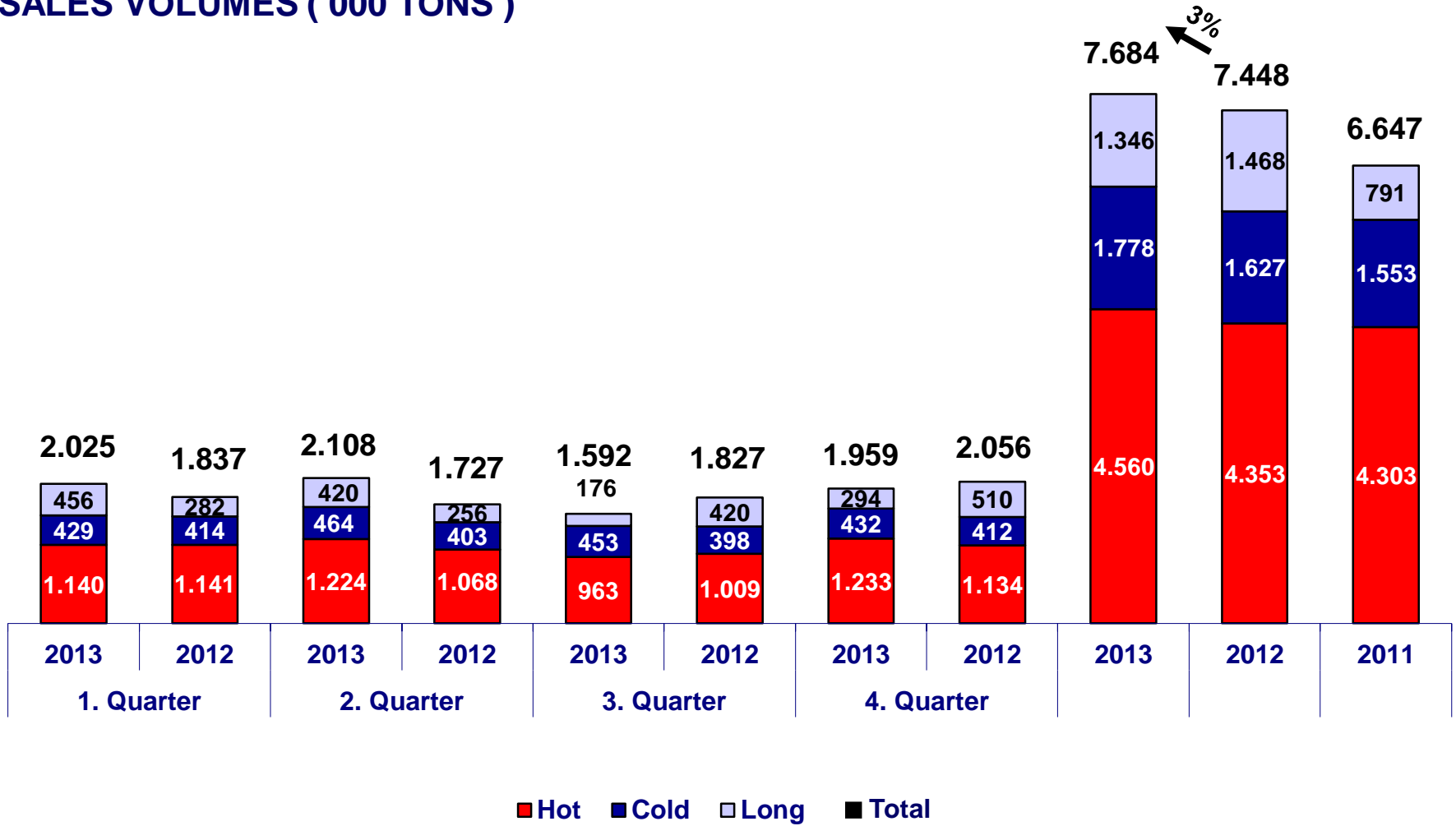
LIQUID STEEL PRODUCTION (000 TONS)



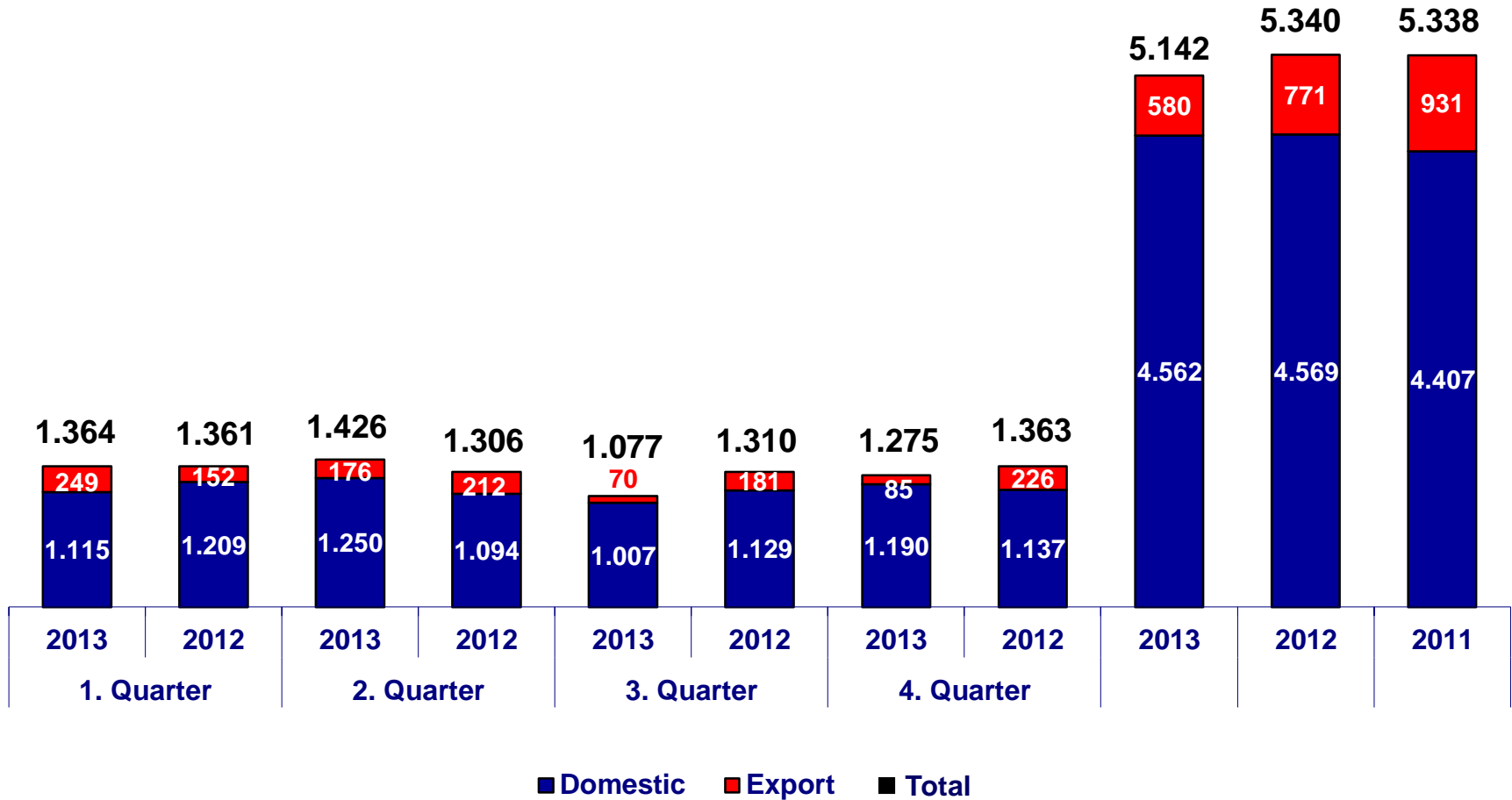
PRODUCTION VOLUMES (000 TONS)



SALES VOLUMES (000 TONS)



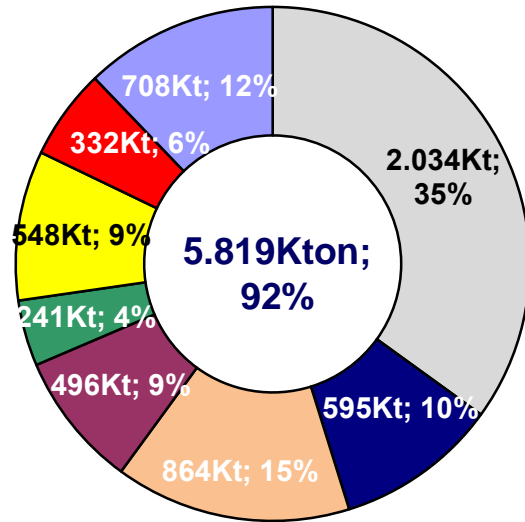
NET SALES REVENUE (MILLION USD)



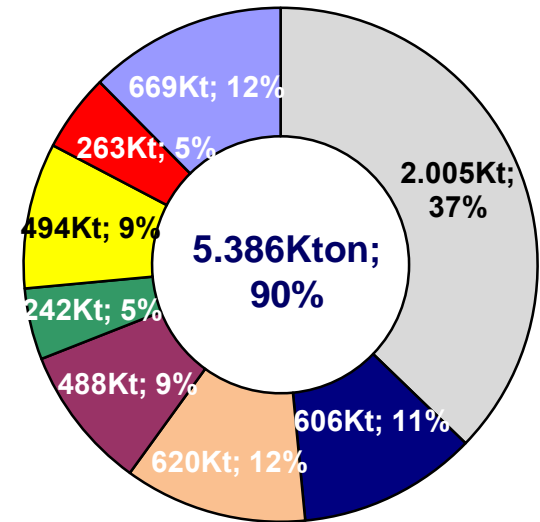
Sales to household appliances industry and secondary production increased in 2013 YoY

2013 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

2012 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

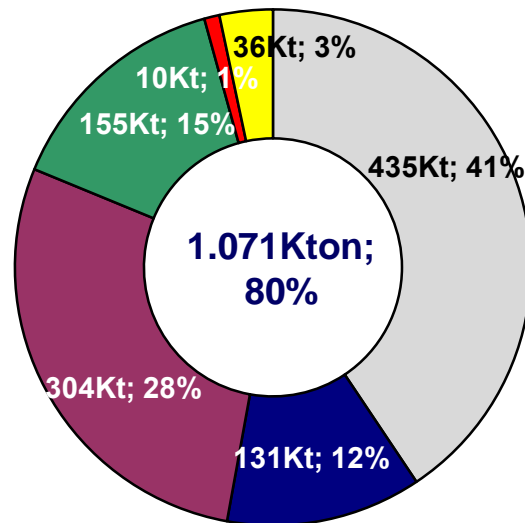


- Pipe and Profile Industry
- Steel Service Centers
- Secondary Production
- Wholesales
- Packaging Industry
- Automotive and Components
- Household Appliances
- General Manufacturing & Heavy Ind.

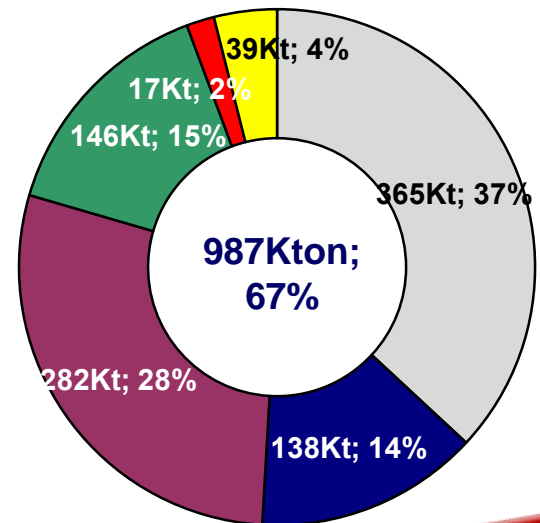


2013 LONG STEEL DOMESTIC SALES BREAKDOWN (%)

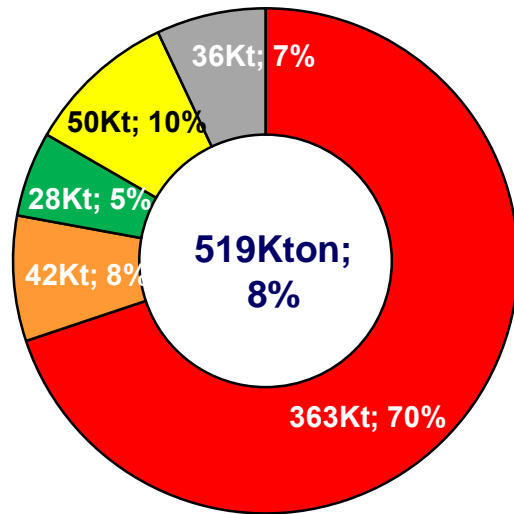
2012 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



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

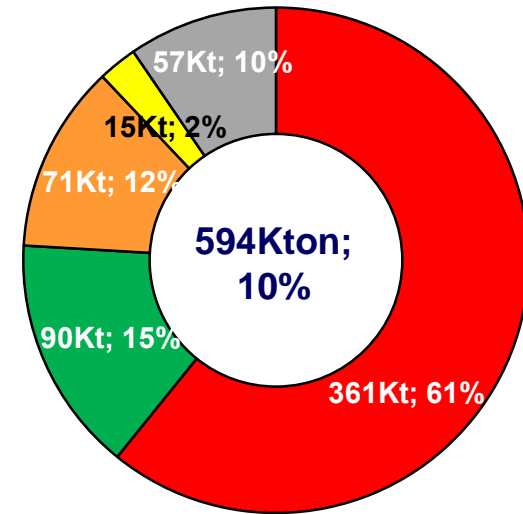


2013 FLAT STEEL EXPORTS BREAKDOWN (%)

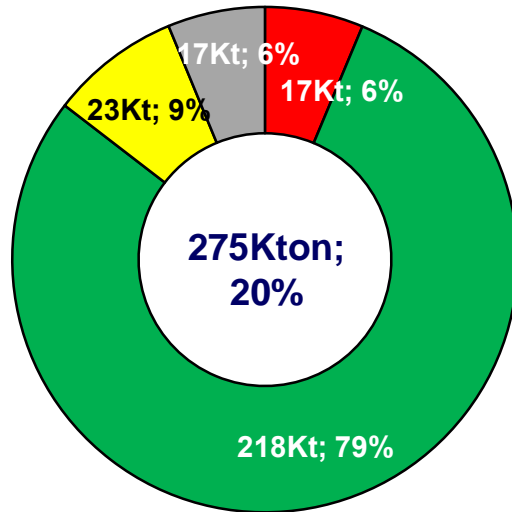


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

2012 FLAT STEEL EXPORTS BREAKDOWN (%)

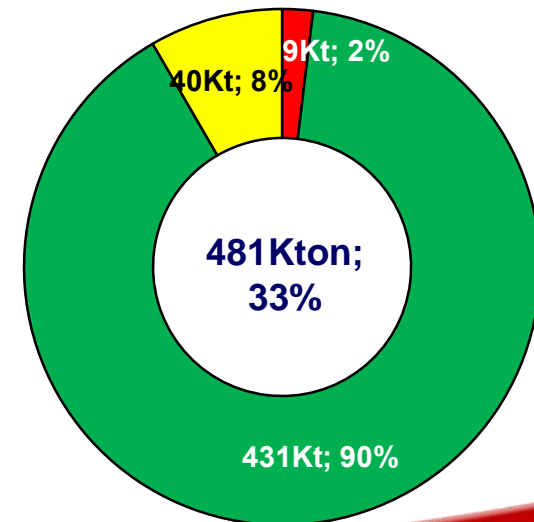


2013 LONG STEEL EXPORTS BREAKDOWN (%)

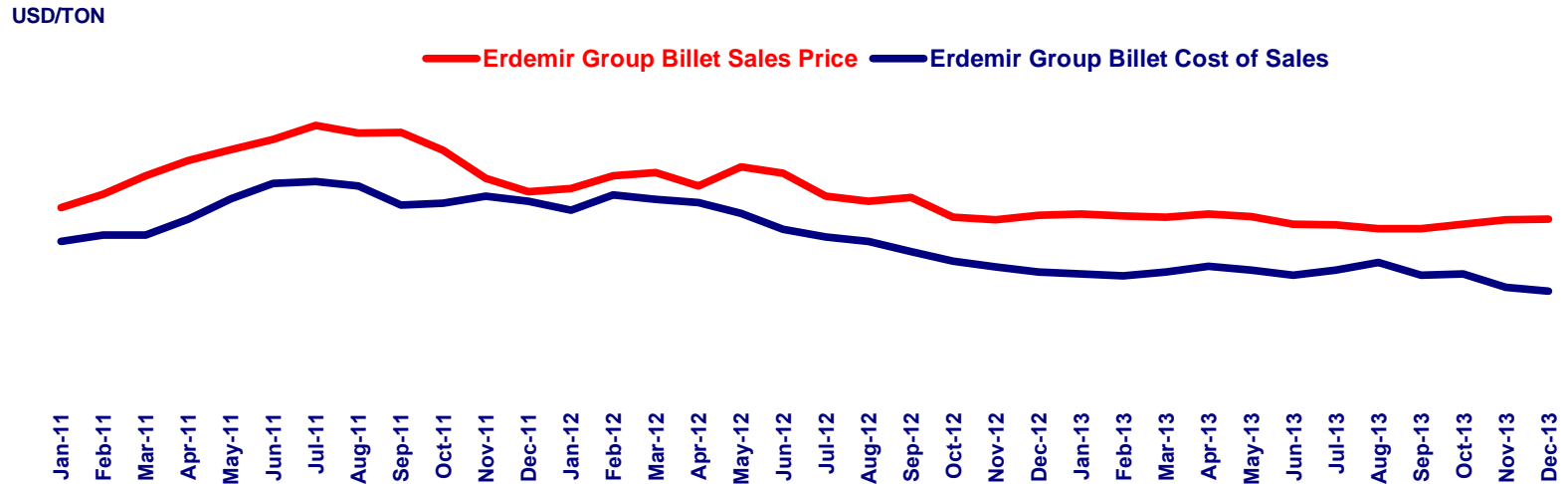
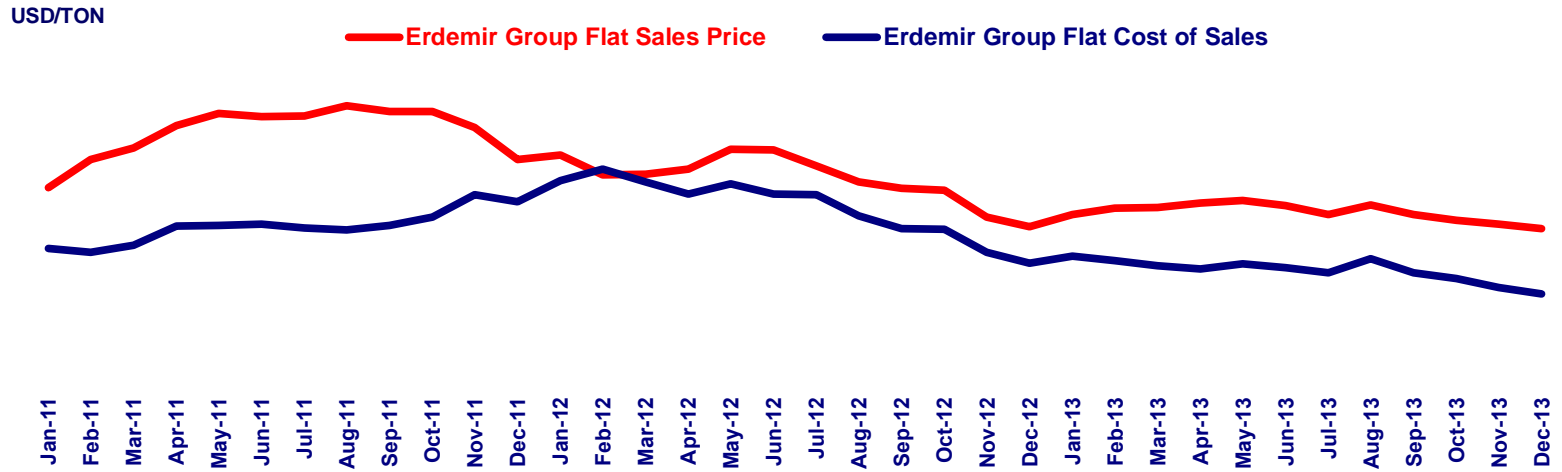


- EU
- MENA
- S. America
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2012 LONG STEEL EXPORTS BREAKDOWN (%)

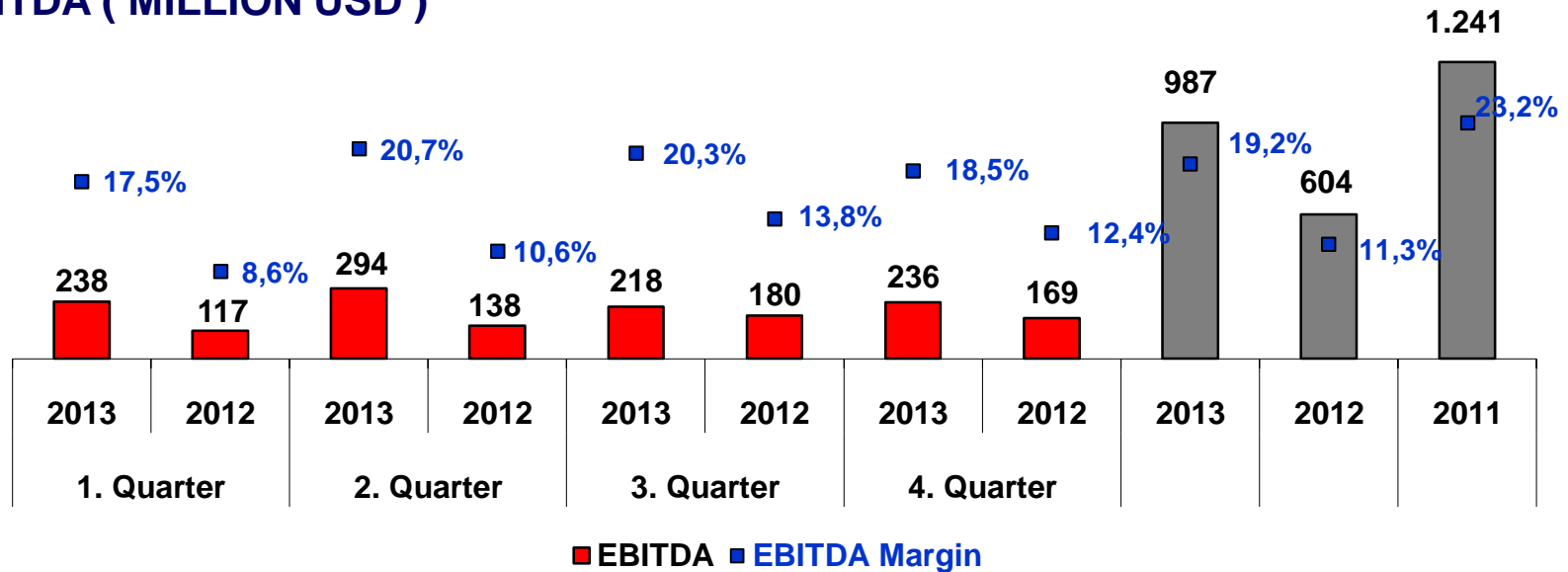


In 2013, Erdemir Group average flat and long steel prices were 666 USD/ton and 583 USD/ton respectively

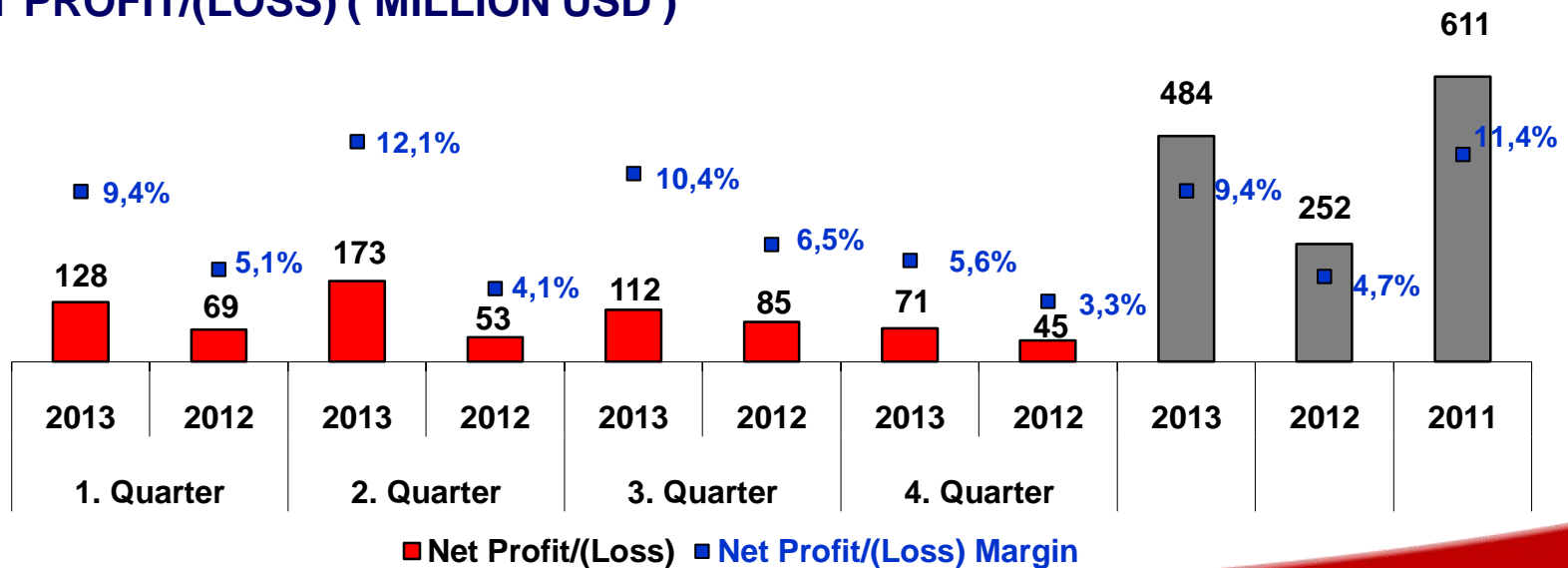


- ➡ Flat steel prices decreased by 7% on average in 2013 YoY.
- ➡ Long steel prices decreased by 6% on average in 2013 YoY.

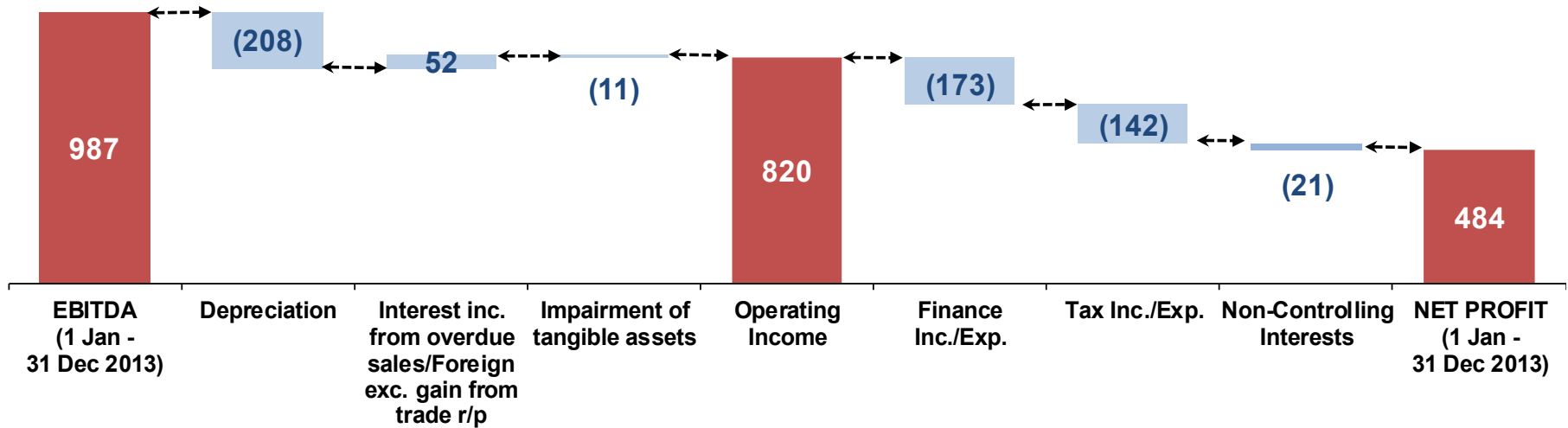
EBITDA (MILLION USD)



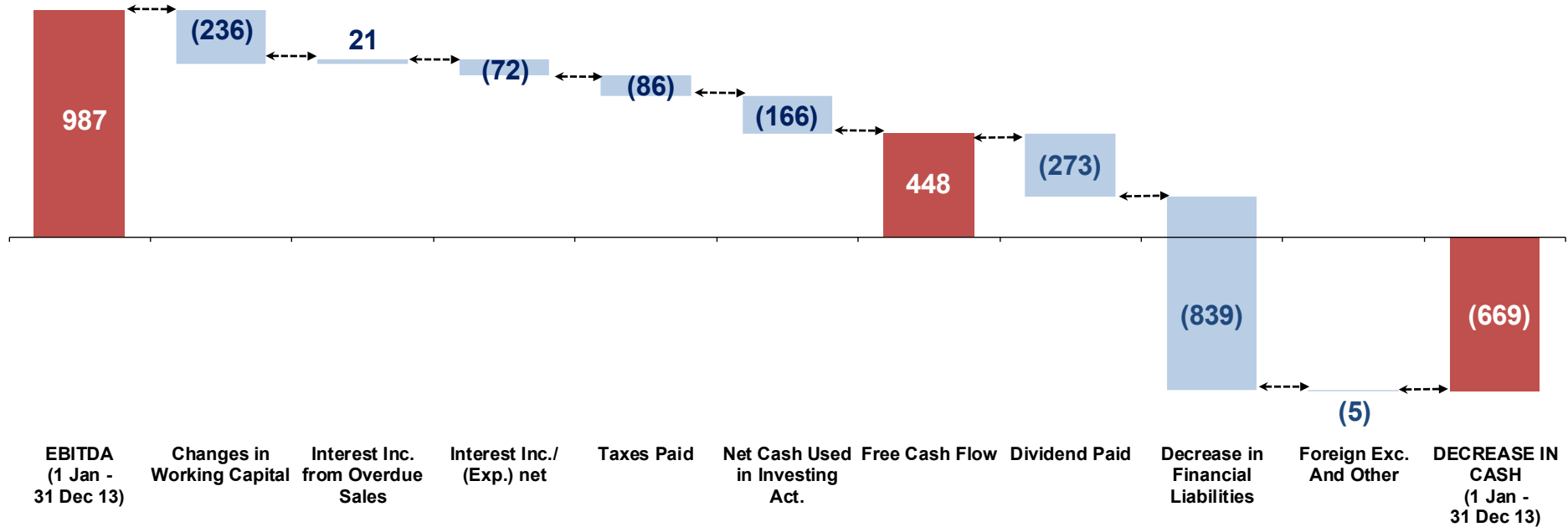
NET PROFIT/(LOSS) (MILLION USD)



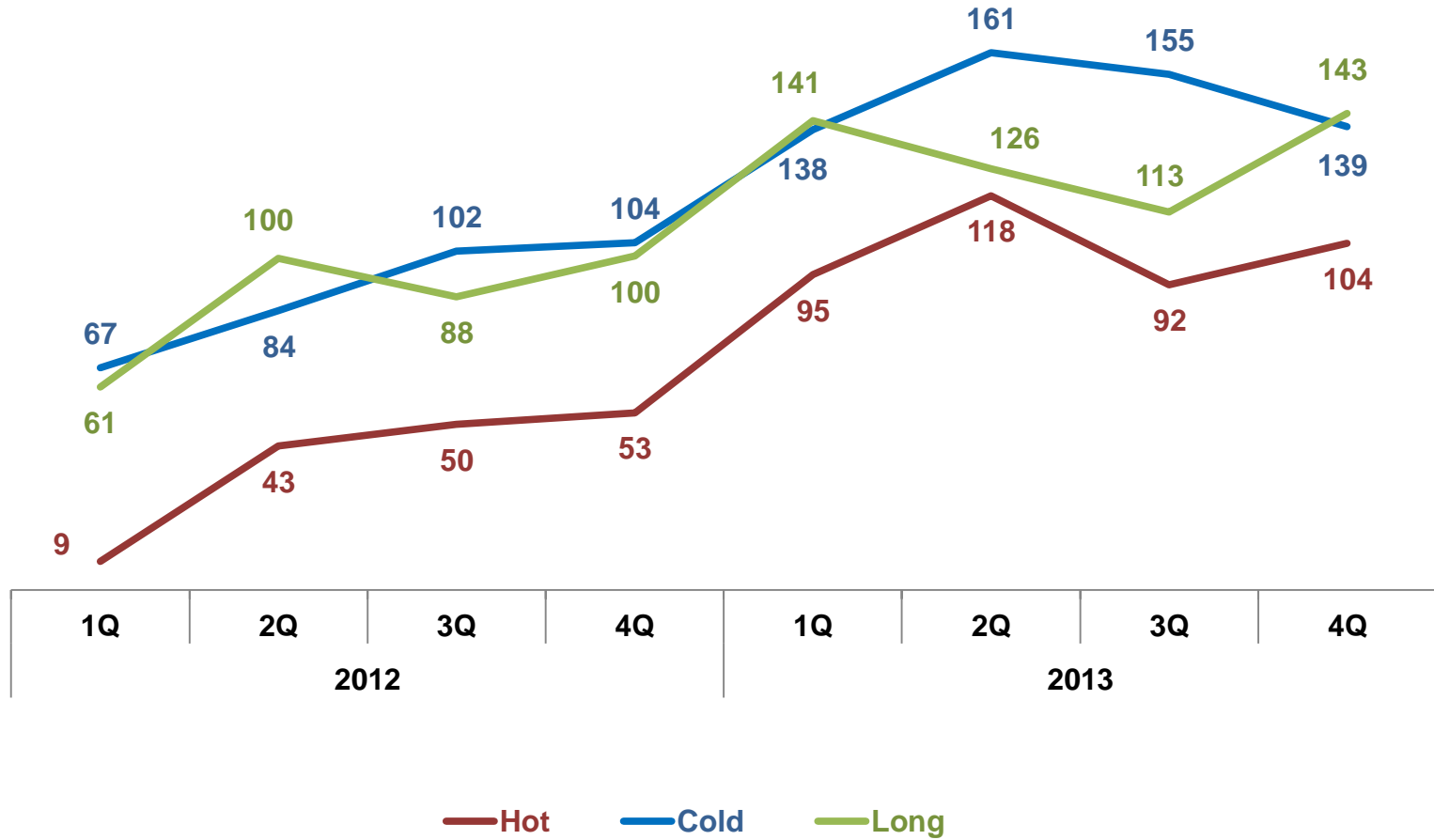
Consolidated EBITDA => Consolidated Net Profit (Million USD)



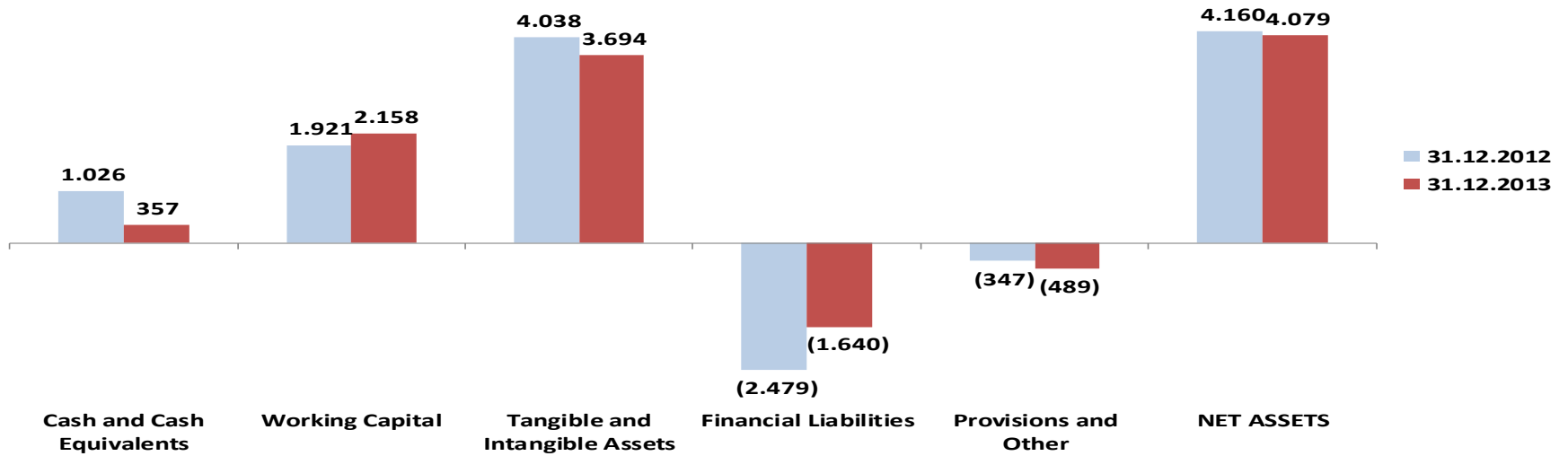
Consolidated EBITDA => Consolidated Net Cash (Million USD)



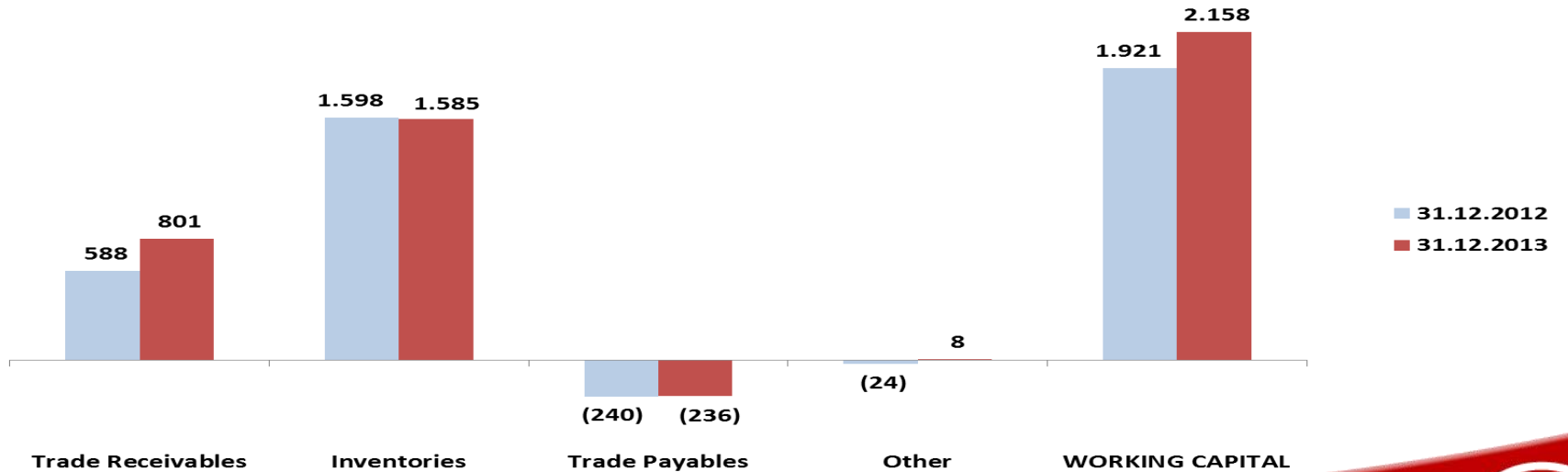
EBITDA PER TON (USD/TON)



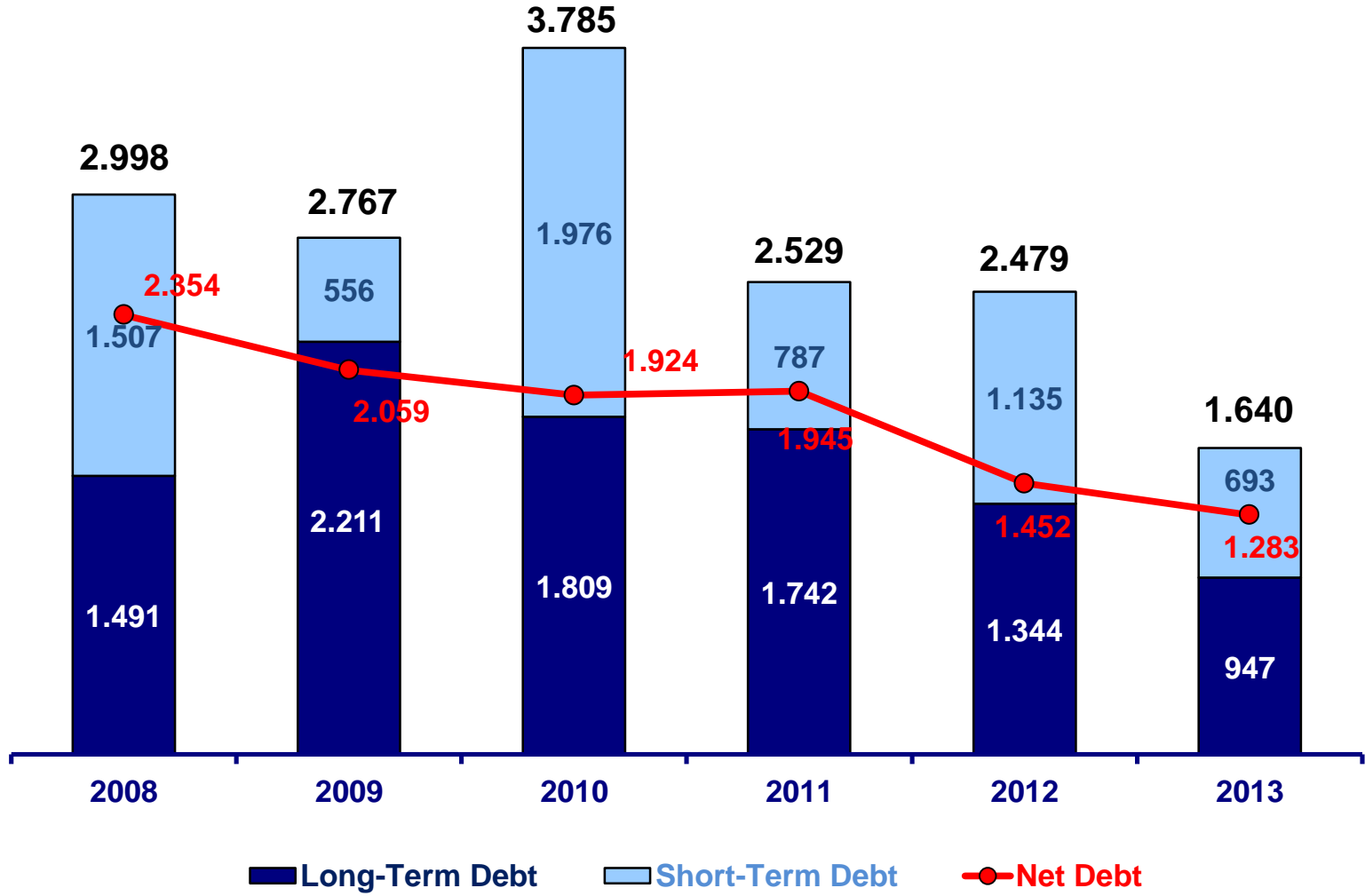
CONSOLIDATED NET ASSETS (MILLION USD)



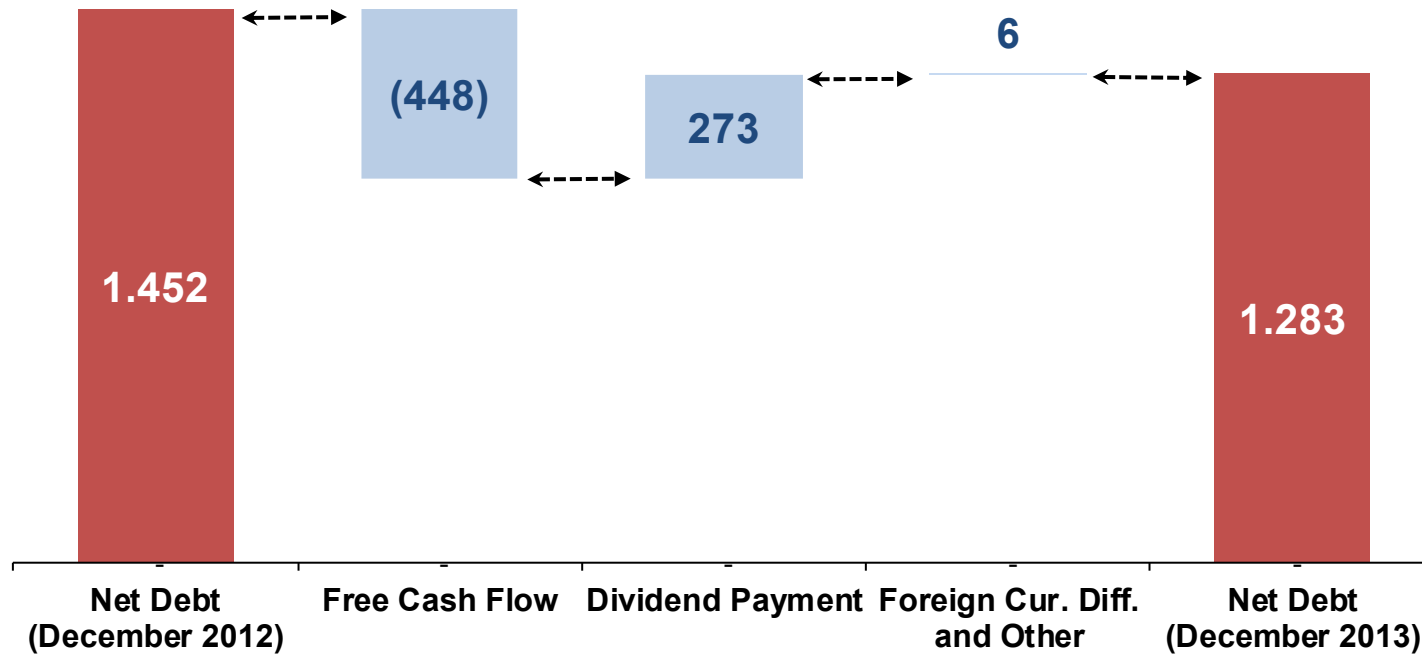
WORKING CAPITAL (MILLION USD)



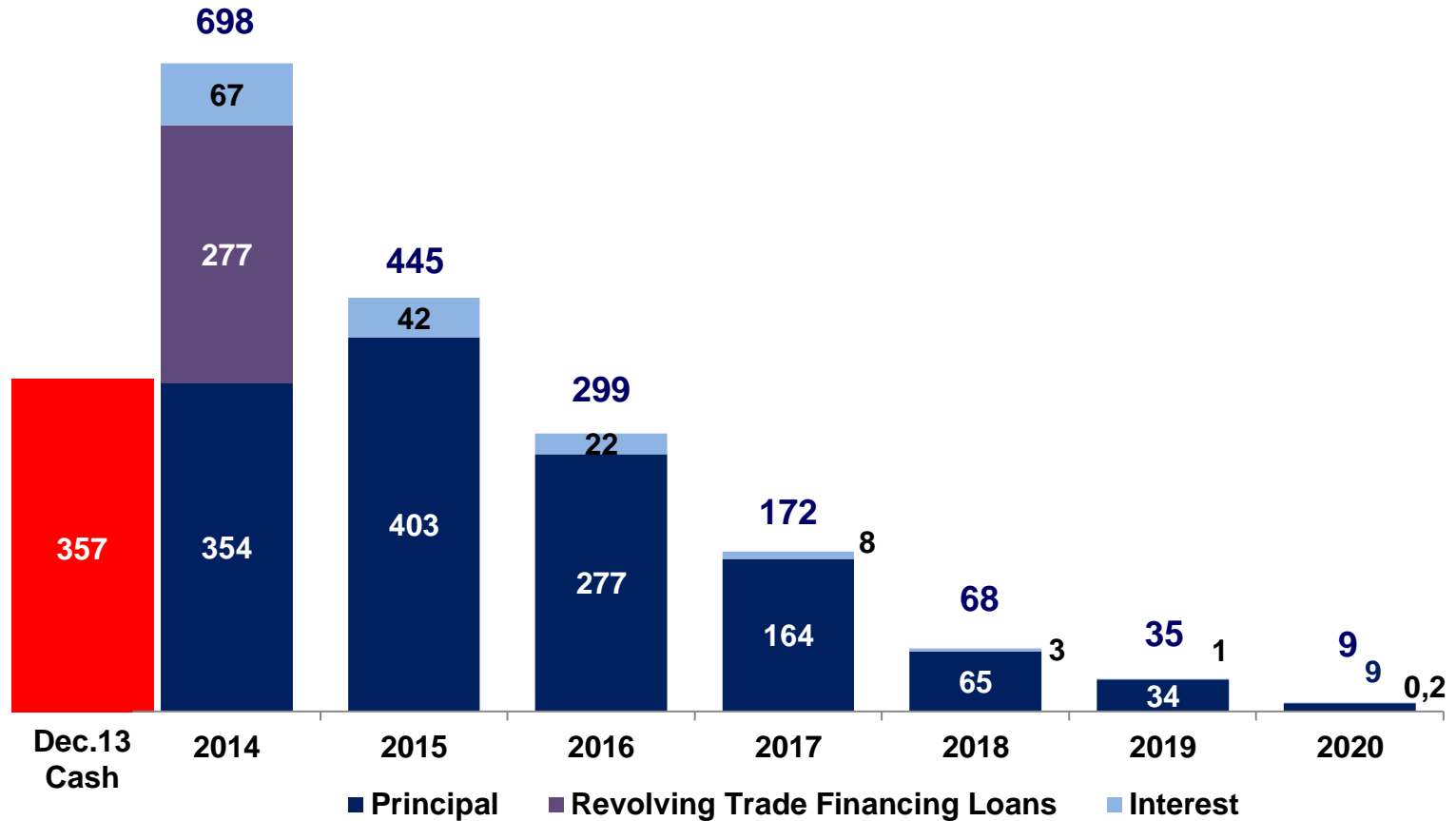
BORROWINGS (MILLION USD)



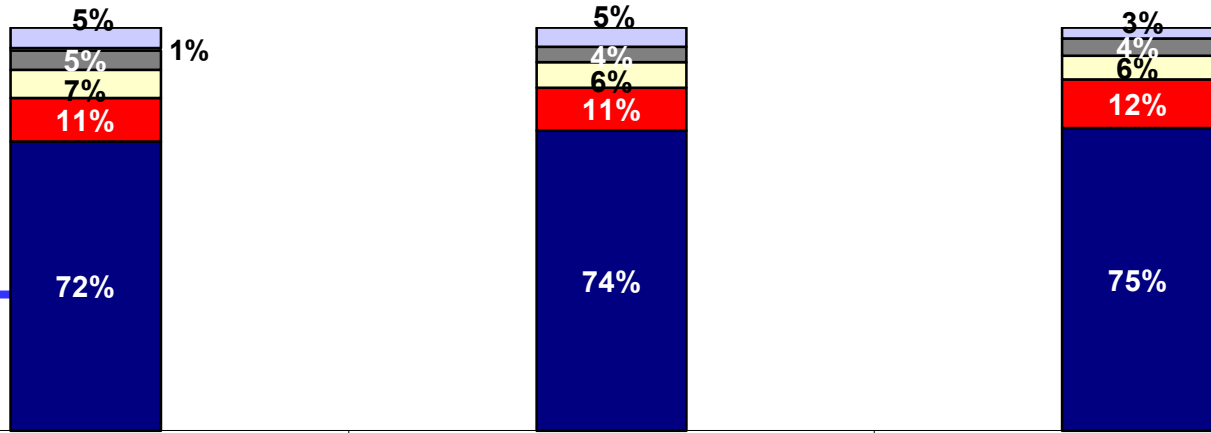
NET DEBT (MILLION USD)



BORROWINGS MATURITY PROFILE (MILLION USD)

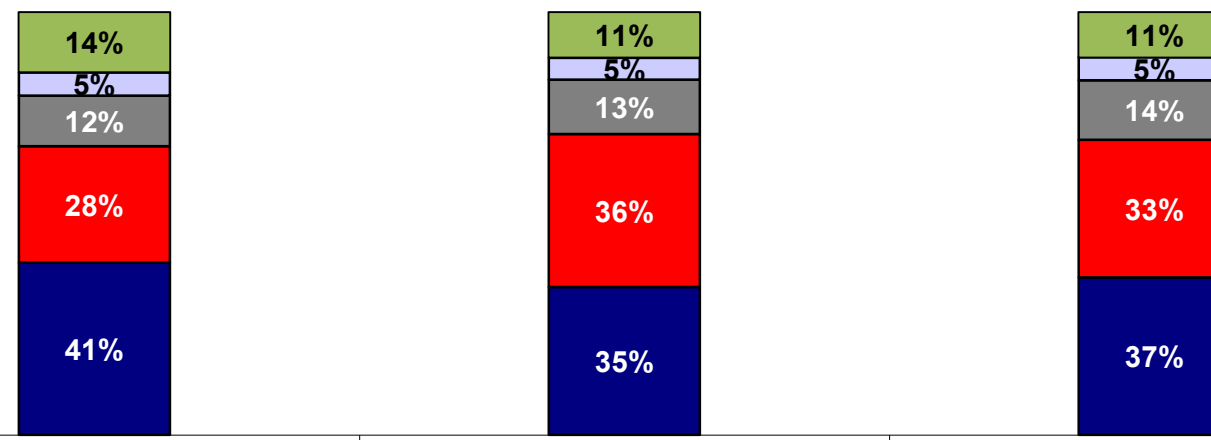


COST OF SALES BREAKDOWN* - %



- Raw Materials
- Personnel Expenses
- Depreciation and Amortization Exp.
- Non-operating Expenses
- Purchased Energy Expenses
- Other

RAW MATERIALS BREAKDOWN - %

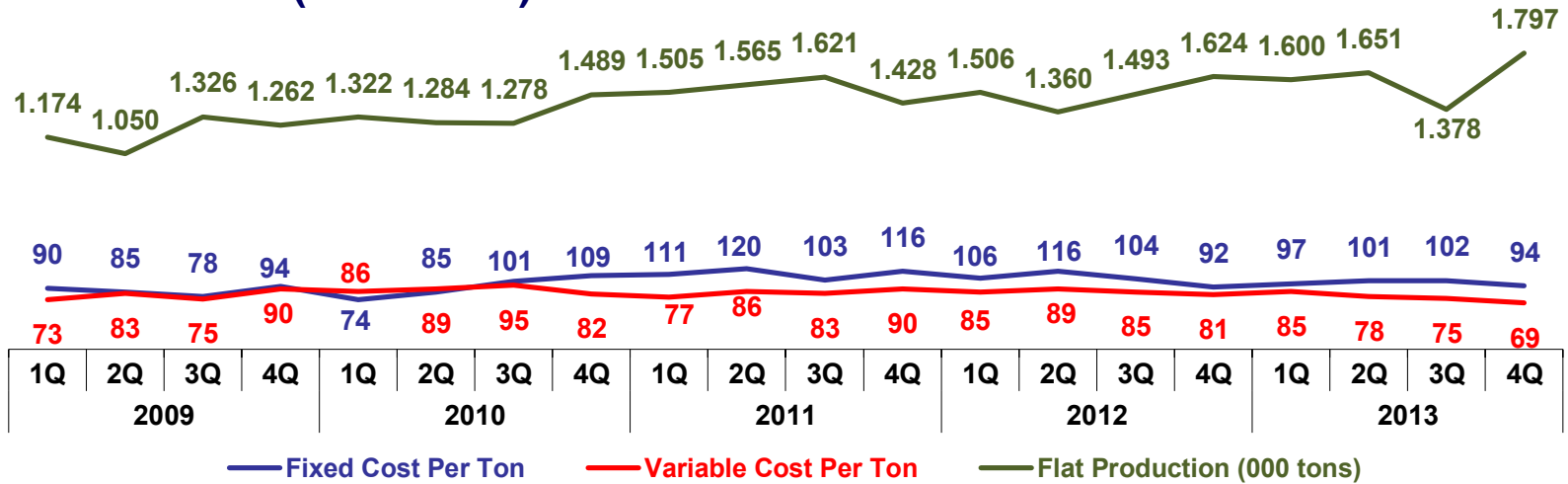


- Iron Ore & Pellet
- Coal
- Scrap
- Alloyed and Plated Material
- Other

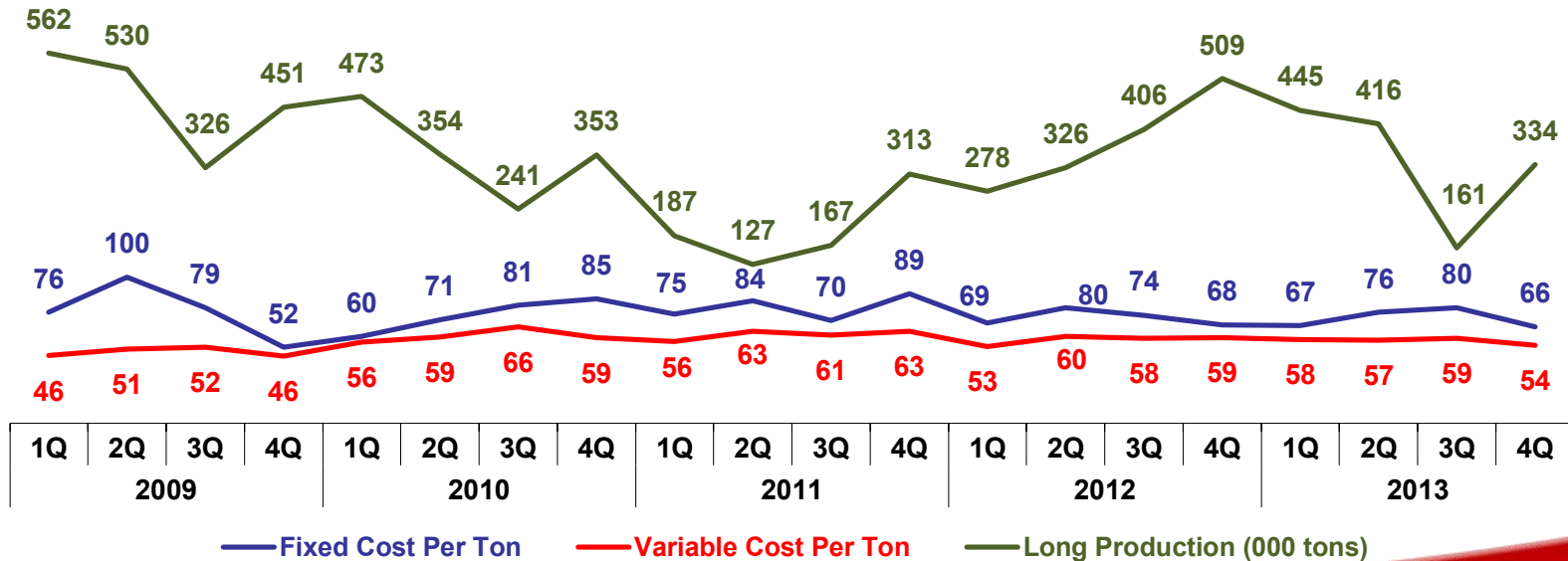
* Excluding inventory writedowns and provision released

Flat cost per ton excluding raw materials was realised as 163 USD/ton in 2013 4Q

FLAT PRODUCTS (USD/TON)*



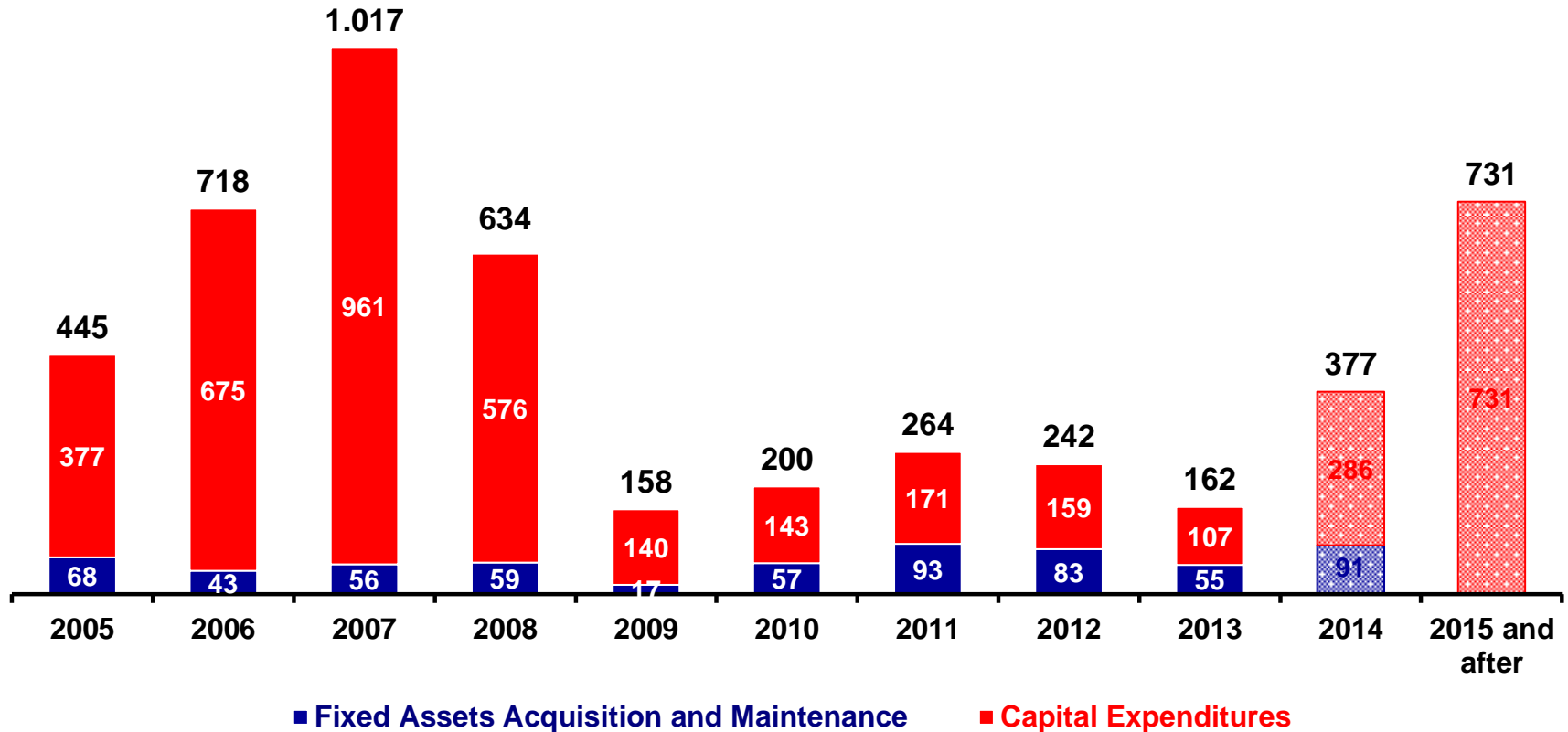
LONG PRODUCTS (USD/TON)*



Capital expenditures of 377 million USD is planned for 2014



(M USD)



* The figures only cover the board approved capex plan.



NUMBER OF EMPLOYEES

