

Akcansa Results 2012 Q1

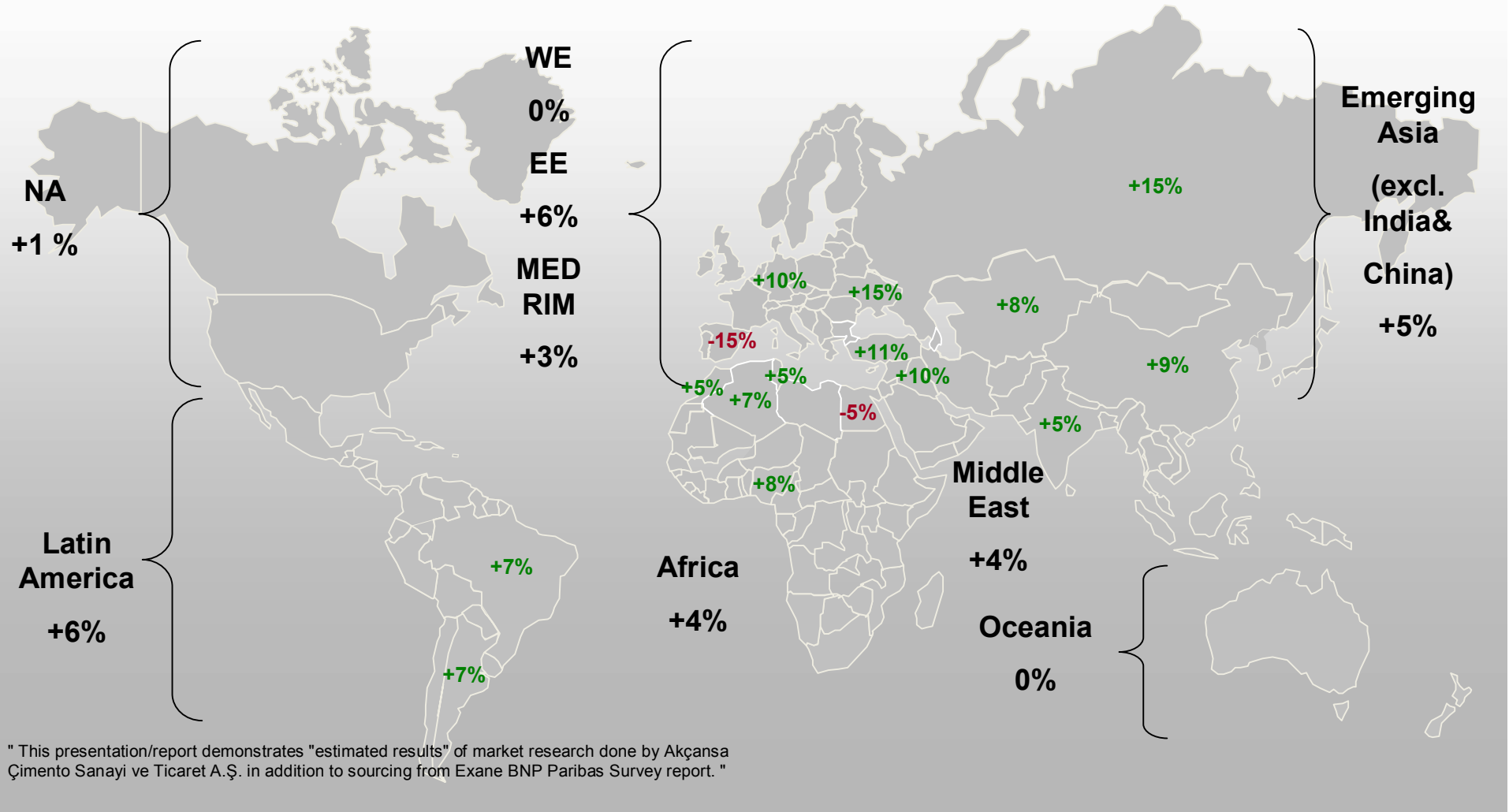


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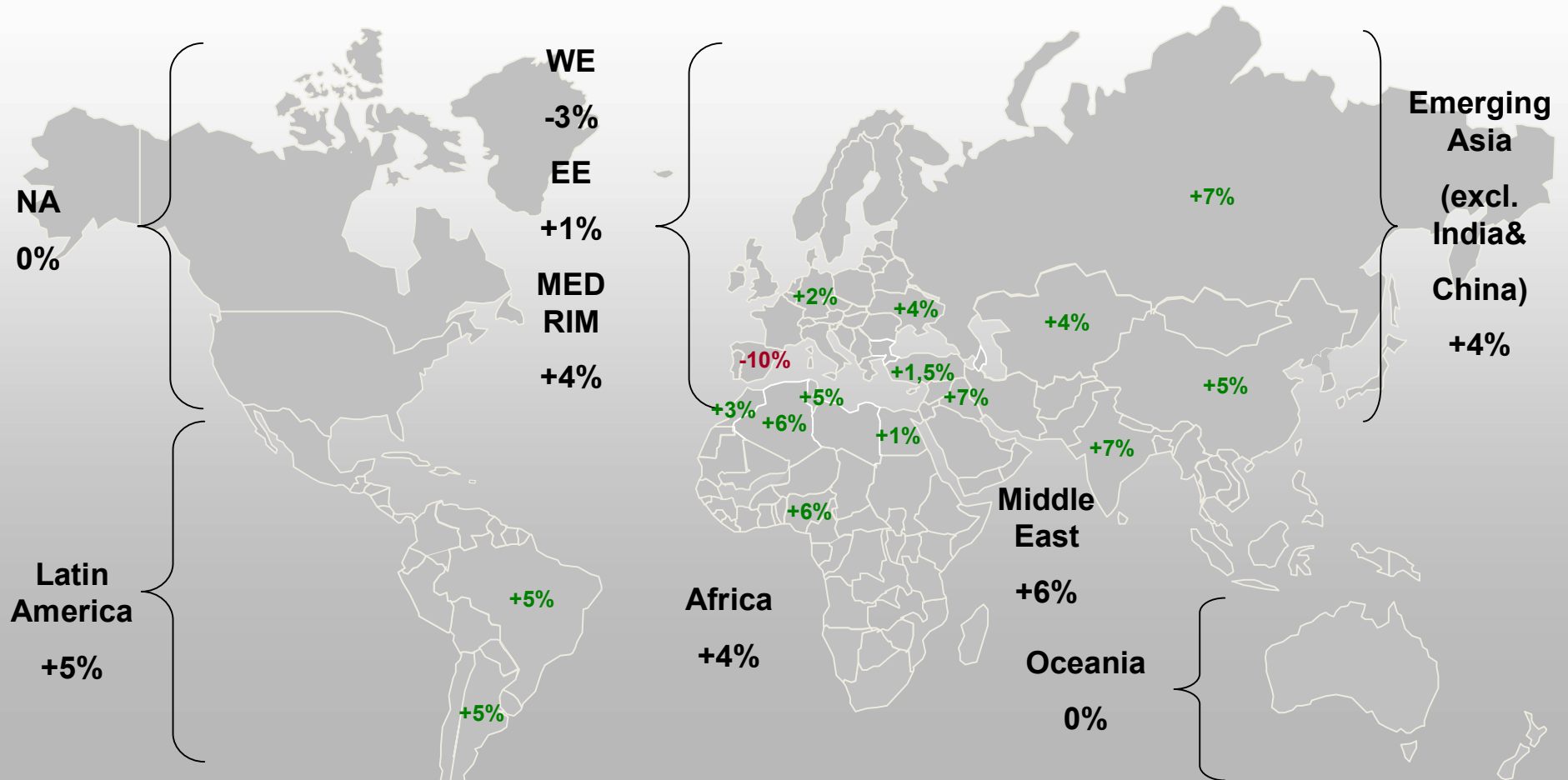
Cement Consumption Trends : Regional Consumption 2011 Estimate

Mature markets: -1%; Emerging markets excl. China: +5%, inc. China: +8; Global: +7%



Cement Consumption Trends : Regional Consumption 2012 Estimate

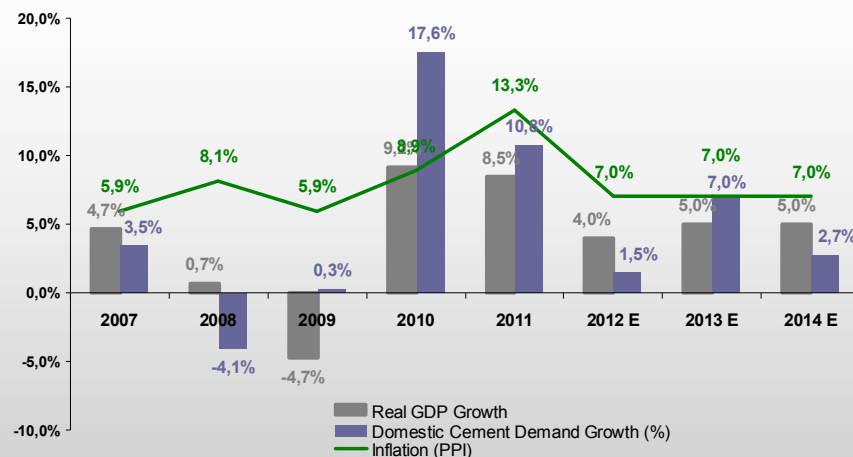
Mature markets: -1%; Emerging markets excl. China: +5%, inc. China: +9; Global: +4%



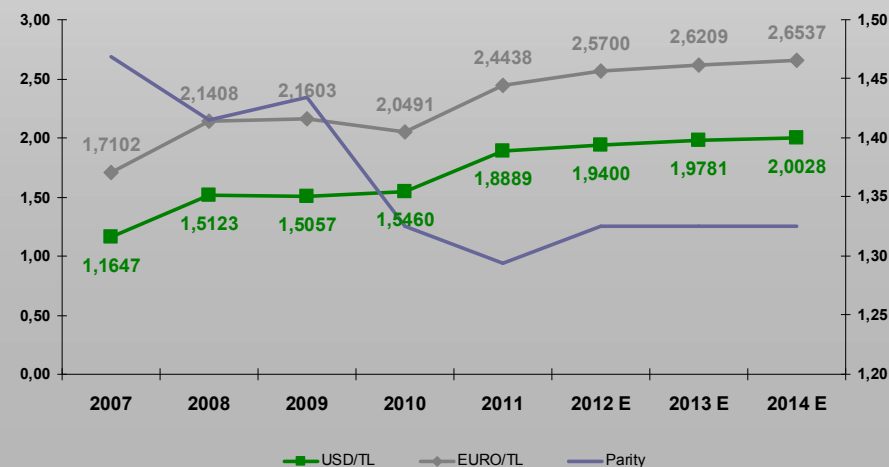
" This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş. in addition to sourcing from Exane BNP Paribas Survey report. "

Turkey Macroeconomic Assumptions 2007-2014

Turkey Macroeconomic Indicators			
Years	Government Budget Deficit/GDP	TR-3 Months Deposit Rate, Annual, %	Population (mio)
2007	-1,6%	17,5%	70,2
2008	-1,8%	20,0%	71,1
2009	-5,5%	9,3%	72,1
2010	-3,6%	8,8%	73,0
2011	-1,7%	9,8%	74,0
2012	-1,5%	9,8%	74,9
2013	-1,4%	10,1%	75,8
2014	1,0%	10,4%	76,7

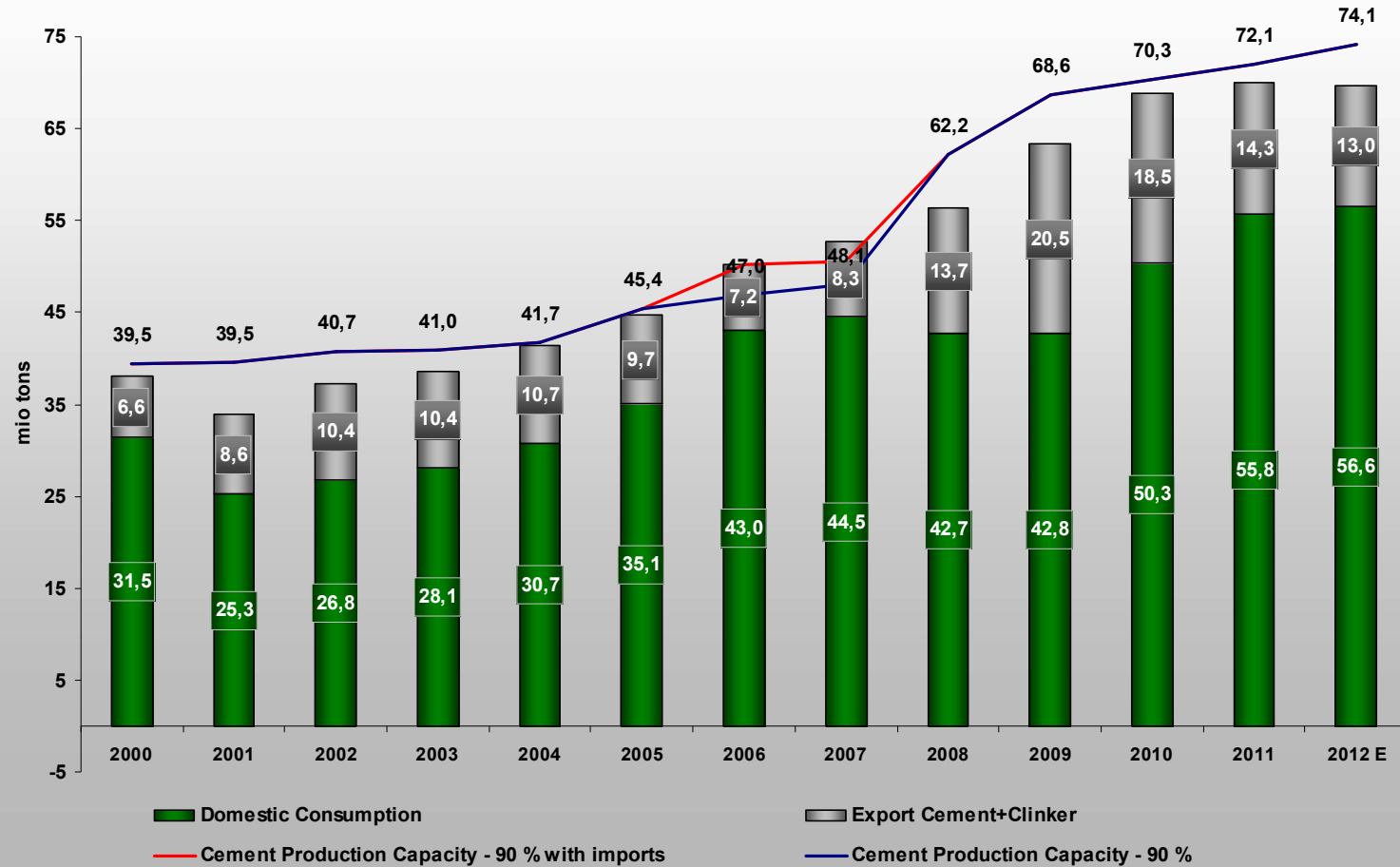


- **Inflation** is expected to be stable for the coming years
- Positive **growth** expectations for 2012, 2013 and 2014
- **FX rates** increase with almost stable EUR/USD parity
- Steadily decreasing **budget deficit** per capita



Source: Sabancı Holding and Undersecretary of Treasury – January, 2012

Turkish Cement Sector (2000 – 2012E)



" This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş. in addition to Turkish Cement Manufacturers' Association figures. "

Turkish Cement Market (Expectations)

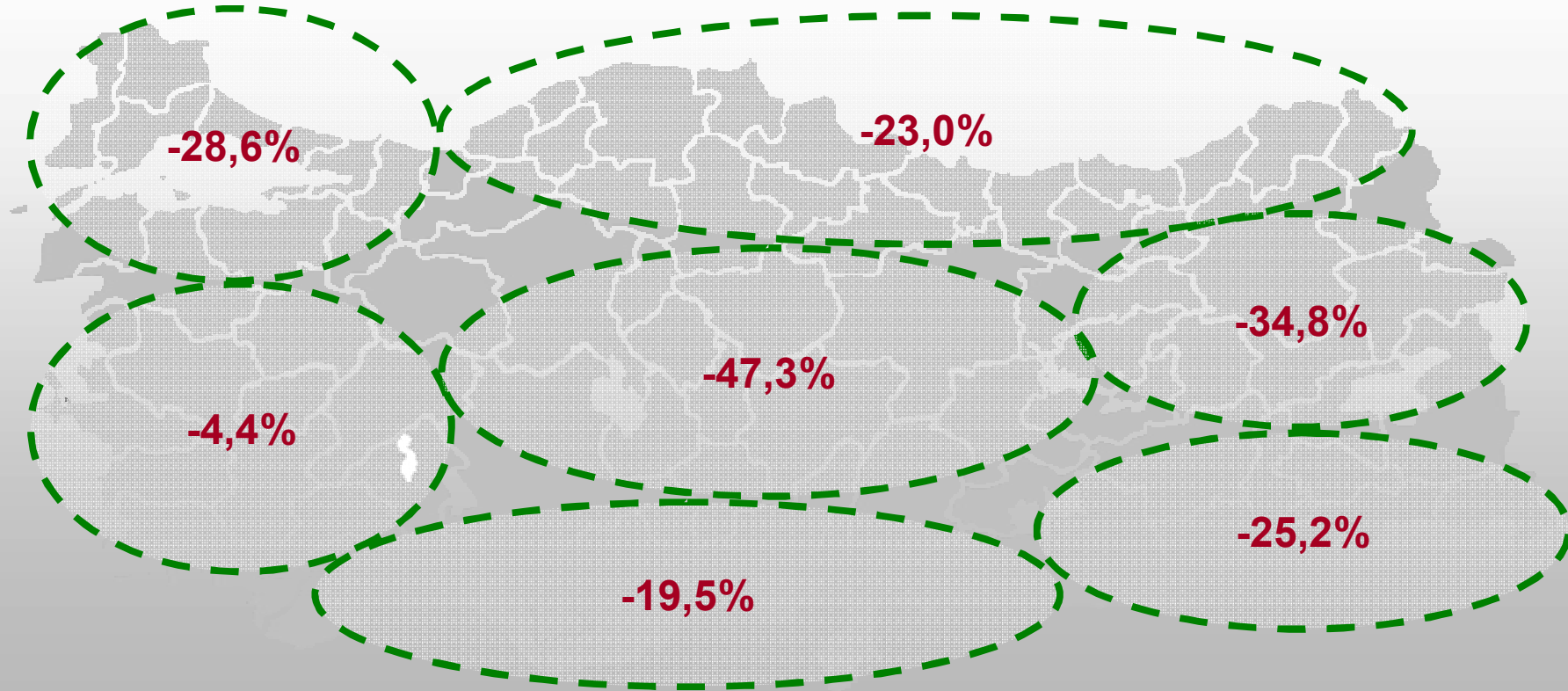


	2006	2007	2008	2009	2010	2011	2012E
1. Private Housing	66%	61%	53%	55%	53%	52%	52%
2. Commercial	13%	15%	12%	8%	11%	11%	11%
3. Public	3%	4%	4%	4%	5%	5%	5%
4. Infrastructure/Projects	17%	20%	30%	33%	30%	32%	32%



Source: TUIK and TCMA

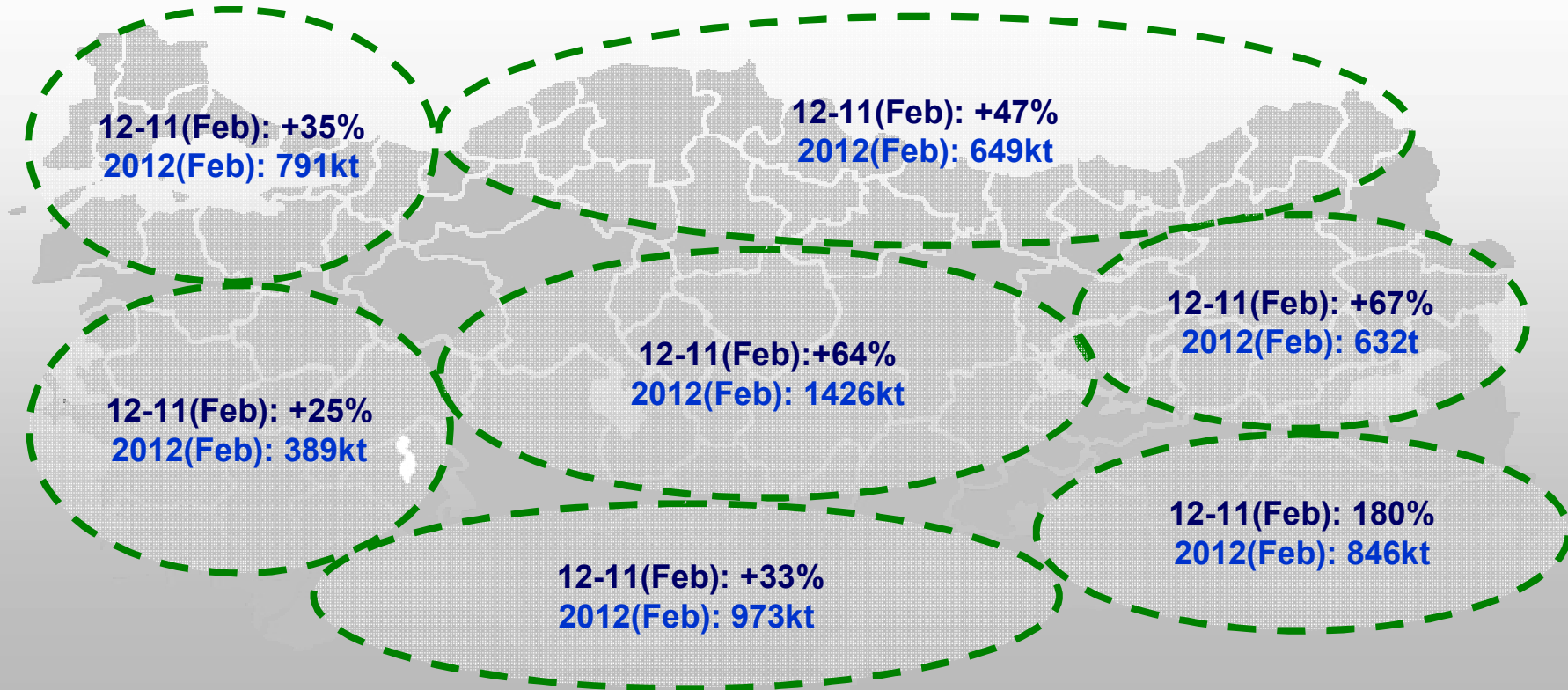
Turkish Cement Market, Sales Volumes Change %, (Feb'12 YTD)



- Cement demand in Turkish domestic market decreased by **25,8%**

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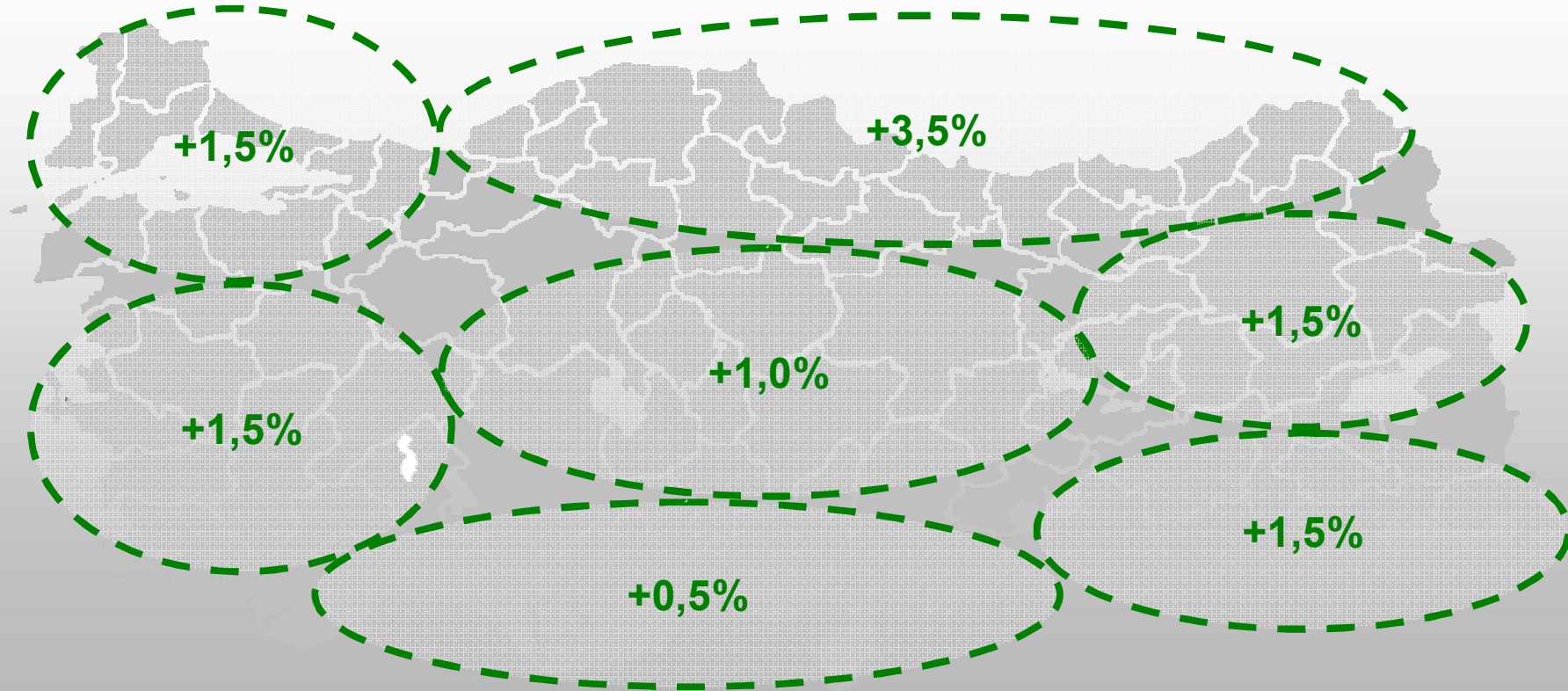
Turkish Cement Market, Clinker Stock Level Change %, (Feb'12 YTD)



- In Turkey, Total clinker stocks are **5.6** mio tons and stock level is **57,5%** higher than last year's figures

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Turkish Cement Market, Sales Volumes Change %, (2012 - Expected)



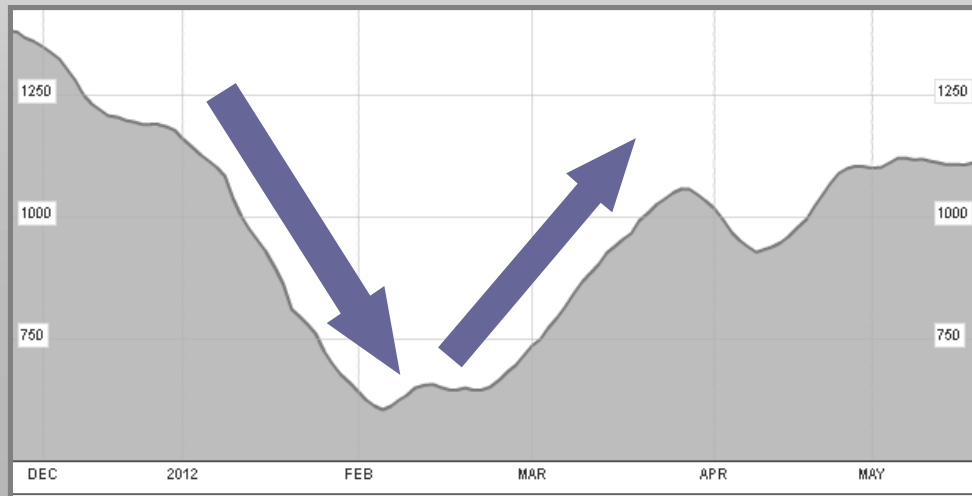
- Cement demand in Turkish domestic market is expected to increase by 1,5% in 2012

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Baltic Supramex Index



Last 3-year period



Last 6-month period

At its lowest level for years

Bounced back to a lower and more stable index level after a deep dive

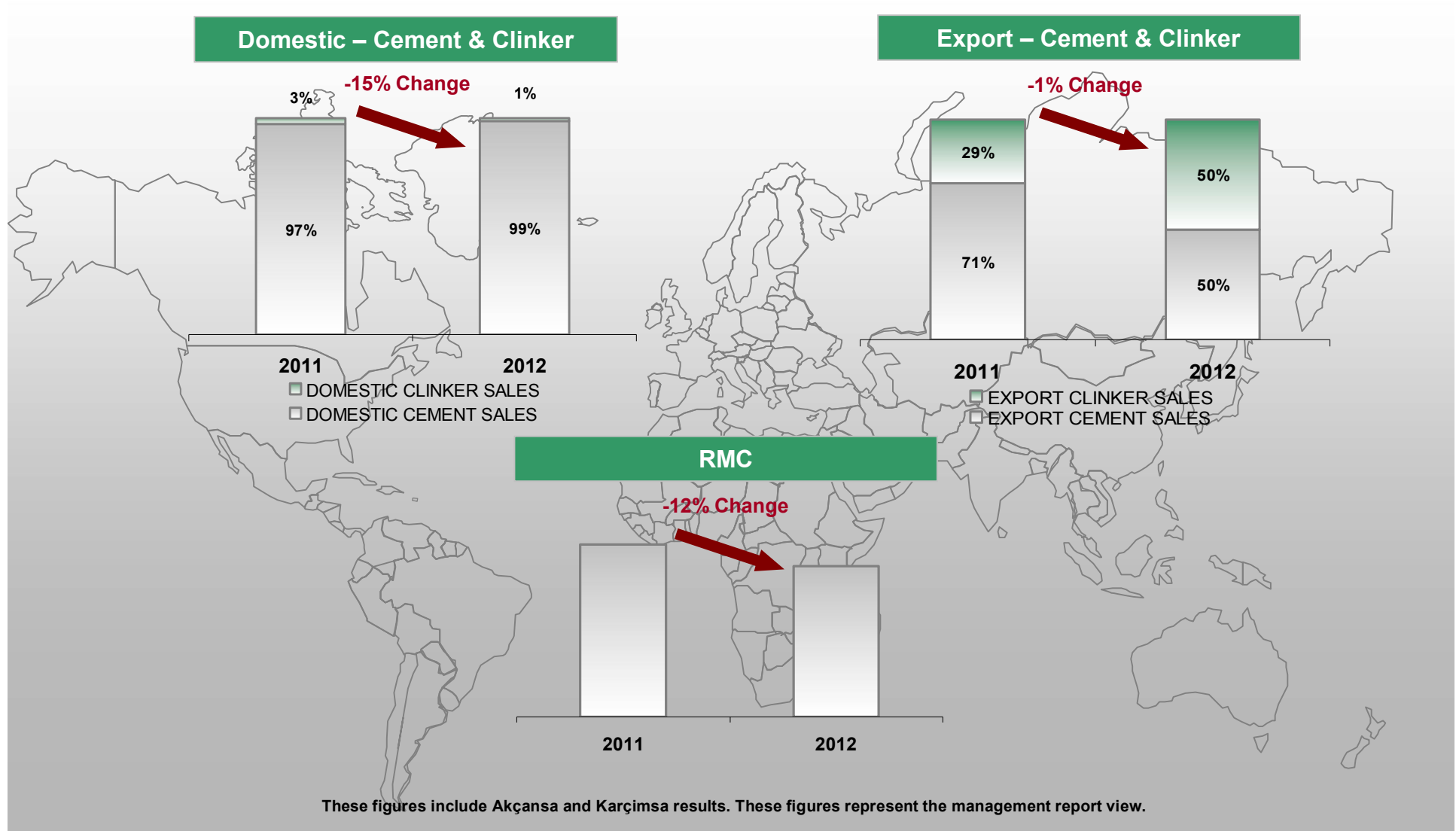
[Source: Bloomberg](#)

Financial Highlights

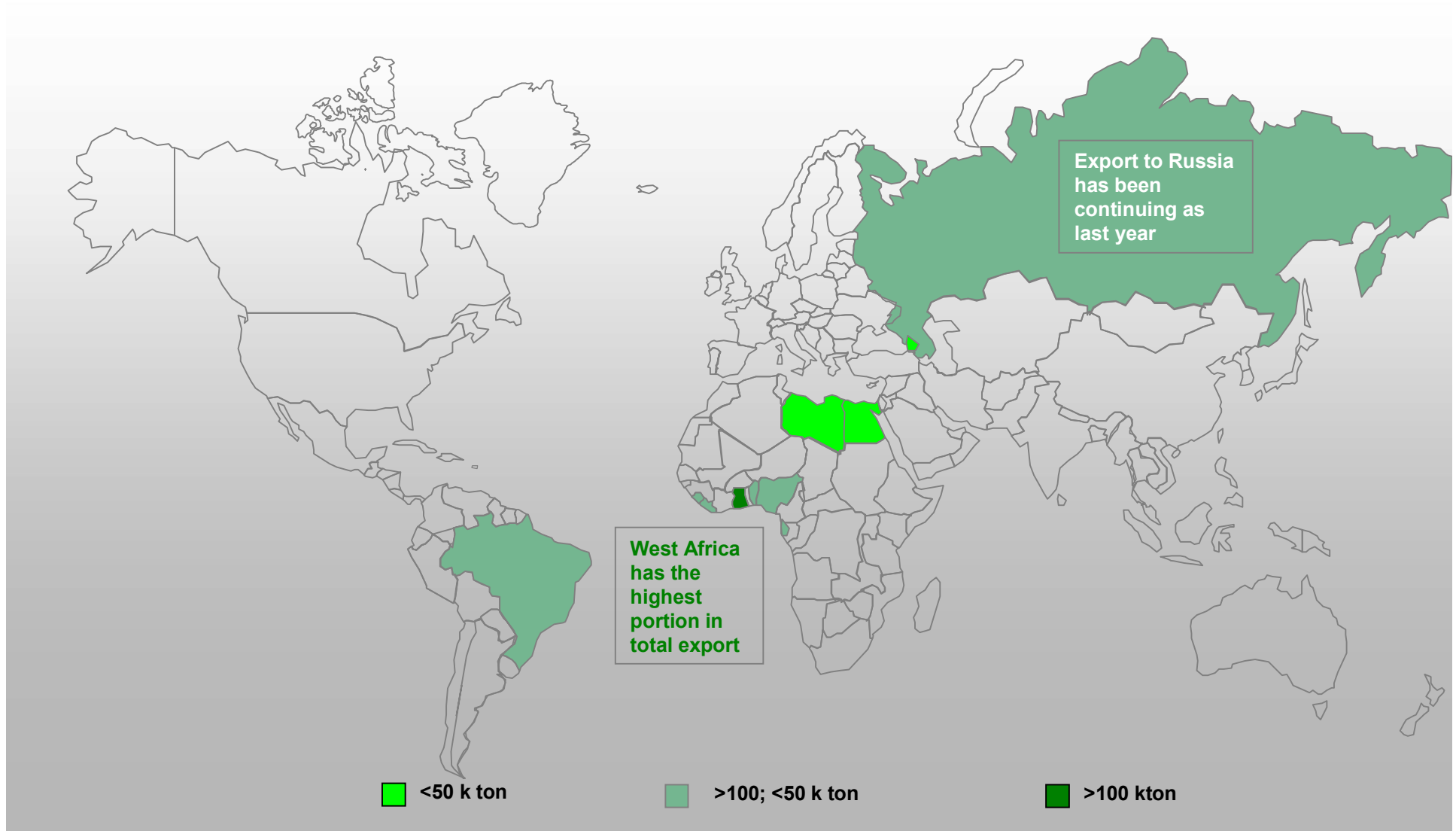
- Q1 comparison:
 - Q1 turnover is up by 4% against Q1 in 2011
 - Operating income in Q1'12 is 23% higher than Q1'11
 - Net income for Q1'11 increased by 55% compared to Q1'11

- Margins improved due to the following reasons;
 - Increase in domestic sales prices
 - Decline in fuel prices
 - Better electricity prices in Canakkale Plant after the contract with new supplier
 - Increase in alternative fuel consumption
 - Positive impact of Waste Heat Investment on energy

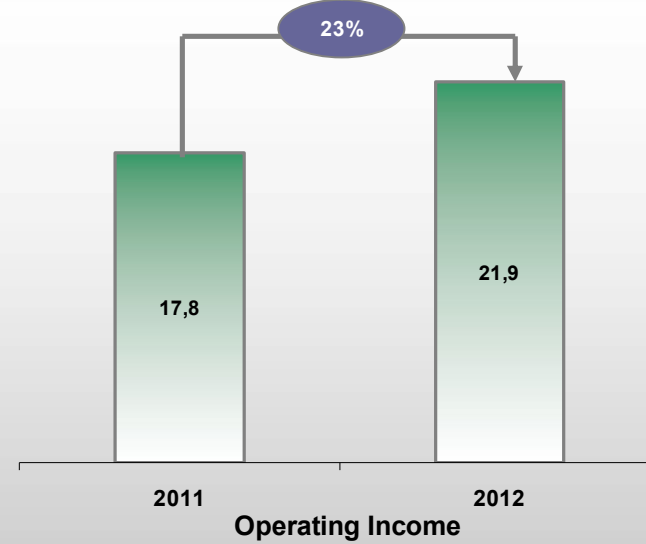
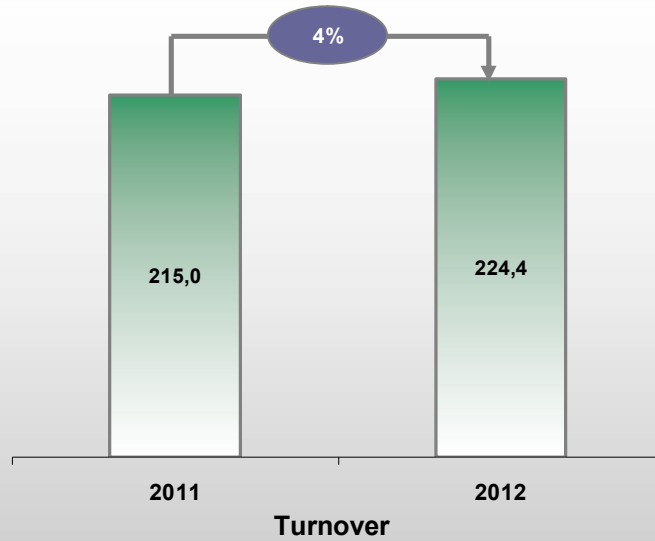
Akçansa Sales Volumes (YTD 2012 vs. YTD 2011)



Akcansa Export Regions (2012 Q1)

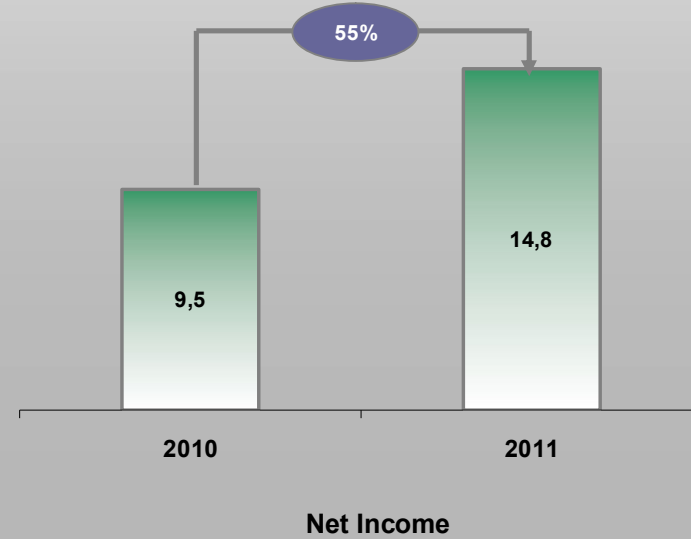


Key Figures (million TL) (YTD 2012 vs YTD 2011)



- Increased volume and better prices reflected within better operating income and net profit results.

- Higher operating income in 2012;
 - Price growth,
 - Better fuel prices, increasing alternative fuel consumption, waste heat project go live



* These figures include Akçansa and Karçimsa results. These figures represent the management report view.

Market Trends in 2012 Q1 and 2012 YE

2012 Q1	Cement	
	Volume	Price (TL/ton)
Domestic Cement	↓	↑
North Marmara	↓	↑
South Marmara	↑	↑
East Marmara	↓	↑
Aegean	↓	↑
Black Sea	↓	↑

(*) Compared to 2011 Q1

2012 Q1	Readymix	
	Volume	Price (TL/m3)
General	↓	↑
Europe	↓	↑
Asia	↓	↑
Thrace	↑	↑
Aegean	↓	↑
Black Sea	↓	↑

(*) Compared to 2011 Q1

2012 Q1	Cement	
	Volume	Price (\$/ton)
Export Cement	↓	↑
Export Clinker	↑	↑

(*) Compared to 2011 Q1

Energy	2012 Q1	2012 YE
Coal	↓	↑
Petcoke	↓	↑
Electricity	↓	↑
Diesel	↑	↑

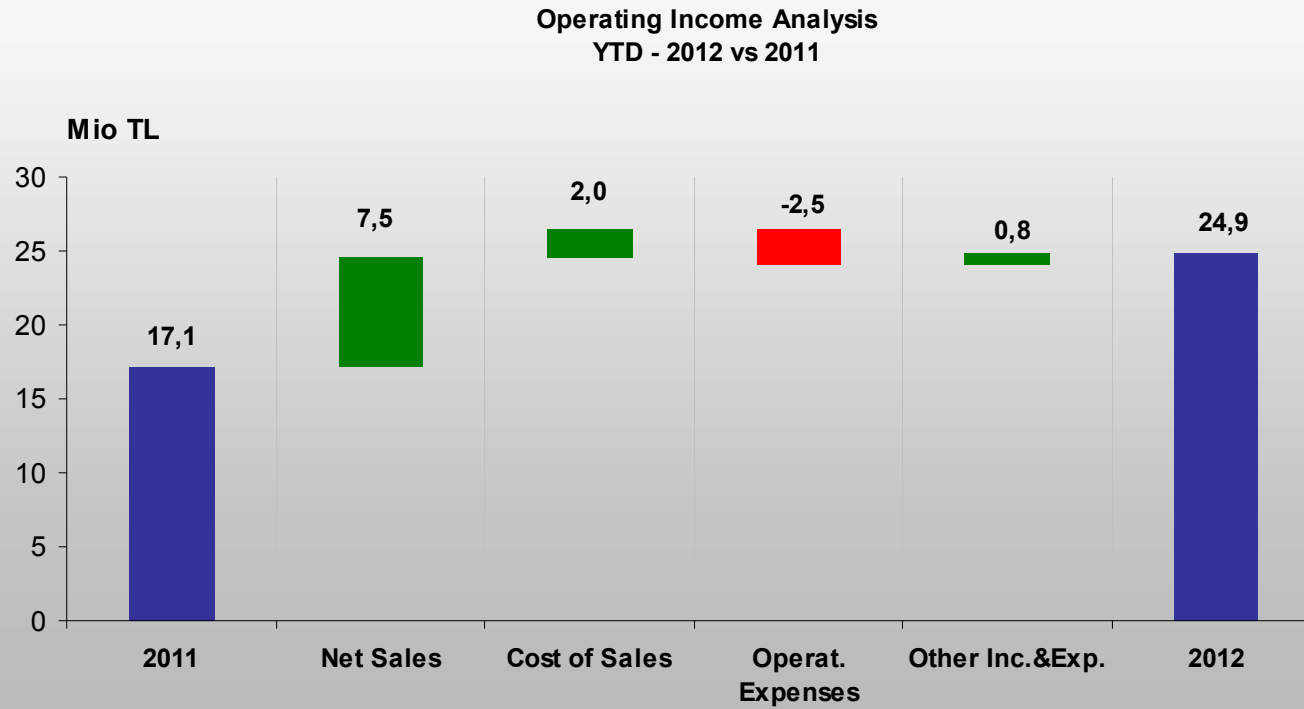
(*) Compared to end of 2011

2012	Expectations	
	Volume	Price
Domestic Cement (TL/t)	↑	↑
Export Cement (\$/t)	↑	↔
Export Clinker (\$/t)	↑	↑
RMC (TL/m3)	↔	↑

(*) Compared to 2011 full year

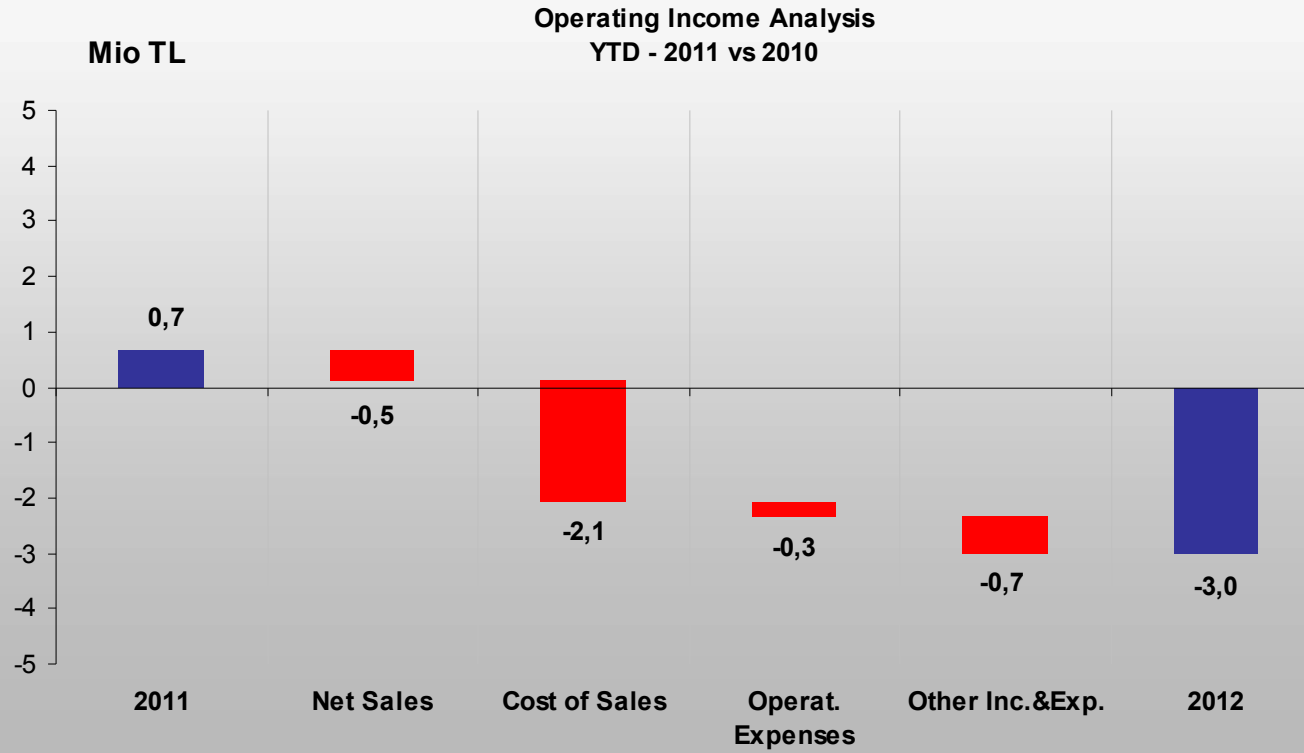
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Cement B/L Profit and Loss Accounts YTD



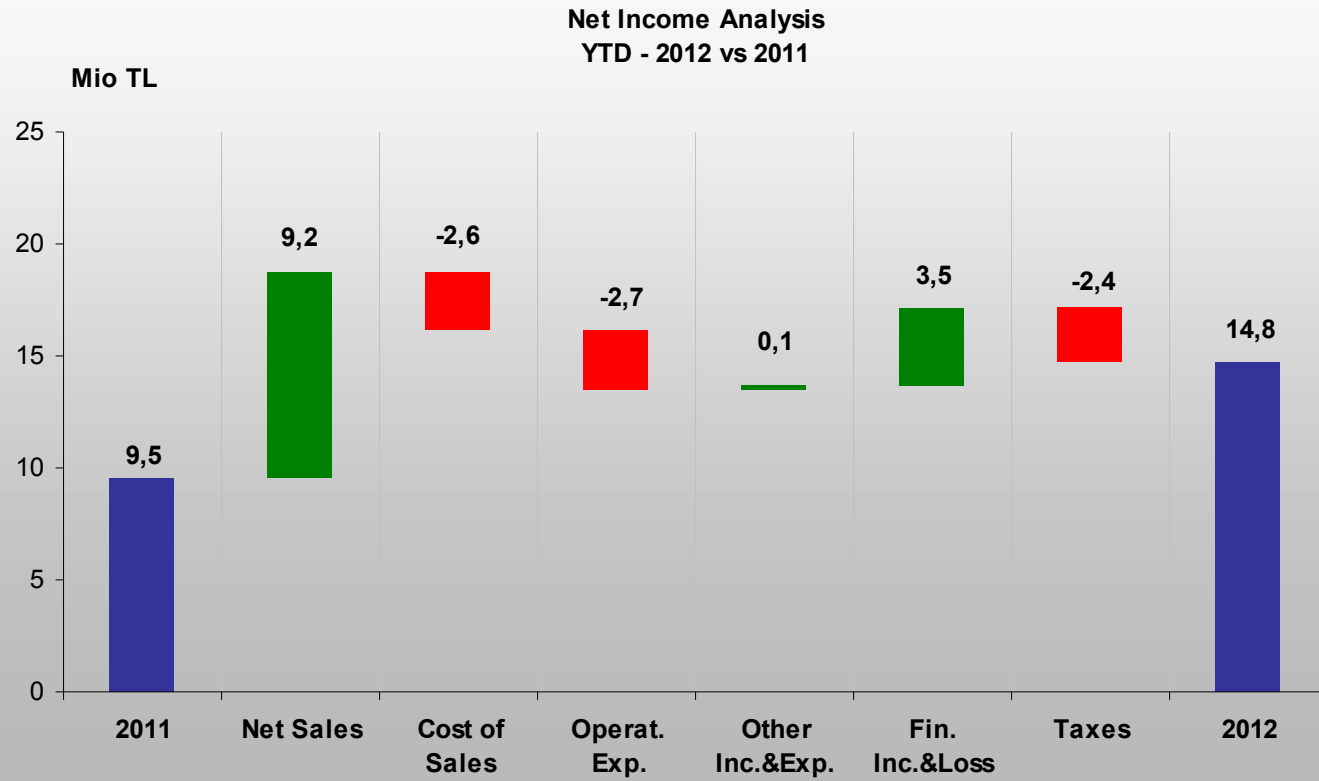
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Readymix B/L Profit and Loss Accounts YTD



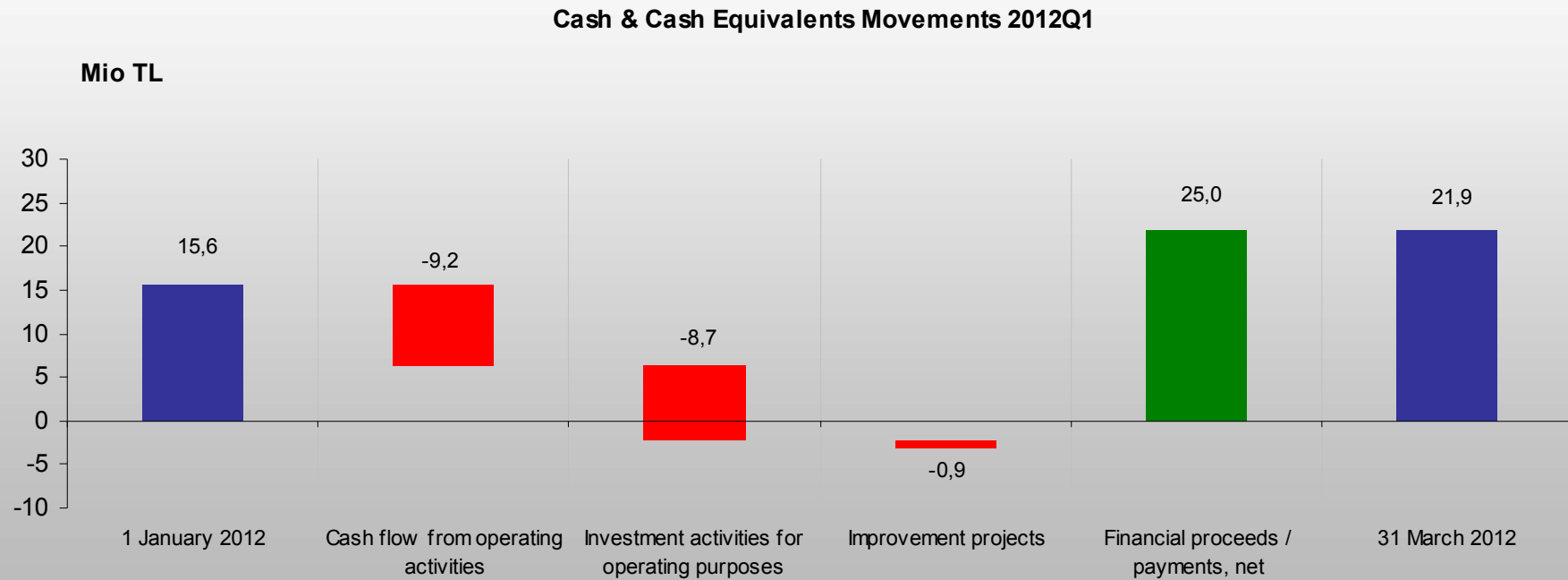
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Company Profit and Loss Accounts YTD



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Cash Flow Statement 2012 Q1



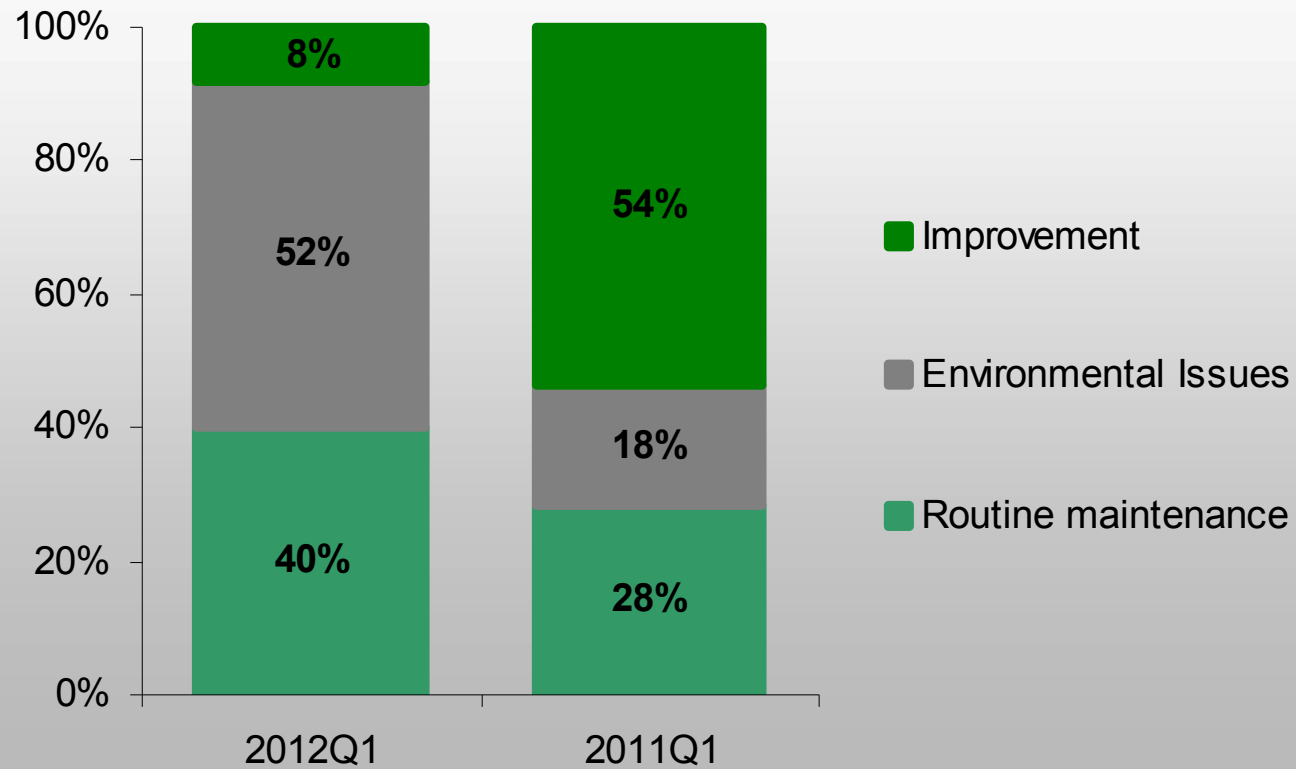
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Balance Sheet as of March 2012 and 2011

Mio TL	31.03.2012	31.03.2011	Mio TL	31.03.2012	31.03.2011
Current Assets	352,6	365,2	Current Liabilities	262,8	298,1
Cash & cash equivalents	21,9	68,2	Financial Liabilities	140,8	147,5
Trade receivables	214,9	190,1	Trade payables	94,0	90,4
Inventories	103,8	95,8	Tax payable	5,7	2,6
Other current assets	12,0	11,1	Other current liabilities	22,3	57,5
Non-current Assets	918,6	922,6	Non-current Liabilities	102,9	176,3
Financial investments	135,6	149,5	Financial Liabilities	35,7	111,6
Fixed Assets	648,5	634,5	ETB provision	19,4	17,4
Goodwill	129,5	129,5	Deferred tax liabilities	44,5	44,6
Deferred tax assets	1,7	2,0	Other non-current liabilities	3,2	2,8
Other non-current assets	3,4	7,1			
TOTAL ASSETS	1.271,2	1.287,8	Shareholders Equity	905,4	813,3
BS data and key ratios			Paid in Capital	191,4	191,4
Working Capital	224,7	195,5	Retained earnings	597,4	497,2
Net debt	154,6	191,0	Comprehensive income	90,9	104,4
Current ratio	1,34	1,22	Net income	15,0	9,7
Debt to equity ratio	0,40	0,58	Minority interest	10,7	10,7
Net financial debt to assets	0,12	0,15	TOTAL LIABLILITES & EQUITY	1.271,2	1.287,8

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Capex Distribution 2012 Q1 vs 2011 Q1



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Prospects 2012

Economic Activities

- Domestic demand remains stable and prices are rising
- Construction based growth plans of the government go live
 - New regulations in force in relation to residential build (in response to Earthquake)
 - Urban transformation passed into law in May'12: 40 bio USD per year (for the following 10 years)
 - Increase in construction activities because of new law about lands under the specification of 2B.
 - Turkey's Parliament has approved a law that eases restrictions on the sale of land and real estate to foreign citizens and firms (allows to buy lands from 25 K to 300 K sqm)



Operations

- Continued focus on margin enhancement
- Focus on added value products in RMC
- New type of cement: Purebred Cement

Energy

- Full year utilizing waste heat project (~15 mio TL gain)
- Continuous and steady increase in alternative fuel usage going forward
- And ...



Energy always matters...

- To increase efficiency on energy usage
 - Flexibility in use of petrocake and coal
 - Use of import channels of HC Trading firms
 - High-sulfur petrocake usage permit
 - Hedging coal purchases to minimize cost inflation risk
 - Active electricity portfolio management
 - Canakkale Plant has licence of shredded tire import
- To increase alternative fuel usage
 - Alternative fuel feeding system investment in Canakkale Plant

Primary



Alternative



Thank you !



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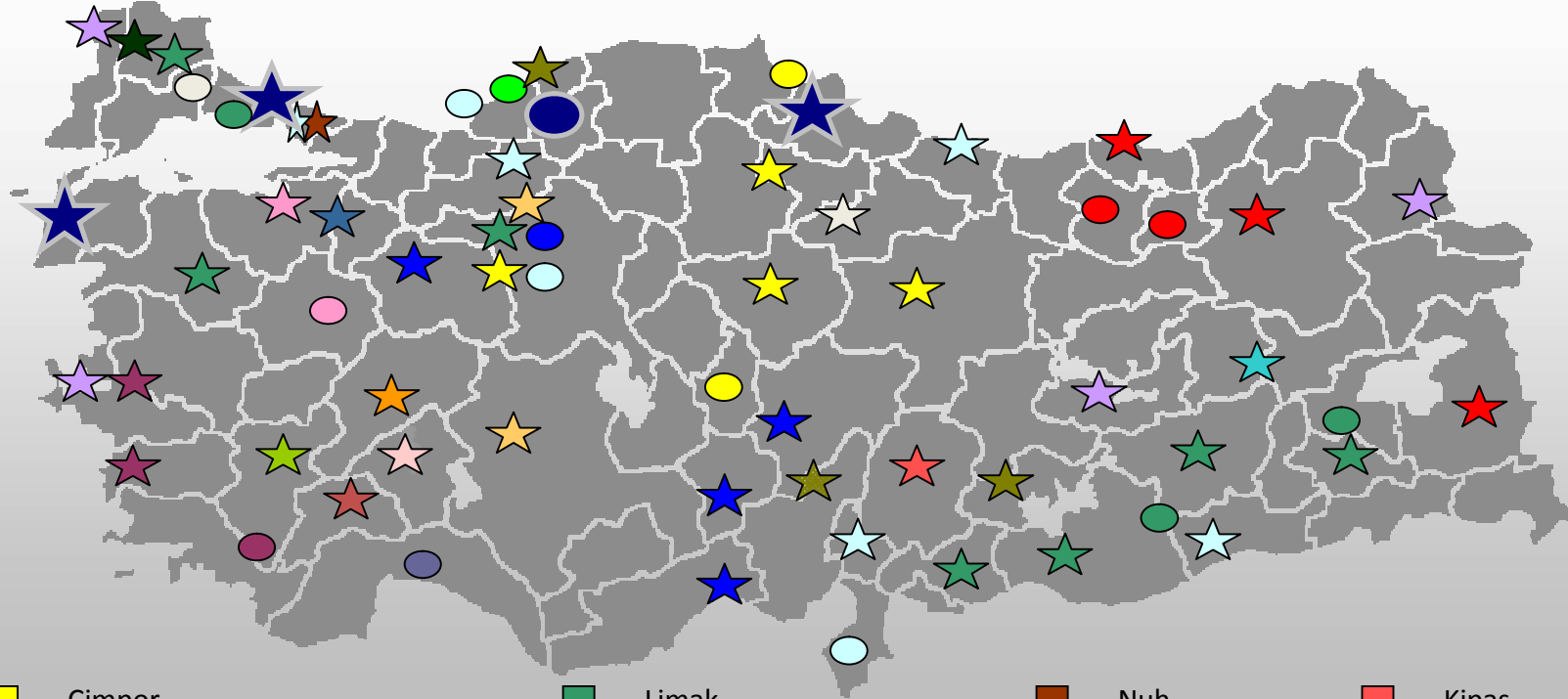
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Appendix

Cement Sector Distribution in Turkey

48 integrated plants, 17 grinding mills, 65 plants, 22 players



- Cimpor
- Askale
- AkcanSA
- Bursa
- Italcementi
- BatıGroup

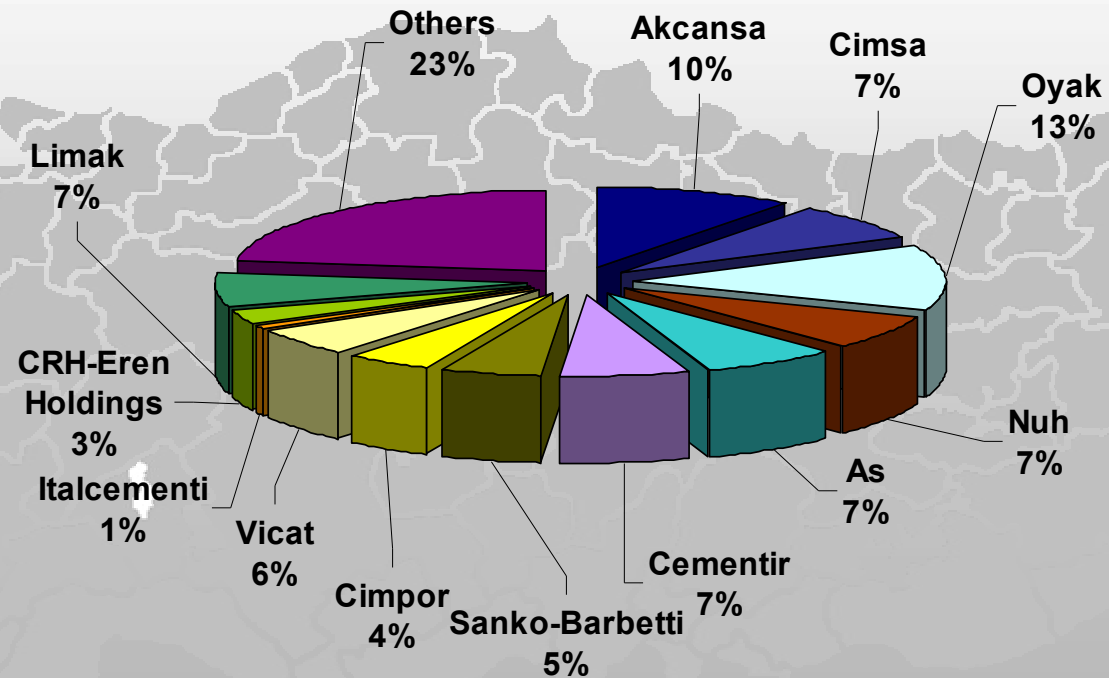
- Limak
- Oyak
- CimSA
- Cementir
- Vicat
- Denizli-CRH

- Nuh
- Tracim
- AS
- Titan-ADO
- Sancim
- Goltas

- Kipas
- Yurt
- Lafarge
- Sanko/Barbetti
- ★ Integrated Plants
-

Source: TCMA

Turkey Clinker Capacity Distribution



First 3 groups form 37% of the Turkish Cement Capacity

Source: TCMA

Akcansa at a glance

Key Operational Highlights

3 cement plants
6,5 m ton clinker capacity
9 m ton cement capacity

38 RMC terminals
8,5 million m3 RMC capacity

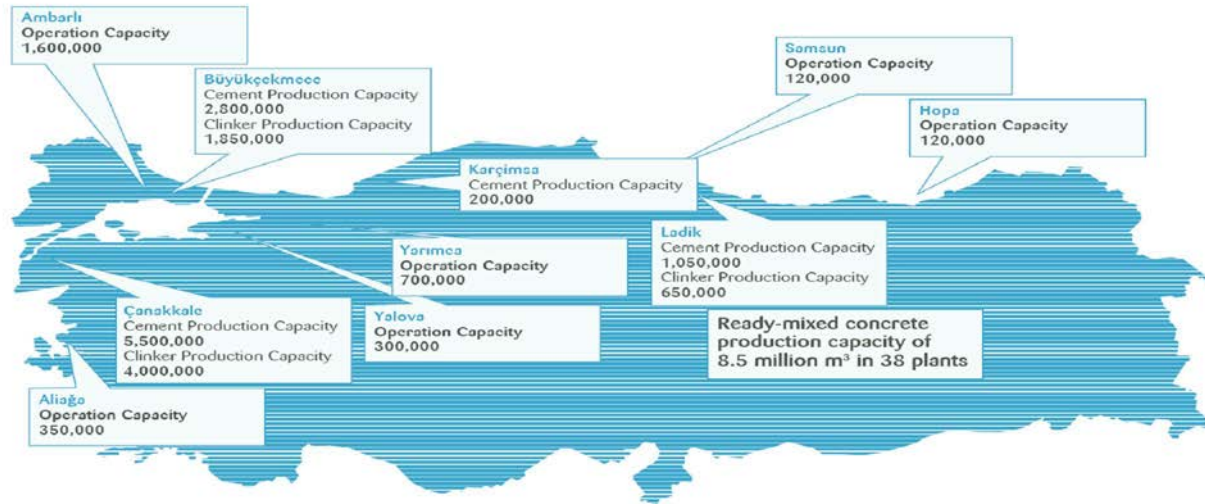
6 domestic terminals
3,2 m ton total operating capacity

2 jetties
(Ambarlı & Çanakkale)

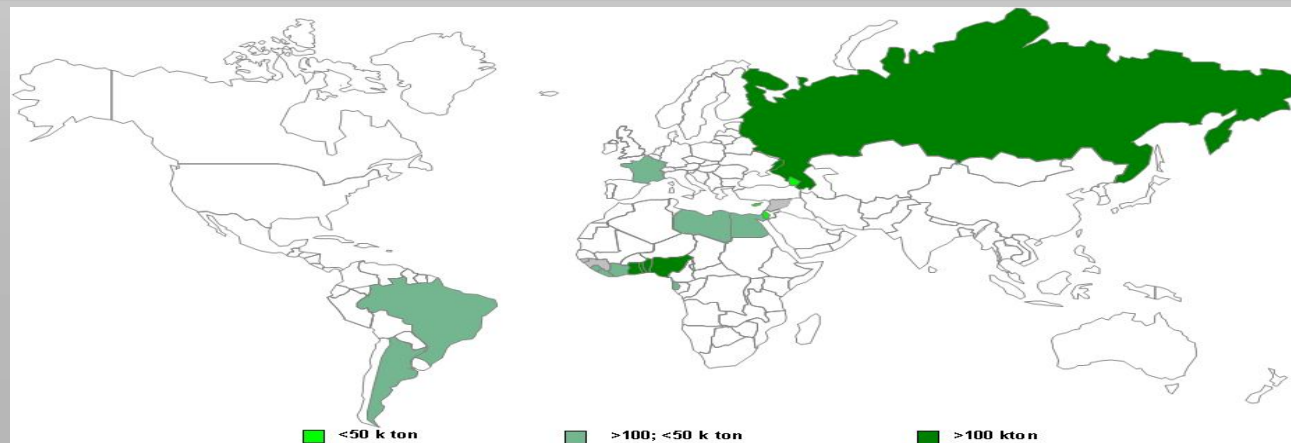
Key Financial Highlights

	2011	2010
Net Sales (m TL)	1.010,0	817,4
Domestic portion (%)	81	77
Export portion (%)	19	23
Gross Margin (%)	17,9	13,7
EBIT (%)	13,8	9,5
EBITDA (%)	19,1	16,2
Net Profit (%)	9,9	7,3

Operations in Turkey



Export Regions - 2011



* These figures include only Akcansa and Karşımsa results. These figures represent the management report view.

Cement B/L Profit and Loss Accounts 2012 Q1

Cement Mio TL	YTD 2012	Var YTD'12 vs. YTD'11
Net Sales	154,7	7,5
Cost of Sales	(120,1)	2,0
Gross Margin	34,7	9,4
Operating Expenses	(9,9)	(2,5)
Other Operating Income/Charges	0,1	0,8
Operating Profit/Loss	24,9	7,8
Non-Operating Financial Income/Charge	(0,2)	0,2
Profit/Loss before Taxes	24,7	8,0

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Readymix Profit and Loss Accounts 2012 Q1

Readymix Mio TL	YTD 2011	Var YTD'11 vs. YTD'10
Net Sales	89,7	(0,5)
Cost of Sales	(89,6)	(2,2)
Gross Margin	0,1	(2,7)
Operating Expenses	(2,1)	(0,3)
Other Operating Income/Charges	(1,0)	(0,7)
Operating Profit/Loss	(3,0)	(3,7)
Non-Operating Financial Income/Charge	0,1	0,0
Profit/Loss before Taxes	(2,9)	(3,6)

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Company Profit and Loss Accounts 2012 Q1

Company Mio TL	YTD 2012	Var YTD'12 vs. YTD'11
Net Sales	218,9	9,2
Cost of Sales	(184,2)	(2,6)
Gross Margin	34,8	6,7
Marketing&Sales Expense	(3,0)	(0,9)
General Management Expenses	(9,0)	(1,8)
Other Operating Income/Charges	(0,9)	0,1
Operating Profit/Loss	21,9	4,1
Non-Operating Financial Income	14,9	8,0
Non-Operating Financial Charge	(17,1)	(4,5)
Profit/Loss before Taxes	19,7	7,6
Taxes On Income	(4,9)	(2,4)
Net Income/Loss	14,8	5,2
Gross Margin %	15,9%	2,5%
EBIT Margin %	10,4%	1,4%
Net Income Margin %	6,7%	2,1%
EBITDA Margin %	16,9%	1,5%

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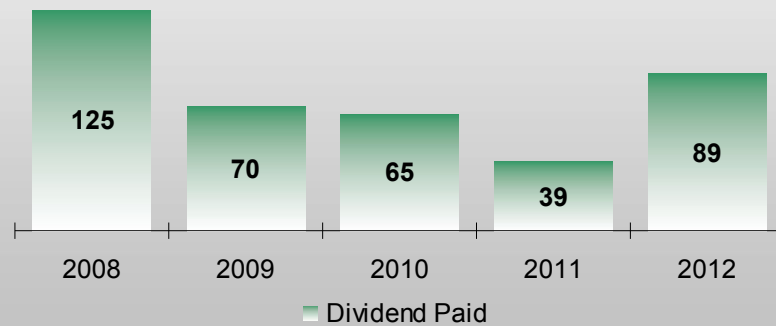
Cash Flow Statement 2012 Q1 and 2011 Q1

Company Mio TL	YTD 2012Q1		YTD 2011Q1	
Cash flow from operating activities				
Operating income before the changes in working capital	38,8		33,8	
Changes in working capital	(47,0)		(46,2)	
Decrease in provisions through cash payments	(1,0)		(0,5)	
		(9,2)		(12,9)
Cash flow from investing activities				
Tangible and intangible fixed assets	(9,6)		(11,7)	
Proceed from fixed asset disposals	0,1		0,1	
		(9,5)		(11,6)
Cash flow from financing activities				
Net proceeds from bonds and loans	25,0		52,5	
	25,0	25,0	52,5	52,5
Net change in cash and cash equivalents - continuing operations		6,3		28,0
Net change in cash and cash equivalents - discontinued operations		-		-
Change in cash & cash equivalents				
Cash & cash equivalents at 1 January	15,6		40,2	
Cash & cash equivalents on 31 December	21,9	6,3	68,2	28,0

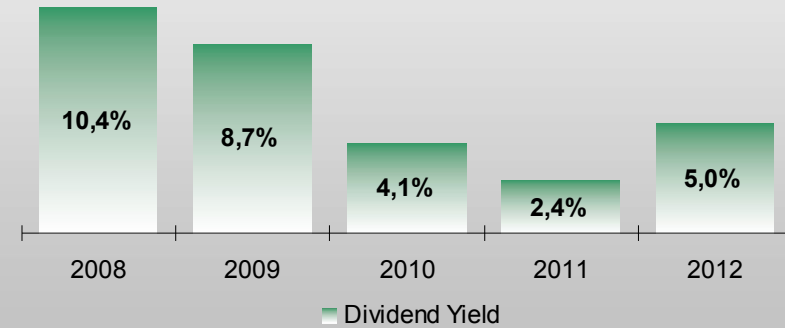
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Dividend Paid and Dividend Yield

Mio TL



%



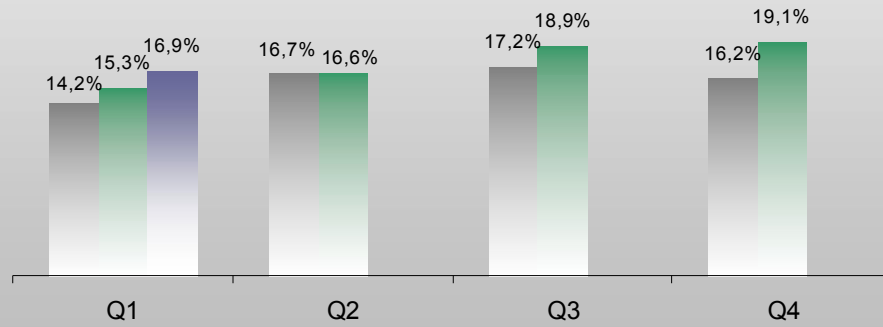
There has not been any change in dividend payment policy throughout years

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EBITDA Margins

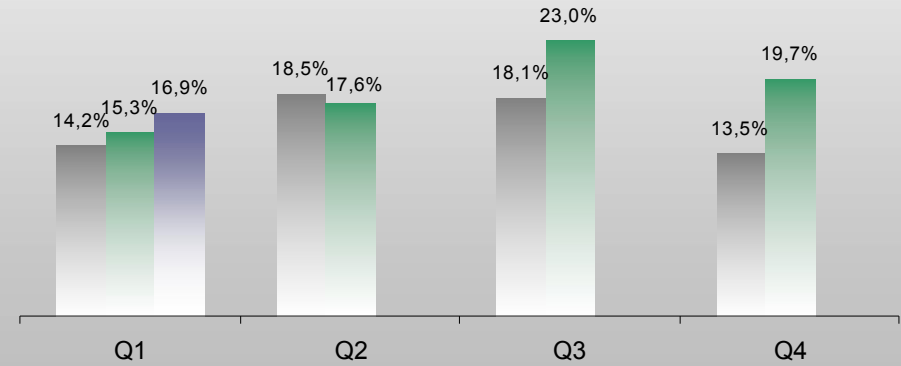
EBITDA Margin - YTD

2010 2011 2012



EBITDA Margin - Quarterly

2010 2011 2012



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Construction Projects in Turkey

Ongoing Projects

Akcansa

- Özdilek AVM (Continuing, 200 k m3)
- Zeytinburnu Varyap Project - Student Dormitory (Continuing, 80 k m3)
- Sinpaş Bosphorus City Project (Continuing, 500 k m3)
- Sinpaş GYO Akasya Project (Continuing, 450 k m3)
- Varyap Meridian Project (Continuing, 260 k m3)
- Innovia Project (Continuing, 500 k m3)

For further information about our projects please visit our web site:

www.betonsa.com.tr

Turkey

▪New Metro Routes (Project Period: 2010-13)

- Kabataş – Mahmutbey; 2,4 bio TL
- Beylikdüzü – Bakırköy; 2,2 bio TL
- Üsküdar Ümraniye; 1,9 bio TL
- Bakırköy – Kirazlı; 0,8 bio TL

Projects in the Pipeline

▪İzmit – İzmir Highway; signed, not started

- Highway (421 km)
- İzmit Bridge; Length 1,7 km; Cost : 2 bio TL
- Four tunnels (7,4 km)
- 30 viaducts (18,2 km)

▪Çanakkale Bridge; project

- Çanakkale Bridge (2,2 km)
- Highway (13,7 km)
- 2 mio ton cement excluding the accommodation consumption

▪Third Bridge; project

- İctas Construction Industry Trade Corp.-Astaldi Joint Initiative Group won the project
- Estimated cost is \$2,5 bio
- Will be built in 3 years
- 1 mio ton cement excluding the accommodation consumption

▪The Bosphorus Tunnel, project

- 5,4 km
- Highway
- 1,1 bio USD

▪Tunnels Construction in İstanbul, project

- 140 km
- 2 mio ton cement

▪Urban transformation:

- 40 bio USD per year (for the following 10 years)

▪Third airport project in İstanbul

- Capacity: 150 mio people per year

General Basics About Cement and RMC Production

Production

- 1,6 ton limestone is consumed to produce 1 ton of clinker
- 75-90% clinker is consumed to produce 1 ton of cement
- 250-300 kg of cement in 1 m3 RMC produced
- 1,5-2,0 ton of aggregate in 1 m3 RMC produced depending on the type of RMC produced

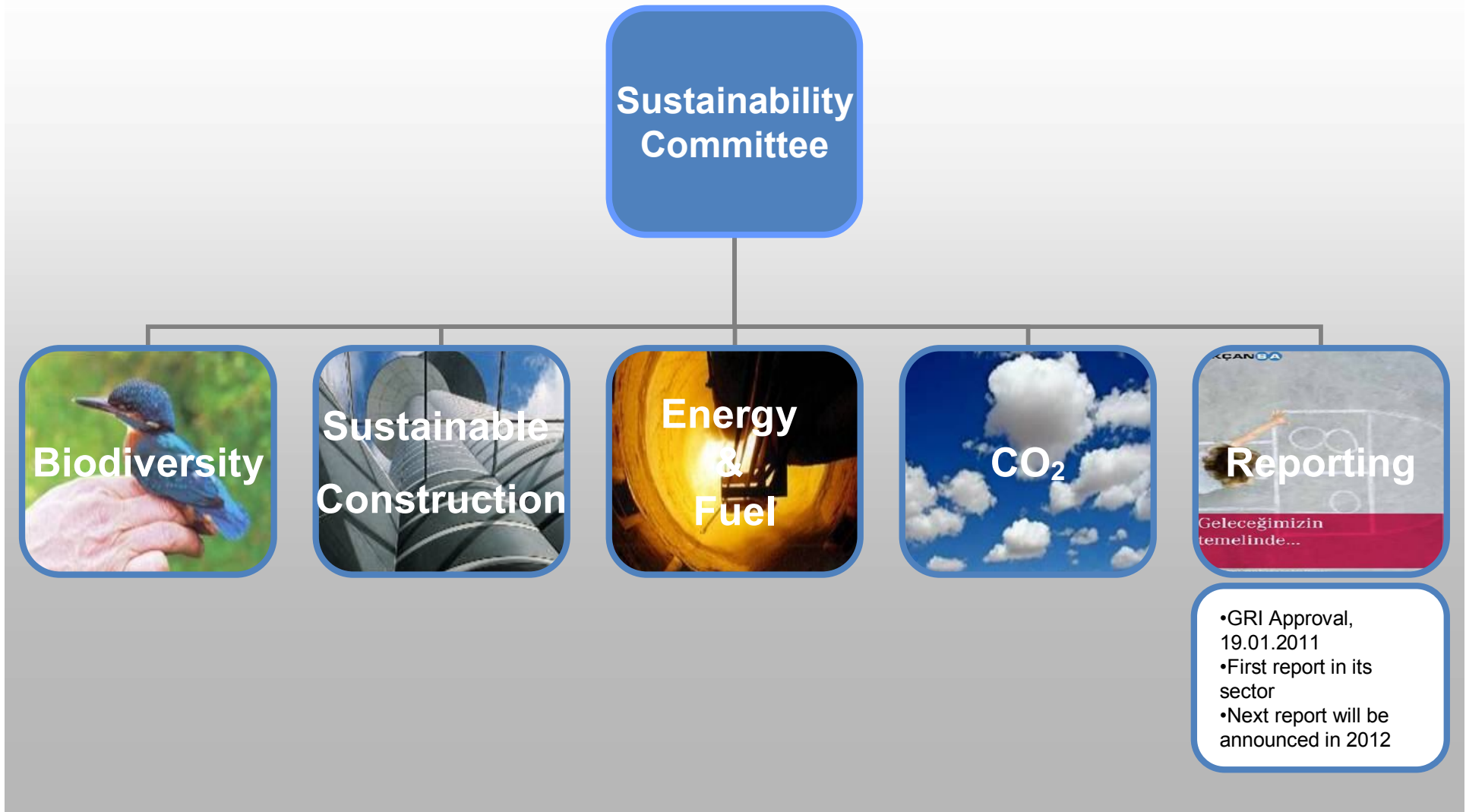
Fuel

- A cement plant of 1 mio ton clinker capacity may consume 100 k ton petrocok or 130 k ton coal, or a mix of both
- 7.500 k/ton in petrocok vs. 6.000 kcal/ton in coal.
- Fuel accounts for 30-40% of the variable cost of producing 1 ton of cement

Electricity

- Electricity accounts 25-30% of the variable cost of producing 1 ton of cement.
- 0,01 tl increase in cost of 1 kwh electricity corresponds to 1-1,5 tl cost increase in 1 ton of cement.
- Contribution of waste heat project
 - 33% of Çanakkale Plant electricity consumption
 - Monthly contribution to P&L of Akçansa will be around 1-1,5 mio TL based on current electricity prices

Akçansa Sustainability Approach



Awards

- **The Best Admired Cement Company 2011**
 - **By Capital Business Magazine**
- **Environmental Award**
 - **Çanakkale Waste Heat Facility**
 - **By Istanbul Chamber of Industry**
- **Sustainable Waste Management and Communication Award**
 - **(One Carbon Double Oxygen Project)**
 - **By CSR Europe**

