

Akcansa Results 2012 H1

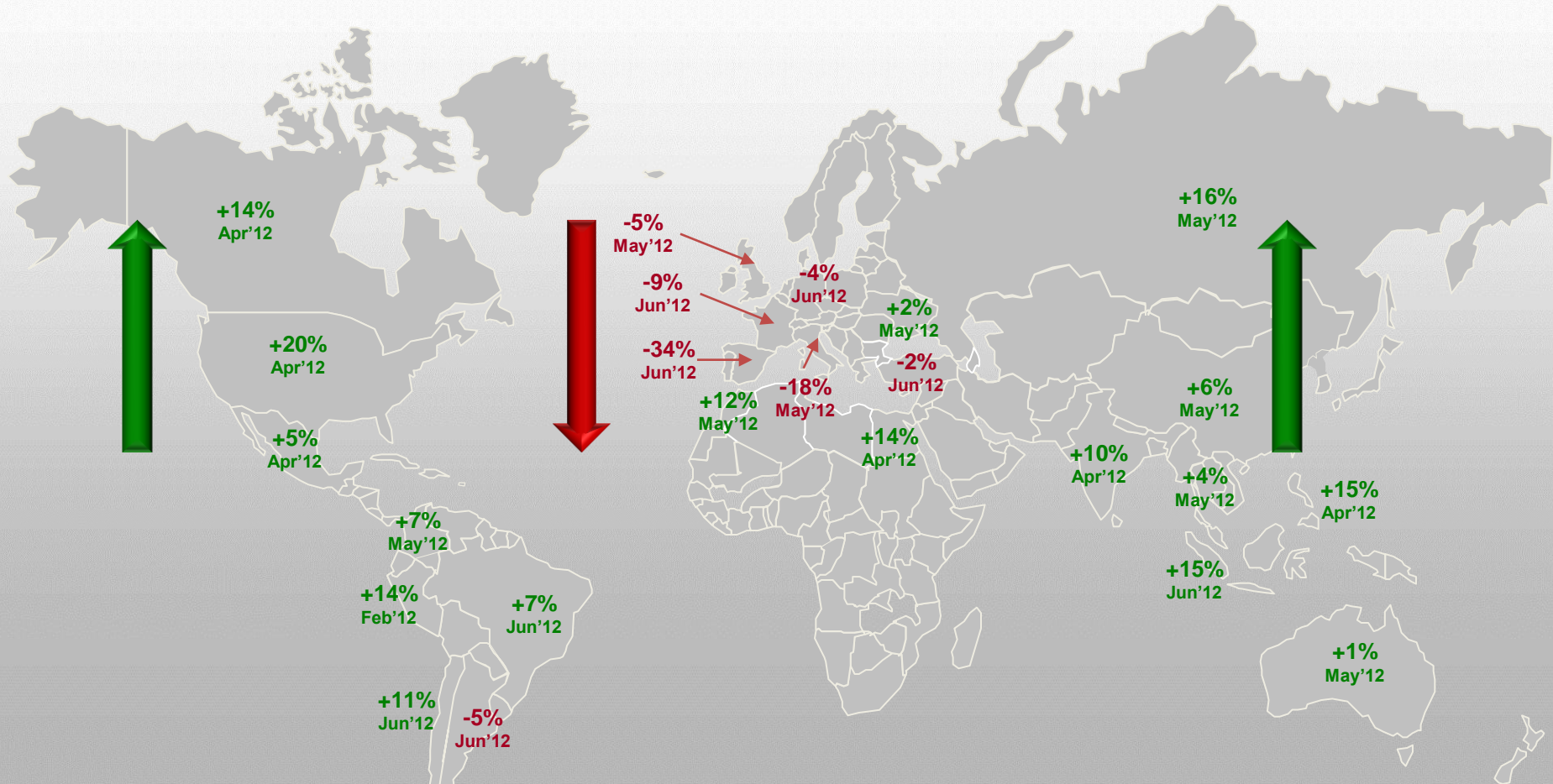


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Cement Consumption Trends: Regional Consumption 2012 vs. 2011 YTD

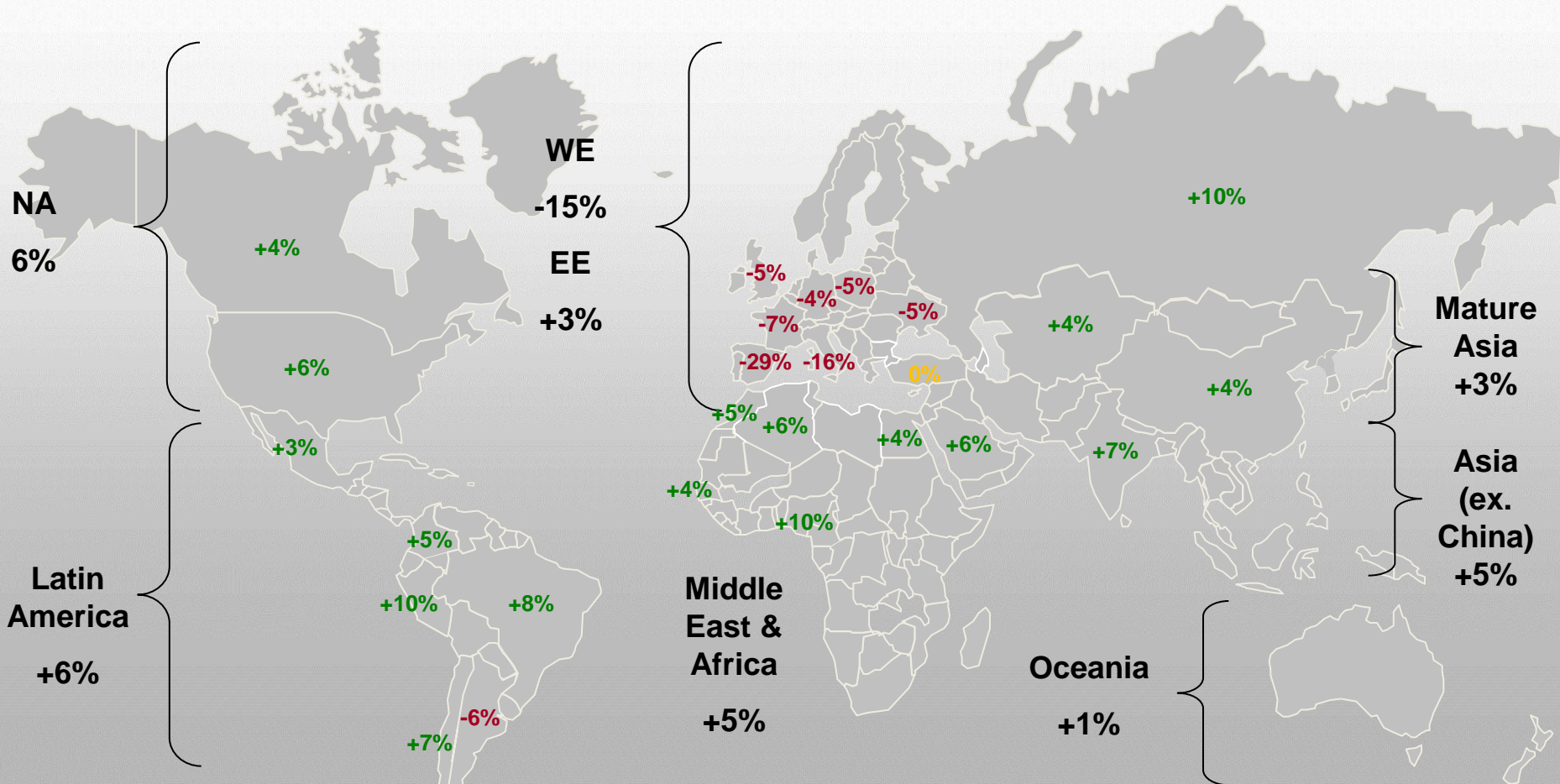
Positive cement demand in the world except Europe



" 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 – Jul'12. "

Cement Consumption Trends : Regional Consumption 2012 Estimate

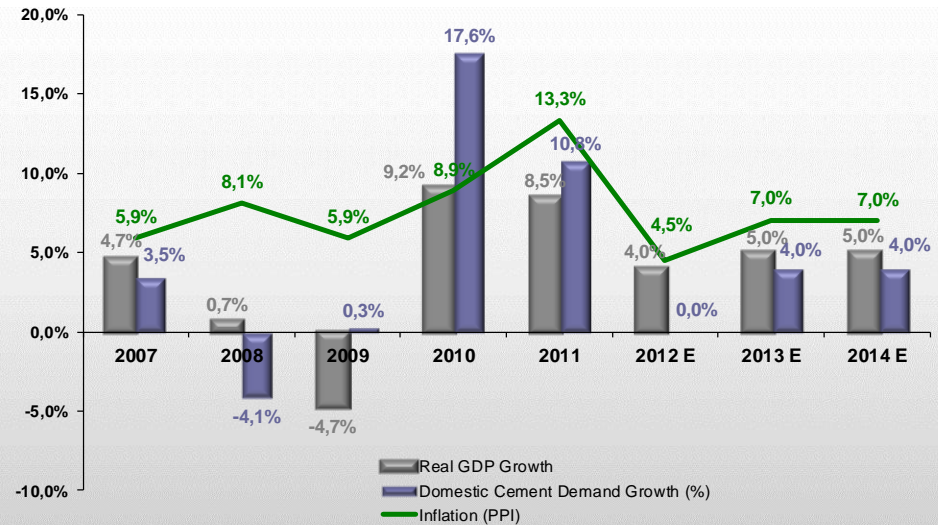
Same trend is expected in the second half of this year



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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%	7,6%	73,0
2011	-1,3%	10,7%	74,0
2012	-1,5%	9,0%	74,9
2013	-1,4%	9,5%	75,8
2014	-1,0%	10,5%	76,7

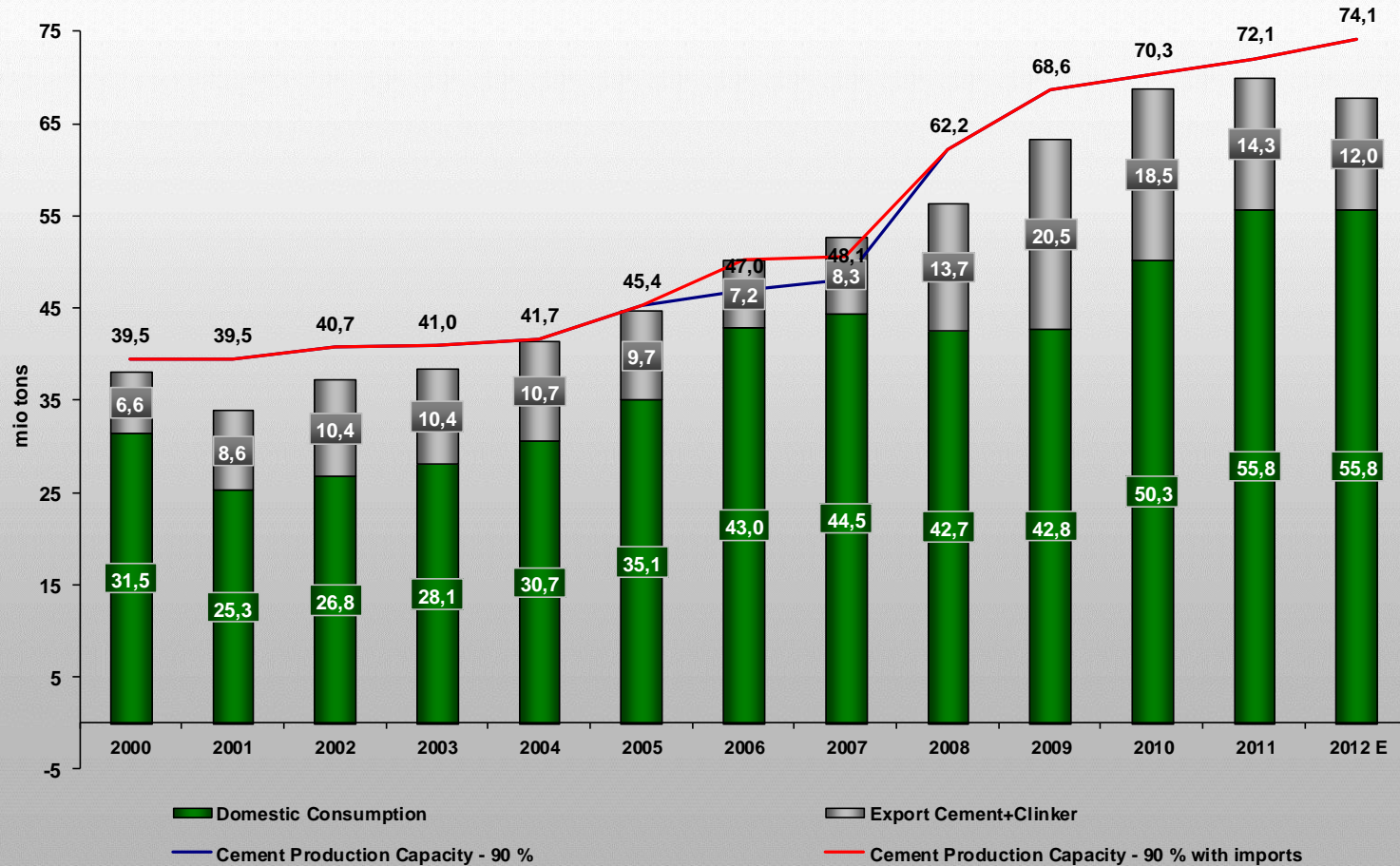


- **Inflation** is expected to be stable for the coming years
- **Cement growth** expectations:
 - Stable for 2012
 - Positive for 2013 and 2014
- **FX rates** increase with almost stable EUR/USD parity
- Steadily decreasing **budget deficit** per capita



Source: Sabancı Holding and Undersecretary of Treasury – August, 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)

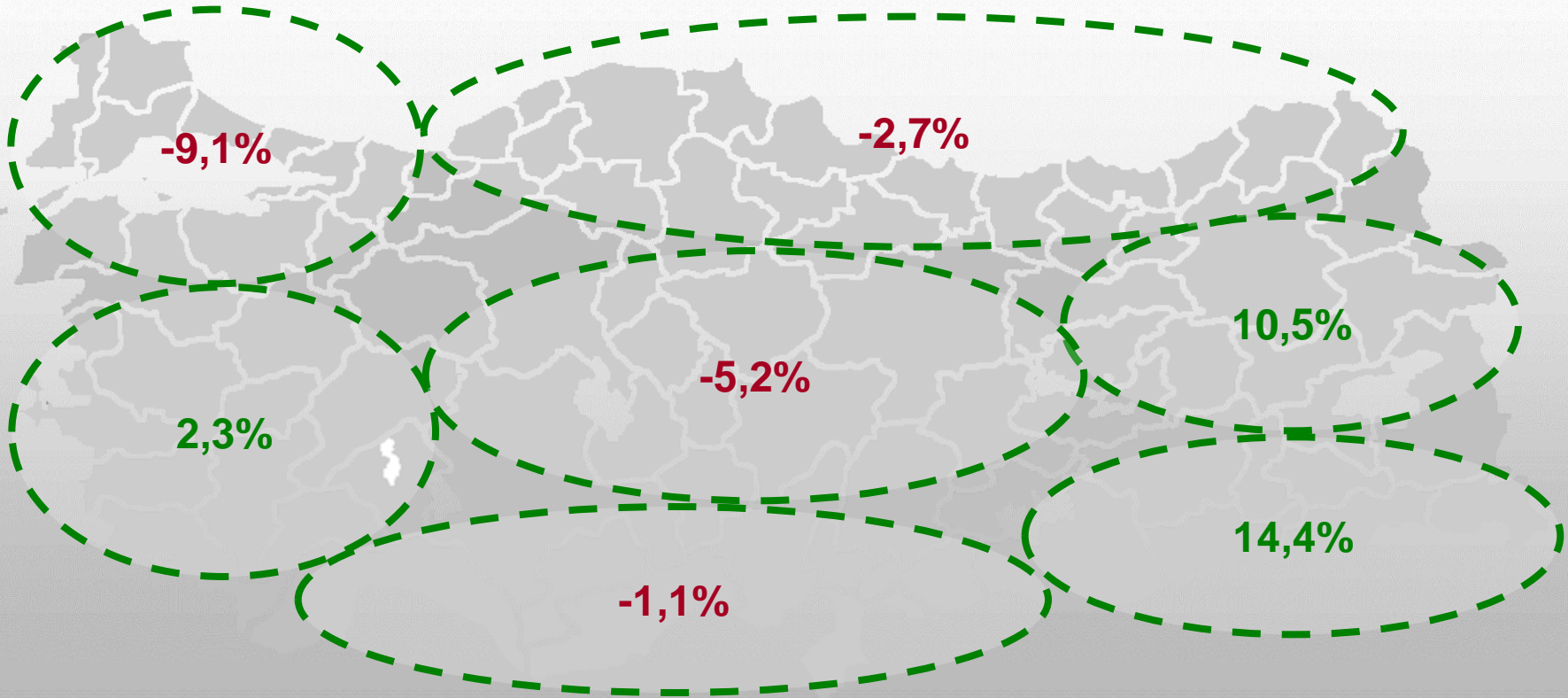


	2006	2007	2008	2009	2010	2011	2012E
1. Private Housing	66%	61%	53%	55%	53%	52%	52%
2. Commercial	13%	15%	12%	8%	11%	11%	11%
3. Public	3%	4%	4%	4%	5%	5%	5%
4. Infrastructure/Projects	17%	20%	30%	33%	30%	32%	32%



Source: TUIK and TCMA

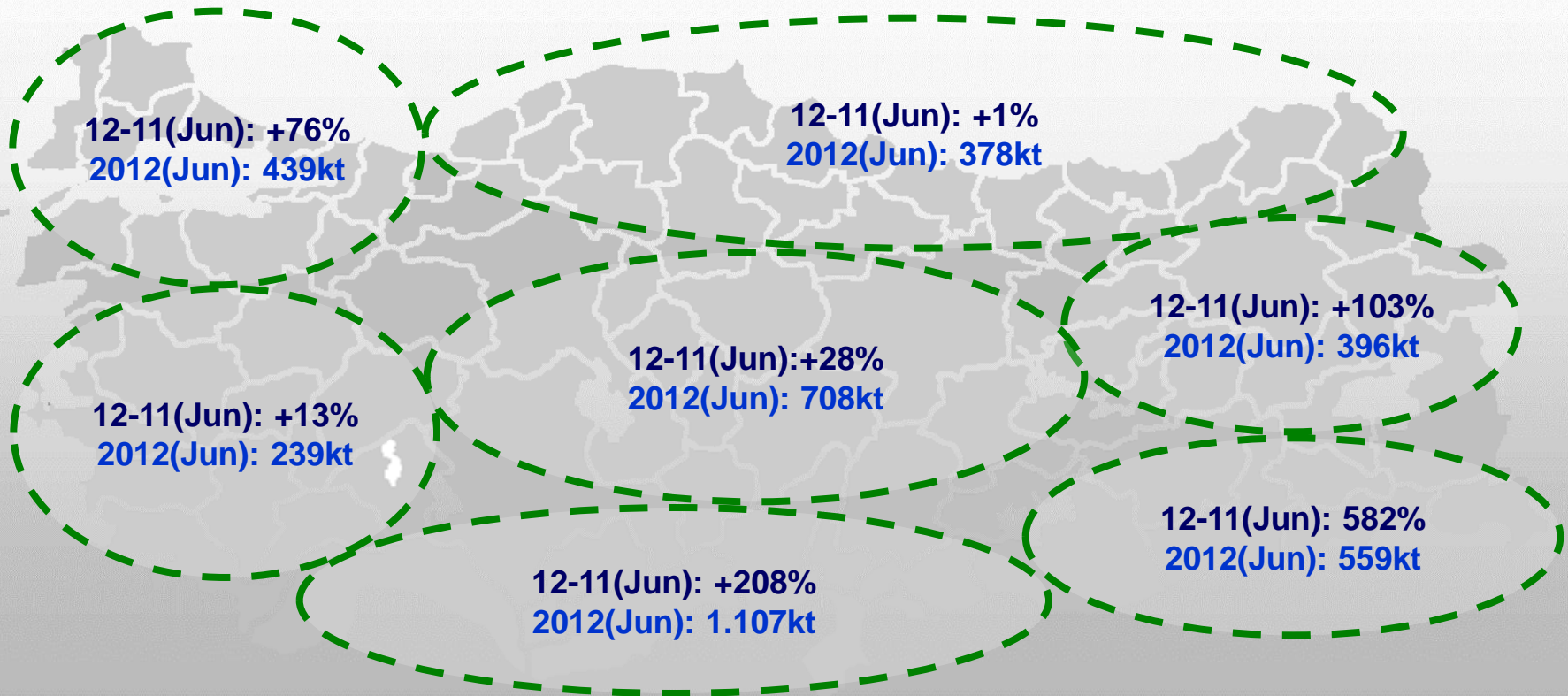
Turkish Cement Market, Sales Volumes Change %, (Jun'12 YTD)



- Cement demand in Turkish domestic market decreased by **1,8%**
- Cement export figures of Turkey decreased by **14,8%**

" This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş. " and announcement of TCMA as of Jun'12

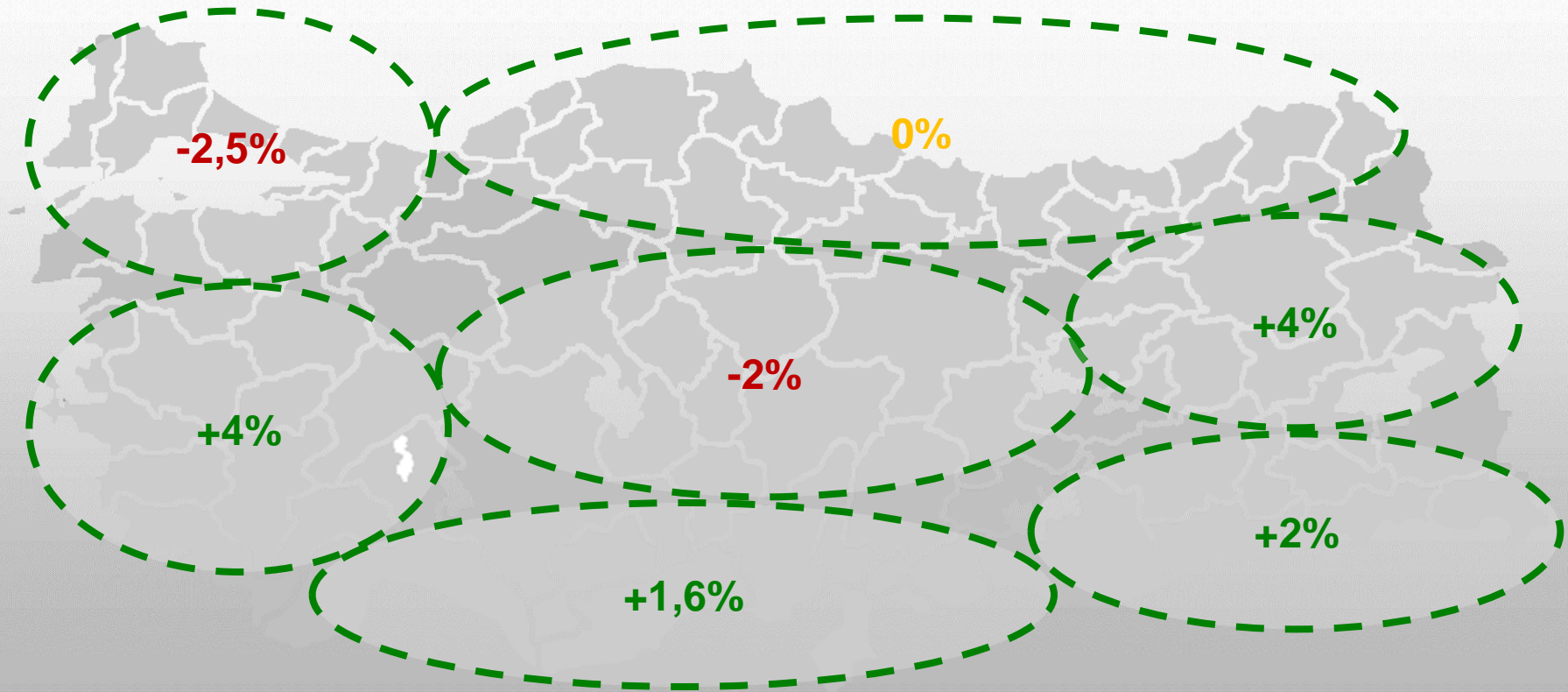
Turkish Cement Market, Clinker Stock Level Change %, (Jun'12 YTD)



■ In Turkey, Total clinker stocks are **3.8** mio tons and stock level is **89,3%** higher than last year's figures

" This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş. " and announcement of TCMA as of Jun'12

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



- Cement demand in Turkish domestic market is expected to stay same in 2012 vs. 2011

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Baltic Supramex Index



Last 3-year period



Last 12-month period

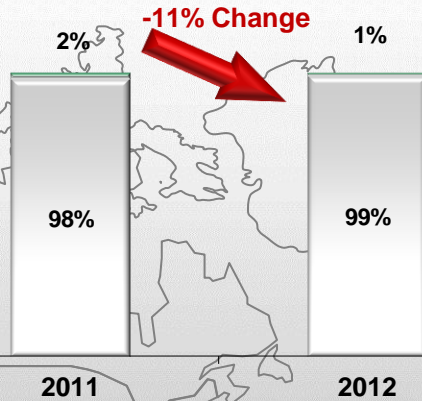
[Source: Bloomberg](#)

Financial Highlights

- H1 comparison:
 - H1 turnover is up by 7% against H1 in 2011
 - Operating income in H1'12 is 43% higher than Q1'11
 - Net income for H1'11 increased by 55% compared to H1'11
- 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
 - Imported shredded tire
 - Positive impact of Waste Heat Investment on energy

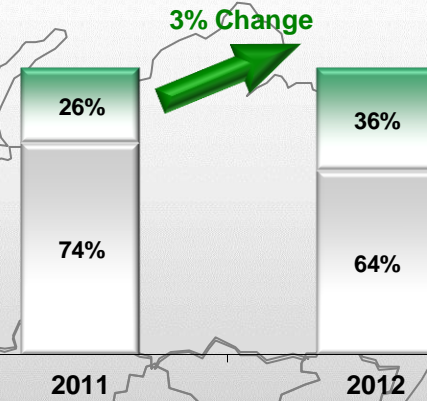
Akçansa Sales Volumes (YTD 2012 vs. YTD 2011)

Domestic – Cement & Clinker



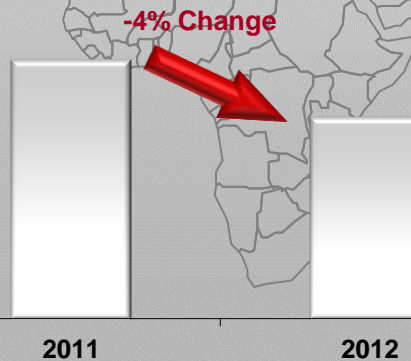
■ DOMESTIC CLINKER SALES
■ DOMESTIC CEMENT SALES

Export – Cement & Clinker



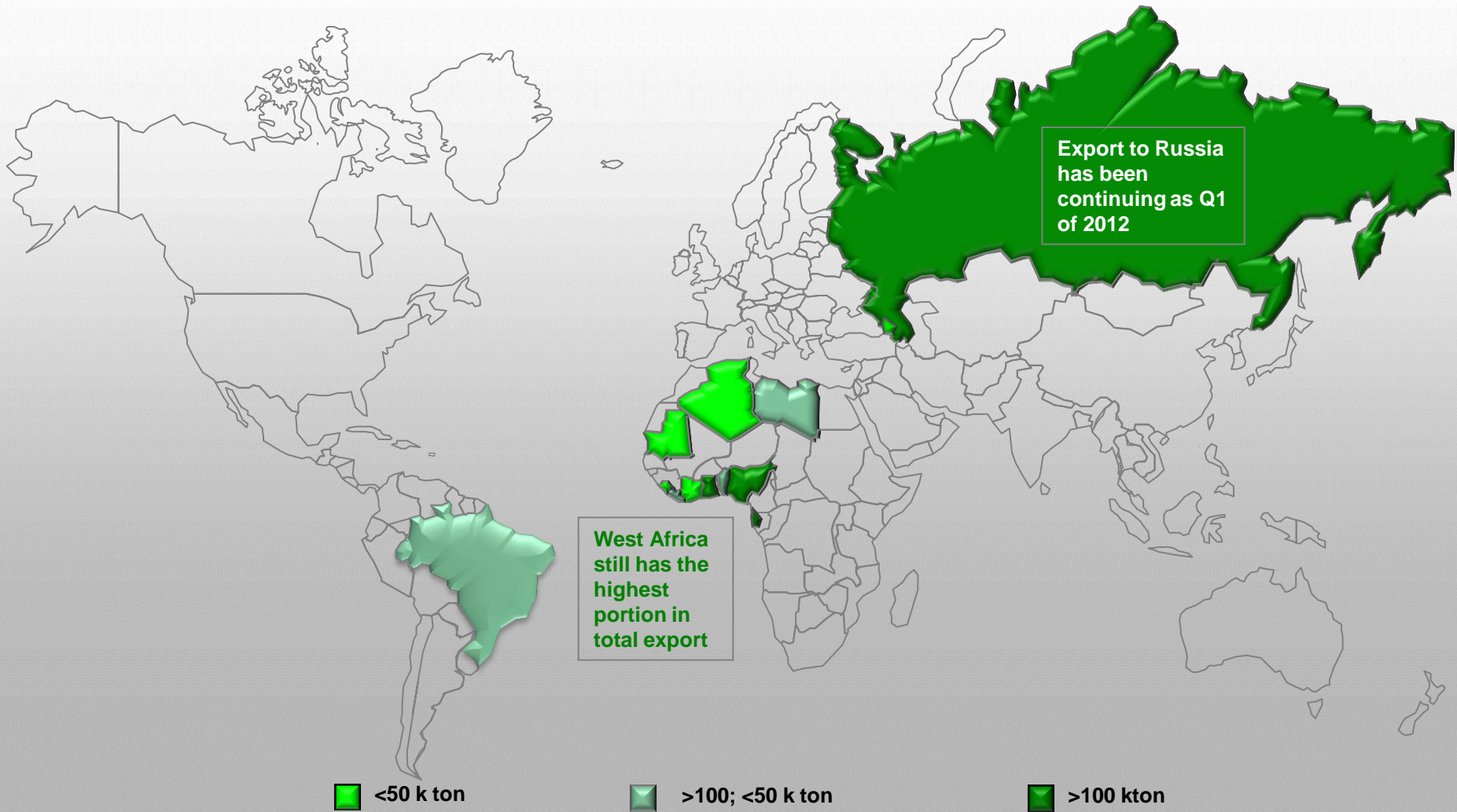
■ EXPORT CLINKER SALES
■ EXPORT CEMENT SALES

RMC

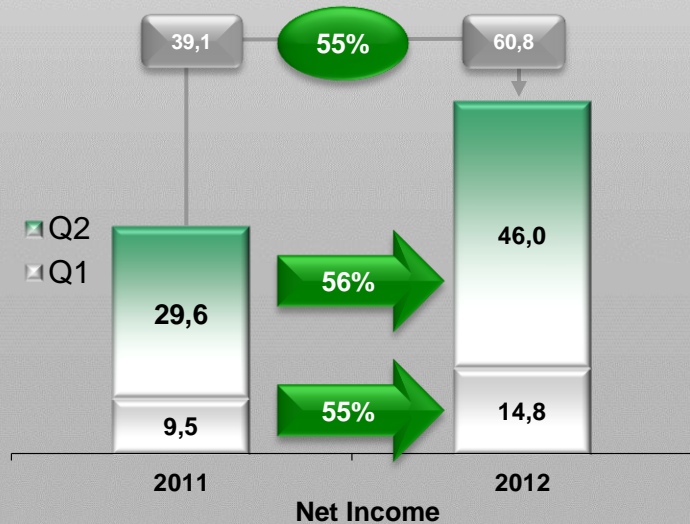
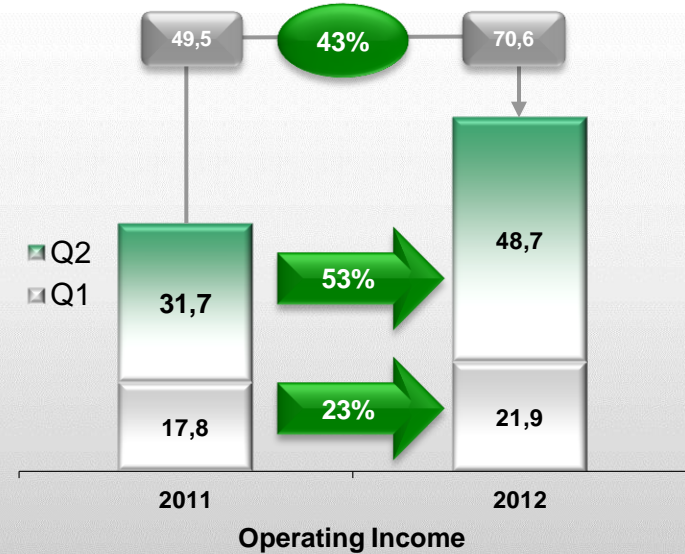
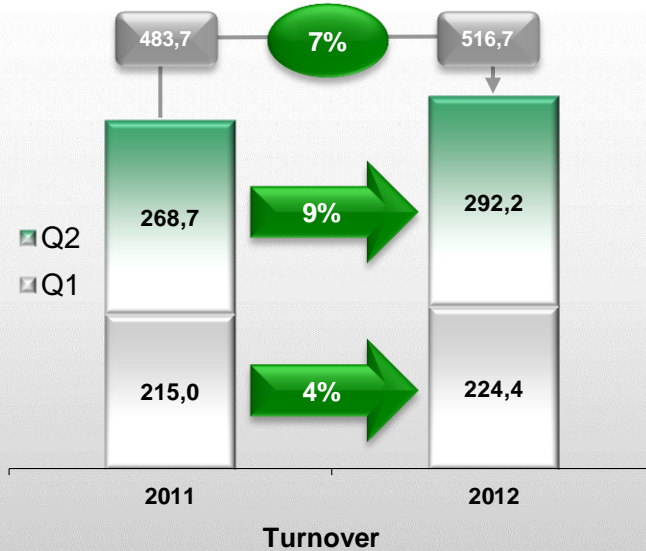


These figures include Akçansa and Karçimsa results. These figures represent the management report view.

Akcansa Export Regions (2012 H1)



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



■ 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 H1 and 2012 YE

2012 H1	Cement	
	Volume	Price (TL/ton)
Domestic Cement	↓	↑
North Marmara	↓	↑
South Marmara	↓	↑
East Marmara	↓	↑
Aegean	↑	↑
Black Sea	↓	↑

(*) Compared to 2011 H1

2012 H1	Readymix	
	Volume	Price (TL/m3)
General	↓	↑
Europe	↓	↑
Asia	↓	↑
Thrace	↓	↑
Aegean	↔	↑
Black Sea	↑	↑

(*) Compared to 2011 H1

2012 H1	Cement	
	Volume	Price (\$/ton)
Export Cement	↔	↑
Export Clinker	↑	↓

(*) Compared to 2011 H1

Energy	2012 H1	2012 YE
Coal	↓	↓
Petcoke	↓	↓
Electricity	↓	↔
Diesel	↑	↑

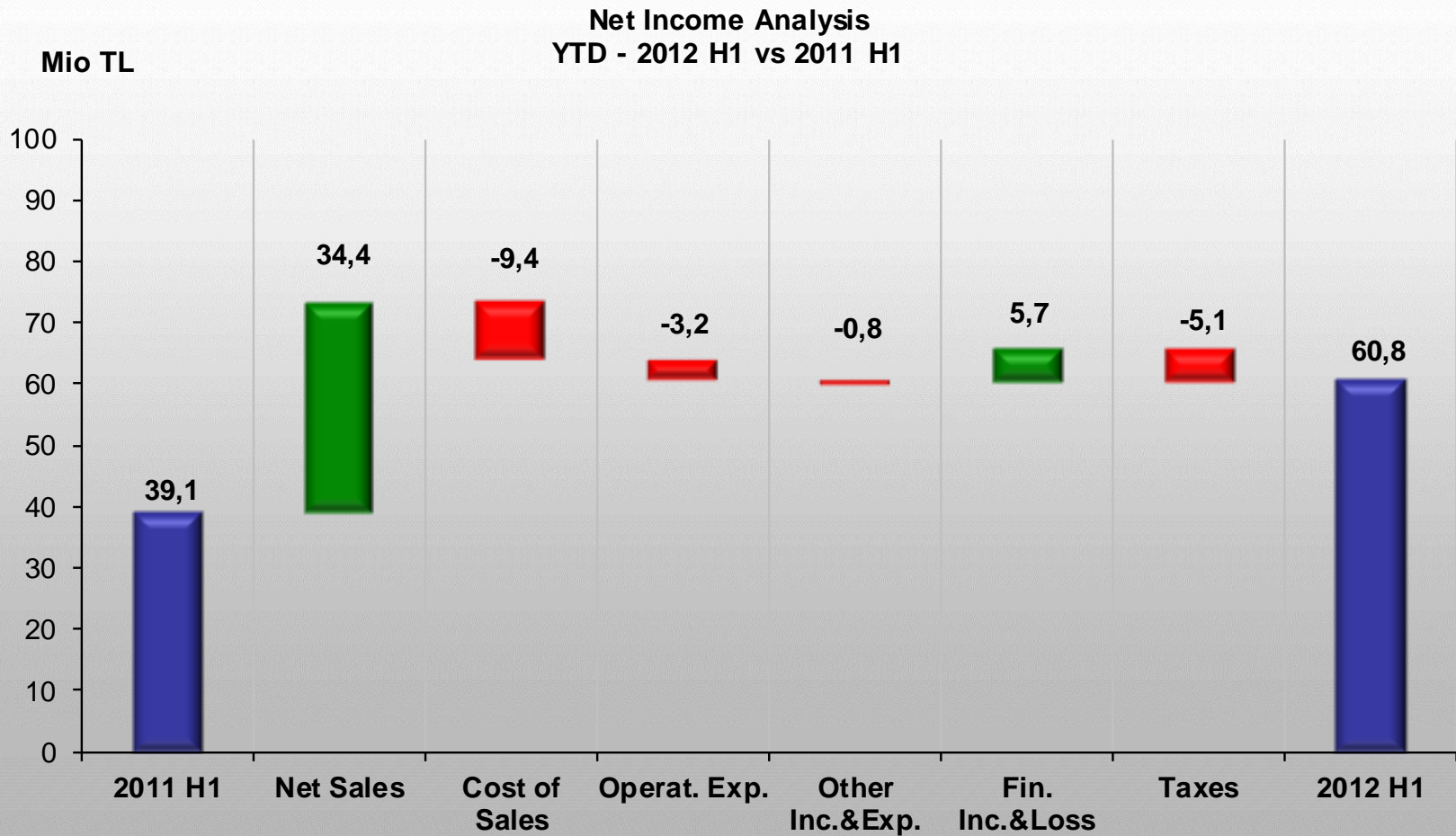
(*) Compared to end of 2011

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

(*) Compared to 2011 full year

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

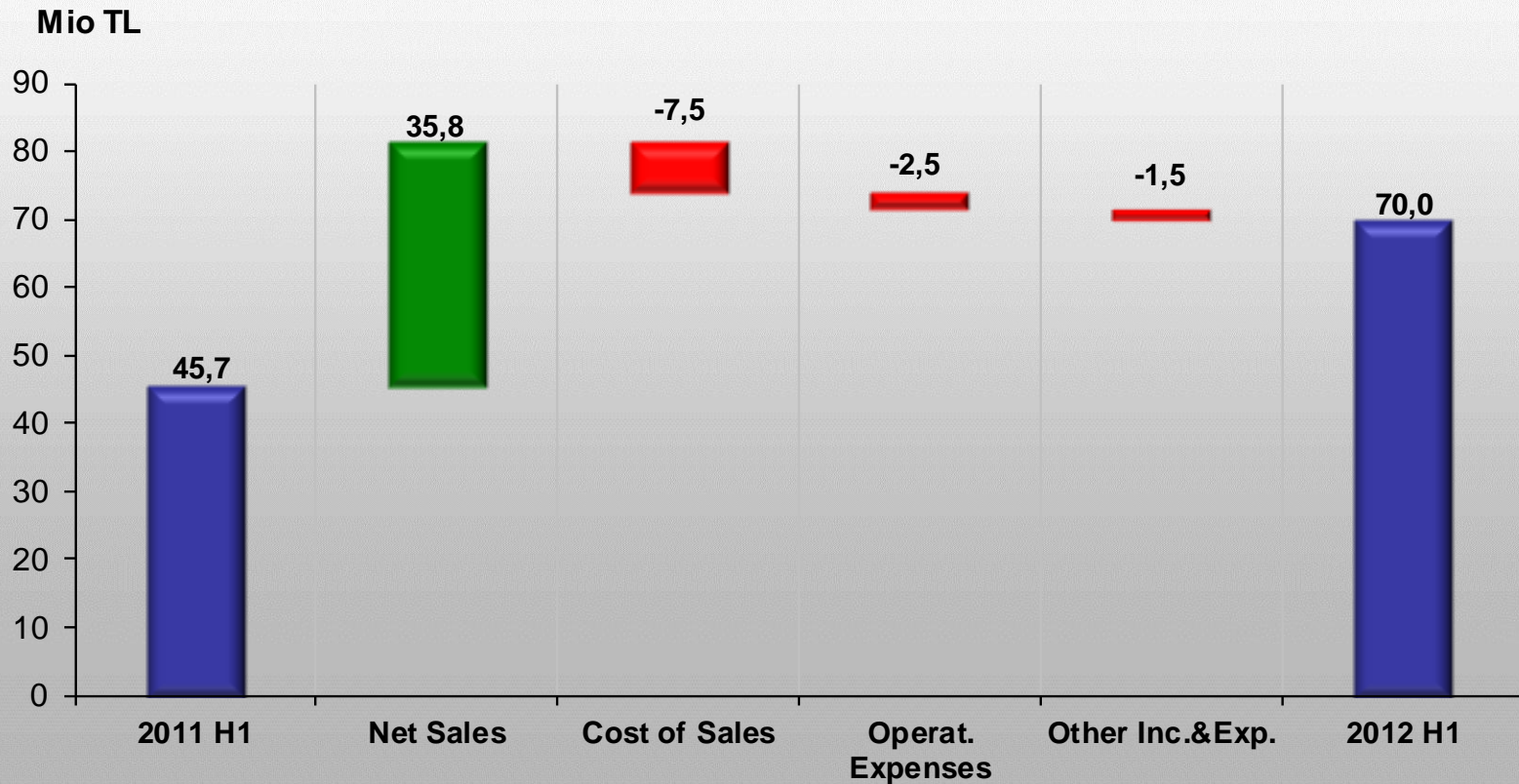
Company Profit and Loss Accounts 2012 vs. 2011 (YTD)



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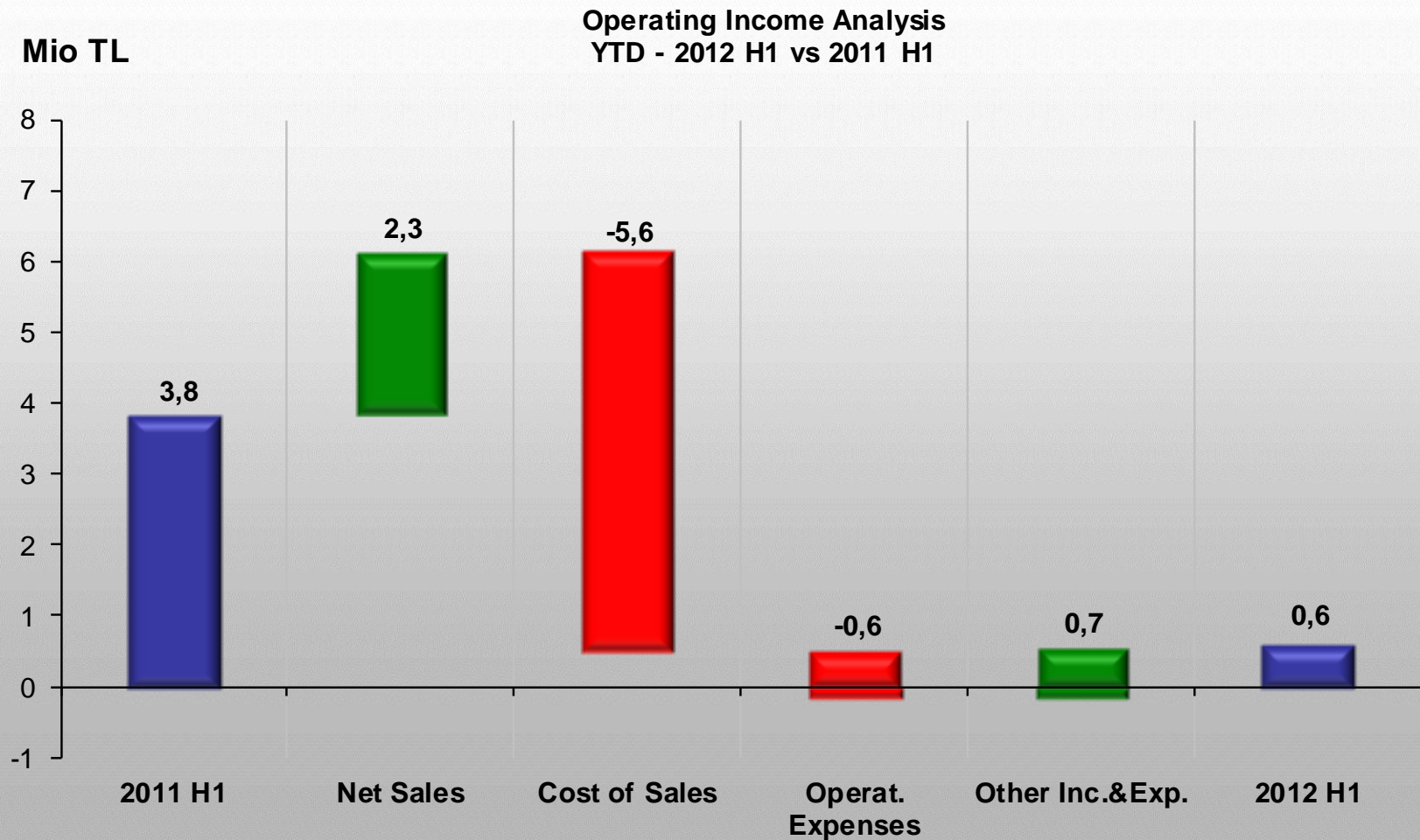
Cement B/L Profit and Loss Accounts 2012 vs. 2011 (YTD)

Operating Income Analysis YTD - 2012 H1 vs 2011 H1



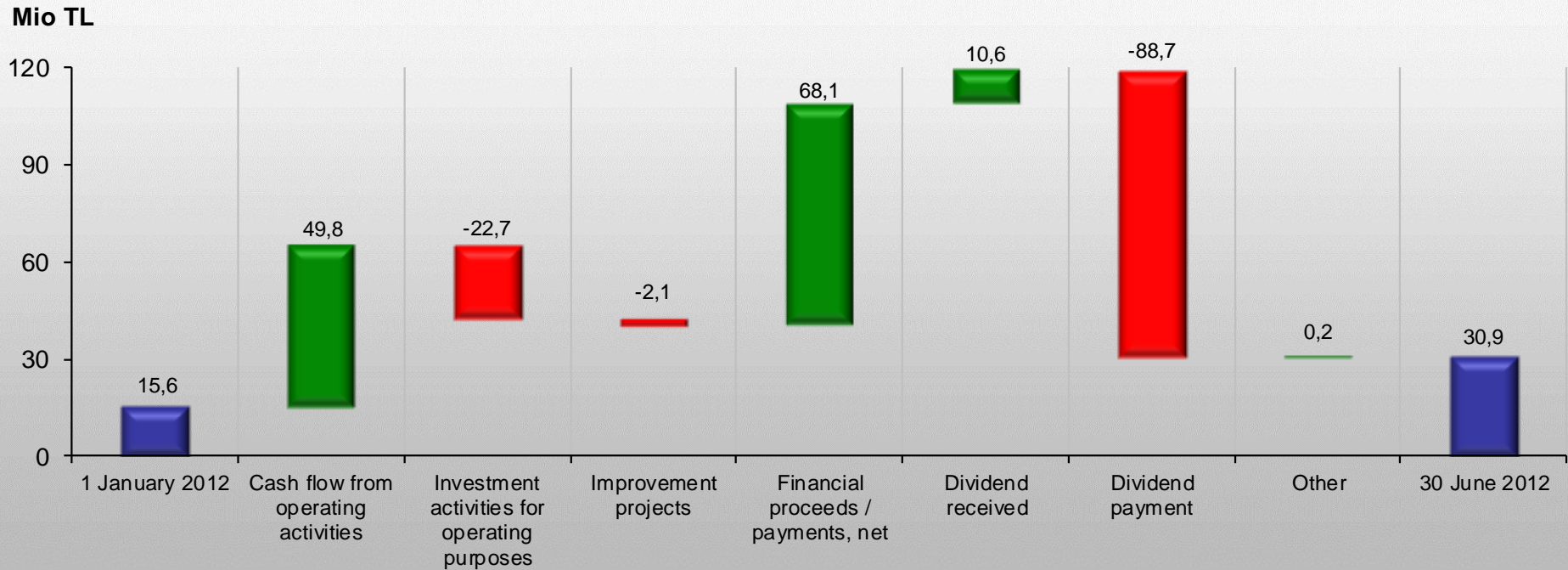
* These figures include only Akçansa and Karçimsa results. These figures represent the management report view.

Readymix B/L Profit and Loss Accounts 2012 vs. 2011 (YTD)



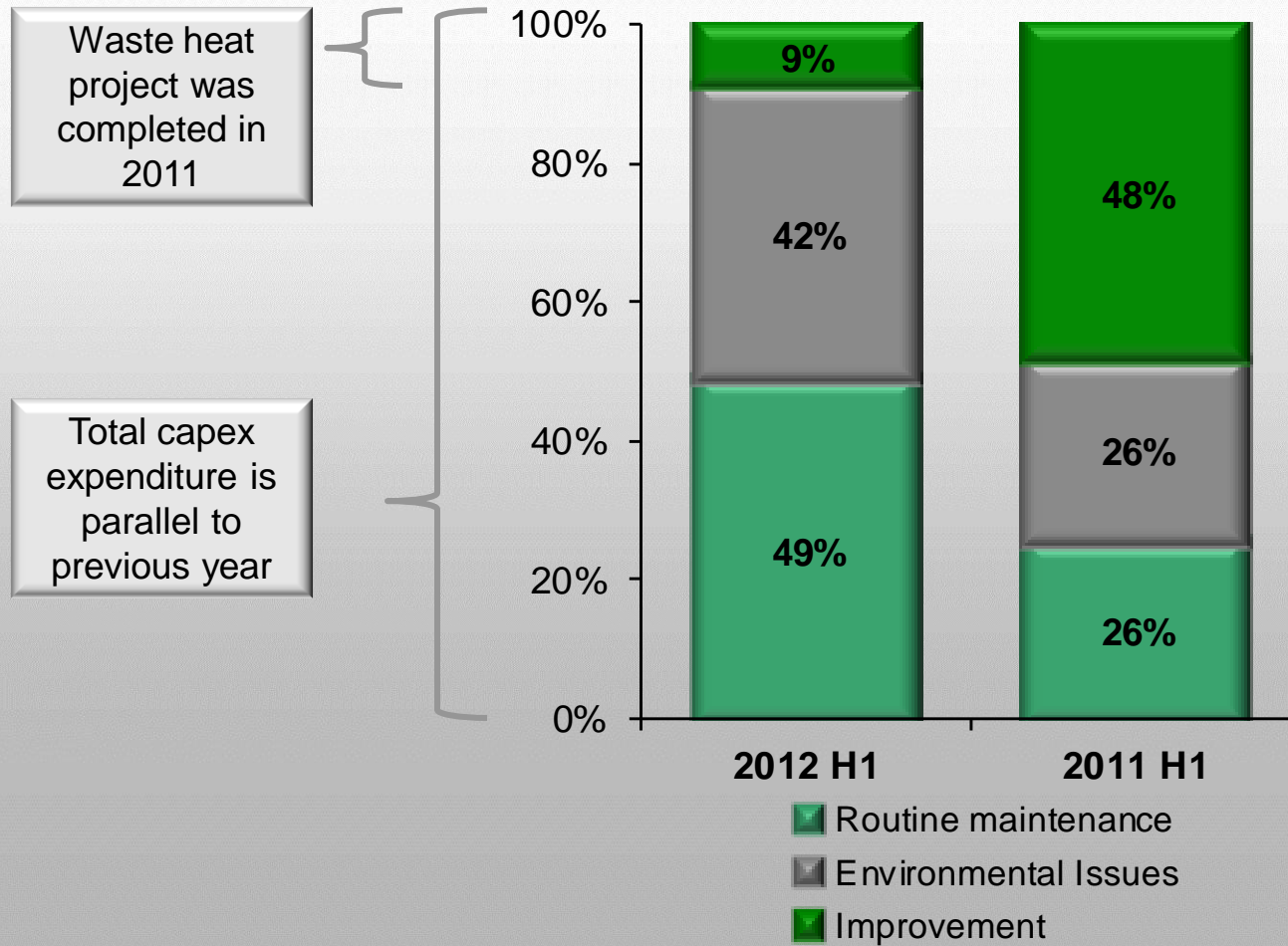
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Cash Flow Statement 2012 H1



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Capex Distribution 2012 H1 vs 2011 H1



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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 ...



News 



Safkancimento 

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 started the shredded tire importation in the second quarter
- To increase alternative fuel usage
 - Alternative fuel feeding system investment in Canakkale Plant

Primary



Alternative



Urban transformation in Istanbul

Istanbul will be reconstructed in the following ten years and outline of the project is as below:

Environment

- Prince Islands Project
- Haydarpasha Train Station Project
- Pedestrianization of Taksim Square
- Pedestrianization of Kadıköy Square
- Beyoğlu Kasımpaşa Hasköy Highway Rehabilitation
- Levent – Champs-Élysées Project
- Beşiktaş Square
- Üsküdar Square
- Cendere Teknopark Project
- Two new city hospital
- Two new city project
- Galataport
- Channel Istanbul Project
- Çamlıca TV Tower
- İstanbul Finance Center Project
- İstanbul Municipality Headquarter

Transportation

- Marmaray
- Tube channel for rubber tyred vehicles
- 3rd bridge and North Marmara Highway
- Ankara – İstanbul high speed train
- İstanbul – Edirne high speed train
- 3rd airport
- New metro lines
- New metrobus lines
- Airway trains
- Ro-Ro Line
- Da-Vinci Bridge
- Telpher line for Bosphorus and Golden Horn
- Touristic express trailway

Urban Transformation

- Tarlabaşı (278 houses)
- Sulukule (354 parcels)
- Fikirtepe (131 ha)
- Okmeydanı (176 ha)
- Bayrampaşa (11,3 ha, 4 k houses)
- Zeytinburnu Sümer District (1.536 houses)
- Kayabaşı (60 k houses)
- Kartal (330 ha, 5 bio USD)
- Maltepe-Dragos (32 ha)
- Ayamama (230 ha)
- Küçükçekmece – Ayazma (6,5 k houses)
- Avcılar (180 ha)
- Beyoğlu – Perşembe Pazarı (8,5 ha)
- Süleymaniye (94 ha)

Source: CNBC-e Business, June'12
Ha: Hectare

Thank you !



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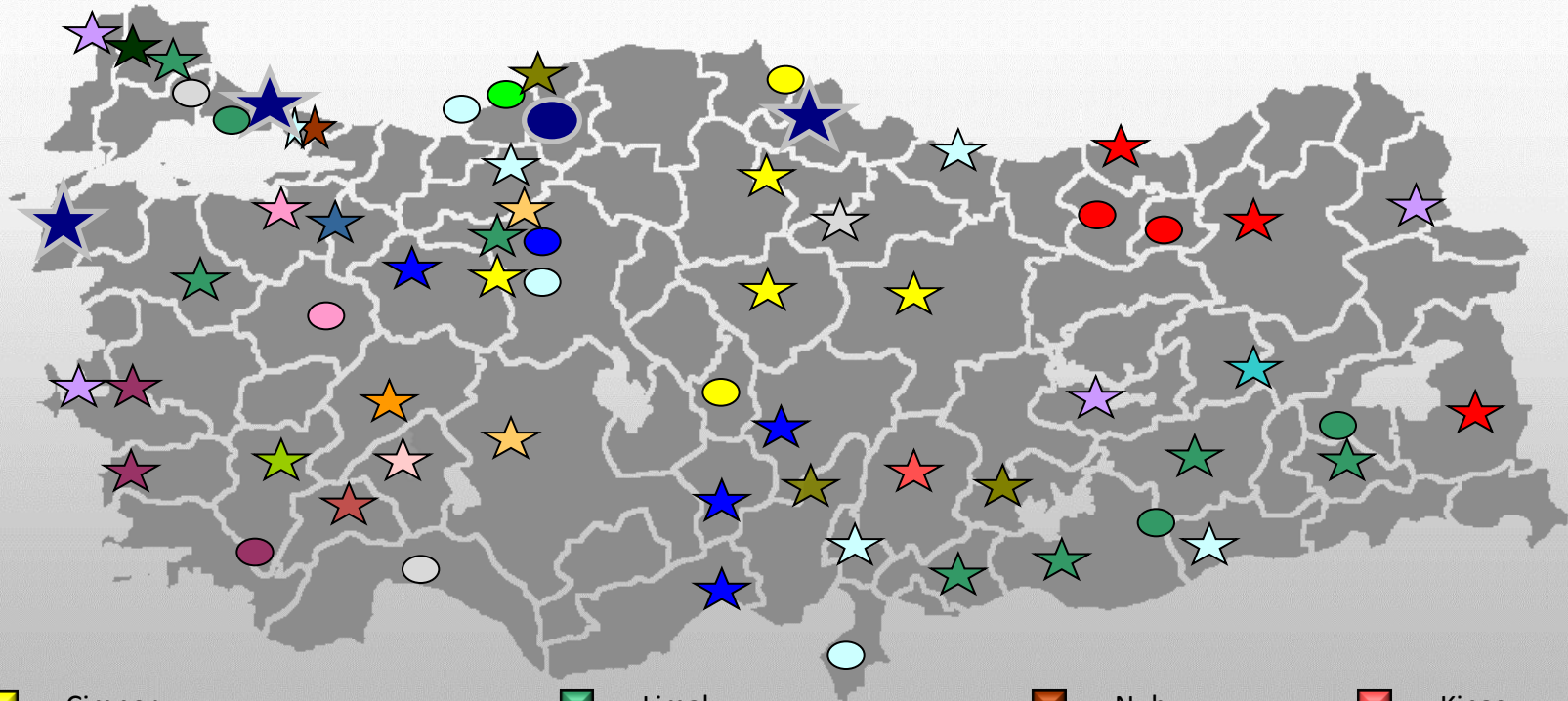
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Appendix

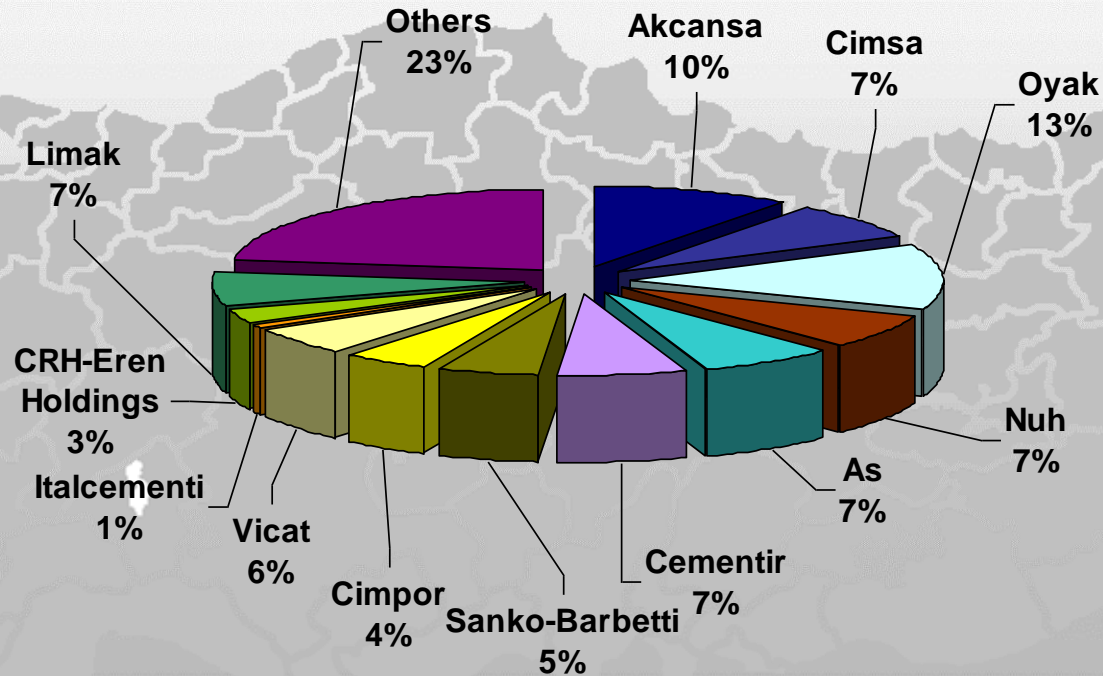
Cement Sector Distribution in Turkey

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



	Cimpor		Limak		Nuh		Kipas
	Askale		Oyak		Tracim		Yurt
	AkcanSA		CimSA		AS		Lafarge
	Bursa		Cementir		Titan-ADO		Sanko/Barbetti
	Italcementi		Vicat		Sancim		Integrated Plants
	BatiGroup		Denizli-CRH		Goltas		Grinding Facility

Turkey Clinker Capacity Distribution



First 3 groups form 37% of the Turkish Cement Capacity

Source: TCMA

Akcansa at a glance

Key Operational Highlights

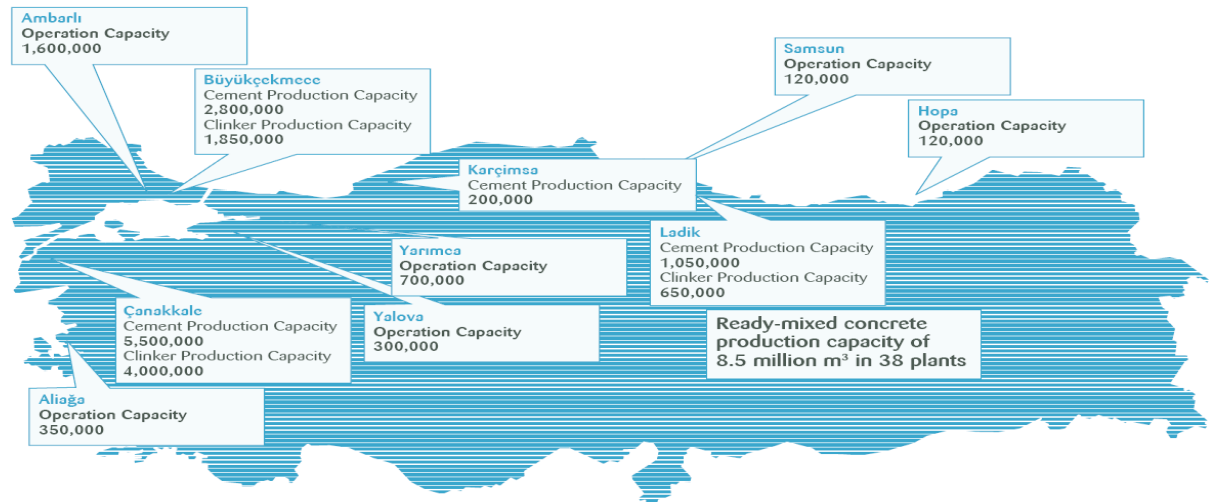
3 cement plants
6,5 m ton clinker capacity
9 m ton cement capacity

38 RMC terminals
8,5 million m3 RMC capacity

6 domestic terminals
3,2 m ton total operating capacity

2 jetties
(Ambarlı & Çanakkale)

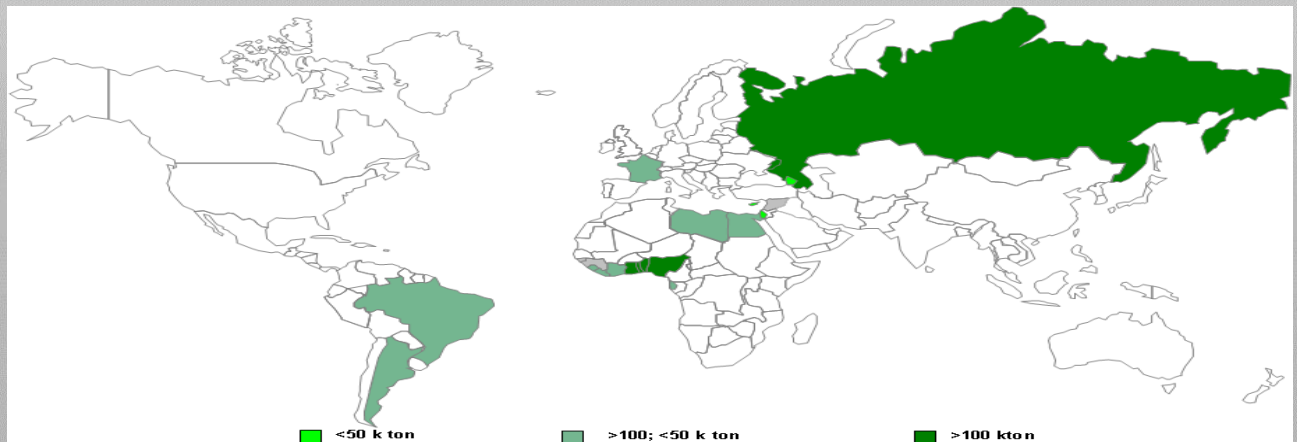
Operations in Turkey



Key Financial Highlights

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

Export Regions - 2011



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

Company Profit and Loss Accounts 2012 H1

Company Mio TL	YTD 2012	Var YTD'12 vs. YTD'11	Q2 2012	Var. Q2'12 vs. Q2'11
Net Sales	505,3	34,4	286,3	25,2
Cost of Sales	(409,9)	(9,4)	(225,7)	(6,9)
Gross Margin	95,4	25,0	60,6	18,3
Marketing&Sales Expense	(5,0)	(0,7)	(2,1)	0,2
General Management Expenses	(17,2)	(2,5)	(8,2)	(0,7)
Other Operating Income/Charges	(2,6)	(0,8)	(1,7)	(0,9)
Operating Profit/Loss	70,6	21,0	48,7	16,9
Non-Operating Financial Income	33,8	7,2	18,9	(0,8)
Non-Operating Financial Charge	(30,8)	(1,6)	(13,7)	3,0
Profit/Loss before Taxes	73,6	26,7	54,0	19,1
Taxes On Income	(12,8)	(5,1)	(7,9)	(2,7)
Net Income/Loss	60,8	21,7	46,0	16,4
Gross Margin %	18,9%	3,9%	21,2%	5,0%
EBIT Margin %	14,5%	3,6%	17,6%	5,1%
Net Income Margin %	12,0%	3,8%	16,1%	4,9%
EBITDA Margin %	20,1%	3,5%	22,6%	5,0%

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Cement B/L Profit and Loss Accounts 2012 H1

Cement Mio TL	YTD 2012	Var YTD'12 vs. YTD'11	Q2 2012	Var. Q2'12 vs. Q2'11
Net Sales	363,2	35,8	208,5	28,4
Cost of Sales	(273,6)	(7,5)	(153,5)	(9,4)
Gross Margin	89,6	28,3	55,0	18,9
Operating Expenses	(17,7)	(2,5)	(7,9)	(0,1)
Other Operating Income/Charges	(1,9)	(1,5)	(2,0)	(2,3)
Operating Profit/Loss	70,0	24,3	45,1	16,5
Non-Operating Financial Income/Charge	3,8	4,6	4,0	4,4
Profit/Loss before Taxes	73,8	28,9	49,0	21,0
Gross Margin %	24,7%	6,0%	26,4%	6,4%
EBIT Margin %	19,8%	5,7%	22,6%	6,9%
EBITDA Margin %	26,6%	5,2%	28,5%	6,1%

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Readymix Profit and Loss Accounts 2012 H1

Readymix Mio TL	YTD 2012	Var YTD'12 vs. YTD'11	Q2 2012	Var. Q2'12 vs. Q2'11
Net Sales	204,3	2,3	114,6	2,8
Cost of Sales	(198,5)	(5,6)	(109,0)	(3,4)
Gross Margin	5,8	(3,3)	5,6	(0,6)
Operating Expenses	(4,5)	(0,6)	(2,3)	(0,4)
Other Operating Income/Charges	(0,7)	0,7	0,3	1,4
Operating Profit/Loss	0,6	(3,2)	3,6	0,4
Non-Operating Financial Income/Charge	(0,7)	(0,9)	(0,9)	(1,0)
Profit/Loss before Taxes	(0,2)	(4,2)	2,7	(0,5)
Gross Margin %	2,8%	-1,7%	4,9%	-0,7%
EBIT Margin %	0,6%	-2,0%	2,9%	-1,0%
EBITDA Margin %	2,4%	-1,6%	4,5%	-0,6%

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Cash Flow Statement 2012 H1 and 2011 H1

Company Mio TL	YTD 2012H1		YTD 2011H1	
Cash flow from operating activities				
Operating income before the changes in working capital	104,0		79,9	
Changes in working capital	(49,9)		(57,9)	
Decrease in provisions through cash payments	(4,3)		(1,3)	
		49,8		20,6
Cash flow from investing activities				
Tangible and intangible fixed assets	(24,8)		(30,9)	
Proceed from fixed asset disposals	0,2		0,4	
Dividend Received	10,6		9,4	
		(14,0)		(21,1)
Cash flow from financing activities				
Dividend payments	(88,7)		(39,0)	
Net proceeds from bonds and loans	68,1		21,6	
	(20,6)	(20,6)	(17,5)	(17,5)
Net change in cash and cash equivalents - continuing operations		15,3		(18,0)
Change in cash & cash equivalents				
Cash & cash equivalents at 1 January	15,6		40,2	
Cash & cash equivalents on 30 June	30,9	15,3	22,2	(18,0)
Free Cash Flow	29,2		3,9	
EBIT	73,2		51,3	
Depreciation & amortization	28,4		26,8	
Change In Working Capital	(49,9)		(57,9)	
CAPEX (excluding improvement)	(22,5)		(16,4)	

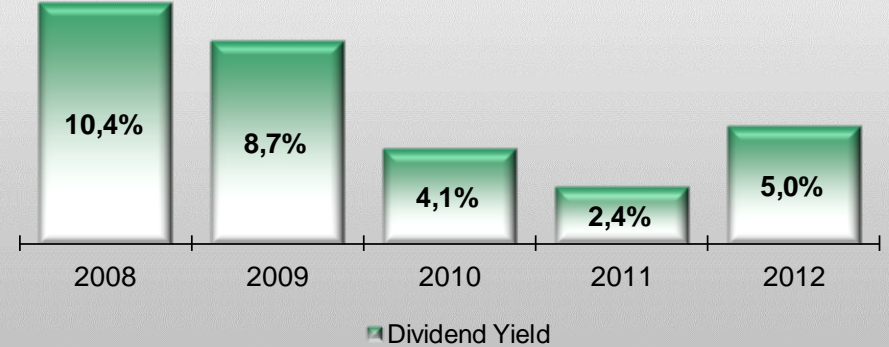
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Dividend Paid and Dividend Yield

Mio TL



%



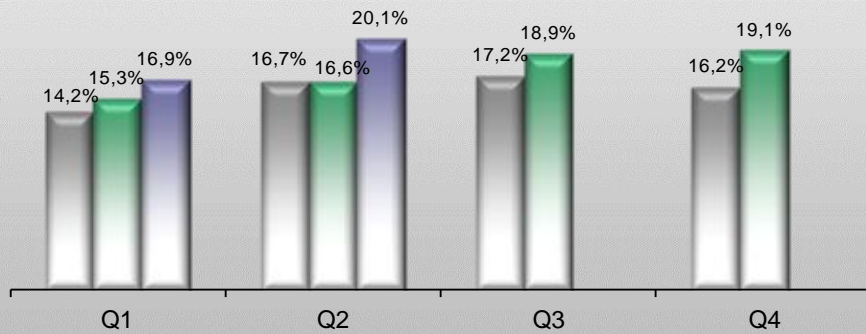
There has not been any change in dividend payment policy throughout years

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EBITDA Margins

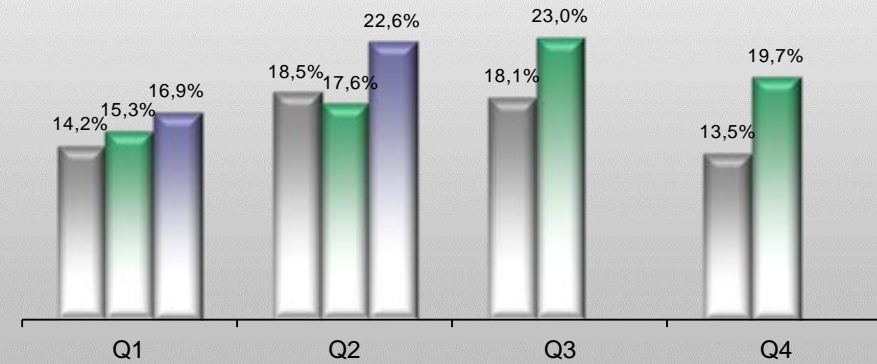
EBITDA Margin - YTD

2010 2011 2012



EBITDA Margin - Quarterly

2010 2011 2012



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Balance Sheet as of June 2012 and 2011

Mio TL	30.06.2012	30.06.2011
Current Assets	409,9	368,7
Cash & cash equivalents	30,9	22,2
Trade receivables	262,6	241,5
Inventories	103,0	98,1
Other current assets	13,4	6,8

Non-current Assets	910,7	907,2
Financial investments	127,8	131,4
Fixed Assets	649,5	640,1
Goodwill	129,5	129,5
Deferred tax assets	1,4	1,7
Other non-current assets	2,5	4,5

TOTAL ASSETS	1.320,6	1.275,9
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BS data and key ratios

Working Capital	223,8	213,5
Net debt	195,0	212,9
Current ratio	1,03	1,22
Debt to equity ratio	0,54	0,55
Net financial debt to assets	0,15	0,17

Mio TL	30.06.2012	30.06.2011
Current Liabilities	399,0	302,1
Financial Liabilities	225,6	151,8
Trade payables	141,8	126,2
Tax payable	7,9	4,8
Other current liabilities	23,8	19,3

Non-current Liabilities	66,1	148,4
Financial Liabilities	0,3	83,3
ETB provision	18,9	18,1
Deferred tax liabilities	43,7	43,7
Other non-current liabilities	3,2	3,3

Shareholders Equity	855,4	825,5
Paid in Capital	191,4	191,4
Retained earnings	508,7	497,2
Comprehensive income	83,5	87,1
Net income	60,6	38,8
Minority interest	11,2	10,9

TOTAL LIABILITIES & EQUITY	1.320,6	1.275,9
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* These figures include only Akçansa and Karçimsa results. These figures represent the management report view.

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

Sustainability
Committee

Biodiversity

Sustainable
Construction

Energy
&
Fuel

CO₂

Reporting

Geleceğimizin
temelinde...

- GRI Approval, 19.01.2011
- First report in its sector
- Next report will be announced in 2012

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**

