

Presentation Annual Results 2013

10 March 2014

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Agenda

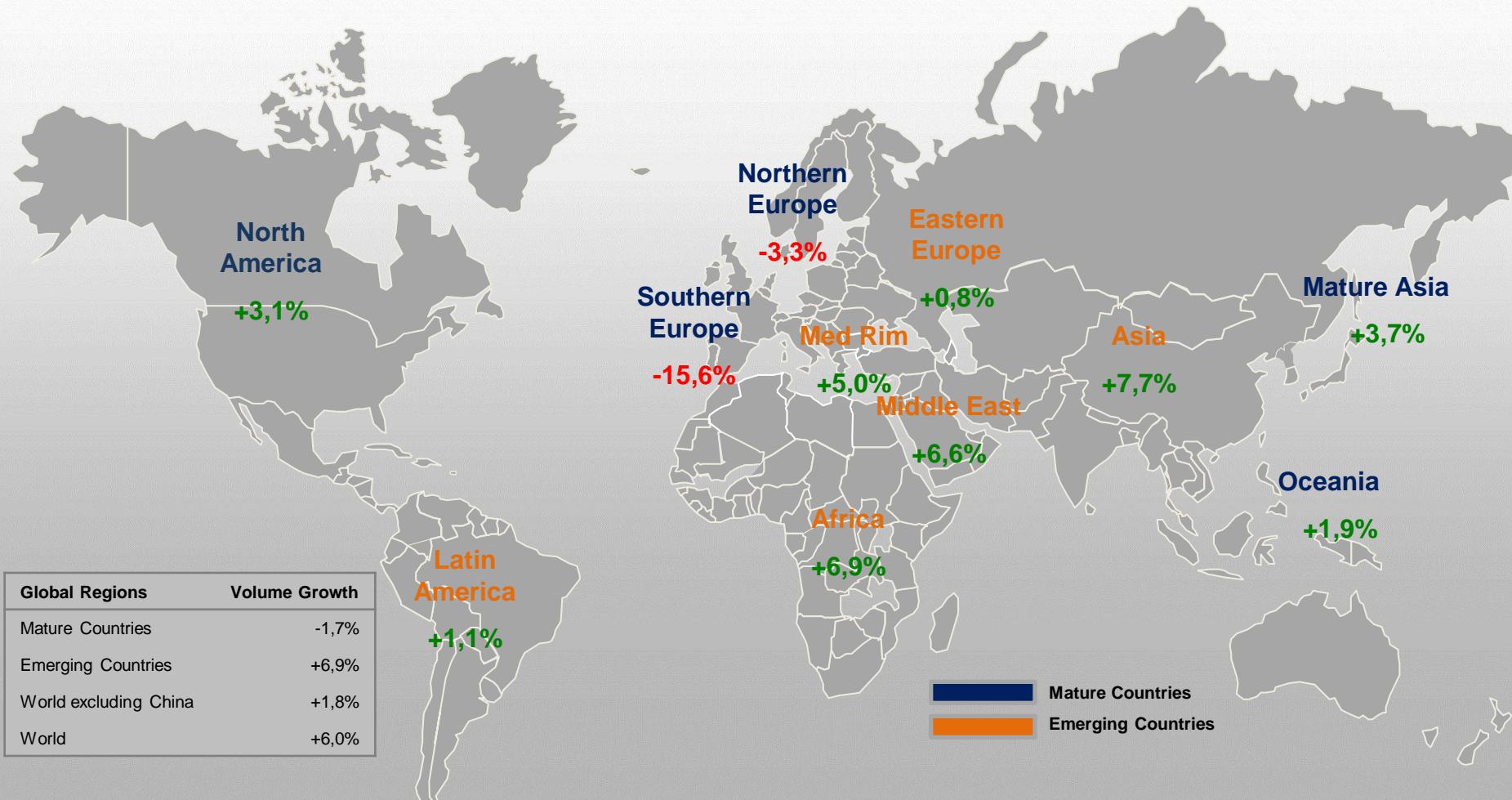
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Cement Consumption Trends : Regional Consumption 2013 Estimate

China is still the main driver in cement consumption growth in the World



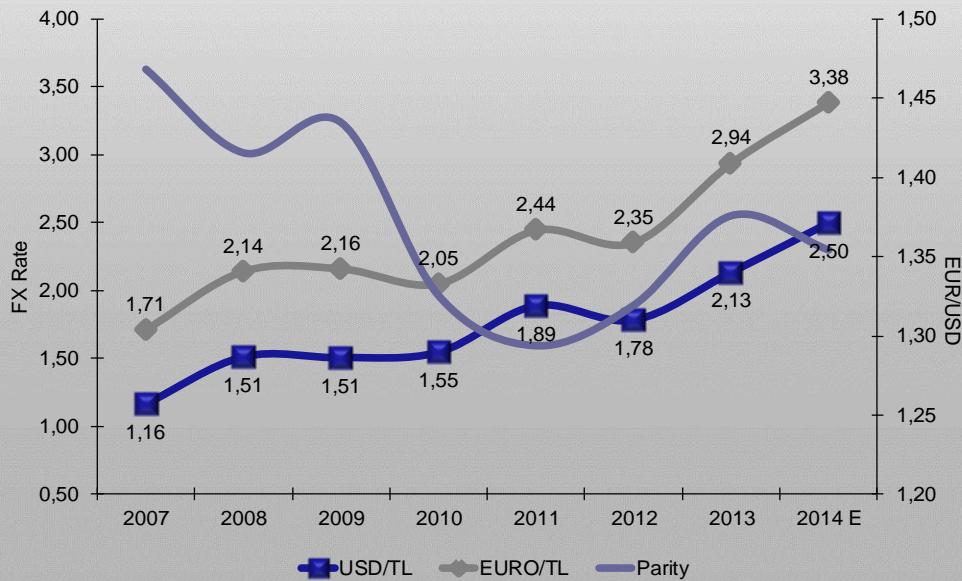
This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş. in addition to sourcing from Exane BNP Paribas Survey report – Jan, 14.

Macroeconomic Assumptions for Turkey 2007 – 2014E

- **Inflation** expectation is revised based on revision of fx rate expectation
- **Interest rate** level is expected to increase which will effect on mortgage rates
- **Budget deficit** per capita has slight upside trend in the election year 2014

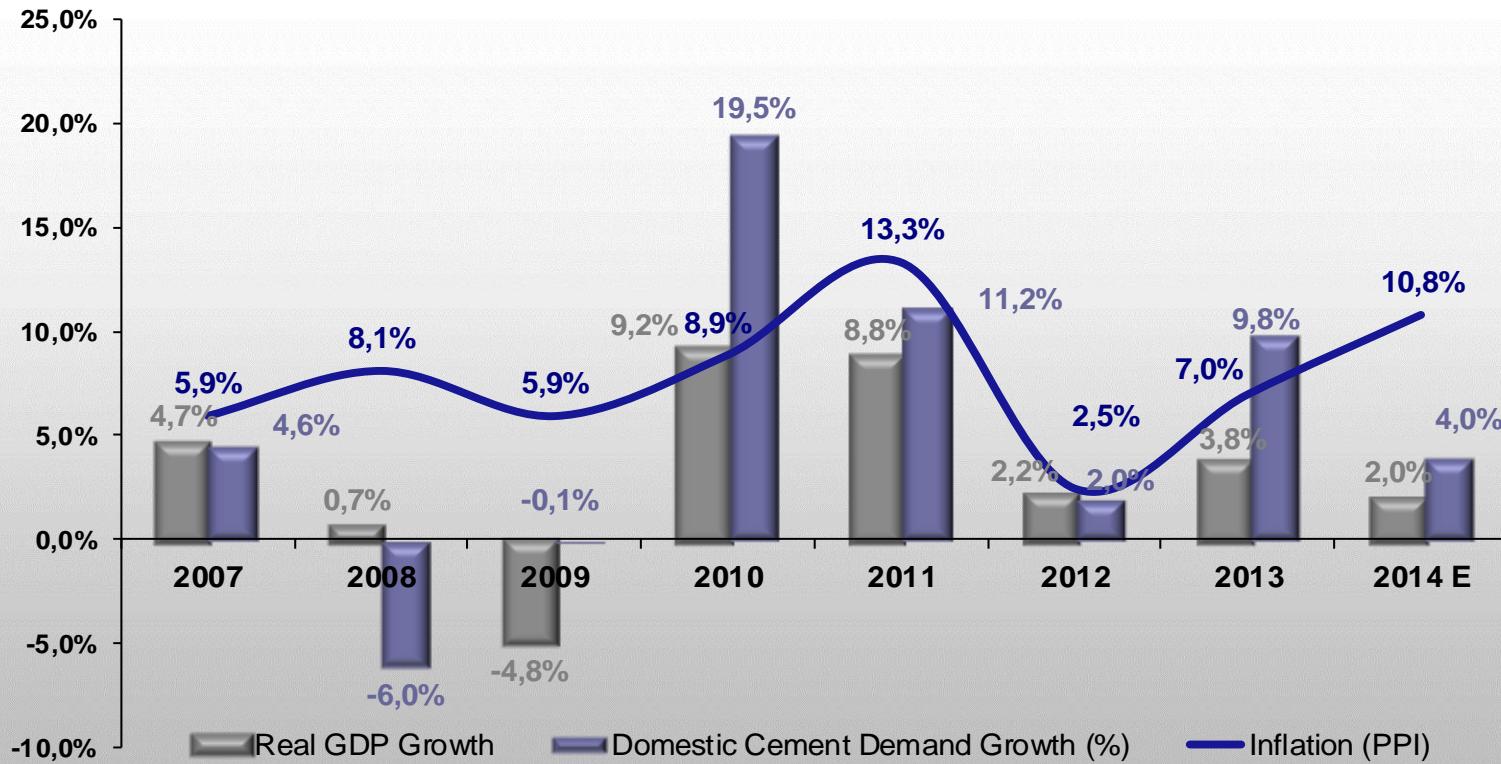
| Turkey Macroeconomic Indicators | | | |
|---------------------------------|-------------------------------|-------------------------------------|------------------|
| Years | Government Budget Deficit/GDP | TR-3 Months Deposit Rate, Annual, % | Population (mio) |
| 2007 | -1,6% | 17,5% | 70,2 |
| 2008 | -1,8% | 20,0% | 71,1 |
| 2009 | -5,5% | 9,3% | 72,1 |
| 2010 | -3,6% | 7,6% | 73,0 |
| 2011 | -1,4% | 10,7% | 74,0 |
| 2012 | -2,0% | 7,9% | 74,9 |
| 2013 | -1,3% | 8,9% | 76,1 |
| 2014 | -2,5% | 11,3% | 76,9 |

- **FX rate:** TL depreciation led to revize the expectations
- **USD and EUR** are expected to continue to appreciate in 2013 which would positively effect export revenues



Source: Sabancı Holding and Akcansa assumptions

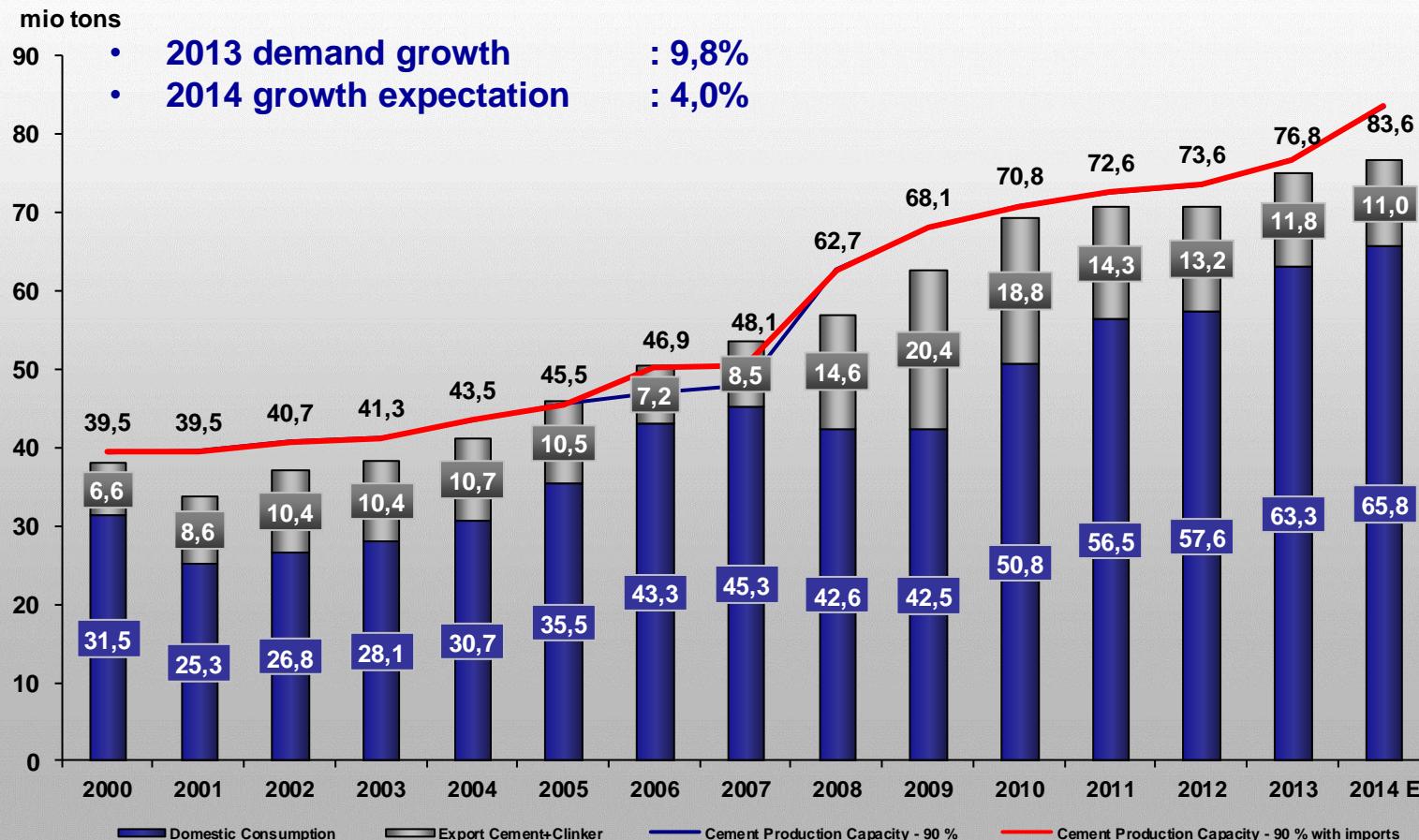
Macroeconomic Assumptions for Turkey 2007 – 2014E (Continued)



- **Real GDP growth** expected to return its 2012 level
- **Domestic cement demand growth** is expected to be stronger than GDP growth in 2014 thanks to continuing urban transformation and infrastructure activities
- TRL depreciation effects are expected to be reflected on **inflation** in 2014

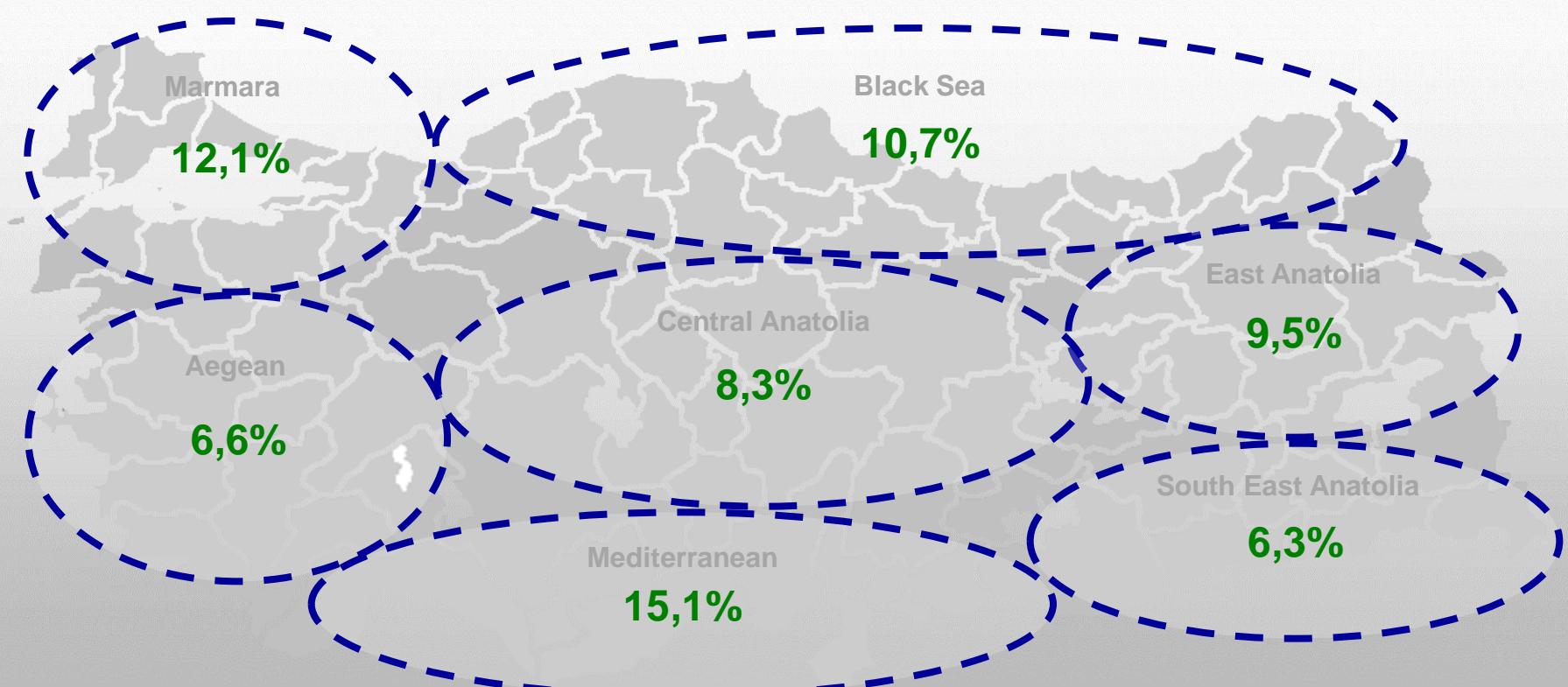
Source: Sabancı Holding and Akcansa assumptions

Turkish Cement Sector (2000 – 2014E)



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.

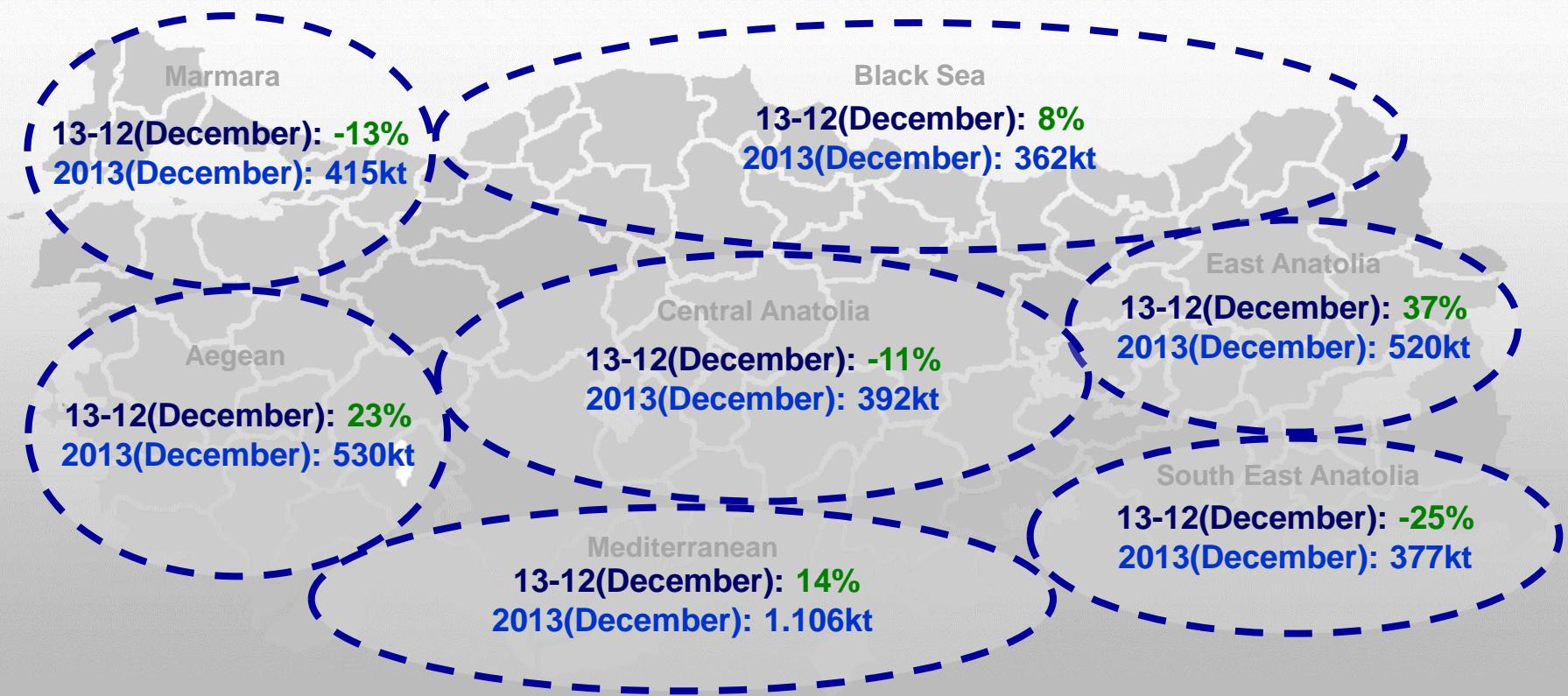
Domestic Sales Volumes Change (December YTD)



- Cement demand in Turkish domestic market is expected to increase by **9,8%**
- Cement and clinker export figures of Turkey decreased **8,0%**

This presentation/report demonstrates announcement of TCMA and Akçansa as of December'13
Figures include non TCMA member figures

Clinker Stock Level Change (December YTD)



- In Turkey, total clinker stocks are **3,7** mio tons and there is a **4,6%** increase in stock level compared to the last year's figure

This presentation/report demonstrates announcement of TCMA as of December'13
Figures do not include non TCMA members' figures

Market Trends

| FY 13 | Domestic | |
|-----------------|----------|----------------|
| | Volume | Price (TL/ton) |
| Domestic Cement | ↑ | ↑ |
| Marmara | ↑ | ↑ |
| Aegean | ↑ | ↑ |
| Black Sea | ➡ | ➡ |

| FY 13 | Export | |
|----------------|--------|----------------|
| | Volume | Price (\$/ton) |
| Export Cement | ↓ | ↑ |
| Export Clinker | ↓ | ↑ |

- Domestic volume increase exceeded export volume decrease

| FY 13 | Readymix | |
|-----------|----------|----------------------------|
| | Volume | Price (TL/m ³) |
| General | ↓ | ↑ |
| Marmara | ↓ | ↑ |
| Aegean | ↑ | ↑ |
| Black Sea | ↓ | ↑ |

| Energy Costs | FY 13 |
|------------------------|-------|
| Coal (USD / ton) | ↓ |
| Petcoke (USD/ton) | ↓ |
| Electricity (TL / kwh) | ↔ |
| Diesel (TL / Lt) | ↓ |

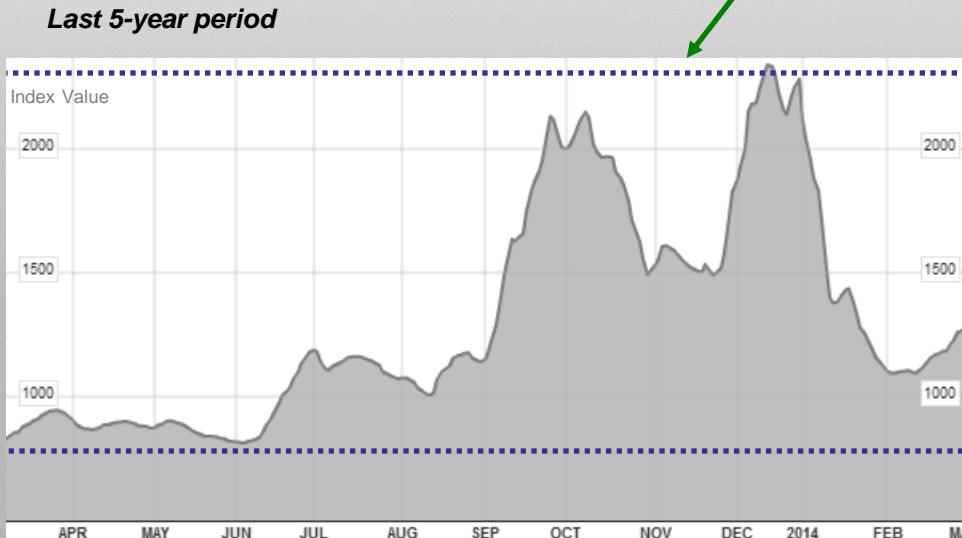
- Slight decrease in RMC volume with higher prices
- Favorable fuel and stable electricity prices
- Diesel prices has pressure on RMC profitability

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

Baltic Dry Index



Slightly higher than previous year level

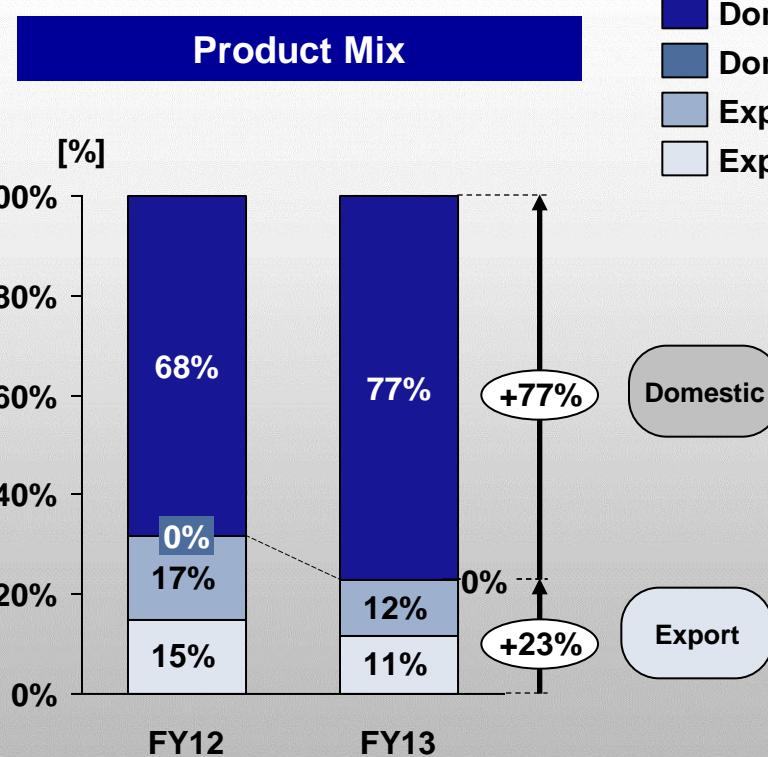
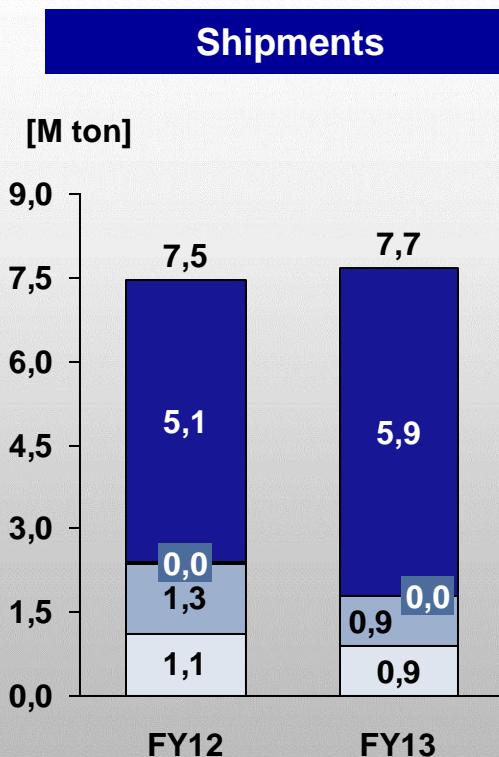


Index has been fluctuating in a favorable range

Last 12-month period

[Source: Bloomberg](#)

Akçansa Sales Volume Components

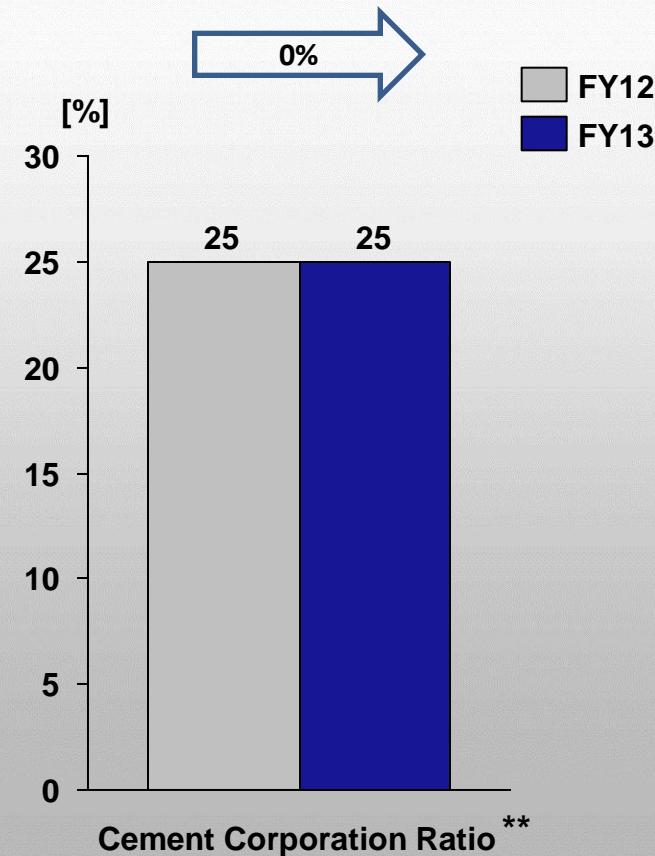
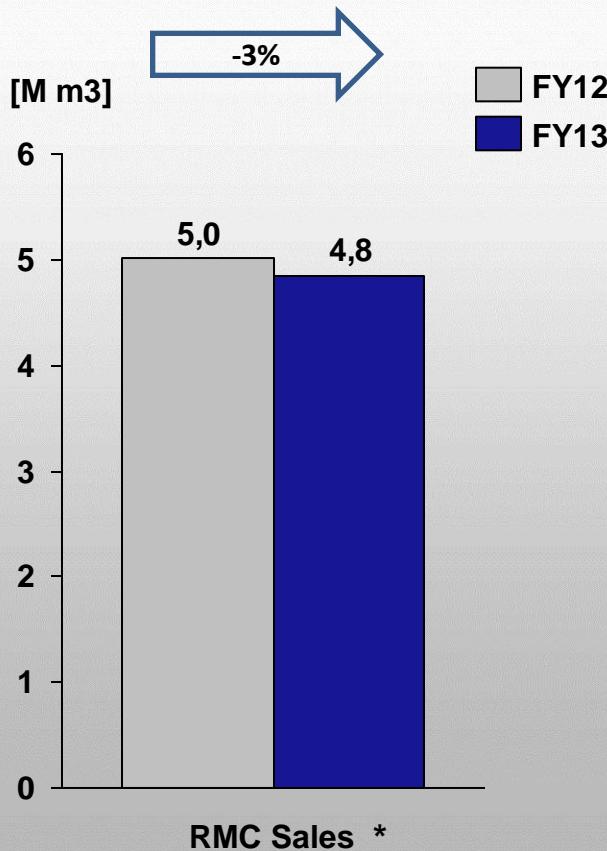


- Domestic cement and clinker sales volume increased **16%**
- Export cement and clinker sales volume decreased **25%**

*) Domestic cement figures include Karçimsa and transfer to RMC figures

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

Akçansa Sales Volumes (Continued)

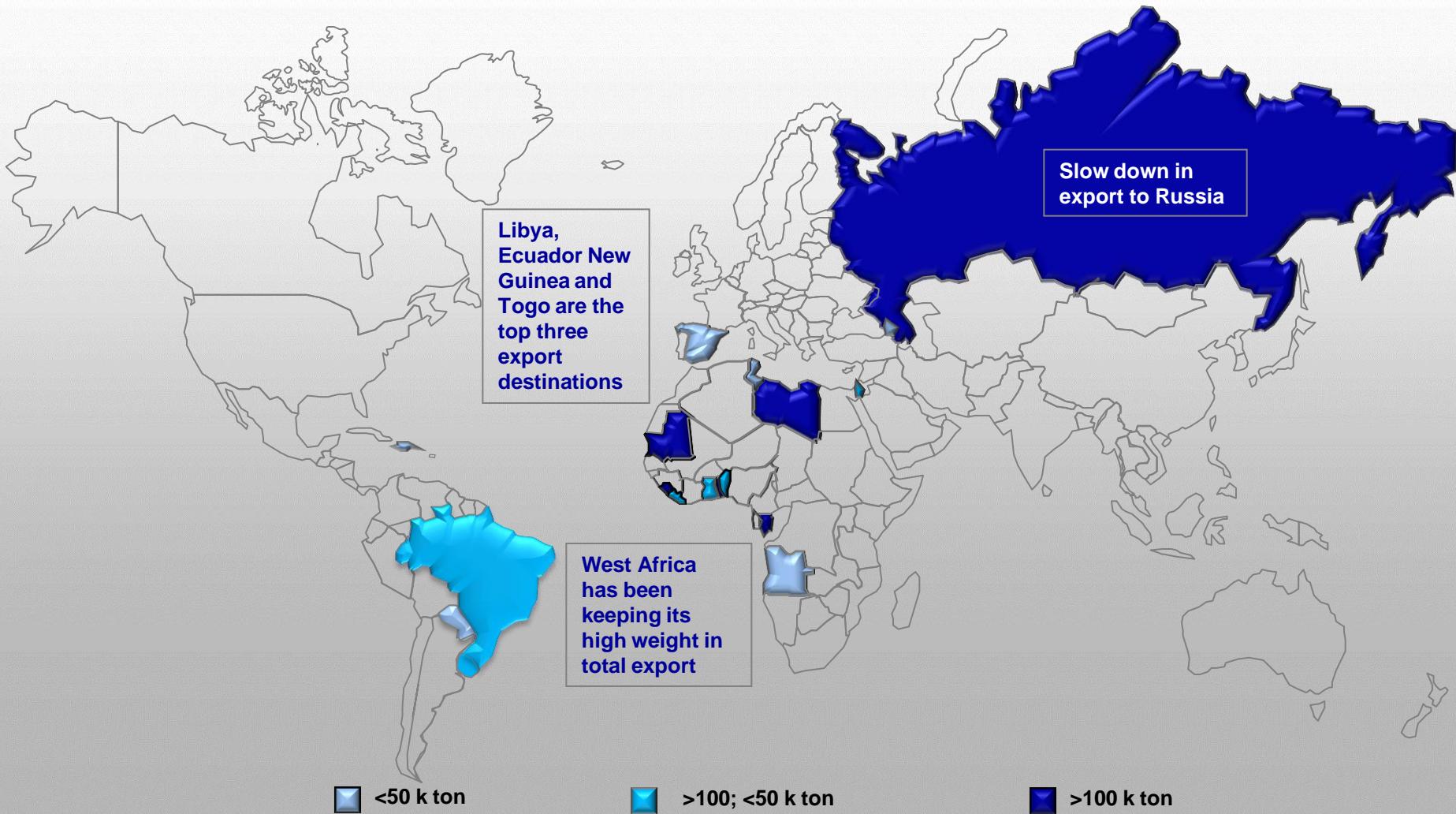


*) RMX figures include RMX sales of Karçimsa

**) Cement corporation ratio calculated by dividing the total cement used in RMX production to total RMX shipment.

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Akcansa Export Regions (FY13)



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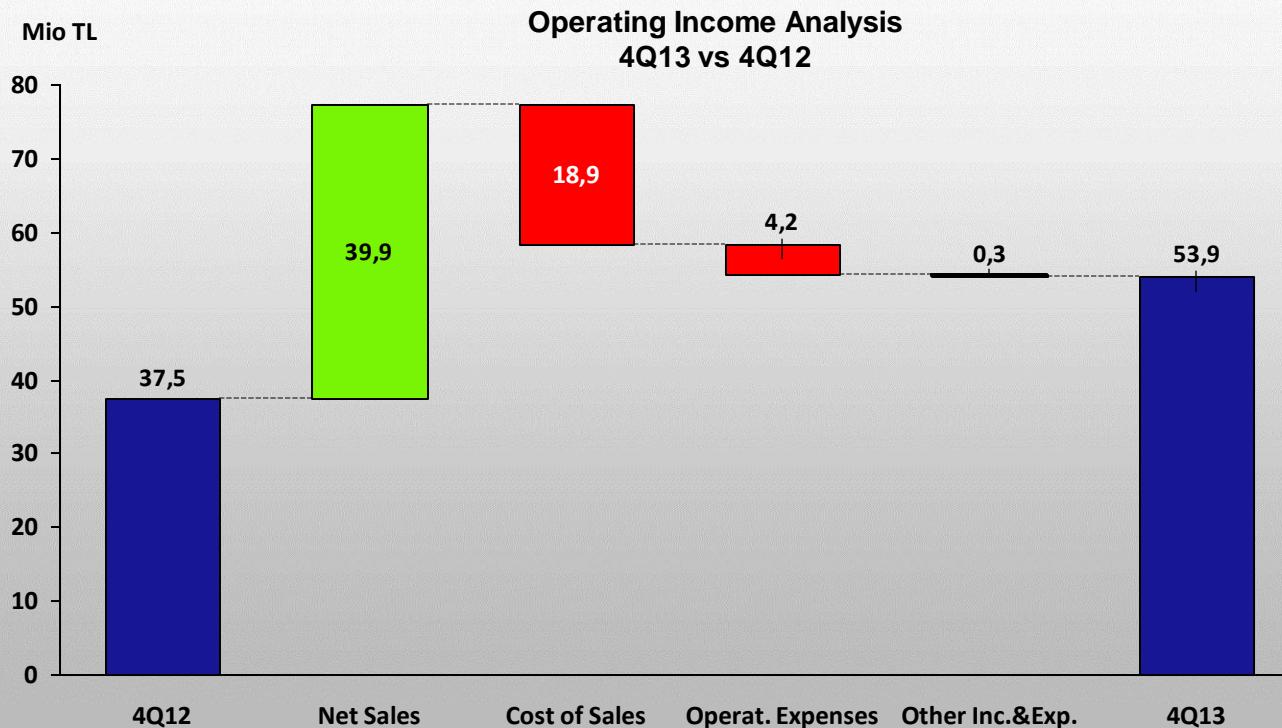
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Cement B/L Profit and Loss Accounts

| Cement Mio TL | 4Q12 | 4Q13 | Var. 4Q13 vs. 4Q12 | % Ch. Q | FY12 | FY13 | Var FY13 vs. FY12 | % Ch. YTD |
|--|--------------|--------------|--------------------------|--------------|--------------|--------------|-------------------------|--------------|
| Net Sales | 198,1 | 238,0 | 39,9 | 20,1% | 763,0 | 872,7 | 109,7 | 14,4% |
| Cost of Sales | (148,3) | (167,2) | (18,9) | 12,7% | (569,0) | (617,8) | (48,8) | 8,6% |
| Gross Margin | 49,8 | 70,8 | 21,0 | 42,1% | 194,0 | 254,9 | 60,9 | 31,4% |
| Operating Expenses | (12,3) | (16,6) | (4,2) | 34,3% | (38,2) | (46,7) | (8,5) | 22,3% |
| Other Operating Income/Charges | (0,0) | (0,3) | (0,3) | 1702,9% | (1,4) | (2,5) | (1,1) | 80,9% |
| Operating Profit/Loss | 37,5 | 53,9 | 16,4 | 43,8% | 154,4 | 205,7 | 51,3 | 33,2% |
| Income/Losses from Investment Activities | (0,1) | 0,0 | 0,1 | -105,3% | 10,7 | 10,9 | 0,2 | 1,5% |
| Non-Operating Financial Income/Charge | (4,5) | (3,9) | 0,6 | -12,3% | (17,9) | (18,0) | (0,1) | 0,5% |
| Profit/Loss before Taxes | 32,9 | 49,9 | 17,1 | 51,9% | 147,2 | 198,6 | 51,3 | 34,9% |
| Gross Margin % | 25,1% | 29,7% | 4,6% | | 25,4% | 29,2% | 3,8% | |
| EBIT Margin % | 18,9% | 22,8% | 3,9% | | 20,4% | 23,9% | 3,4% | |
| EBITDA Margin % | 25,1% | 28,4% | 3,3% | | 23,7% | 26,9% | 3,2% | |

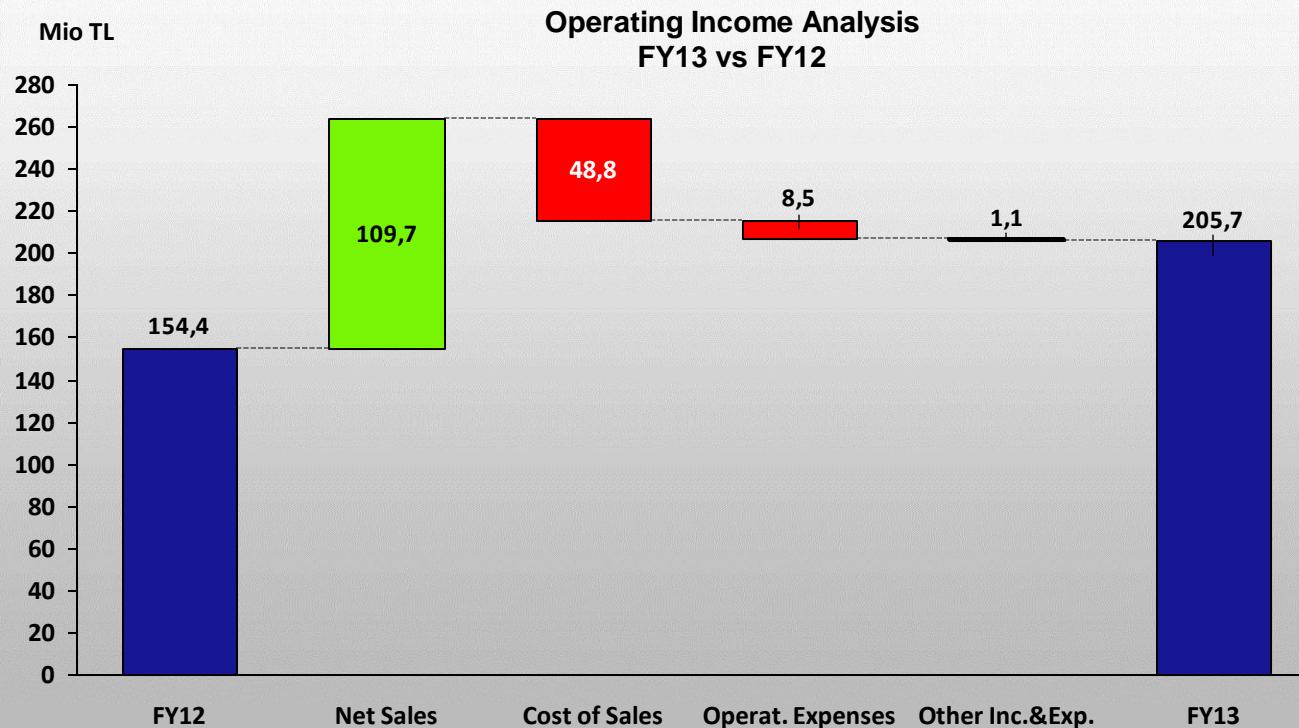
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Cement B/L Profit and Loss Accounts (Continued)



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Cement B/L Profit and Loss Accounts (Continued)



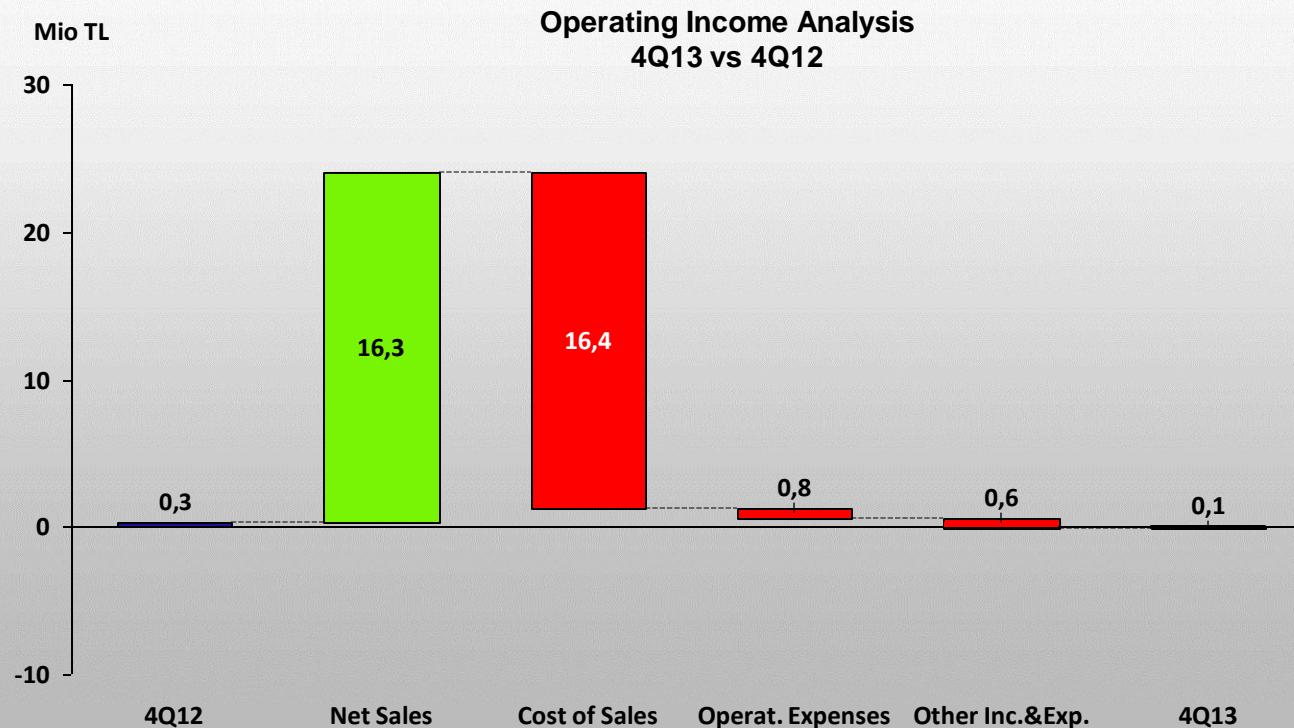
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Readymix B/L Profit and Loss Accounts

| Readymix Mio TL | 4Q12 | 4Q13 | Var. 4Q13 vs. 4Q12 | % Ch. Q | FY12 | FY13 | Var FY13 vs. FY12 | % Ch. YTD |
|--|-------------|--------------|--------------------------|----------------|-------------|--------------|-------------------------|----------------|
| Net Sales | 104,3 | 128,1 | 23,8 | 22,8% | 419,1 | 463,1 | 44,0 | 10,5% |
| Cost of Sales | (102,5) | (125,3) | (22,8) | 22,3% | (408,1) | (453,4) | (45,4) | 11,1% |
| Gross Margin | 1,8 | 2,8 | 0,9 | 50,8% | 11,1 | 9,7 | (1,4) | -12,7% |
| Operating Expenses | (1,7) | (2,3) | (0,6) | 38,7% | (9,1) | (11,1) | (2,0) | 21,7% |
| Other Operating Income/Charges | 0,1 | (0,5) | (0,6) | -528,3% | (0,9) | (1,0) | (0,0) | 4,7% |
| Operating Profit/Loss | 0,3 | (0,1) | (0,3) | -118,7% | 1,0 | (2,4) | (3,4) | -327,6% |
| Income/Losses from Investment Activities | 0,0 | (0,2) | (0,3) | -2914,3% | (0,1) | 0,9 | 1,0 | -861,9% |
| Non-Operating Financial Income/Charge | 0,0 | (0,1) | (0,1) | -36232,1% | (0,0) | (0,2) | (0,2) | 2339,6% |
| Profit/Loss before Taxes | 0,3 | (0,4) | (0,7) | -257,0% | 0,9 | (1,6) | (2,6) | -278,7% |
| Gross Margin % | 1,7% | 2,1% | 0,4% | | 2,6% | 2,1% | -0,6% | |
| EBIT Margin % | 0,1% | 0,3% | 0,2% | | 0,5% | -0,3% | -0,8% | |
| EBITDA Margin % | 2,0% | 2,0% | 0,0% | | 1,3% | 0,6% | -0,8% | |

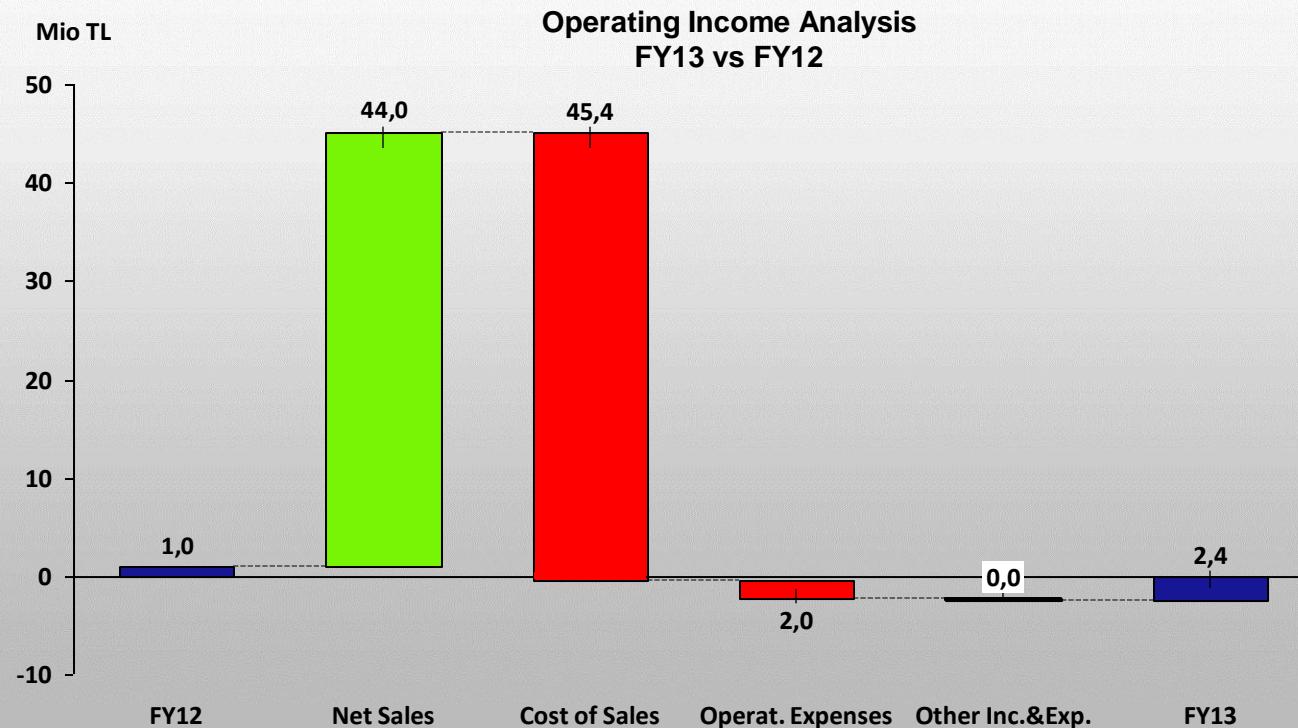
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Readymix B/L Profit and Loss Accounts (Continued)



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Readymix B/L Profit and Loss Accounts (Continued)



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Key Financial Messages

- EBITDA margin increased by 210 bps to 22,5%
- Tight working capital management improves free cash-flow significantly
- Stable payout ratio applied on higher income means dividend increase of over 30%
- Net debt reduction by approximately 50 mTL down to approximately 160 mTL, all TL-denominated
- Capital expenditure under strict control with focus on spending for improvement

These figures include Akçansa and Karçimsa results.

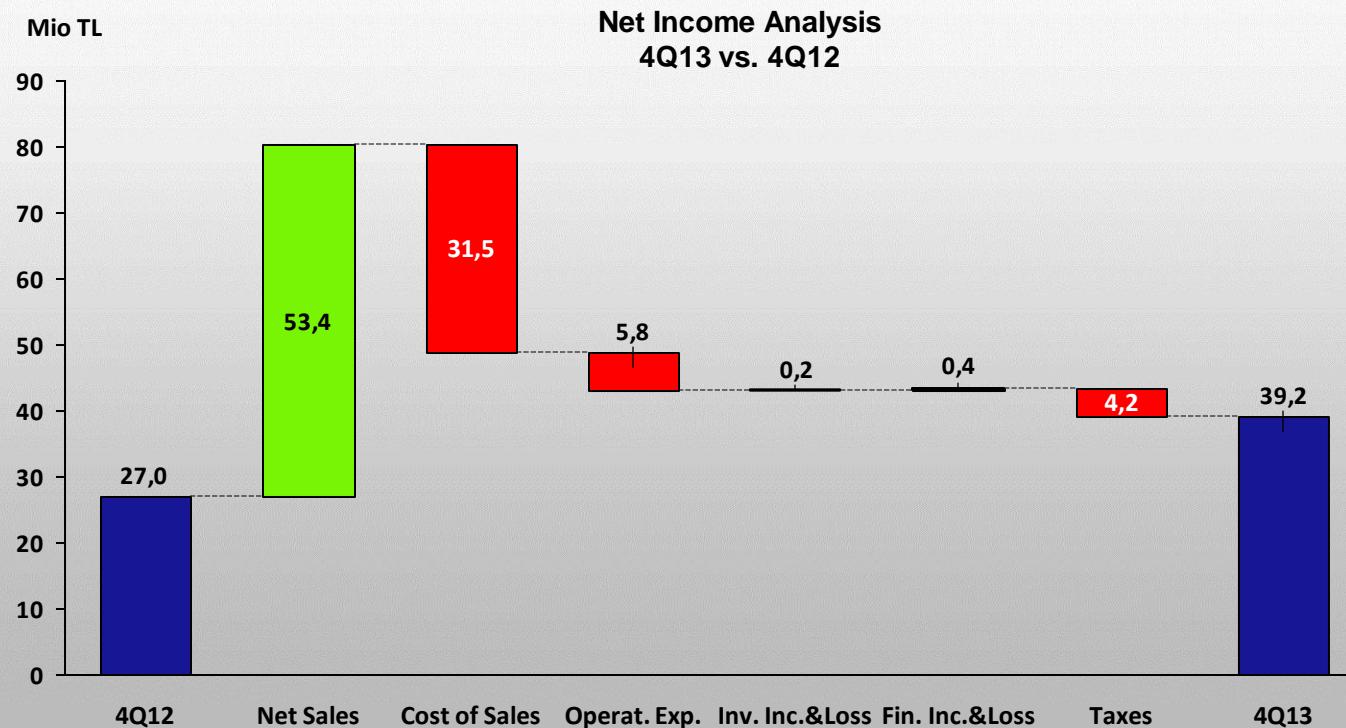
Income Statement

| Company Mio TL | 4Q12 | 4Q13 | Var. 4Q13 vs. 4Q12 | % Ch. Q | FY12 | FY13 | Var FY13 vs. FY12 | % Ch. YTD |
|--|--------------|--------------|--------------------------|--------------|--------------|--------------|-------------------------|--------------|
| Net Sales | 273,5 | 326,9 | 53,4 | 19,5% | 1.055,9 | 1.202,2 | 146,3 | 13,9% |
| Cost of Sales | (221,9) | (253,4) | (31,5) | 14,2% | (850,8) | (937,6) | (86,8) | 10,2% |
| Gross Margin | 51,6 | 73,5 | 21,9 | 42,4% | 205,1 | 264,6 | 59,5 | 29,0% |
| Marketing&Sales Expense | (2,4) | (2,8) | (0,5) | 19,7% | (10,8) | (12,6) | (1,7) | 16,0% |
| General Management Expenses | (11,6) | (16,0) | (4,4) | 37,9% | (36,5) | (45,2) | (8,8) | 24,0% |
| EBIT | 37,6 | 54,6 | 17,0 | 45,2% | 157,8 | 206,8 | 49,0 | 31,1% |
| Other Operating Income/Charges | 0,1 | (0,8) | (0,9) | -975,1% | (2,3) | (3,5) | (1,2) | 50,3% |
| Operating Income | 37,7 | 53,8 | 16,1 | 42,6% | 155,5 | 203,3 | 47,9 | 30,8% |
| Income/Losses from Investment Activities | (0,1) | (0,2) | (0,2) | 180,1% | 10,6 | 11,8 | 1,2 | 11,2% |
| Non-Operating Financial Income | 0,7 | 2,0 | 1,3 | 194,8% | 16,9 | 8,0 | (8,9) | -52,8% |
| Non-Operating Financial Charge | (5,2) | (6,1) | (0,9) | 17,7% | (34,8) | (26,2) | 8,7 | -24,9% |
| Profit/Loss before Taxes | 33,1 | 49,5 | 16,3 | 49,3% | 148,2 | 196,9 | 48,8 | 32,9% |
| Taxes On Income | (6,1) | (10,3) | (4,2) | 68,4% | (27,3) | (37,5) | (10,2) | 37,3% |
| Net Income/Loss | 27,0 | 39,2 | 12,2 | 45,0% | 120,8 | 159,4 | 38,6 | 31,9% |
| Gross Margin % | 18,9% | 22,5% | 3,6% | | 19,4% | 22,0% | 2,6% | |
| EBITDA Margin % * | 19,3% | 21,8% | 2,5% | | 20,3% | 22,4% | 2,1% | |
| EBIT Margin % | 13,8% | 16,7% | 3,0% | | 14,9% | 17,2% | 2,3% | |
| Net Income Margin % | 9,9% | 12,0% | 2,1% | | 11,4% | 13,3% | 1,8% | |

*) Excludes the depreciation and amortization amount attributable to other operating expenses.

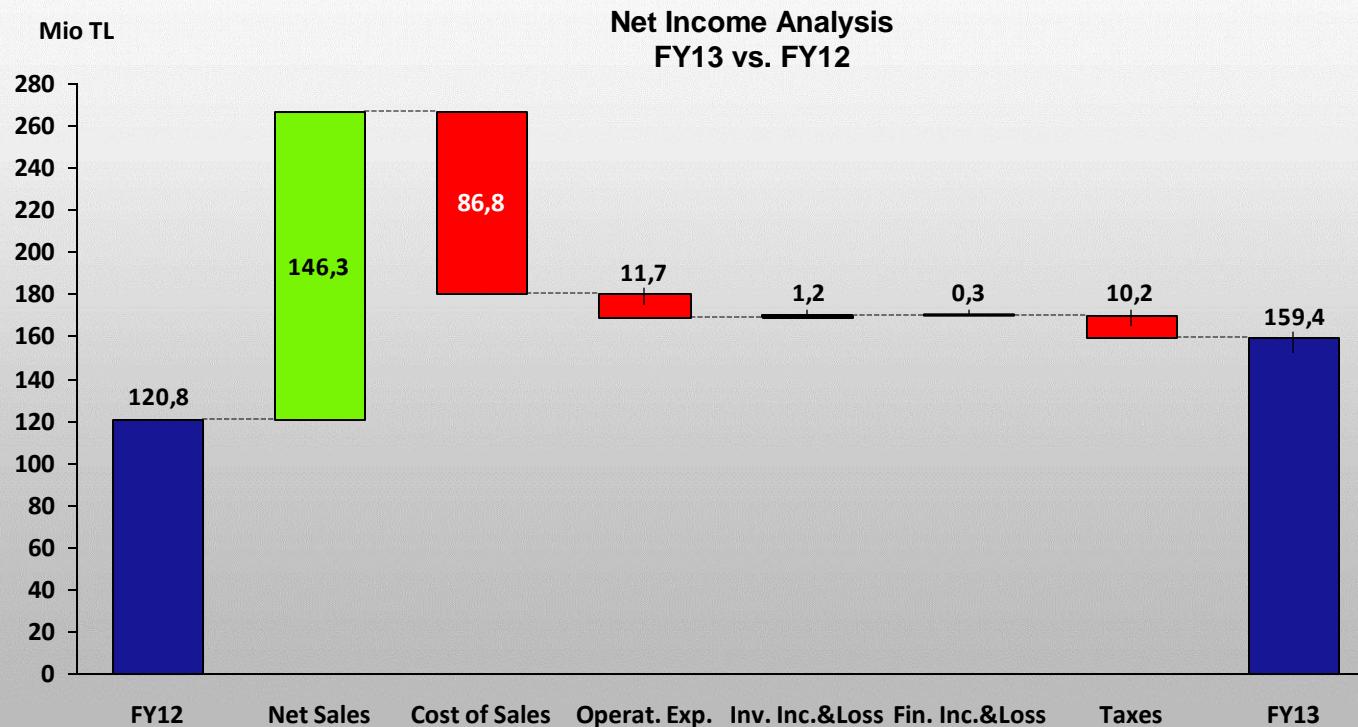
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Company Profit and Loss Accounts (Continued)



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Company Profit and Loss Accounts (Continued)



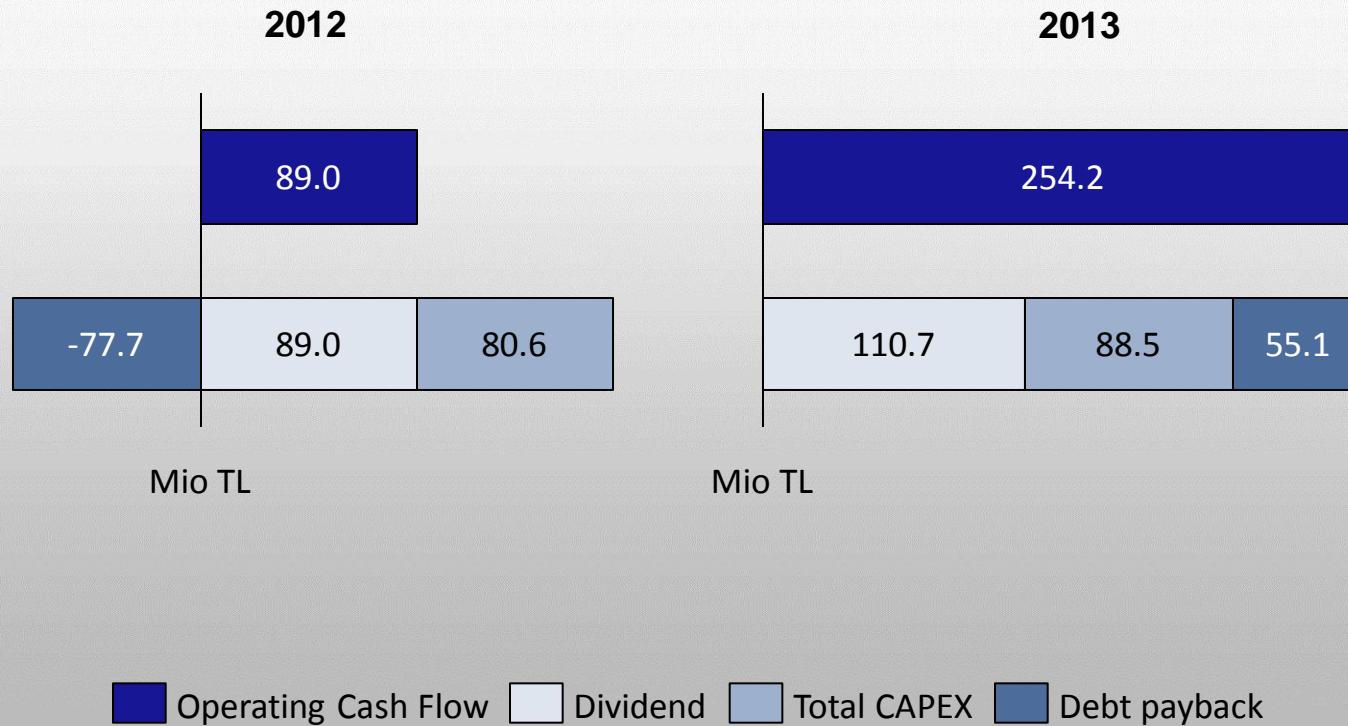
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Cash Flow Statement

| Company Mio TL | FY12 | FY13 |
|--|---------------|----------------|
| Cash flow from operating activities | | |
| Operating income before the changes in working capital | 203,3 | 276,0 |
| Changes in working capital | (88,7) | 9,5 |
| Decrease in provisions through cash payments | (36,2) | (42,2) |
| | 78,4 | 243,3 |
| Cash flow from investing activities | | |
| Tangible and intangible fixed assets | (80,6) | (88,5) |
| Financial assets | - | (0,2) |
| Proceed from fixed asset disposals | 0,3 | 1,8 |
| Dividend Received | 10,6 | 10,9 |
| | (69,7) | (75,9) |
| Cash flow from financing activities | | |
| Dividend payments | (89,0) | (110,7) |
| Net proceeds from bonds and loans | 77,7 | (55,1) |
| Interest received | 0,7 | 0,6 |
| | (10,7) | (165,2) |
| Net change in cash and cash equivalents - continuing operations | (1,9) | 2,2 |
| Change in cash & cash equivalents | | |
| Cash & cash equivalents at 1 January | 15,6 | 13,7 |
| Cash & cash equivalents on 31 December | 13,7 | 15,8 |
| | | 2,2 |

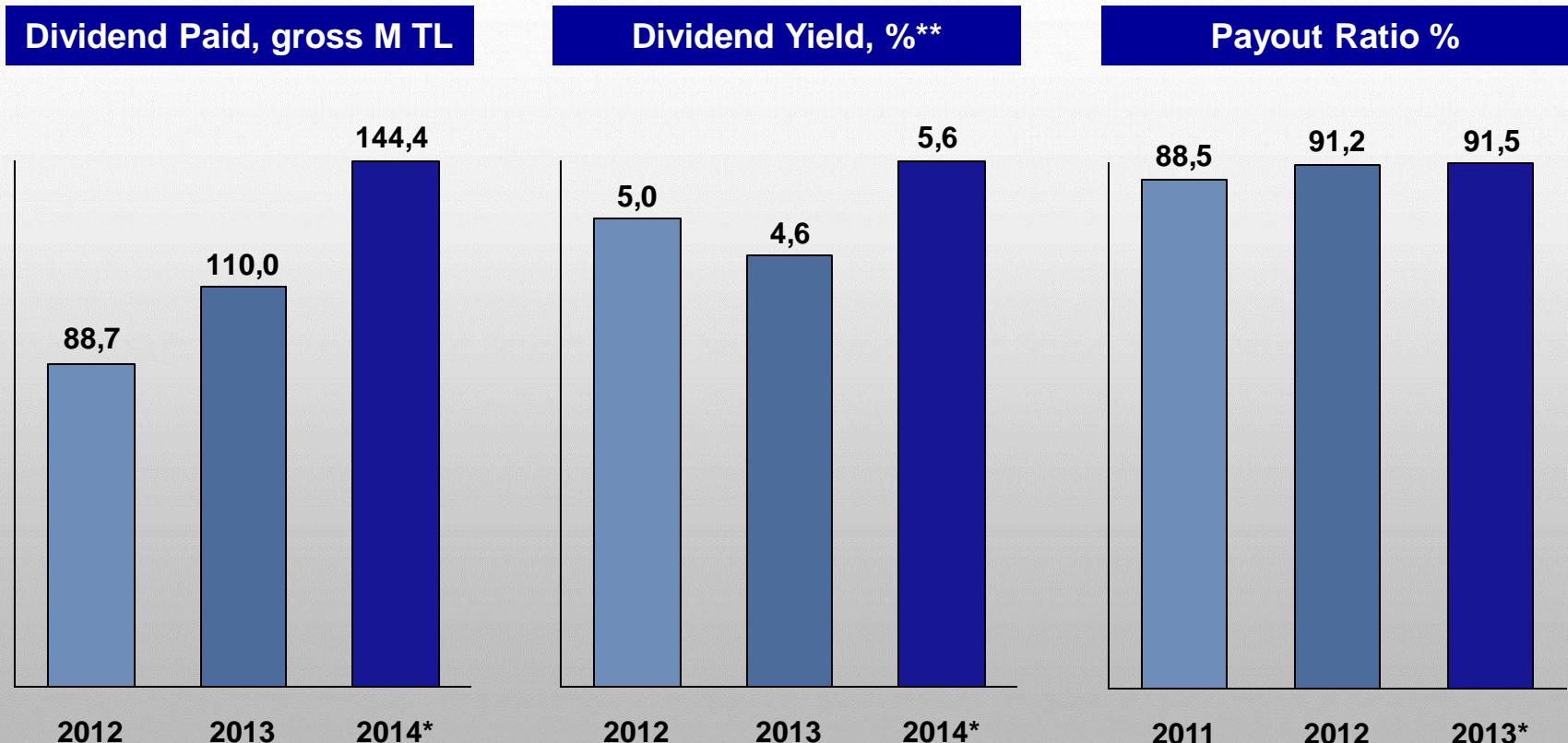
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Cash Flow Usage



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Dividend Paid, Dividend Yield and Payout Ratio



*) The figures are based on the Management Board dividend payment offer which will be submitted to the General Assembly for approval

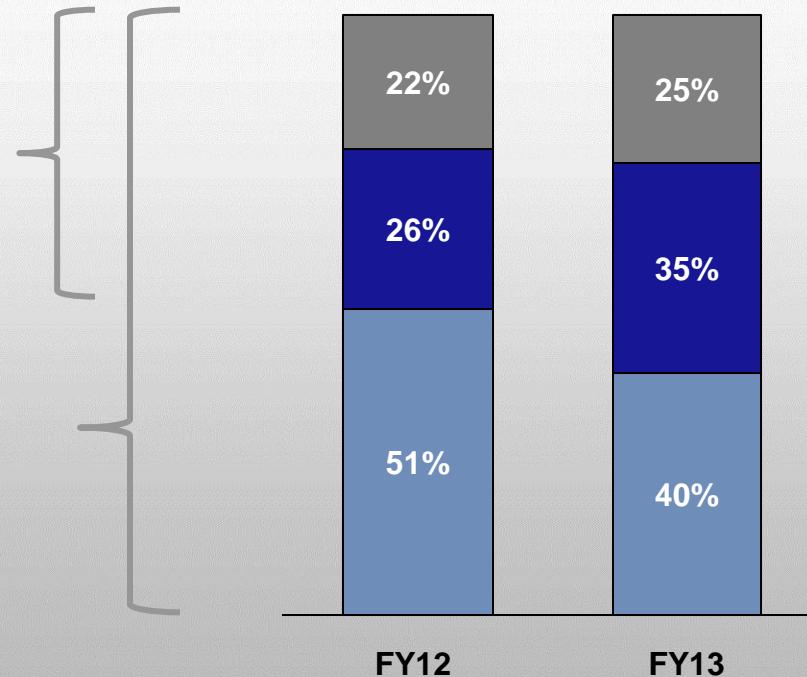
**) Akcansa closing share price as of 5 March 2014 is used for 2014 dividend yield calculation

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

Total Capex Distribution

1. RMC expansion investments for 3rd bridge,
2. Dynamic separators,
3. Closing the coal store hall,
4. Secondary fuel feeding line increased the improvement portion

Slight (~10%) increase in total capex expenditure compared to previous year (from 81 to 89 mio TL)



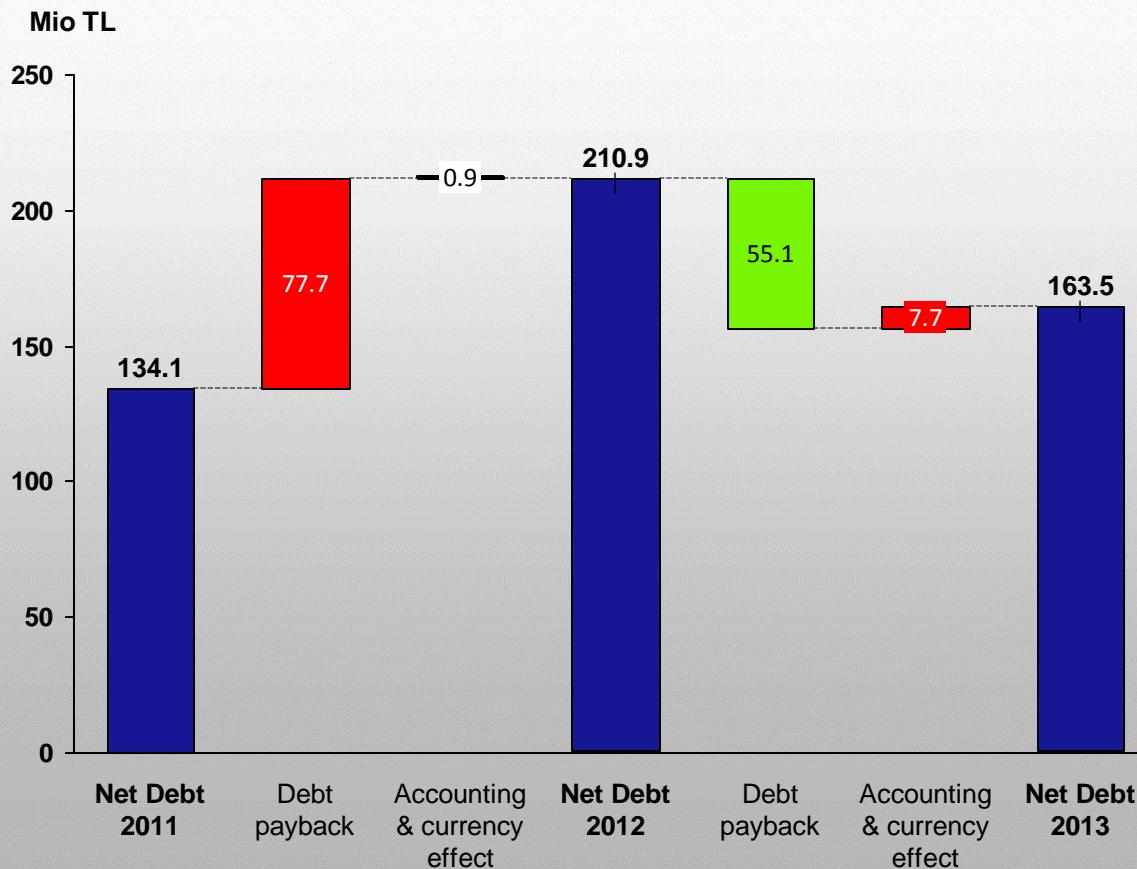
FY12

FY13

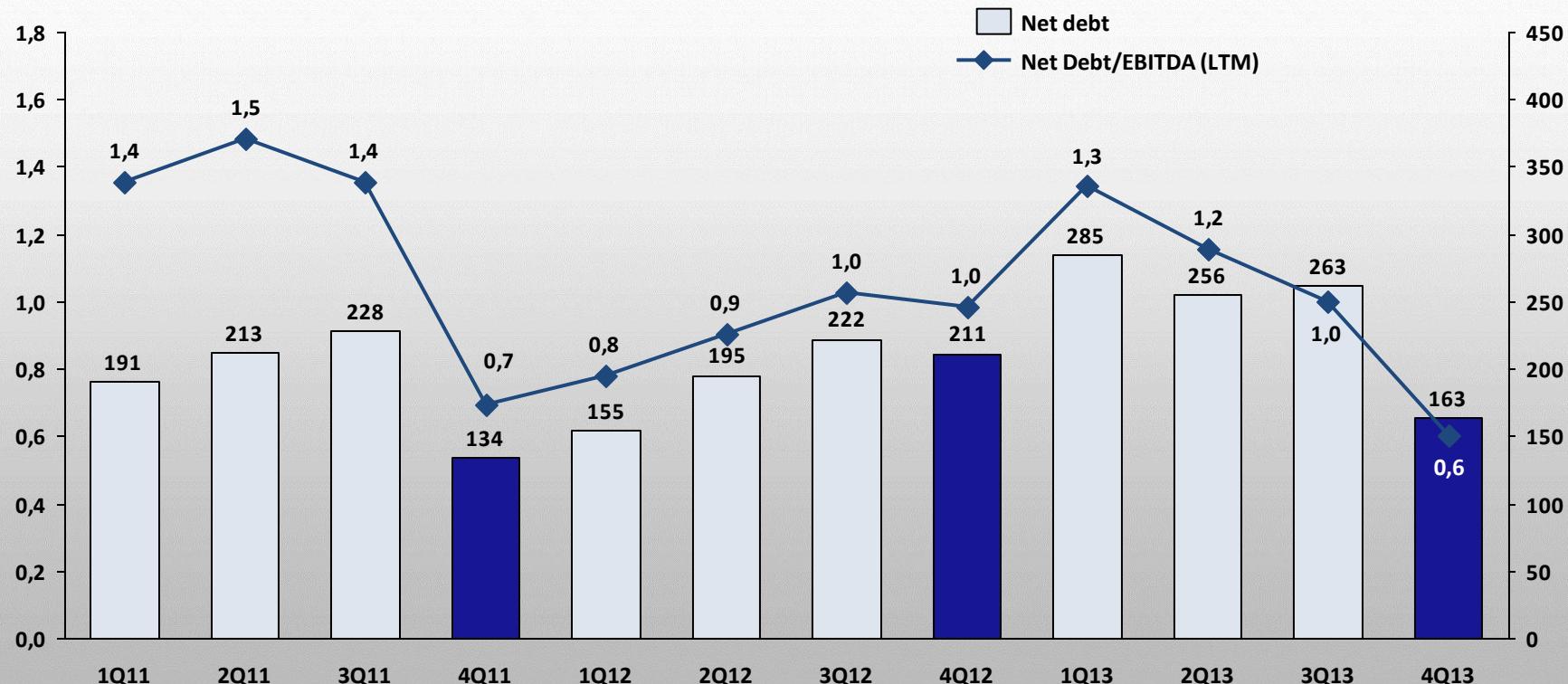
- Legal & Environment
- Improvement & Growth
- Replacement

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Net Debt Movement



Net Debt / EBITDA



Balance Sheet

| Mio TL | 31.12.2012 | 31.12.2013 | Variance FY13 vs FY12 | Mio TL | 31.12.2012 | 31.12.2013 | Variance FY13 vs FY12 |
|--------------------------|----------------|----------------|--------------------------|---------------------------------------|-------------------|-------------------|----------------------------------|
| Current Assets | 441,1 | 478,7 | 37,6 | Current Liabilities | 398,7 | 381,2 | (17,5) |
| Cash & cash equivalents | 13,7 | 15,8 | 2,1 | Financial Liabilities | 224,3 | 149,4 | (74,9) |
| Trade receivables | 288,3 | 326,6 | 38,3 | Trade payables | 147,1 | 192,7 | 45,6 |
| Inventories | 120,5 | 117,1 | (3,4) | Tax payable | 7,2 | 9,9 | 2,7 |
| Other current assets | 18,6 | 19,2 | 0,6 | Other current liabilities | 20,1 | 29,2 | 9,1 |
| Non-current Assets | 947,6 | 998,6 | 51,0 | Non-current Liabilities | 66,9 | 96,0 | 29,1 |
| Financial investments | 137,3 | 164,9 | 27,6 | Financial Liabilities | 0,2 | 29,9 | 29,7 |
| Fixed Assets | 676,2 | 700,3 | 24,1 | LT provisions | 23,6 | 21,8 | (1,8) |
| Goodwill | 129,5 | 129,5 | - | Deferred tax liabilities | 43,0 | 44,3 | 1,3 |
| Deferred tax assets | 1,2 | 1,1 | (0,1) | Other non-current liabilities | 0,1 | - | (0,1) |
| Other non-current assets | 3,4 | 2,8 | (0,6) | | | | |
| TOTAL ASSETS | 1.388,7 | 1.477,3 | 88,6 | Shareholders Equity | 923,1 | 1.000,1 | 77,0 |
| | | | | Paid in Capital | 191,4 | 191,4 | - |
| | | | | Retained earnings | 508,7 | 518,8 | 10,1 |
| | | | | Comprehensive income | 91,3 | 119,5 | 28,2 |
| | | | | Net income | 120,0 | 157,9 | 37,9 |
| | | | | Minority interest | 11,7 | 12,5 | 0,8 |
| | | | | TOTAL LIABILITIES & EQUITY | 1.388,7 | 1.477,3 | 88,6 |
| | | | | BS data and key ratios | 31.12.2012 | 31.12.2013 | Variance FY13 vs FY12 |
| | | | | Working Capital | 261,7 | 251,0 | (10,7) |
| | | | | Working Capital / Sales (LTM) | 24,8% | 21,8% | -2,9% |
| | | | | Net debt | 210,8 | 163,5 | (47,3) |
| | | | | Net debt / EBITDA (LTM) | 1,0x | 0,6x | -0,4x |
| | | | | Net Debt / Equity | 22,8% | 16,3% | -6,5% |

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

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Outlook 2014

Economic Activities

- Domestic demand is growing and prices are rising
 - Further price increase in 2014
- Construction based growth will continue
 - Strong urban transformation activity
 - 3rd bridge and highway on the European side project will continue in 2014
 - Stable West and North African demand



Operations

- Continued focus on margin enhancement
- Focus on added value products in RMC
- To be the partner of green building projects
 - 2020 target: To be the solution partner for 30% of green building projects in Marmara region



Energy

- Stabilizing the alternative fuel supply
 - Continue to import shredded tire
 - Planned to have RDF import licence like shredded tire
 - Agreement with Recydia Waste Management Company:
 - Over 100 k ton waste will be supplied per year



Outlook 2014 (Continued)

3rd Bridge and European Highway Project

Basic Info:

- Groundbreaking ceremony was held on 29 May 2013.
- Ictas Construction Industry Trade Corp.-Astaldi Joint Initiative Group won the project
- Construction:
 - The tallest suspension bridge of world
 - 8 lanes highway
 - 2 lanes railway
 - Width 59 m
 - Height 320 m
 - 1st Bridge height 165 m
 - 2nd Bridge height 102 m
 - Highway length 115 km



Operational Info

- Estimated cost is 2,5 bio USD
- Will be built in 3 years
- 3rd bridge and highway on the European side project will continue in 2014
- Consumption for total project :
 - Volume:~1,2 m m3 RMX and ~0,25 mt CEM
 - 3rd Bridge; Volume : 2013-2014 : ~ 200 k m3
 - Highway; Volume : 2013-2015 : ~1000 k m3



Outlook 2014 (Continued)

Urban Transformation in Turkey

- Transformation of 253 thousand units was achieved in 2013
- Transformation of 500 thousand independent units is planned to be completed in 2014
- 20-year goal is the conversion of 6.5 million housing units.

Urban Transformation in Istanbul

- 20 thousand urban transformation report for buildings was given across the country in 2013
- 15 thousand of total is given to the buildings in Istanbul
- In January of 2013, the number of buildings entering the system was 50. However this figure was 1,500 in January of 2014
- Monthly figures are expected to be 2,500 by the end of year.
- The biggest demand has come from Kadıköy, Esenyurt and Küçükçekmece respectively

Urban Transformation Effect on RMC Demand

- In 10 year period, 300 million cubic meters of ready-mix concrete will be needed for urban renewal.
- The annual requirement is expected to be 30 million cubic meters.



2013 Realized transformation

İSTANBUL → 150 K Buildings

6,0 mio m³



1.8 mio ton



13,5 mio m³

4.2 mio ton

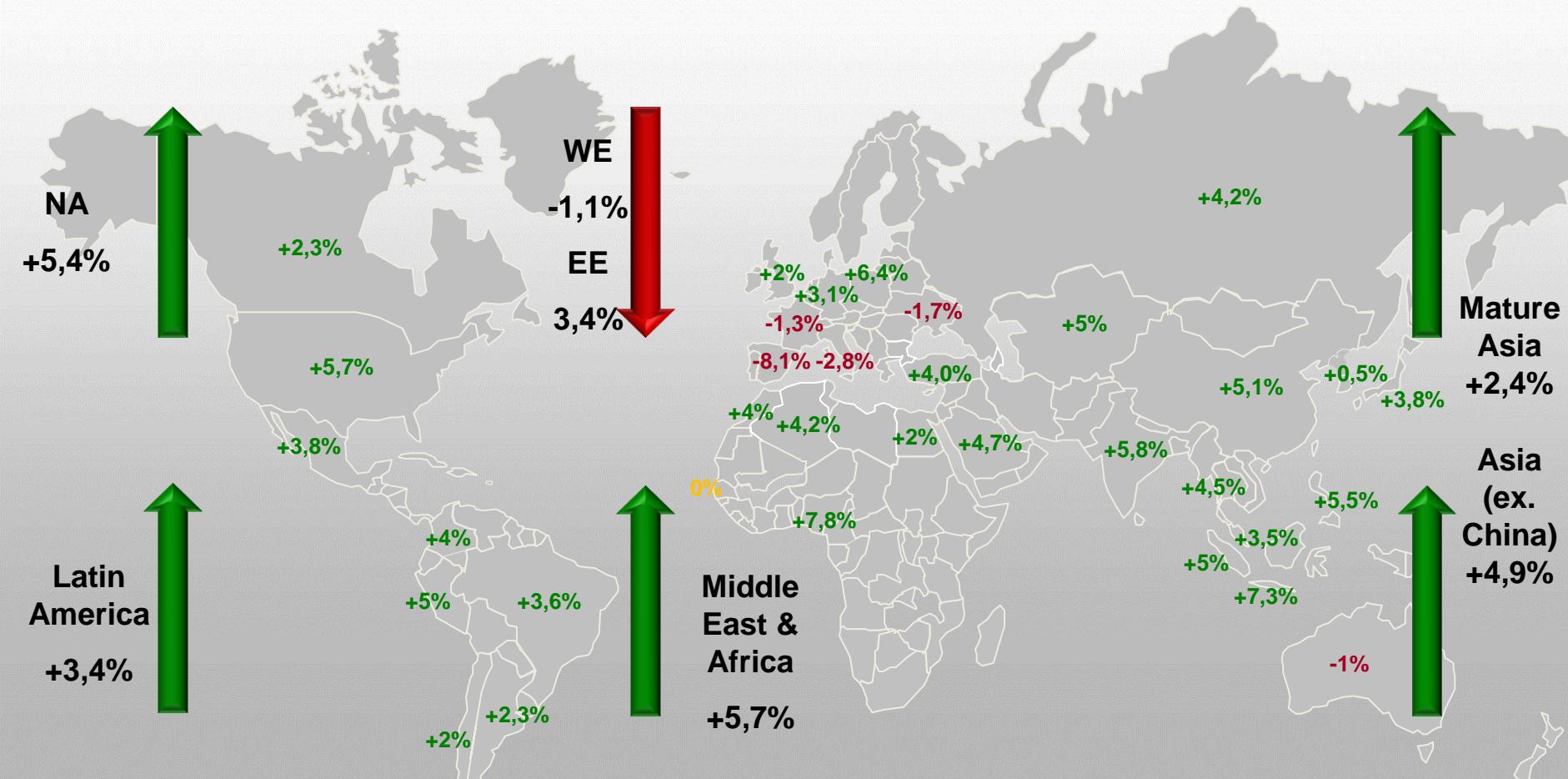
2014 Targeted transformation

İSTANBUL → 350 K Buildings

Sources: Ministry of Environment and Urban Planning, Istanbul Urban Regeneration Association, Turkey Ready Mixed Concrete Association

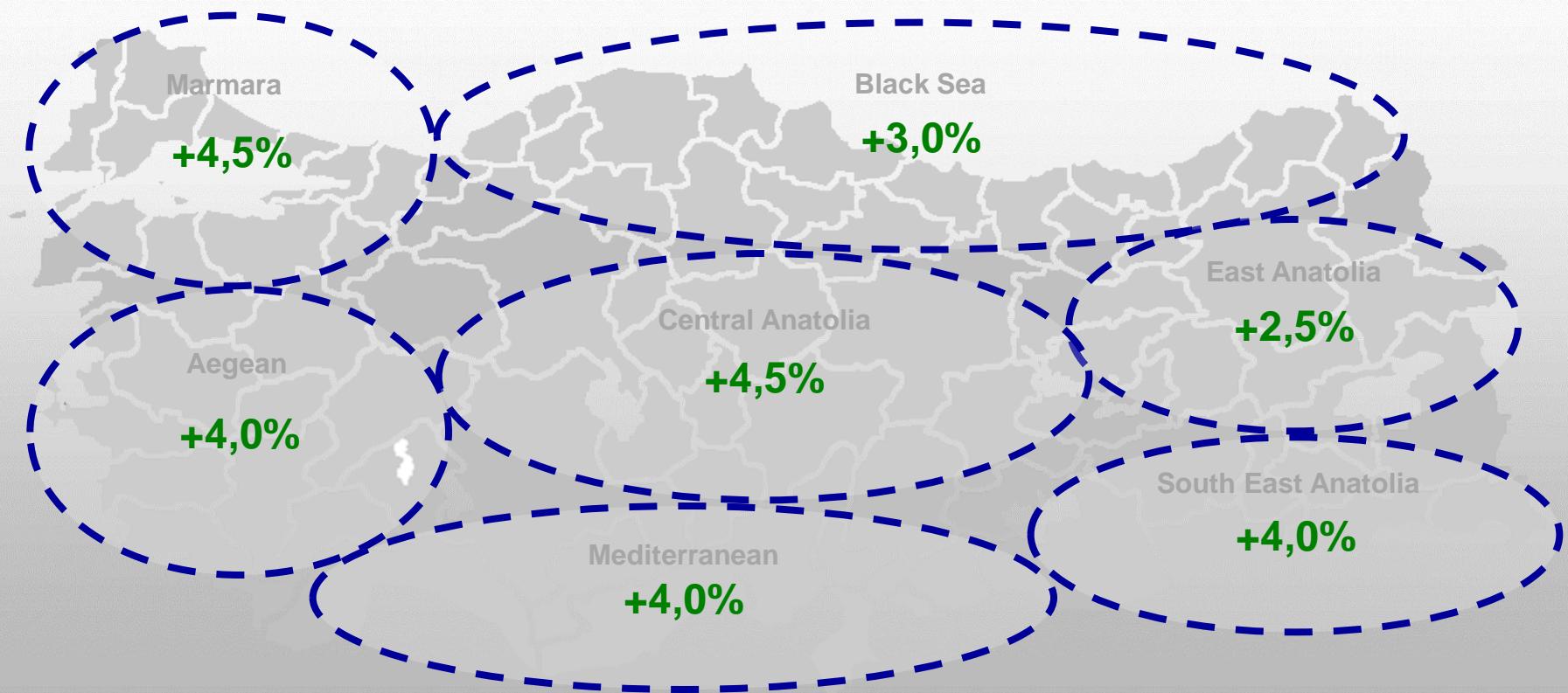
Cement Consumption Trends : Regional Consumption 2014 Estimate

Positive cement demand in the world except Europe in 2014 like 2013



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 – Jan, 13.

Turkish Cement Market, Sales Volumes Change %, (2014 - Expected)



- Cement demand in Turkish domestic market is expected to grow 4% in 2014

This presentation/report demonstrates "estimated results" of market research done by Akçansa Çimento Sanayi ve Ticaret A.Ş.

Market Trends

| FY 14 | Expectations | |
|--------------------------|--------------|-------|
| | Volume | Price |
| Domestic Cement (TL/t) | ➡ | ⬆ |
| Export Cement (\$/t) | ⬆ | ➡ |
| Export Clinker (\$/t) | ⬇ | ➡ |
| RMC (TL/m ³) | ➡ | ⬆ |

(*) Compared to 2013

| Energy Price | 2014 |
|------------------------|------|
| | YE |
| Coal (USD / ton) | ⬇ |
| Petcoke (USD/ton) | ➡ |
| Electricity (TL / kwh) | ⬆ |
| Diesel (TL / Lt) | ⬆ |

(*) Compared to 2013

Compared to 2013:

- Continuing domestic cement and RMC price increase
- Stronger cement export
- Stable export prices

Compared to 2013:

- Favorable coal and petcoke pricing conditions in USD terms
- USD appreciation effect will be reflected on electricity and diesel prices

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

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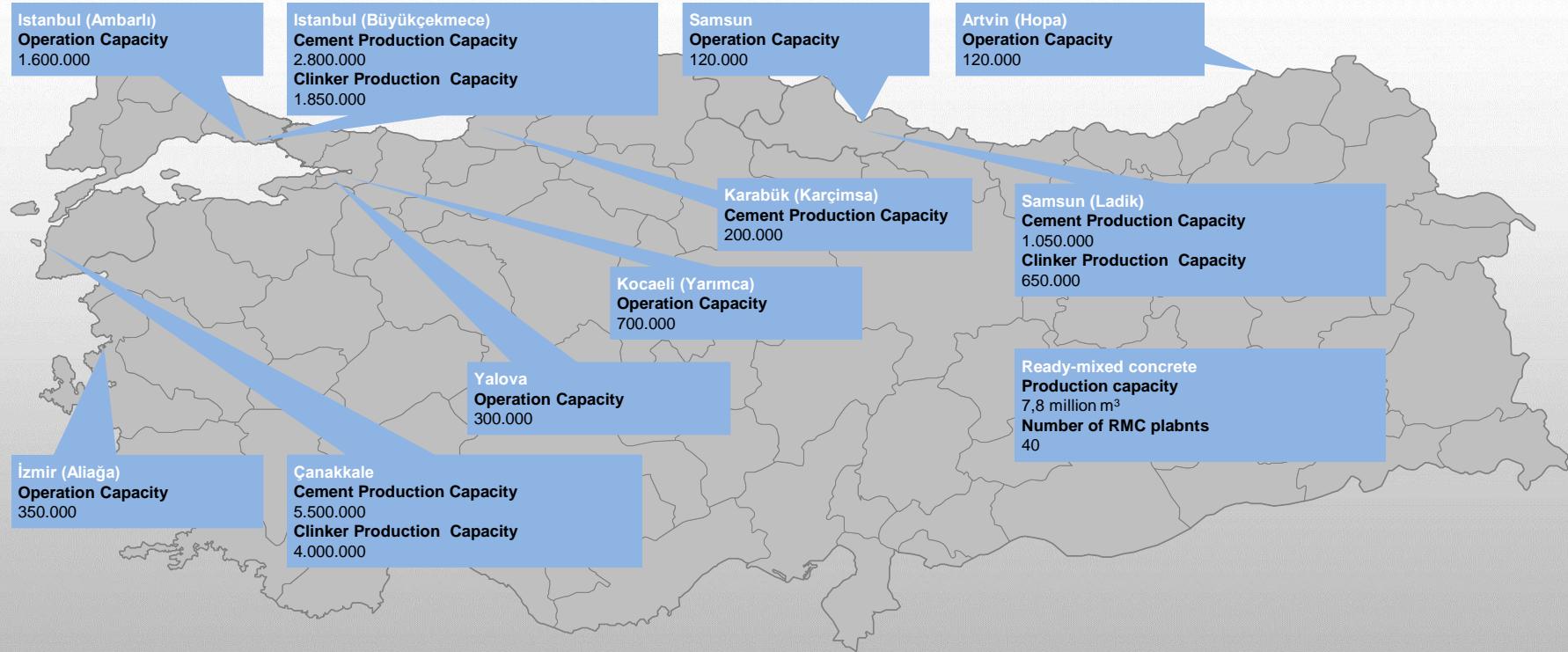
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Appendix



Akcansa at a glance

Operations in Turkey



Key Operational Highlights

CEM

- 3 cement plants
- 6,5 m ton clinker capacity
- 9,0 m ton cement capacity

RMC

- 40 RMC terminals
- 7,8 million m³ RMC capacity

Ports

- 2 ports
- Ambarlı & Çanakkale

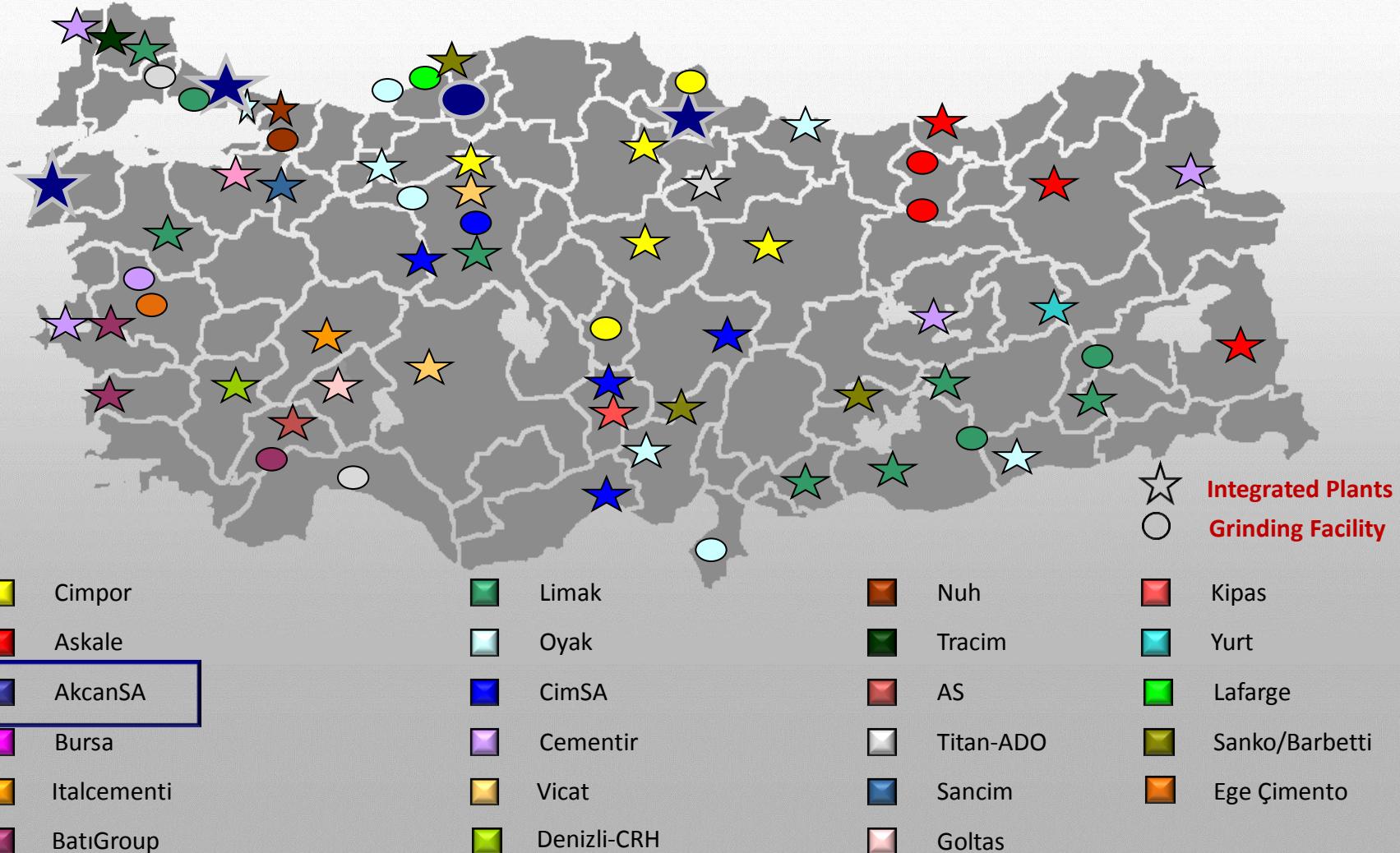
Terminals

- 6 domestic terminals
- 3,2 m ton total operating capacity

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

Cement Sector Distribution in Turkey

48 integrated plants, 20 grinding mills, 68 plants, 23 players



Cement Sector Distribution in Turkey

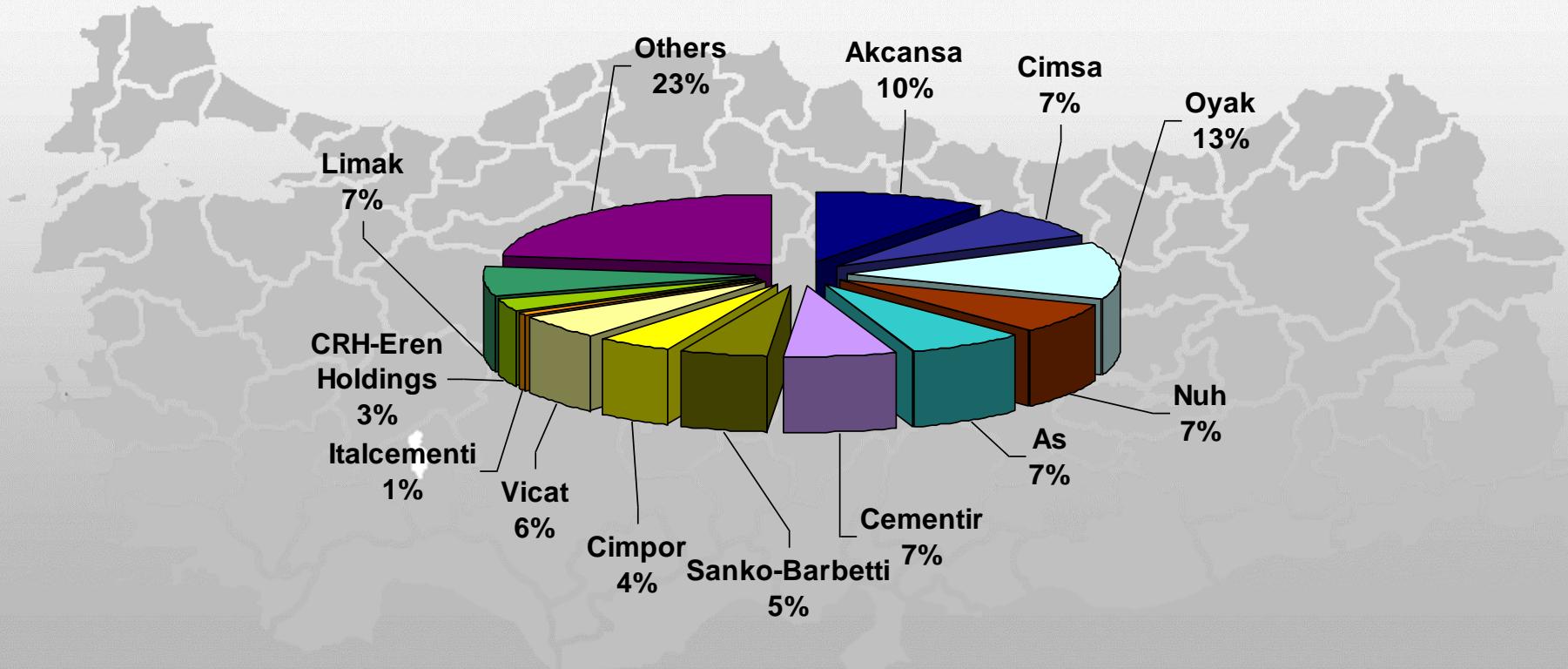
48 integrated plants, 20 grinding mills, 68 plants, 23 players



- Grinding Facility (20)
- Integrated Plants (48)
- * Non TCMA members (2)

Source: TCMA

Turkey Clinker Capacity Distribution



First 3 groups form 37% of the Turkish Cement Capacity

Source: TCMA

Turkish Cement Market (Expectations)



| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014E |
|----------------------------|------|------|------|------|------|------|------|------|------------|
| 1. Private Housing | 62% | 57% | 50% | 51% | 54% | 52% | 53% | 53% | 52% |
| 2. Commercial | 14% | 16% | 13% | 9% | 11% | 10% | 11% | 9% | 9% |
| 3. Public | 4% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| 4. Infrastructure/Projects | 20% | 22% | 32% | 35% | 30% | 33% | 31% | 33% | 34% |



Source: TUIK and TCMA

Construction Projects in Turkey

Ongoing Projects

Akcansa

- Çekmeköy Metro Line
- Via Trans - Meydanbey Project
- Garanti Bank - Banking Campus
- Özدilek 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)
- Innova 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;

- 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:

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

Third airport project in İstanbul

- Capacity: 150 mio people per year

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
- Haydarpaşa 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 İstanbul 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



Big Infrastructure Projects in Istanbul

Bigest projects for Istanbul are as below:



3rd Airport

- The largest airport in the world -- or at least challenge regional rival Dubai
- Capacity: 150 mio passangers per year
- Will be constructed on İstanbul's European side between the Black Sea regions of Yeniköy and Akpınar
- Creating an estimated 120,000 jobs
- Contractors will be bidding on a 25-year build-and-operate contract for the airport
- Project cost would be around 8.7 bio USD

Urban Transformation

- 4 bio USD per year for the following 10 years
- Major areas for the urban transformation are:
 - Fikirtepe (131 ha)
 - Okmeydanı (176 ha)
 - Kartal (330 ha, 5 bio USD)
 - Ayamama (230 ha)
 - Küçükçekmece – Ayazma (6,5 k houses)
 - Avcılar (180 ha)
 - Süleymaniye (94 ha)

Source: [Todayszaman](#), CNBC-e Business, June'12
Ha: Hectare

Big Infrastructure Projects in Istanbul (Continued)

Biggest projects for Istanbul are as below:



3rd Bridge

- Groundbreaking ceremony was held on 29 May 2013.
- Ictas Construction Industry Trade Corp.-Astaldi Joint Initiative Group won the project
- Estimated cost is 2,5 bio USD
- Will be built in 3 years
- **Consumption for total project**: Volume:
 - ~1,2 m m³ RMX and ~0,25 mt CEM
- **3rd Bridge**: Volume :
 - 2013 -2014: ~200 k m³
- **Highway**: Volume:
 - 2013 -2015: ~1000 k m³

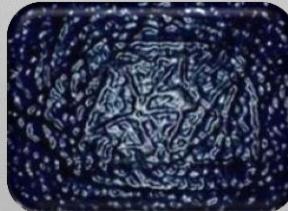


Source: [Todayszaman](#), CNBC-e Business, June'12
Ha: Hectare

Energy always matters

- To increase efficiency on energy usage
 - Flexibility in use of pet coke and coal
 - Use of import channels of HC Trading firms
 - High-sulfur pet coke 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 of 2012
- To increase alternative fuel usage
 - Alternative fuel feeding system investment in Canakkale Plant
 - Agreement with Recydia Waste Management Company
 - Continue to import shredded tire
 - Planned to have RDF import licence like shredded tire

Primary



Alternative



OIBD & OI

| Company Mio TL | 4Q12 | 4Q13 | Var. 4Q13 vs. 4Q12 | % Ch. Q | FY12 | FY13 | Var FY13 vs. FY12 | % Ch. YTD |
|--------------------------------|--------------|--------------|--------------------------|---------|--------------|--------------|-------------------------|-----------|
| Net Sales | 273,5 | 326,9 | 53,4 | 19,5% | 1.055,9 | 1.202,2 | 146,3 | 13,9% |
| OIBD * | 52,5 | 70,6 | 18,1 | 34,4% | 212,7 | 266,7 | 54,1 | 25,4% |
| Depreciation & Amortization ** | 14,8 | 16,8 | 2,0 | 13,4% | 57,2 | 63,4 | 6,2 | 10,9% |
| OI *** | 37,7 | 53,8 | 16,1 | 42,6% | 155,5 | 203,3 | 47,9 | 30,8% |
| OIBD Margin % | 19,2% | 21,6% | 2,4% | | 20,1% | 22,2% | 2,0% | |
| OI Margin % | 13,8% | 16,5% | 2,7% | | 14,7% | 16,9% | 2,2% | |

*) OIBD : Operating Income Before Depreciation and Amortization

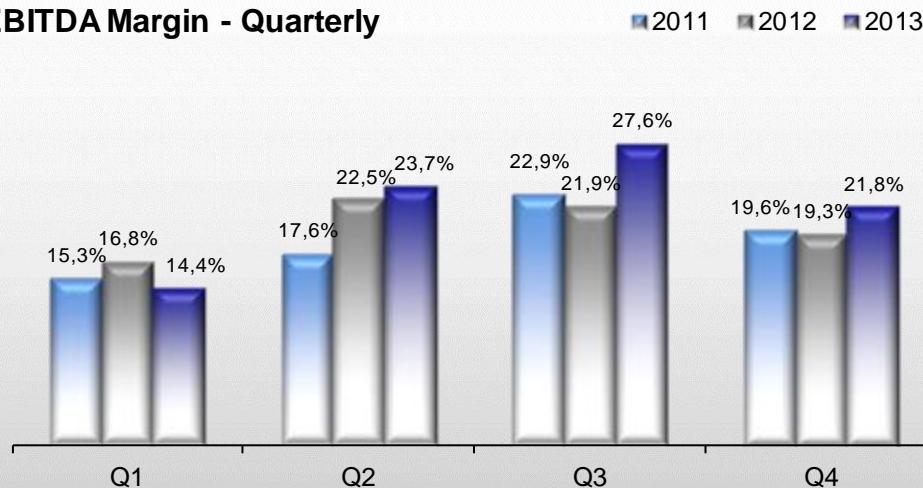
**) Represent the total depreciation and amortization amount booked in P&L

***) OI : Operating Income

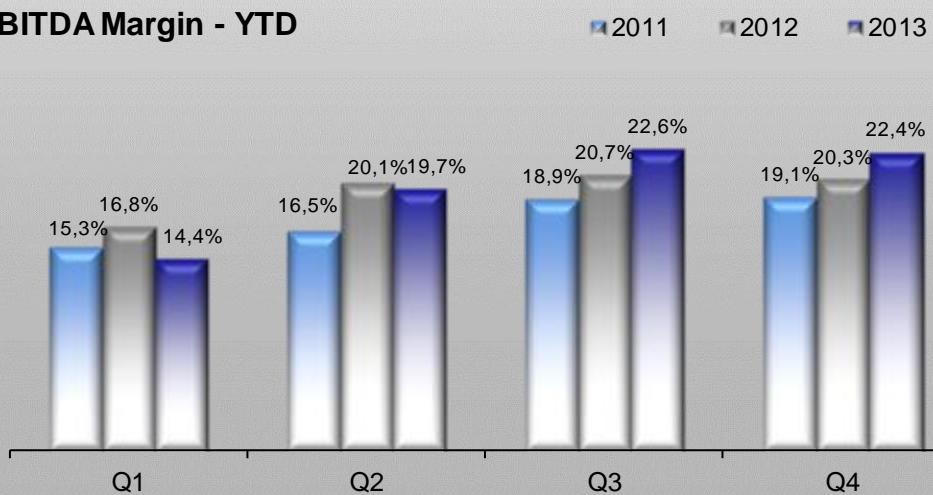
These figures include only Akçansa and Karçimsa results. These figures represent the management report view.

EBITDA Margins

EBITDA Margin - Quarterly



EBITDA Margin - YTD



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

Akçansa Sustainability Approach



- GRI Approval, 19.01.2011
- First report in its sector
- 2nd report was approved as of 12 June 2012

[Homepage of The Report](#)

[2010-2011 Report](#)

Awards

- **Golden Collar Award for Invest in Human Capital category**
 - **By Sabancı Holding**
- **The Most Admired Cement Company 2013**
 - **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**



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 pet coke or 130 k ton coal, or a mix of both
- 7.500 kcal/ton in pet coke vs. 6.000 kcal/ton in coal.
- Fuel accounts for 30-40% of the variable cost of producing 1 ton of cement
- 1% increase in alternative fuel usage have 1,5-2 mio TL cost advantage per year

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 Akcansa will be around 1-1,5 mio TL based on current electricity prices