



# 2014 Q3 Results

Mehmet Hacıkamiloğlu, CEO and Dr. Carsten Sauerland, CFO



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# Macroeconomic Assumptions for Turkey 2007 – 2014E

• **Inflation** expectation is revised up based on revision of FX rate expectation

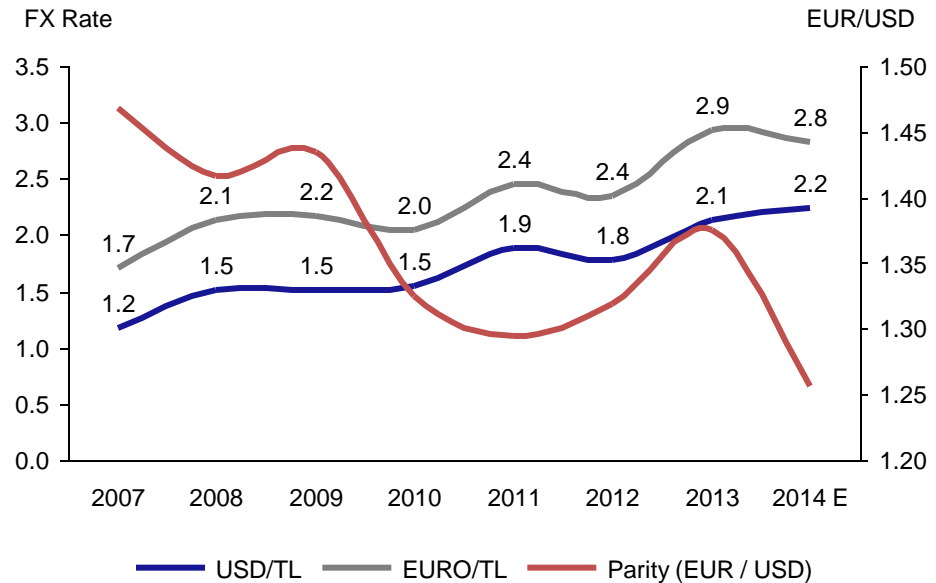
• **Interest rate** level is expected to increase which will effect on mortgage rates

• **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	-1,6%	9,4%	76,9

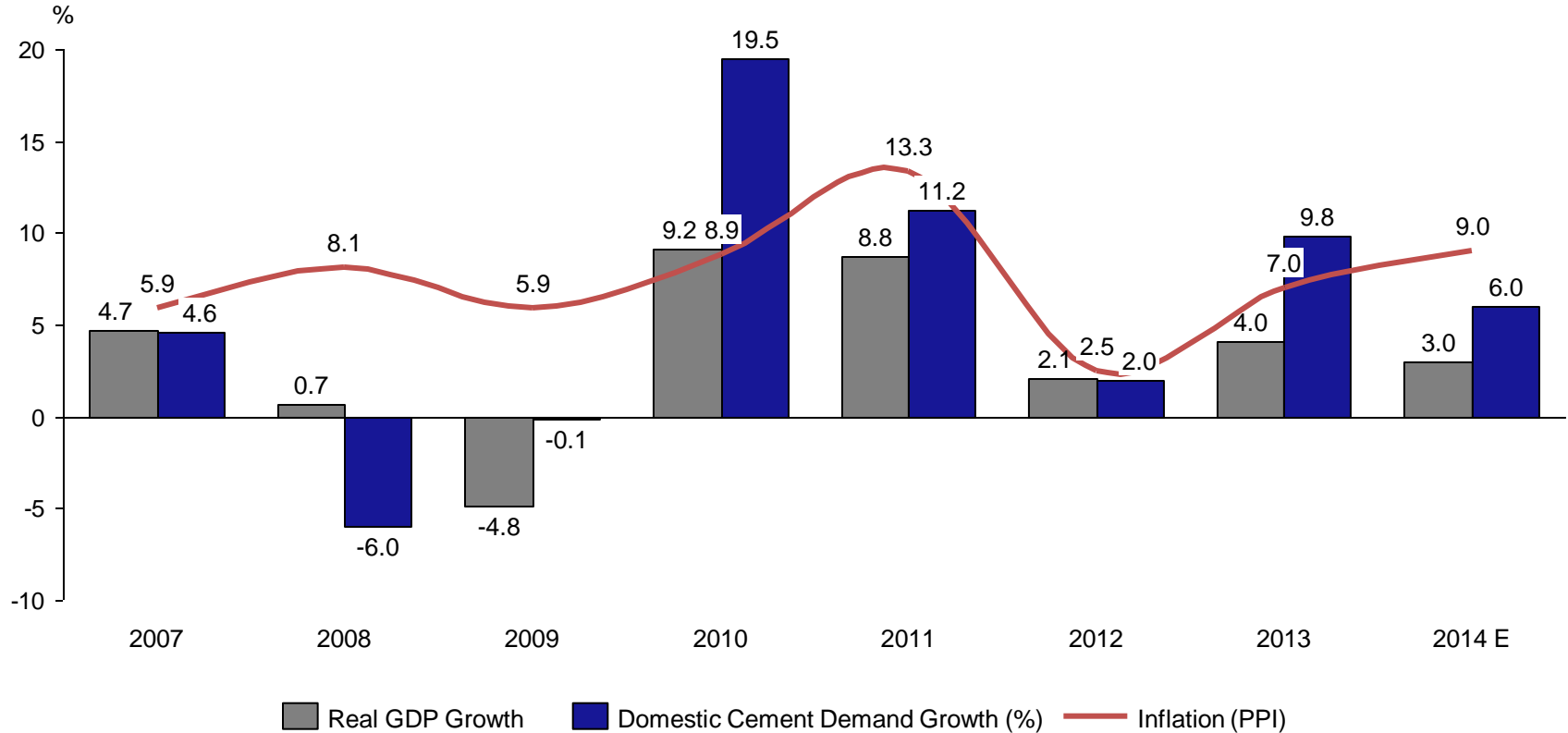
• **FX rate:** TL depreciation led to revize the expectations

• **USD** is expected to continue to appreciate in remaining period of 2014 compared to all currency types and this increase would positively effect export revenues



Source: Sabancı Holding and Akçansa assumptions

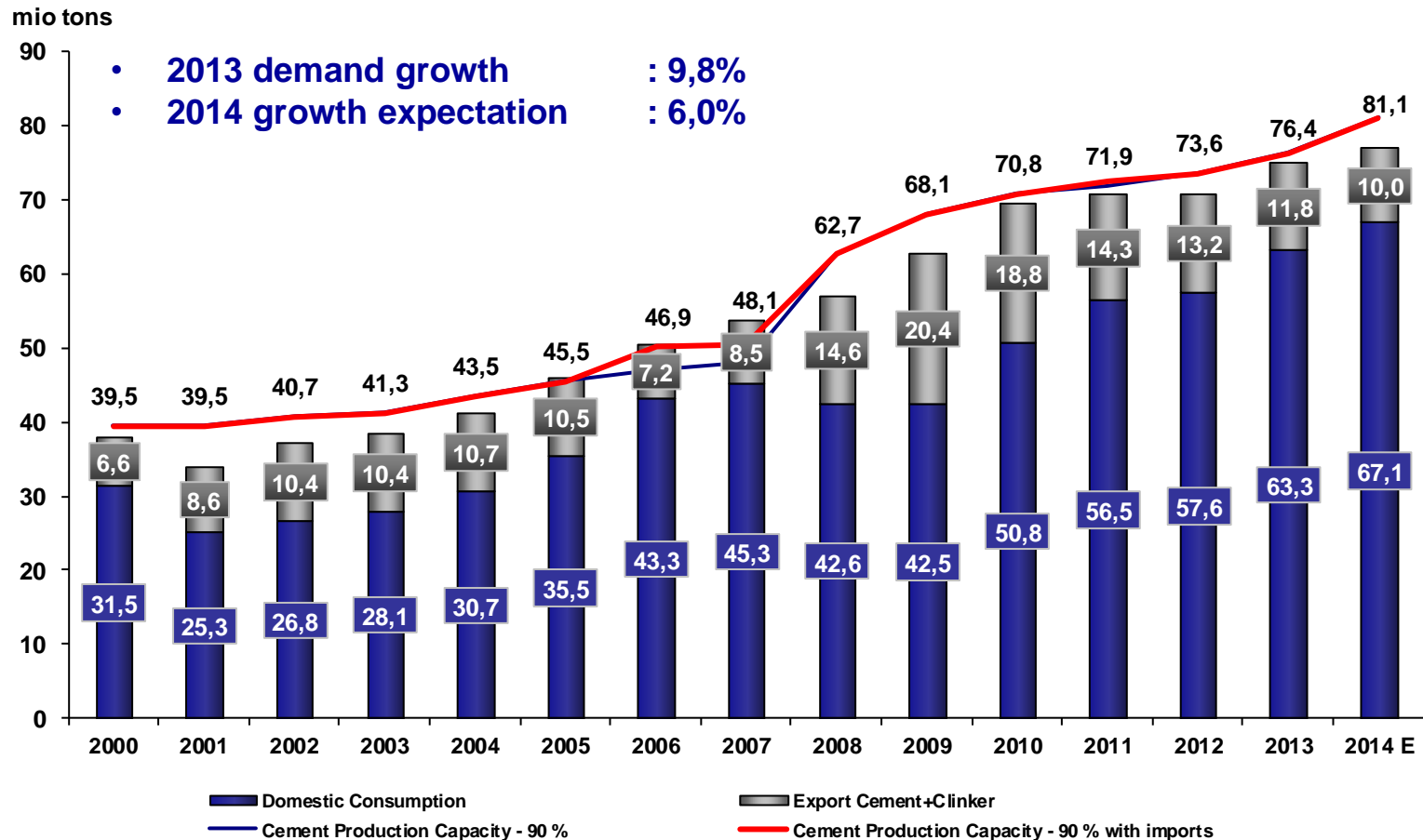
# Macroeconomic Assumptions for Turkey 2007 – 2014E (Continued)



- **Real GDP growth** expected to be lower than 2013
- **Domestic cement demand growth** is expected to be stronger than GDP growth in 2014 due to continuing urban transformation and infrastructure activities, but lower than previous year
- TRL depreciation effects are expected to be reflected on **inflation** in 2014

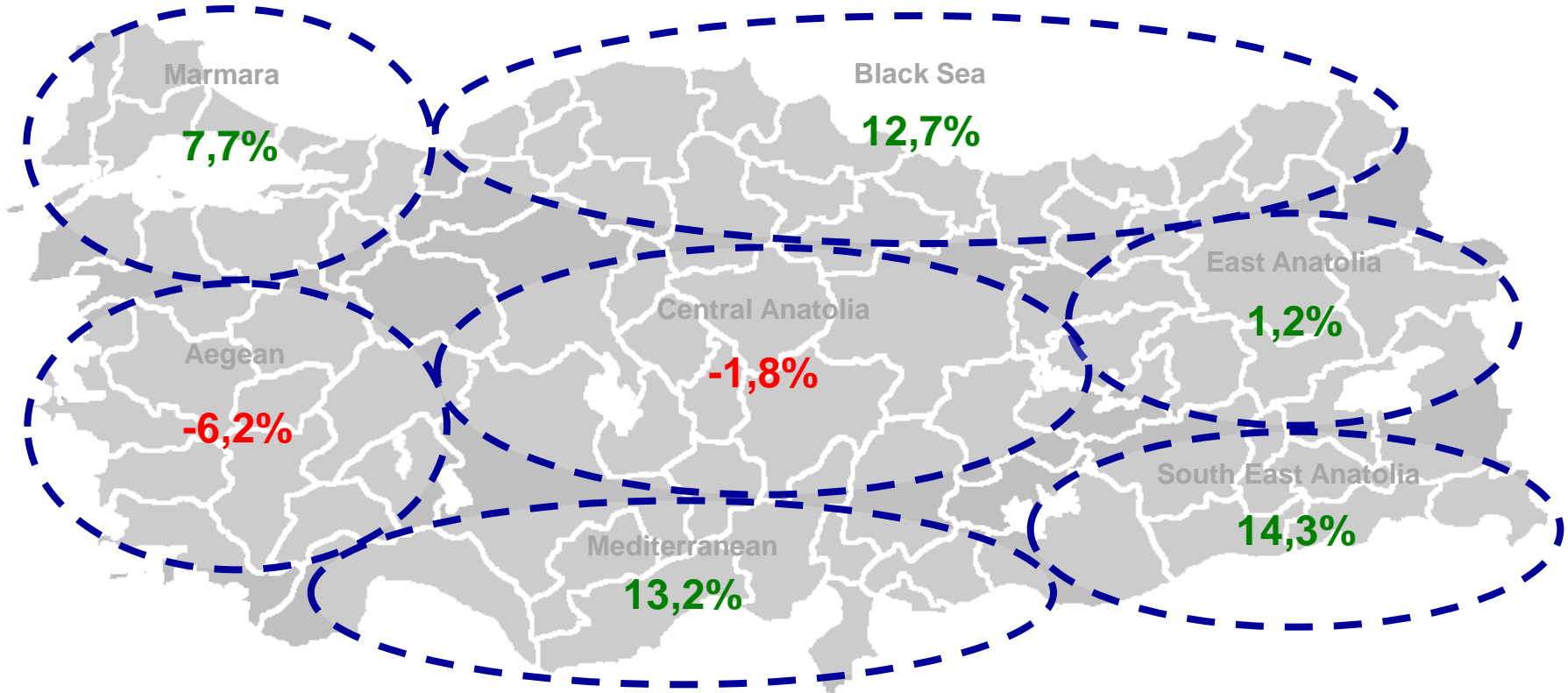
Source: Sabancı Holding and Akçansa assumptions

# 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.

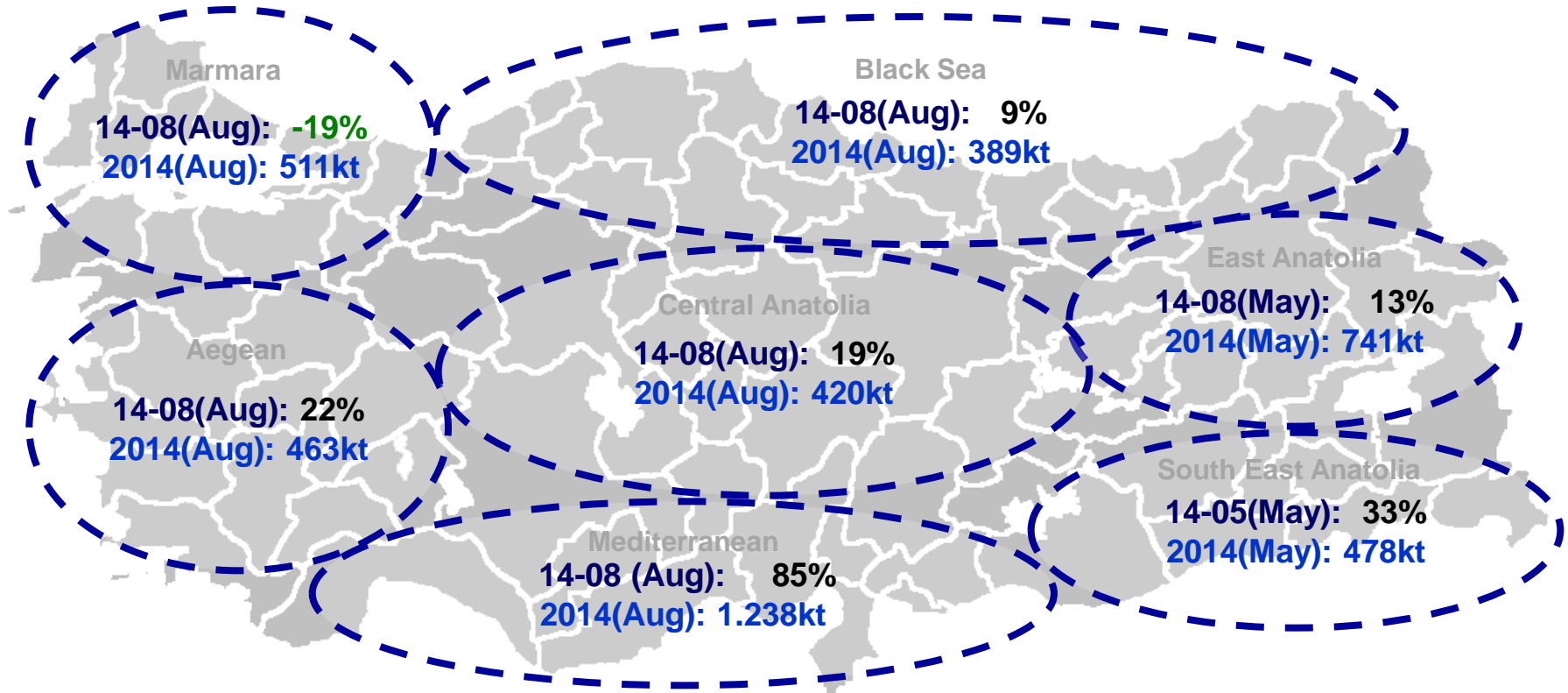
## Domestic Sales Volumes Change (August YTD)



- Cement demand in Turkish domestic market increased by **6,5%**
- Cement and clinker export figures of Turkey decreased **19,9%**

This presentation/report demonstrates announcement of TCMA as of August'14  
Figures doesn't include non TCMA member figures

# Clinker Stock Level Change (August YTD)



- In Turkey, total clinker stocks are **4,2** mio tons and there is a **24,4%** increase in stock level compared to the last year's figure

This presentation/report demonstrates announcement of TCMA as of August'14  
Figures do not include non TCMA members' figures



# Market Trends

9M 14	Domestic	
	Volume	Price (TL/ton)
<b>Domestic Cement</b>	↑	↑
Marmara	↑	↑
Aegean	↓	↑
Black Sea	↑	↑

9M 14	Export	
	Volume	Price (\$/ton)
Export Cement	↓	↑
Export Clinker	↓	↑

- Domestic volume increase exceeded export volume decrease

9M 14	Readymix	
	Volume	Price (TL/m3)
<b>General</b>	→	↑
Marmara	↑	↑
Aegean	↓	↑
Black Sea	↓	↑

- Stable RMC volume with higher prices

Energy Costs	9M 14
Coal (USD / ton)	↓
Petcoke (USD/ton)	↓
Electricity (TL / kwh)	↑
Diesel (TL / Lt)	↑

- Favorable fuel, higher electricity and diesel prices

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

# Baltic Dry Index



***Last 5-year period***



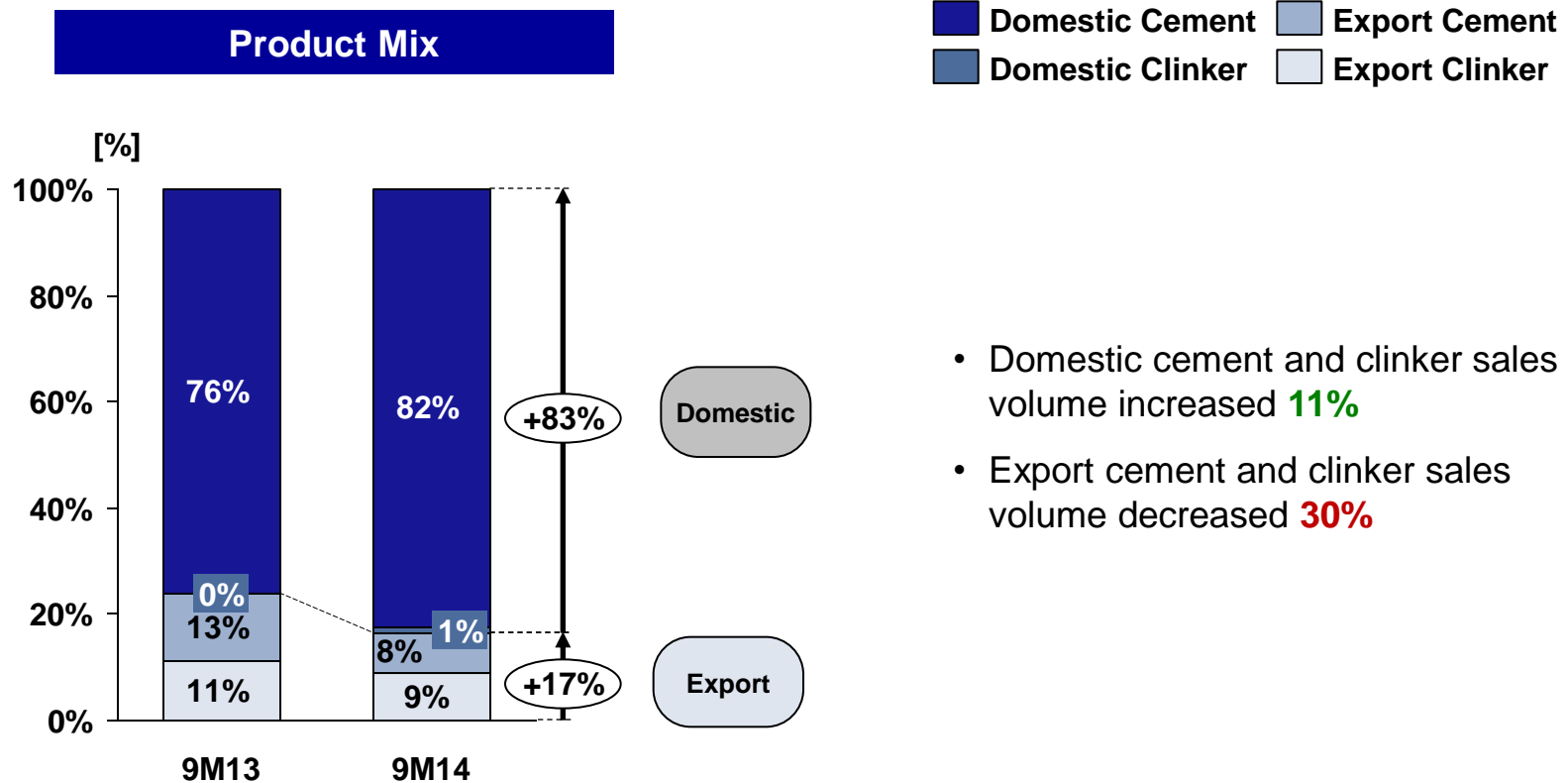
***Last 12-month period***

Parallel to previous year level

Index has been fluctuating within a favorable band in 2014

[Source: Bloomberg](#)

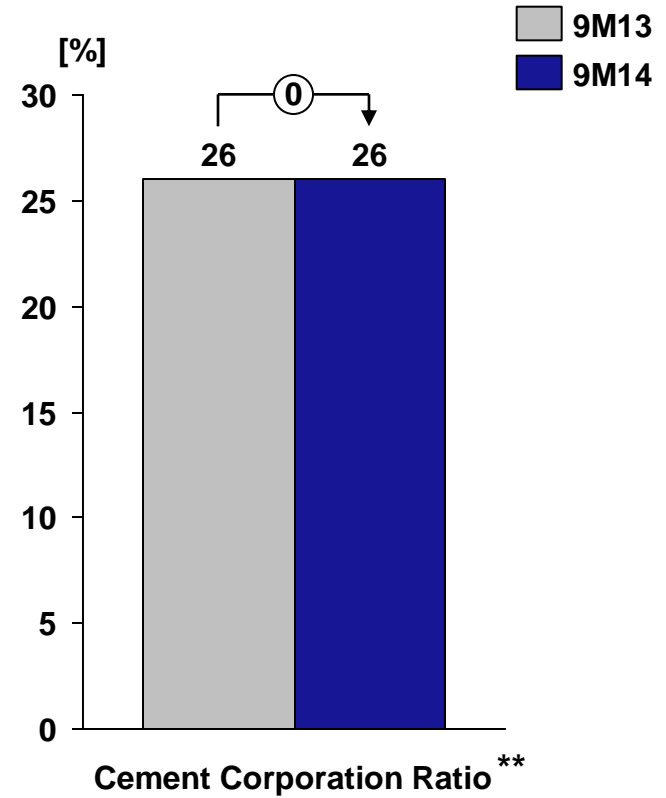
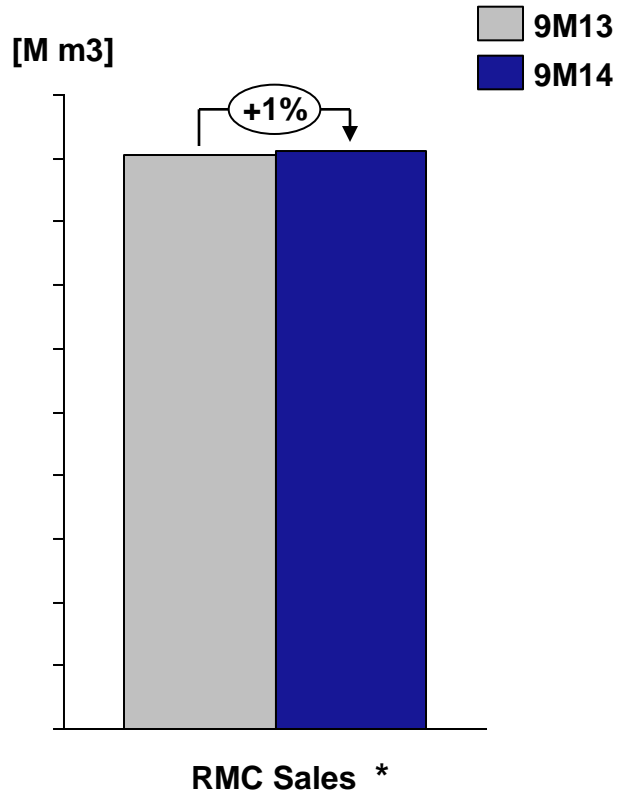
# Akçansa Sales Volume Components



\*) 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)

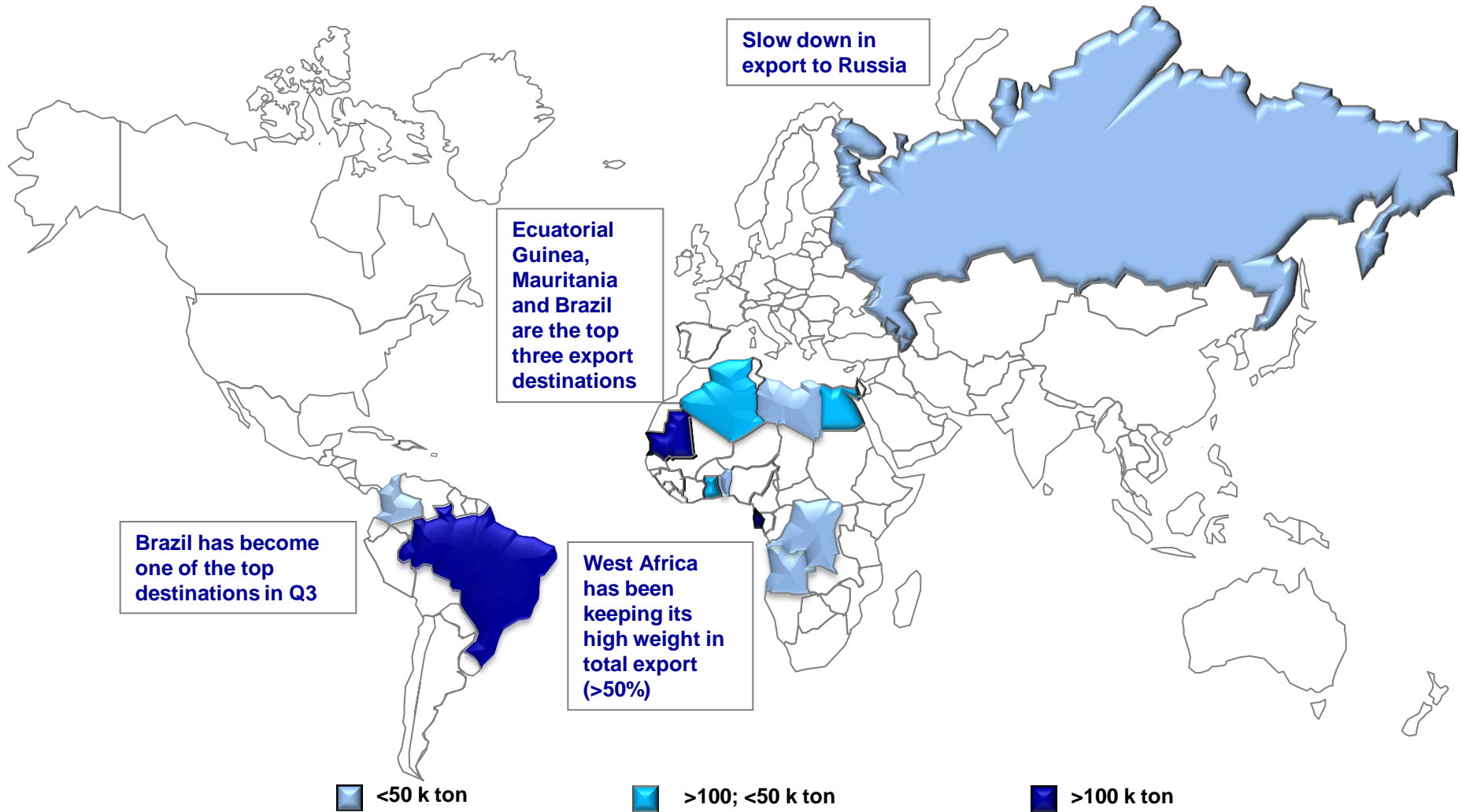


\*) RMC figures include RMC sales of Karçimsa

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

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

# Akcansa Export Regions (9M14)



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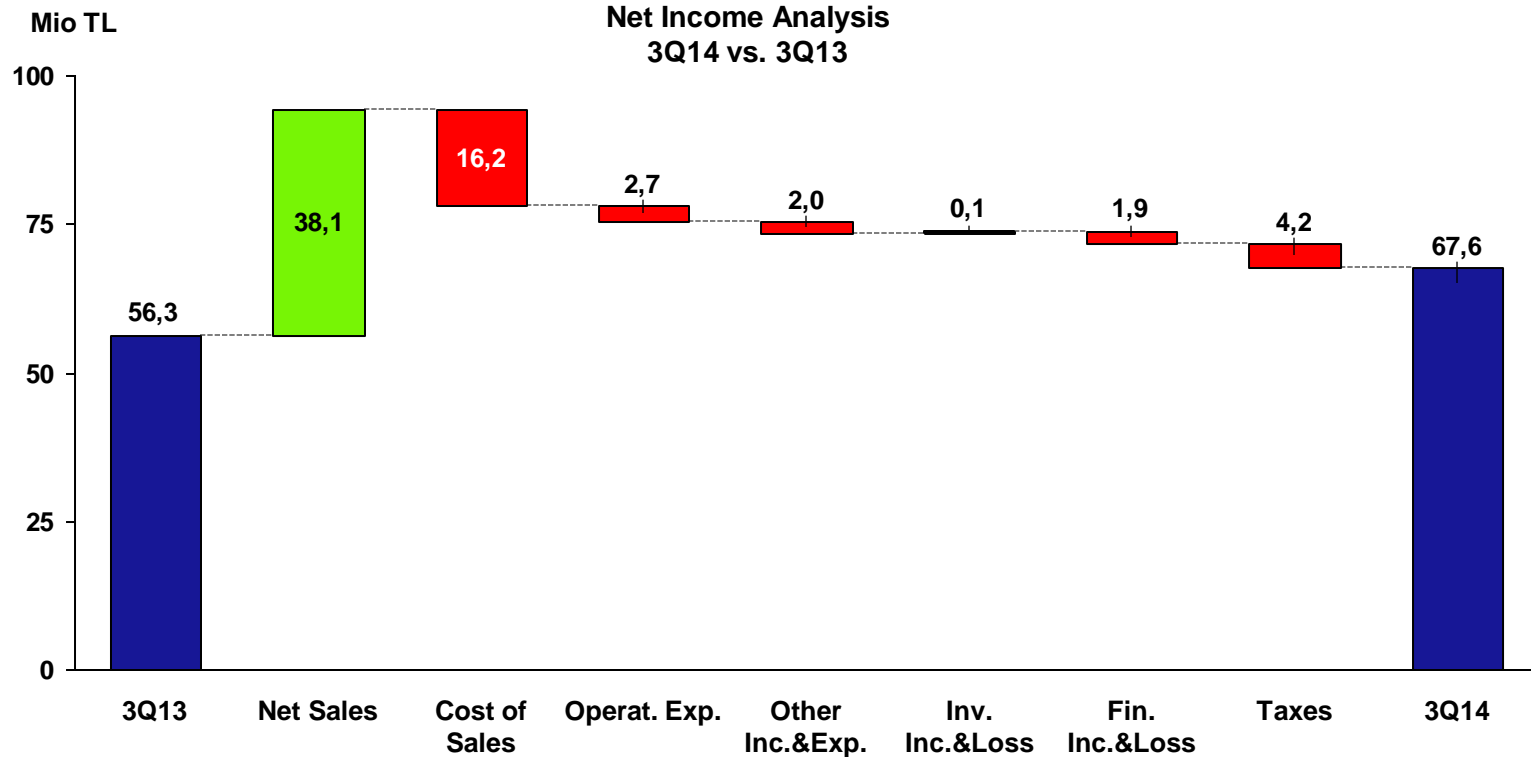
# Income Statement

Company Mio TL	3Q13	3Q14	Var. 3Q14 vs. 3Q13	% Ch. Q	9M13	9M14	Var 9M14 vs. 9M13	% Ch. YTD
Net Sales	328,6	366,7	38,1	11,6%	875,3	1.078,7	203,4	23,2%
Cost of Sales	(242,2)	(258,3)	(16,2)	6,7%	(684,3)	(770,7)	(86,5)	12,6%
<b>Gross Margin</b>	<b>86,5</b>	<b>108,4</b>	<b>21,9</b>	<b>25,3%</b>	<b>191,1</b>	<b>308,0</b>	<b>116,9</b>	<b>61,2%</b>
Marketing&Sales Expense	(2,6)	(3,4)	(0,8)	30,9%	(9,7)	(11,5)	(1,8)	18,4%
General Management Expenses	(9,2)	(11,1)	(1,9)	20,4%	(29,2)	(33,0)	(3,8)	12,9%
<b>EBIT</b>	<b>74,7</b>	<b>93,9</b>	<b>19,2</b>	<b>25,8%</b>	<b>152,1</b>	<b>263,5</b>	<b>111,3</b>	<b>73,2%</b>
Other Operating Income/Charges	0,5	(1,5)	(2,0)	-368,4%	(2,6)	(4,6)	(2,0)	74,4%
<b>Operating Income</b>	<b>75,3</b>	<b>92,5</b>	<b>17,2</b>	<b>22,9%</b>	<b>149,5</b>	<b>258,9</b>	<b>109,4</b>	<b>73,2%</b>
Income/Losses from Investment Activities	0,1	0,2	0,1	129,8%	12,0	17,6	5,6	46,3%
Non-Operating Financial Income	1,4	1,8	0,4	27,4%	6,0	4,7	(1,3)	-21,0%
Non-Operating Financial Charge	(7,2)	(9,5)	(2,3)	32,2%	(20,1)	(27,5)	(7,4)	36,9%
<b>Profit/Loss before Taxes</b>	<b>69,6</b>	<b>85,0</b>	<b>15,4</b>	<b>22,2%</b>	<b>147,5</b>	<b>253,7</b>	<b>106,3</b>	<b>72,1%</b>
Taxes On Income	(13,3)	(17,5)	(4,2)	31,7%	(27,2)	(47,7)	(20,4)	75,1%
<b>Net Income/Loss</b>	<b>56,3</b>	<b>67,6</b>	<b>11,2</b>	<b>19,9%</b>	<b>120,2</b>	<b>206,1</b>	<b>85,8</b>	<b>71,4%</b>
<b>Gross Margin %</b>	<b>26,3%</b>	<b>29,6%</b>	<b>3,2%</b>		<b>21,8%</b>	<b>28,5%</b>	<b>6,7%</b>	
<b>EBITDA Margin % *</b>	<b>27,6%</b>	<b>30,0%</b>	<b>2,4%</b>		<b>22,6%</b>	<b>28,9%</b>	<b>6,2%</b>	
<b>EBIT Margin %</b>	<b>22,7%</b>	<b>25,6%</b>	<b>2,9%</b>		<b>17,4%</b>	<b>24,4%</b>	<b>7,0%</b>	
<b>Net Income Margin %</b>	<b>17,1%</b>	<b>18,4%</b>	<b>1,3%</b>		<b>13,7%</b>	<b>19,1%</b>	<b>5,4%</b>	

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

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

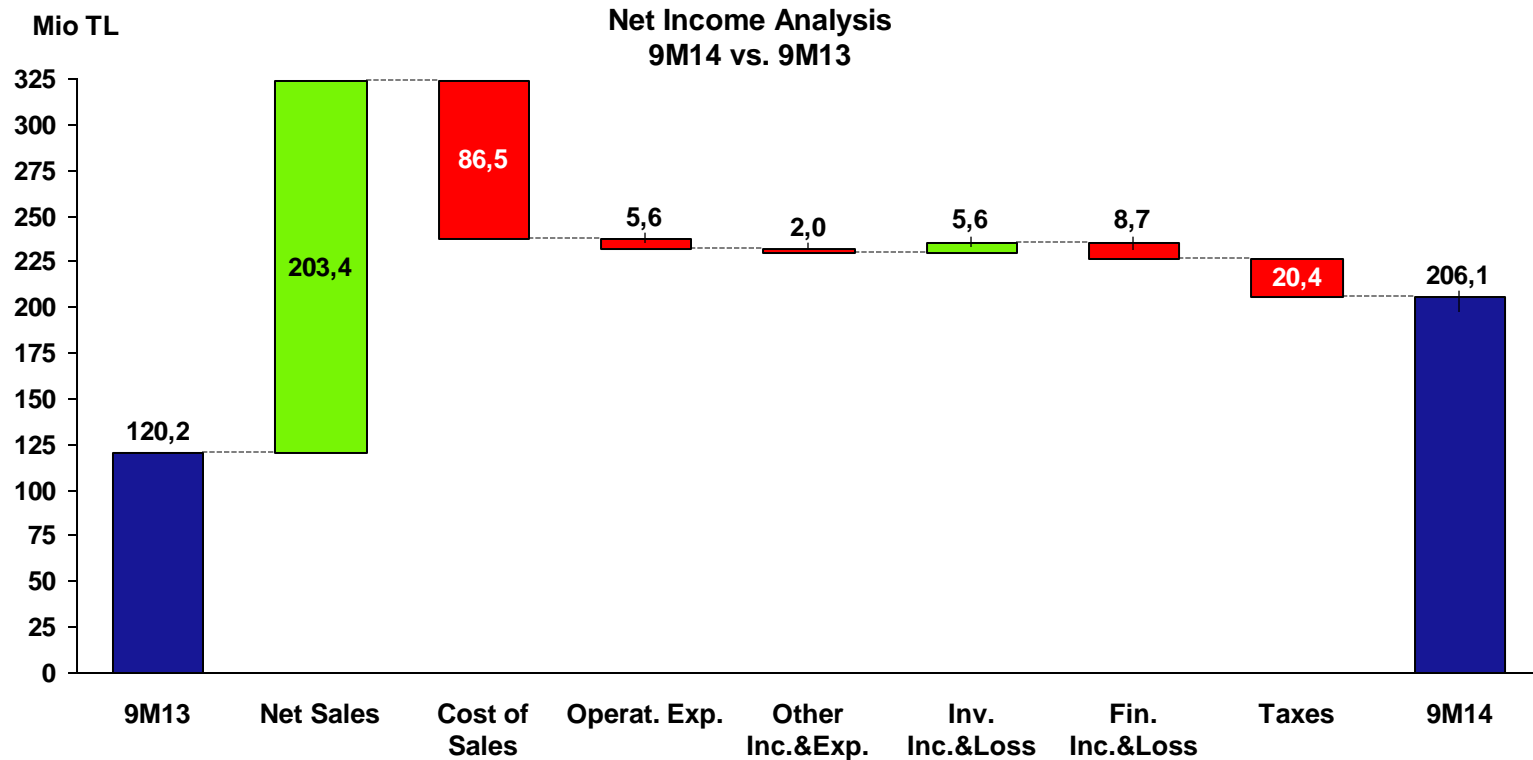
# Company Profit and Loss Accounts (Q3)



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# Company Profit and Loss Accounts (9M)



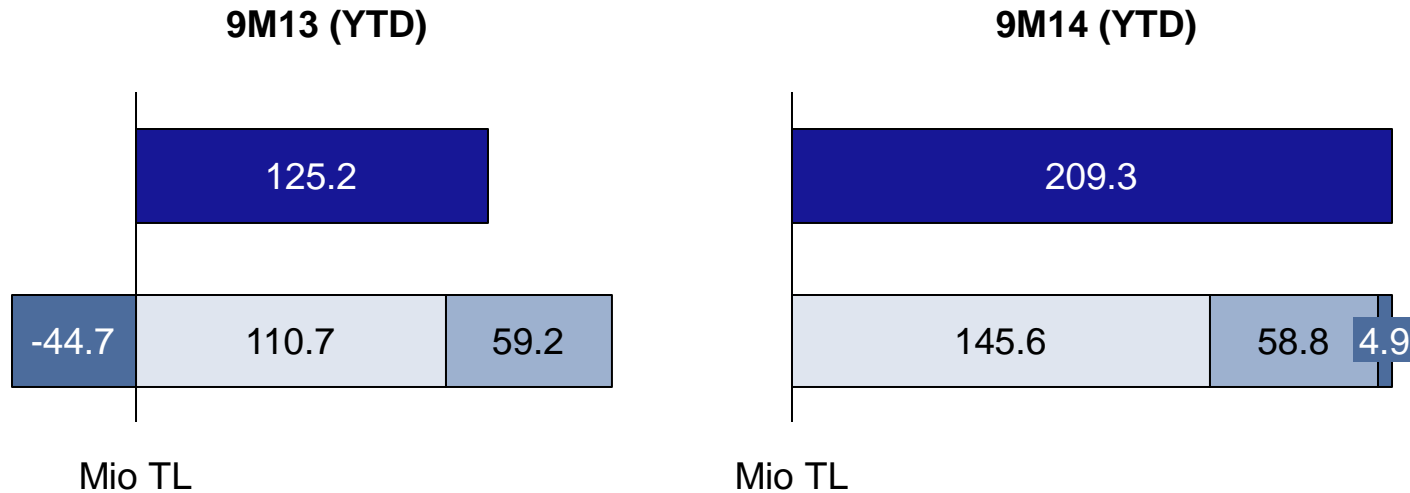
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# Cash Flow Statement

Company Mio TL	9M13	9M14
<b>Cash flow from operating activities</b>		
Operating income before the changes in working capital	207,8	318,2
Changes in working capital	(82,6)	(57,3)
Taxes paid	(21,7)	(41,1)
Other items	15,8	0,4
	<b>119,2</b>	<b>220,2</b>
<b>Cash flow from investing activities</b>		
Tangible and intangible fixed assets	(59,2)	(58,8)
Financial assets	-	(0,1)
Proceeds from fixed asset disposals	2,0	1,1
Dividends Received	10,9	17,7
	<b>(46,2)</b>	<b>(40,1)</b>
<b>Cash flow from financing activities</b>		
Dividend payments	(110,7)	(145,6)
Net proceeds from bonds and loans	59,5	6,8
Interest paid	(7,3)	(30,2)
Other items	0,2	0,5
	<b>(58,2)</b>	<b>(168,4)</b>
<b>Net change in cash and cash equivalents - continuing operations</b>	<b>14,8</b>	<b>11,7</b>
<b>Change in cash &amp; cash equivalents</b>	<b>14,8</b>	<b>11,7</b>
Cash & cash equivalents at 1 January	13,7	15,8
Cash & cash equivalents on 30 September	28,5	27,5

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# Cash Flow Usage

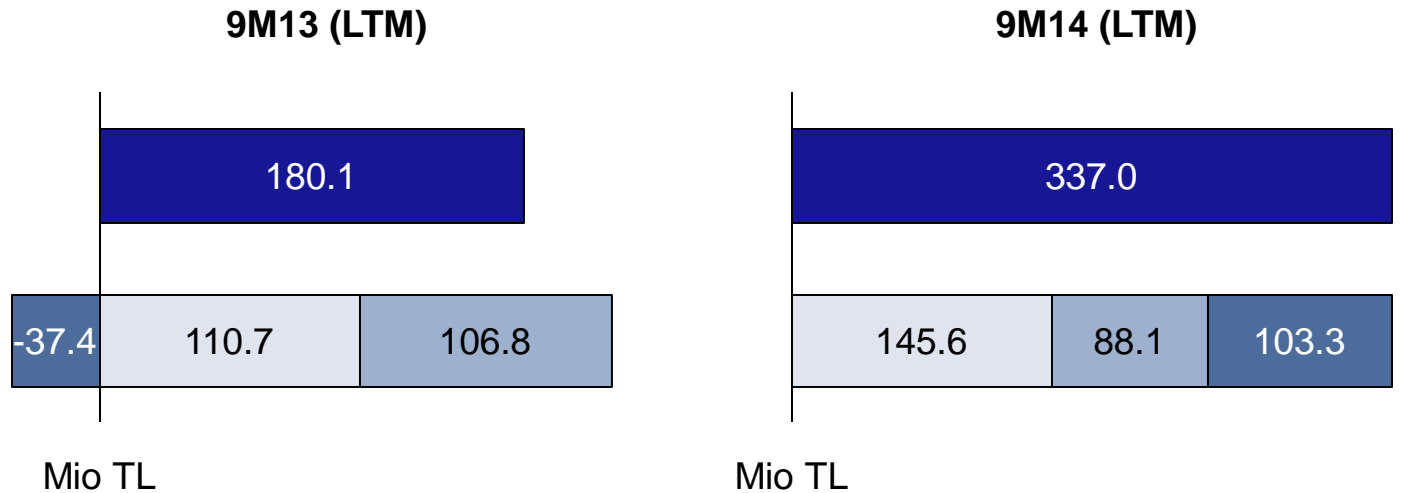


Adj. operating cash flow \* 
  Dividend paid 
  CAPEX 
  Net debt reduction

\*) Operating cash flow is adjusted for dividends received, interest paid and other items.

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## Cash Flow Usage (Continued)

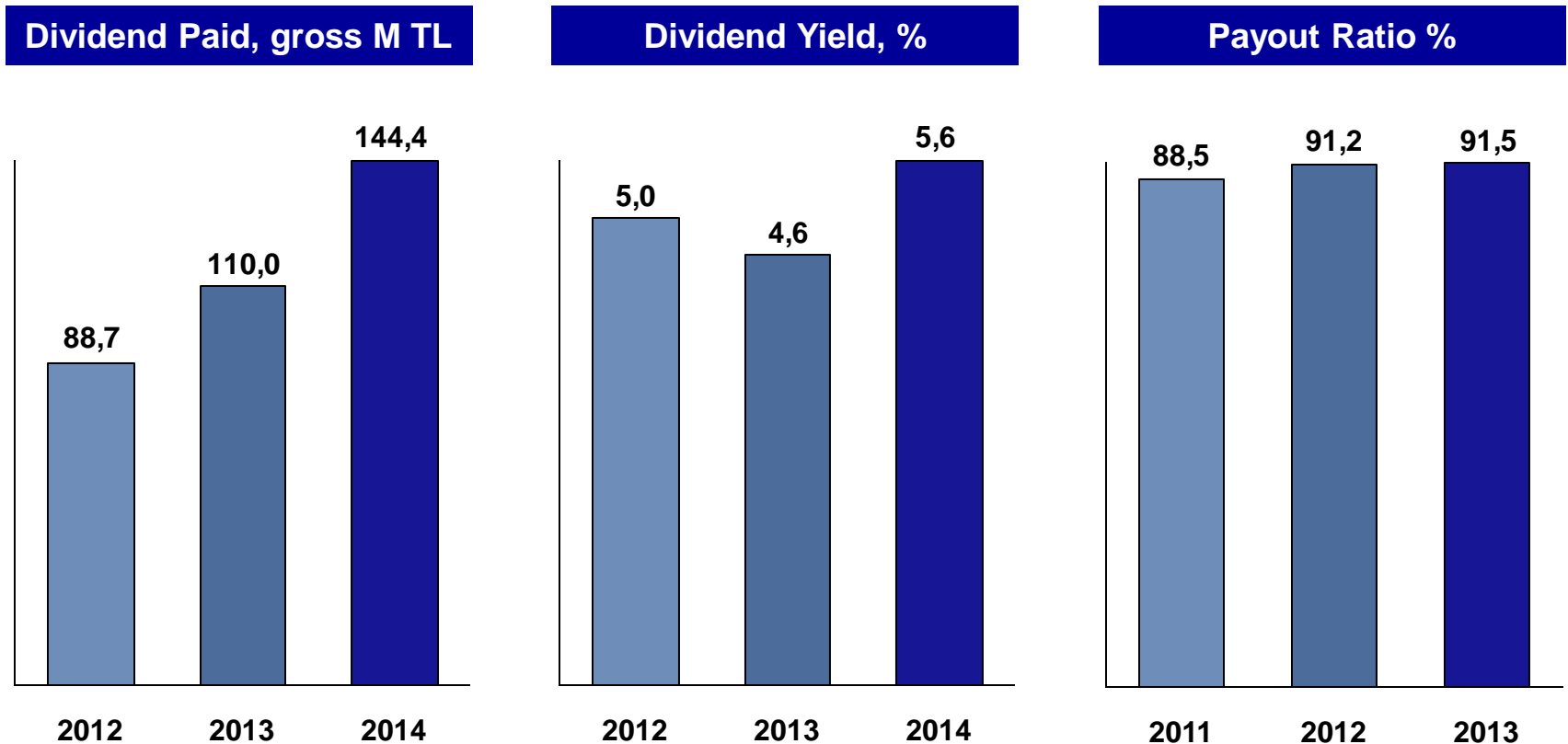


Adj. operating cash flow \* 
  Dividend paid 
  CAPEX 
  Net debt reduction

\*) Operating cash flow is adjusted for dividends received, interest paid and other items.

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# Dividend Paid, Dividend Yield and Payout Ratio



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

# Total Capex Distribution

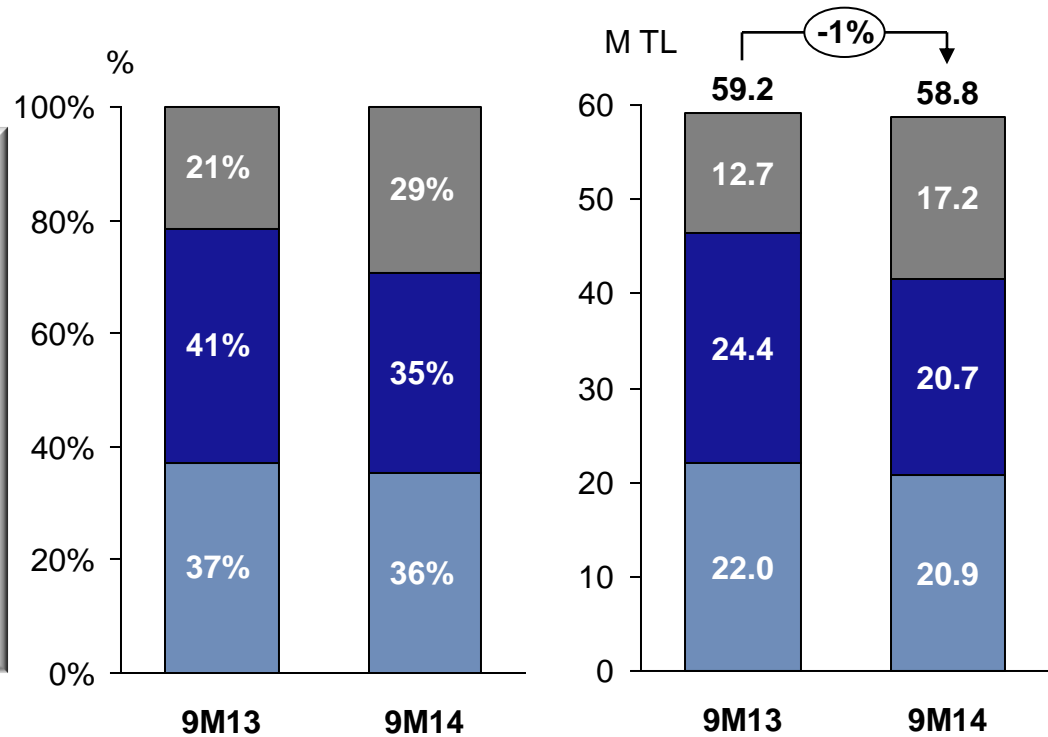
## Major capex expenditures in 9M14: (~30% of 9M14 expenditures)

1. (I&G) Dynamic separator for cement mill (BCM)\*
2. (L&E) Bag filter (LDK)\*\*
3. (I&G) Fan modification (BCM)
4. (I&G) Increasing capacity of tire shredding (CNK)\*\*\*
5. (I&G) Sewage sludge burning system (BCM)
6. (Rep) Packaging modernization (CNK)
7. (L&E) Filter press for aggregate plant
8. (I&G) Modification clinker cooler (CNK)

\*) Büyükçekmece Plant

\*\*) Ladik Plant

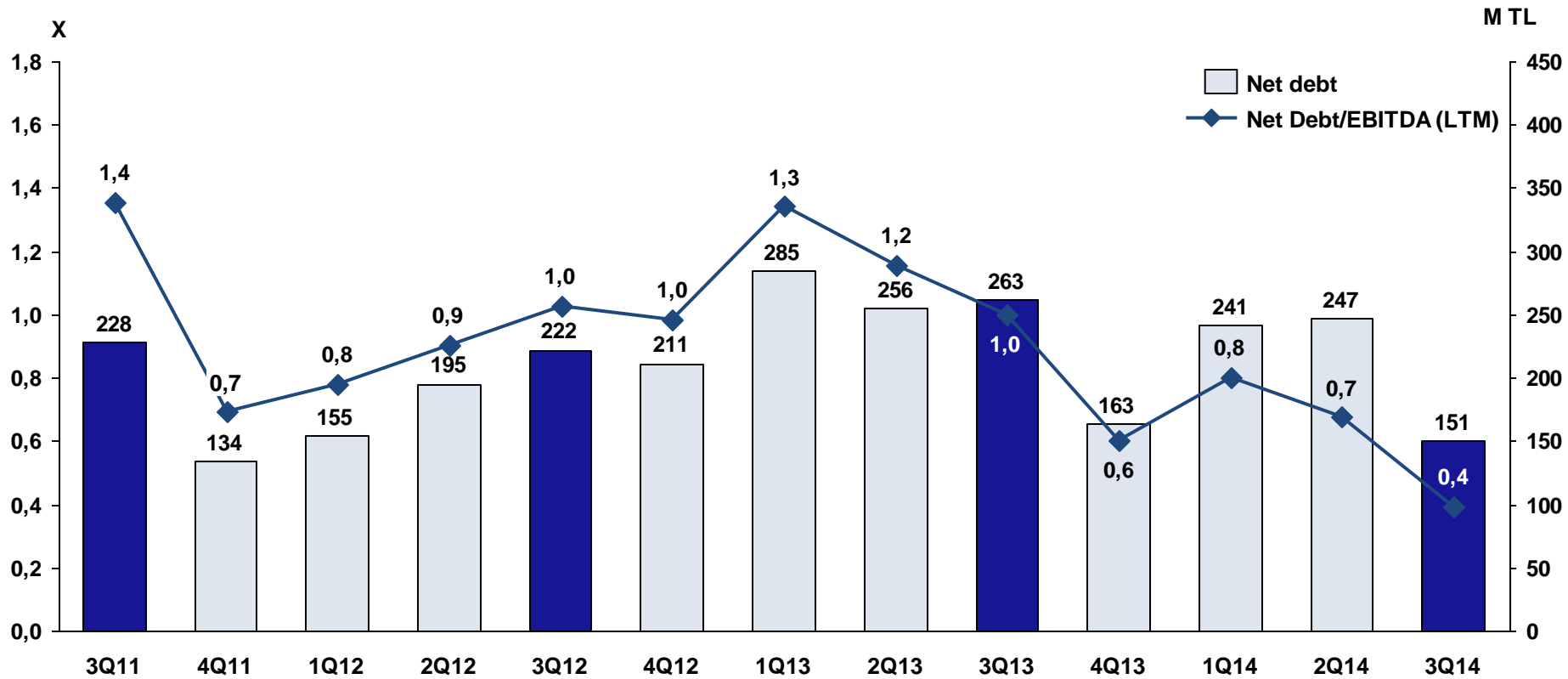
\*\*\*) Çanakkale Plant



Legal & Environment (L&E)  
Improvement & Growth (I&G)  
Replacement (Rep)

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# Net Debt / EBITDA



# Balance Sheet

Mio TL	30.09.2013	31.12.2013	30.09.2014	Variance 9M14 vs 9M13
--------	------------	------------	------------	-----------------------------

<b>Current Assets</b>	<b>510,1</b>	<b>478,7</b>	<b>537,9</b>	<b>59,2</b>
Cash & cash equivalents	28,5	15,8	27,5	11,7
Trade receivables	360,1	326,6	368,9	42,3
Inventories	112,7	117,1	132,3	15,3
Other current assets	8,9	19,2	9,1	(10,1)

<b>Non-current Assets</b>	<b>1.006,6</b>	<b>998,5</b>	<b>1.051,2</b>	<b>52,7</b>
Financial investments	182,9	164,9	205,0	40,1
Fixed Assets	687,8	700,3	709,4	9,1
Goodwill	129,5	129,5	129,5	-
Deferred tax assets	1,1	1,1	1,0	(0,1)
Other non-current assets	5,4	2,8	6,3	3,5

<b>TOTAL ASSETS</b>	<b>1.516,7</b>	<b>1.477,2</b>	<b>1.589,1</b>	<b>111,9</b>
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Mio TL	30.09.2013	31.12.2013	30.09.2014	Variance 9M14 vs 9M13
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<b>Current Liabilities</b>	<b>441,3</b>	<b>381,1</b>	<b>371,1</b>	<b>(9,9)</b>
Financial Liabilities	261,1	149,4	128,2	(21,1)
Trade payables	131,9	192,7	195,8	3,0
Tax payable	13,9	9,9	17,7	7,8
Other current liabilities	34,4	29,0	29,4	0,4

<b>Non-current Liabilities</b>	<b>99,4</b>	<b>96,1</b>	<b>119,3</b>	<b>23,2</b>
Financial Liabilities	30,0	29,9	50,1	20,1
LT provisions	25,4	21,8	24,1	2,3
Deferred tax liabilities	44,0	44,3	45,1	0,7
Other non-current liabilities	-	-	-	-

<b>Shareholders Equity</b>	<b>976,1</b>	<b>1.000,1</b>	<b>1.098,7</b>	<b>98,6</b>
Paid in Capital	191,4	191,4	191,4	-
Retained earnings	518,8	518,8	532,3	13,5
Comprehensive income	134,6	119,5	157,5	38,0
Net income	118,9	157,9	204,8	46,9
Minority interest	12,4	12,5	12,6	0,1

<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1.516,7</b>	<b>1.477,2</b>	<b>1.589,1</b>	<b>111,9</b>
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<b>BS data and key ratios</b>	<b>30.09.2013</b>	<b>31.12.2013</b>	<b>30.09.2014</b>	<b>Variance 9M14 vs 9M13</b>
Working Capital	340,8	250,9	305,5	(35,4)
Working Capital / Net Sales (LTM)	29,7%	20,9%	21,7%	-7,9%
Net debt	262,6	163,5	150,7	(111,8)
Net debt / EBITDA (LTM)	1,0x	0,6x	0,4x	-0,6x
Net Debt / Equity	26,9%	16,3%	13,7%	-13,2%

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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 & North African demand
  - American Continent demand will have higher weight in total export



## 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.
- İctas 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 RMC 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 independent units**

**6,0 mio m<sup>3</sup>**

**1.8 mio ton**



**13,5 mio m<sup>3</sup>**

**4.2 mio ton**

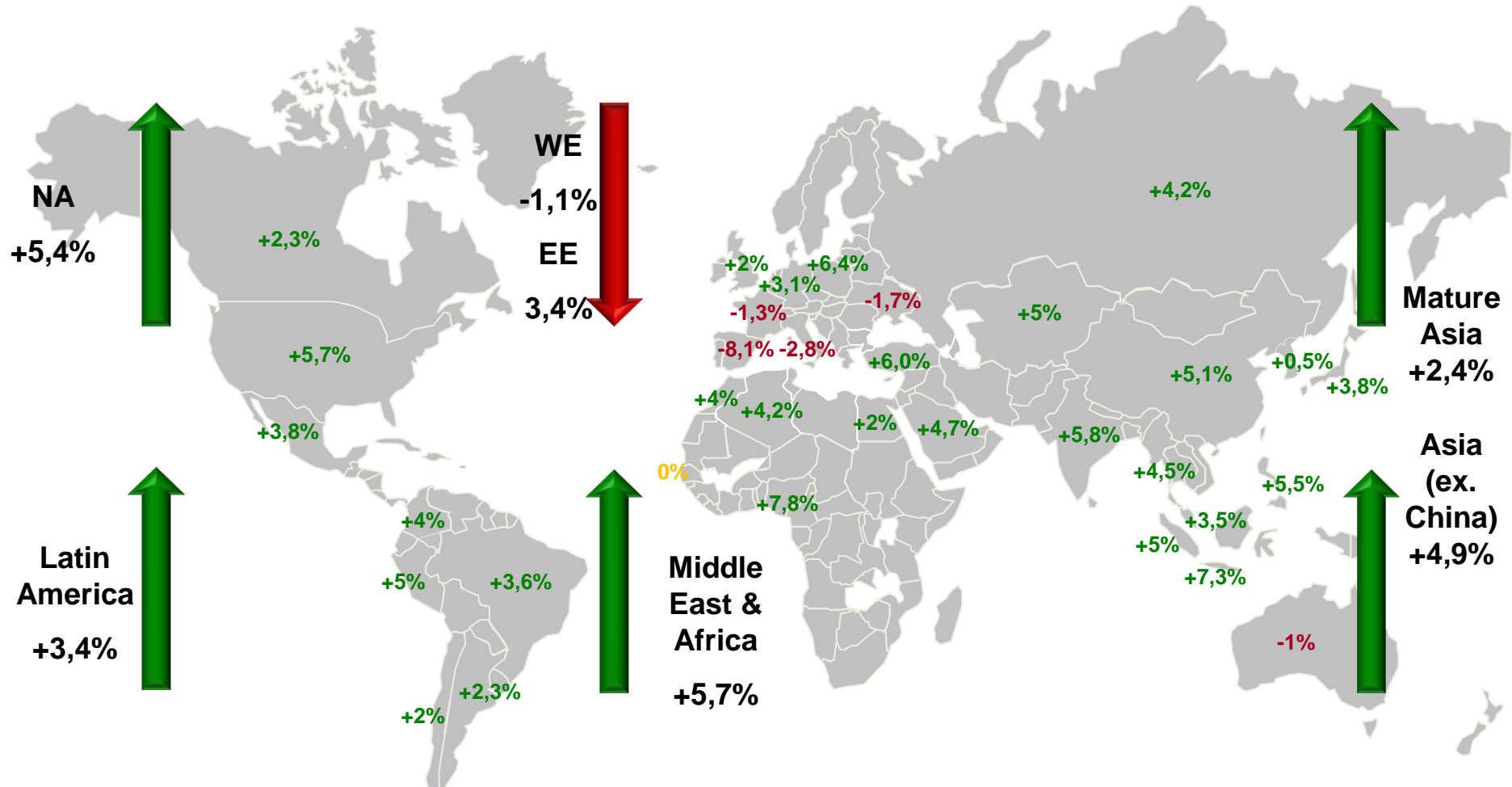
### 2014 Targeted transformation

**İSTANBUL → 350 K independent units**

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

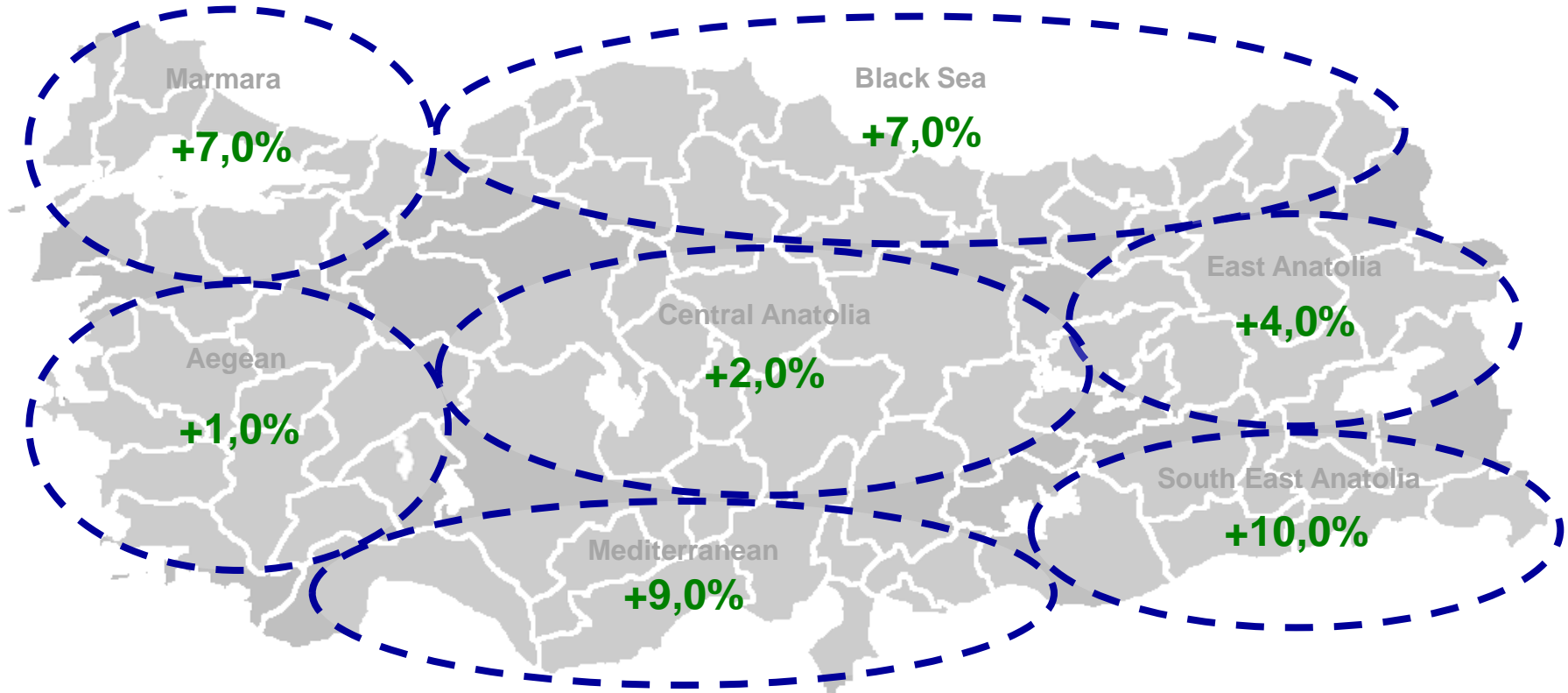
# Cement Consumption Trends : Regional Consumption 2014 Estimate

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 **6%** 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/m3)	→	↑

(\*) Compared to FY 13

Energy Price	2014
	YE
Coal (USD / ton)	→
Petcoke (USD/ton)	→
Electricity (TL / kwh)	→
Diesel (TL / Lt)	↑

(\*) Compared to 9M14

## Compared to FY 13:

- Higher domestic but decreasing export sales
- Stronger RMC and cement prices
- Stable RMC sales

## Compared to 9M14:

- Stable energy pricing conditions
- USD appreciation effect will be reflected on diesel prices

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## Follow Us

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\*\*\*

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A+Beton'la 'Yeşil Bina' çözümleri sunuyor.

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A+Beton iPhone ve iPad mobil uygulamasıyla;  
• Karbon emisyon hesabı yapılabilir,  
• Geleneksel beton ile A+Beton arasındaki farkı görebilirsiniz.





## **Contacts**

### **Dr. Carsten Sauerland, CFO**

Phone +90 216 571 30 20

Fax +90 216 571 30 21

[carsten.sauerland@akcansa.com.tr](mailto:carsten.sauerland@akcansa.com.tr)

### **Dinçer Bulan, IR Executive**

Phone +90 216 571 31 14

Cell phone +90 530 522 69 11

Fax +90 216 571 30 31

[dincer.bulan@akcansa.com.tr](mailto:dincer.bulan@akcansa.com.tr)

### **Banu Üçer, Corporate Communication Executive**

Phone +90 216 571 30 13

Fax +90 216 571 30 11

[banu.ucer@akcansa.com.tr](mailto:banu.ucer@akcansa.com.tr)

**Info Adress:** [IR-info@akcansa.com.tr](mailto:IR-info@akcansa.com.tr)

## **Websites**

[www.akcansa.com.tr](http://www.akcansa.com.tr)

[www.betonsa.com.tr](http://www.betonsa.com.tr)

[www.sabanci.com.tr](http://www.sabanci.com.tr)

[www.heidelbergcement.com](http://www.heidelbergcement.com)

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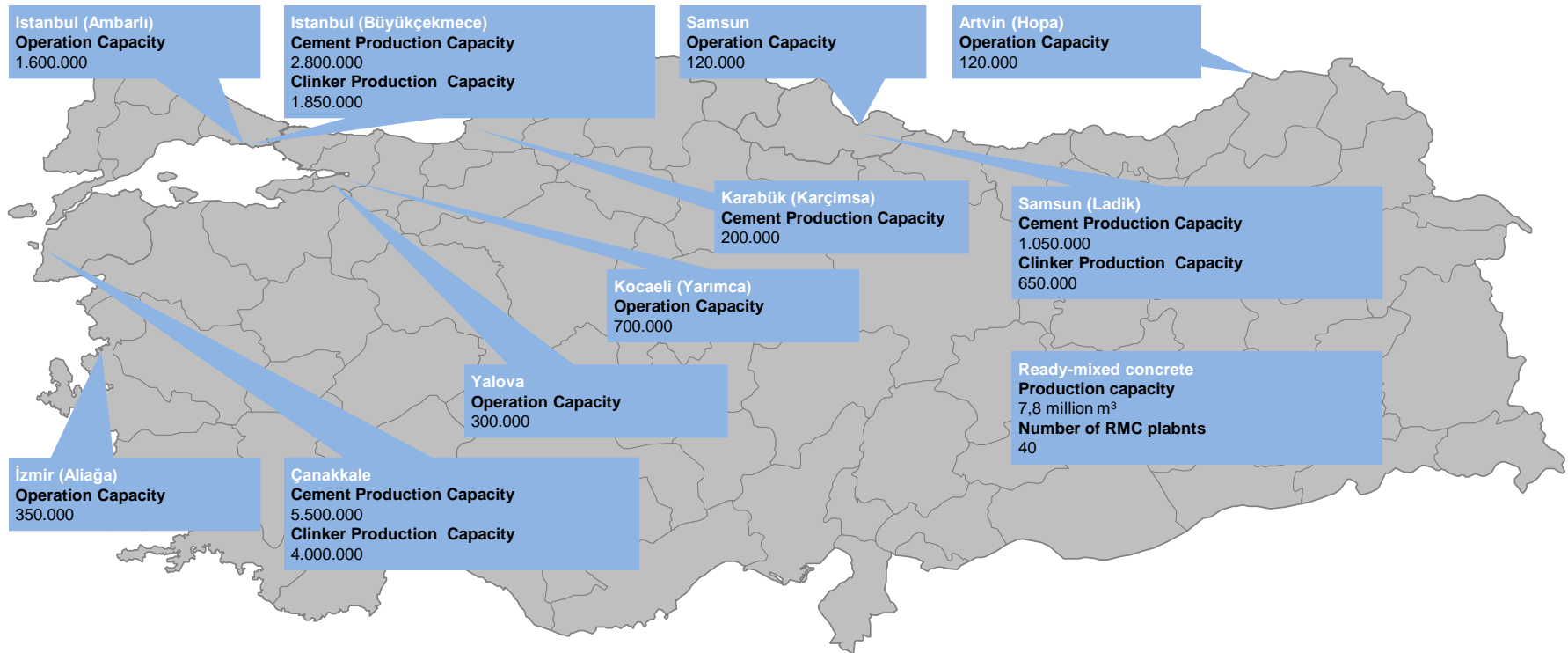
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# Appendix

# Akcansa at a glance

## Operations in Turkey



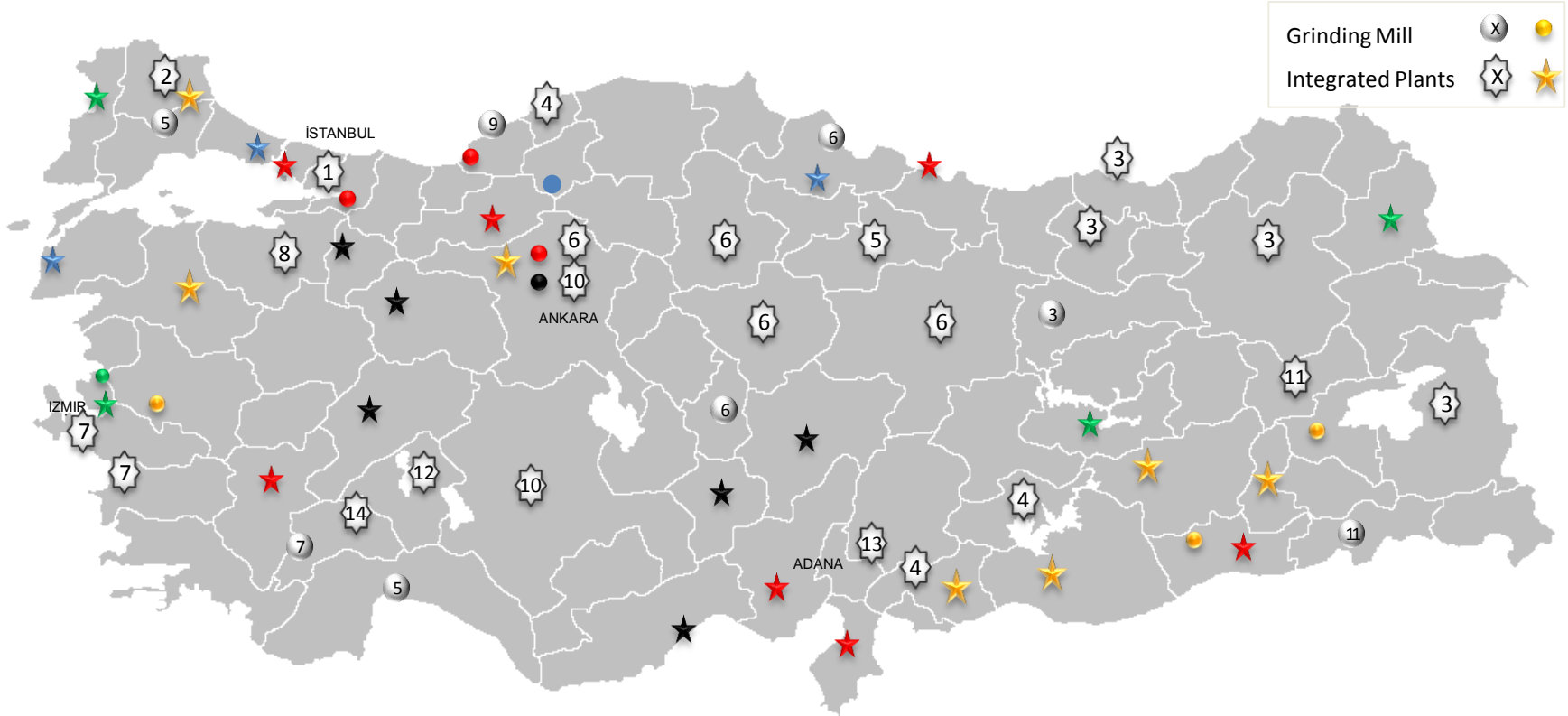
## Key Operational Highlights

CEM	RMC	Ports	Terminals
<ul style="list-style-type: none"> <li>• 3 cement plants</li> <li>• 6,5 m ton clinker capacity</li> <li>• 9,0 m ton cement capacity</li> </ul>	<ul style="list-style-type: none"> <li>• 40 RMC terminals</li> <li>• 7,8 million m<sup>3</sup> RMC capacity</li> </ul>	<ul style="list-style-type: none"> <li>• 2 ports</li> <li>• Ambarlı &amp; Çanakkale</li> </ul>	<ul style="list-style-type: none"> <li>• 6 domestic terminals</li> <li>• 3,2 m ton total operating capacity</li> </ul>

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

# Cement Sector Distribution in Turkey

48 integrated plants, 18 grinding mills, 66 plants, 20 players



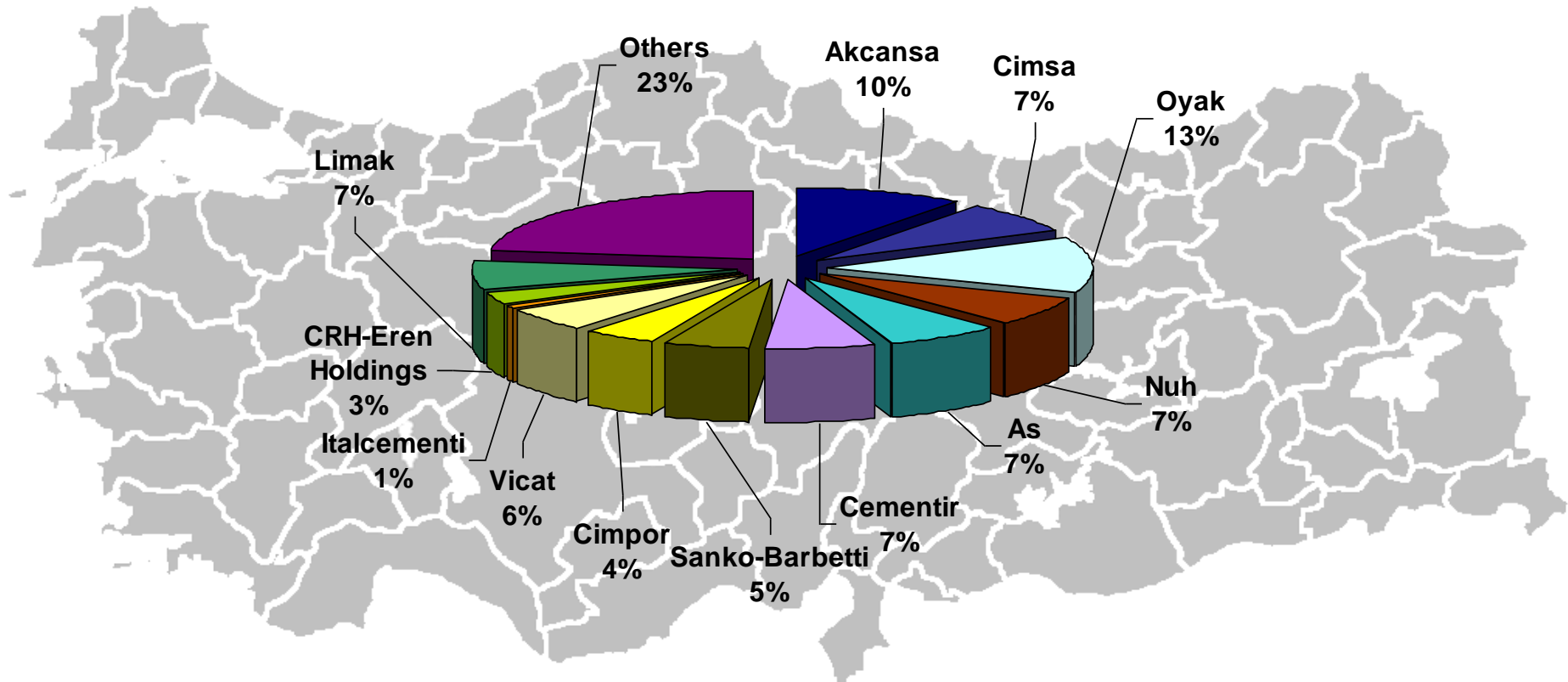
**AKÇANSA** ★  
**OYAK** ★  
**ÇİMENTAŞ** ★  
**LİMAK** ★  
**ÇİMSA** ★

1. Nuh Çimento  
 2. Traçim  
 3. Aşkale  
 4. Çimko (Sanko)  
 5. Titan (ADO)

6. Votorantim  
 7. Batıgrup  
 8. Bursa  
 9. Lafarge  
 10. Vicat

11. Yurt  
 12. Goltas  
 13. Kipas  
 14. AS

# 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%	<b>52%</b>
2. Commercial	14%	16%	13%	9%	11%	10%	11%	9%	<b>9%</b>
3. Public	4%	5%	5%	5%	5%	5%	5%	5%	<b>5%</b>
4. Infrastructure/Projects	20%	22%	32%	35%	30%	33%	31%	33%	<b>34%</b>



Source: TUIK and TCMA



# Construction Projects in Turkey

## Ongoing Projects

### Akcansa

- Çekmeköy Metro Line
- Via Trans - Meydanbey Project
- Garanti Bank - Banking Campus
- 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](http://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
- 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

- Tarlabası (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

Biggest projects for Istanbul are as below:



## 3rd Airport

- The largest airport in the world -- or at least challenge regional rival Dubai
- Capacity: 150 mio passengers per year
- Will be constructed on Istanbul'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](http://Todayszaman.com), 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 RMC and ~0,25 mt CEM
- **3rd Bridge**: Volume :
  - 2013 -2014: ~200 k m<sup>3</sup>
- **Highway**: Volume:
  - 2013 -2015: ~1000 k m<sup>3</sup>

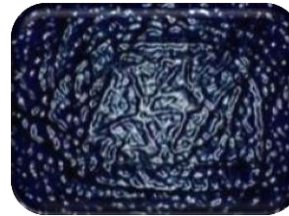


Source: [Todayszaman](http://www.todayszaman.com), CNBC-e Business, June'12  
Ha: Hectare

# 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 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 license like shredded tire

## Primary

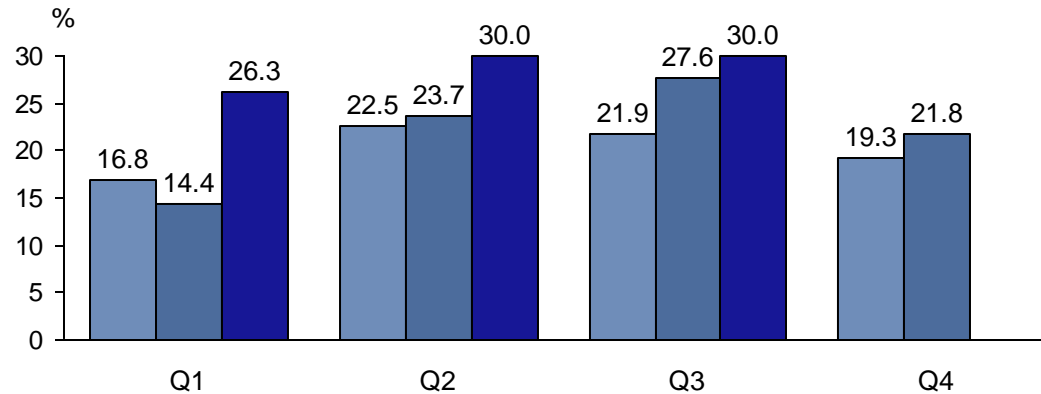


## Alternative

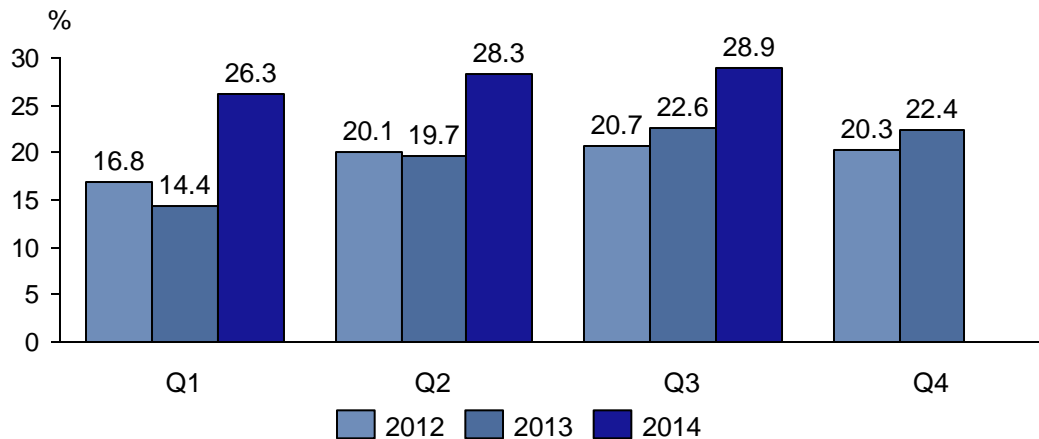


# EBITDA Margins

## EBITDA Margin - Quarterly



## EBITDA Margin - YTD



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



# Akçansa Sustainability Approach

Sustainability  
Committee

Biodiversity

Sustainable  
Construction

Energy  
&  
Fuel

CO<sub>2</sub>

Reporting

- GRI Approval, January 2011
- First report in its sector
- 2nd report was approved as of June 2012
- 3rd report was approved as of November 2014

[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 petrocok or 130 k ton coal, or a mix of both
- 7.500 kcal/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
- 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 Akçansa will be around 1-1,5 mio TL based on current electricity prices