



SODA SANAYİİ A.Ş.
Investor Relations Presentation
Q3 2014



Content



Soda Sanayii A.Ş.

1. Executive Summary

- Şişecam Group Overview
- Chemicals Business Line in Şişecam

2. Soda Sanayii A.Ş.

- Overview
 - Summary
 - Presence in the Global Soda and Chromium Chemicals Industry
 - History & Development
 - Vision & Strategy
 - Competitive Advantages
 - Corporate Structure
 - Financial Highlights
- Operating Profile
 - Industry Dynamics
 - Global Soda Ash Players and Capacities
 - Operating Territory & Soda Ash Capacities
 - Product Portfolio
 - Production & Sales
 - Major Investments
 - Technology and Environment



Soda Sanayii A.Ş.



I.ŞİŞECAM GROUP OVERVIEW



EXECUTIVE SUMMARY



Soda Sanayii A.Ş.

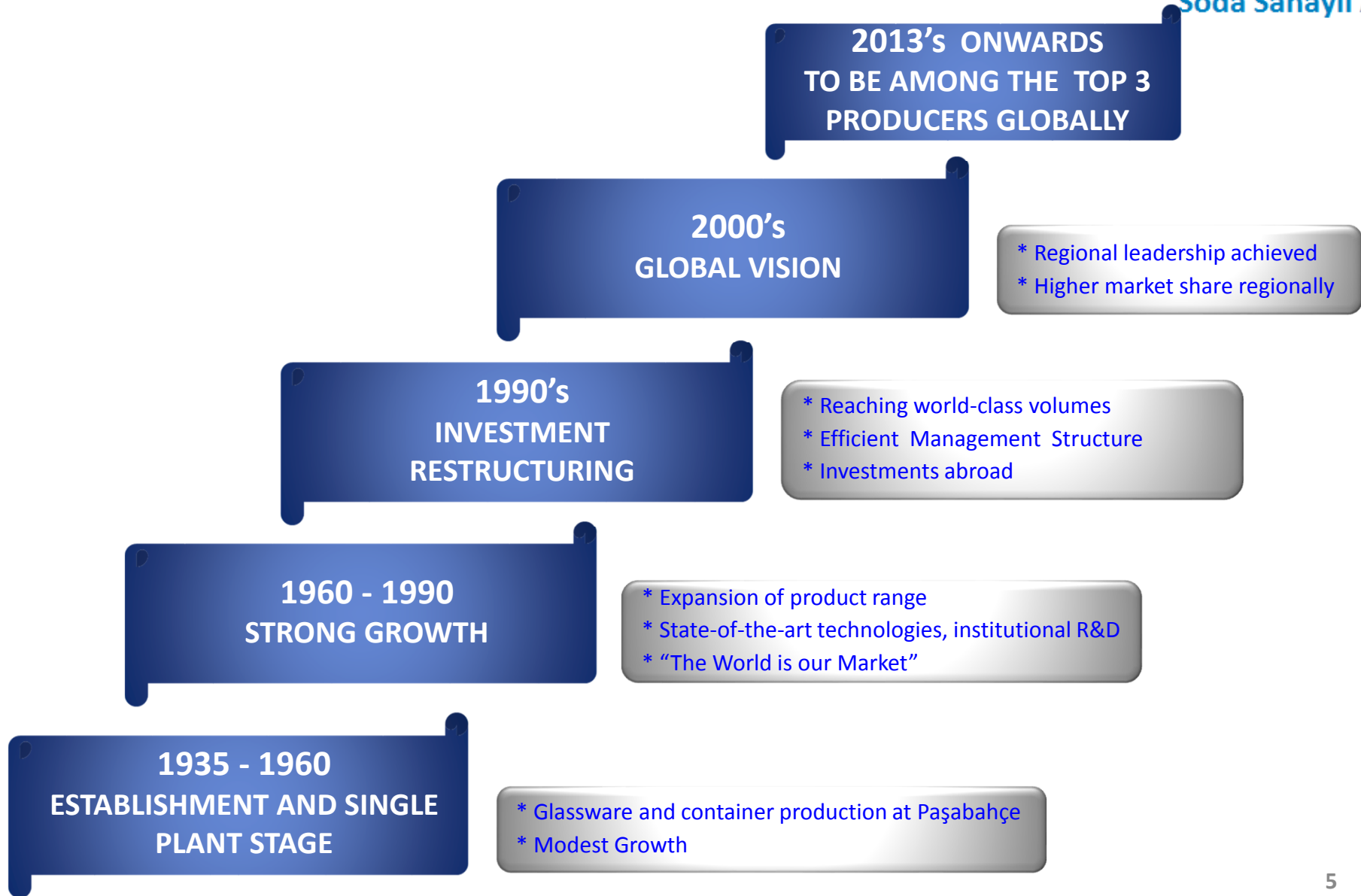
- Şişecam is a conglomerate in Turkey
- Founded by İşbank in 1935
- Operational in : Flat glass , Glass Packaging, Glassware and Chemicals
- Present in 13 countries: Turkey, Russia, Bulgaria, Egypt, Georgia, Bosnia Herzegovina, Romania, Ukraine, Italy, Germany, Slovakia, Hungary and India with exports to 150 countries
- Annual production of approx. 3.8 million tons of Glass and 2,1 million tons of Soda Ash.
- Mcap of US\$ 2,5 Billion (November 2014), 28% of its shares are listed on BIST (SISE.IS) and 72% held by İşbank
- Annual Sales exceeding US\$ 3 billion
- Alliances with global players



History



Soda Sanayii A.Ş.



Mission, Vision and Strategy



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MISSION

Şişecam is a company that respects people and nature with its high quality and value added products.

VISION

To become the leader of its habitat covering the neighborhood countries in its activity fields.

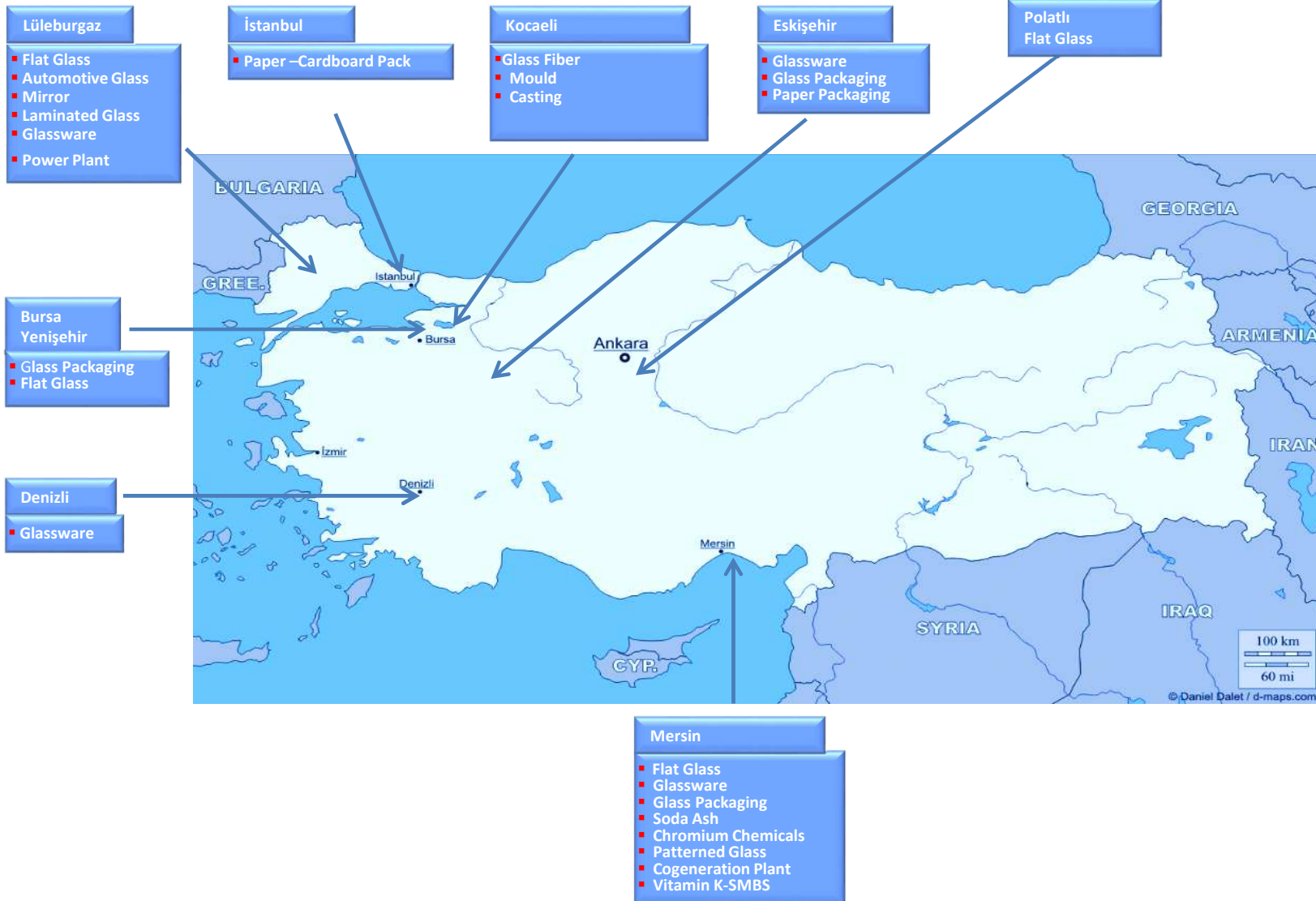
STRATEGY

Rapid profitable growth through both inorganic&organic expansion with a wide array of product portfolio.



Şişecam Overview - Operating Territory

ŞİŞECAM PLANTS IN TURKEY





Operating Territory - International



* OAO Ruscam Glass Packaging Holding has plants in 2 locations; namely in Ufa and in Kirishi

Şişecam Credit Ratings



Soda Sanayii A.Ş.

Rating/Outlook

	April 2013	May 2014
MOODY's	Ba1/Stable	Affirmed
S&P	BB+/Stable	Affirmed



Financial Highlights

Key Indicators

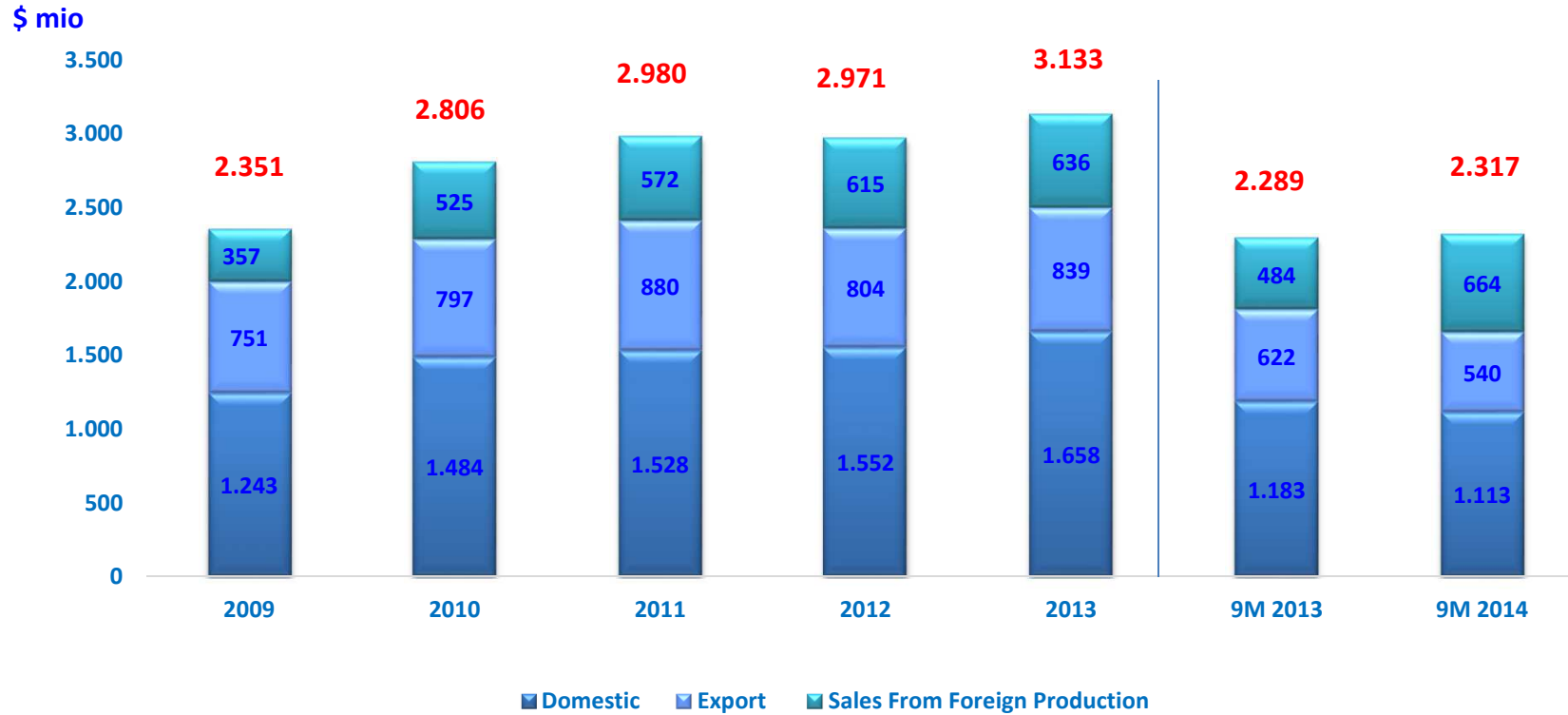
ŞİŞECAM							
(\$Million)	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>9M 2013</u>	<u>9M 2014</u>
Net Sales	2.357	2.806	2.980	2.971	3.133	2.289	2.355
EBITDA	446	678	758	539	643	429	499
Net Fin. Debt	606	254	315	543	765	790	796
Current Ratio	2,48	3,07	2,79	1,81	2,55	2,31	2,66
Liabilities/Assets	0,45	0,38	0,38	0,36	0,42	0,42	0,44
Shareholder's Equity	2.465	2.682	2.729	3.148	3.105	3.103	*3.039
Gross Margin (%)	24,37	29,36	32,90	26,39	25,07	24,99	27,89
EBITDA (%)	22,96	24,16	25,43	18,14	20,52	18,74	21,18
Net Income	72	275	378	185	239	139	197
Net Income Margin(%)	3,05	9,80	12,68	6,22	7,62	6,07	8,36

* In TRY terms the shareholder's equity has increased from 6.6 Billion TRY from 2013 end to 6.9 Billion as of 30th September 2014
However due to TRY depreciation, we see a smooth decline in \$ terms

Sales



As a result of growing foreign operations, sales generated from them have exceeded exports from Turkey.

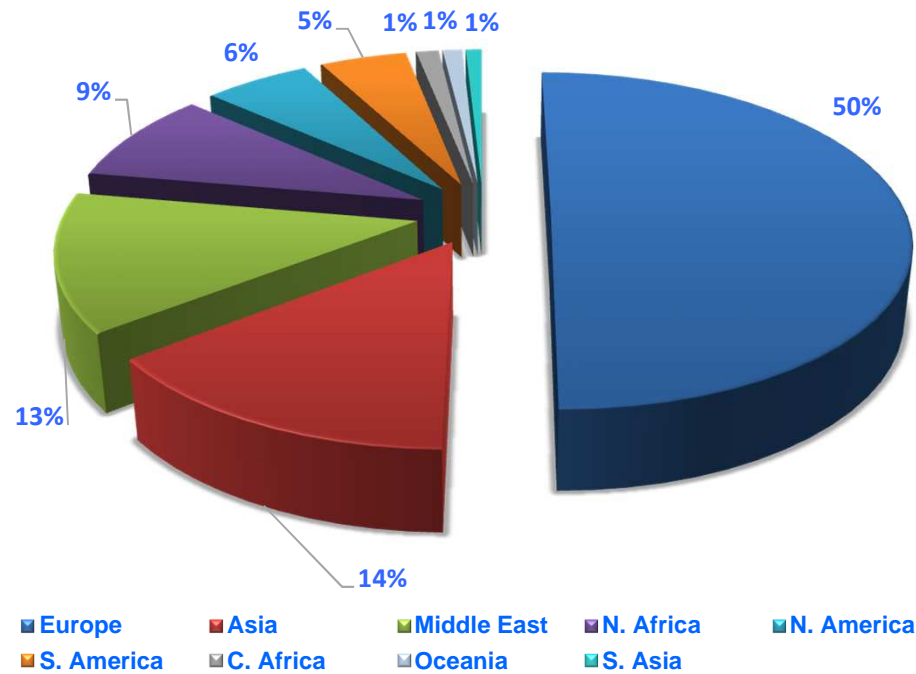


Although in TRY terms, sales have increased by %20, in USD terms, it's only %1 due to TRY devaluation

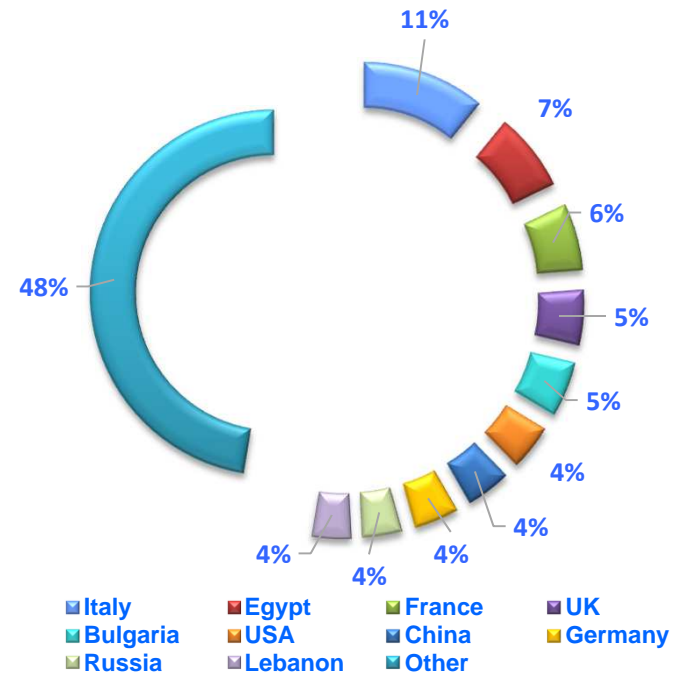


Sales- Export Breakdown

Consolidated Export Breakdown as of Q3 2014



Export Breakdown on Country basis

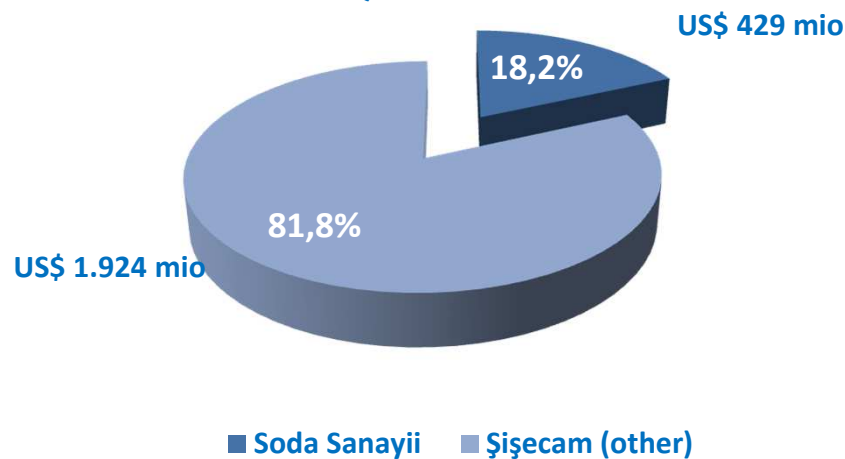


- Exports reached \$630 Million as of Q3 2014
- Eurozone still accounting around half of exports
- Top 10 countries constitute %52 as of Q3 2014



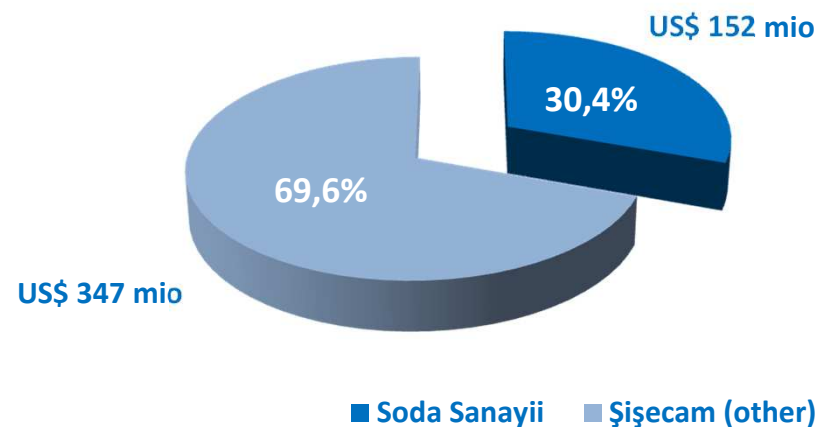
Executive Summary - Chemicals Business Line in Şişecam

Soda Sanayii Non Intercompany Sales in Consolidated Şişecam Sales Q3 2014



Chemicals Business account for % 20,9 of consolidated Şişecam sales. Within chemicals segment Soda Sanayii A.Ş. is the flagship company with %18,2 share in the total sales of Şişecam.

Soda Sanayii's EBITDA Contribution To Consolidated Şişecam EBITDA Q3 2014





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Overview



Soda Sanayii A.Ş.

Summary

- Soda Sanayii - engaged in production of soda ash, chromium compounds and derivatives
- is one of the flagship companies of Şişecam.
- It is the **4th** largest soda ash producer in Europe and **9th** globally. Soda Sanayii is the biggest Sodium Dichromate and Basic Chromium Sulphate producer in the world.
- 90% owned by Şişecam and group companies, 10% listed at BIST (ticker symbol SODA) with a current market cap of US\$ 968 million (as of November 18th, 2014)
- An aggregate soda ash production capacity of 2.10 million tons per annum in Turkey, Bosnia Herzegovina and Bulgaria .



Presence in Global Soda Ash and Chromium Chemicals Market



Annual Sales Distribution (%)*		
	Turkey	Export
Soda Ash**	37	63
Chromium Chemicals***	18	82

Global Ranking		
	Europe	World
Soda Ash	4	9
Chromium Chemicals***	1	1

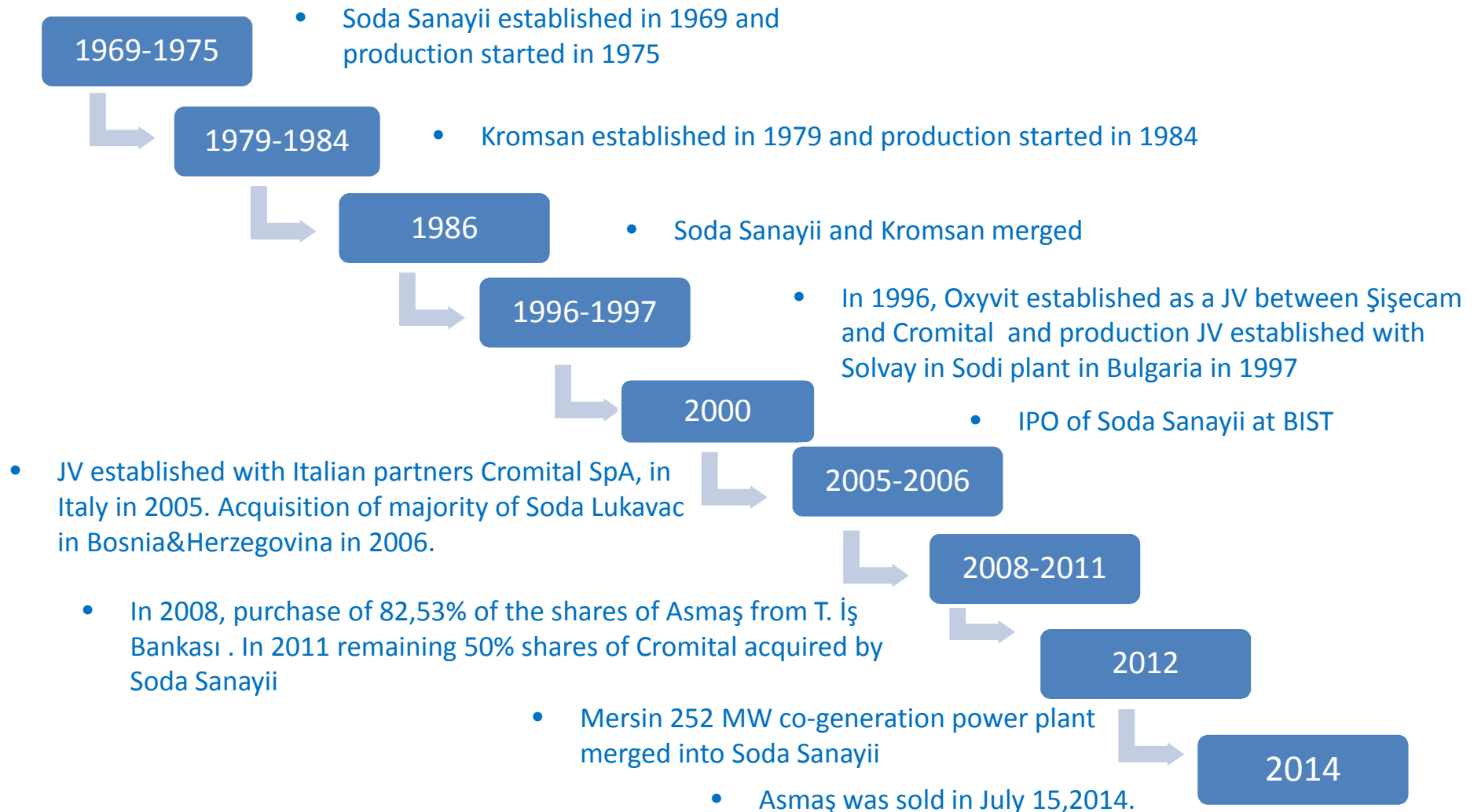
(*) As of September 2014

(**) Including inter-company sales

(***) BCS



History and Development





VISION:

Soda Sanayii is a major soda ash supplier, aiming to strengthen its position in global soda ash market and leading chromium chemicals supplier, targeting strong leadership in its all activities in global chromium chemicals market.

STRATEGIES:

- Sustainable and profitable growth
- Strengthening our position among the leading players
- Geographical expansion
- Utilization of synergies from acquisitions and strategic partnerships
- Supporting profitability with continuous cost reduction
- Improving the product portfolio with value added products
- Partnership approach and reliable solution provider for customers

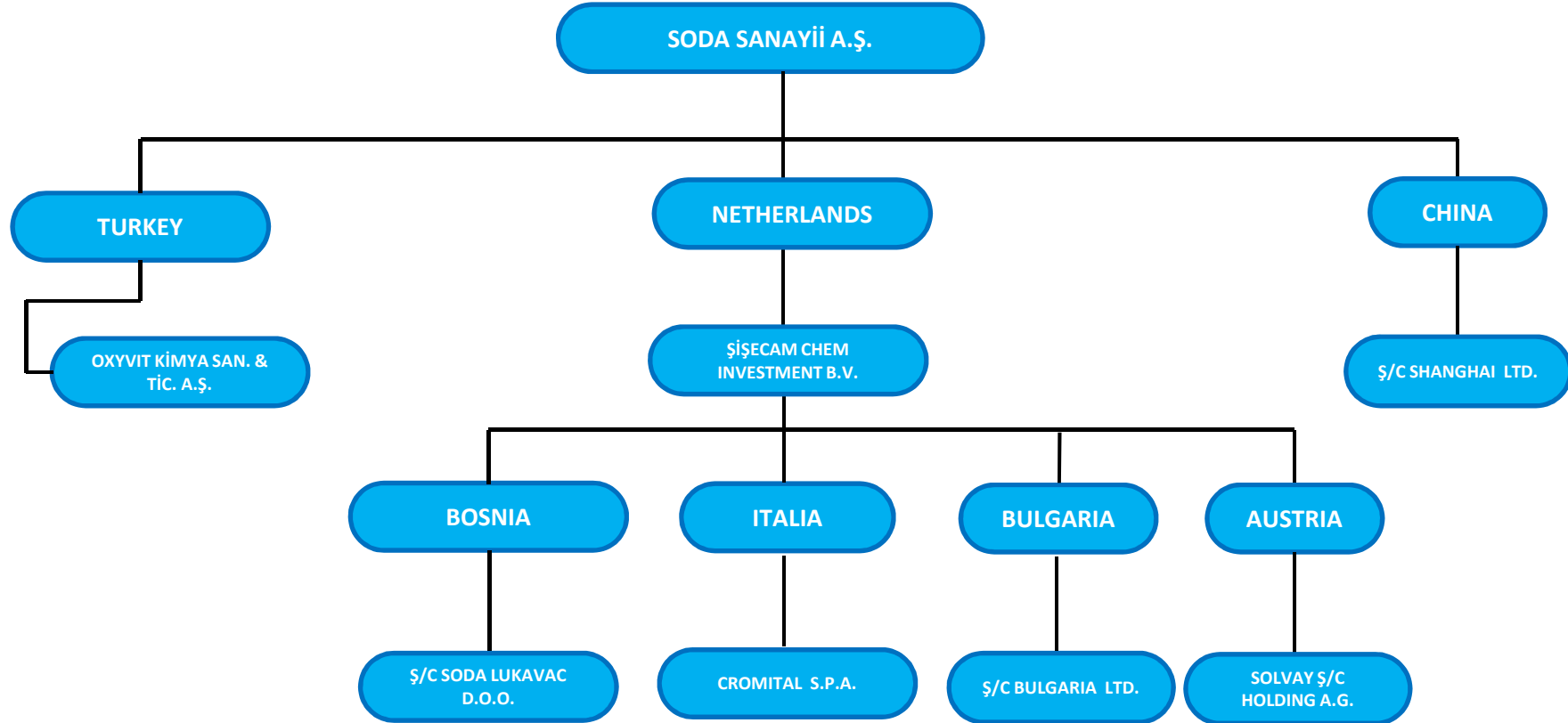


Competitive Advantages

- Strong technological know-how
- Financial strength
- Market generation experience in developing markets
- Wide distribution channels
- Consistent high quality products and services
- Experienced and qualified technical teams
- Own raw material supply for Soda Ash production
- Environmentally friendly processes and high HSE performances.

Soda Sanayii will continue to be one of the most reliable global suppliers.

Corporate Structure of Soda Sanayii



Soda Sanayii's Financial Highlights



Soda Sanayii A.Ş.

Soda Sanayii Consolidated Financial Highlights									
\$mn	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2013</u> <u>Q3</u>	<u>2014</u> <u>Q3</u>
Net Sales	351	499	403	440	522	660	738	549	548
EBITDA	42	83	75	91	139	125	171	121	152
Net Financial Debt	78	132	75	27	-0,3	4	44	33	-75
Current Ratio	1,54	1,54	1,54	2,08	1,96	1,75	2,78	2,50	3,87
Liabilities/Assets	0,34	0,43	0,41	0,35	0,35	0,29	0,31	0,33	0,26
Gross Margin (%)	14	20	23	23	29	21	21	20	26
EBITDA (%)	12	17	19	21	27	19	23	22	28



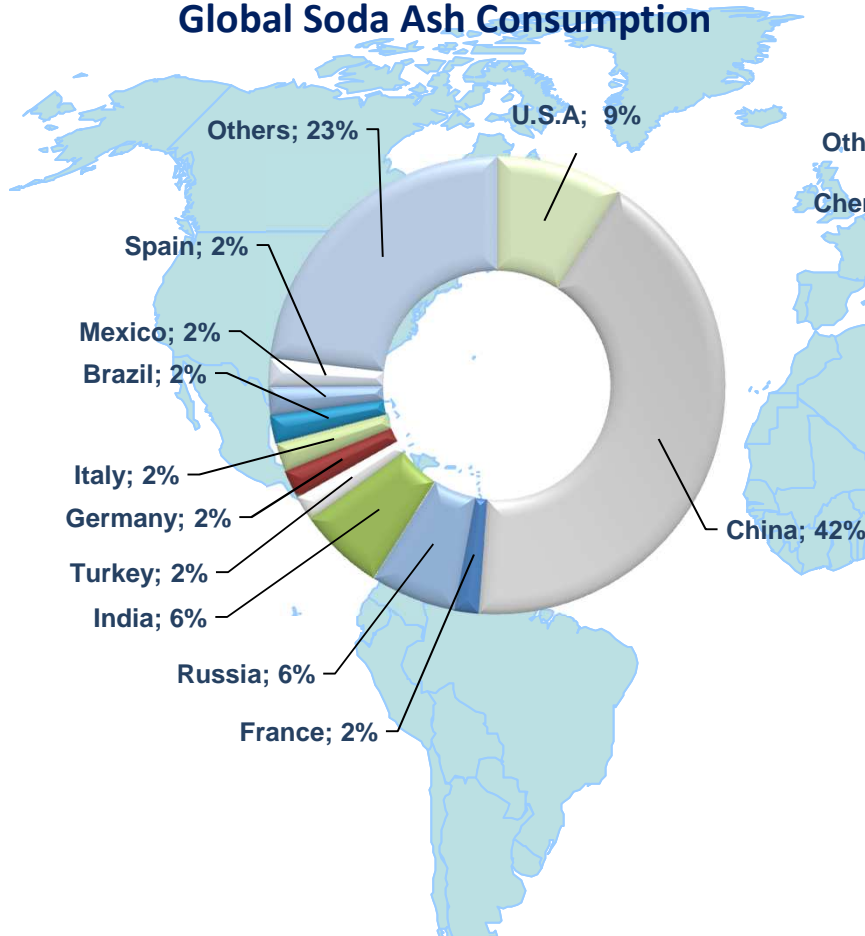
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Operating Profile

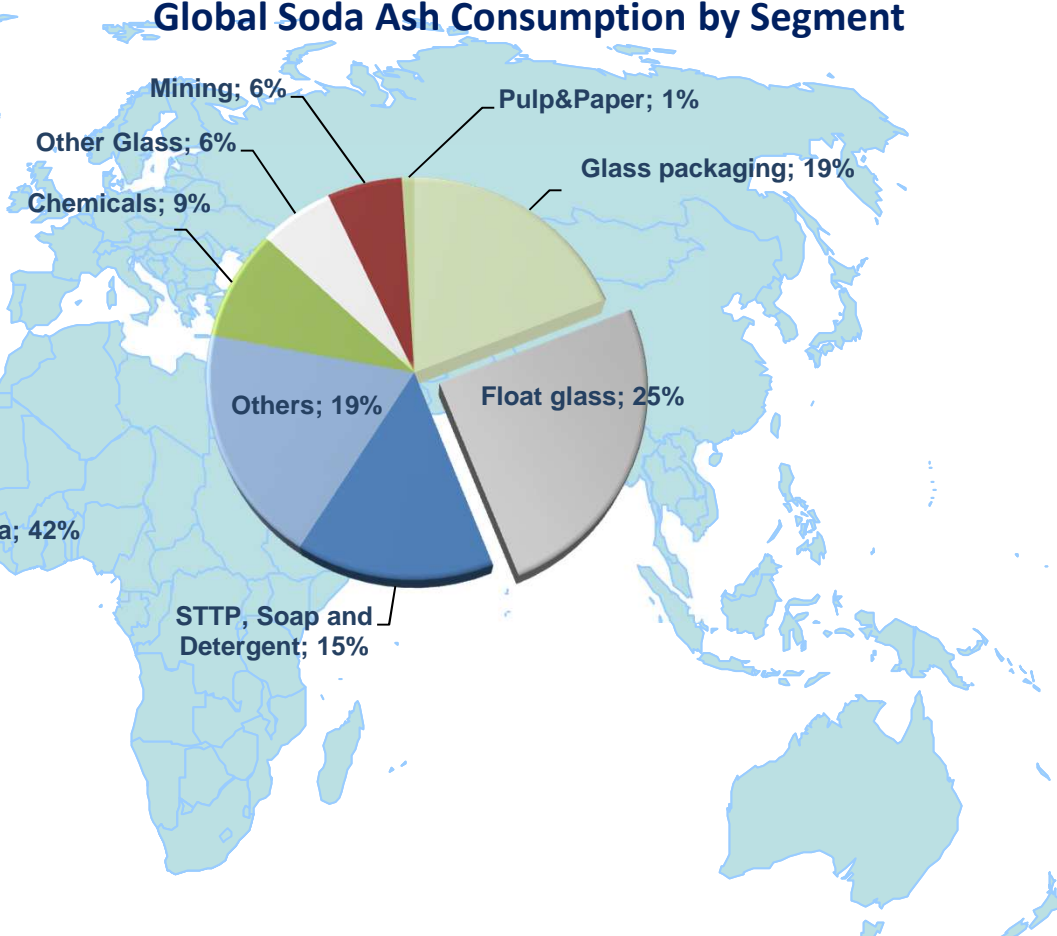


Global Soda Ash Industry Dynamics

Global Soda Ash Consumption



Global Soda Ash Consumption by Segment

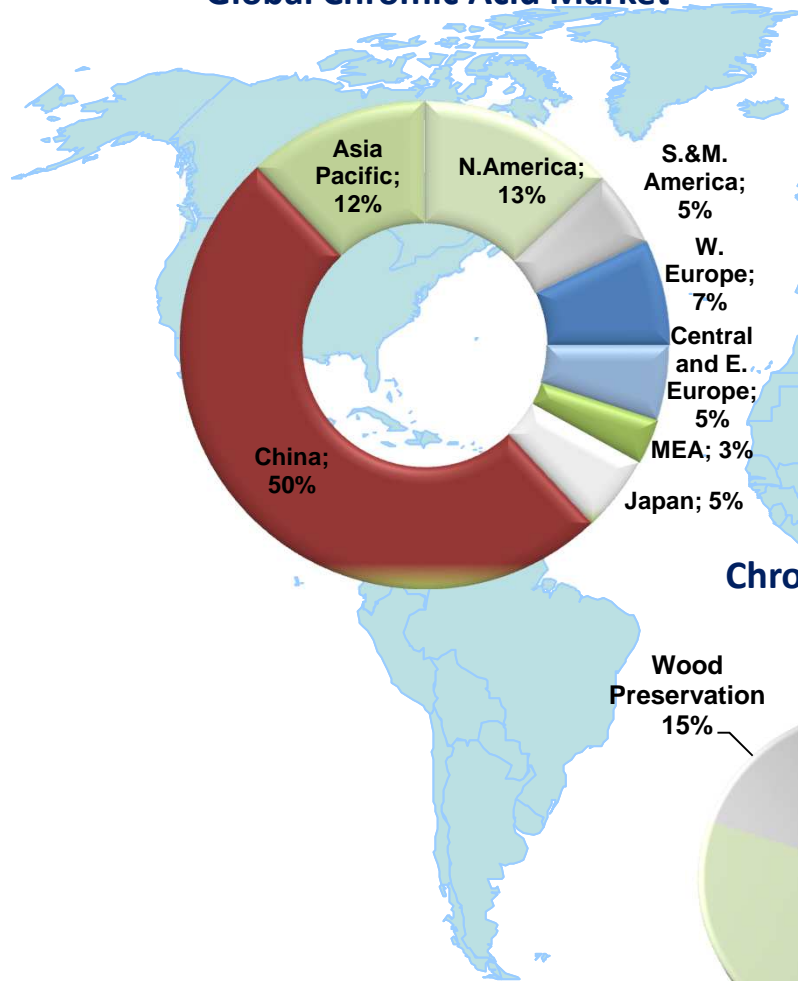


- Annual soda ash production is 56 million tons and apprx. 42% is consumed by China.
- China is the largest soda ash producer.

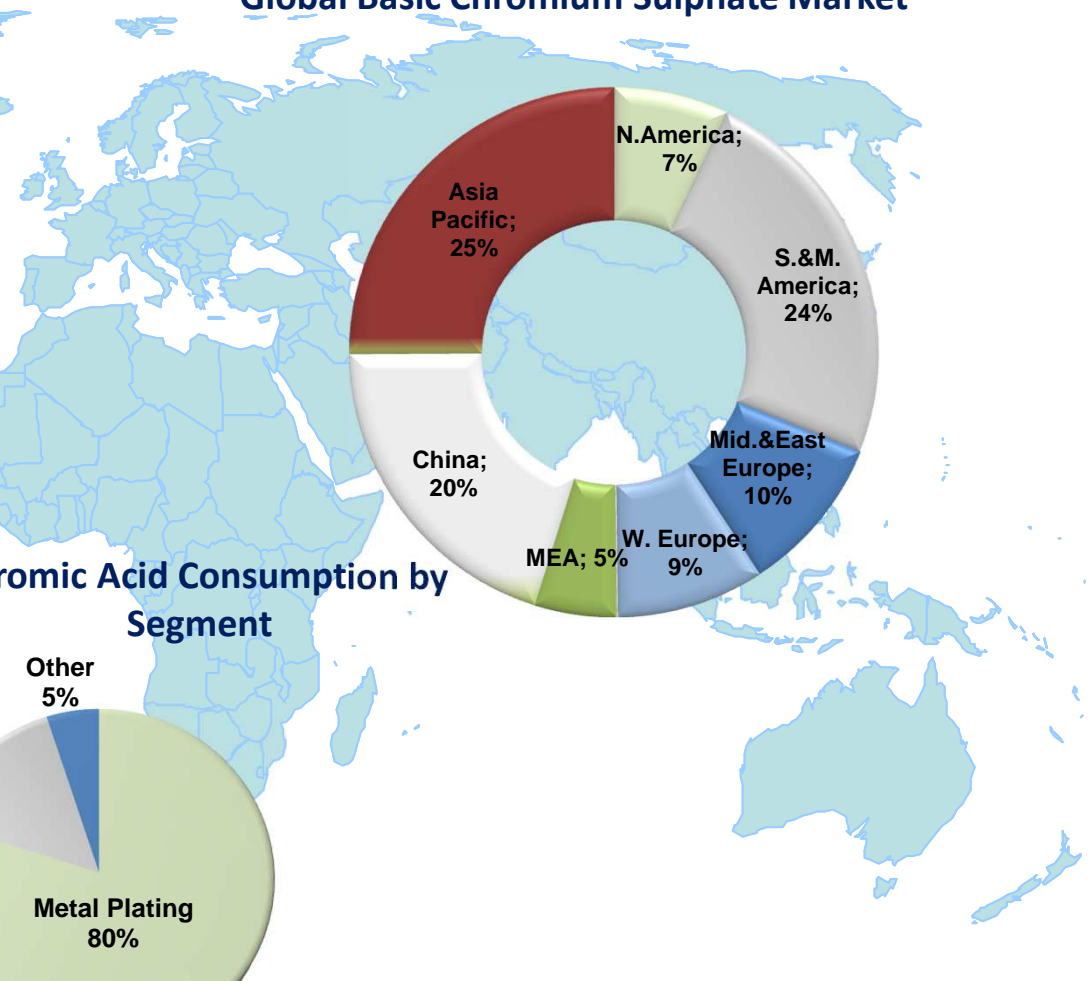


Global Chromium Chemicals Industry Dynamics

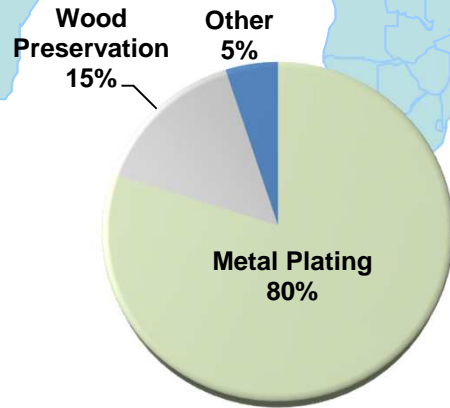
Global Chromic Acid Market



Global Basic Chromium Sulphate Market



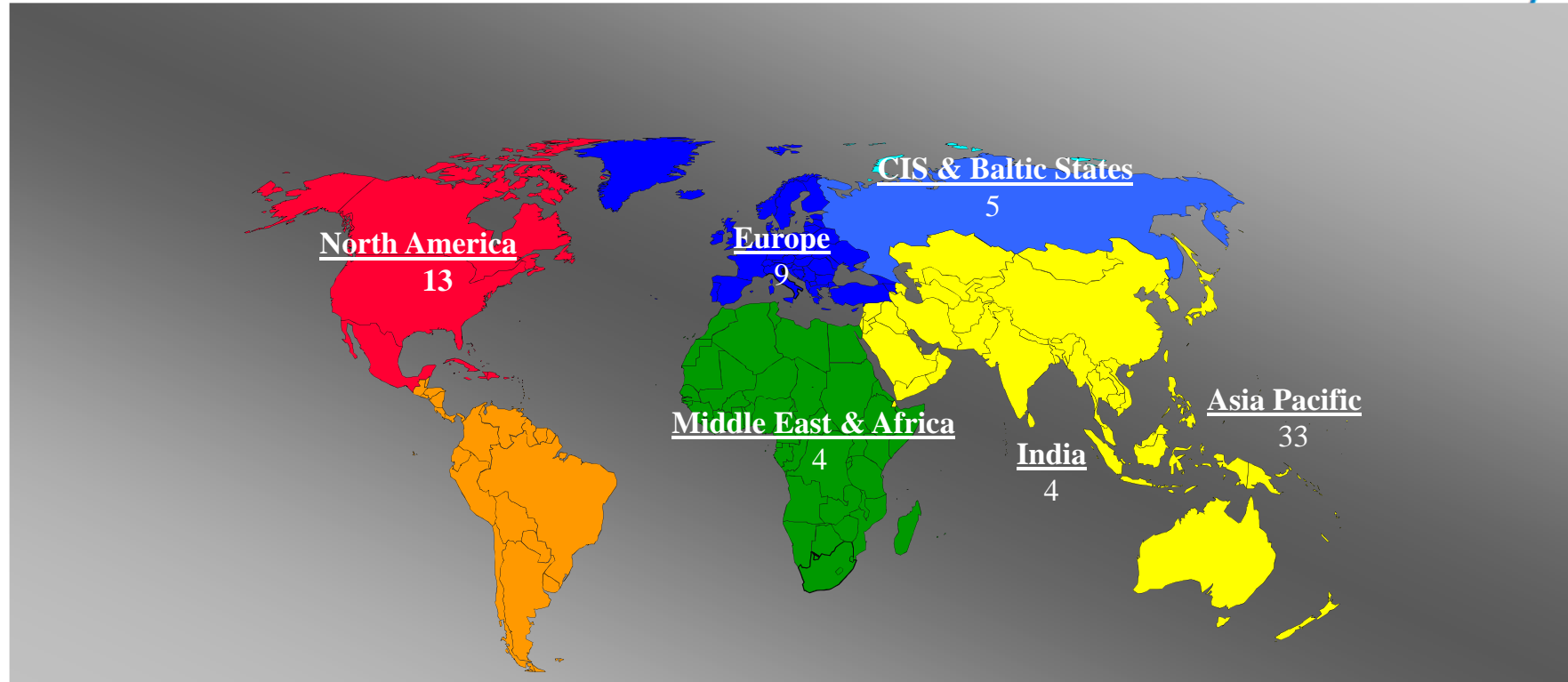
Chromic Acid Consumption by Segment



- 100% of Basic Chromium Sulfate production is consumed by leather industry.
- 80 % of Chromic Acid production is consumed by metal plating industry.



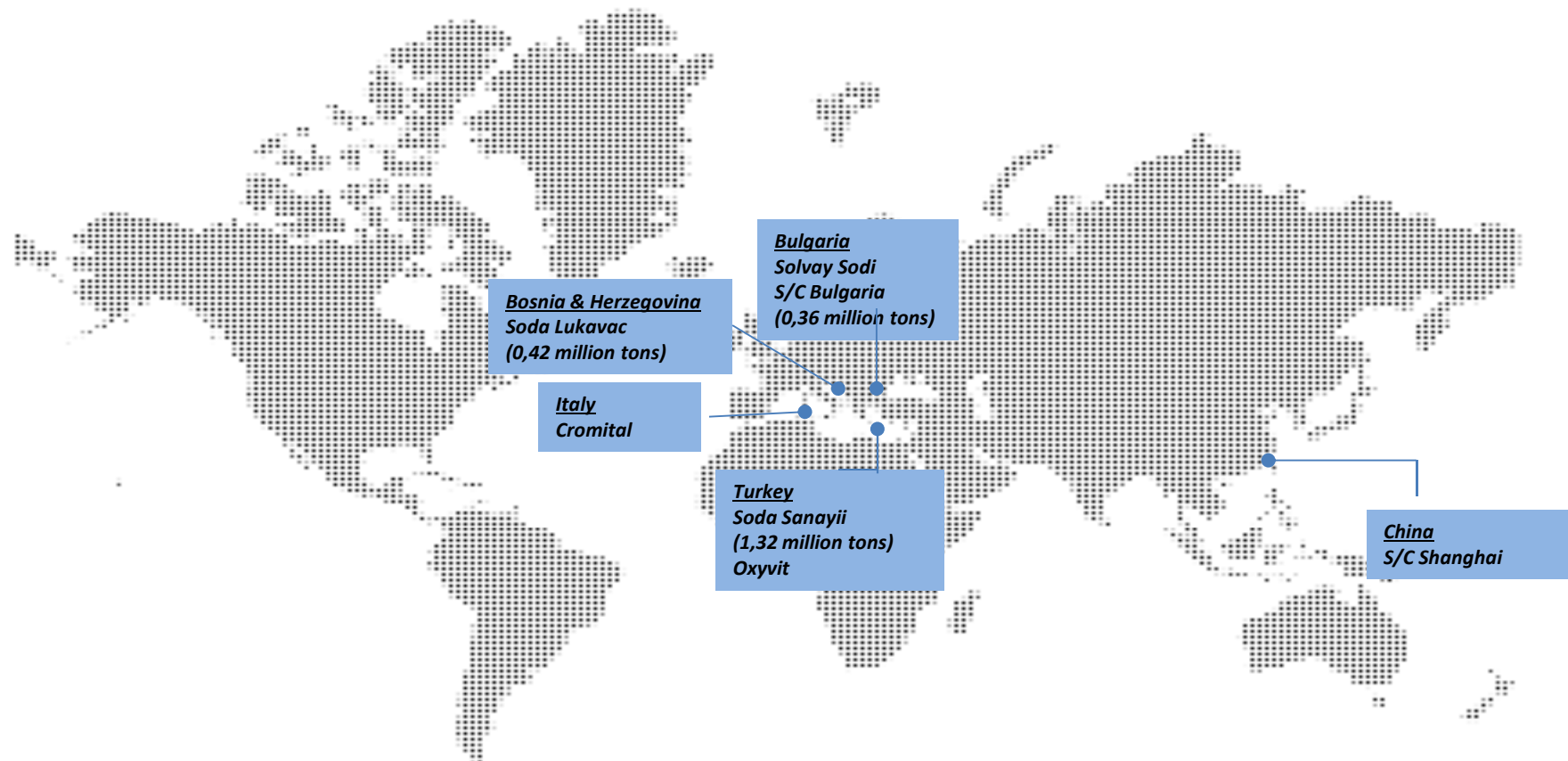
Global Soda Ash Players and Capacities (Million Tons)



- World Soda Ash demand is growing at an average annual rate of almost 4% per year.



Operating Territory & Soda Ash Capacities





Soda Ash :

- Dense Soda Ash
- Light Soda Ash
- Sodium Bicarbonate



Raw material for :

- Glass
- Detergents
- Chemicals
- Food
- Feedstock
- Textile

Chromium and Derivatives:

- Sodium Bichromate
- Basic Chromium Sulphate
- Sodium Sulphate
- Chromic Acid
- Chrome III Products



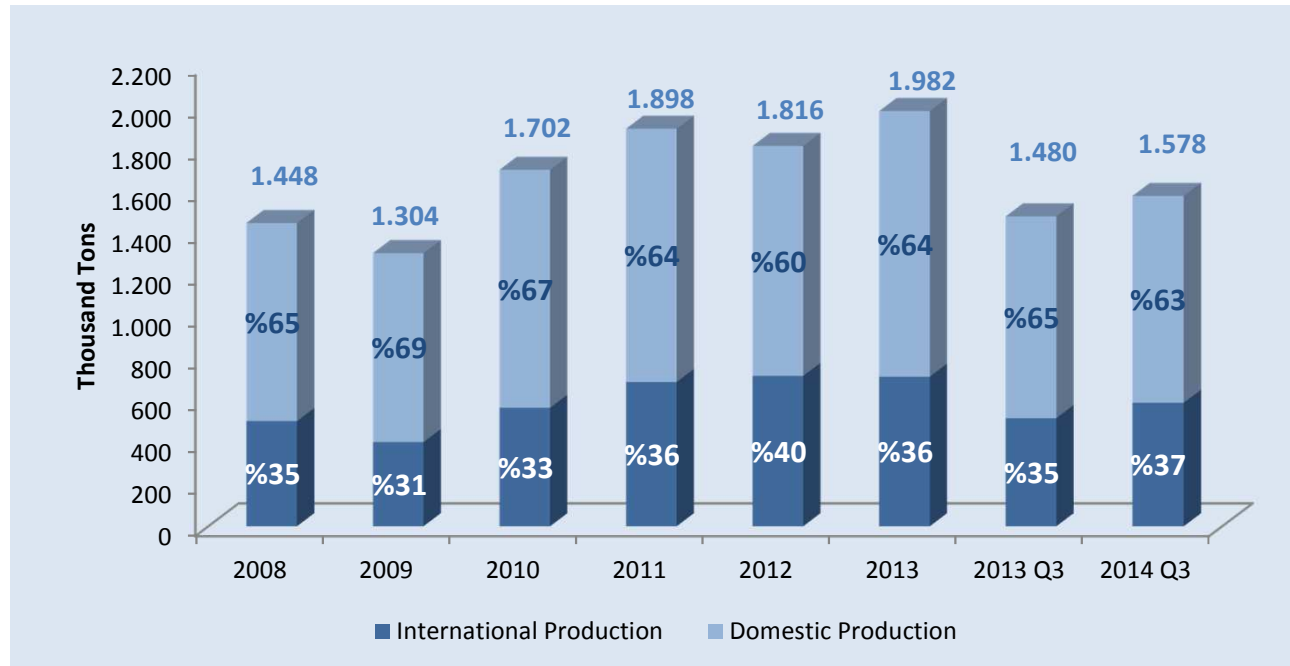
Raw material for :

- Leather
- Wood Preservation
- Metal Plating
- Paper
- Chemical Industries

Soda Sanayii - Soda Production



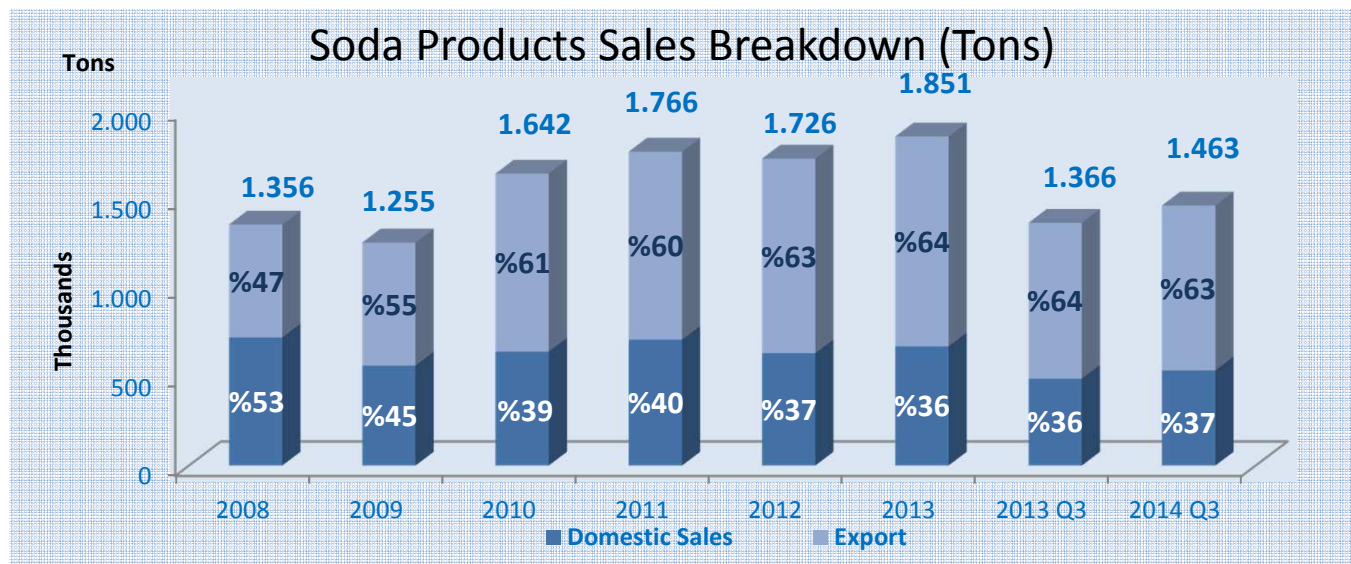
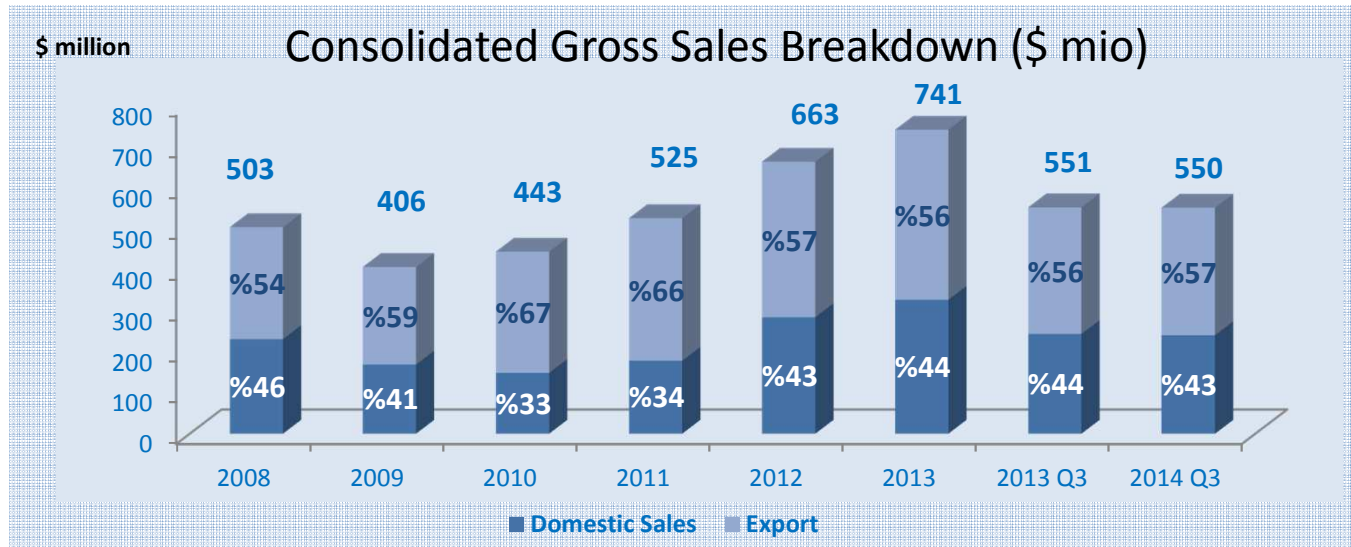
Soda Sanayii A.Ş.



- With the partnerships established in Bulgaria and Bosnia, contribution of non-domestic production has increased. In 2014 Q3, 37% of the total soda ash production was realized outside Turkey.
- Total soda production has increased approx. %7 in 2014 Q3 as compared to 2013 Q3.



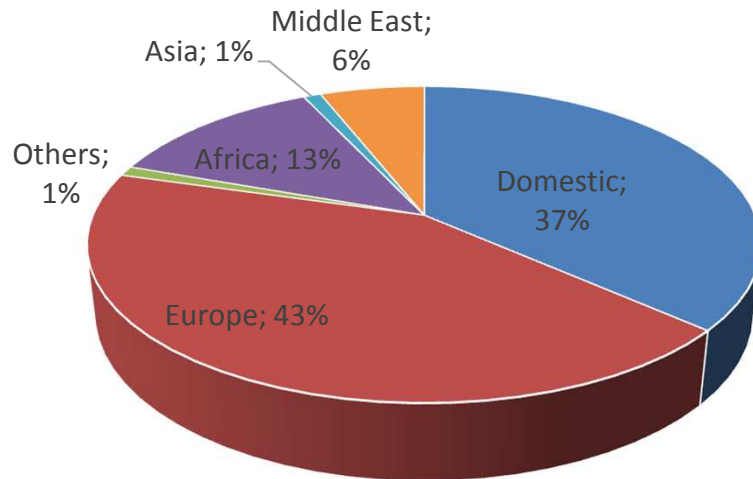
Soda Sanayii A.Ş. - Sales



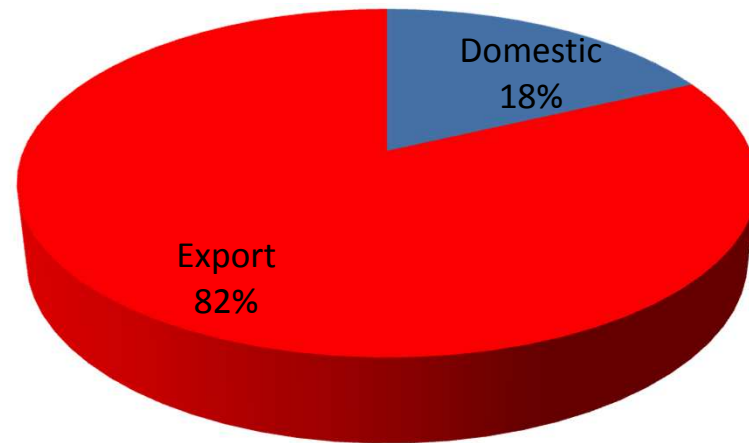
- In 2013, sales were made in 75 countries throughout the world.

Soda Sanayii Sales (cont'd)

Soda Sales by Geography



Chromium (BCS) Sales by Geography





Major Investments

- 70 ktpa soda ash capacity expansion project in SSL plant has been completed. The production capacity for refined sodium bicarbonate was also increased according to the market demand. SSL continues additional capacity expansion investments.
- In our SSL Plant, process of a new boiler configuration to increase energy efficiency and improve environmental protection has been started.
- 30 ktpa soda ash capacity expansion calciner project has started in Mersin Soda Plant.
- New steam turbine installation for energy saving has been completed and energy efficiency was increased in Mersin Soda Plant.



Technology and Environment

- Soda Sanayii is committed to managing all its activities, so as to provide a high level of protection to the environment and to the health and safety of its employees, customers and neighbors.
- Soda Sanayii applies the best available technology to utilize all kinds of sources optimally and complies with legal requirements and supports the principles of the global chemical industry's Responsible Care programme.



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