



SODA SANAYİİ A.Ş.
Investor Relations Presentation
2015 Q1



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Soda Sanayii A.Ş.

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Soda Sanayii A.Ş.



I.ŞİŞECAM GROUP OVERVIEW



EXECUTIVE SUMMARY



Soda Sanayii A.Ş.

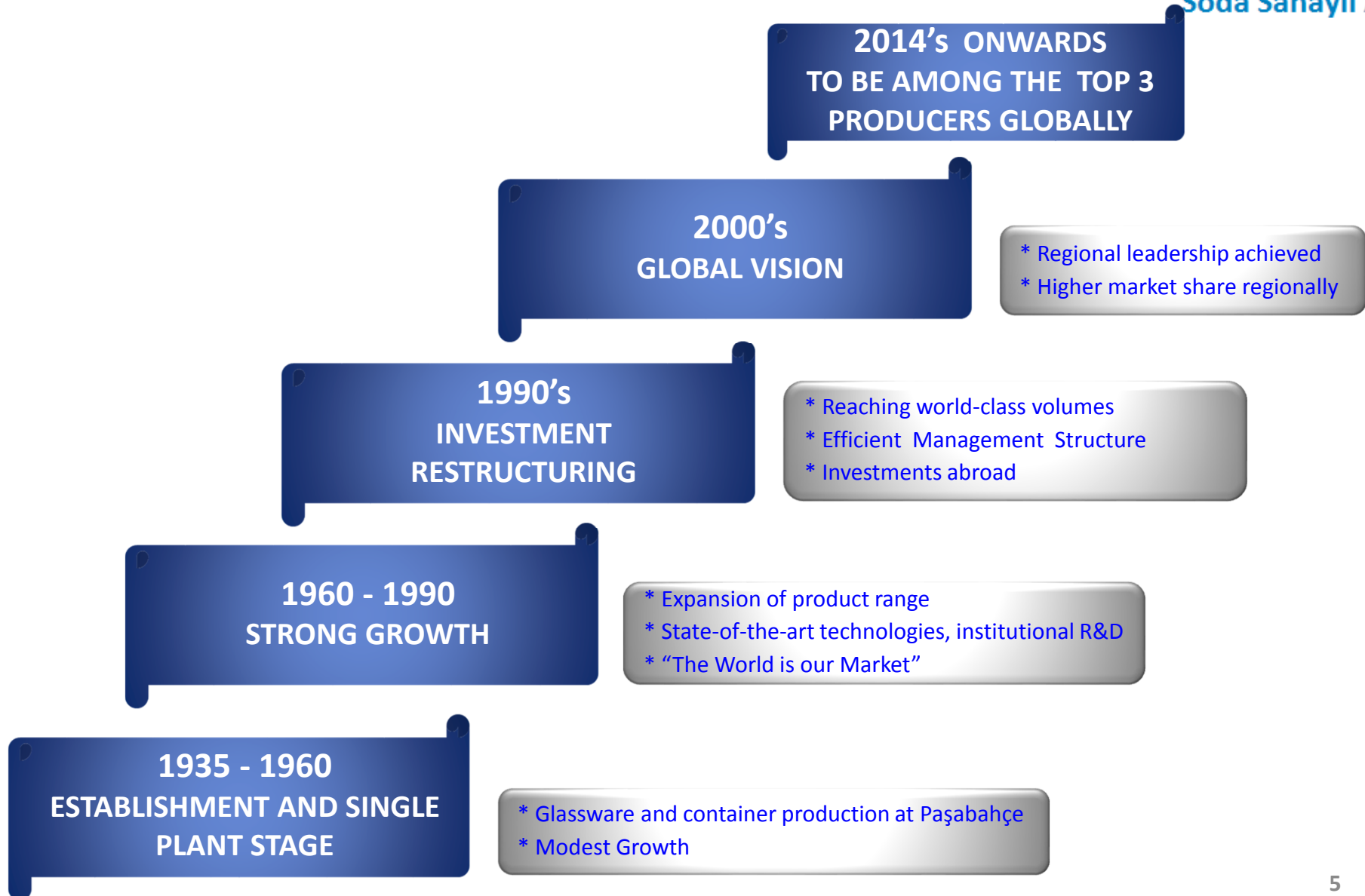
- Şişecam is a conglomerate in Turkey
- Founded by İşbank in 1935
- Operational in : Flat glass , Glass Packaging, Glassware and Chemicals
- Present in 13 countries: Turkey, Russia, Bulgaria, Egypt, Georgia, Bosnia Herzegovina, Romania, Ukraine, Italy, Germany, Slovakia, Hungary and India with exports to 150 countries
- Annual production of approx. 4.2 Million tons of Glass and 2.1 Million tons of Soda Ash
- Mcap of US\$ 2.18 Billion (May 2015), 26,3% of its shares are listed on BIST (SISE.IS) and 73,7% held by İşbank
- Annual Sales exceeding US\$ 3 billion
- Alliances with global players



History



Soda Sanayii A.Ş.



Mission, Vision



Soda Sanayii A.Ş.

MISSION

To be a company that adds value to life through its high-quality products offering comfort and that respects people, nature and the law.

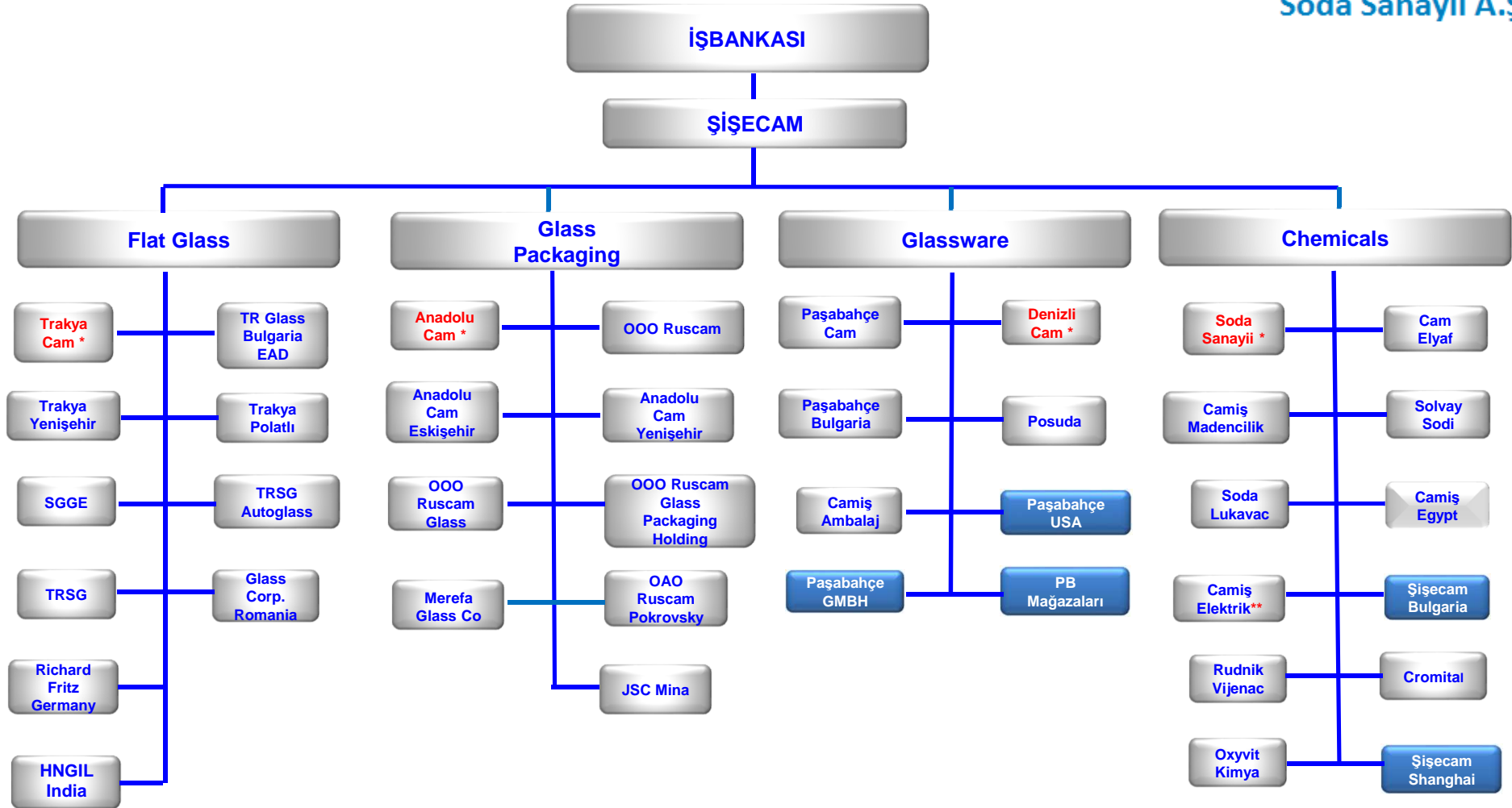
VISION

While racing to the top as one of the leading companies in glass and our other business lines, we will become a global company that teams up with business partners to deliver innovative solutions, that creates a difference distinguished with high-end technology and global brands that ensures great respect to individuals and environment.



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Şişecam Overview - Group Corporate Structure



Şişecam has four main lines of business and side activities that primarily support the core operations. Vertical integration guarantees stringent quality control. Group is managed by highly-experienced professionals long associated with the Group. The level of institutionalization and stability are valuable assets of the Group.

 Others; trading, investment, logistics and other companies.

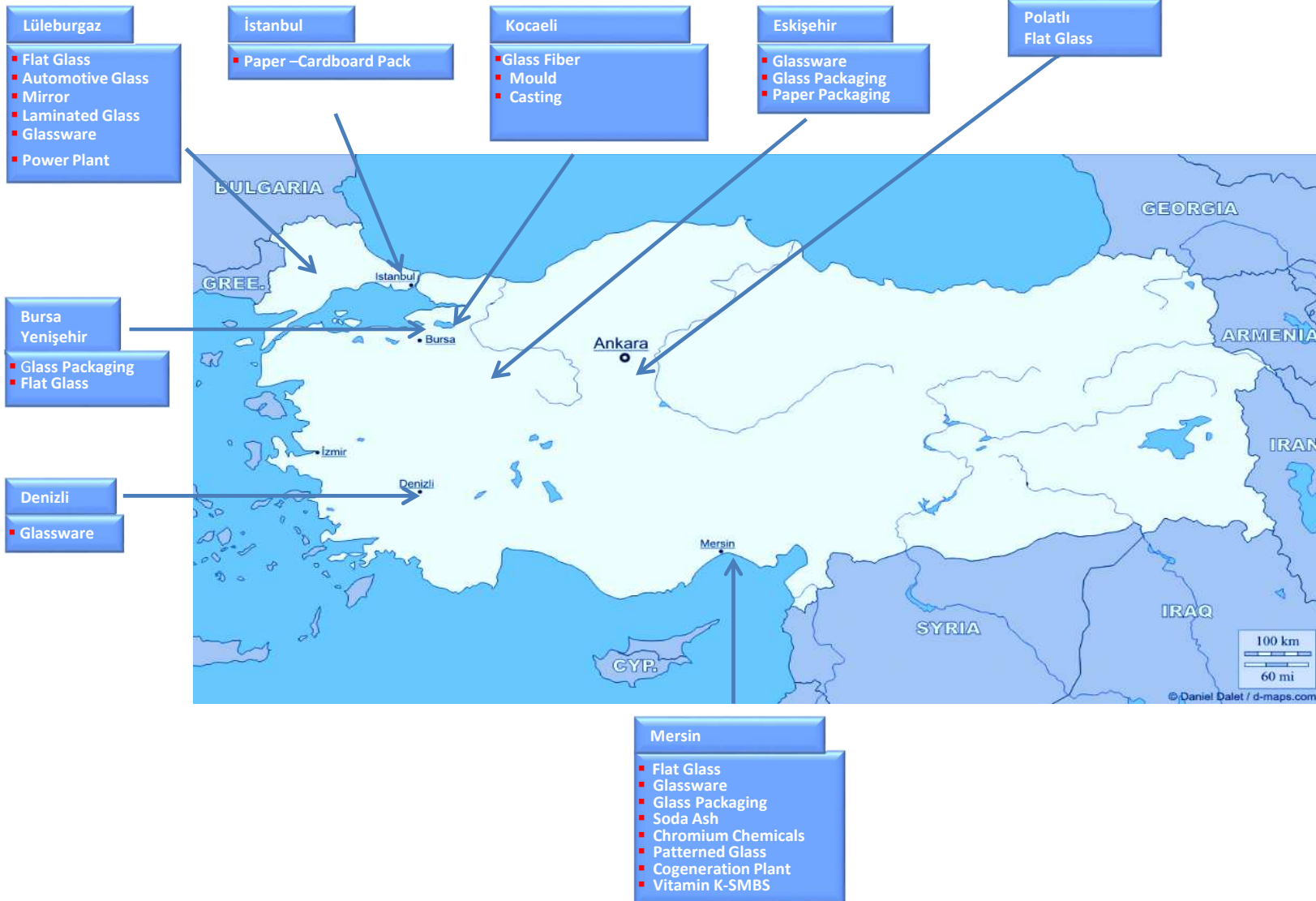
 Production Facilities

*Publicly Listed Companies **Camiş Elektrik has been proceeding its operations allied with Corporate Development and Sustainability Department since April 2015.



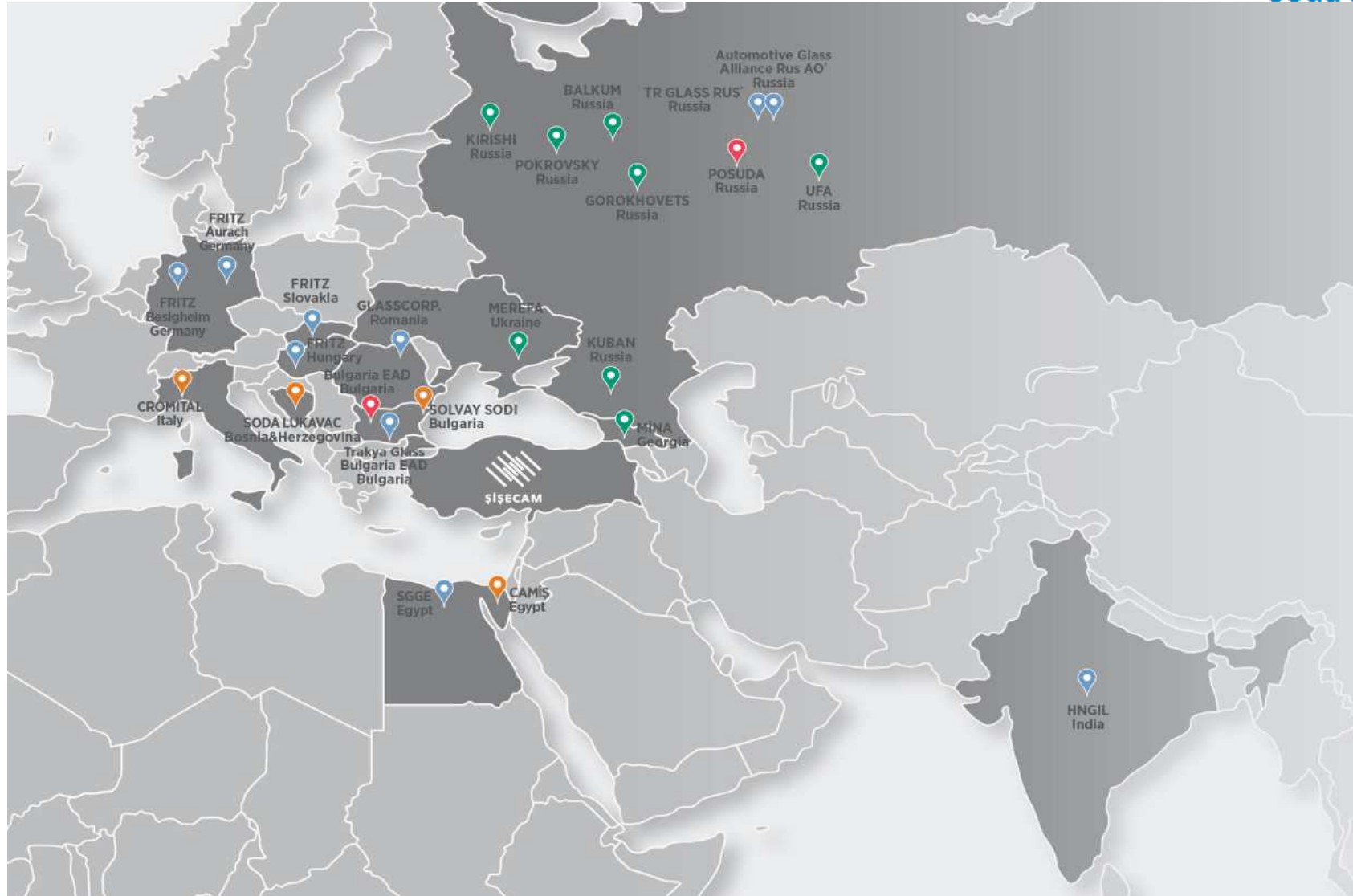
Şişecam Overview - Operating Territory

ŞİŞECAM PLANTS IN TURKEY





Operating Territory - International



Şişecam Ratings



Soda Sanayii A.Ş.

Credit Rating/Outlook

MOODY's

Ba1/Stable

S&P

BB+/Stable



Soda Sanayii A.Ş.

Corporate Governance & Sustainability

ŞİŞECAM has obtained its first Corporate Governance Rating*, by the end of 2014 scoring «9.28». As a Corporate Policy, Şişecam continues to strive for reaching the highest level of Corporate Governance practices, where its heritage of «good corporate governance practices» has already been evidenced by the recent rating received.

Sustainability remains at the core of operations and strategy, with continuously improved practices.

ŞİŞECAM has also published its first Sustainability Report**.



(*)Ref. <http://www.sisecam.com.tr/en/investor-relations/corporate-governance-rating-report/>

(**)Ref. http://www.sisecam.com.tr/wp/wp-content/uploads/2014/06/sisecam_sustainabilityreport.pdf



Soda Sanayii A.Ş.

Financial Highlights - Key Indicators

ŞİŞECAM(\$ mn)

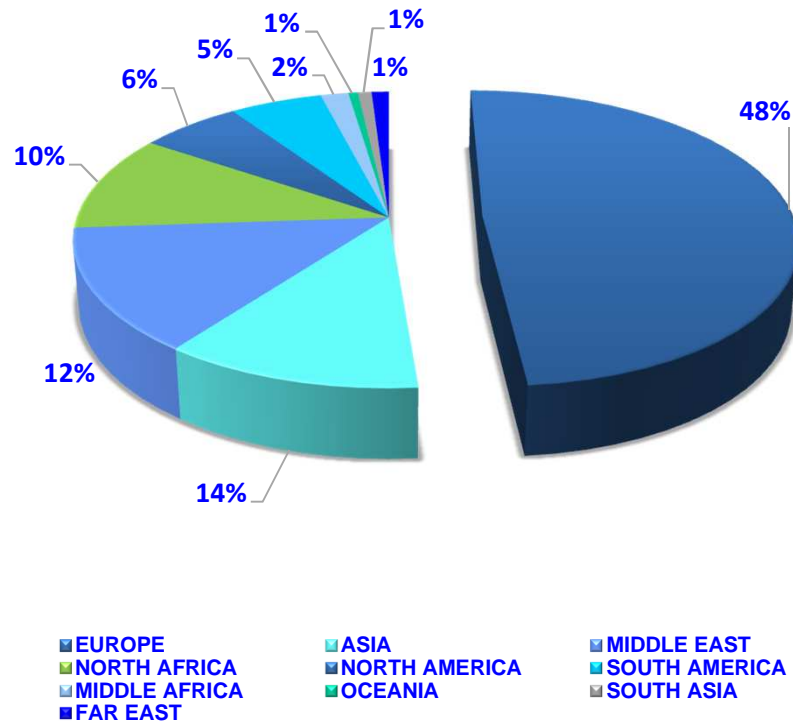
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2014 Q1</u>	<u>2015 Q1</u>
Net Sales	2,806	2,980	2,971	3,129	3,139	741	*664
EBITDA	678	758	539	643	623	165	*152
Net Fin. Debt	254	315	543	765	460	827	488
Current Ratio	3.07	2.79	1.81	2.55	2.97	2.49	3.01
Liabilities/Assets	0.38	0.38	0.36	0.42	0.41	0.42	0.42
Shareholder's Equity	2,682	2,729	3,148	3,105	3,120	3,100	*2,856
Gross Margin (%)	29.4	32.9	26.4	25.1	27.2	30.0	29.7
EBITDA Margin(%)	24.2	25.4	18.1	20.5	19.8	22.3	22.6
Net Income	275	378	185	239	192	60	67
Net Income Margin(%)	9.8	12.7	6.2	7.6	6.1	8	10.1

*The decrease in Net Sales, EBITDA and Equity on YoY basis is mainly due to TRY depreciation.
In real TRY terms there is an increase in each item.

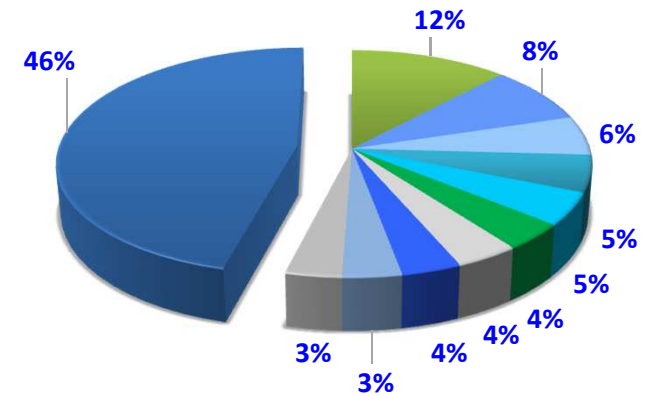


Sales- Export Breakdown

Consolidated Export Breakdown as of 2015 Q1



Export Breakdown on Country basis



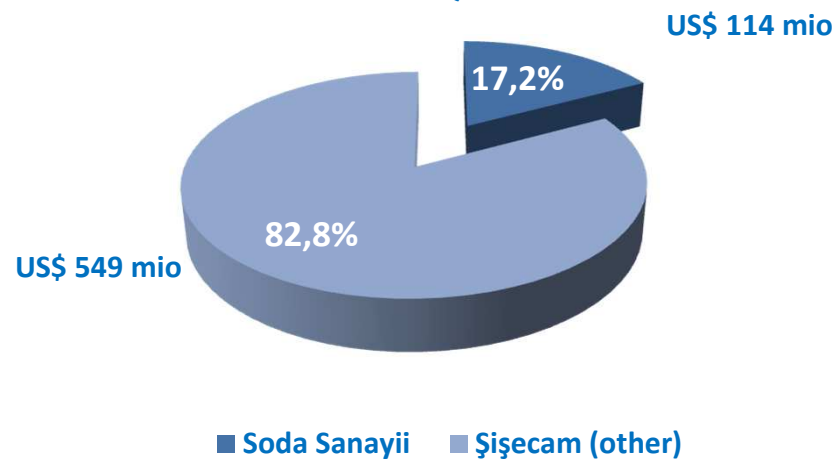
- Exports of \$185 Million as of 2015 Q1 to more than 150 countries.
- Eurozone still accounting around half of exports.





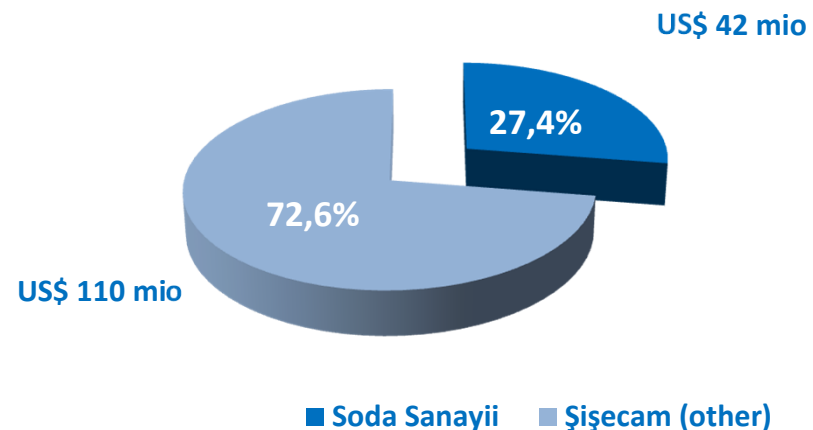
Executive Summary - Chemicals Business Line in Şişecam

Soda Sanayii Non Intercompany Sales in Consolidated Şişecam Sales 2015 Q1



Chemicals Business account for % 20 of consolidated Şişecam sales. Within chemicals segment Soda Sanayii A.Ş. is the flagship company with %17,2 share in the total sales of Şişecam.

Soda Sanayii's EBITDA Contribution To Consolidated Şişecam EBITDA 2015 Q1





II. SODA SANAYİİ A.Ş.

Overview



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 **10th** globally. Soda Sanayii is the biggest Sodium Dichromate and Basic Chromium Sulphate producer in the world.
- 84% owned by Şişecam and group companies, 16% listed at BIST (ticker symbol SODA) with a current market cap of US\$ 1.231 million (as of May 18th, 2015)
- An aggregate soda ash and sodium bicarbonate production capacity of 2,1 million tons per annum in Turkey, Bosnia Herzegovina and Bulgaria.



Presence in Global Soda Ash and Chromium Chemicals Market



Soda Sanayii A.Ş.

Annual Sales Distribution (%)*

	Turkey	Export
Soda Ash**	34	66
Chromium Chemicals***	15	85

Global Ranking

	Europe	World
Soda Ash	4	10
Chromium Chemicals***	1	1

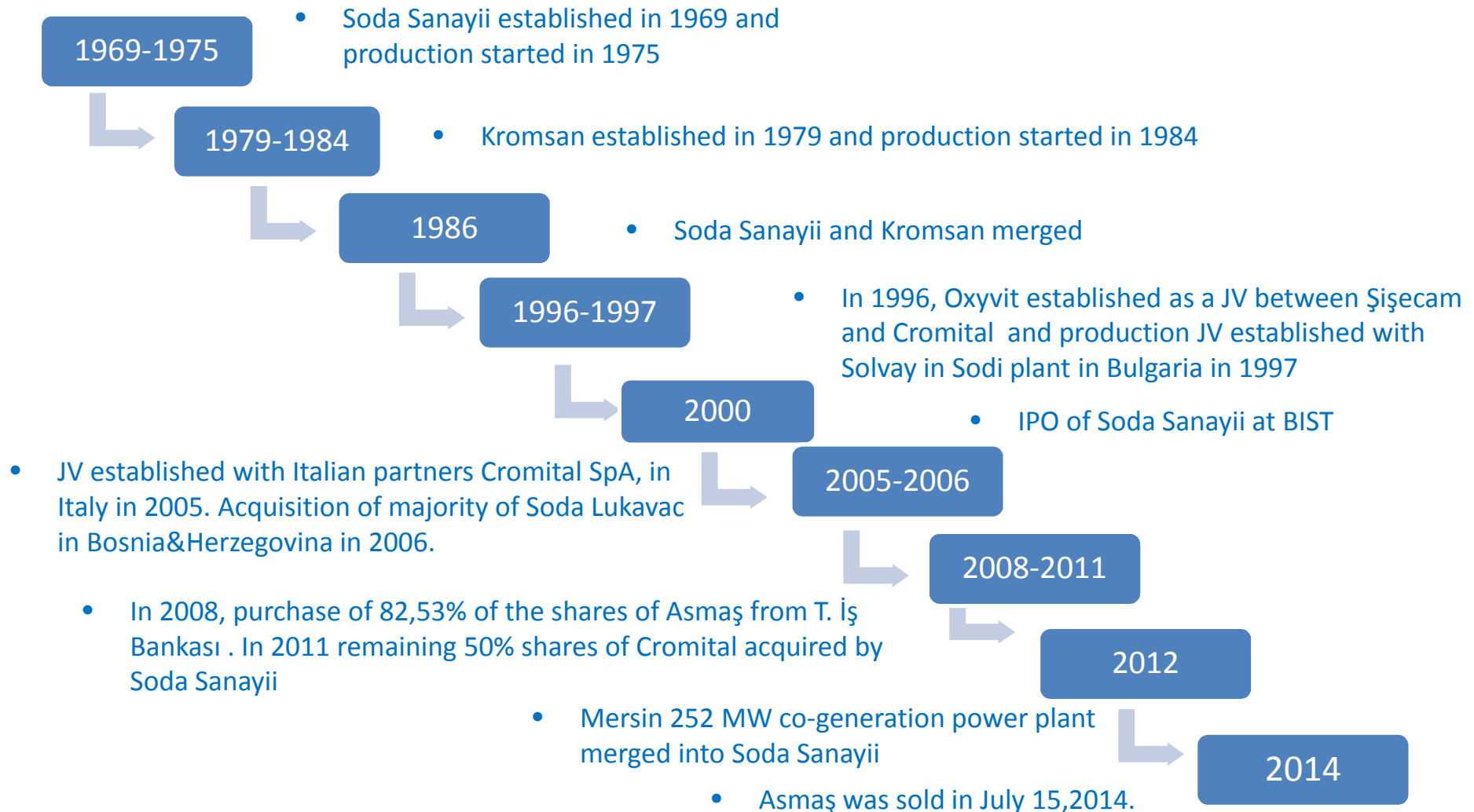
(*) As of March 2015

(**) 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

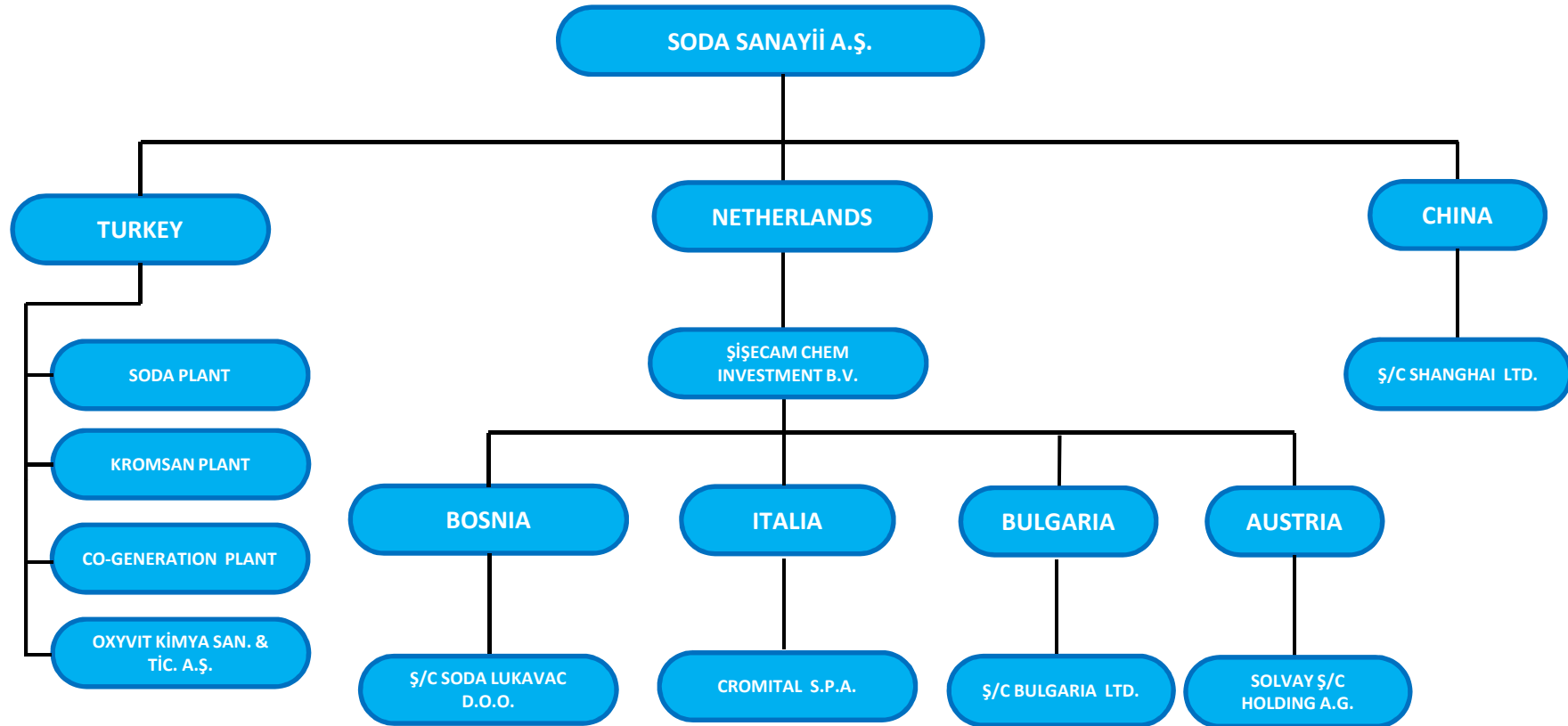


Competitive Advantages

- 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 Consolidated Financial Highlights									
\$mn	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2014 Q1</u>	<u>2015 Q1</u>
Net Sales	499	403	440	522	660	738	735	185	164
EBITDA	83	75	91	139	125	171	236	54	42
Net Financial Debt	132	75	27	-0,3	4	44	-157	5	-131
Current Ratio	1,54	1,54	2,08	1,96	1,75	2,78	3,64	3,23	3,43
Liabilities/Assets	0,43	0,41	0,35	0,35	0,29	0,31	0,26	0,28	0,27
Gross Margin (%)	20	23	23	29	21	21	25	28	23
EBITDA (%)	17	19	21	27	19	23	32	29	25



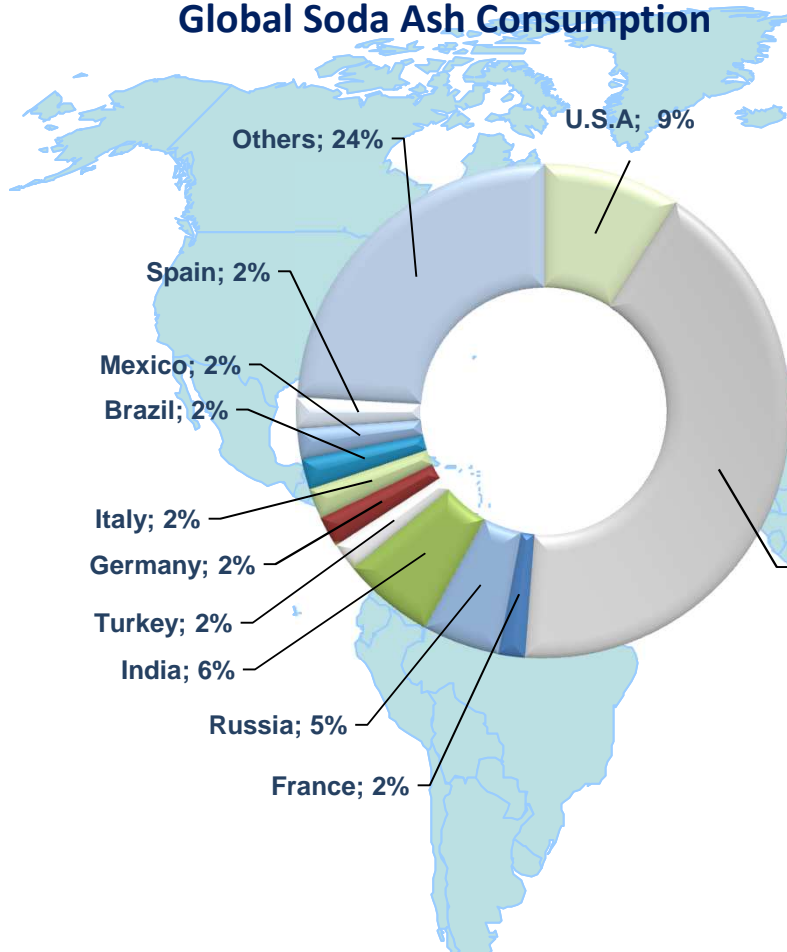
SODA SANAYİİ A.Ş.

Operating Profile

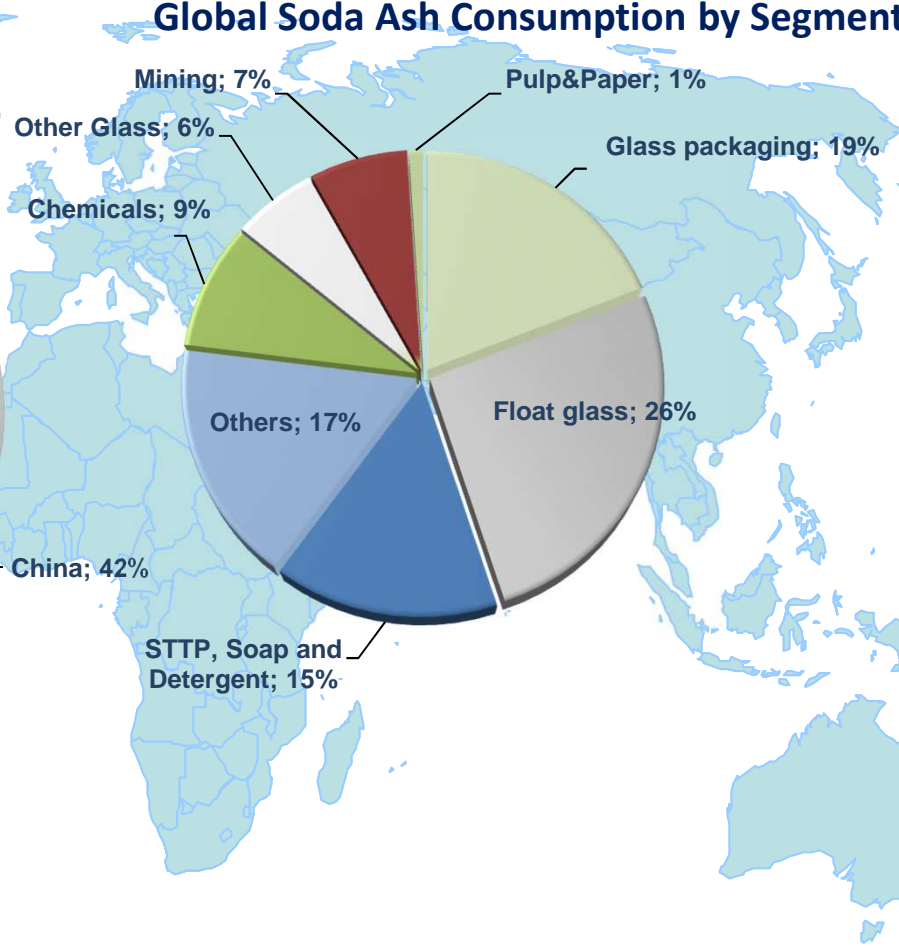


Global Soda Ash Industry Dynamics

Global Soda Ash Consumption



Global Soda Ash Consumption by Segment

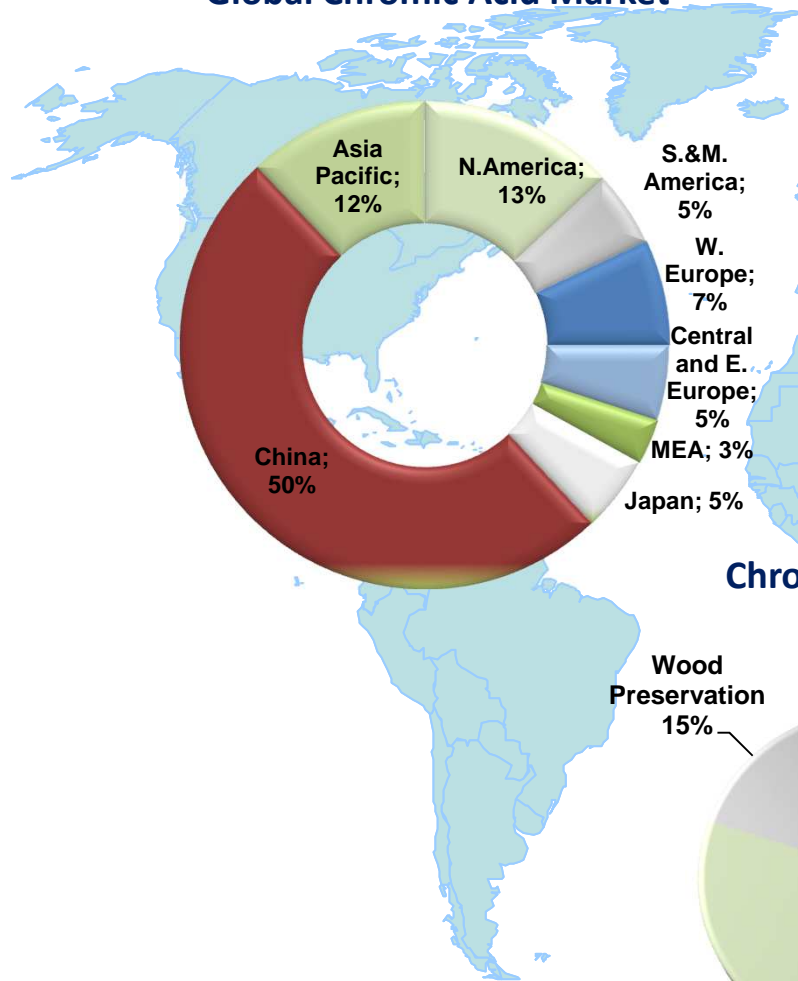


- Annual soda ash production is 59 million tons and apprx. 42% is consumed by China.
- China is the largest soda ash producer.

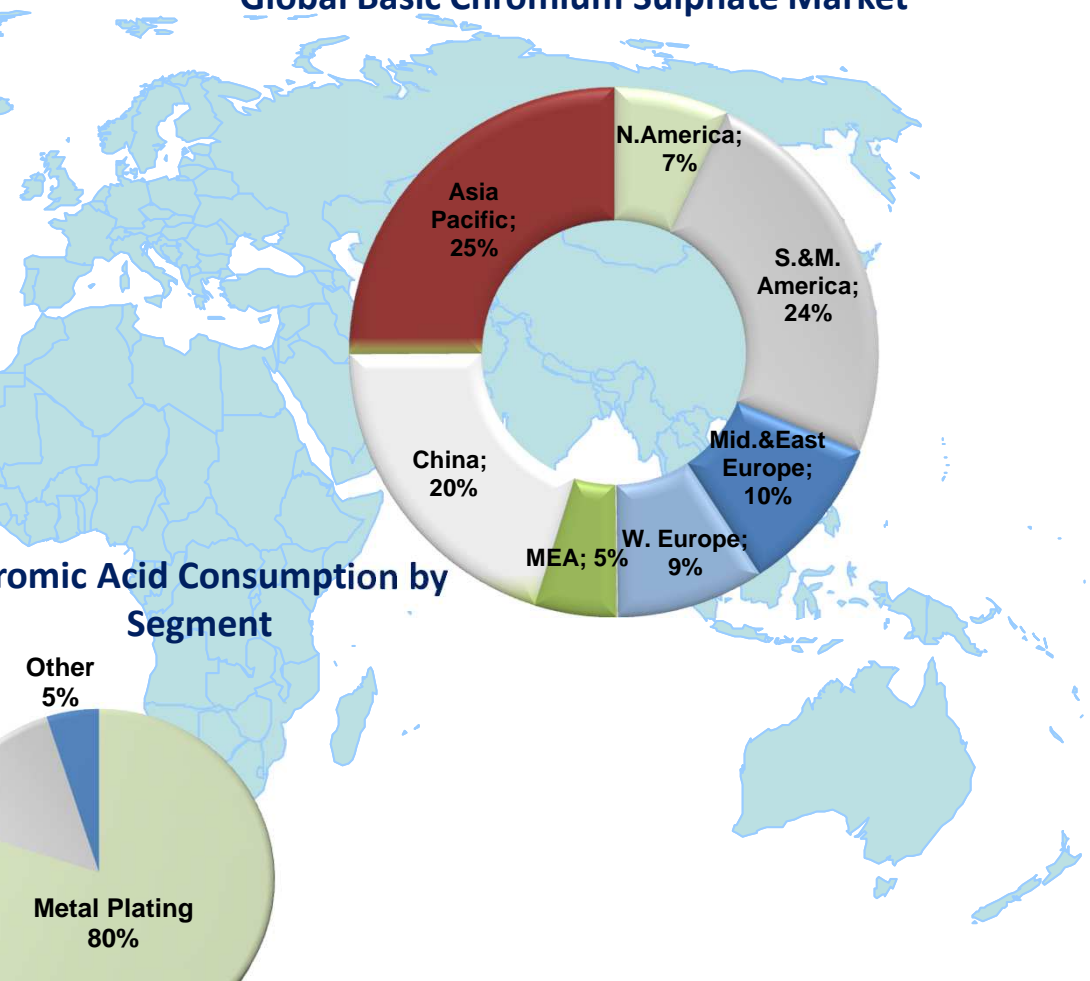


Global Chromium Chemicals Industry Dynamics

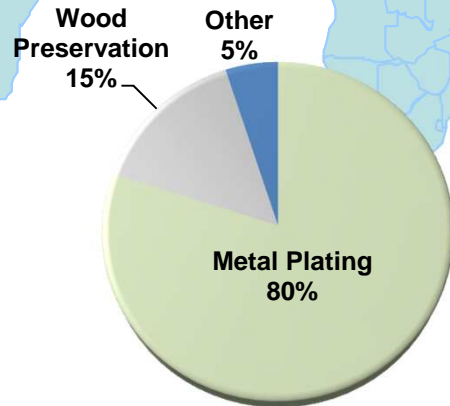
Global Chromic Acid Market



Global Basic Chromium Sulphate Market



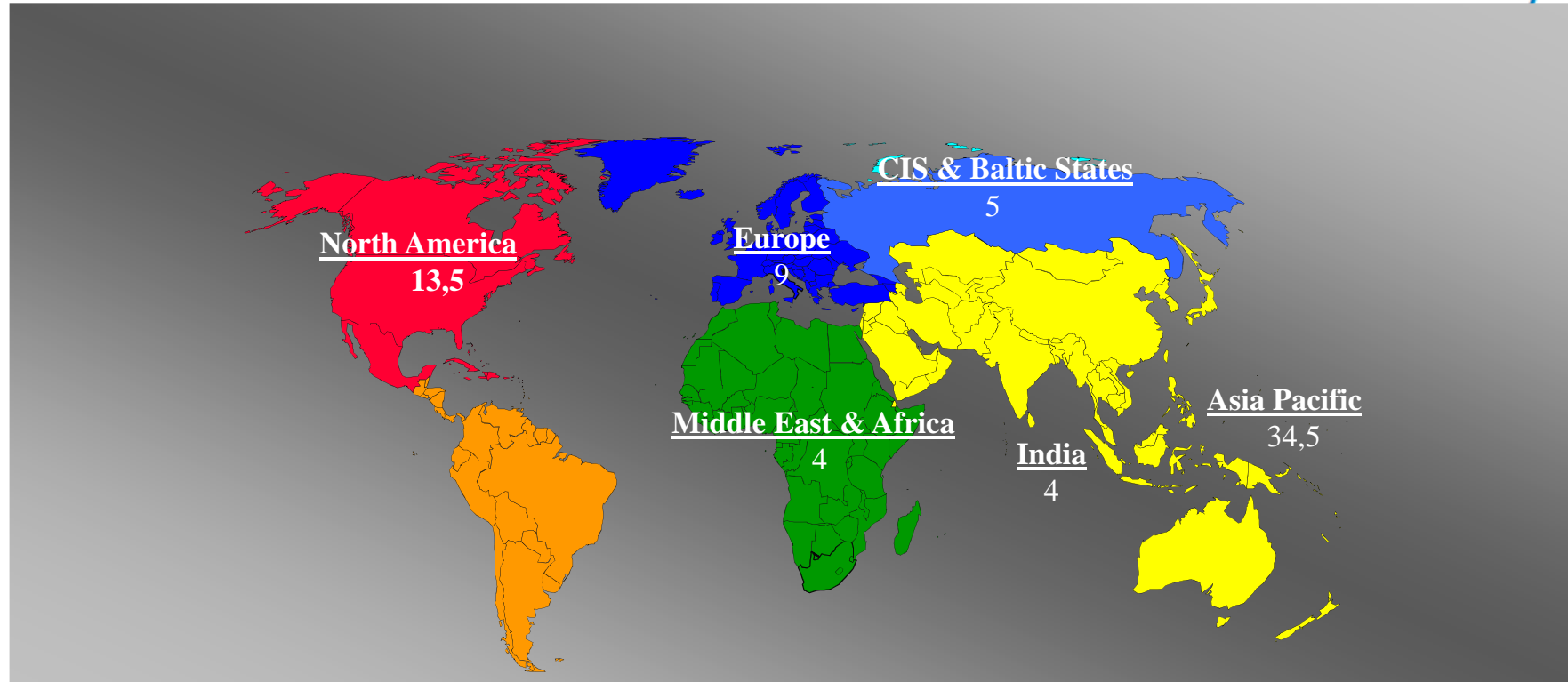
Chromic Acid Consumption by Segment



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



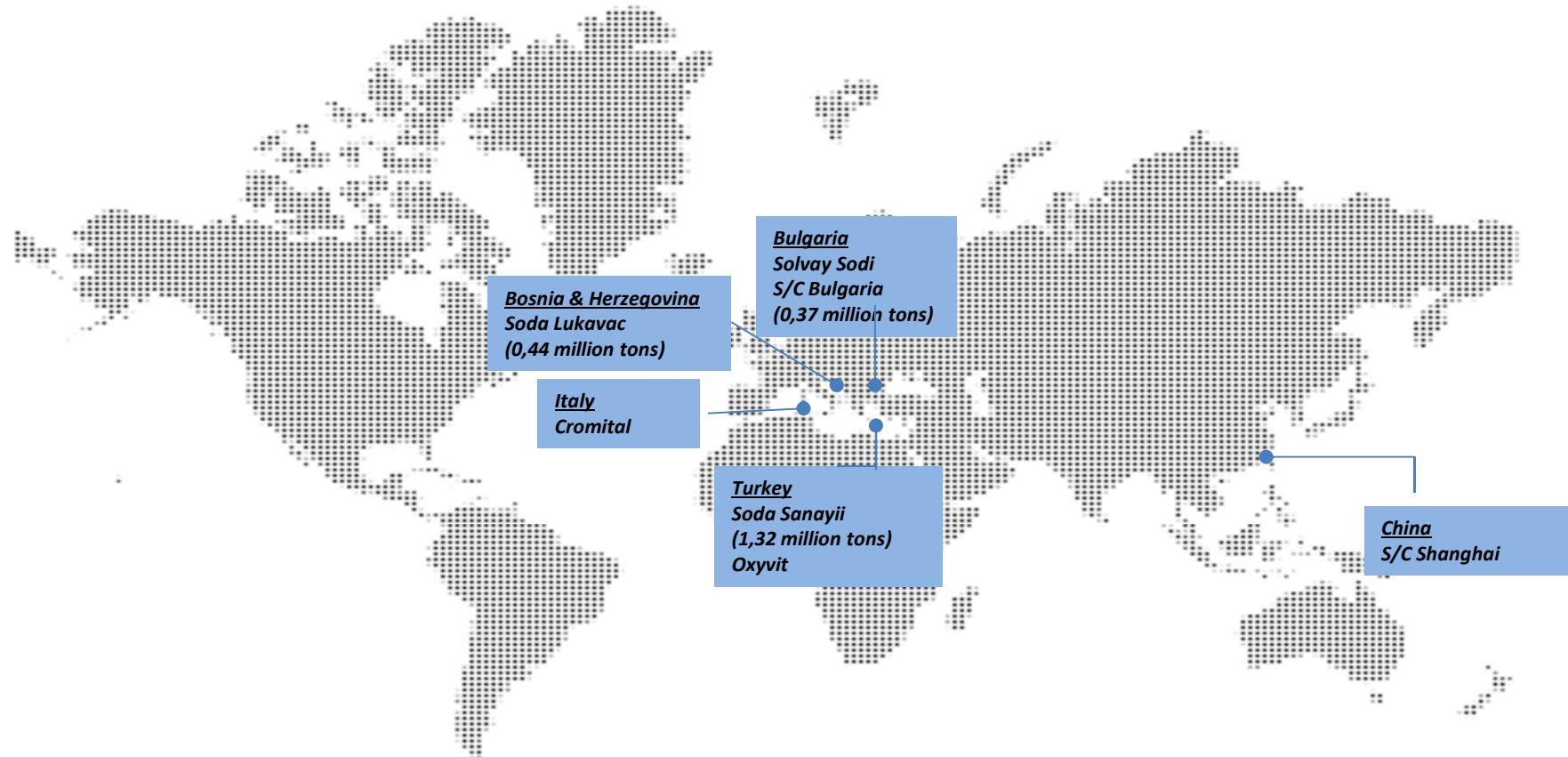
Global Soda Ash Players and Capacities (Million Tons)



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



Operating Territory & Soda Ash and S. Bicarbonate Capacities





Soda Ash :

- Dense Soda Ash
- Light Soda Ash
- Sodium Bicarbonate



Raw material for :

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

Chromium and Derivatives:

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

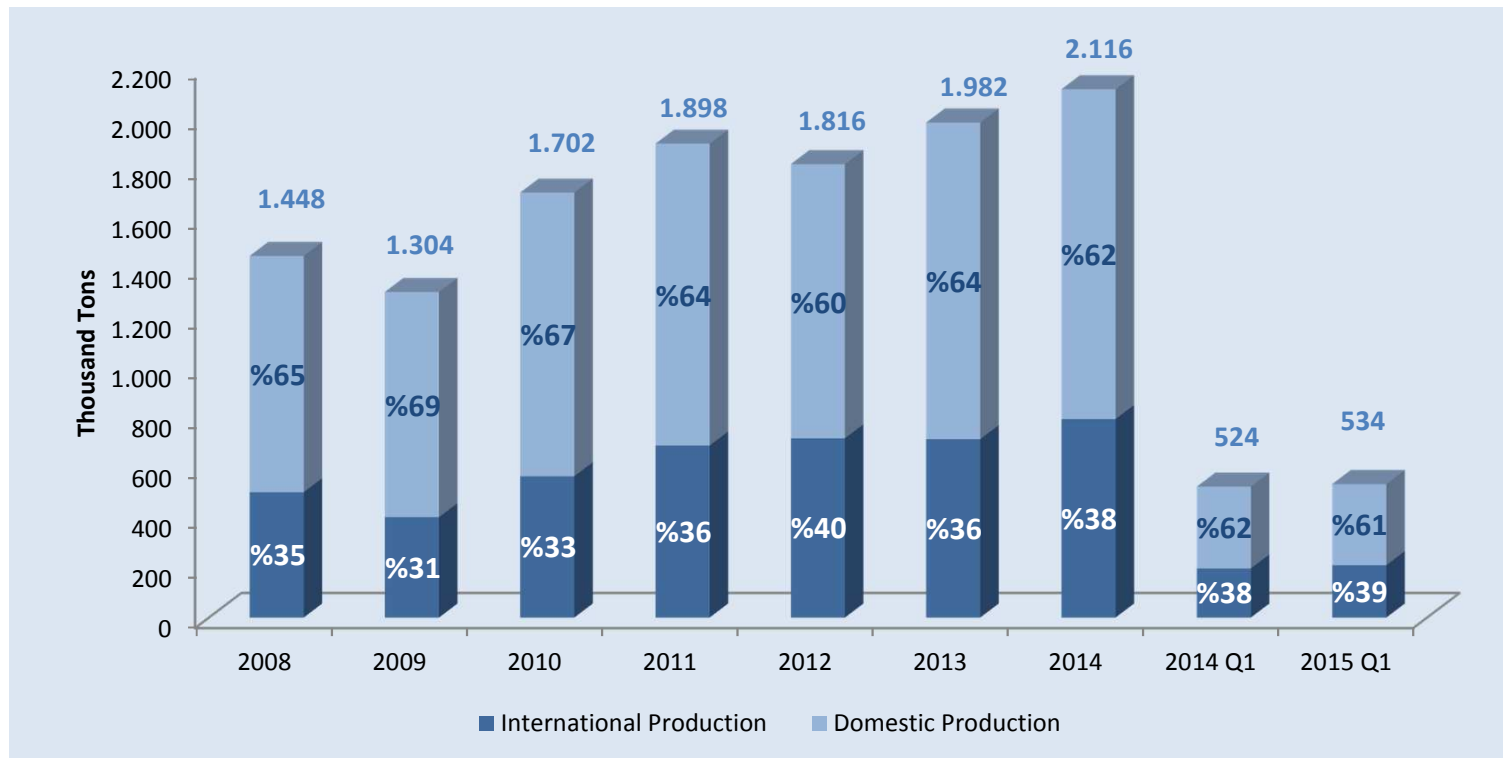


Raw material for :

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



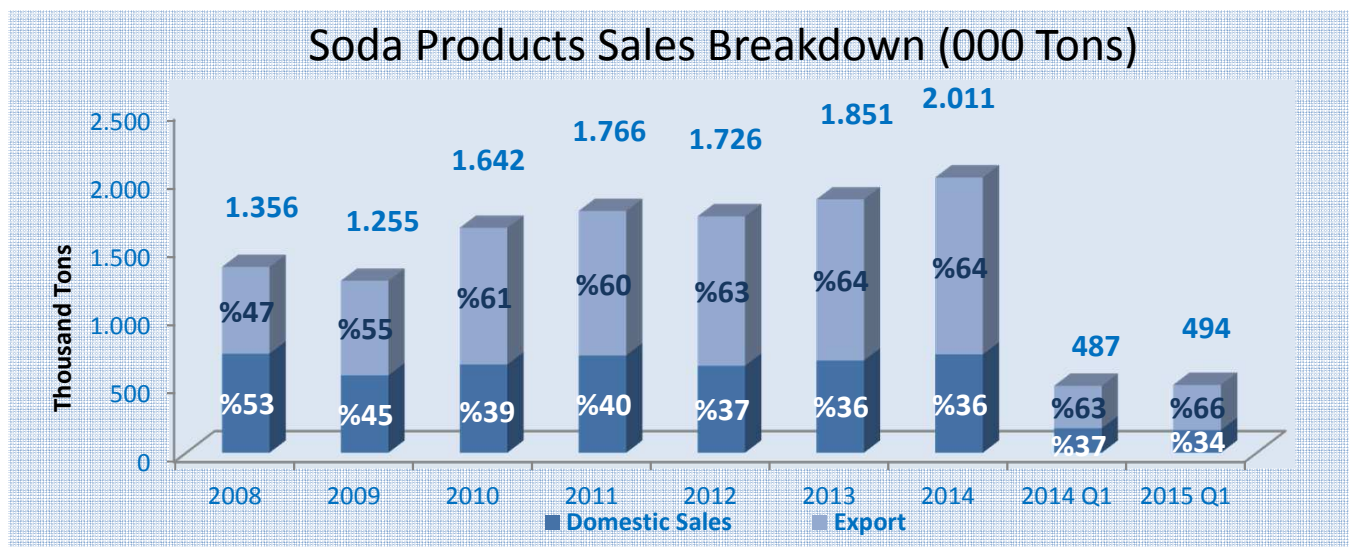
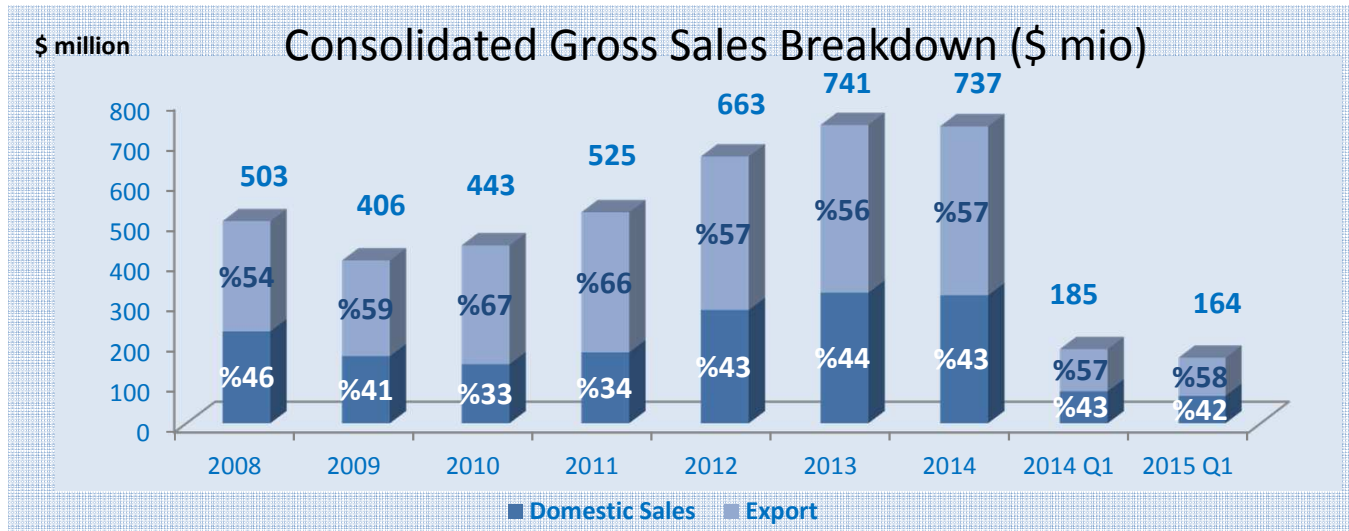
Soda Sanayii - Soda Production



- With the partnerships established in Bulgaria and Bosnia, contribution of non-domestic production has increased. In 2015 Q1, 39% of the total soda ash production was realized outside Turkey.
- Total soda production has increased approx. %2 in 2015 Q1 as compared to 2014 Q1.



Soda Sanayii A.Ş. - Sales

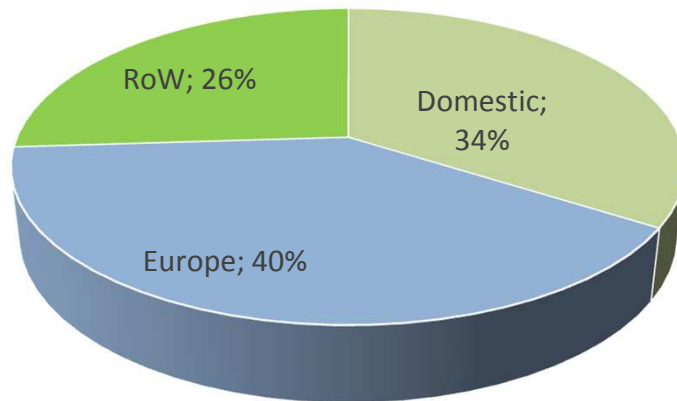


- In 2014, sales were made in 64 countries throughout the world.

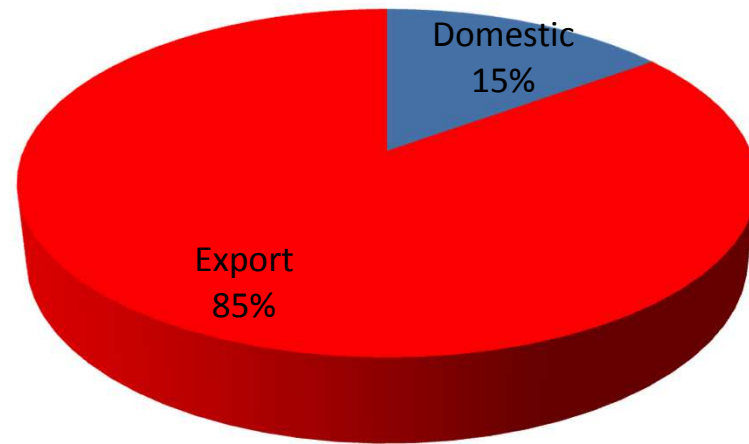
Soda Sanayii Sales (cont'd)



Soda Sales by Geography



Chromium (BCS) Sales by Geography





Major Investments

- 80 ktpa capacity expansion investments in SSL Plant is going on.
- In SSL, the process of a new boiler configuration, which aims to increase energy efficiency, cost reduction and environmental protection, is going on.
- In Mersin Soda Plant, the calciner project for 30 ktpa soda ash capacity expansion is continuing.
- In line with the company's profitable growth target, modernization and energy saving investments also continued in soda ash and chromium facilities in the 1st quarter of 2015.



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.
- Soda Sanayii has been certified to ISO 10002 Customer Satisfaction Quality Management System in 2014.





DISCLAIMER

- Following USD/TL Exchange Rates have been used throughout the presentation:

	2010	2011	2012	2013	2014	2014 Q1	2015 Q1
Period End:	1.55	1.89	1.78	2.13	2.32	2.19	2.61
Period Average:	1.50	1.67	1.79	1.90	2.19	2.21	2.45

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