



SODA SANAYİİ A.Ş.
Investor Relations Presentation
Q2 2014





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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 3.6 million tons of Glass and 1,98 million tons of Soda Ash.
- Mcap of US\$ 2,2 billion (August 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.



**2013's ONWARDS
TO BE AMONG THE TOP
3 PRODUCERS GLOBALLY**

**2000's ..
GLOBAL VISION**

- * Regional leadership achieved
- * Higher market share regionally

**1990's..
INVESTMENT
RESTRUCTURING**

- * Reaching world-class volumes
- * Efficient Management Structure
- * Investments abroad

**1960 - 1990
STRONG GROWTH**

- * Expansion of product range
- * State-of-the-art technologies, institutional R&D
- * "The World is our Market"

**1935 - 1960
ESTABLISHMENT AND SINGLE
PLANT STAGE**

- * Glassware and container production at Paşabahçe
- * Modest Growth



MISSION

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

VISION

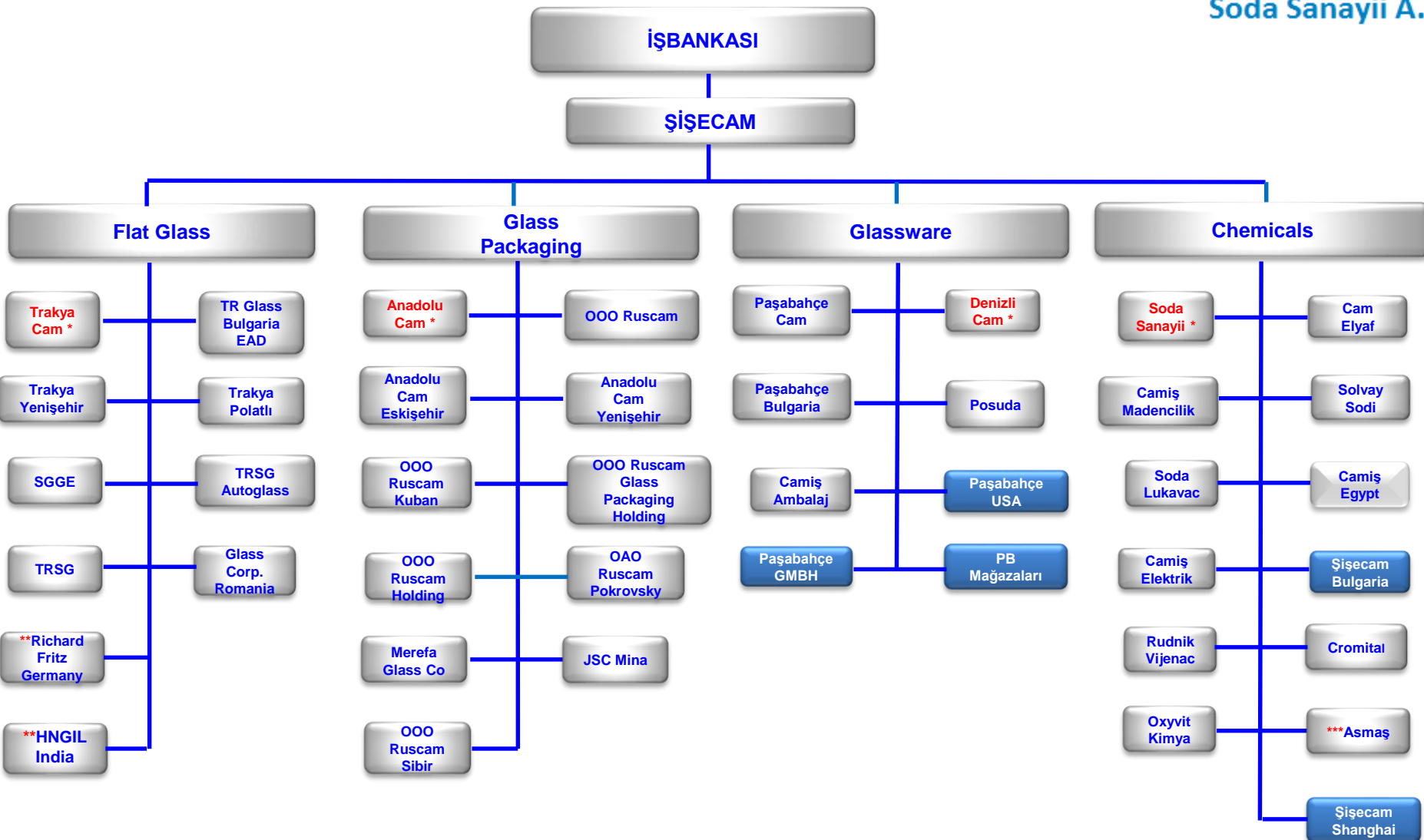
To become the leader of its habitat covering the neighborhood countries in its activity fields.

STRATEGY

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



Şişecam Overview - 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. The group is managed by highly-experienced professionals long associated with the company. The level of institutionalization and stability are valuable assets of the group.

Others; trading, investment, logistics and other companies.

Production areas

(*) Publicly Listed Companies

(**) Recently founded. (***)Asmaş was sold on 15.07.2014.



Şişecam Overview - Operating Territory

ŞİŞECAM PLANTS IN TURKEY





Operating Territory - International



- Flat Glass
- Glassware
- Glass Packaging
- Chemicals



Rating/Outlook

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



Financial Highlights

Key Indicators

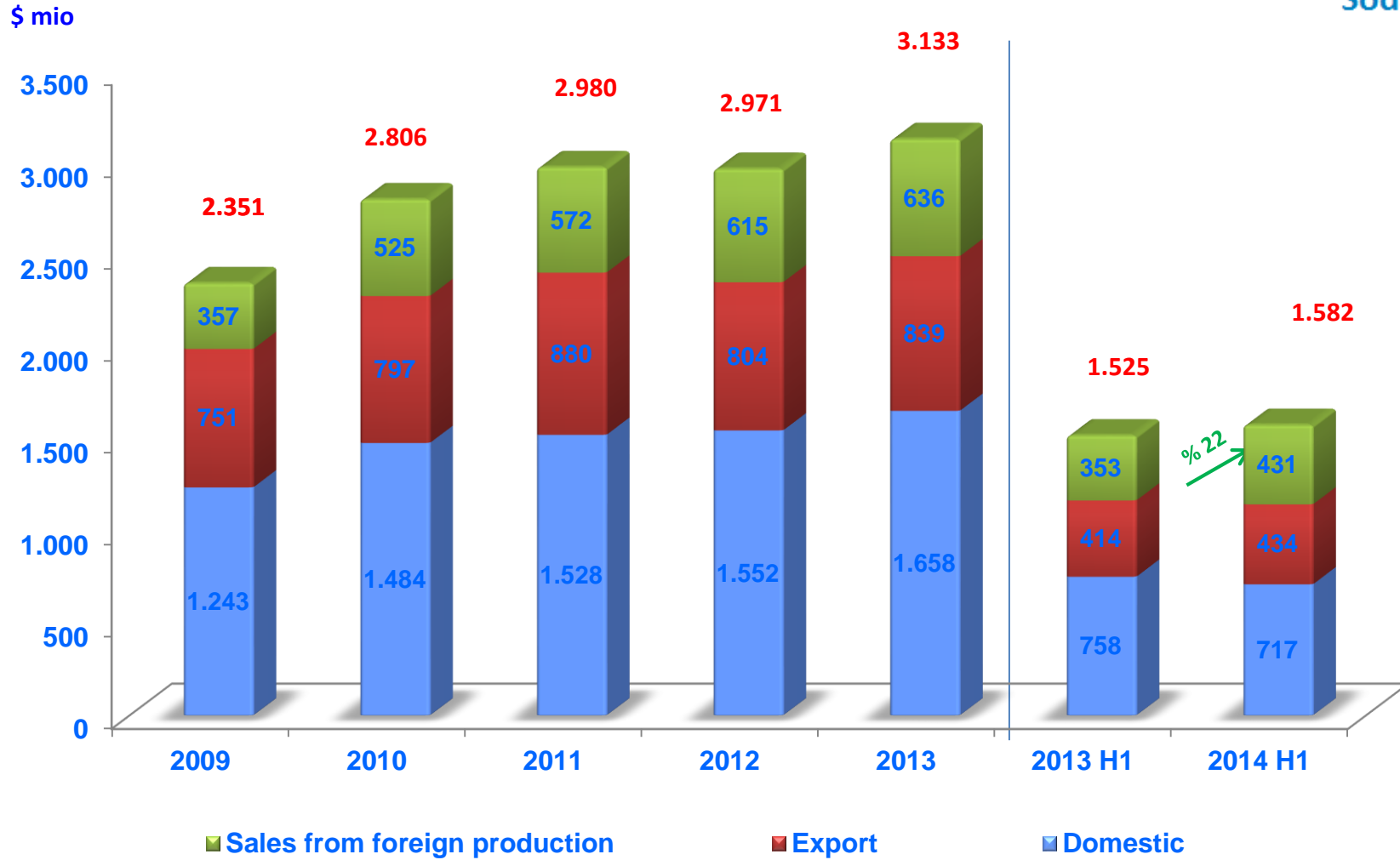
ŞİŞECAM							
\$mn	2009	2010	2011	2012	2013	2013 H1	2014 H1
Net Sales	2.357	2.806	2.980	2.971	3.133	1.525	1.582
EBITDA	446	678	758	539	643	251	335
Net Fin. Debt	606	254	315	543	765	746	*907
Current Ratio	2,48	3,07	2,79	1,81	2,55	2,31	2,36
Liabilities/Assets	0,45	0,38	0,38	0,36	0,42	0,42	0,42
Shareholder's Equity	2.465	2.682	2.729	3.148	3.105	3.160	3.209
Gross Margin (%)	21,2	31,2	35,6	25,6	28,3	24,6	28,0
EBITDA (%)	21,4	24,2	25,4	18,5	20,5	16,5	21,2
Net Income	72	275	378	185	239	88	135
Net Income Margin(%)	3,1	9,8	12,7	6,2	7,6	5,7	8,5

*The Net Debt increase is mainly due to heavy CAPEX period held in period 2013-2014.

Sales



Soda Sanayii A.Ş.



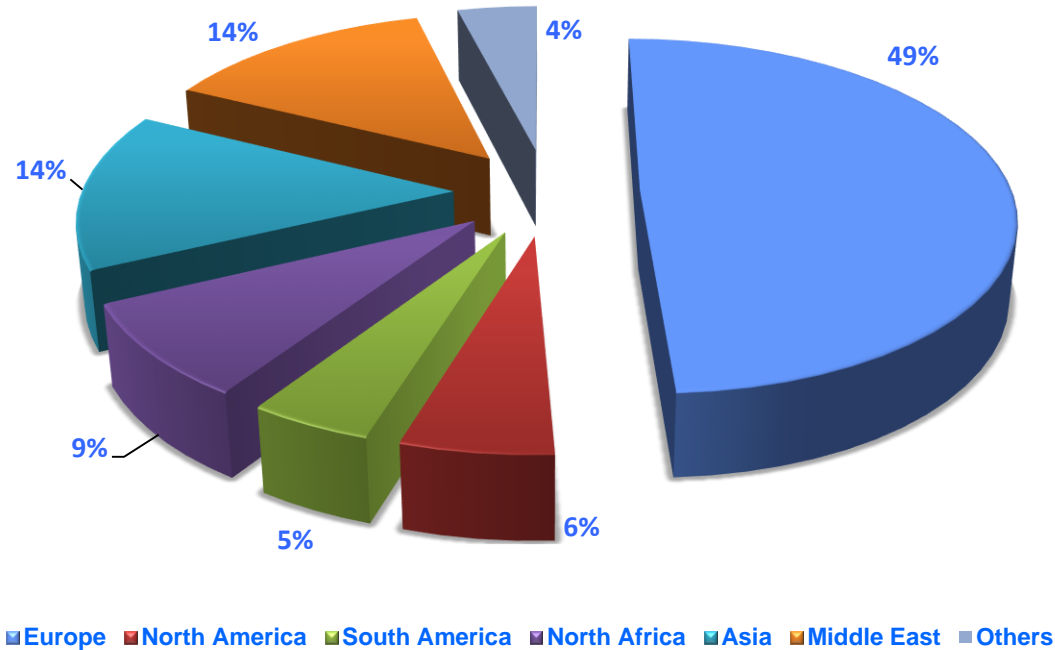
There is a remarkable increase of %22 in Sales from Foreign Operations between 2014H1-2013H1.

Sales- Export Breakdown

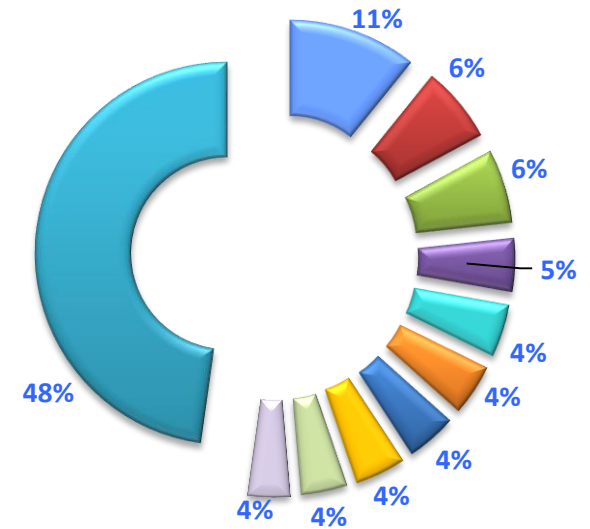


Soda Sanayii A.Ş.

Consolidated Export Breakdown as of 2014 H1



- Exports of \$434 million in 2014 H1.
- Eurozone still accounting around half of exports.
- Top 10 countries constitute %52 as of 2014 H1.

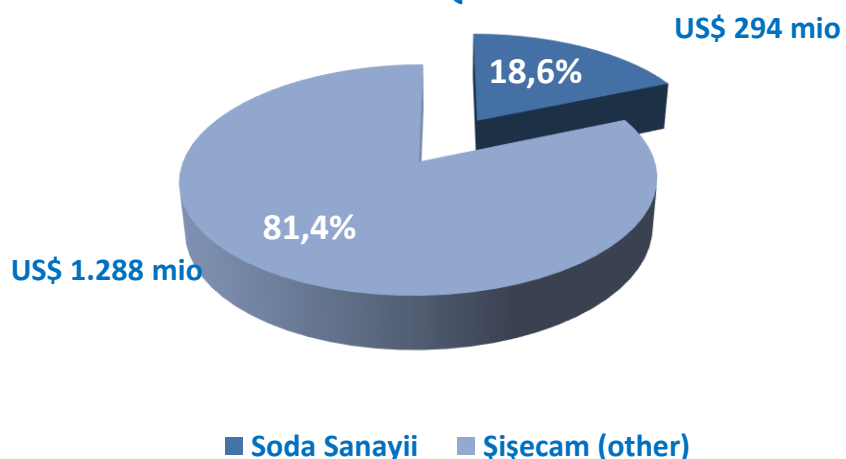


- | | |
|----------------|---------------|
| Italy | Egypt |
| France | Bulgaria |
| United Kingdom | China |
| Germany | United States |
| Lebanon | Spain |
| Others | |



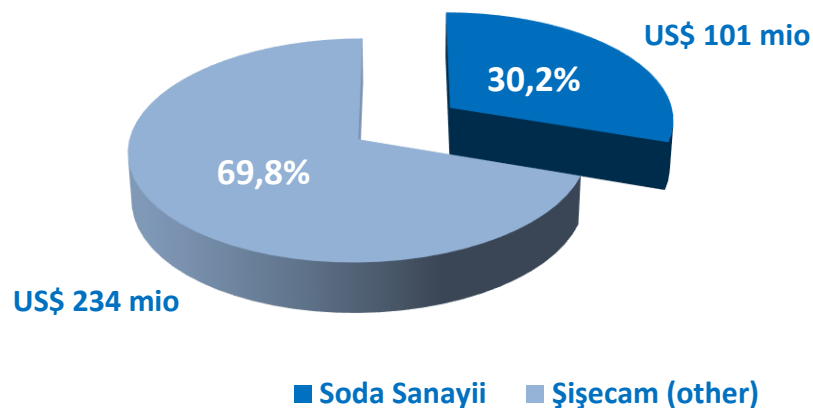
Executive Summary - Chemicals Business Line in Şişecam

Soda Sanayii Non Intercompany Sales in Consolidated Şişecam Sales 2014 Q2



Chemicals Business account for % **21,3** of consolidated Şişecam sales. Within chemicals segment **Soda Sanayii A.Ş.** is the flagship company with %**19** share in the total sales of Şişecam.

Soda Sanayii's EBITDA Contribution To Consolidated Şişecam EBITDA 2014 Q2





Soda Sanayii A.Ş.



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.
- 90% owned by Şişecam and group companies, 10% listed at BIST (ticker symbol SODA) with a current market cap of US\$ 861 million (as of August 19th, 2014)
- An aggregate soda ash production capacity of 2.07 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**	37	63
Chromium Chemicals***	18	82

Global Ranking

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

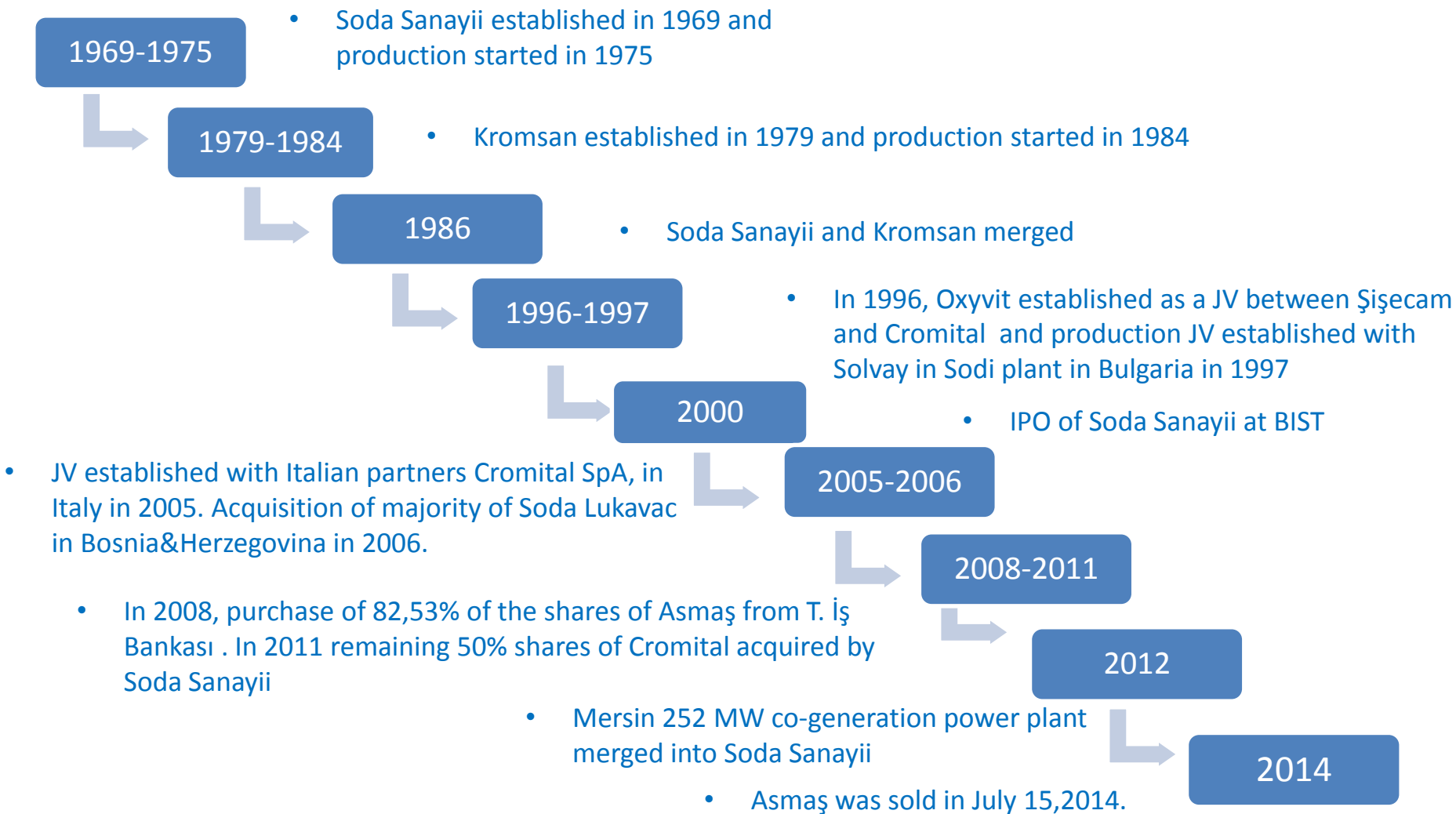
(*) As of June 2014

(**) 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



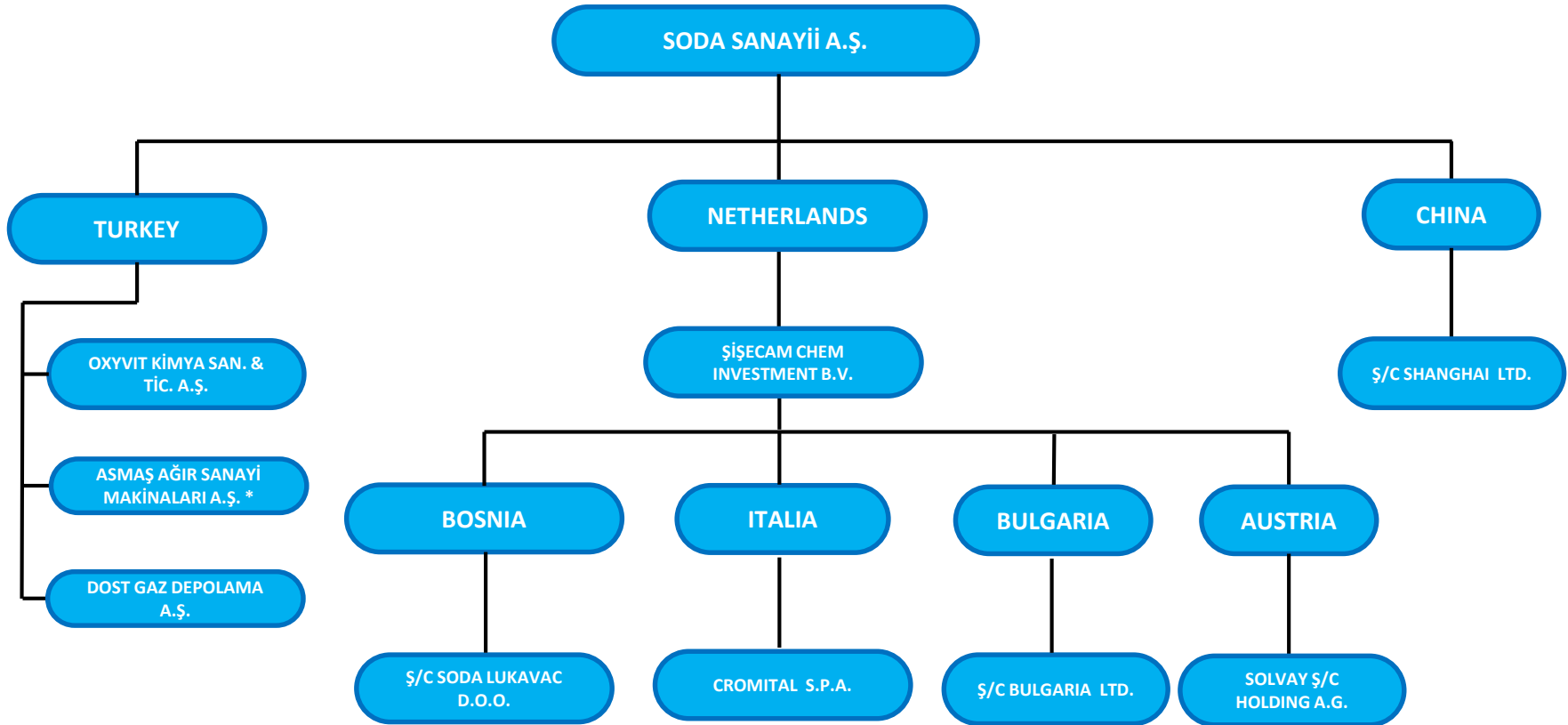
Competitive Advantages

- 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



(*)Asmaş was sold on 15.07.2014.



Soda Sanayii's Financial Highlights

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>Q2</u>	<u>2014</u> <u>Q2</u>
Net Sales	351	499	403	440	522	660	738	371	371
EBITDA	42	83	75	91	139	125	171	74	101
Net Financial Debt	78	132	75	27	-0,3	4	44	54	-18
Current Ratio	1,54	1,54	1,54	2,08	1,96	1,75	2,78	2,27	3,44
Liabilities/Assets	0,34	0,43	0,41	0,35	0,35	0,29	0,31	0,32	0,27
Gross Margin (%)	14	20,1	23,2	23,2	28,7	20,5	20,5	19,8	27,0
EBITDA (%)	12,1	16,6	18,6	20,7	26,6	18,9	23,2	19,9	27,2



Soda Sanayii A.Ş.



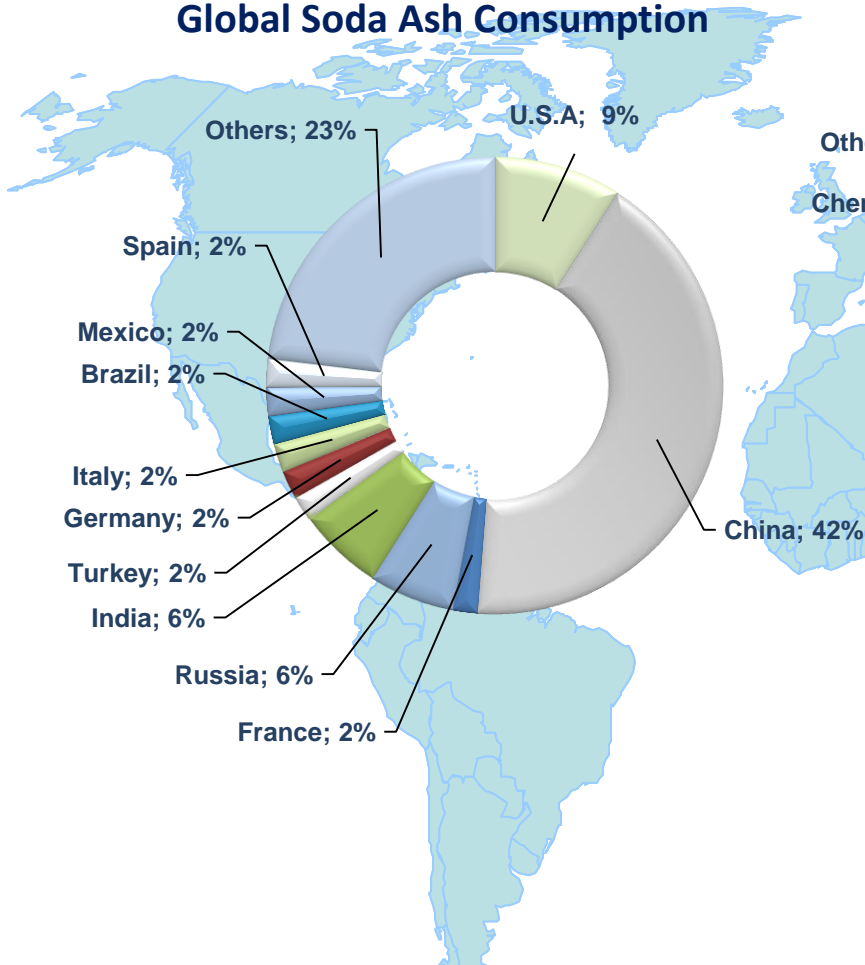
SODA SANAYİİ A.Ş.

Operating Profile

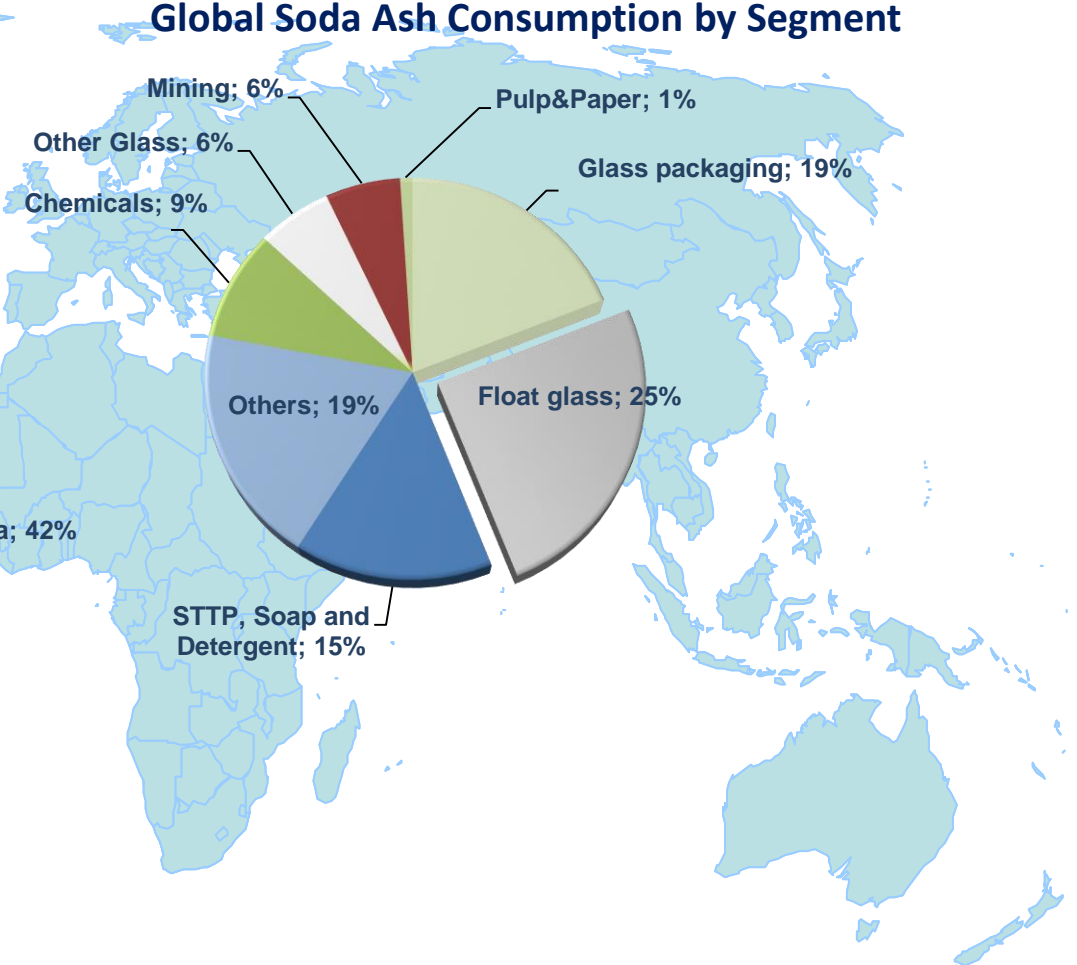


Global Soda Ash Industry Dynamics

Global Soda Ash Consumption



Global Soda Ash Consumption by Segment

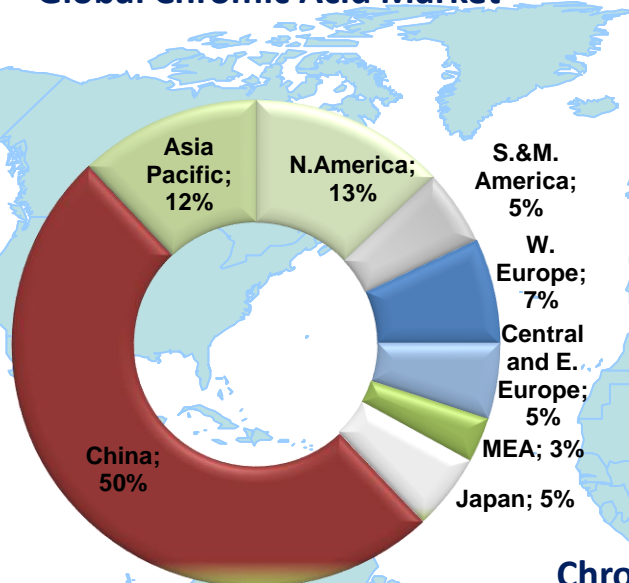


- Annual soda ash production is 55 million tons and apprx. 42% is consumed by China.
- China is the largest soda ash producer.

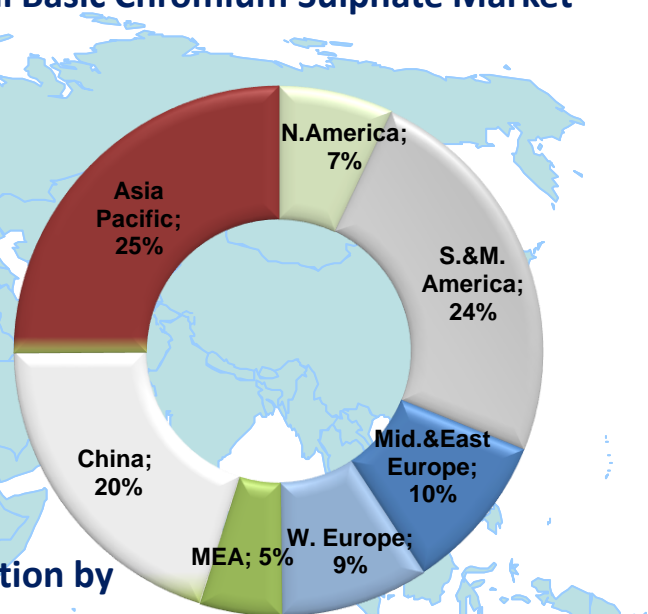


Global Chromium Chemicals Industry Dynamics

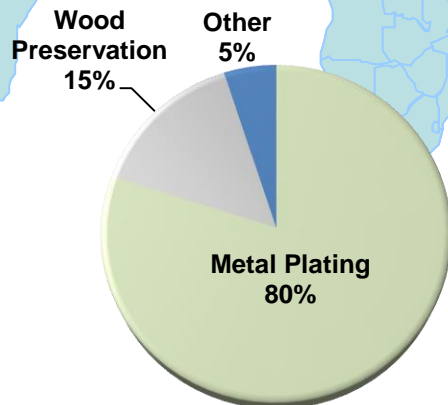
Global Chromic Acid Market



Global Basic Chromium Sulphate Market



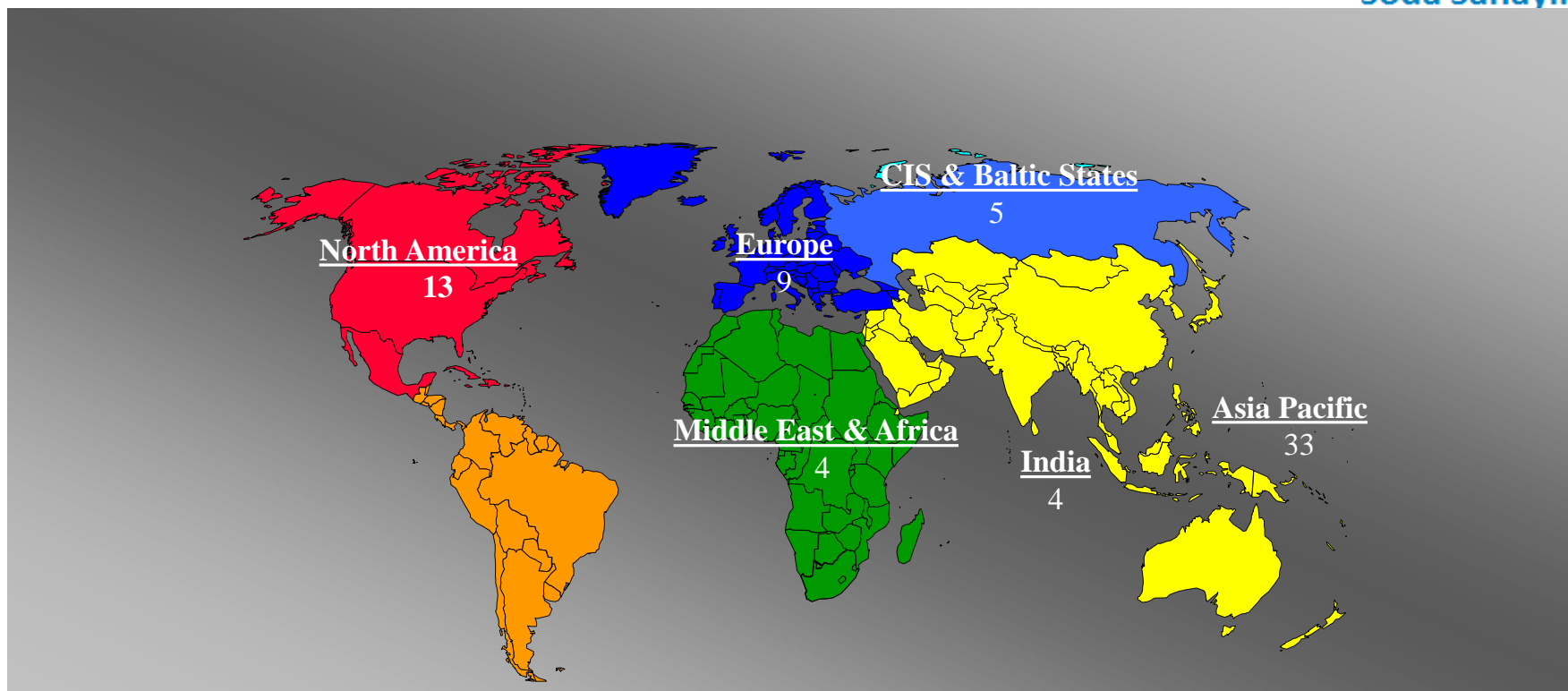
Chromic Acid Consumption by Segment



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



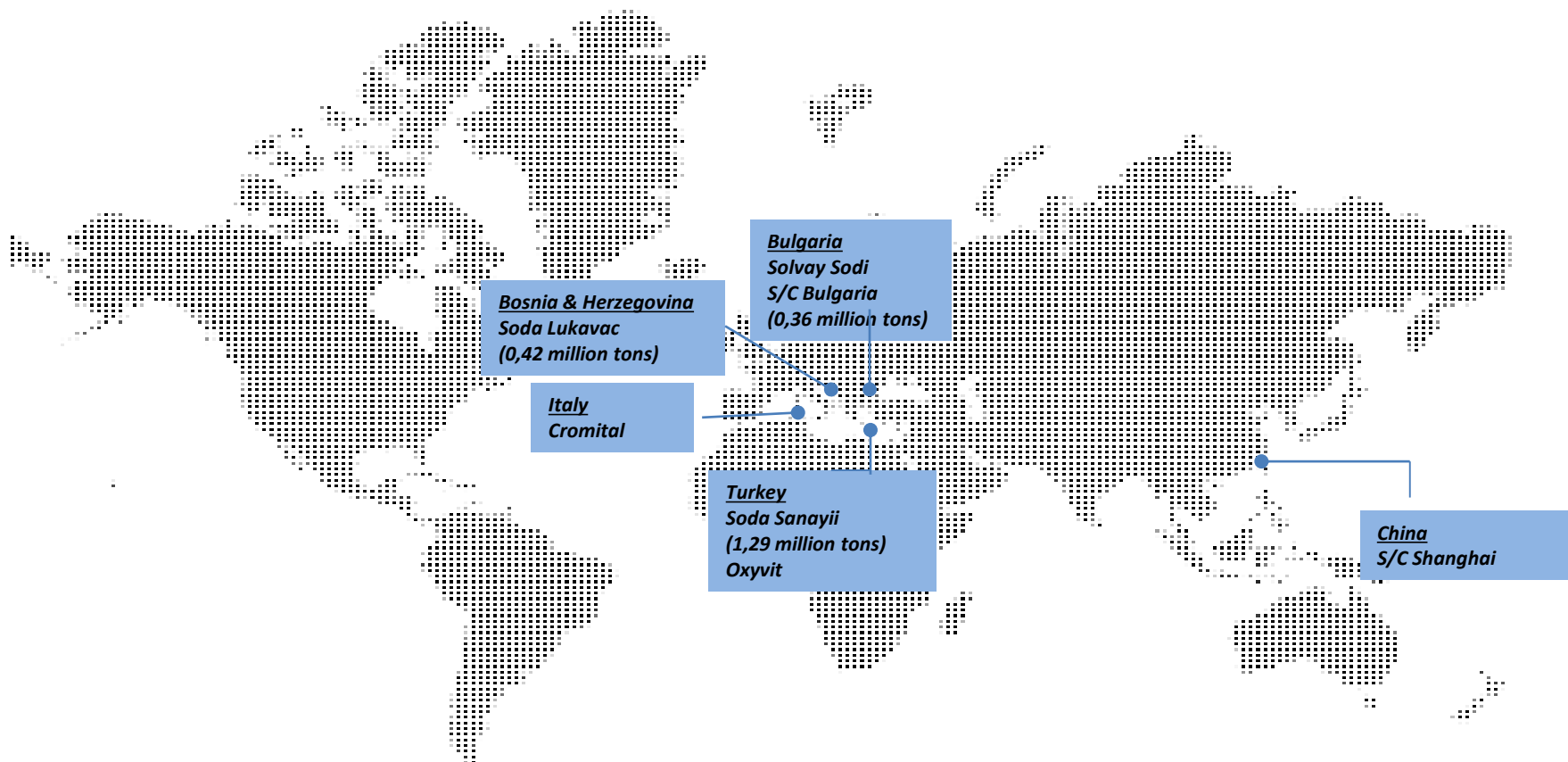
Global Soda Ash Players and Capacities (Million Tons)



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



Operating Territory & Soda Ash Capacities





Soda Sanayii Products

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

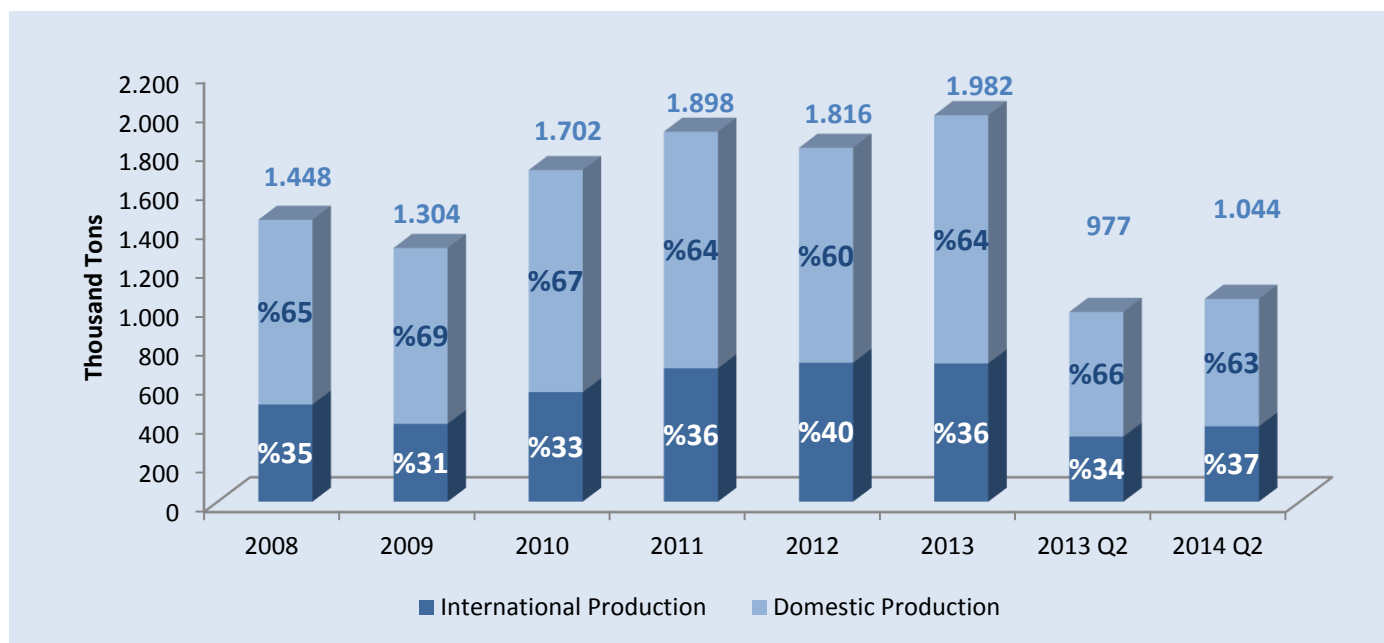


Raw material for :

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



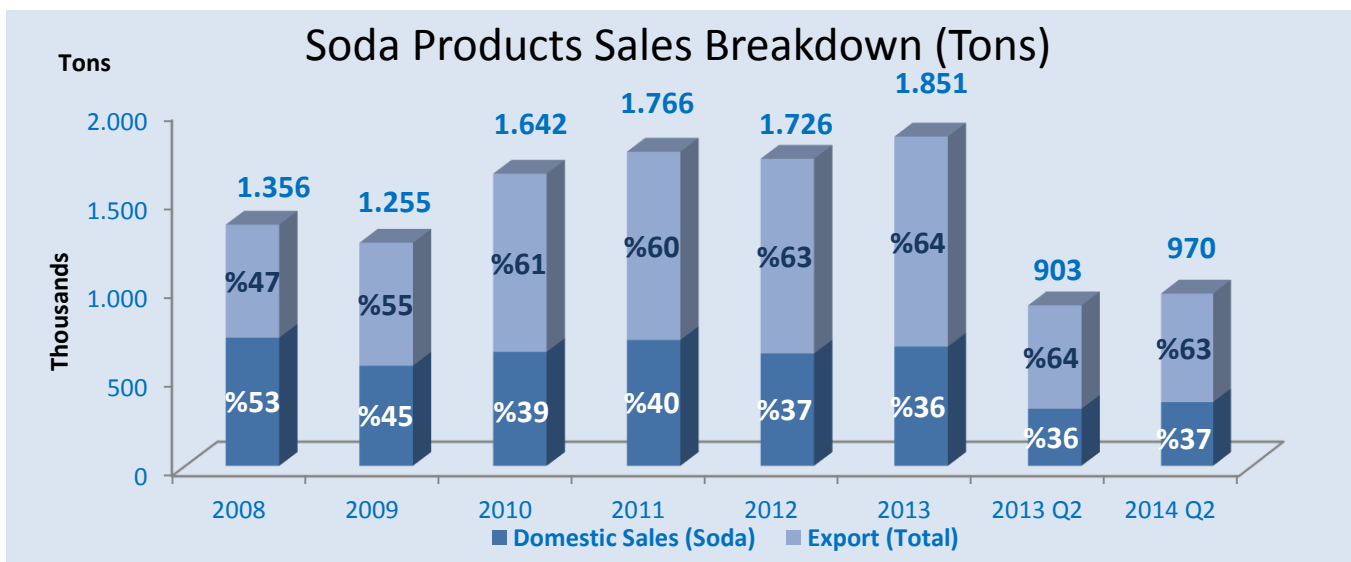
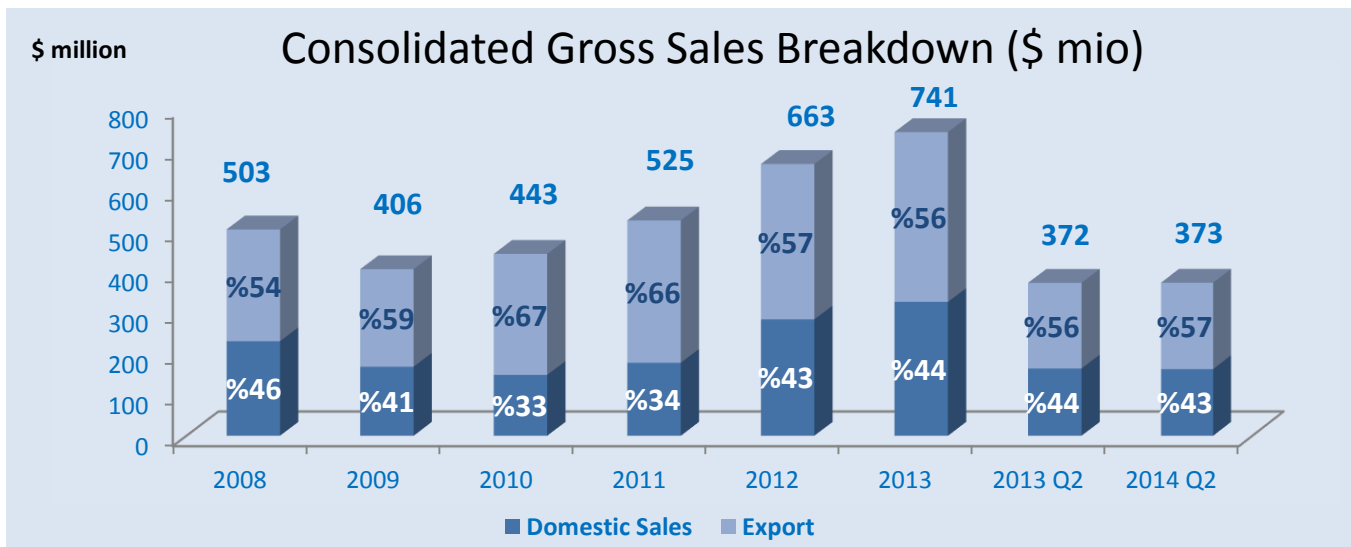
Soda Sanayii - Soda Production



- With the partnerships established in Bulgaria and Bosnia, contribution of non-domestic production has increased. In 2014 Q2, 37% of the total soda ash production was realized outside Turkey.
- Total soda production has increased approx. %7 in 2014 Q2 as compared to 2013 Q2.



Soda Sanayii A.Ş. - Sales

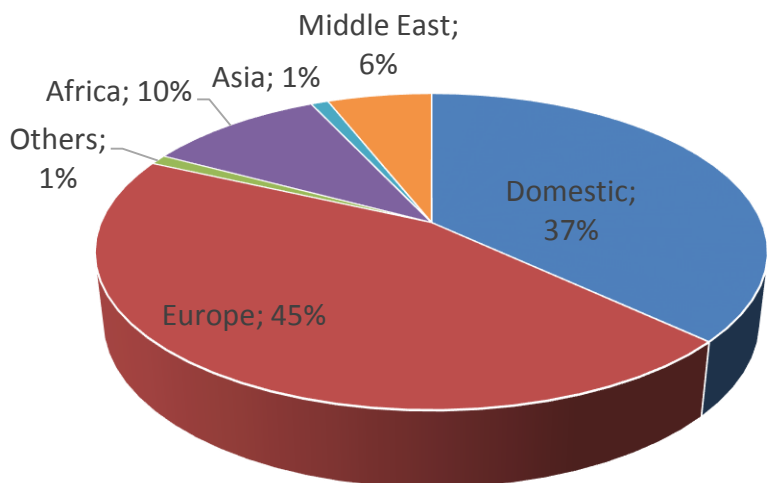


- In 2013, sales were made in 75 countries throughout the world.

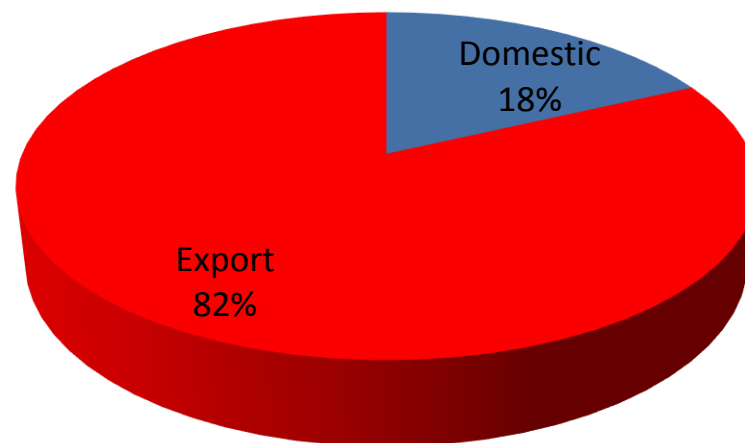


Soda Sanayii Sales (cont'd)

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.**
- **30 ktpa soda ash capacity expansion Kalsiner 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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