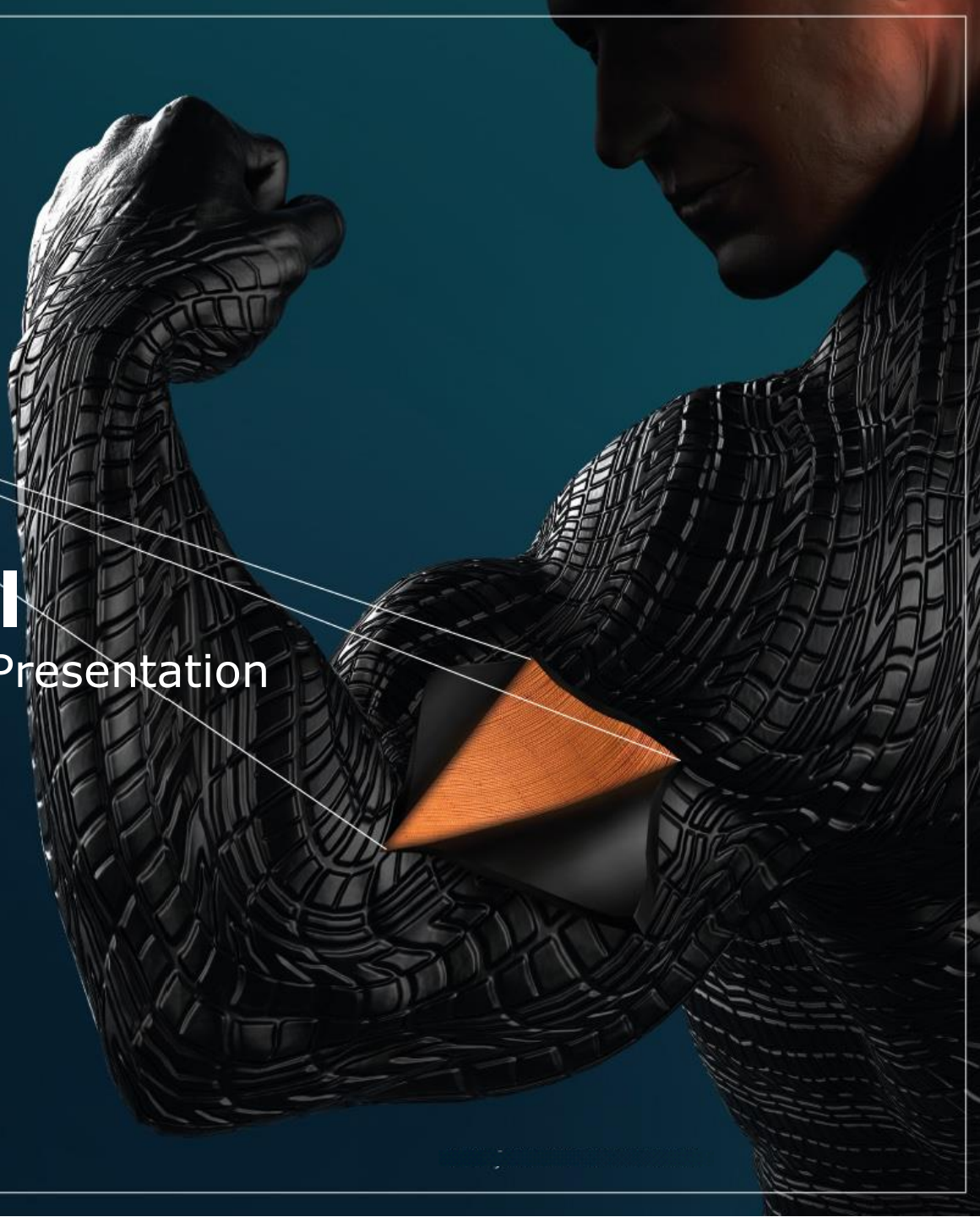


Reinforced
by Kordsa

KordSA Global

2015 First Half Earnings Presentation

KORDSA GLOBAL



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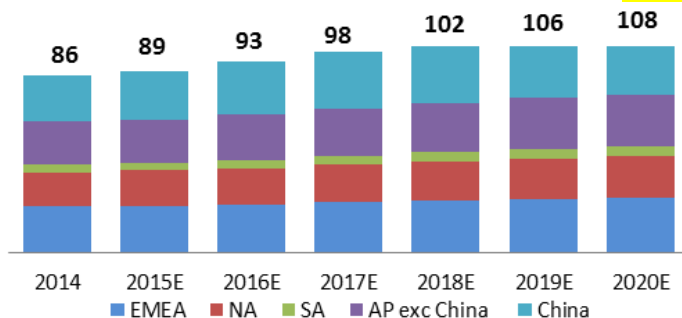
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Market Dynamics

Global Automotive Market

Global LV Assembly – M Units / Year

4%
(2015-2020E CAGR)

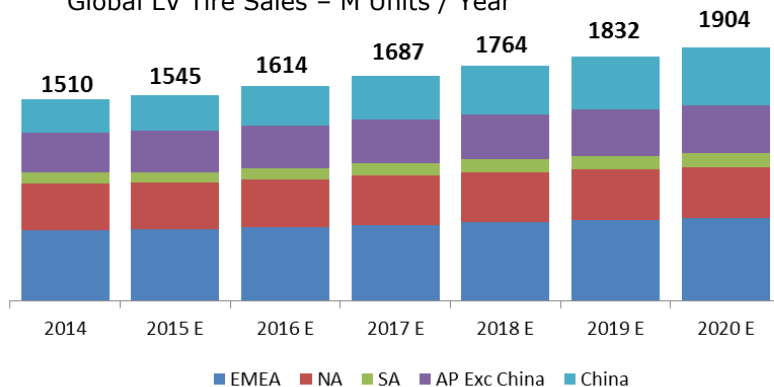


EU & NA is the driving force of growth in 2015 whilst China, Russia and Brazil are slowing down.

Global Tire Market

Global LV Tire Sales – M Units / Year

4%
(2015-2020E CAGR)



US anti-dumping & anti-subsidy duties on Chinese LV tires have global impact. Chinese tire production is declining.

- Light vehicle sales increased by 1.2% compared to same period last year. West Europe, USA leading the increase, East Europe and Brazil showing a decrease.
- With strong car sales in the West EU, total sales estimates for 2015 have been revised to 6,3%.

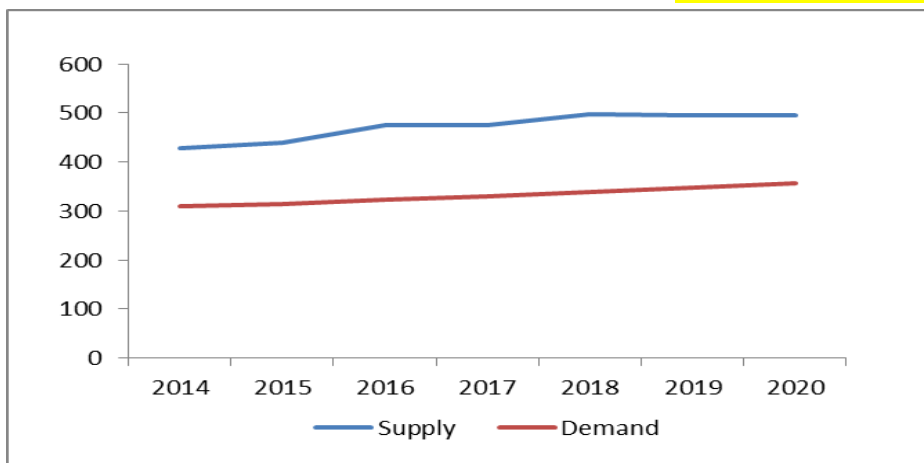
Compared to same period of last year

- Original Equipment Light Vehicle Tire sales grew
 - 3% in Europe
 - 3% in North America
 - 5% in China
 - Shrunk 14% Brazil
- Replacement Light Vehicle Tire sales grew
 - 3% in Europe
 - 0% in North America
 - 3% in Brazil
 - 9% in China

Market Dynamics

Tire Reinforcement Market (NY6.6)

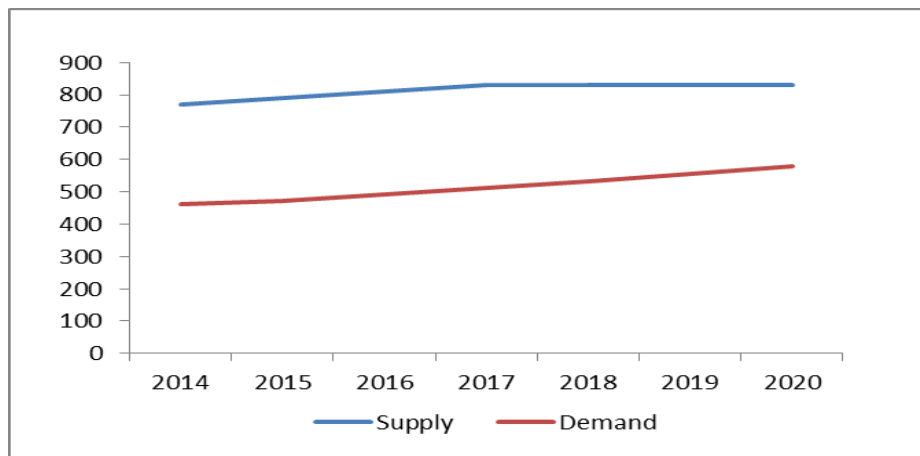
+2.5% (Demand)
(2015-2020E CAGR)



Cap-ply grows, Agro & Mining Tires demand is low

Tire Reinforcement Market (PET HMLS)

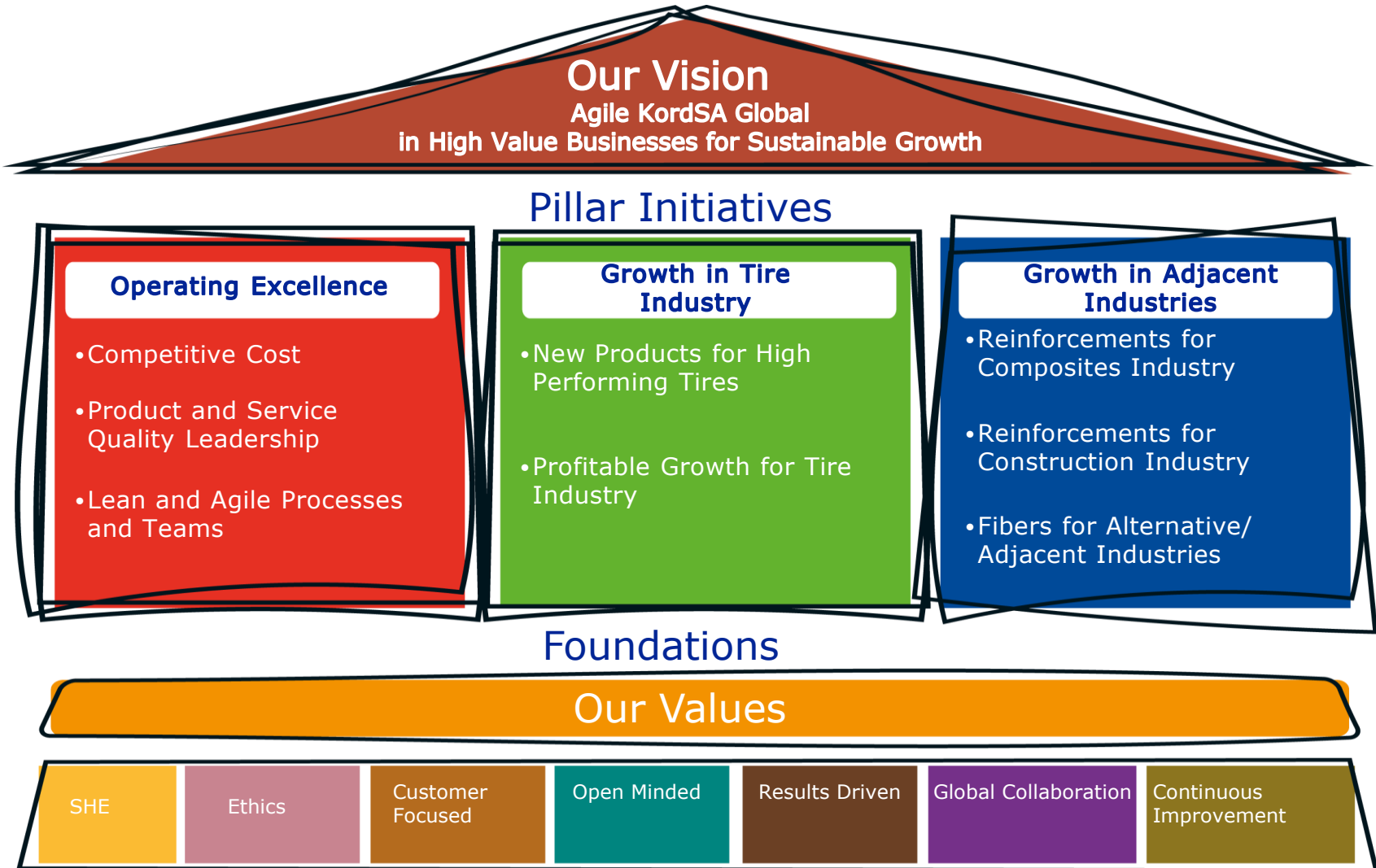
+4.3% (Demand)
(2015-2020E CAGR)



Passenger & LV tire driven growth

- Decreasing oil prices are driving textile reinforcement material prices down.
- Kordsa has a stronger hand with its differentiated product base in PET
- Nylon 66 is our domain with own technology, producing premium quality and with high efficiency.
- Strength of automotive sector in West Europe is driving the strong demand in tire reinforcement materials in our EMEA segment.
- Weakening Euro has helped European tire exports

Strategy house



What we have been doing in 1H2015

1. Operating Excellence

- a. Continuing Cost Reduction Programs
 - Energy, labor and equipment efficiency initiatives
 - Alternative raw material and chemicals source developments and purchasing excellence
- b. Lean Kordsa Global
 - High capacity utilization at large entities
 - Organizational Simplification decreasing SARM and fixed costs

2. Profitable Growth in Tire Industry

- a. Focus on high value add segments
- b. Further increase new product sales

3. Profitable Growth in Adjacent Industries

- a. Composite Reinforcement Business
- b. Construction Reinforcement Business

Focus on tire industry for profitable growth, selectively grow adjacencies

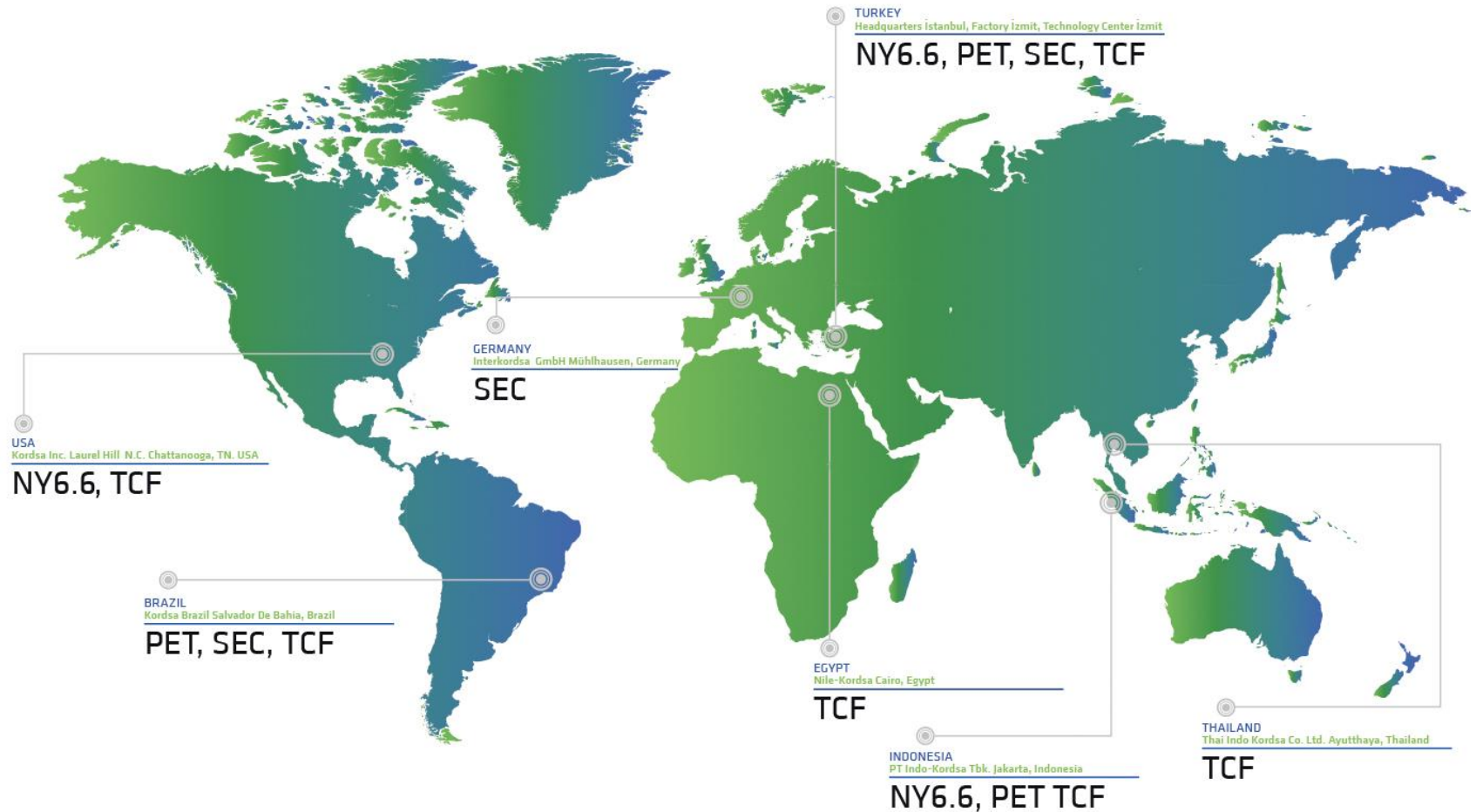
Global Footprint by Revenue Split – 2015 H1

North America
18%

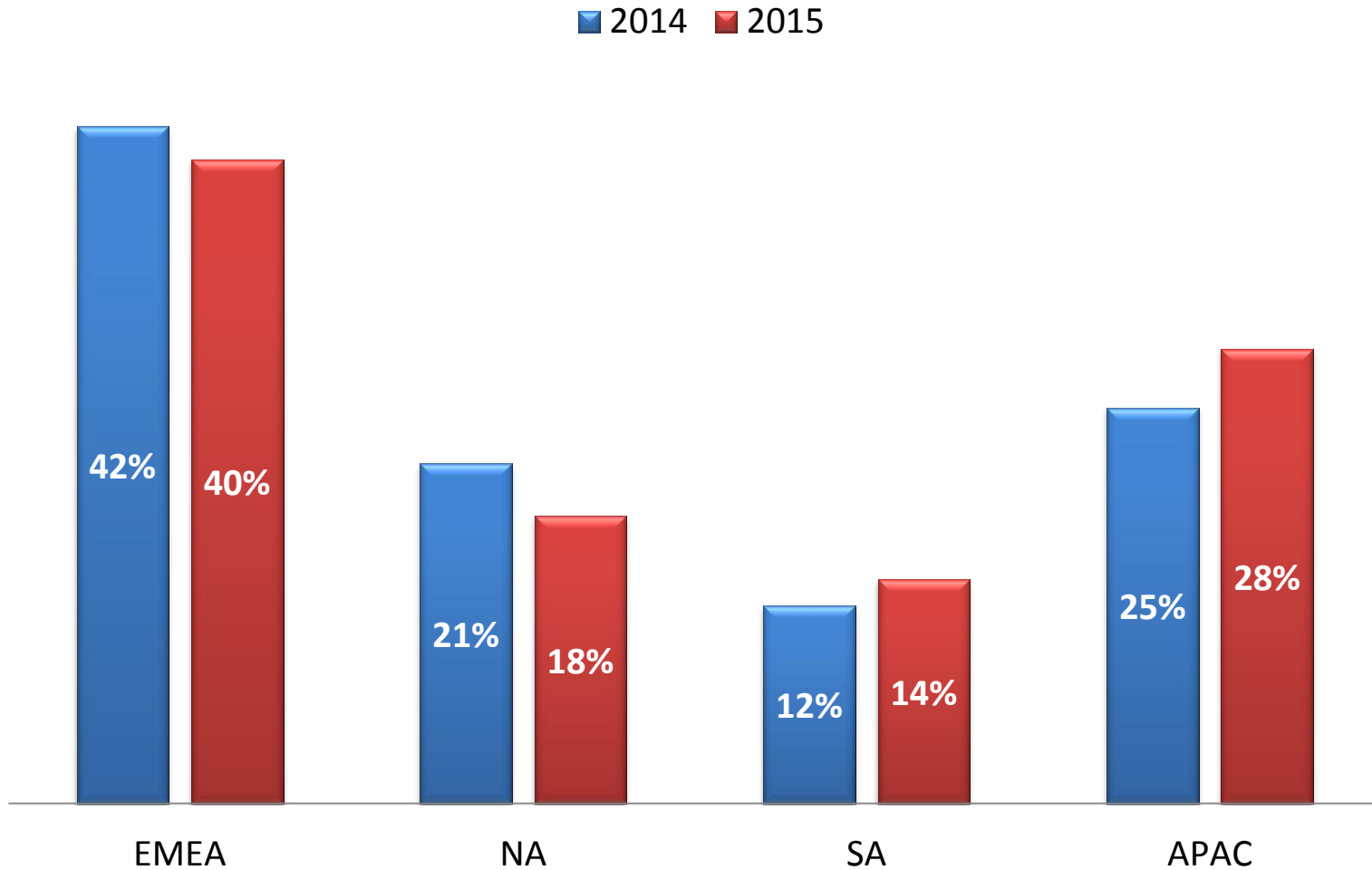
South America
14%

EMEA
40%

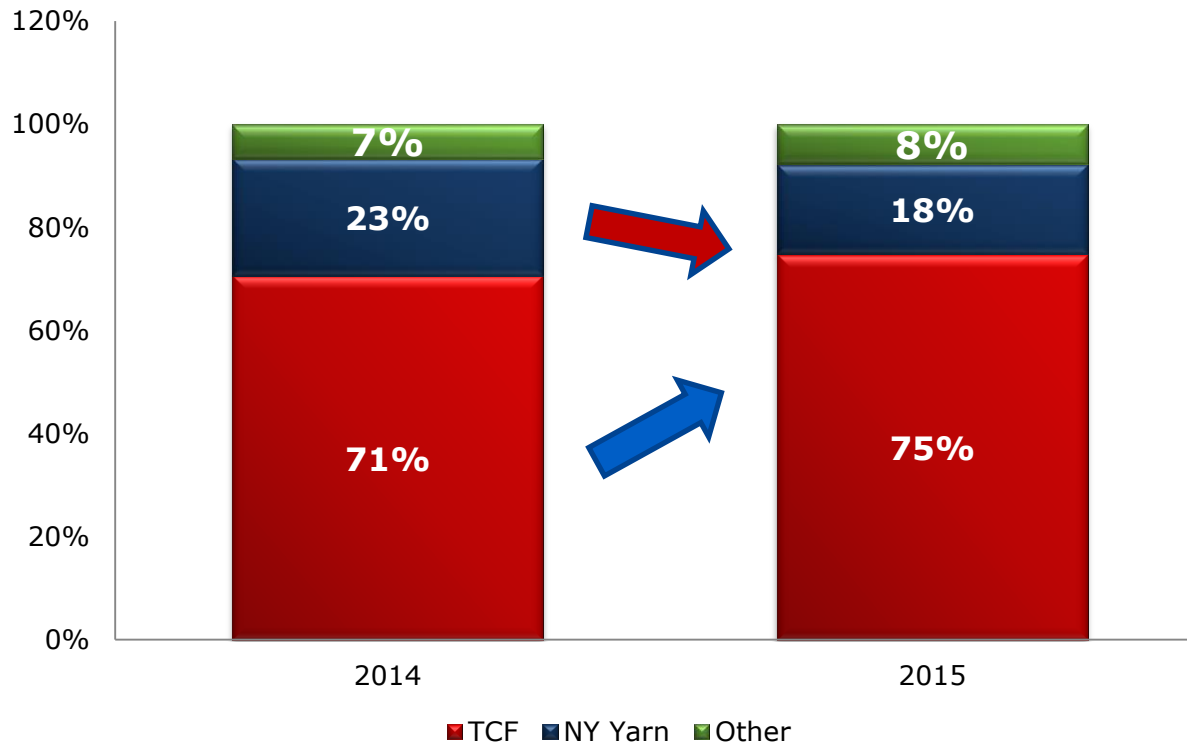
Asia Pacific
28%



2015 H1 Regional Revenue Split (2014 H1 vs 2015 H1)



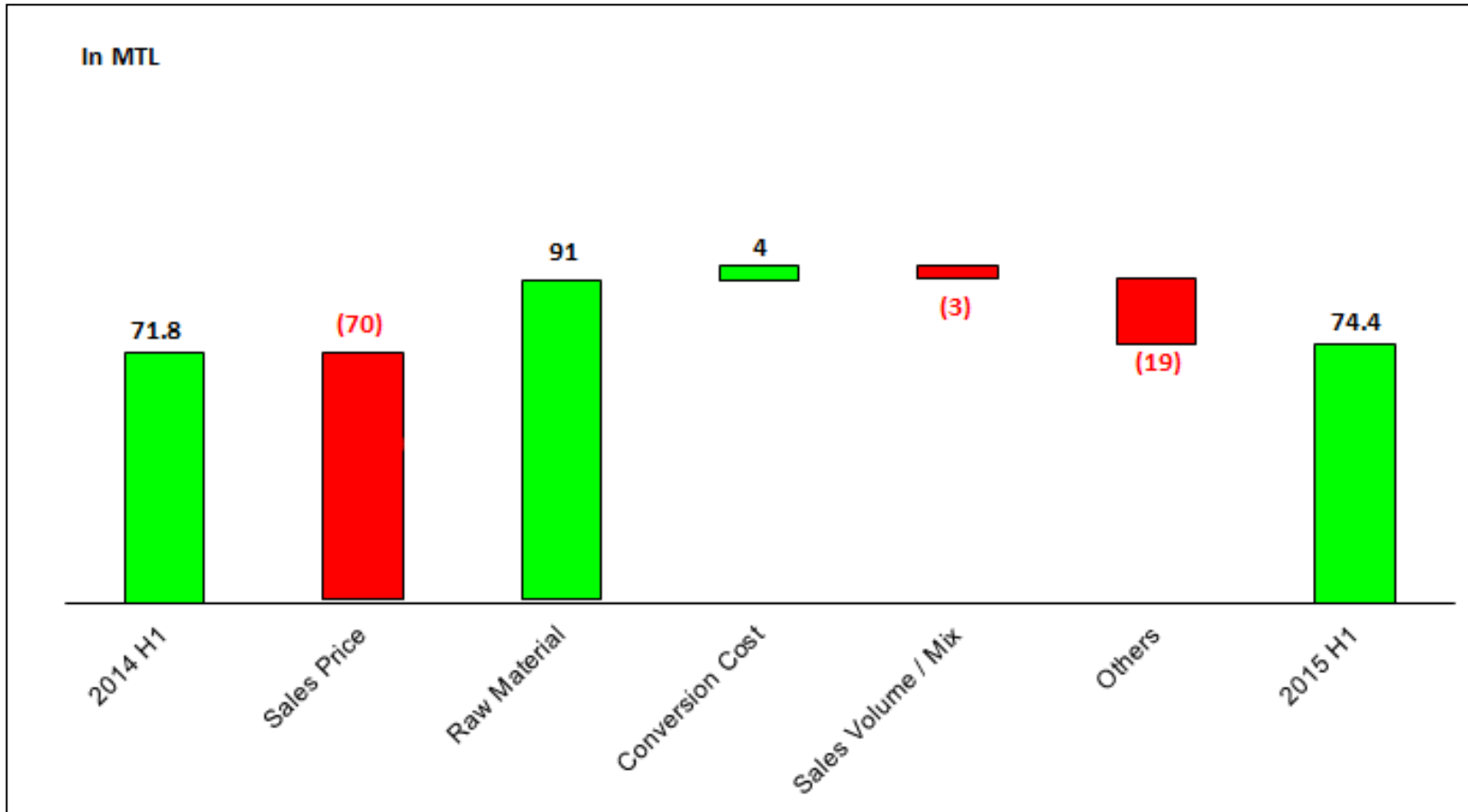
2015 H1 Revenue Split (2014 H1 vs 2015 H1)



2015 H1 Key Financials

In MMTL	2014 Q2	2015 Q2	Change	2014 H1	2015 H1	Change
Net Sales	429	458	6.7%	868	869	0.1%
Gross Profit	60	82	37.4%	132	142	7.9%
<i>Gross Profit %</i>	14%	18%	+4 pts	15%	16%	+1 pts
Operating Profit	25	48	92.0%	72	74	3.5%
<i>Operating Profit %</i>	6%	10%	+4 pts	8%	9%	+0.3 pts
EBITDA	47	61	29.0%	108	109	0.8%
<i>EBITDA %</i>	11%	13%	+2 pts	12%	13%	+0.8 pts
Net Income Parent Company	14	25	78.8%	45	36	-21.2%

2015 H1 Operating Profit (2014 H1 vs 2015 H1)



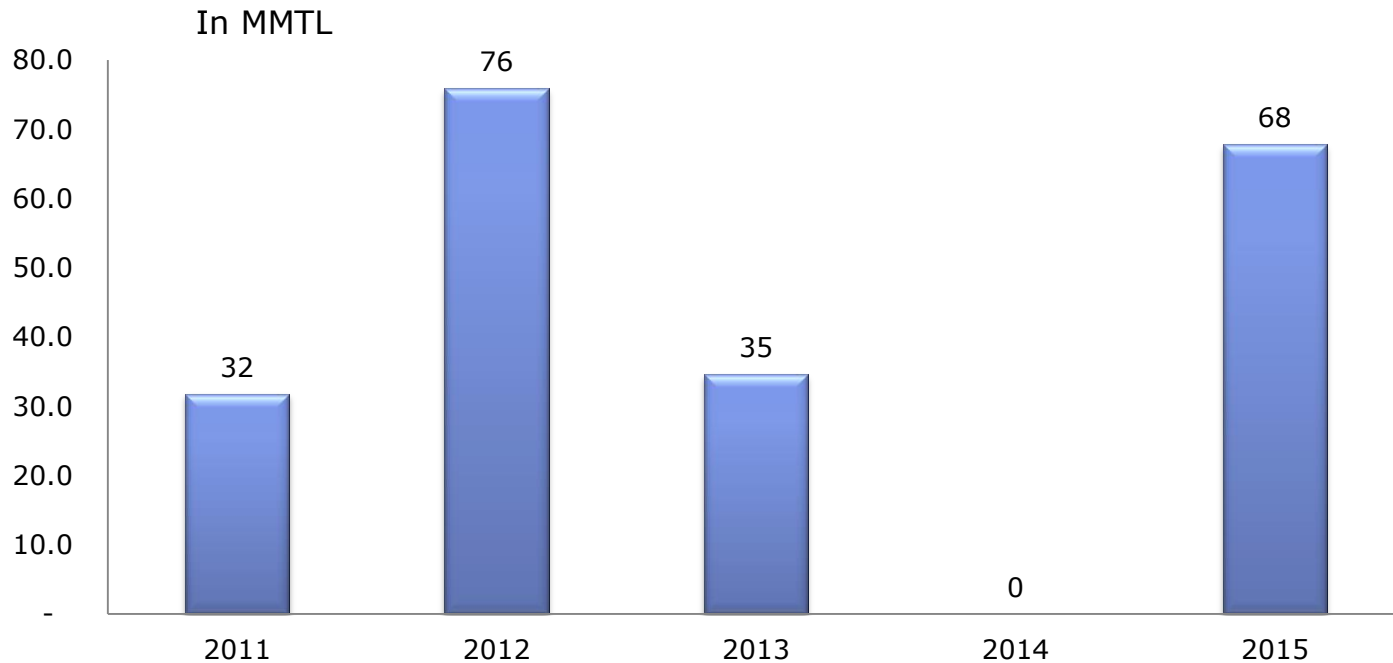
2015 H1 Balance Sheet

In MMTL	December 31, 2014	June 30, 2015
Cash and Cash Equivalents	13.7	22.7
Account Receivable	359.2	393.9
Inventories	437.5	451.8
Accounts Payable	(208.5)	(221.0)
Working Capital	588.2	624.6
<i>WCAP Turnover</i>	2.9	2.8
Total Debt	557.2	640.3
Net Debt	543.5	617.5
Short Term	404.6	405.5
Long Term	138.9	212.0

2015 H1 Free Cash Flow

	30 June, 2014	30 June, 2015
Net Income with Minority	56.6	47.8
Depreciation and Amortisation	37.6	42.7
Financial expense / (income)	2.8	7.7
Change in Working Capital	(69.9)	(65.2)
Cash Used in Investing Activities	(125.5)	(24.8)
Other	19.3	20.8
Free Cash Flow	(79.0)	28.9

Dividend Distribution



- Kordsa distributes all the distributable income subject to Gen Assembly approval. Basis of distribution is the lower of the Turkish solo tax books or consolidated TFRS net income.

Guidance

	<u>May'2015</u>	<u>Aug'2015</u>
Revenue Growth	%10 - %20	Confirmed
Ebitda	%25 - %35	Confirmed
Raw Material		
<i>NY</i> ----->	Highly correlated with Butadiene, Benzene, Propylene	Confirmed
<i>Pet</i> ----->	Highly correlated with PTA, MEG	Confirmed
Recurring Creep Capex	23 M\$	Confirmed
2015 Composite Investment	23 M\$	Confirmed

EBITDA Calculation = Operating Profit - [Dep&Amort] - [A]* - [B]*

[A] : FX Gain/Loss on trade Rec. & Pay.*

*[B]** Unearned finance inc/exp on credit sales*



APPENDIX

RM Price Drivers

