



**ŞİŞECAM**

**İnvestor Presentation  
Q1 - 2013**

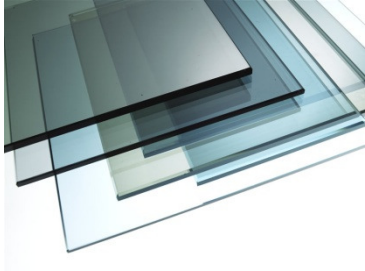
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## 1.Şişecam Group Overview

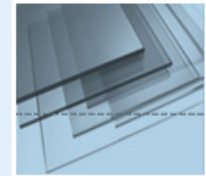


# Executive Summary

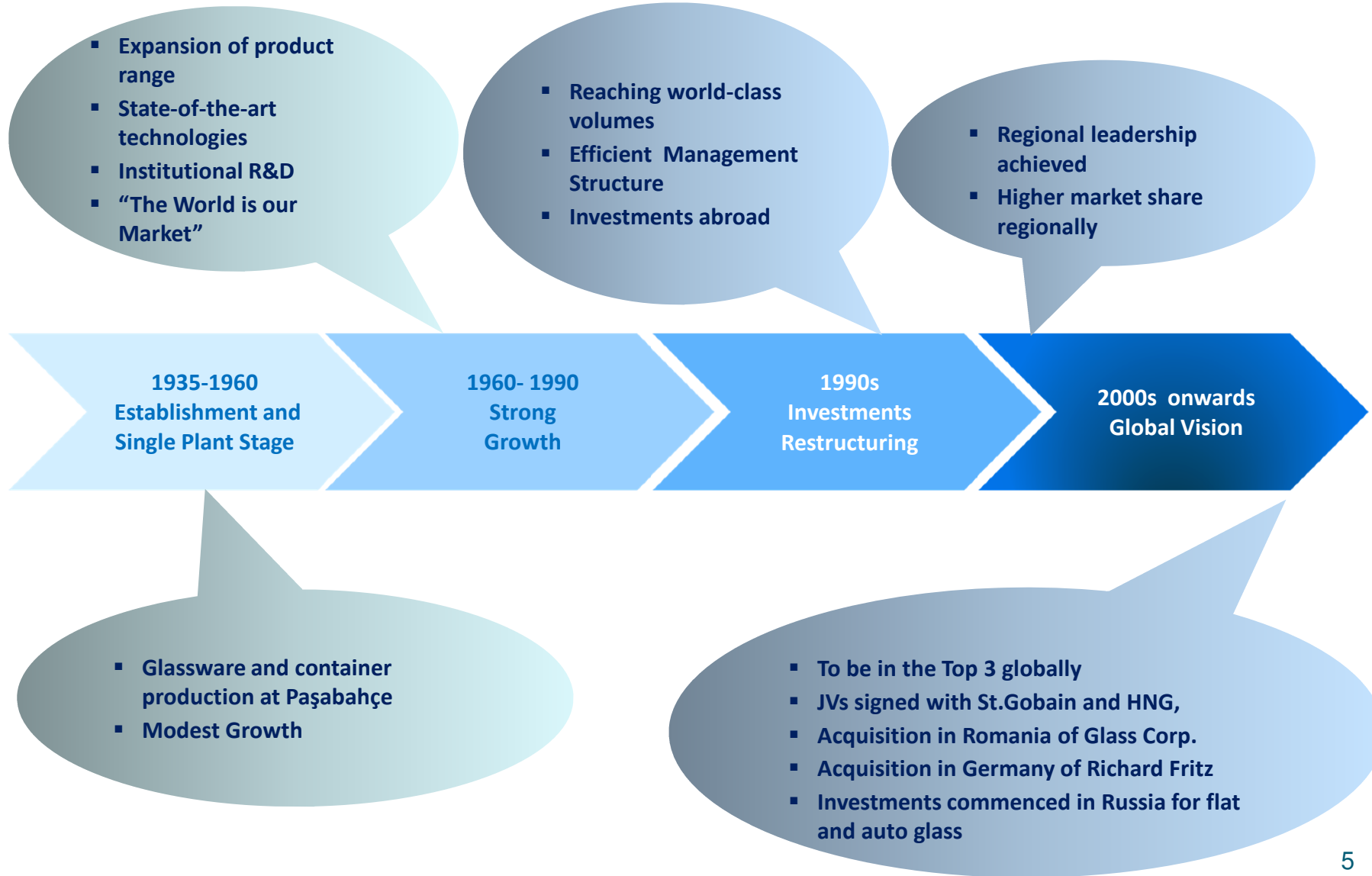
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- ŞİŞECAM founded in 1935 by İşbank
- Operates in 4 business segments :
  - Flat glass , Glass Packaging, Glassware and Chemicals
- Operations expanded to 13 countries: Turkey, Russia, Bulgaria, Egypt, Georgia, Bosnia Herzegovina, Romania, Ukraine, Italy, Germany, Slovakia, Hungary and India with exports to 140 countries.
- Leading glass manufacturer in Turkey , aiming to be in top 3 globally
- Annual production of 3.7 million tons of glass and 1.95 million tons of soda ash
- Mcap of US\$ 2.3 billion (June 2013), 28% of its shares are listed on BIST (SISE.IS) and 72% held by İşbank.
- Net Sales of US\$ 3 billion FY2012 (US\$ 706 million -Q1 2013)
- EBITDA of US\$ 530 million FY2012 (US\$ 111 million -Q1 2013)
- Strategic alliances with global players in the region
- 18,000 employees



# History



# Presence in Global Glass Industry



Market Shares (%)*				Şişecam's Position					Global Ranking**			
	Turkey	Europe	World	(000 tons)	Turkey	Eastern Europe	Russia & Caucasias	MENA		Europe	World	
Flat Glass	70	14	4	Flat Glass	1	1	1	1	Flat Glass	4	6	
Glassware	67	25	10	Glassware	World's 3 <sup>rd</sup> Largest Glassware Producer					Glassware	2	3
Glass Packaging	89	9	4	Glass Packaging	1	1	1	1	Glass Packaging	4	5	
Soda Ash	71	15	3	Soda Ash	1	1	2	1	Soda Ash	4	10	

(\*) As of March 2013

(\*\*) As of February 2013

## Şişecam vs. Listed Global Glass Players

Rank	Company	Country	Year Founded	Sales (Mil \$)	Total Glass Sales (Mil \$)	Business Areas **
1	Saint Gobain	France	1665	58.592	12.643	FG, GP, GF, CE
2	Asahi	Japan	1907	15.241	6.956	FG,OP
3	NSG	Japan	1826	6.993	6.896	FG, TG
4	Corning	United States	1850	7.890	4.814	GF
5	Hoya	Japan	1941	4.773	4.773	GW,OG, EL
6	NEG	Japan	1949	4.701	4.701	GF, TG, EL
7	Schott	Germany	1884	4.016	4.016	GP, TG, OG
8	<b>ŞİŞECAM</b>	<b>Turkey</b>	<b>1935</b>	<b>2.980</b>	2.265	<b>FG, GP, GW, CH</b>
9	Owens Corning	United States	1938	5.335	1.976	GF
10	Johns Manville	United States	1958	2.500	1.850	GF, TF, CH

Sales represent 2011-end figures

(\*\*) FG : Flat Glass,  
CH : Chemicals,  
TF : Technical Glass,

GP : Glass Packaging,  
GF : Glassfiber,  
OG : Optical Glass,

GW: Glassware,  
CE : Ceramics,  
EL : Electronics

## Mission, Vision and Strategy

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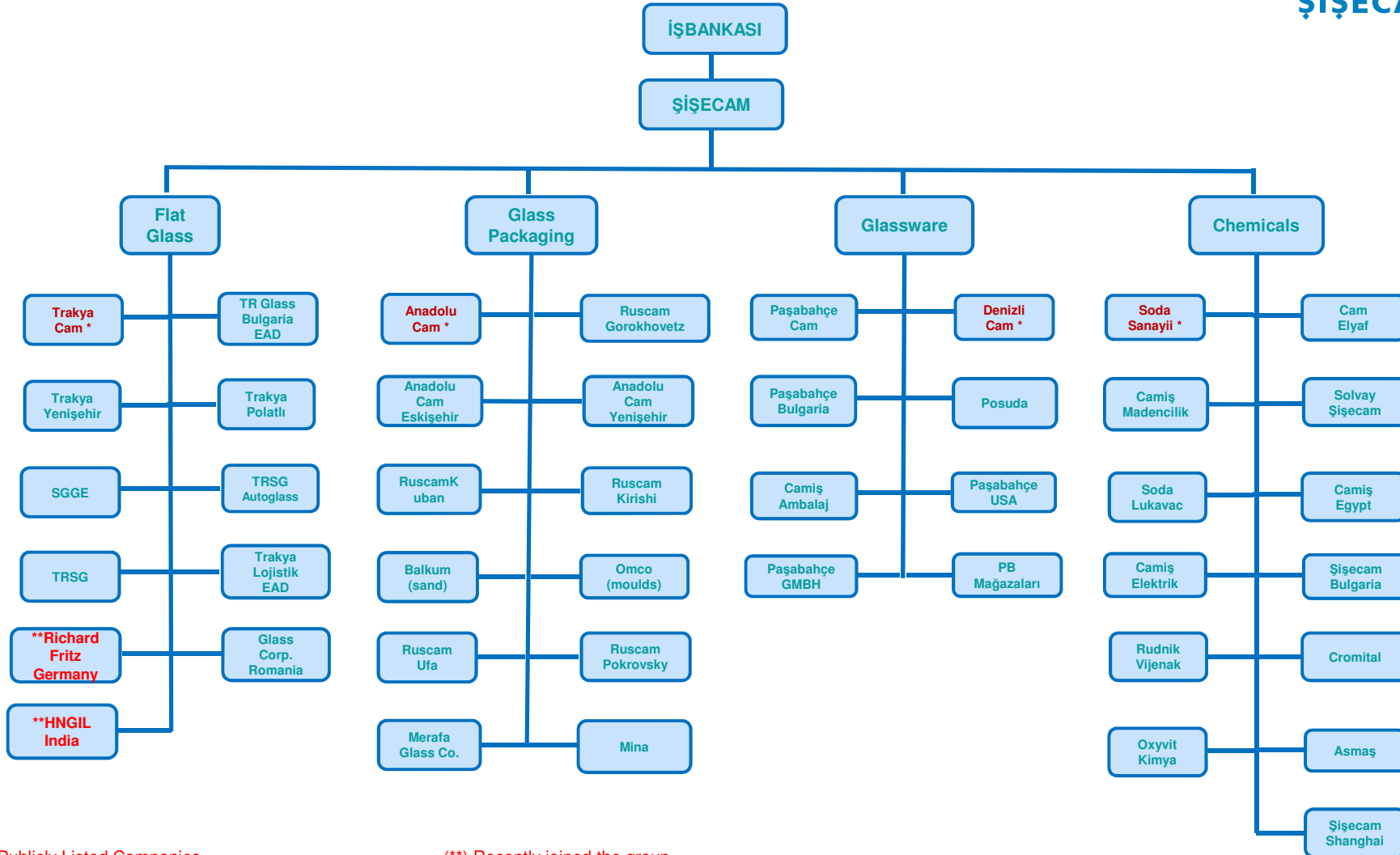


**Mission:** Şişecam is a company that respects people and nature with its high quality and value added products.

**Vision:** To be one of the leading companies in glass production and its other field of activities.

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

# Group Corporate Structure



(\*) Publicly Listed Companies

(\*\*) Recently joined the group.

Şişecam has four main lines of business and side activities that primarily support the core operations.

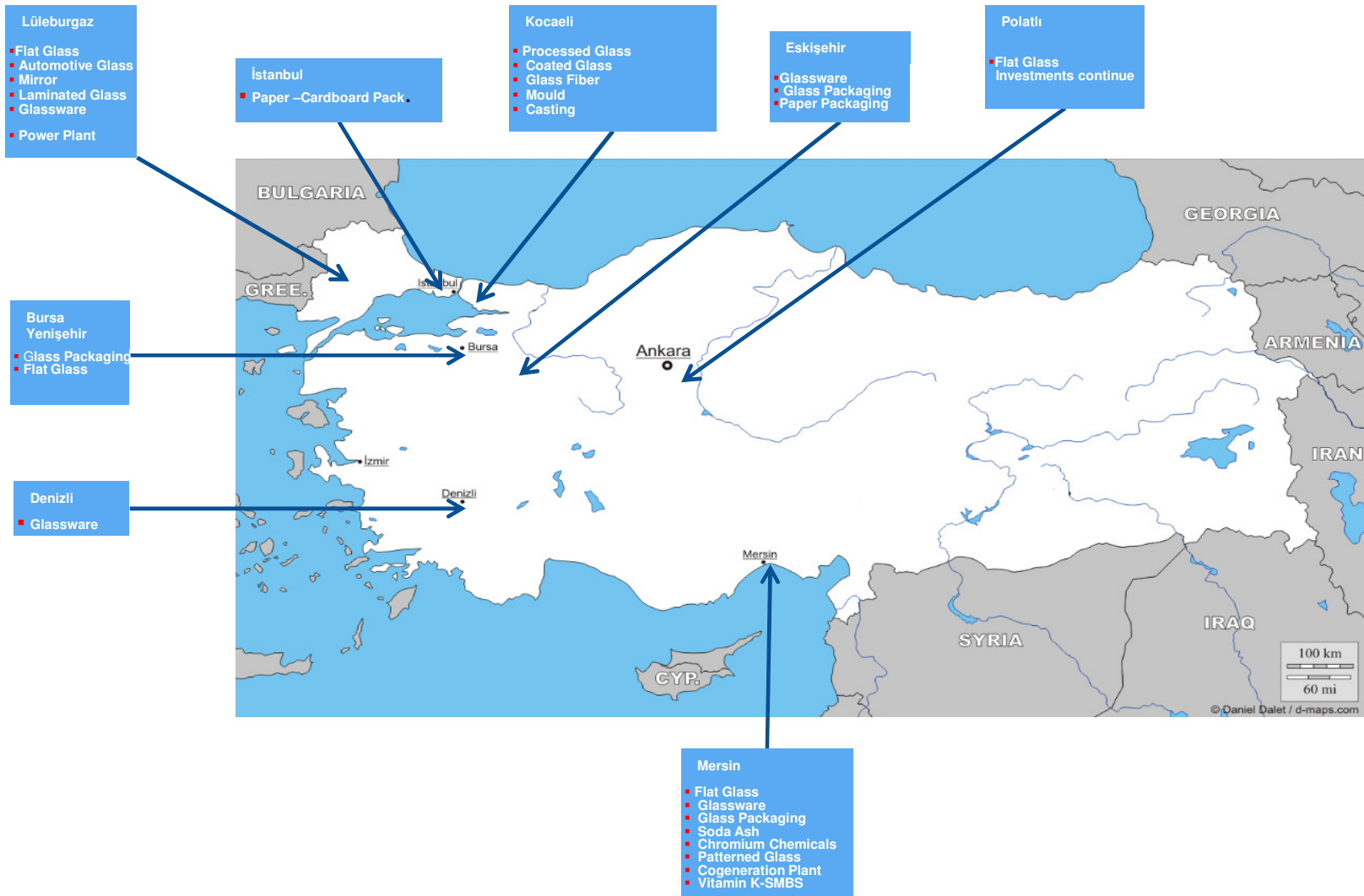
Vertical integration guarantees stringent quality control.

The group is managed by highly-experienced professionals long associated with the company. The level of institutionalization and stability is a valuable asset.

# Operating Territory - Turkey



## ŞİŞECAM PLANTS IN TURKEY



## Operating Territory - International



# Financial Highlights



## Group Consolidated Key Indicators

\$mn	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
Net Sales	2,885	2,357	2,806	2,980	706	2,981	706
EBITDA	664	446	678	758	147	530	111
Net Fin. Debt	866	606	254	315	400	543	615
Current Ratio	2.01	2.48	3.07	2.79	2.65	1.81	1.90
Liabilities/Assets	0.44	0.45	0.38	0.38	0.37	0.36	0.37
Shareholder's Eq.	2,361	2,465	2,682	2,729	2,952	3,145	3,237
Gross Margin (%)	29.4	24.2	29.4	32.9	30.2	26.6	24.7
EBITDA (%)	23.0	18.9	24.2	25.4	20.8	17.8	15.7
EBIT (%)	12.1	6.8	13.4	15.6	10.9	8.1	4.8
Net Income	123	72	275	378	48	164	48
Net Income (%)	4.3	3.1	9.8	12.7	6.8	5.5	6.8

## Main Indicators of Global Players

2012	Sisecam	Trakya Cam	Saint Gobain	NSG	Asahi	Anadolu Cam	O-I
EBITDA margin	17,8%	16,5%	10%	8%	18%	20%	17%

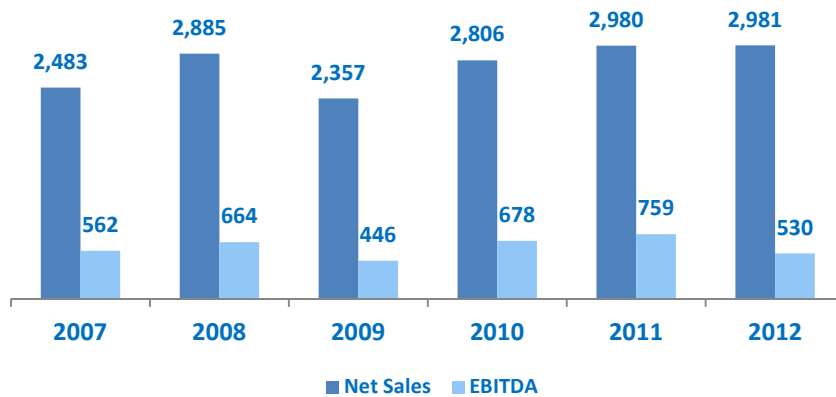
CAGR for 2008-2012 period for:

Sales: 4 %

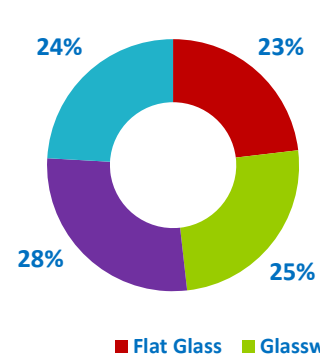
- Ever since its foundation, Şişecam has always followed a conservative financial policy, relying heavily on its self financing capability.
- Şişecam historically has channeled the bulk of its cash flow to group investments.
- Şişecam has long-standing, strong relationships with prestigious international financial institutions and easy access to capital markets.
- Şişecam enjoys high profitability margins compared to its international peers.

# Financial Highlights

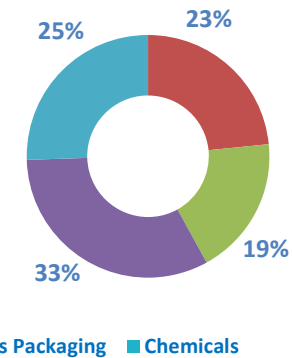
\$ mio



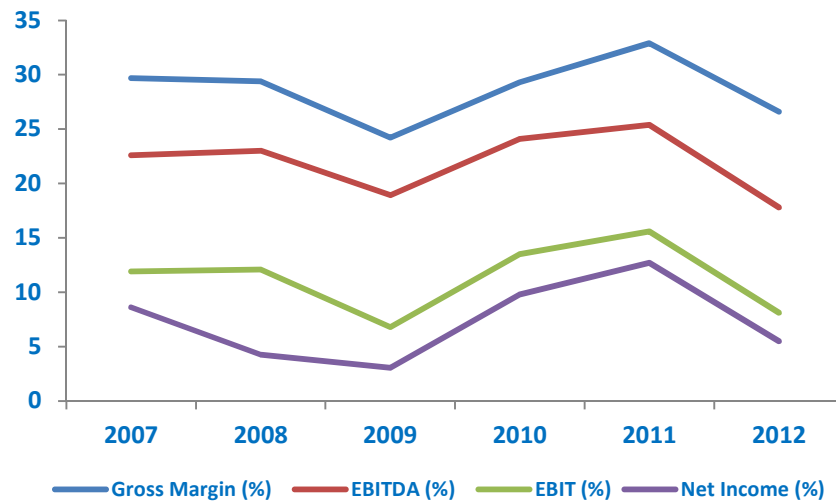
Consolidated Sales 2012



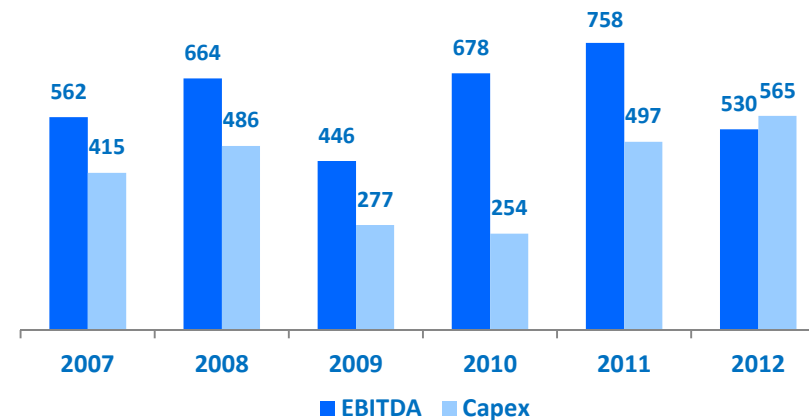
Consolidated EBITDA 2012



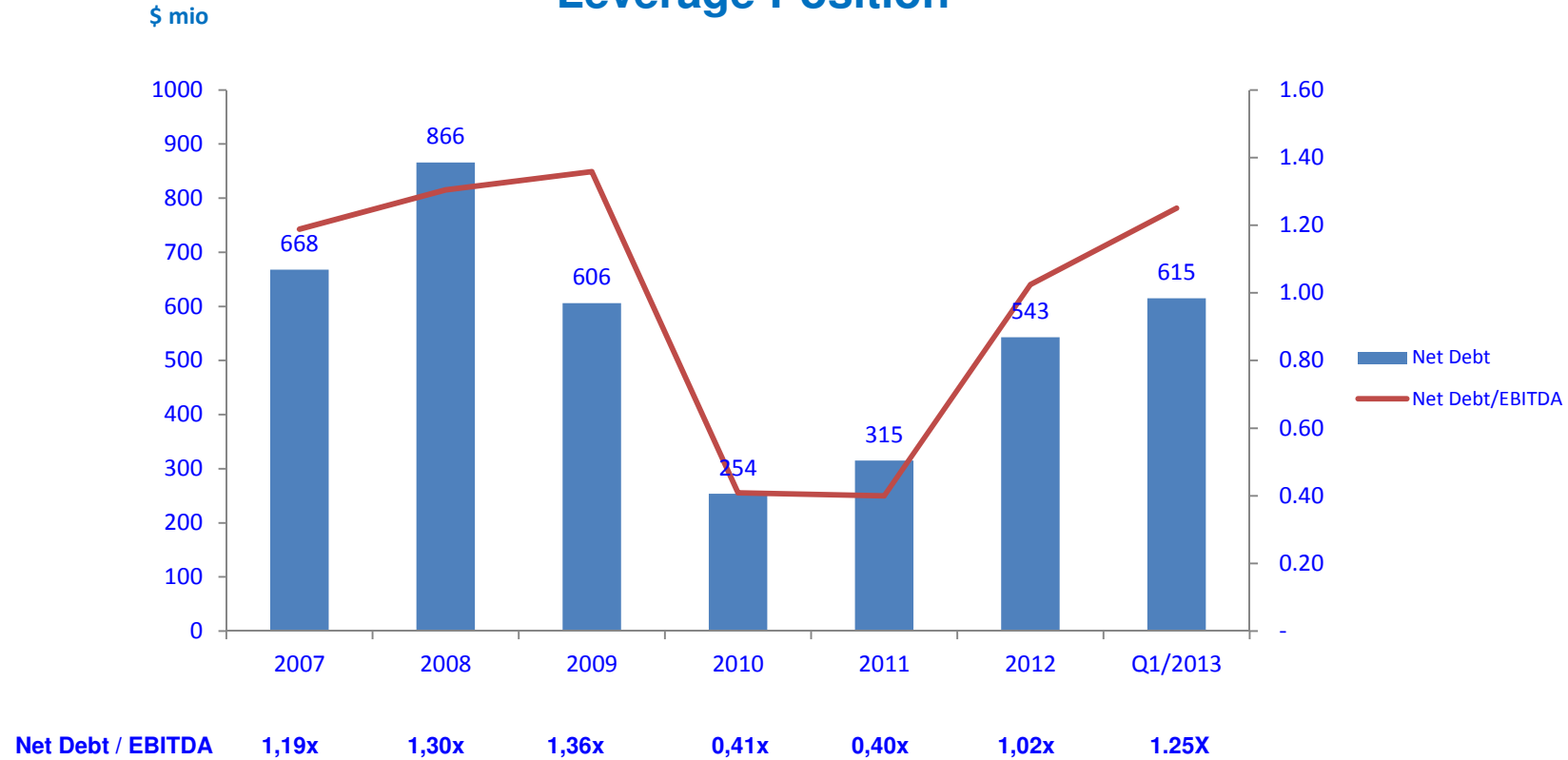
Profitability Ratios



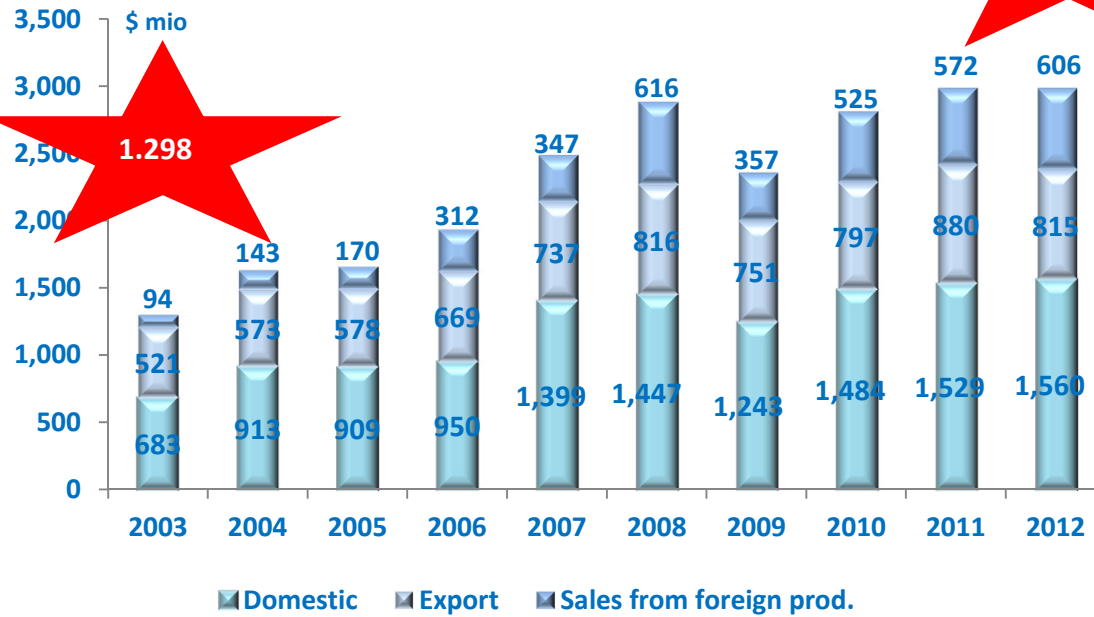
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## Leverage Position



# Growth Story

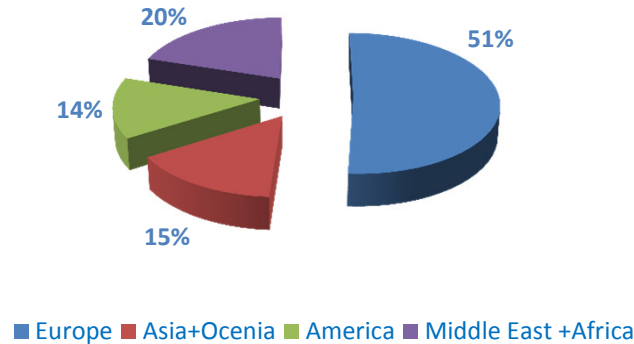


- Growth is mainly driven by exports and foreign production as a result of investment strategy in the region.
- As of 2012 year end exports reached US\$ 815 million.

## Top 10 Exported Countries

Italy	11%
Germany	7%
UK	7%
France	6%
Egypt	6%
U.S.A.	5%
Bulgaria	4%
China	4%
Russia	4%
Spain	3%

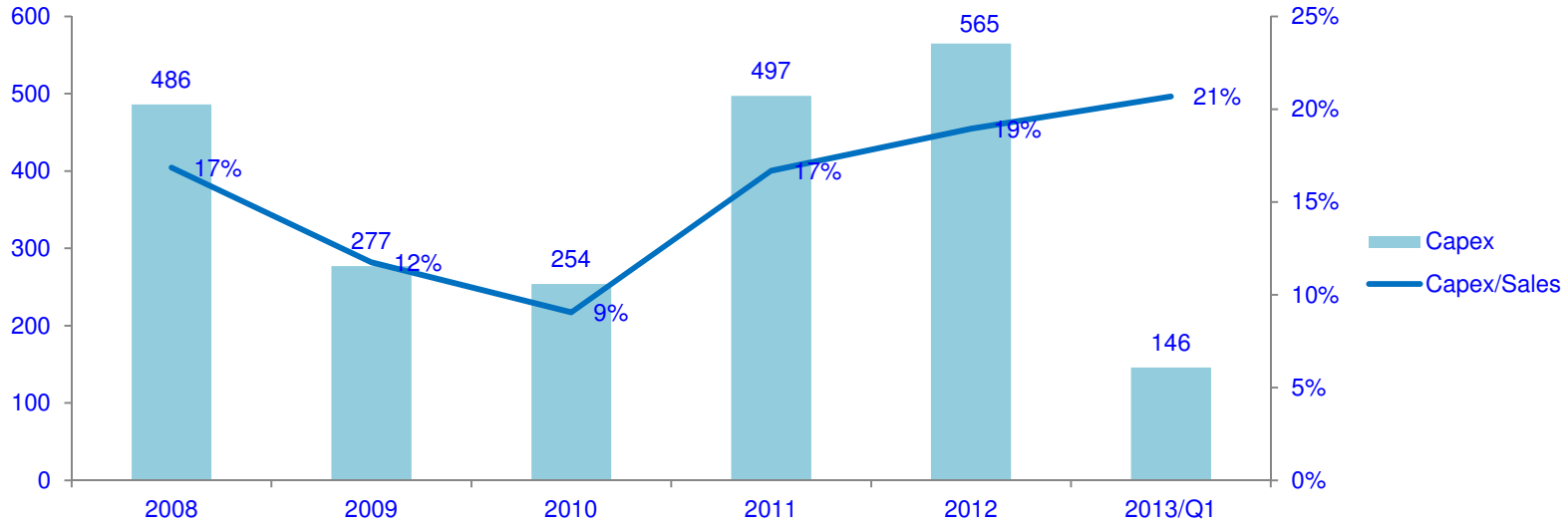
## Consolidated Export Breakdown 2012



- Europe continues to be an important market for Şişecam in all segments, however Middle-East and Asia's shares are expected to increase in the near future.

# Major Investments

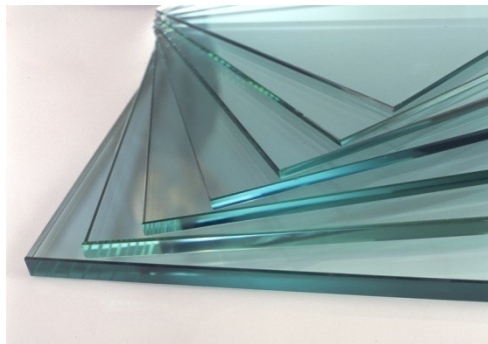
\$ mio



- Şişecam Group has always followed a robust investment strategy in line with the global economic outlook.
- Major on-going investments in 2013:
  - 2<sup>nd</sup> float line to Trakya Bulgaria for flat glass and 2<sup>nd</sup> furnace in tableware.
  - Investments in Russia within the frame of JV with St. Gobain for flat glass and automotive glass .
  - 1st float line in Polatlı , Ankara for flat glass.
  - Trakya Cam acquired %50 of HNG’s flat glass operations in India in June 2013.
  - Memorandum of Understanding is signed with Richard Fritz in Germany at the begining of this year and the deal is closed on 31 th May 2013. Richard Fritz operations spread to 4 factories located in Germany(2), Slovakia(1) and Hungary(1) and will serve especially for the process of automotive glass production .



## 2.Operating Profile





# Business Segments - Flat Glass

## Industry Dynamics:

- Half of the global production is in Asia-Pacific to include mainly China and India.
- 4 global producers, namely Saint Gobain, NSG Pilkington, Asahi and Guardian account for more than 34% of the total world production.
- In Eastern Europe, Russia has the largest flat glass consumption with approx. 2 million tonnes followed by Turkey with 1.4 million tonnes. GDP growth is the main driver of flat glass consumption making Russia and the new EU countries in Eastern Europe potential growth markets.

## Şişecam:

- Trakya Cam produces high quality float glass, figured glass, coated glass, laminated glass, mirror glass and automotive glass.
- Flat Glass Sales by Product: Mainly building windows (75%), furnitures & interior appliances (5%) and automotive glass (20%).
- Flagship company Trakya Cam is 70% owned by Şişecam and the remaining 30% is traded at BIST with market cap of US \$ 1 billion.(June 2013)
- Production capacity exceeding 1.9 million tonnes with 7,5 operating float lines (6 in Turkey and 1 in Bulgaria) and 4,5 more will be operational in the coming years.
- Established JVs in Egypt and Russia with St.Gobain and with HNG in India.
- Richard Fritz acquisition is completed.
- 70% of sales in Turkey and 30% international.
- Significant capex undertaken in Turkey, Bulgaria and Russia.

\$mn	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
<b>Trakya Cam Consolidated Financial Highlights</b>							
Net Sales	745	574	698	751	135	697	133
EBITDA	234	123	204	216	27	115	17
Net Fin. Debt	170	68	-88	-105	-62	35	-30
Current Ratio	3.10	3.39	5.72	4.84	4.60	4.20	4.44
Liabilities/Assets	0.29	0.29	0.24	0.24	0.22	0.24	0.25
Gross Margin (%)	32.7	21.2	31.2	35.6	30.2	26.4	24.1
EBITDA (%)	31.4	21.5	29.2	28.8	19.8	16.5	12.7

## Vision:

- To become a global flat glass producer, growing rapidly with its strong brands and providing innovative solutions.

## Strategy:

- Expansion to a wider geography and increasing the product diversity with a focus on processed flat glass through strategic alliances and acquisitions.



## Business Segments - Glass Packaging

### Industry Dynamics:

- 60 million tons of glass packaging consumed annually .
- 3 companies account for 40% of the global market where Şişecam has apprx. 3% global market share.
- Eastern Europe is high-potential-growth market due to EU accession.
- The segment has high barriers to entry in smaller markets with highly fragmented customer base and wide range of products.
- Glass comprises of around 30% of the whole packaging market.
- Advanced technology making transportation viable

### Şişecam:

- Anadolu Cam is the lead brand name of the glass packaging segment of Şişecam.
- 20% of it is listed and traded at the BIST and the remaining 80% is held by Şişecam with a market cap of US \$568 million (June 2013)
- Its product portfolio is composed of glass containers for food, beverages , mineral water, alcohol drinks and health products.
- Almost 2 million tonnes of production capacity
- 89% market share in Turkey



### Anadolu Cam Consolidated Financial Highlights

\$mn	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
Net Sales	813	587	745	771	163	823	184
EBITDA	213	120	176	190	27	166	28
Net Fin. Debt	416	334	263	403	452	491	469
Current Ratio	1.07	1.31	1.70	1.32	1.21	0.88	0.83
Liabilities/Assets	0.58	0.53	0.48	0.54	0.53	0.54	0.52
Gross Margin (%)	26.6	20.2	25.1	27.7	20.9	23.2	17.6
EBITDA (%)	26.3	20.4	23.6	24.7	16.6	20.2	15.4

### Vision:

- ...Being a global glass packaging company which adds value to people and environment by providing customized products and services to its customers and being a solution partner with creative processes...

### Strategy:

- To add value to people and environment by providing customized products and services to its customers.
- To be a solution partner with creative processes.

## Business Segments - Glassware

### Industry Dynamics:

- 6% of global glass consumption is in the glassware industry with a market value of USD 8 billion. USA and Europe consumption growth slowed down however slow recovery is expected.
- Russia, Middle East, Asia and other EM have high growth potentials in glassware consumption.
- 3 companies dominate approx. 40% of the global glassware market and Paşabahçe is one of them with a market share of 10%.
- There are 2 main production segments in glassware: hand-made and the rest is automated. Paşabahçe produces both.

### Şişecam:

- Paşabahçe Cam is the leading brand name of the glassware segment, wholly owned by Şişecam.
- Its wide array of product portfolio comprises of automated, handmade, heat resistant, crystalware, paper and cardboard packaging.
- Production facilities are spread to 3 countries (Turkey, Russia and Bulgaria) and 5 locations. Additionally it has sales and marketing offices in all the major export markets.
- One third of sales are in Turkey and two third of sales are international.
- 65% market share in Turkey, 25% in Europe and 10% globally.
- Capex investments in Bulgaria and Russia.

### Glassware Segment Financial Highlights (\*)

\$mn	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
Net Sales	708	664	765	787	185	752	182
EBITDA	108	99	180	172	30	95	21
Gross Margin (%)	33.9	29.1	36.1	38.4	36.5	32.7	32.7
EBITDA (%)	15.3	14.9	23.5	21.9	16.3	12.6	11.6

(\*) includes Paşabahçe Cam, Posuda, Paşabahçe Bulgaria, Denizli Cam, Camış Ambalaj

### Vision:

- To be the world leader in glassware segment.

### Strategy:

- To increase its global market share through brand recognition, segment differentiation and new export markets.



## Business Segments - Chemicals

### Industry Dynamics:

- Soda ash is mainly used in the glass industry, cleansing products and other chemical-related industries.
- World soda ash demand is growing at an average annual rate of almost %3-4 per year.
- Chromium chemicals products are mainly used in leather, metal plating and wood preservation industries.
- Global chromium chemicals demand is expected to increase by 2,5% per year.



### Şişecam:

- Chemicals Group produces soda ash, chromium compounds, industrial raw materials and glass fiber with operations in 6 countries. Exports to 92 countries.
- 10% of Soda Sanayii A.Ş. is listed and traded at the BIST and the remaining 90% is held by Şişecam with a market cap of US \$ 517 million.(June 2013)
- In soda ash business, the Group has a production capacity of 1.95 million tons of soda ash at its plants located in 3 countries; Turkey, Bosnia Herzegovina and Bulgaria. It has production joint venture in Solvay Sodi located in Bulgaria.
- In soda ash business: 4th in Europe and 10th in the world.
- In chromium chemicals business: 1st in Basic Chromium Sulphate, 1st in Sodium Bichromate and 3rd in Chromic Acid in the world (2013)

### Soda Sanayii Consolidated Financial Highlights

\$mn	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
<b>Net Sales</b>	499	403	440	522	154	660	181
<b>EBITDA</b>	77	76	88	134	41	117	31
<b>Net Fin. Debt</b>	132	73	27	-1	18	5	101
<b>Current Ratio</b>	1.54	1.54	2.08	1.96	1.72	1.70	1.88
<b>Liabilities/Assets</b>	0.43	0.41	0.35	0.35	0.33	0.30	0.28
<b>Gross Margin (%)</b>	20.1	23.2	23.3	28.7	30.5	20.6	19.1.
<b>EBITDA (%)</b>	15.4	18.9	20.0	25.7	26.9	17.7	17.1

### Vision:

- To strengthen its position both in global soda ash market and in global chromium chemicals market.

### Strategies:

- Sustainable and profitable growth
- Strengthening our position among the leader players
- Geographical expansion
- Creating synergies with acquisitions and strategic partnerships
- Improving the product portfolio with value added products
- Partnership approach and reliable solution provider for customers

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# Disclaimer



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

	2008	2009	2010	2011	Q1/2012	2012	Q1/2013
<b>Period End:</b>	1.51	1.51	1.55	1.89	1.77	1.78	1.81
<b>Period Average:</b>	1.30	1.55	1.50	1.67	1.79	1.79	1.78

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