



**INVESTORS' MEETING, 09/06/06 Yalova**

≡ **AKSA AKRİLİK KİMYA SANAYİ A.Ş.** ≡





# AKKÖK INDUSTRIAL INVESTMENT & DEVELOPMENT INC.

## Main Sectors

AKKOK GROUP COMPANIES  
AIM TO BECOME  
A WORLD-CLASS  
ORGANIZATION

- *CHEMICALS*
- *TEXTILES*
- *ENERGY*
- *MARKETING & SALES*
- *REAL ESTATE DEVELOP. & PORT MNG.*
- *INSURANCE*



MORE THAN  
25 INDUSTRIAL  
AND COMMERCIAL  
COMPANIES

## AKKÖK Companies Quoted at the Istanbul Stock Exchange

■ <b>AKSA</b>	WORLD'S LARGEST ACRYLIC FIBER PRODUCER
■ <b>AKENERJİ</b>	MARKET LEADER OF PRIVATE POWER GENERATION COMPANIES IN TURKEY
■ <b>AK-AL</b>	A LEADING INDUSTRIAL CORPORATION PRODUCING YARN
■ <b>AKSU</b>	A LEADER IN MANUFACTURE OF TEXTILES ( FABRIC & YARN ) WITH 54 YEARS OF EXPERIENCE
■ <b>AKMERKEZ</b>	REAL ESTATE INVESTMENT COMPANY : WORLD BRAND AS A SHOPPING CENTER



# AKKÖK INDUSTRIAL INVESTMENT & DEVELOPMENT INC.

ESTABLISHED A STABLE GROWTH SINCE 1952

COMBINED SALES OF USD 1.4 BILLION in 2005

EXPORTS OF USD 327 MILLION in 2005

USD 360 MILLION OF INVESTMENT IN 2002 - 2005

PLANS USD 100 MILLION OF CAPEX FOR 2006

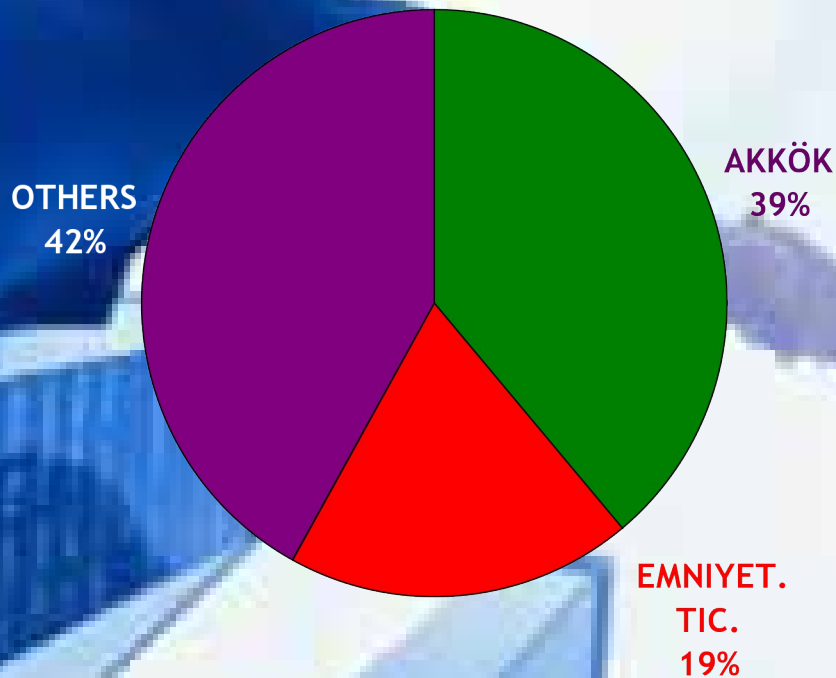
EMPLOYS AROUND 4,000 PEOPLE





## SHAREHOLDERS

## EQUITY PARTICIPATIONS

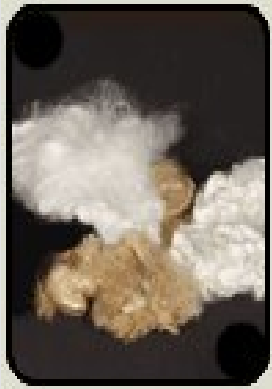


**Free float : 33%**

	%
AKAL	22.1
AK-PA	13.5
AK-TOPS	10.0
AK-ENERJİ	15.6
AK-HAVACILIK	7.3
AK-HAN	33.0
FITCO BV	100.0

# AKSA ACRYLIC: LARGEST ACRYLIC FIBRE PRODUCER IN THE WORLD

## OUR PRODUCTS ARE:



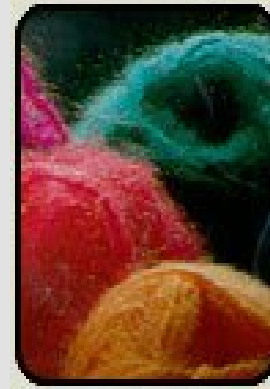
Tow



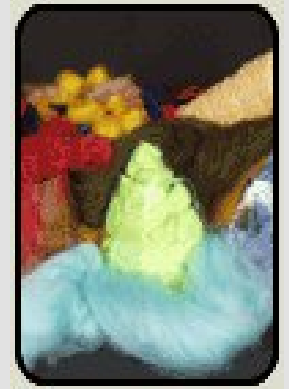
Staple  
Fiber



Tops/  
Bumps



Micro  
Fiber



New  
Products

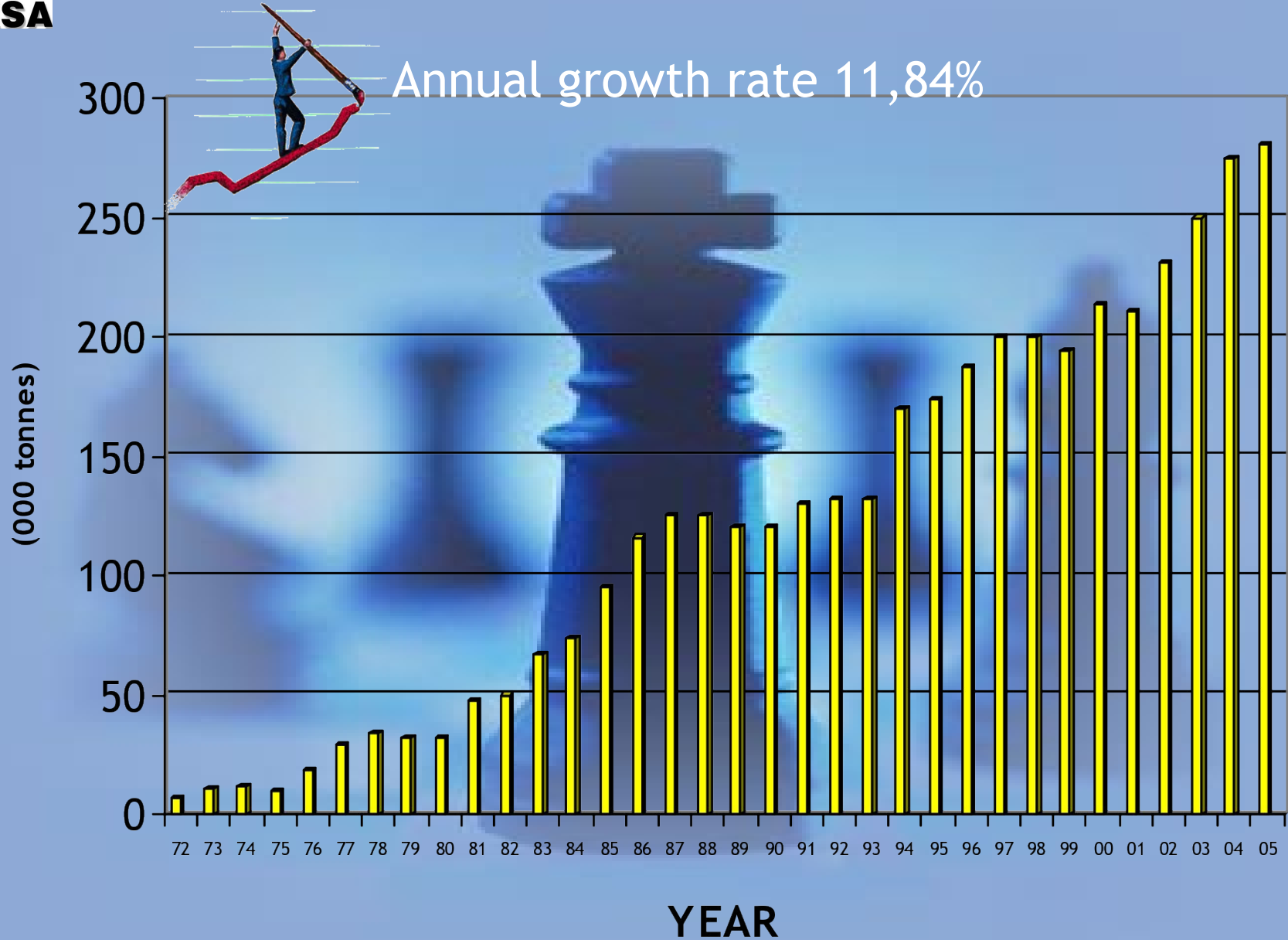
## SOME MAJOR ACRYLIC FIBER USES:

**APPAREL:** Sweaters, socks, fleece wear, circular knit apparel, sportswear

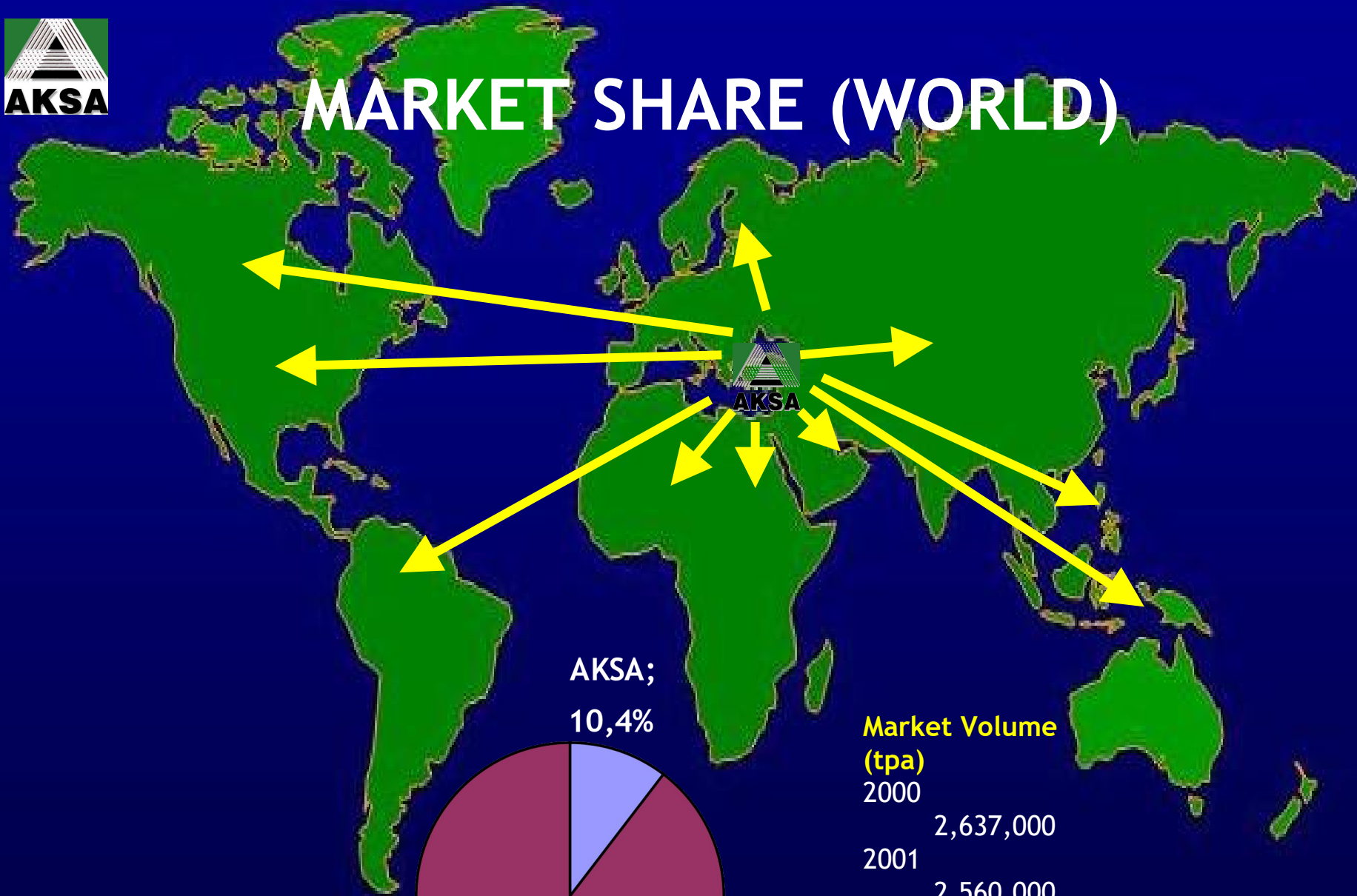
**HOME FURNISHINGS:** Blankets, area rugs, outdoor furniture, upholstery awnings, pile, luggage

**INDUSTRIAL USES:** Asbestos replacement, concrete and stucco reinforcement

# AKSA ACRYLIC FIBER PRODUCTION

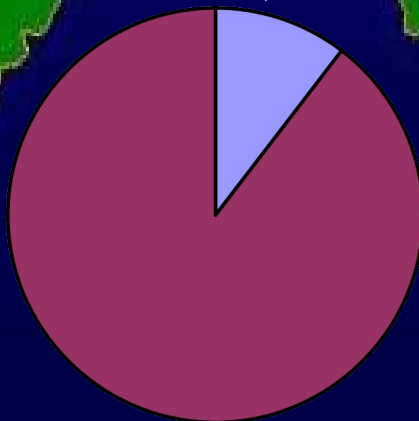


# MARKET SHARE (WORLD)



AKSA;  
10,4%

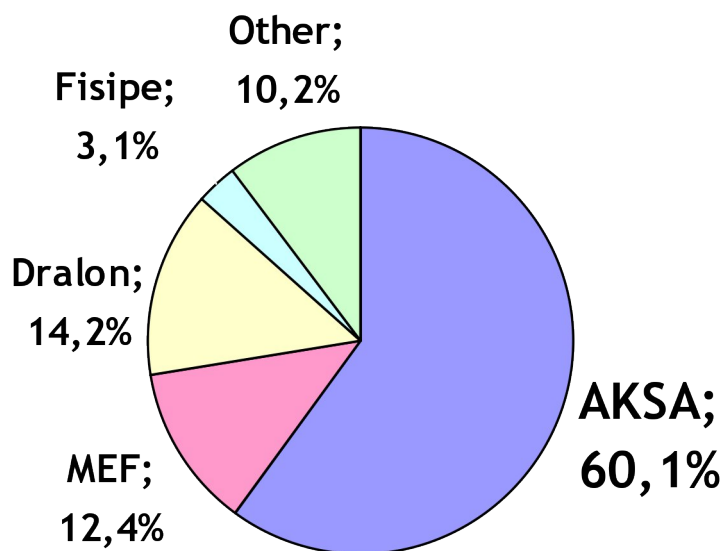
Other;  
%89,6



## Market Volume (tpa)

2000	2,637,000
2001	2,560,000
2002	2,691,000
2003	2,685,000
2004	

# MARKET SHARE (TURKEY)

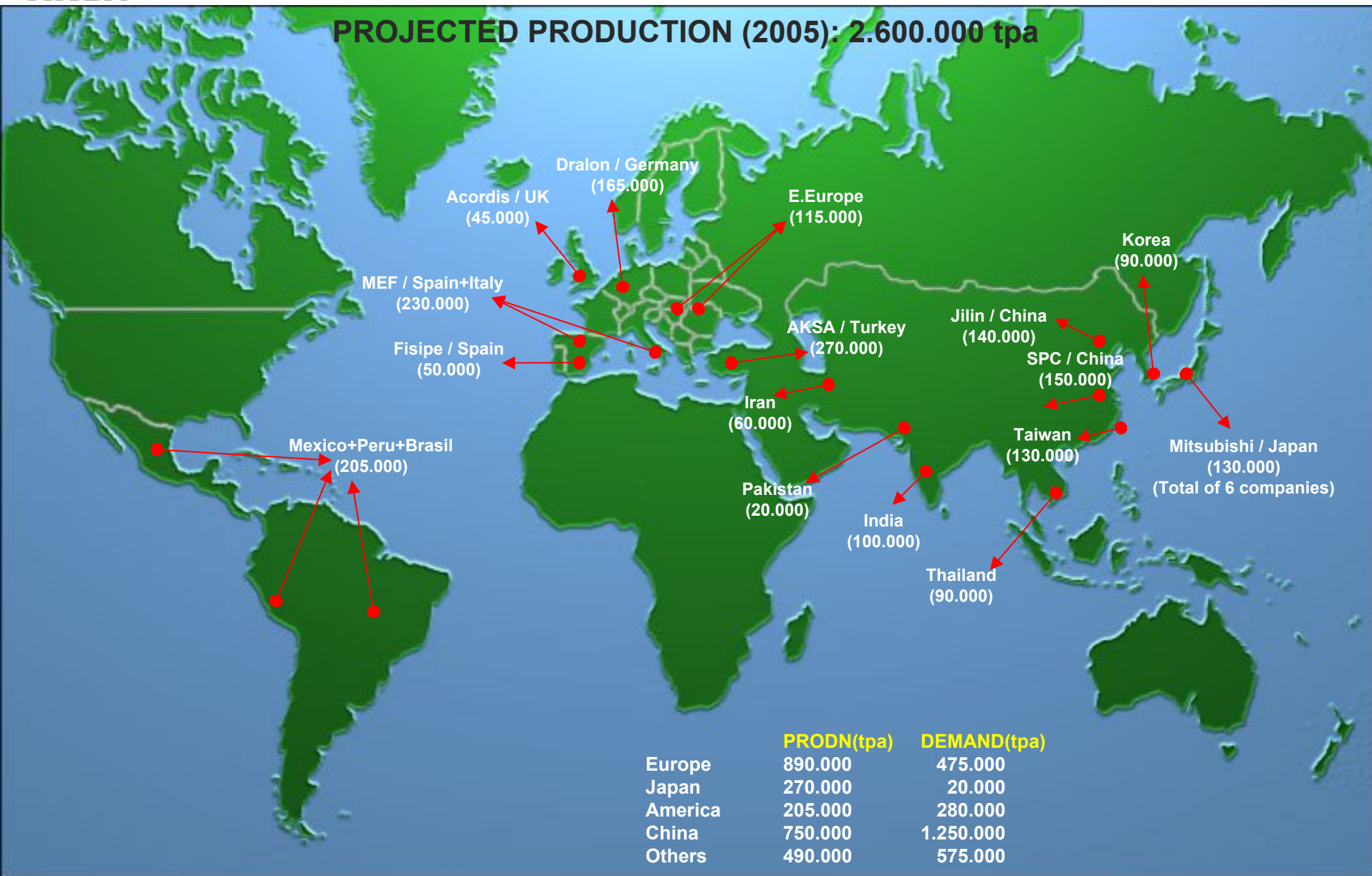


Market Volume (tpa)	
2000	224,000
2001	203,000
2002	265,000
2003	286,000
2004	297,000
2005	265,000
	-10,7%



# ACRYLIC FIBER PRODUCTION BY REGION

PROJECTED PRODUCTION (2005): 2.600.000 tpa



# CHINA: the biggest market in AF.

- Annual demand is over 1,2 milyon tpa, nearly 45% of total consumption
- Nearly 750.000 tpa is produced locally, and 465.000 tpa is imported.
- Annual production has been increased by nearly 140.000 tpa, whereas demand has been increased by %12,5.

## Concerns about China:

- ✓ soft loans, non-performing loans, debt write-offs,
- ✓ hidden export subsidies,
- ✓ non-transparent public sector companies,
- ✓ unfair pricing in export markets,
- ✓ high subsidies on cotton prices.





## PLANT CLOSURES:

(tpa)

### EUROPE:

- *Ottana (90.000)*
- *Fisipe (67.000)*
- *Zoltec Magyor Viscosa (20.000)*
- *Acordis-U.K closed (80.000) & name changed as Fiber Worldwide (10.000 standard fiber, 12.000 Carbon fiber)*
- *Istanbul Elyaf (25.000) closed in 2005, name changed as Velsan*

### AMERICA:

- *Solutia (135.000)*
- *Cydsa-Mexico (90.000)*

### ASIA:

- *Asahi (80.000)*
- *Kanebo (30.000)*
- *Hanil-S.Korea (65.000)*
- *Langzhou (20.000) was closed, but in operation again.*



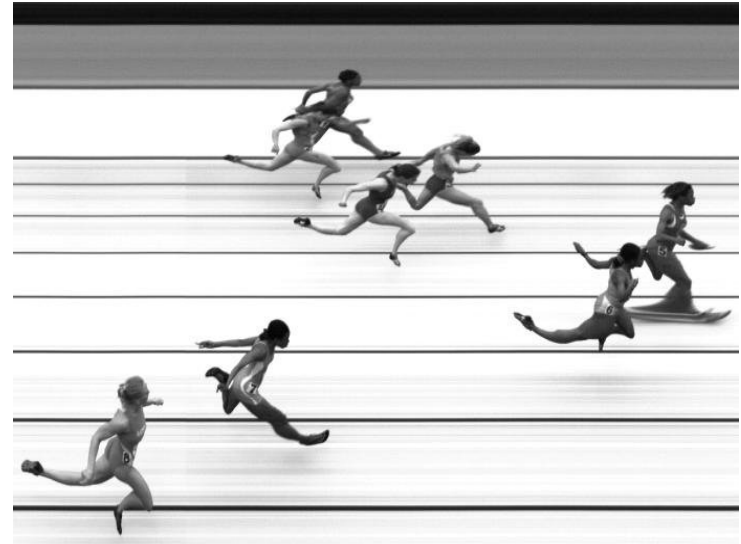
## NEW CAPACITIES:

### EGYPT:

- *Birla (18.000 tpa)*
- *Aksa-Egypt (11.000 tpa)*

### CHINA:

- *Ningbo Rayon (50.000 tpa)*
- *Hangzhou Bay (70.000 tpa)*



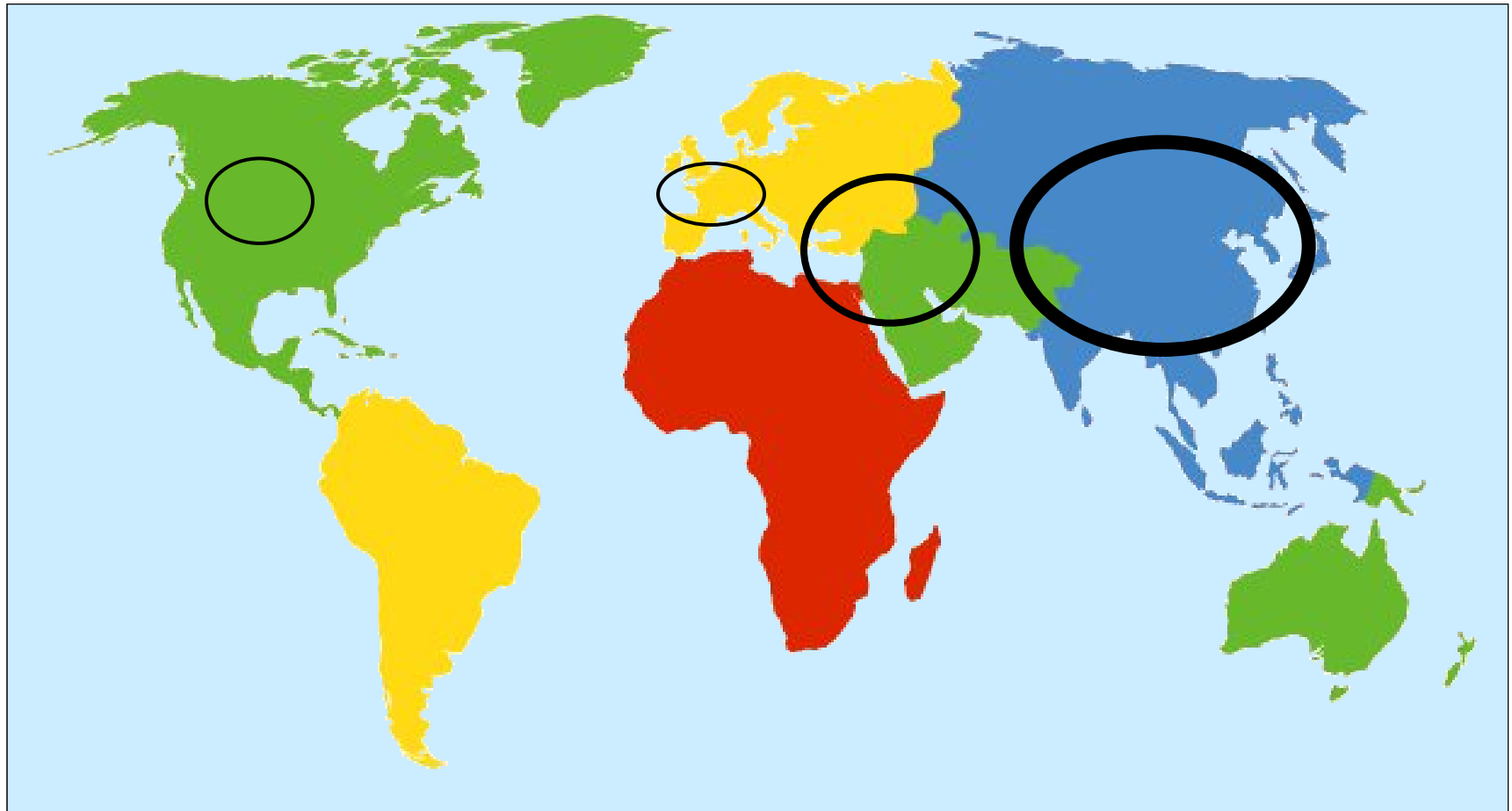
## CAPACITY EXPANSIONS:

### CHINA:

- *MEF-Jilin JV (Jilin Jimont AF) (150.000 tpa)*
- *Shanghai Petrochemicals (+35.000 tpa, total cap.185.000 tpa)*

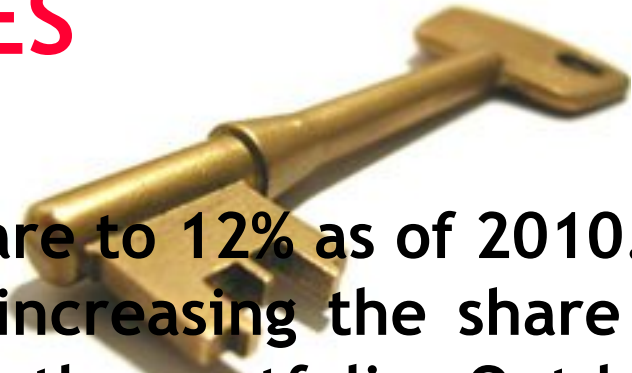
# GLOBAL TRENDS in PETROCHEMICAL INDUSTRY

- \* Increasing investments and consumption in Asia and China.
- \* Decreasing share of Europe in the global production.
- \* Increasing investments in the Middle East.



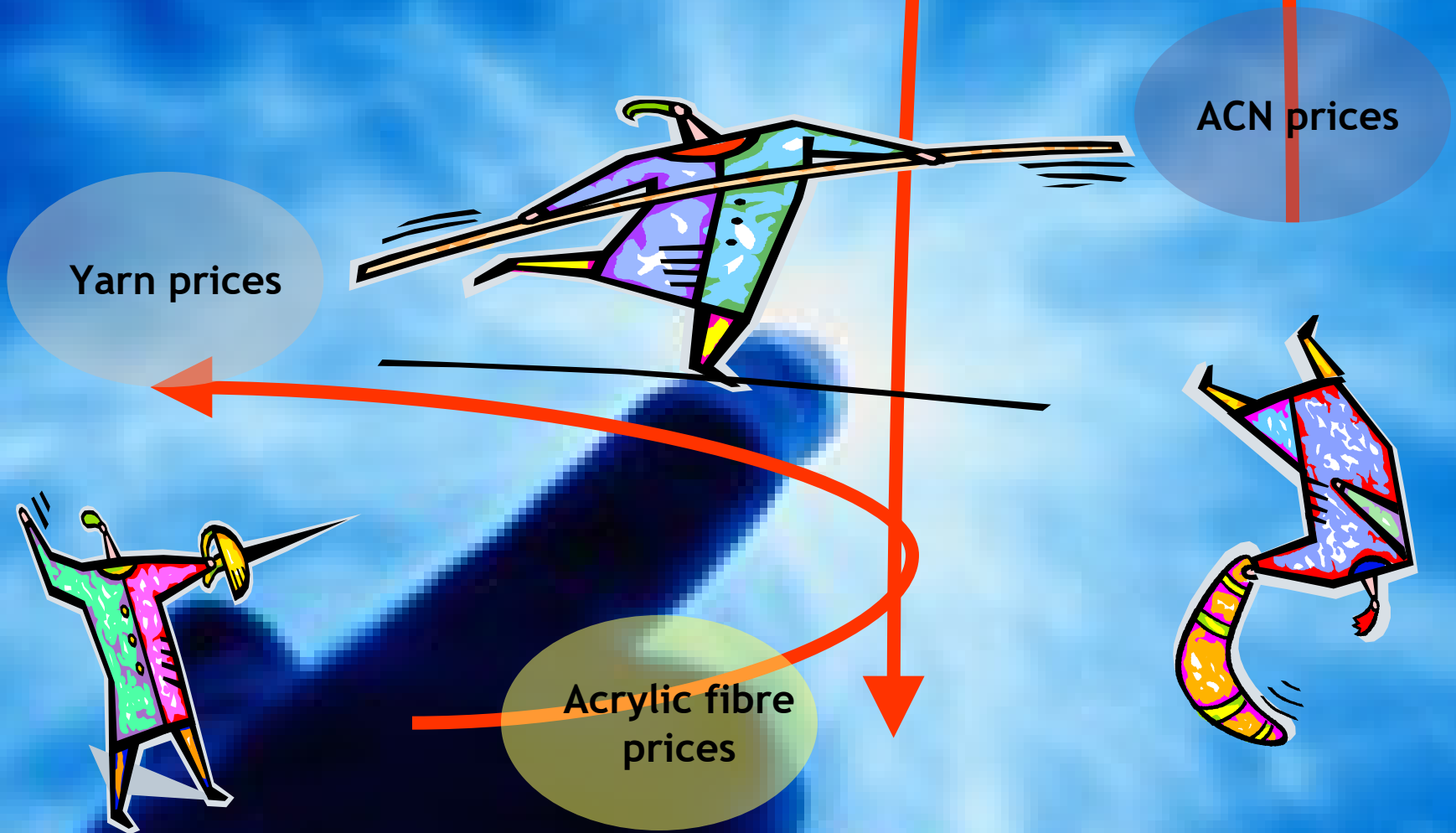


# STRATEGIES



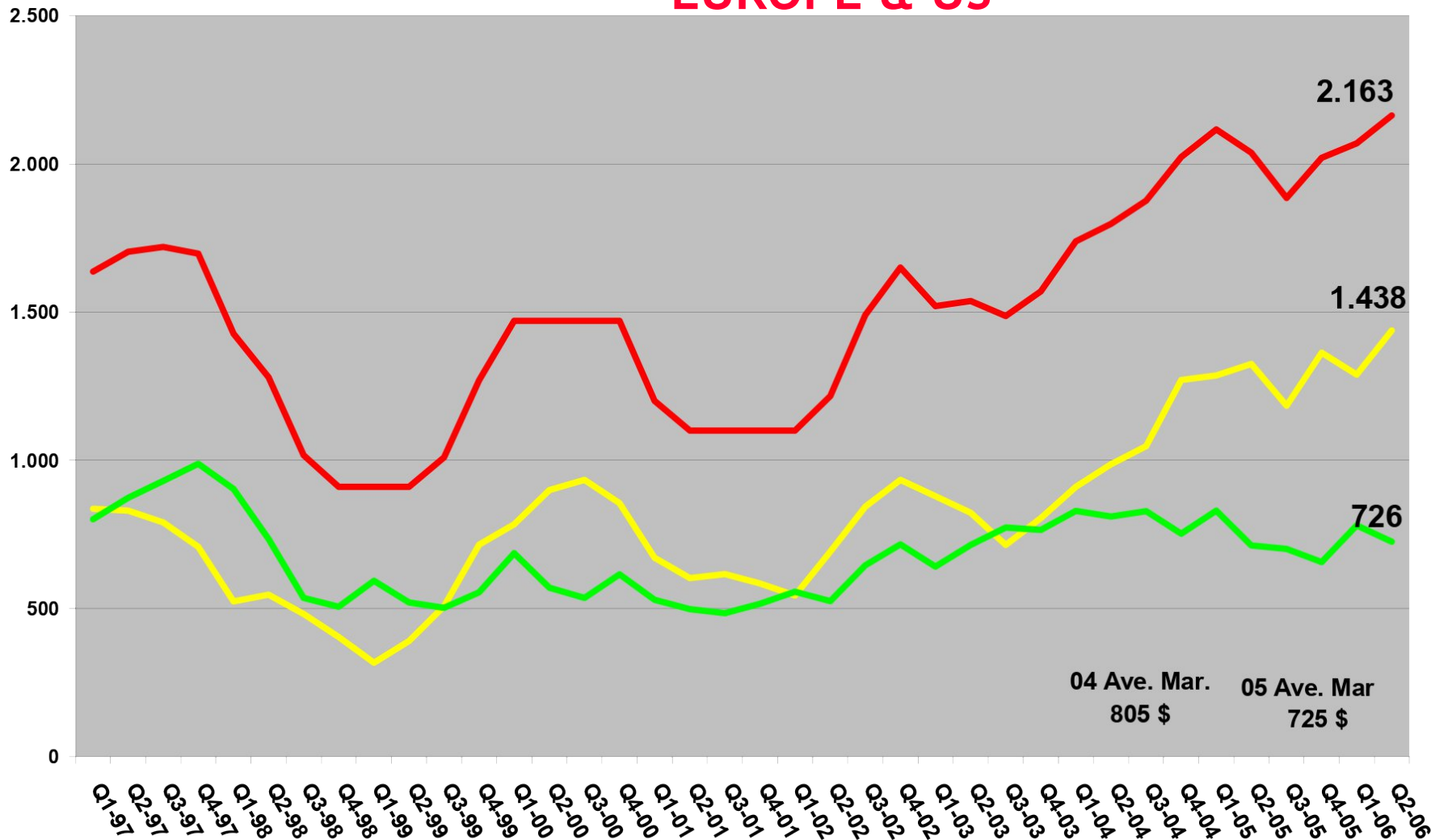
- ✎ To increase global market share to 12% as of 2010.
- ✎ To increase profitability by increasing the share of high value added products in the portfolio: Outdoor fibre, low pill, high shrinkage tow, fashion-driven fantasy fiber.
- ✎ To be a local producer in fast growing markets. (Far East and Middle East).
- ✎ To increase our market share in Turkey and nearby markets.
- ✎ To increase flexibility in production and be low-cost leader globally.

# SPREADS AND PROFITABILITY



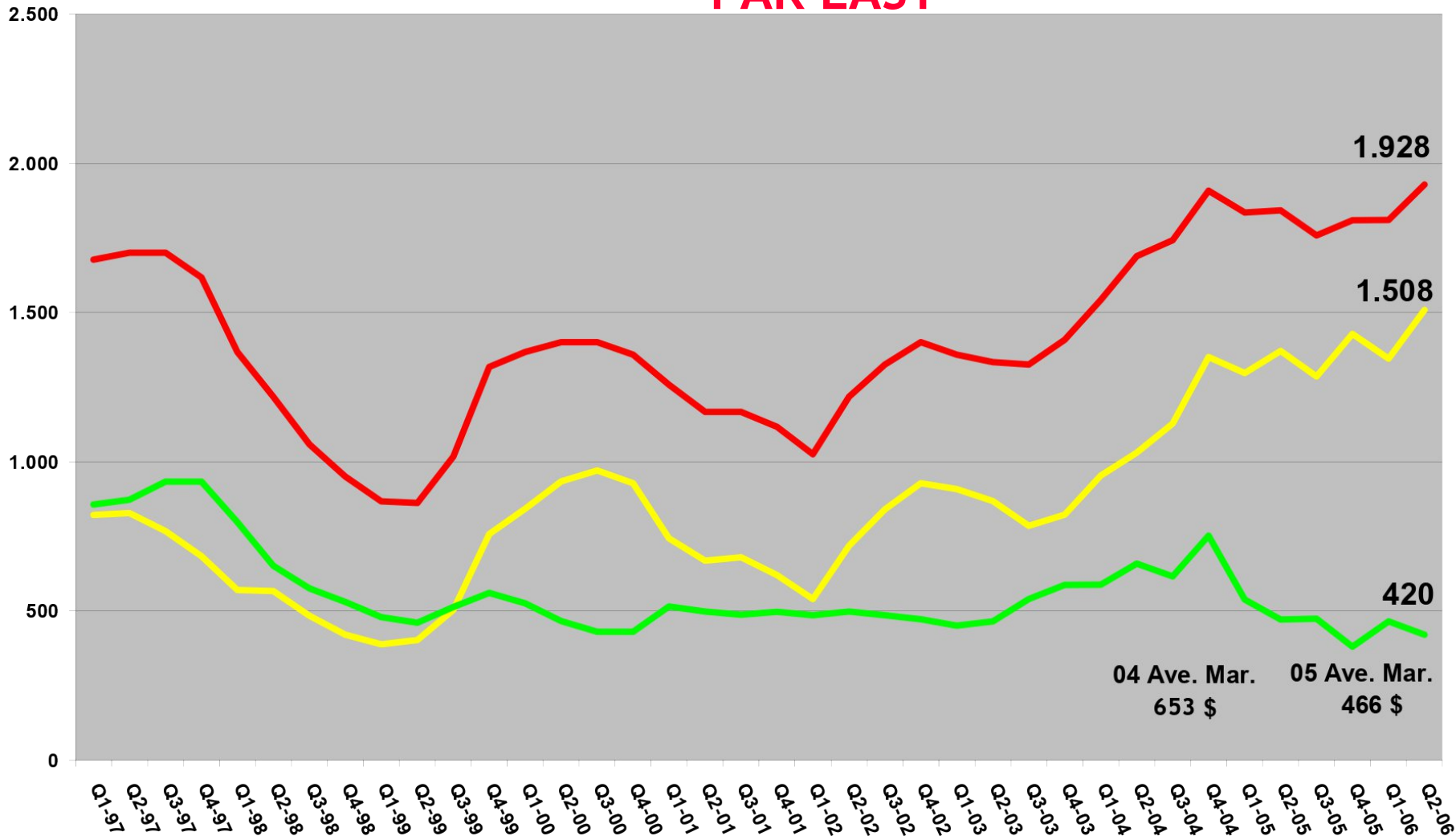
# ECRU TOW - A.C.N. PRICES (\$/ton)

## EUROPE & US



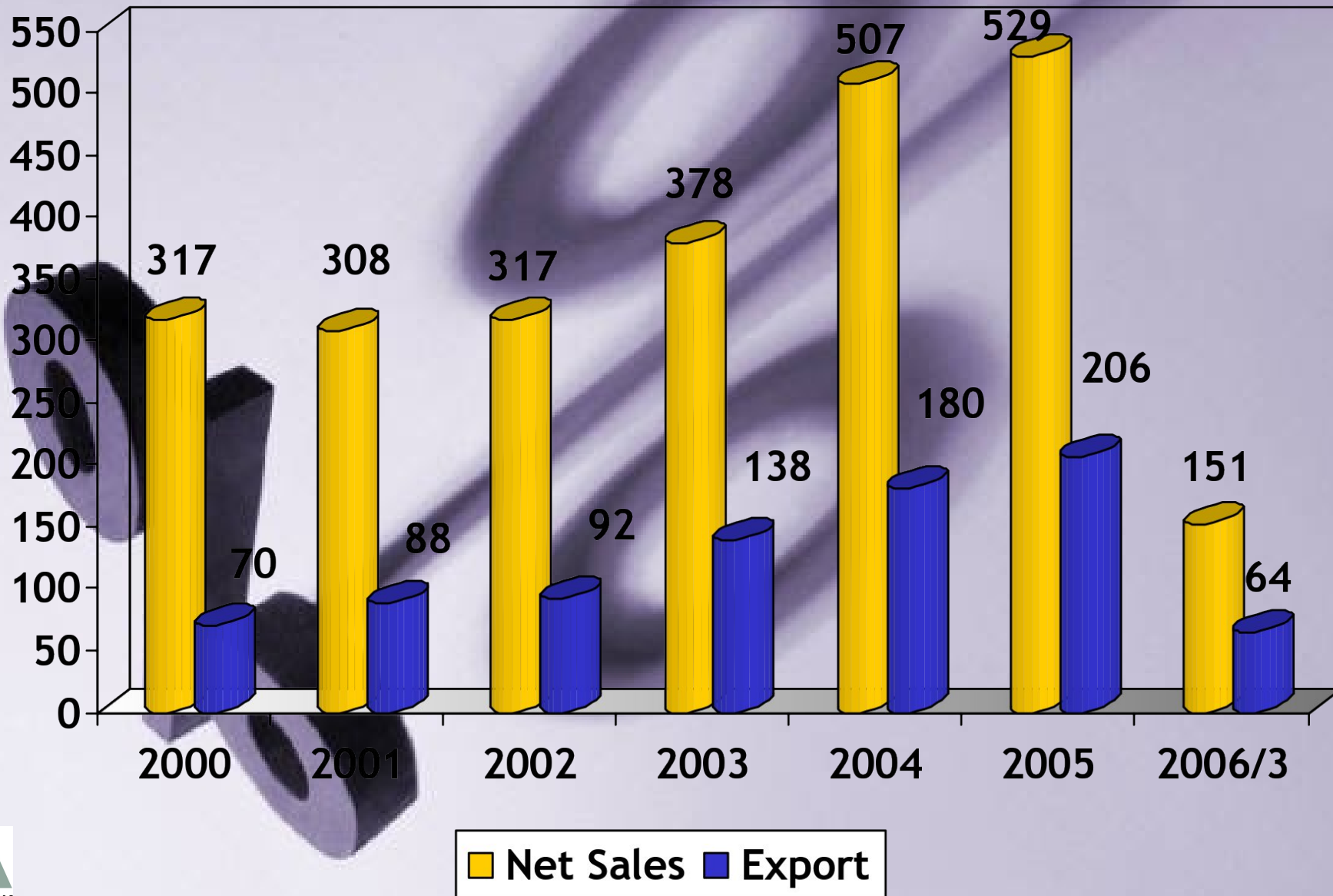
# ECRU TOW - A.C.N. PRICES (\$/ton)

## FAR EAST



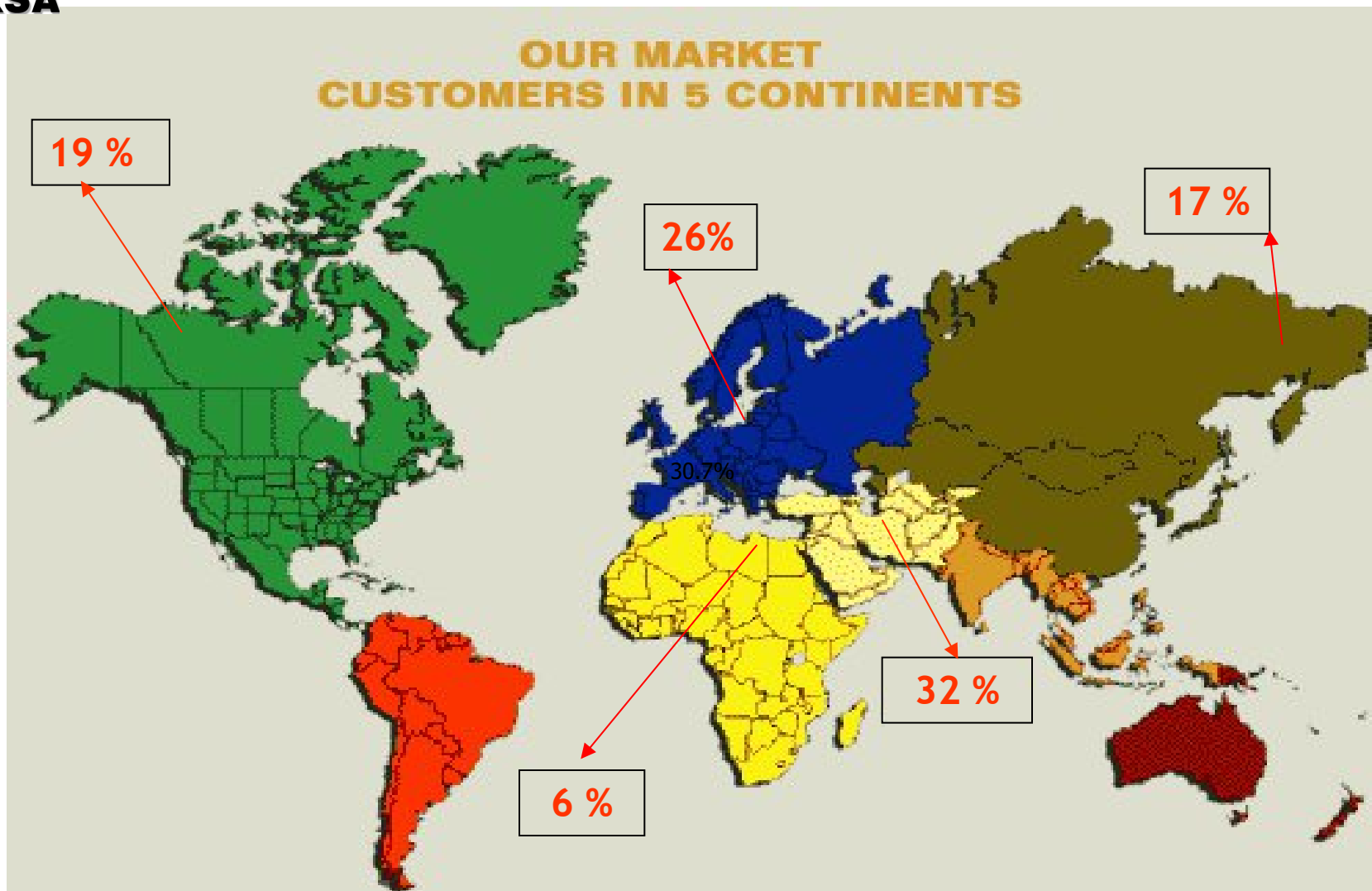
# NET SALES & EXPORT (FOB)

(mio \$)



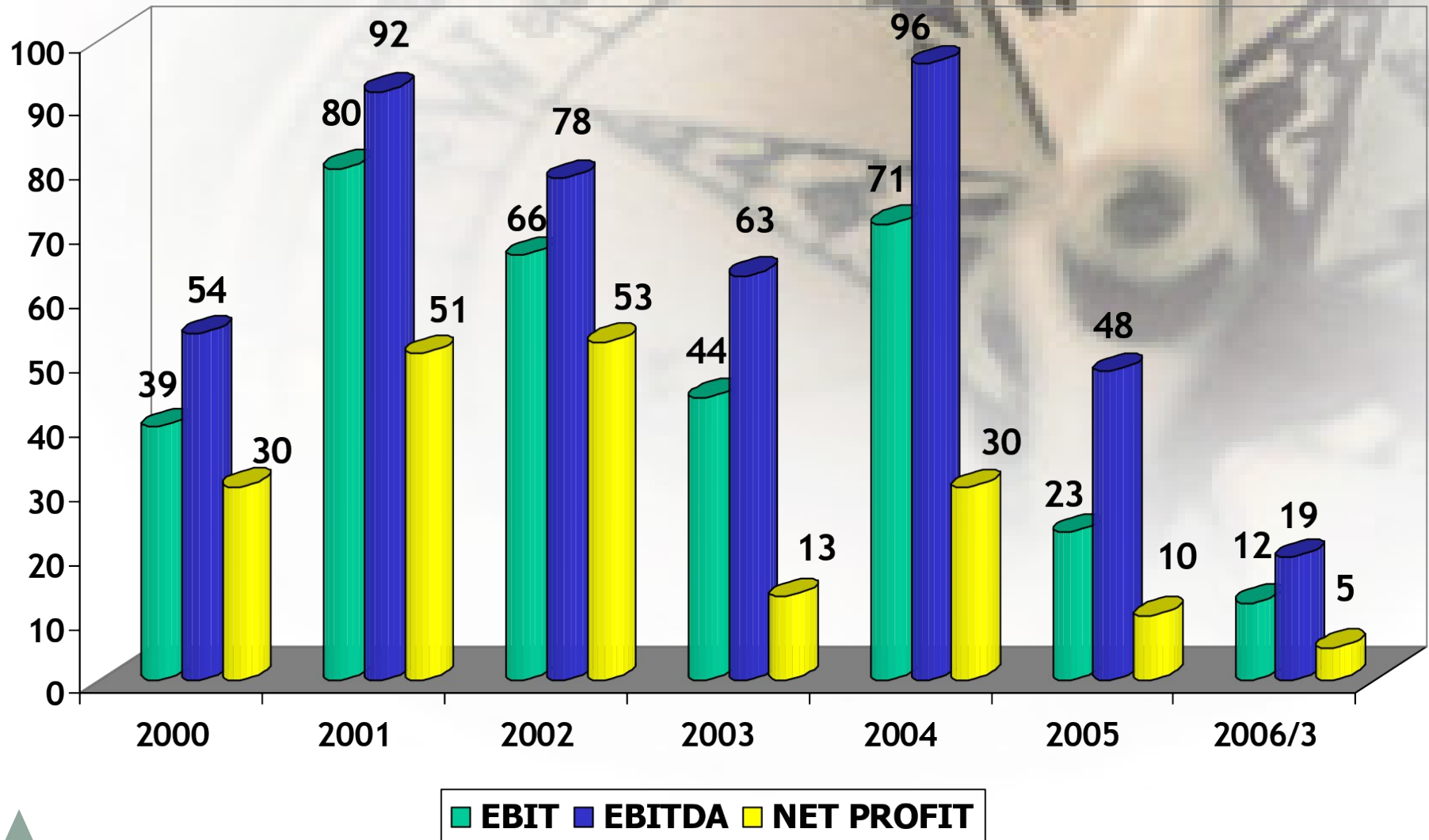


# EXPORT MARKETS

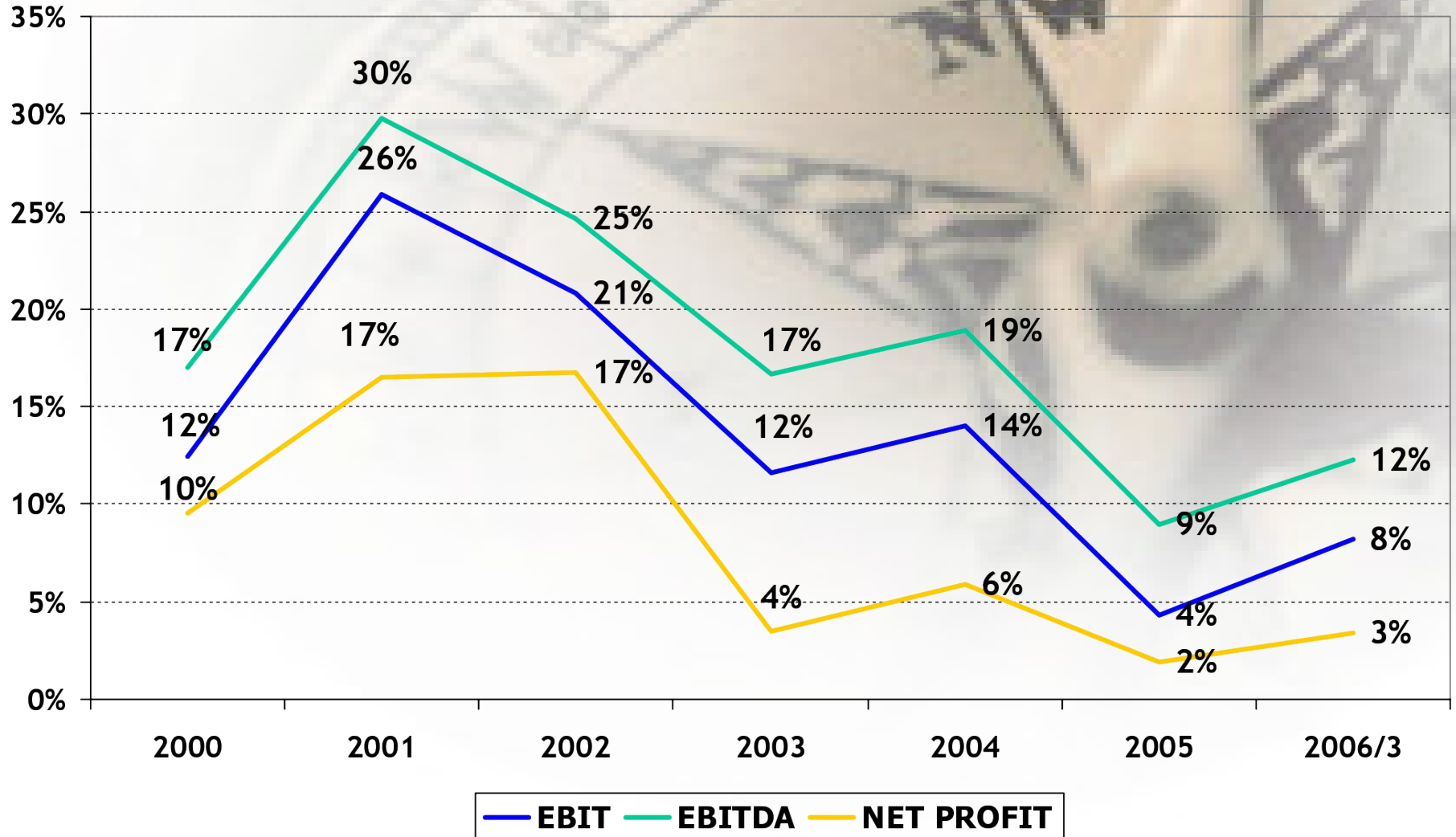


**Domestic Sales: 61 % Export: 39 % (2005)**  
 (%s in the map shows AKSA's export sales distribution w.r.t regions)

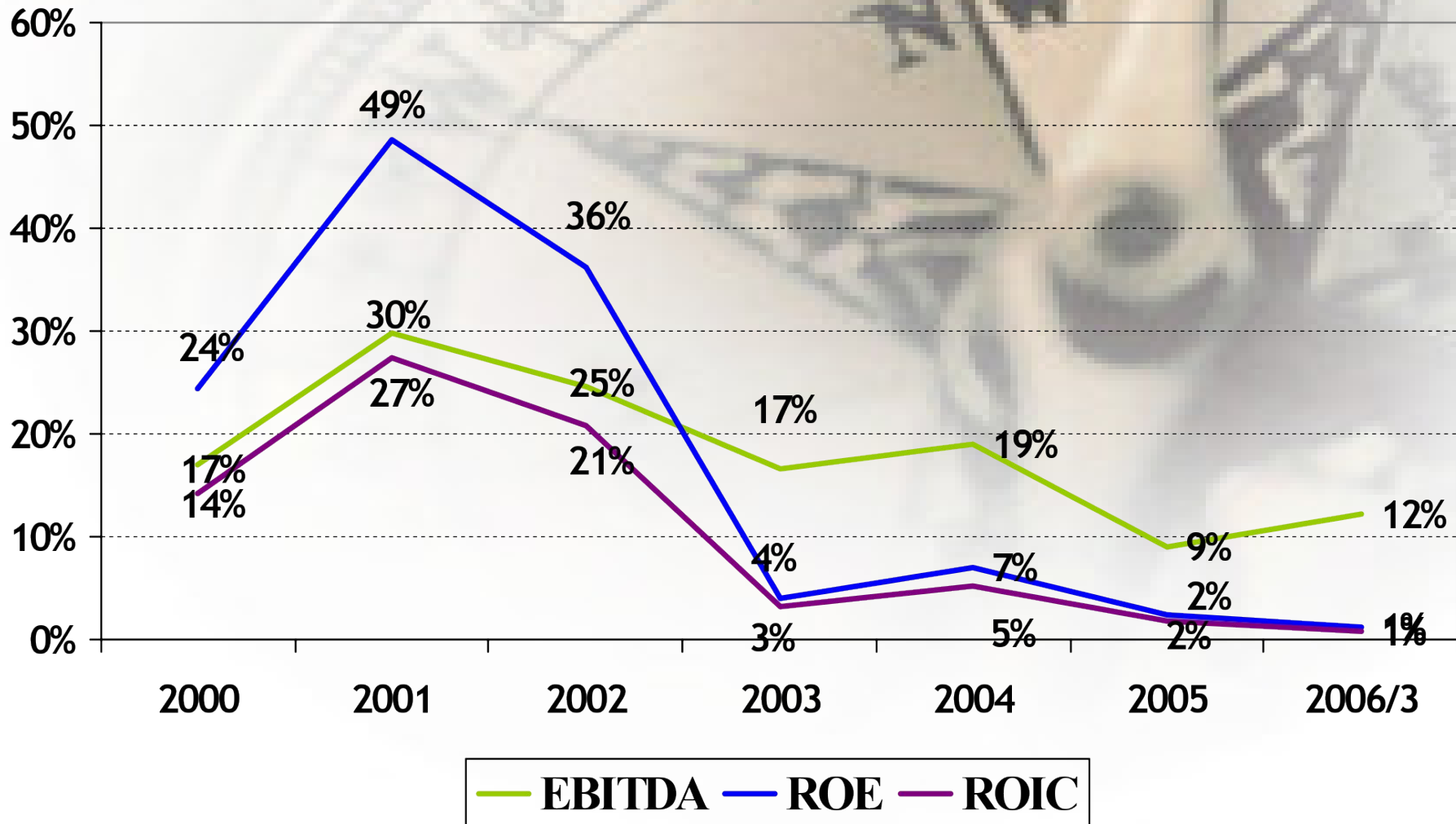
# EBIT - EBITDA - NET PROFIT (mio \$)



# EBIT - EBITDA - NET PROFIT (%)



# EBITDA- ROE-ROIC (%)



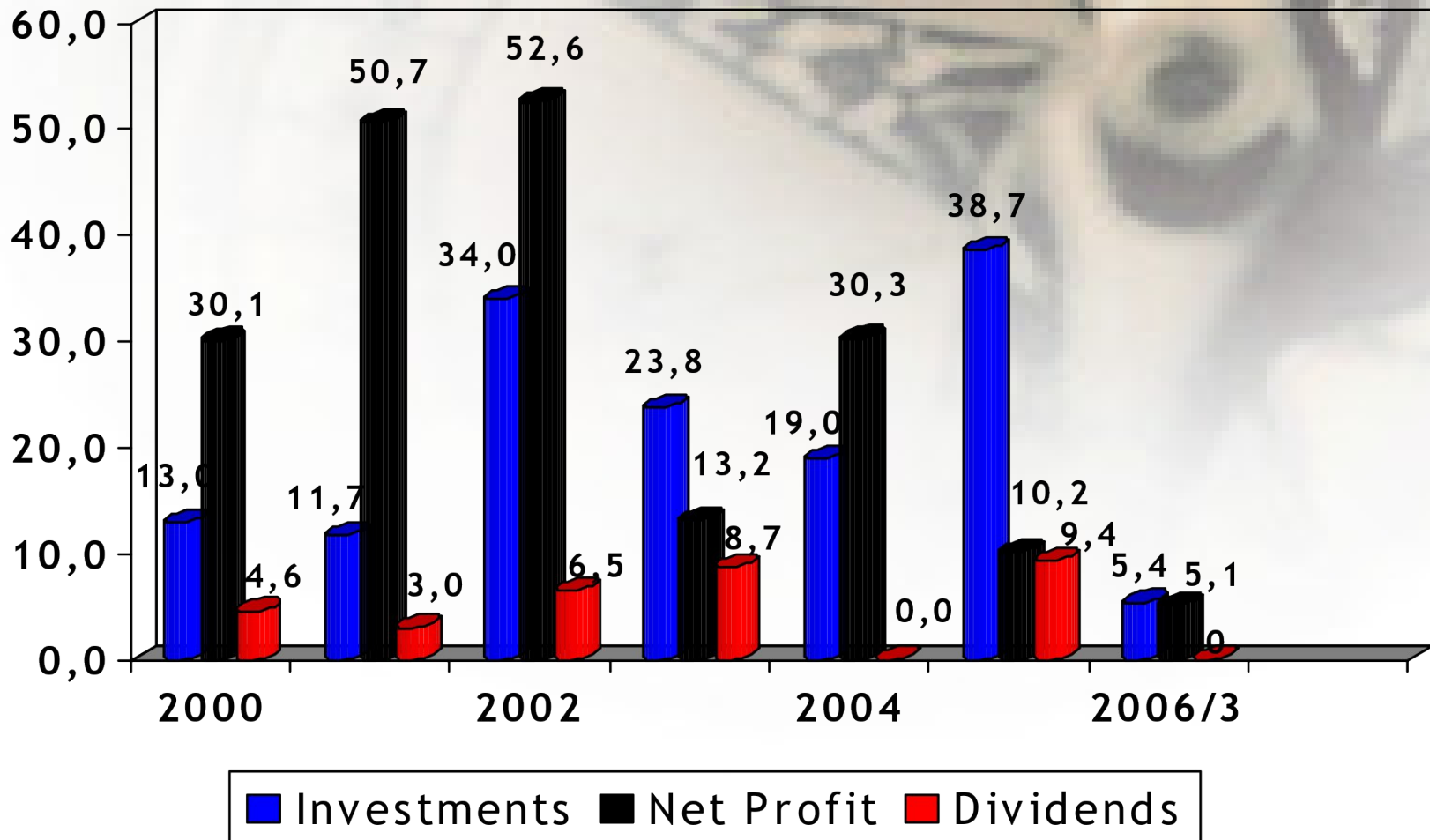
# INVESTMENT-PROFIT-DIVIDEND

**2000-2005:**

**Cumulative investments** : 140.2 million USD

**Cumulative net profits** : 182.0 million USD

**Cumulative cash dividends** : 32.2 million USD





# INCOME STATEMENTS

	USD	USD	USD	USD
INCOME STATEMENT	2003	2004	2005	2006 / 3
	INFL. ADJUSTED	INFL. ADJUSTED		
Net Sales	386.759.504	516.283.245	529.030.733	151.292.539
EBITDA	63.065.654	96.390.852	47.490.745	18.561.289
EBIT	43.524.312	71.341.648	22.998.576	12.382.608
Profit Before Tax	17.995.497	43.018.942	8.337.042	7.103.222
Profit After Tax	13.288.742	30.305.677	10.165.380	5.128.057

# BALANCE SHEETS

BALANCE SHEET		2003	2004	2005	2006/3
		INFL. ADJUSTED	INFL. ADJUSTED		
<b>ASSETS</b>		<b>411.142.360</b>	<b>571.920.087</b>	<b>546.036.014</b>	<b>601.303.314</b>
<b>Current Assets</b>		<b>196.868.644</b>	<b>328.695.873</b>	<b>286.566.147</b>	<b>346.319.563</b>
	Liquid Assets	41.427.389	66.518.647	18.960.305	31.443.910
	Receivables	114.825.876	162.197.359	199.255.363	223.070.557
	Inventories	30.259.992	69.523.587	50.957.319	67.423.458
	Other	10.355.387	30.456.281	17.393.160	24.181.638
<b>Long Term Assets</b>		<b>214.273.715</b>	<b>243.224.214</b>	<b>259.469.867</b>	<b>254.983.751</b>
	Long Term Trade Receivables	3.909	5.354	6.634	6.629
	Financial Assets	25.374.555	31.302.674	33.081.365	32.341.436
	Tangible Assets	188.544.952	211.603.168	226.122.390	222.400.506
	Intangible Assets	348.799	312.764	254.571	228.343
	Other Long Term Assets	1.501	254	4.907	6.837
<b>LIABILITIES</b>		<b>411.142.360</b>	<b>571.920.087</b>	<b>546.036.014</b>	<b>601.103.314</b>
<b>Current Liabilities</b>		<b>67.098.267</b>	<b>132.138.977</b>	<b>105.108.313</b>	<b>156.706.159</b>
	Financial Liabilities	3.774.887	4.804.014	38.287.157	60.147.676
	Trade Payables	48.067.044	100.725.994	52.250.817	74.431.007
	Other Short Term Liabilities	15.256.336	26.608.969	14.570.339	22.127.476
<b>Long Term Liabilities</b>		<b>10.294.762</b>	<b>12.524.048</b>	<b>33.113.720</b>	<b>31.793.399</b>
	Financial Liabilities				
	Provisions for Debt and Expenses	10.294.762	12.524.048	10.459.750	10.573.587
	Deferred Tax Liabilities			22.653.970	21.219.812
<b>Shareholders' Equity</b>		<b>333.749.330</b>	<b>427.257.063</b>	<b>407.813.981</b>	<b>412.603.756</b>

*Thank  
you*

YOU IMAGINE, WE PRODUCE