

# INVESTORS' MEETING, 17-19 January 07



# 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*

## 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

MORE THAN  
25 INDUSTRIAL  
AND COMMERCIAL  
COMPANIES



# 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

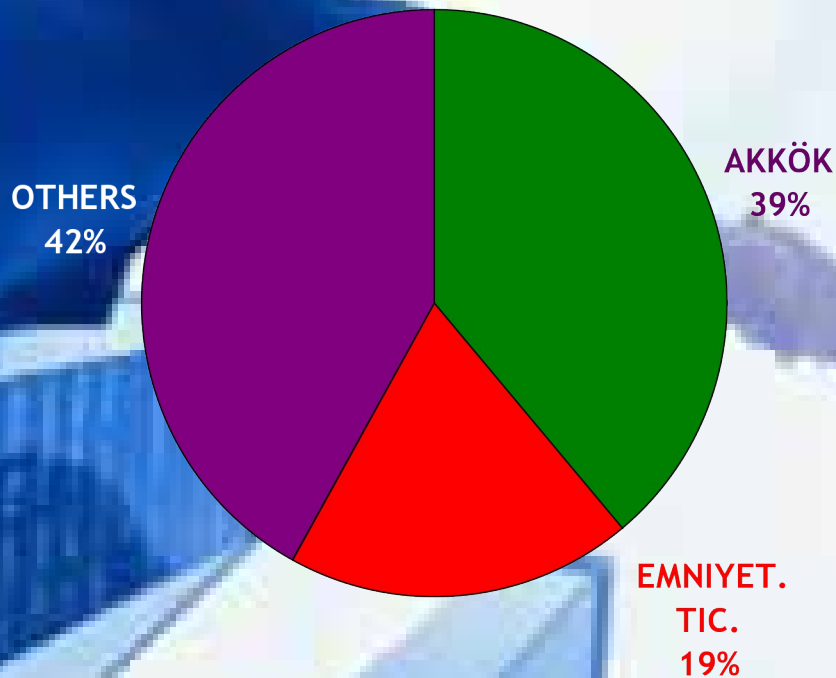
EMPLOYS AROUND 4,000 PEOPLE





## SHAREHOLDERS

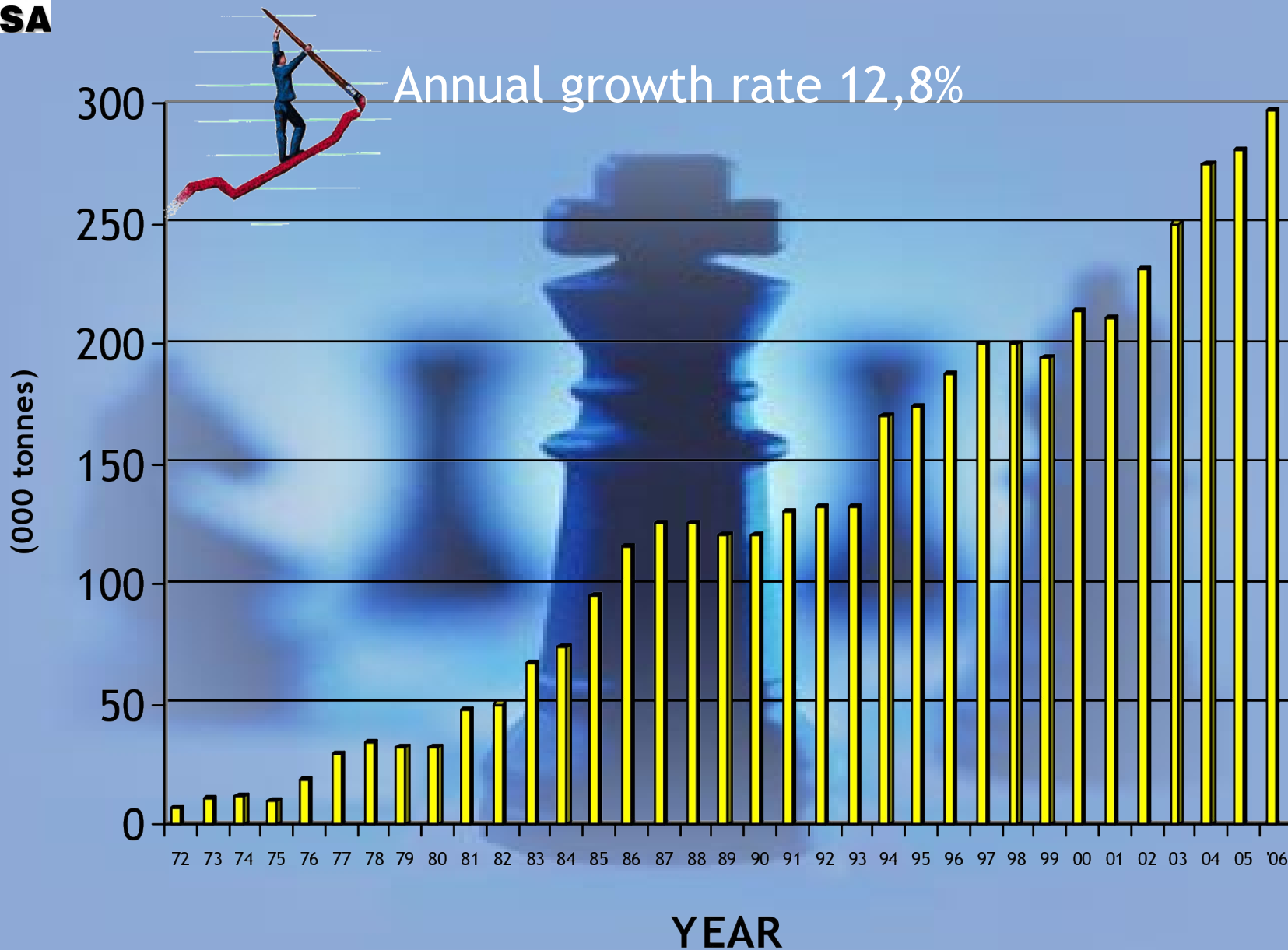
## EQUITY PARTICIPATIONS



**Free float : 34%**

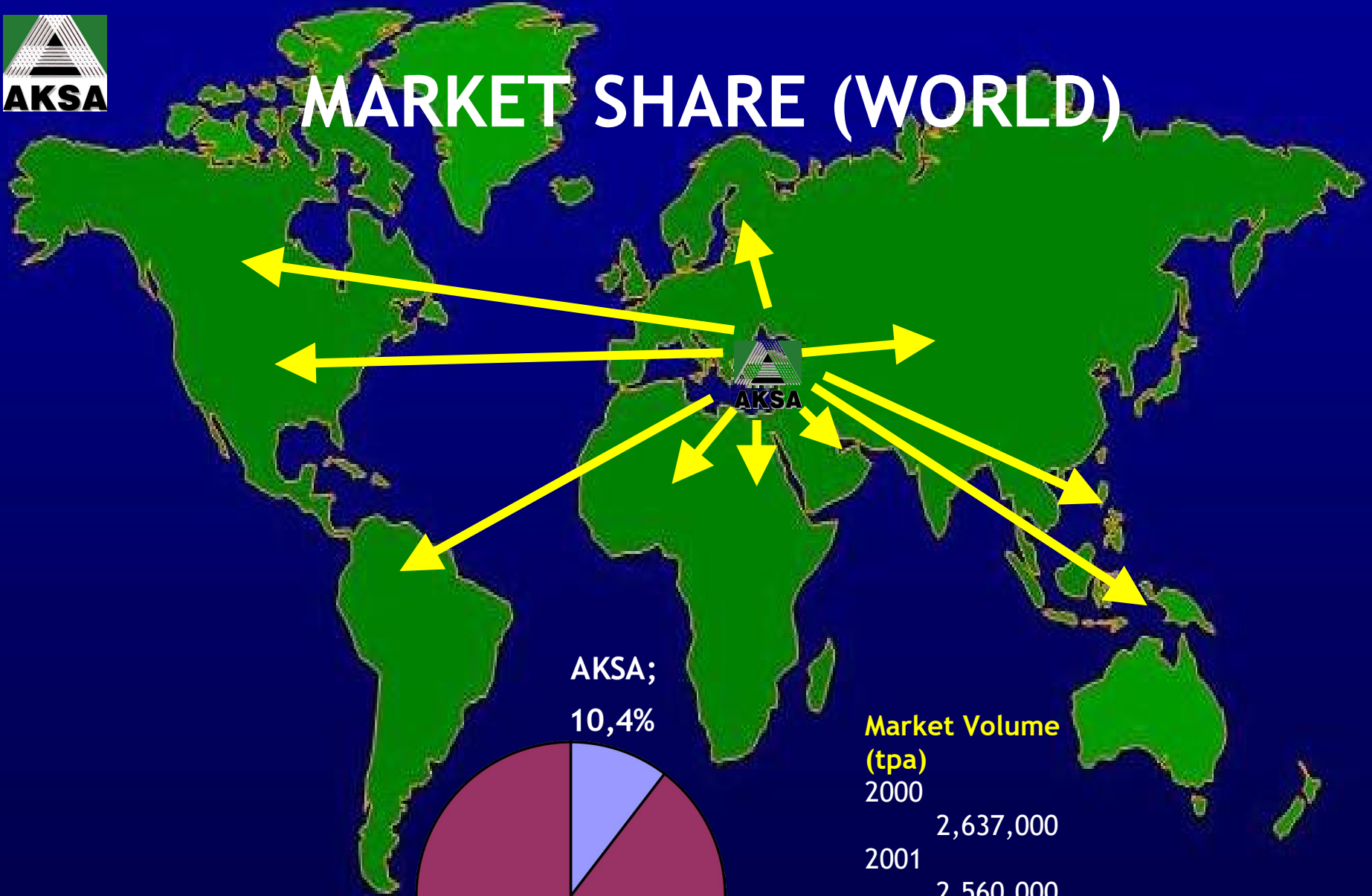
	%
AKAL	22.1
AK-PA	13.5
AK-TOPS	10.0
AK-ENERJİ	15.6
AK-HAVACILIK	7.3
AK-HAN	33.0
FITCO BV	100.0

# AKSA ACRYLIC FIBER PRODUCTION



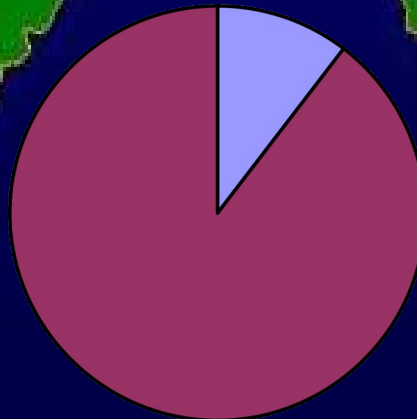


# MARKET SHARE (WORLD)



AKSA;  
10,4%

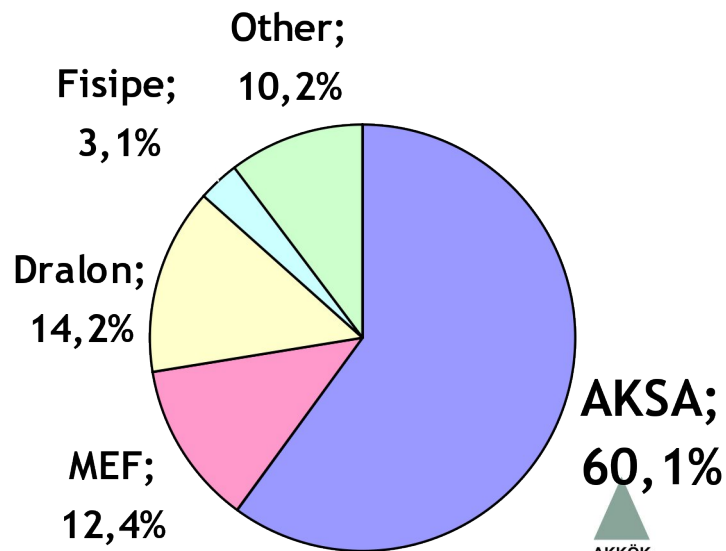
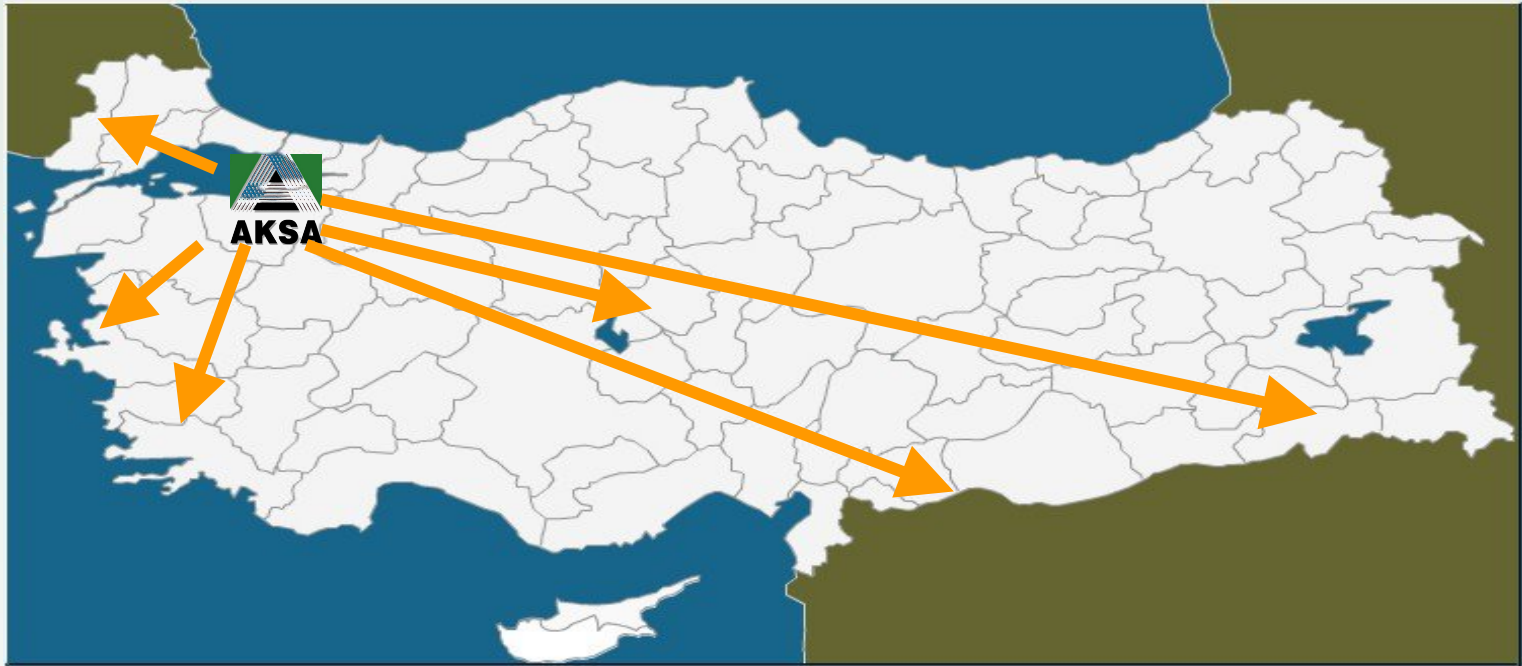
Other;  
%89,6



## Market Volume (tpa)

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

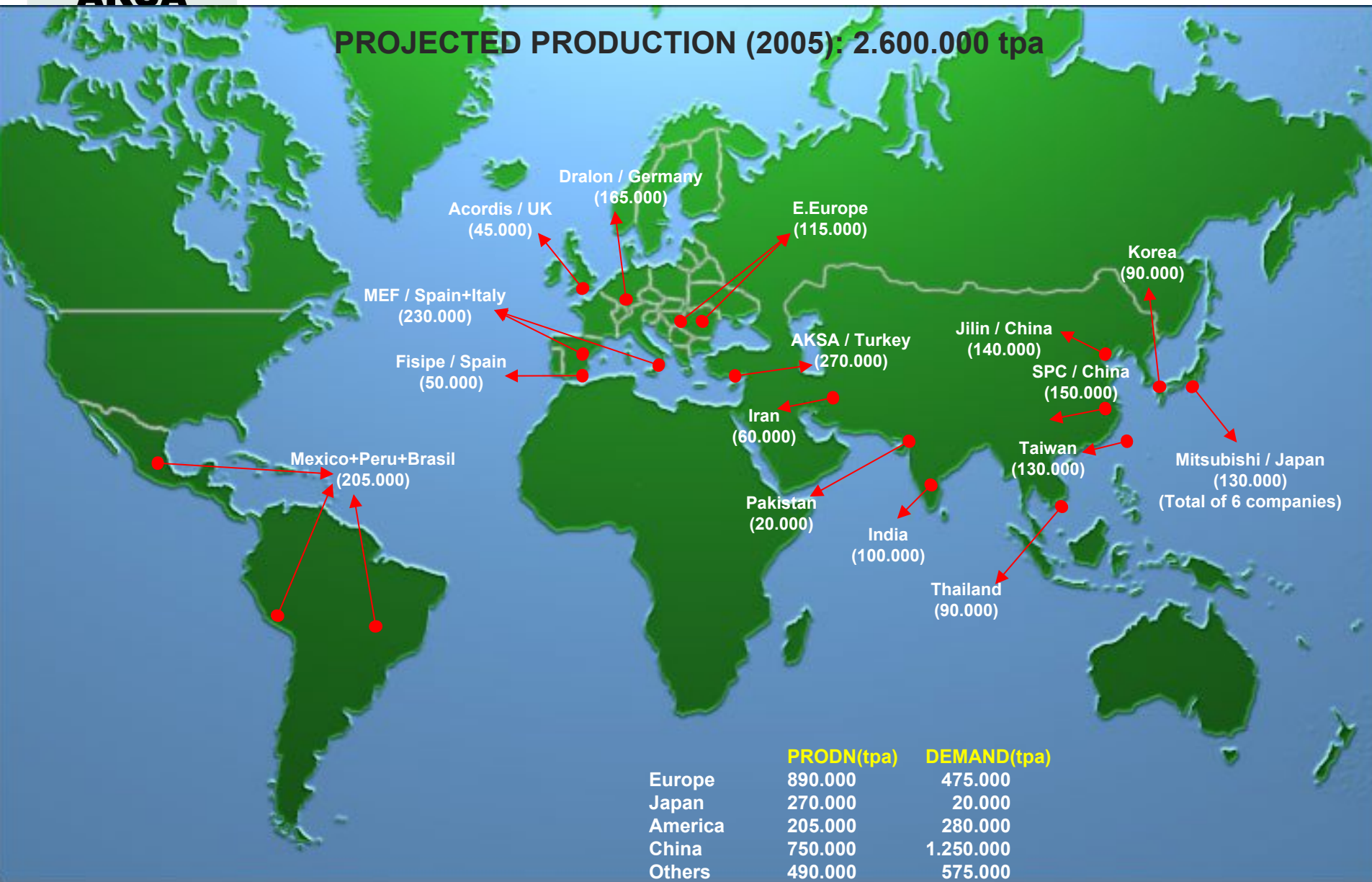
# MARKET SHARE (TURKEY)



Market Volume (tpa)	
2000	224,000
2001	203,000
2002	265,000
2003	286,000
2004	297,000
2005	265,000 <b>-10,7%</b>
2006	285,000 <b>7,5%</b>

# ACRYLIC FIBER PRODUCTION BY REGION

PROJECTED PRODUCTION (2005): 2.600.000 tpa





# MAIN 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 decrease production conversion cost by investing in energy and improving efficiency.
- To purchase & secure our main raw material (ACN) at competitive prices.
- To produce and sell at least 1500 tons of carbon fibre annually by 2009.
- To increase customer satisfaction.

# INVESTMENT PLANS (2007-2010)

- **Increase market share to 12% as of 2010.**
  - Capacity expansion: 320.000 t/yr by 2010.
    - 17.000 t/yr by end of 2007.
    - 6.500 t/yr by end of 2008.
    - 6.500 t/yr by end of 2009.
  - Investment budget of 28 M \$.
- **Increase share of high value added products in our portfolio.**
  - Invest in pilot carbon fibre production. 42 t/yr; 12 M \$; Nov.06-Nov.07
  - Market research & feasibility study budget of 1,5 M \$ for commercial size (1500-3000 t) carbon fibre production.
    - Space & Aviation
    - Sea and Road Transportation
    - Industrial Uses (Wind Mill, Pressurised Vessels)

# INVESTMENT PLANS (2007-2010)

- Sports & Leisure (Bicycle, Ski, Golf Club, Tennis Racket)
  - Construction Material Components
  - Bridges
  - Earthquake Resistant Buildings
  - Building Repairs
- 
- To be low-cost leader globally.
    - Invest in energy production.
    - Feasibility study budget of 0,2 M \$ about production of energy using alternative energy sources except natural gas.

# INVESTMENT PROGRESS

- **Energy Generation Project:**
  - Site preparation in progress.
  - Project team is mobilized.
  - Office work continues.
- **Carbon Fiber Production Project:**
  - Lab. type line is under construction.
  - Purchase agreement of pilot plant with 42 ton/year capacity has been signed.
  - Commercial line purchasing negotiation is in progress. Purchasing of items with long lead time is at last stage.



# DEVELOPMENTS IN AF INDUSTRY

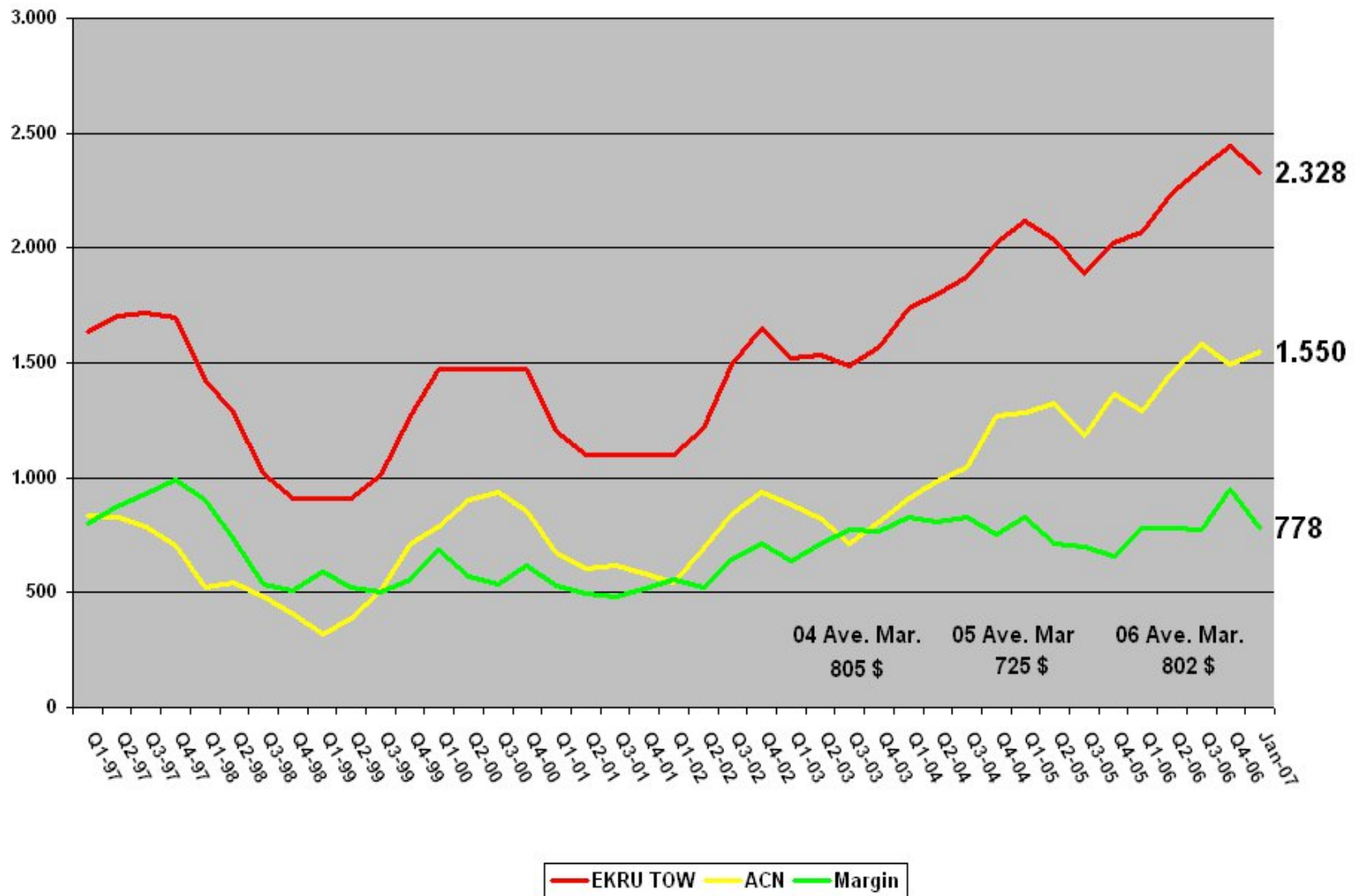
- Year -end imports to China are expected to decrease by nearly 28%. (336.000 tones). Only 10% of imports is made from European manufacturers. Total production in China is expected to reach 786.000 tones by year-end, whereas total consumption is forecasted to decrease to 1.158.000 tons, which corresponds to 8,4% decrease compared to previous year.
- Jimont (JV - Jilin Qifeng & Montefibre) has completed AF production facility with a yearly capacity of 100.000 tones. 5 units of total 7 production units has started production in December.
- AF prices are between range of 2,05 - 2,35 \$/kg in the world.

# DEVELOPMENTS IN ACN INDUSTRY

- ACN prices are currently below 1600 \$. Seems to be stabilise here.
- No further price decrease is expected in ACN unless there is a sharp demand decrease either in AF or ABS industry.
- Jilin ACN Chemical has announced a capacity increase amounting 120.000 tons/year within its existing plant. Additional capacity is expected to come in line by Q4/2007.

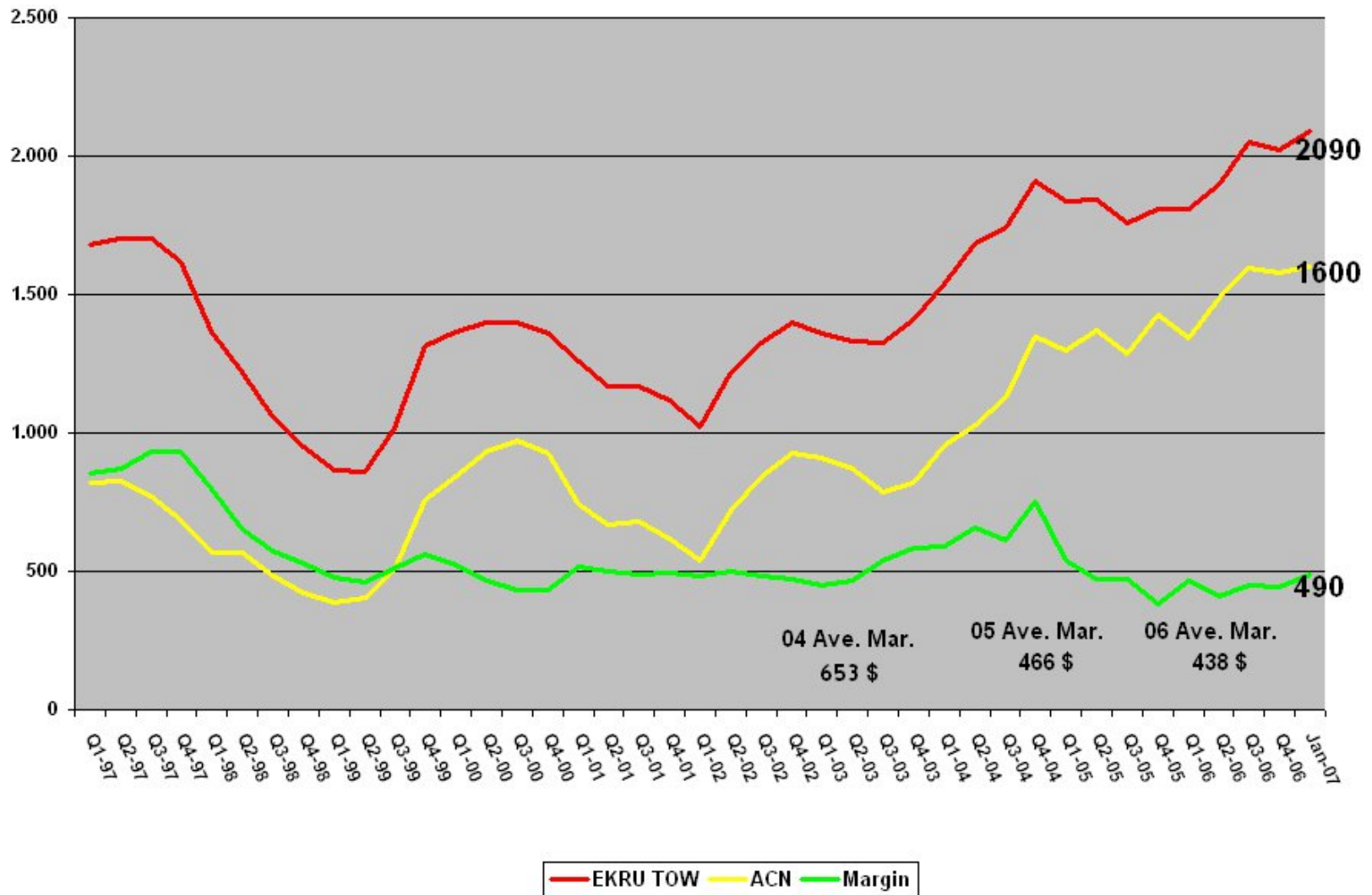
# ECRU TOW - A.C.N. PRICES (\$/ton)

## EUROPE & US



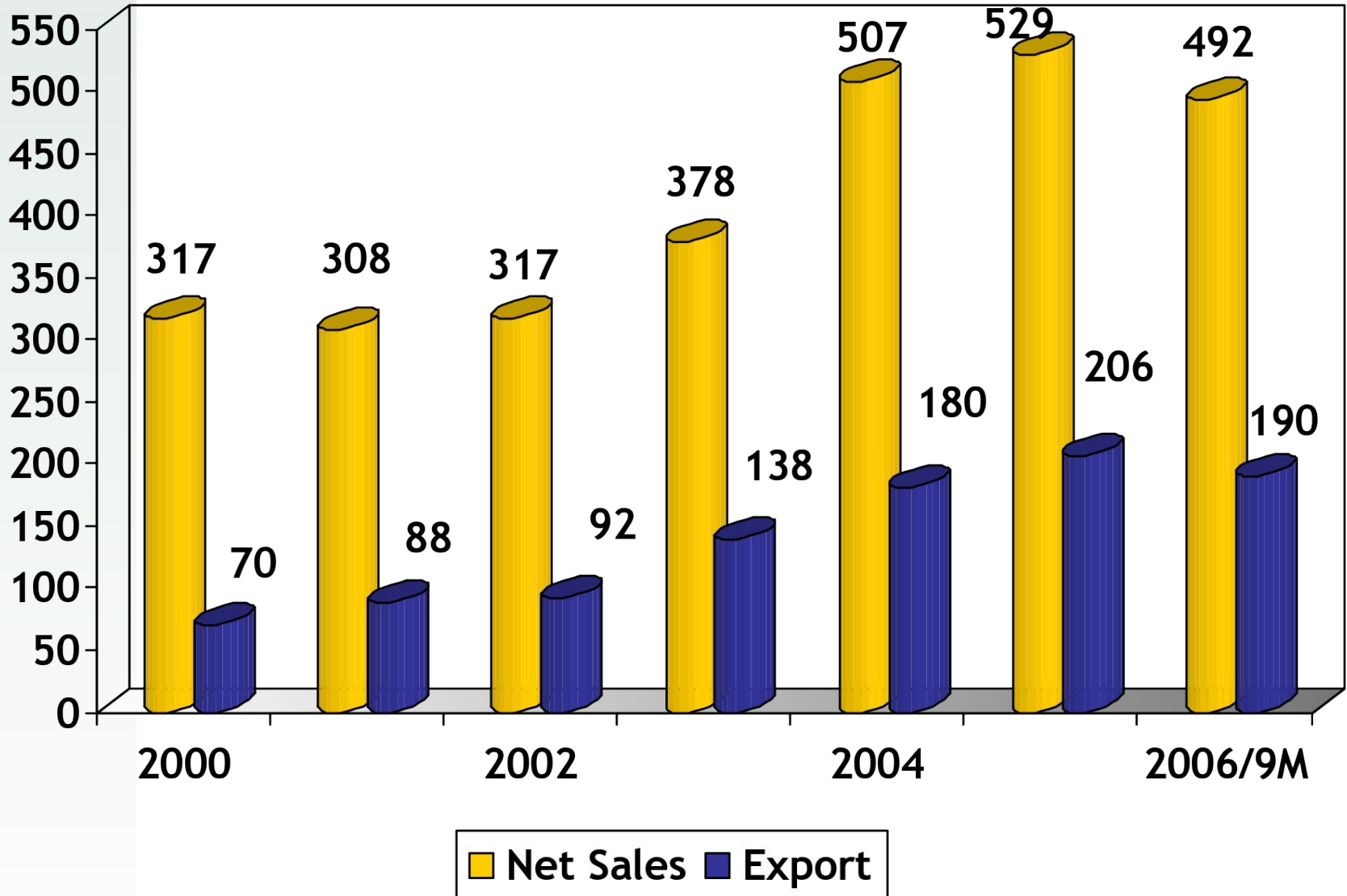
# ECRU TOW - A.C.N. PRICES (\$/ton)

## FAR EAST

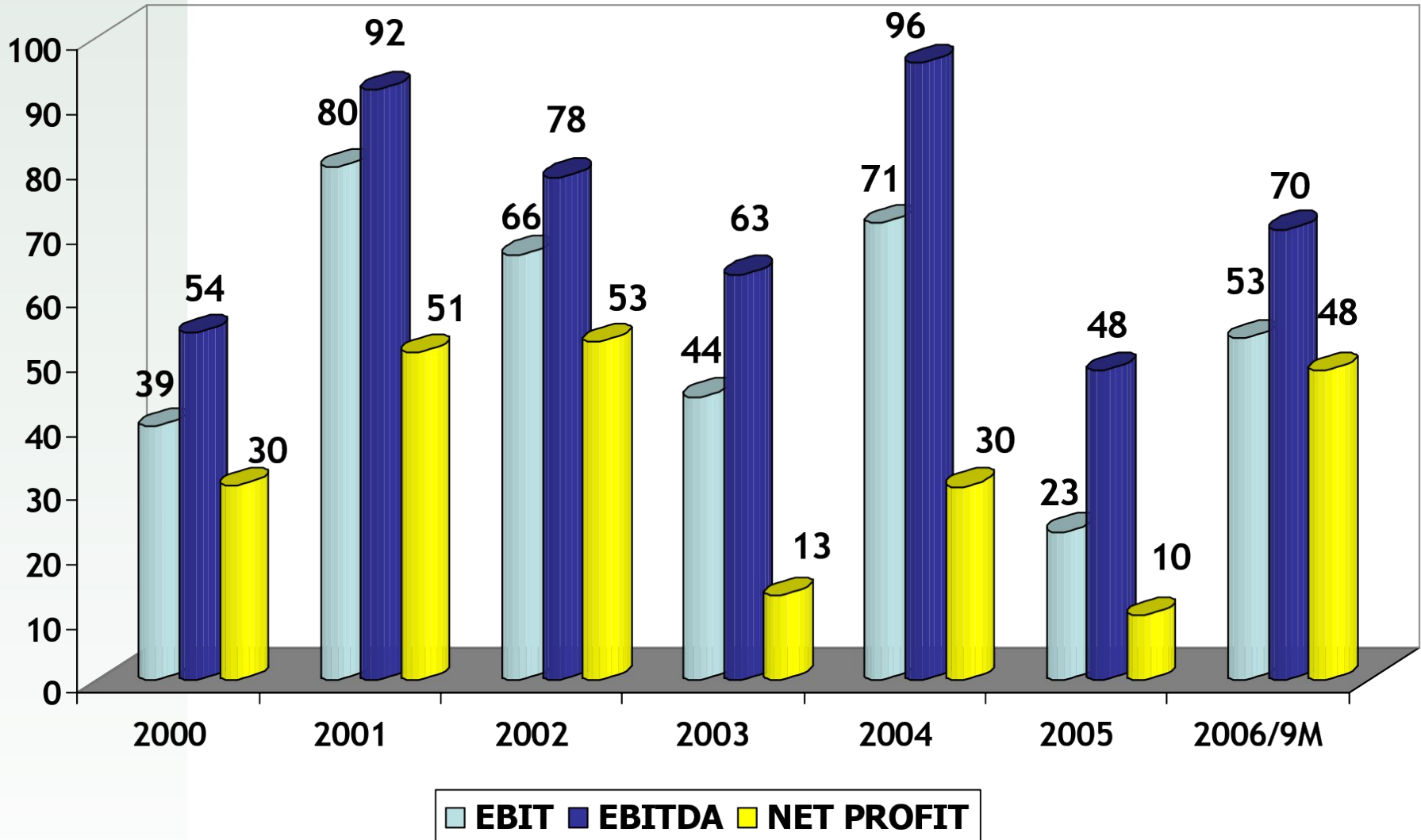




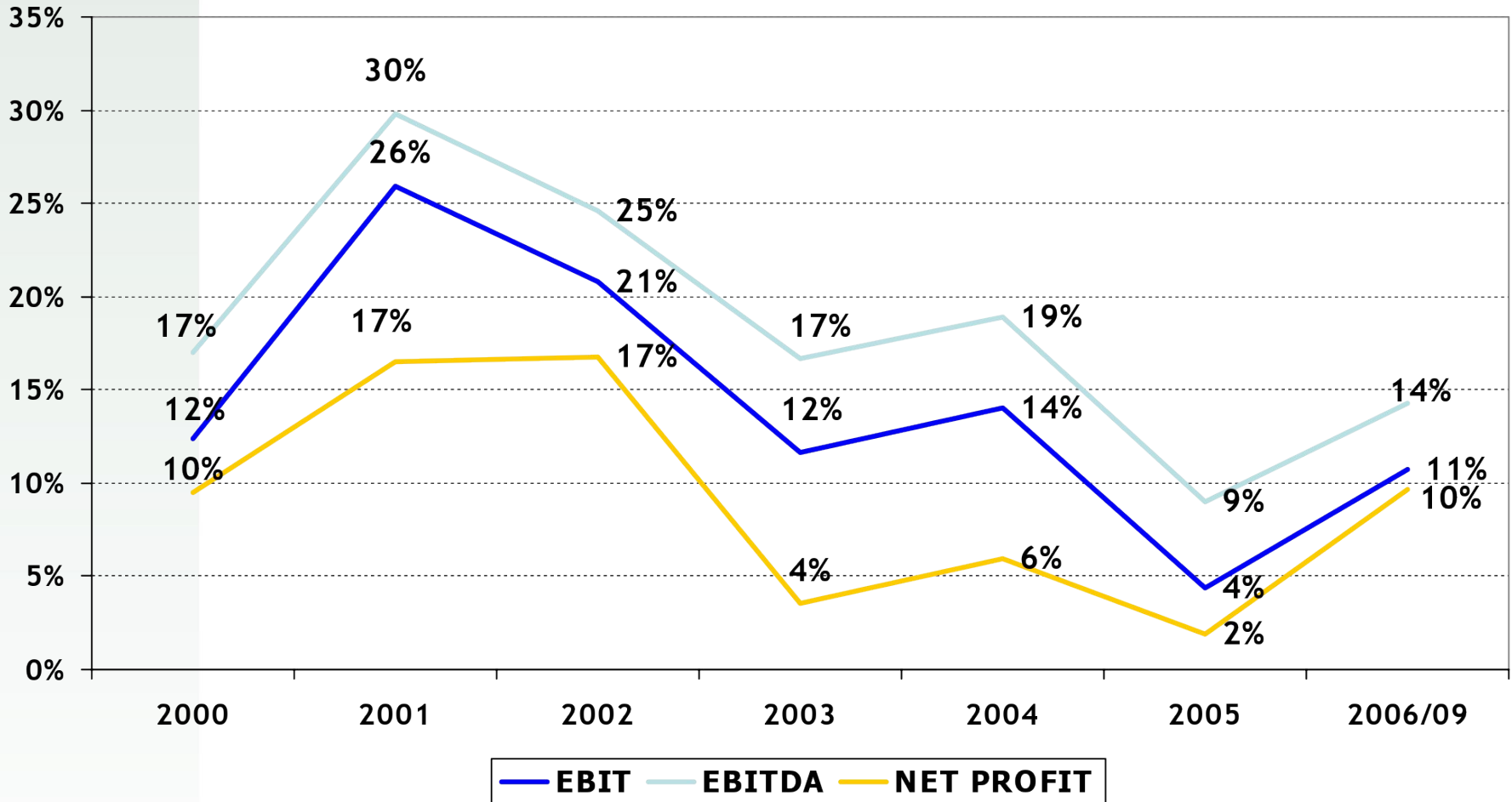
# NET SALES / EXPORTS - usd



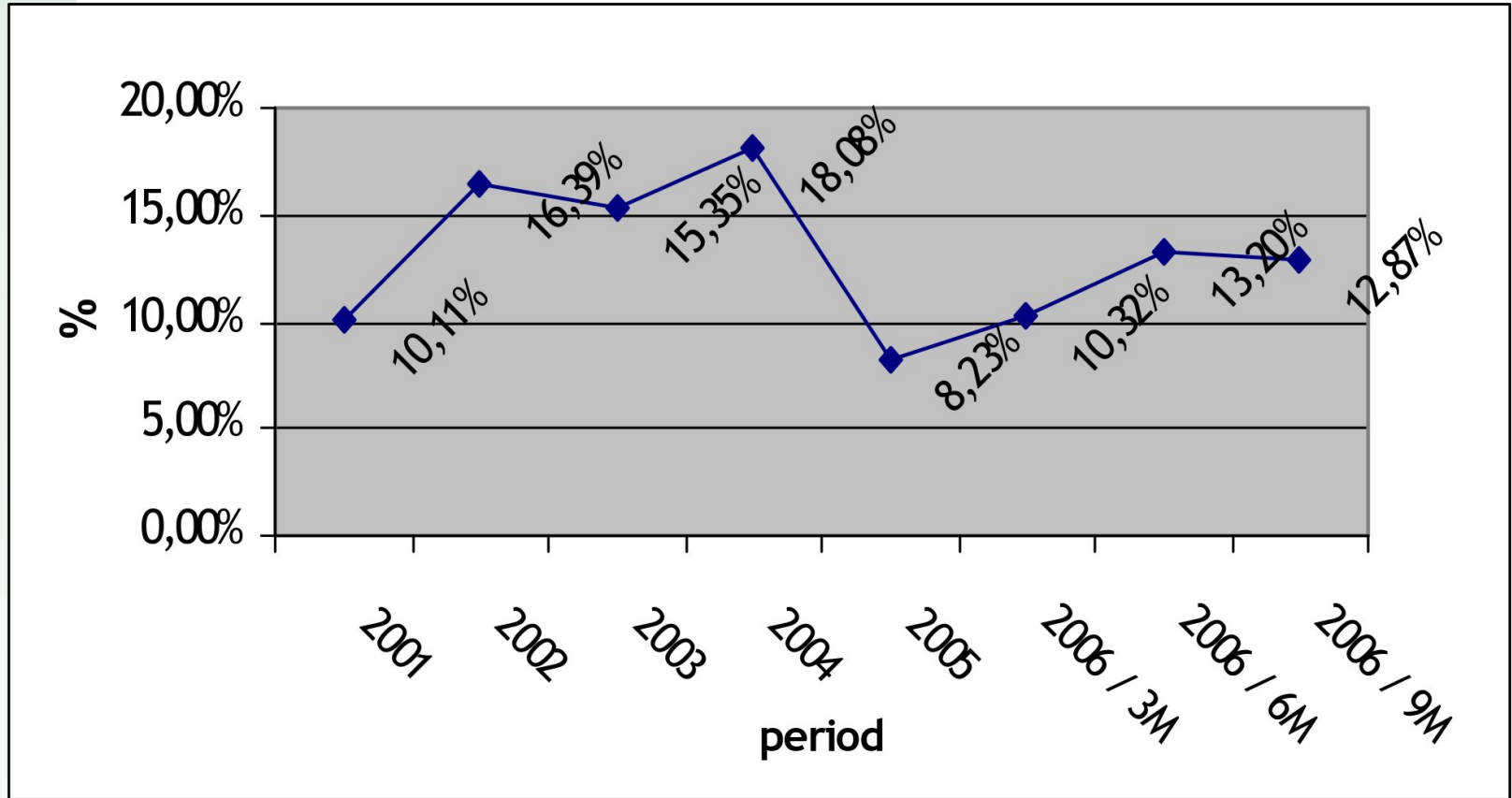
# EBIT/EBITDA/NET PROFIT - usd



# EBIT/EBITDA/NET PROFIT - %



# ADJUSTED EBITDA MARGIN (%)



\* Exchange rate gain/loss effect is eliminated. Based on VUK reports.



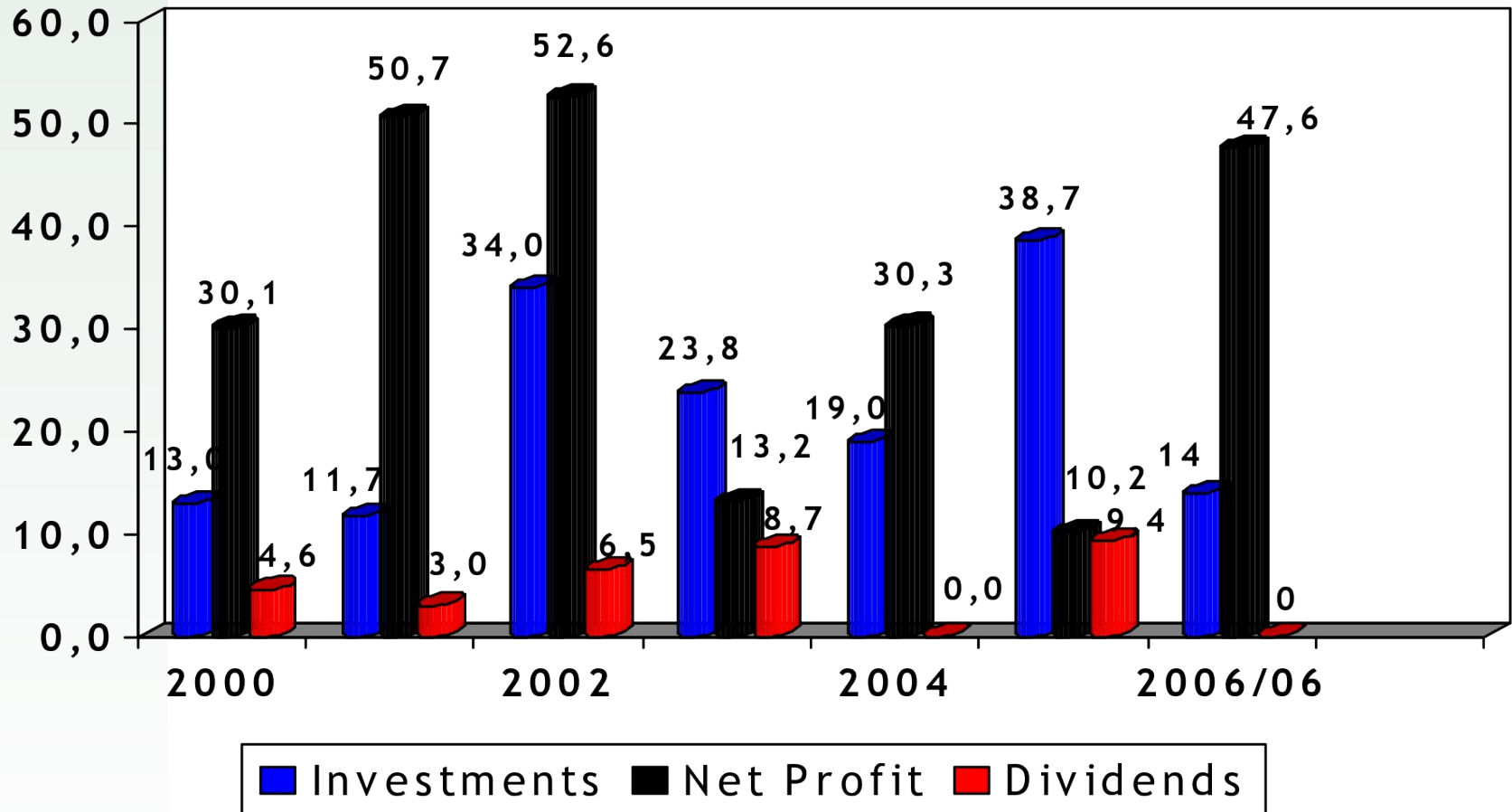
# INVESTMENT- PROFIT - DIVIDEND

**2000-2006/9M:**

**Cumulative investments** : **154.2 million USD**

**Cumulative net profits** : **234.7 million USD**

**Cumulative cash dividends** : **32.2 million USD**



# INCOME STATEMENTS - usd

	USD	USD	USD	USD
INCOME STATEMENT	2003	2004	2005	2006/09
	INFL. ADJUSTED	INFL. ADJUSTED		
Net Sales	386.759.504	516.283.245	529.030.733	491.704.716
EBITDA	63.065.654	96.390.852	47.490.745	70.337.208
EBIT	43.524.312	71.341.648	22.998.576	52.794.225
Profit Before Tax	17.995.497	43.018.942	8.337.042	50.288.805
Profit After Tax	13.288.742	30.305.677	10.165.380	47.592.561

# BALANCE SHEETS - usd

	USD 2003	USD 2004	USD 2005	USD 2006/09
BALANCE SHEET	INFL. ADJUSTED	INFL. ADJUSTED		
<b>ASSETS</b>	<b>411,142,360</b>	<b>571,920,087</b>	<b>546,036,014</b>	<b>614,013,176</b>
<b>Current Assets</b>	<b>196,868,644</b>	<b>328,695,873</b>	<b>286,566,146</b>	<b>386,433,904</b>
Liquid Assets	41,427,389	66,518,647	18,960,305	24,481,101
Receivables	114,825,876	162,197,359	199,255,361	259,063,254
Inventories	30,259,992	69,523,587	50,957,319	67,984,956
Other	10,355,387	30,456,281	17,393,160	34,904,593
<b>Long Term Assets</b>	<b>214,273,715</b>	<b>243,224,214</b>	<b>259,469,868</b>	<b>227,579,272</b>
Long Term Trade Receivables	3,909	5,354	6,634	5,945
Financial Assets	25,374,555	31,302,674	33,081,365	31,057,546
Tangible Assets	188,544,952	211,603,168	226,122,390	196,229,794
Intangible Assets	348,799	312,764	254,571	222,007
Other Long Term Assets	1,501	254	4,908	63,980
<b>LIABILITIES</b>	<b>411,142,360</b>	<b>571,920,087</b>	<b>546,036,014</b>	<b>614,013,176</b>
<b>Current Liabilities</b>	<b>67,098,267</b>	<b>132,138,977</b>	<b>105,108,313</b>	<b>181,470,881</b>
Financial Liabilities	3,774,887	4,804,014	38,287,157	74,996,450
Trade Payables	48,067,044	100,725,994	52,250,817	77,275,811
Other Short Term Liabilities	15,256,336	26,608,969	14,570,339	29,198,619
<b>Long Term Liabilities</b>	<b>10,294,762</b>	<b>12,524,048</b>	<b>33,113,721</b>	<b>21,738,286</b>
Financial Liabilities	0	0	0	0
Provisions for Debt and Expenses	10,294,762	12,524,048	10,459,750	10,000,079
Deferred Tax Liabilities	0	0	22,653,971	11,738,207
<b>Shareholders' Equity</b>	<b>333,749,330</b>	<b>427,257,063</b>	<b>407,813,980</b>	<b>410,804,009</b>

*Thank  
you*

YOU IMAGINE, WE PRODUCE