AKSA AKRILIK KIMYA SANAYI

19 January 2011, Istanbul

AKKOK INDUSTRIAL INVESTMENT &DEVELOPMENT INC,

AKKOK GROUP COMPANIES AIM TO BECOME A WORLD-CLASS ORGANIZATION

MORE THAN 40 INDUSTRIAL AND COMMERCIAL COMPANIES

Main Sectors

- *CHEMICALS*
- *ENERGY*
- *REAL ESTATE DEVELOPMENT*
- *TEXTILES*
- *PORT MANAGEMENT*
- *MARKETING & SALES - INSURANCE*

AKKOK Companies Quoted at the Istanbul Stock Exchange

AKSA	WORLD'S LARGEST ACRYLIC FIBER PRODUCER
AKENERJI	ONE OF THE MARKET LEADERS WITH ITS PRODUCTION OF PRIVATE GENERATION AND DISTRIBUTION COMPANIES
AK-AL	A LEADING INDUSTRIAL CORPORATION PRODUCING FABRIC & YARN
AKMERKEZ	REAL ESTATE INVESTMENT COMPANY : WORLD BRAND AS A SHOPPING CENTER

AKKOK INDUSTRIAL INVESTMENT & DEVELOPMENT INC,

ESTABLISHED A STABLE GROWTH SINCE 1952

COMBINED SALES OF US$2,2 BILLION IN 2009

EXPORTS OF US$332 MILLION IN 2009

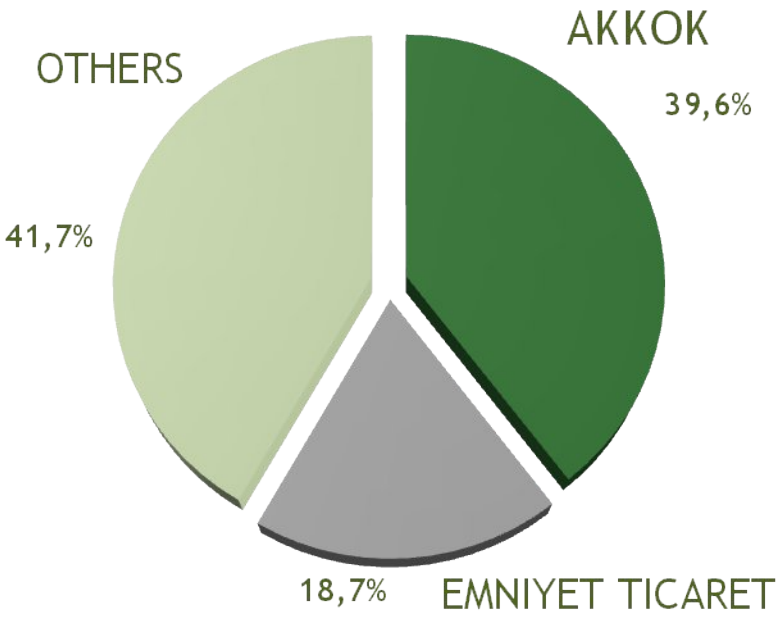
US$1,2 BILLION OF INVESTMENT IN 2006 - 2009

PLANS US$700 MILLION OF CAPEX FOR 2010

EMPLOYS AROUND 4,000 PEOPLE

AKSA ACRYLIC SHAREHOLDER STRUCTURE

SHAREHOLDERS



EQUITY PARTICIPATIONS

COMPANY TITLE	%
AK-PA	13,5
FITCO B.V	100,0
AK-TOPS	60,0
AK GIRISIM	58,0

Free float : 38%

STRATEGIC BUSINESS UNITS of AKSA ACRYLIC

STANDARD ACRYLIC FIBER BUSINESS UNIT

- Largest acrylic fiber producer under one single roof in the world;
- 12,5% global market share;
- Turkey's sole local producer having 66% local market share.

TECHNICAL FIBERS BUSINESS UNIT

- High value-added products;
- Develop fibers for technical end-use areas;
- Targeting increase the share of technical fibers in our sales. (2015:10%)

CARBON FIBER BUSINESS UNIT

- Commissioning of the 1500 tpa production line in Q3 2009;
- Targeting industrial applications such as wind turbines,automative, pressurised vessels, construction;
- New investment for the 2nd production line for the CF Capacity: 1700 tpa)
- Targeting 10% market share by 2020.

ENERGY BUSINESS UNIT

- Acquired 70 Mwe capacity Natural Gas power plant from Akenerji;
- Currently investing in 100 Mwe capacity dual gas power generation plant;
- Commissioning of the plant will be by May 2011.

ACRYLIC FIBER BUSINESS UNIT

HAVING 42 YEARS OF EXPERIENCE IN ACRYLIC FIBER INDUSTRY,,,

- Leader in Turkey and in international markets in terms of capacity, size, pre-and post-service quality, product diversity & flexibility;
- Low cost leader;
- Production capacity : 308,000 ton/year;
- Capacity Utilization Rate: 85% in 2009, 82% in Q32010.

SUCCESS THAT COMES FROM A DIVERSITY OF PRODUCTS,,,

Major Acrylic Fiber Uses;

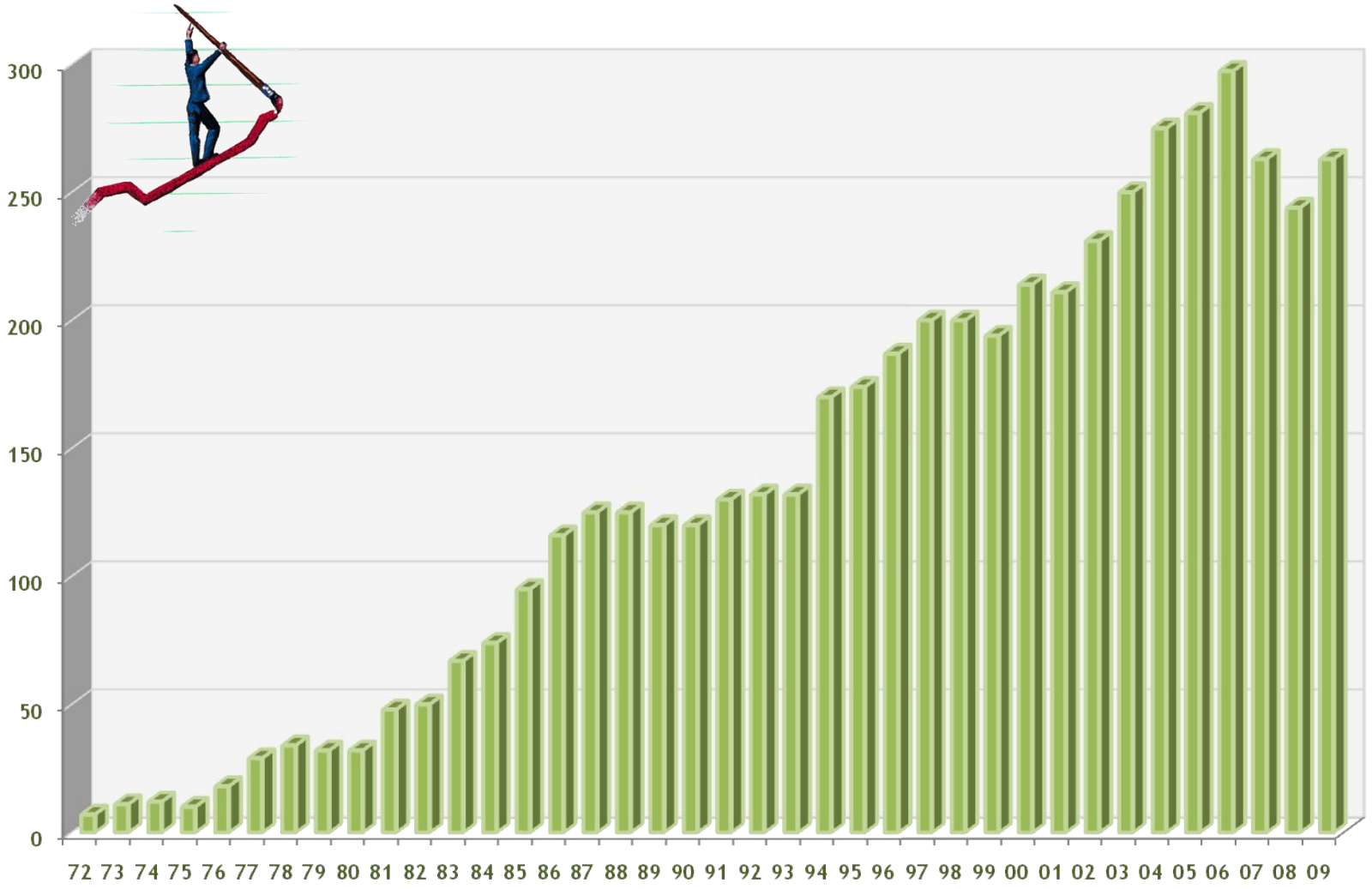
Apparel

Home Textiles & Furnishings

Industrial Uses

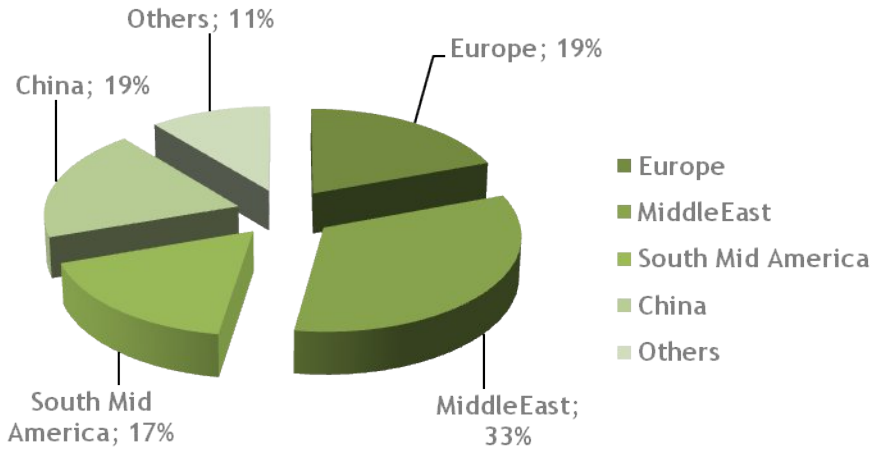
AKSA ACRYLIC FIBER PRODUCTION

Annual production growth rate 10,3%

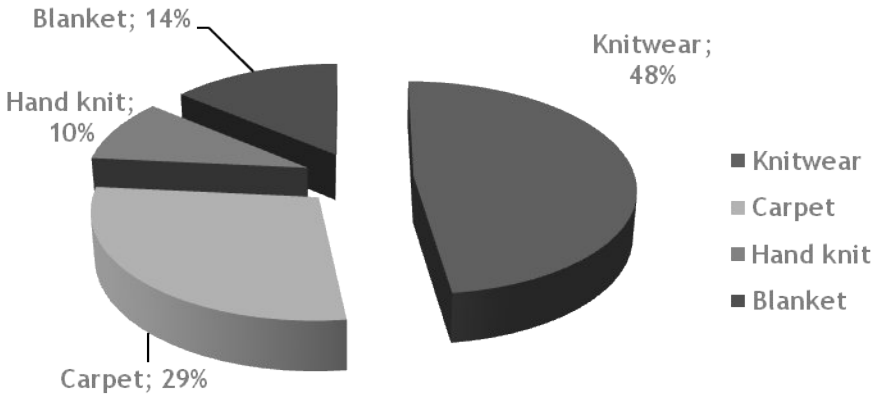


2010 /SALES BREAKDOWN OF AKSA AKRİLİK

EXPORT SALES BREAKDOWN



DOMESTIC SALES BREAKDOWN



Share of technical fibers and special fibers within total exports has increased from 10% to18% in 2010

ACRYLIC FIBER SECTOR IN BRIEF

- Acrylic fiber market accounts for 2 million tonnes in 2010,
- Biggest Consumption Markets
  - China 875,000 tonnes – 44% of world
  - Turkey 265,000 tonnes – 13% of world
  - Iran 130,000 tonnes – 6,5% of world
  - India 110,000 tonnes – 5% of world
  - Egypt 33,000 tonnes – Syria 27,000 tonnes

- China adopts self sufficiency strategy, Shuts down idle facilities and invests on new capacity no more. During 2007-2010 China market shrank by 20%.
- Sector has 20% idle capacity.
  - Europe accounts for excess capacity.
  - Far East balanced capacity and demand.
  - Shut downs (Europe, USA, Far East…) and consolidations have taken place for last 10 years.

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ACRYLIC FIBER INDUSTRY PLAYERS

- AKSA
- MONTEFIBRE (SPAIN)
- DRALON (GERMANY)
- FISIPE (PORTUGAL)
- BIRLA (THAILAND & EGYPT)
- JILIN (CHINA)
- SHANGHAI PETROCHEMICALS (CHINA)

Jilin and MonteFibre founded JiMont by forming an alliance, Jilin Qifeng and Jimont, 2 factories, have a cumulative production capacity of 240,000 tonnes.

• In 2009, MonteFibre shut down the last facility in Italy, They only produce 90,000 tonnes in Spain.

• Birla increased production capacity at Egypt, from 18,000 tonnes to 35,000 tonnes in 2010, and possible to reach 60,000 tonnes, Facility at Thailand has 90,000 tonnes of capacity.

- Although Jilin and SPC (China) are big firms, they are not direct competitors to AKSA.

THREAT OF SUBSTITUTES

GLOBAL PRODUCTION OF TEXTILE FIBERS (1000 TONNES)											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	AGR
Synthetic Fibers	*32,101*	*31,686*	*33,907*	*35,511*	*37,953*	*38,165*	*41,277*	*44,523*	*42,640*	*44,600*	*3,70%*
Polyester	19,073	19,244	20,956	22,258	24,406	24,701	27,808	31,094	30,650	32,400	6,10%
PP fibers	5,984	5,815	5,913	6,159	6,303	6,463	6,473	6,444	5,940	6,100	0,20%
Polyamide	4,063	3,745	3,947	3,992	4,017	3,865	3,883	3,895	3,510	3,480	-1,70%
Acrylics	2,669	2,555	2,742	2,678	2,743	2,632	2,535	2,446	1,930	2,020	-3,00%
Others	312	327	349	424	484	504	578	644	610	600	7,50%
Cellulosics	*2,755*	*2,692*	*2,715*	*2,855*	*3,096*	*3,138*	*3,296*	*3,592*	*3,235*	*2,950*	*0,80%*
Cotton	*19,749*	*19,814*	*20,623*	*20,120*	*21,974*	*24,398*	*25,707*	*26,704*	*24,450*	*22,300*	*1,40%*
Wool	*1,250*	*1,180*	*1,357*	*1,274*	*1,219*	*1,231*	*1,227*	*1,218*	*1,210*	*1,190*	*-0,50%*
Jute	*4,015*	*3,065*	*3,222*	*3,232*	*3,179*	*3,250*	*3,200*	*3,200*	*3,300*	*3,240*	*-2,40%*
Linen	*463*	*588*	*721*	*773*	*751*	*792*	*770*	*780*	*800*	*820*	*6,60%*
Ramie	*130*	*179*	*201*	*269*	*269*	*250*	*250*	*250*	*250*	*250*	*7,50%*
Silk	*86*	*82*	*92*	*97*	*115*	*133*	*145*	*156*	*150*	*150*	*6,40%*
TOTAL	*60,549*	*59,286*	*62,838*	*64,131*	*68,556*	*71,357*	*75,872*	*80,423*	*76,035*	*75,500*	*2,50%*
acrylic share / total textile fibers	*4,40%*	*4,30%*	*4,40%*	*4,20%*	*4,00%*	*3,70%*	*3,30%*	*3,00%*	*2,50%*	*2,70%*	
acrylic share / total synthetic fibers	*8,30%*	*8,10%*	*8,10%*	*7,50%*	*7,20%*	*6,90%*	*6,10%*	*5,50%*	*4,50%*	*4,50%*	

Substitutes compete with price differentiation, Preference of acrylic fiber is sustained until price difference is 0,50-0,70 US$/kg.

COST STRUCTURE OF ACRLYIC FIBER

The key cost component is the raw material Acrylonitrile

- Acrlyonitrile prices fluctuates depending on the oil prices and the demand - supply balance;
- Approximately 65% -70% of the production costs come from ACN;
- Currently ACN prices are around 2,300 US$/ton
- 30% of ACN locally sourced from PETKIM, The rest is heavily imported from Europe .

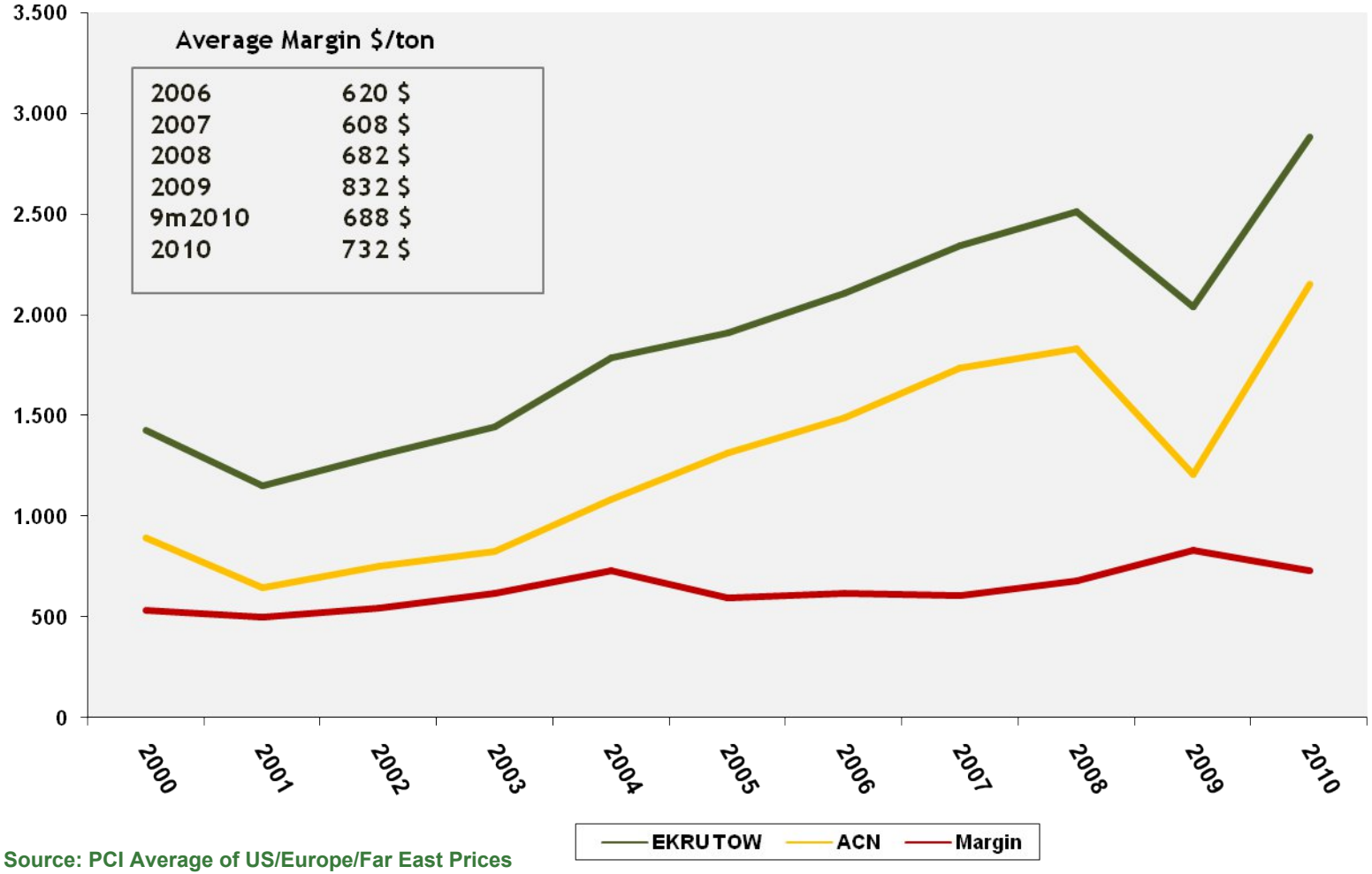
The other important cost component is "The Energy",

- Continously improving energy specific consumption through investments;
- New power generation plant will decrease energy costs by 40%.

Labor Costs

- High rate of production per capita;
- Low labor rate compared to European competitors.

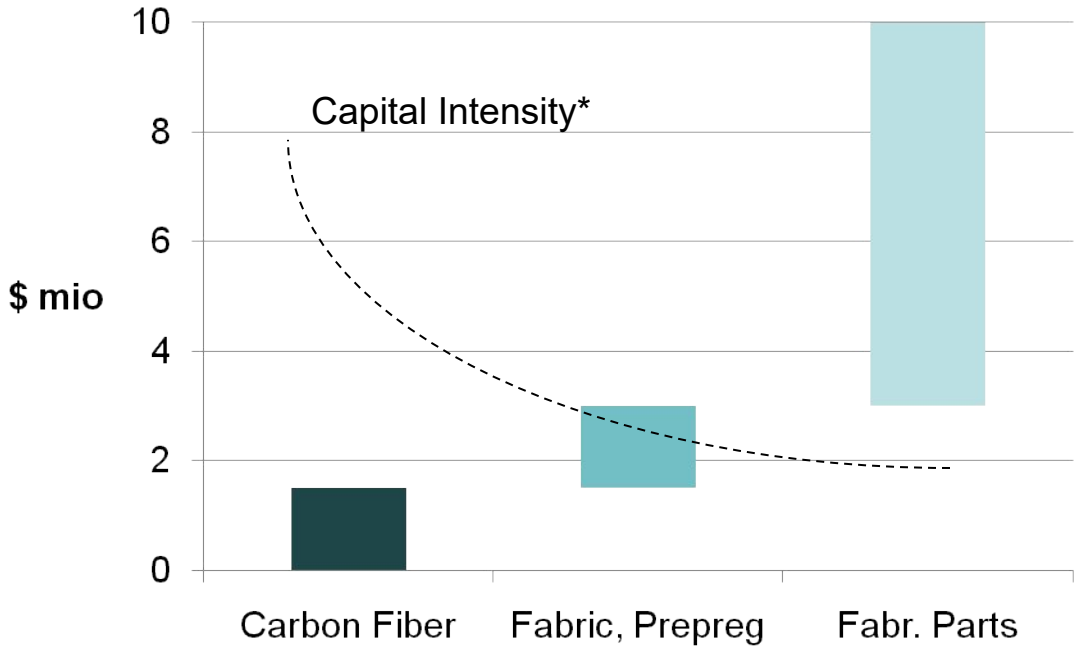
ECRU TOW - ACN PRICE MARGIN (US$/ton)



Source: PCI Average of US/Europe/Far East Prices

CARBON FIBER BUSINESS UNIT

CARBON FIBER, COMPOSITE MATERIALS & COMPOSITES IS A $10 BILLION INDUSTRY



Facilities Required:
Precursor Facility
Carbonization Facility

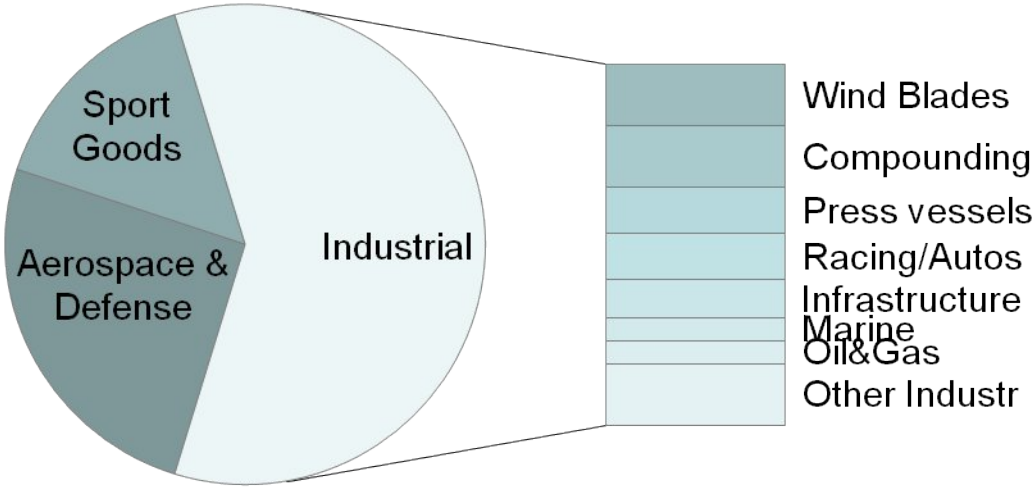
Facilities Required:
Weavers/Looms, Prepreg Lines

Facilities Required:
Fabric Layup
Curing Equipment

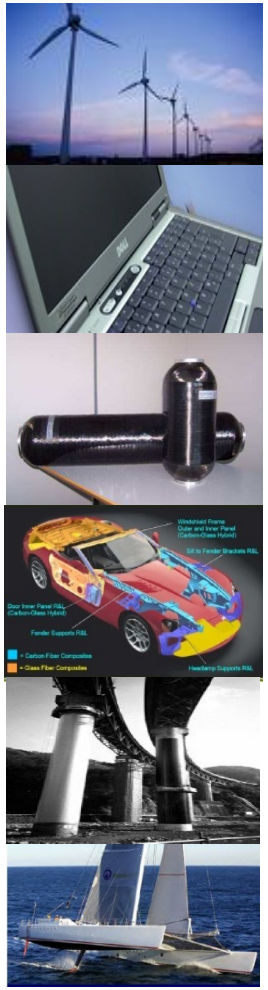
*Investment required in technology and production facilities,

USES / CURRENT MARKET FOR CARBON FIBER

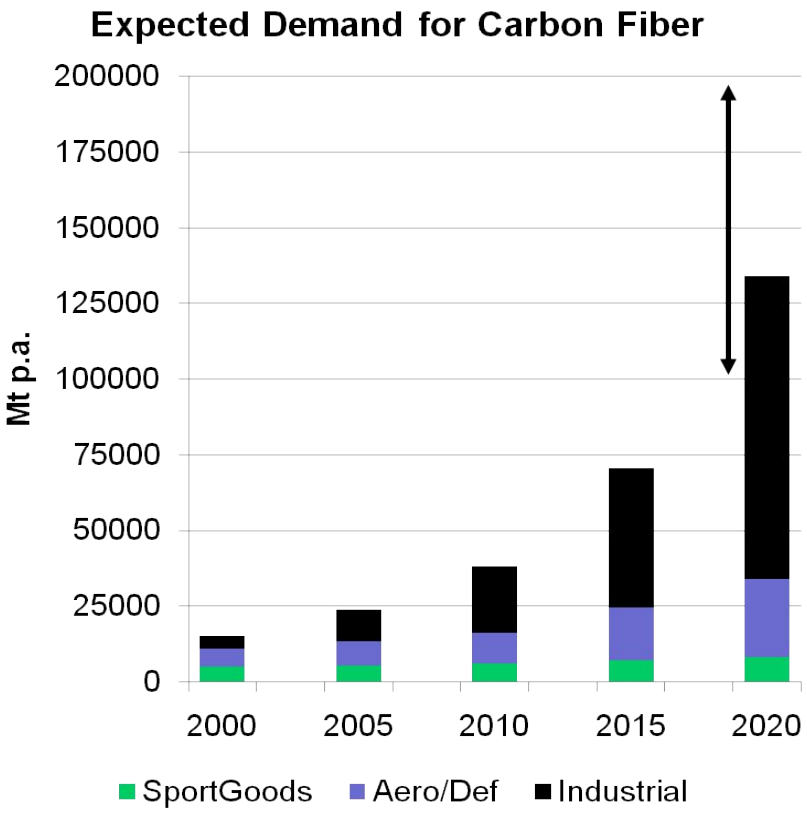
Current Demand for Carbon Fiber
< 40.000mt p.a.; > US$1B



AKSA is targeting Industrial Applications



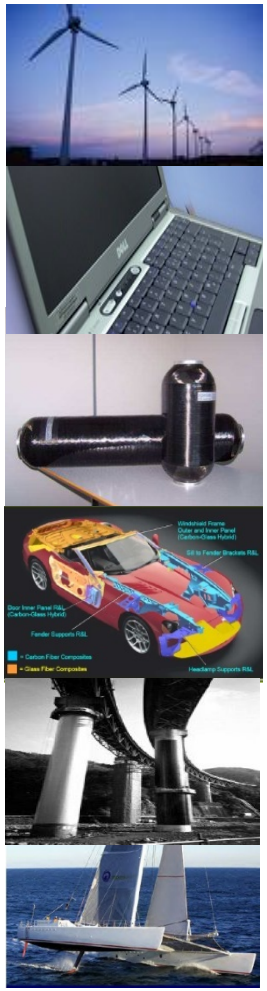
EXPECTED GROWTH IN DEMAND FOR CARBON FIBER



Overall Demand for Carbon Fiber in 10 years is expected to be 3 to 6 times what it is today (100,000-200,000mt or more),

Industrial Applications are expected to make up the majority of future demand.

AKSA is targeting to supply industrial applications.



Industrial Apps 2010 vs 2020:

Wind:
5,000t → 15,000-50,000t

Compounding:
5,000t → 15,000-50,000t

Pressure Vessels:
3,000t → 15,000-50,000t

Autos:
2,500t → 20,000-100,000t

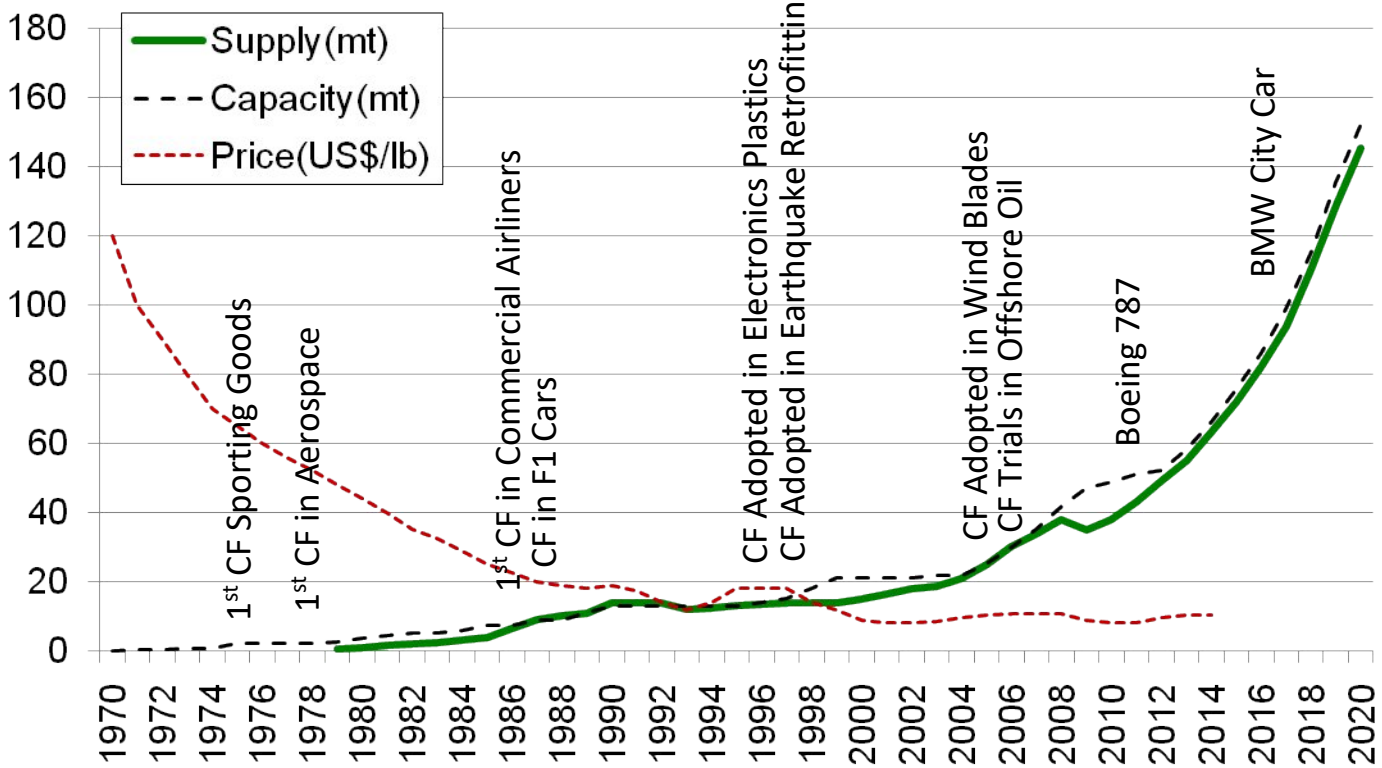
Infrastructure:
2,000t → 5,000-25,000t

Others:
5,000t → 15,000-50,000t

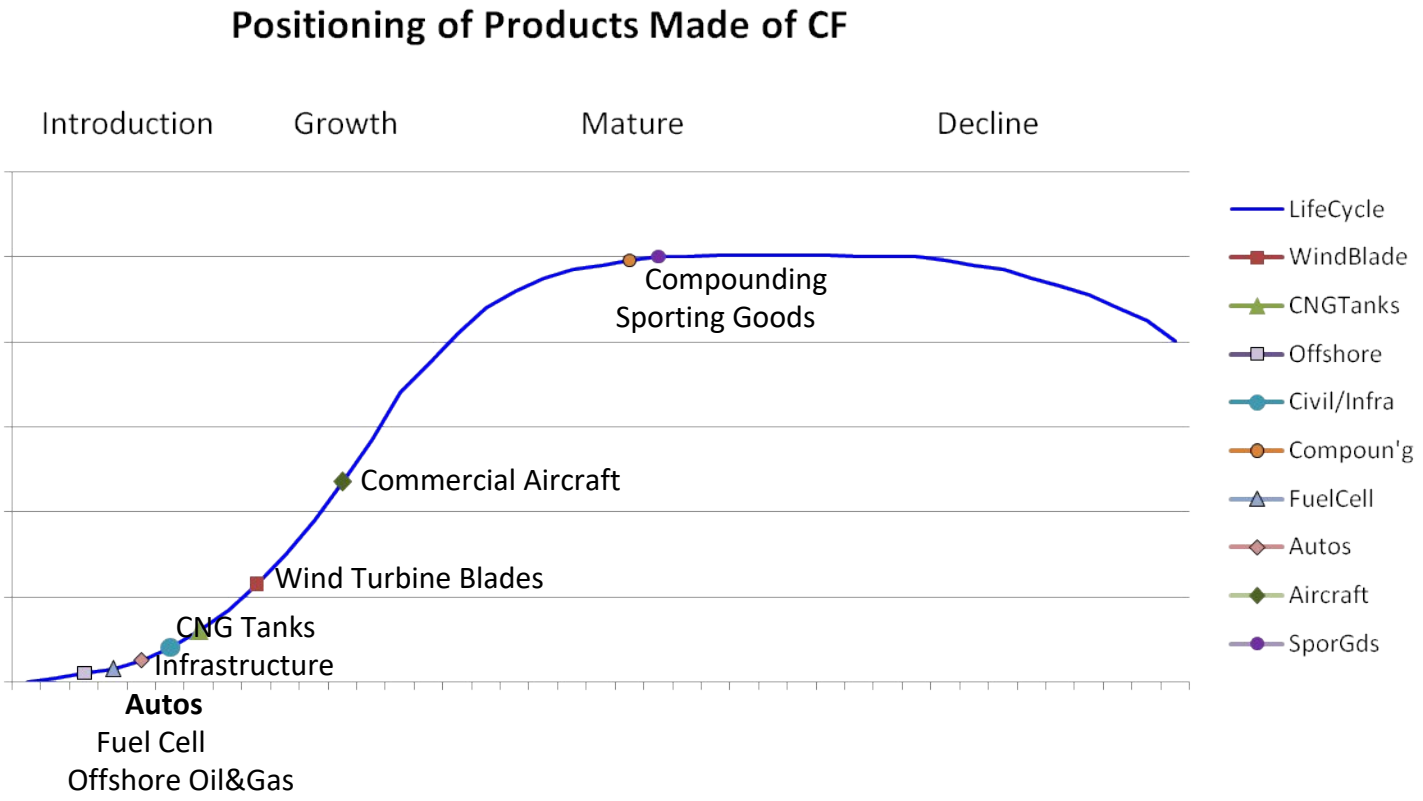
Sports Goods 2010 vs 2020:
7,000t → 10,000-15,000t

Aerospace Apps 2010 vs 2020:
8,000t → 25,000-30,000t

GROWTH IN DEMAND FOR CARBON FIBER OVER 50 YEARS FROM 1970-2020



MOST APPLICATIONS OF CARBON FIBER ARE JUST BEGINNING ON THE PRODUCT LIFE CYCLE



Source: CF Conf – Dec 2009 – Lucintel Presentation

MILESTONES FOR AKSACA

2006

- Investments began for the production of carbon fiber,

2008

- Aksa worked on laboratory-scale carbon fiber system precursor and carbon fiber development and experimentation,
- Installations and start-up for the pilot carbon fiber plant that will be working at a 34 ton/year capacity have been completed.

2009

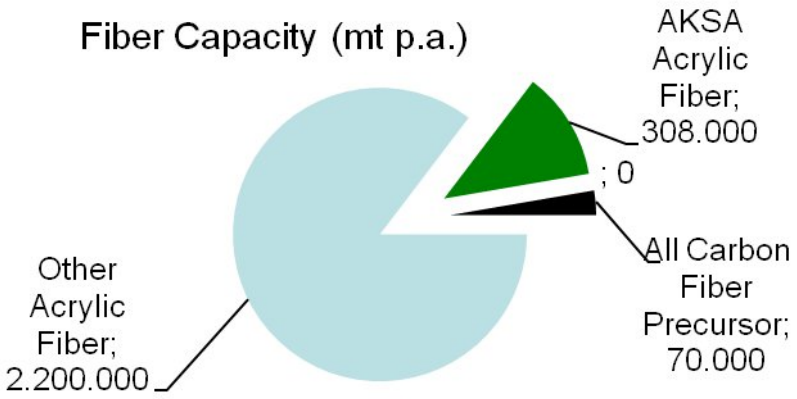
- Commissioned its 1,500 tpa capacity carbon fiber production plant and realized the first commercial sale in Q4 2009.
- Total investment is US$85 million, US$50 million of which has been financed through long-term loan.

2010

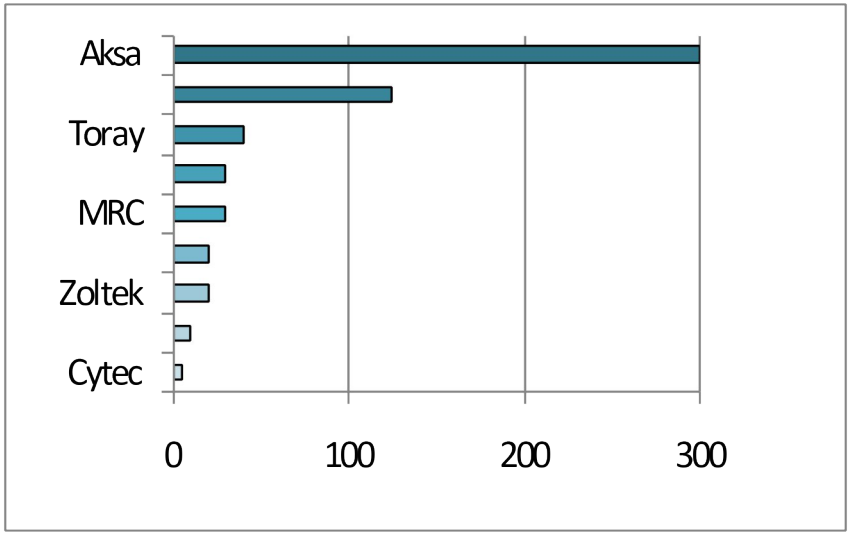
- We have publicly announced the investment for the second line on Carbon Fiber. It is going to be a 1,700 tpa line and the planned capex is M'USD65. Also our existing line's nameplate capacity was 1,500 tpa and we are also going to de-bottleneck this line with a capex of M'USD7. This existing line will also reach the 1,800 tpa capacity when we complete the process.

AKSA'S POTENTIAL STRENGTH IN CARBON FIBER

Having the world's largest capacity for acrylic fiber production under a single roof, AKSA's infrastructure is unmatched by any carbon fiber producer.



Acrylic Fiber and Precursor Capacity of Carbon Fiber Producers (000mt)



AKSA is uniquely positioned to offer high quality, reliably supplied, competitively priced carbon fiber.

COST STRUCTURE OF CARBON FIBER

- Capital Intensive – Initial capital cost of a precursor and carbon fiber production facility is very high, depreciation is significant.
- Half of cost is linked to the price of oil – Acrylonitrile and the energy to convert and process it into carbon fiber.
- AKSA's Advantages in Yalova;
  - Well facilitized and operated acrylic fiber factory,
  - Large scale facility (300,000t),
  - Technically oriented workforce,
  - Low cost labor.

AKSA'S TARGET IN CARBON FIBER

- Entered the carbon fiber market with "standard grade" small-tow products;
- Targeting industrial applications where high quality, reliably supplied; competitively priced carbon fiber is wanted;
- Intending to further develop our portfolio of products over time;
- Support the increased use of carbon fiber based composites in Turkey;
- Aiming to achieve a strong position in carbon fiber as in acrylic fiber.

ENERGY BUSINESS UNIT

OUR ENERGY IS INCREASING...

• In 2008, in an effort to reduce energy costs and to increase competitive power, Aksa had been looking into alternative power production methods.

• Aksa acquired 70,04 MWe capacity power production plant from Akenerji.

• Aksa ventured out in the last quarter of the year with a new investment in this area, obtaining a license for 100 MWe capacity production facility running on a fuel system that uses alternative blends.

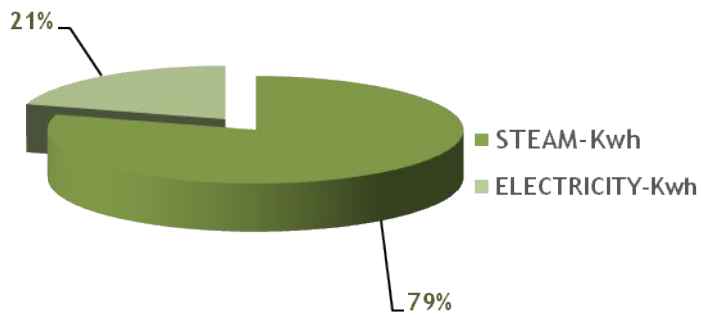
• Increased its total energy production capacity to 170 Mwe. The budget set aside for this investment is US$135 million.

• Aksa has signed US$100 Million long-term loan agreement for the project.

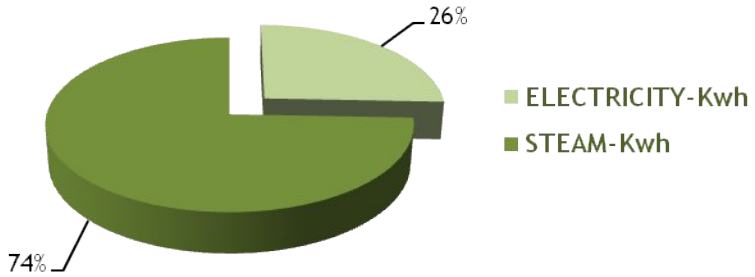
• The new power plant is expected to be commissioned by 2011 . By this investment Aksa will save up to 40% on energy costs compared to year 2008.

ENERGY PRODUCTION & TURNOVER

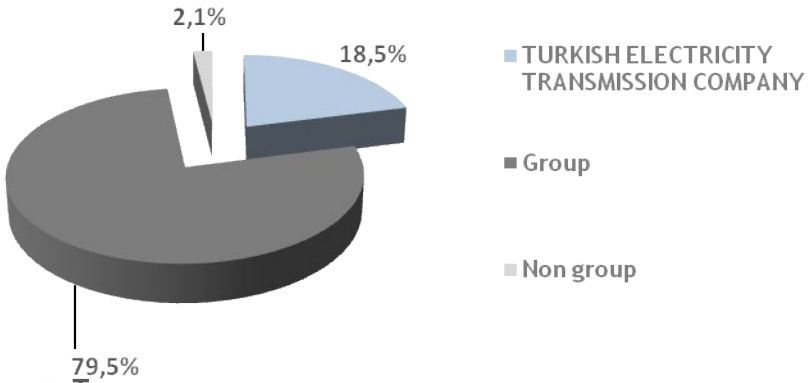
PRODUCTION (2010 Jan-Nov) KWH



PRODUCTION (2009) KWH

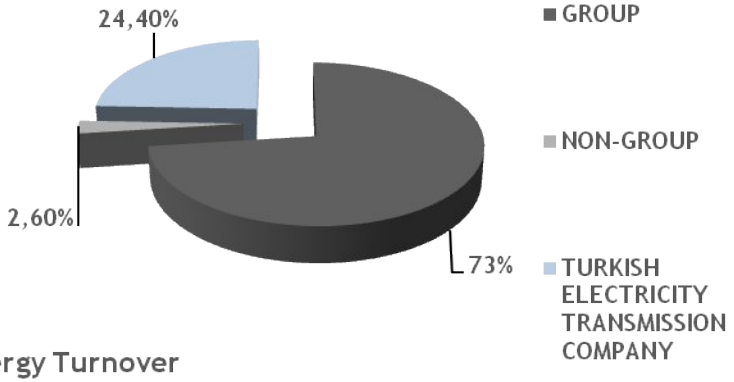


ENERGY TURNOVER (2010 Jan-Nov)



Energy Turnover
US$ 31,2 million

ENERGY TURNOVER (2009)



Energy Turnover
US$ 22,6 million

LONG-TERM MAIN STRATEGIC GOALS (2015)

- Generate at least US$1,1 billion sustainable revenue in its Strategic Business Areas,

- Achieve at least 15% EBITDA margin,

- Maintain capacity utilization in Acrylic Fiber Business and low-cost leadership through cost saving projects,

- Target 5% market share in Carbon Fiber in 5 years and 10% market share in 10 years,

- Generate US$120-130 million turnover in Carbon Fiber Business Area in 5 years,

- Achieve at least 30-35% EBITDA margin in Carbon Fiber Business Area,

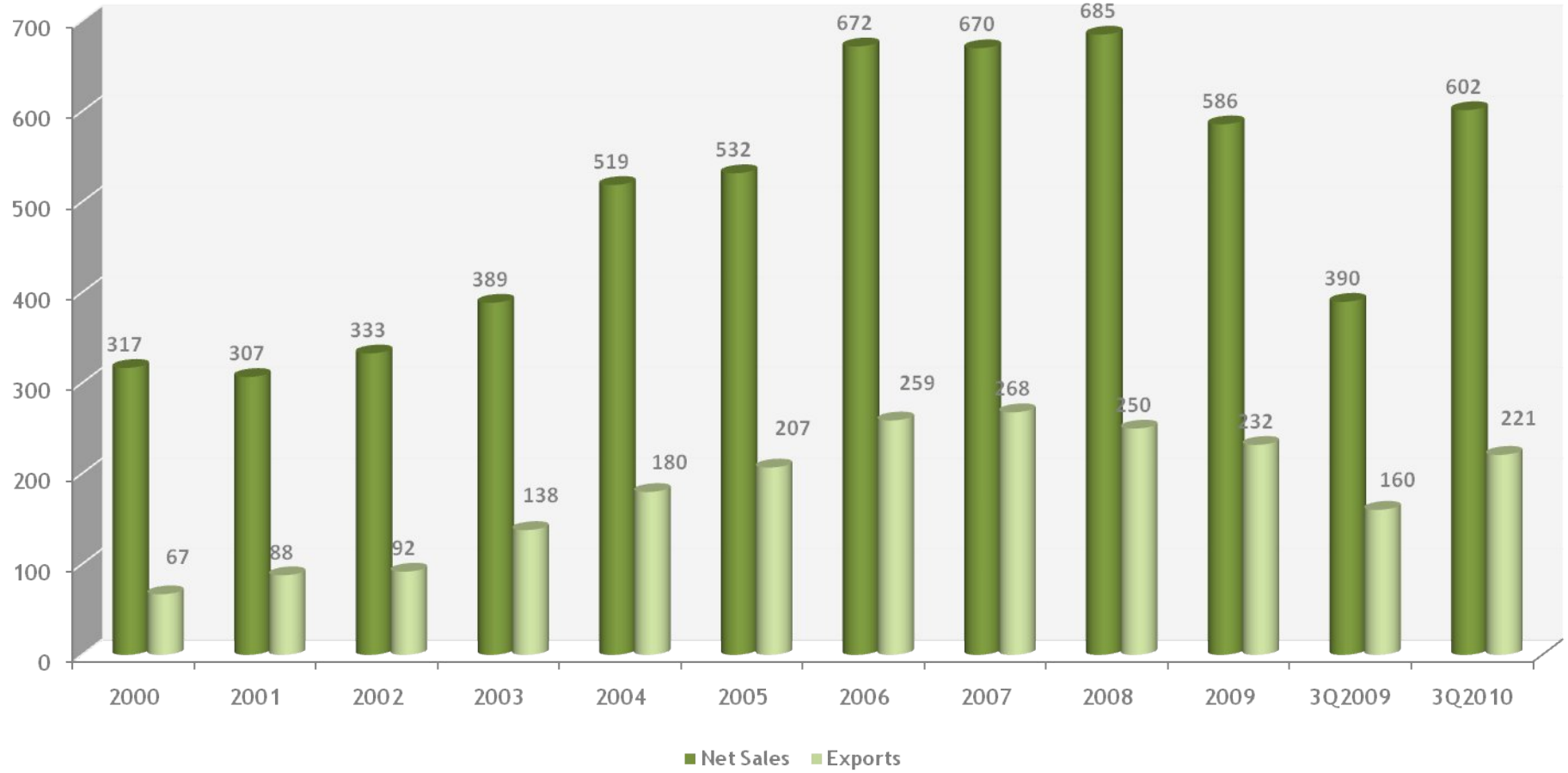
- Develop a downstream industry in Turkey for Carbon Fiber,

- Develop new technical fibers to create added value and end-use areas except textile industry.

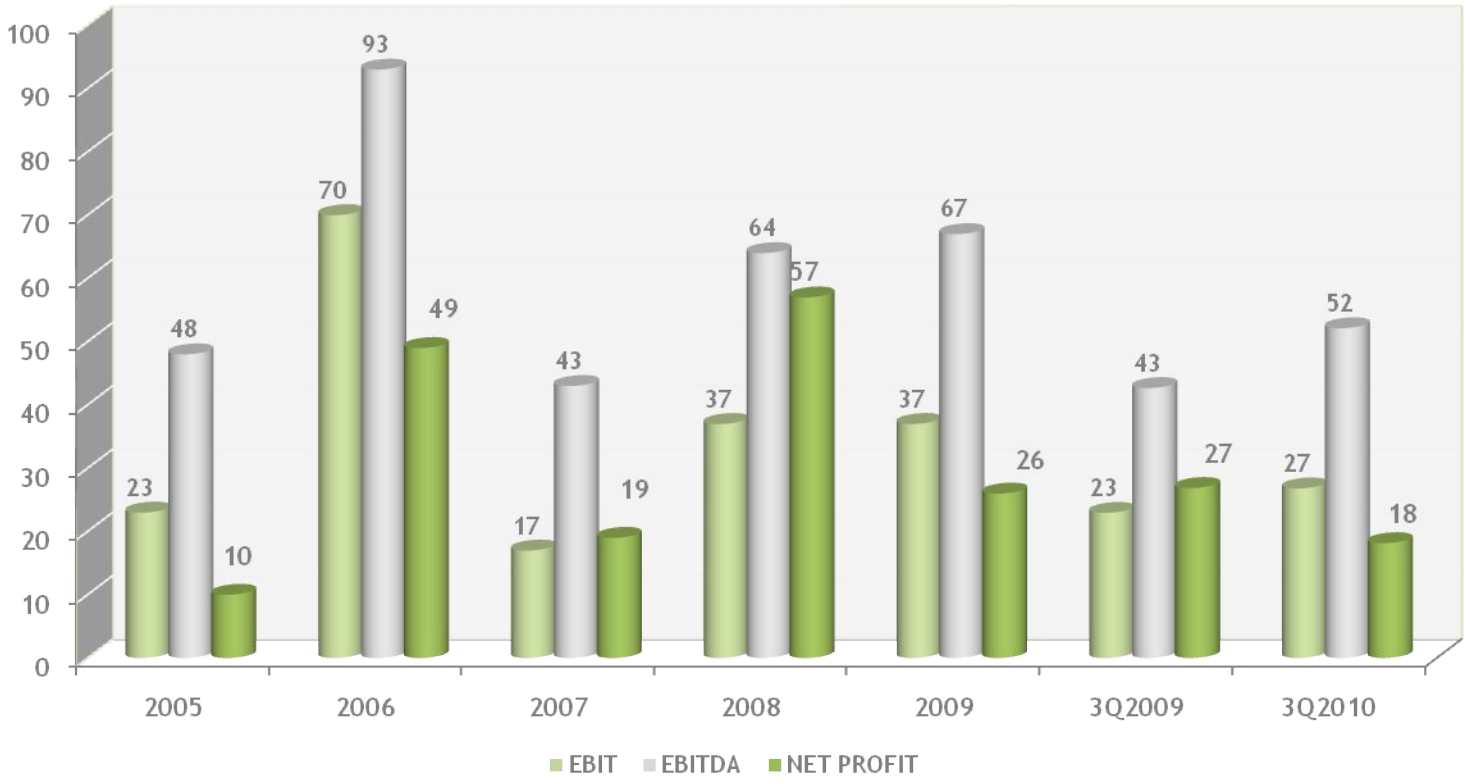
2011 BUDGET FIGURES

Net Sales	US$ 930-960 milllion
AF	US$ 790-805
Technical Fibers	US$ 60-65
CF	US$ 25-28
Energy	US$ 55-62
Exports	US$ 350-375 milllion
AF CUR	%85
EBITDA margin	10%-11%
CAPEX	US$160-170 Million

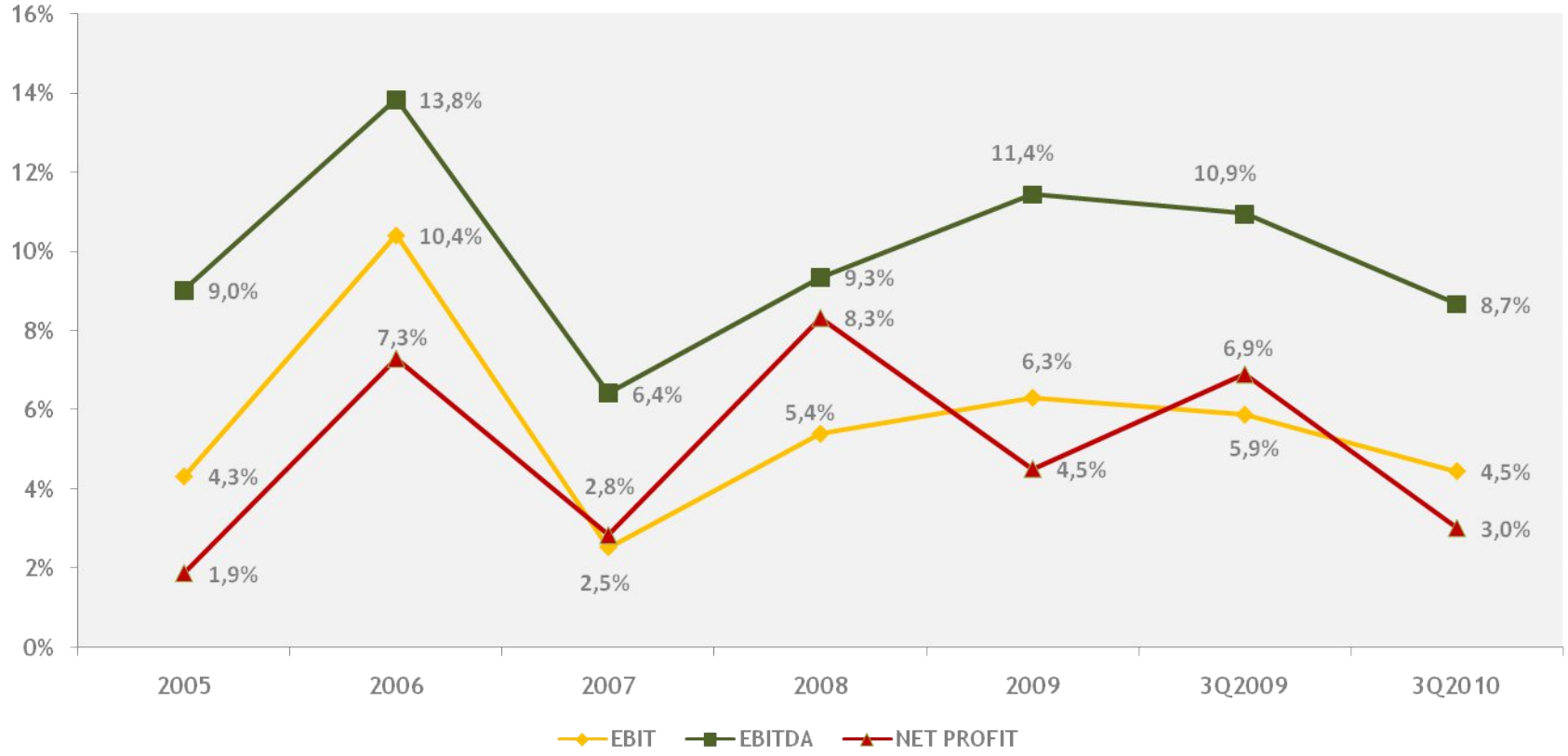
NET SALES & EXPORT (FOB)
(US$ million)



EBIT - EBITDA - NET PROFIT
(US$ million)



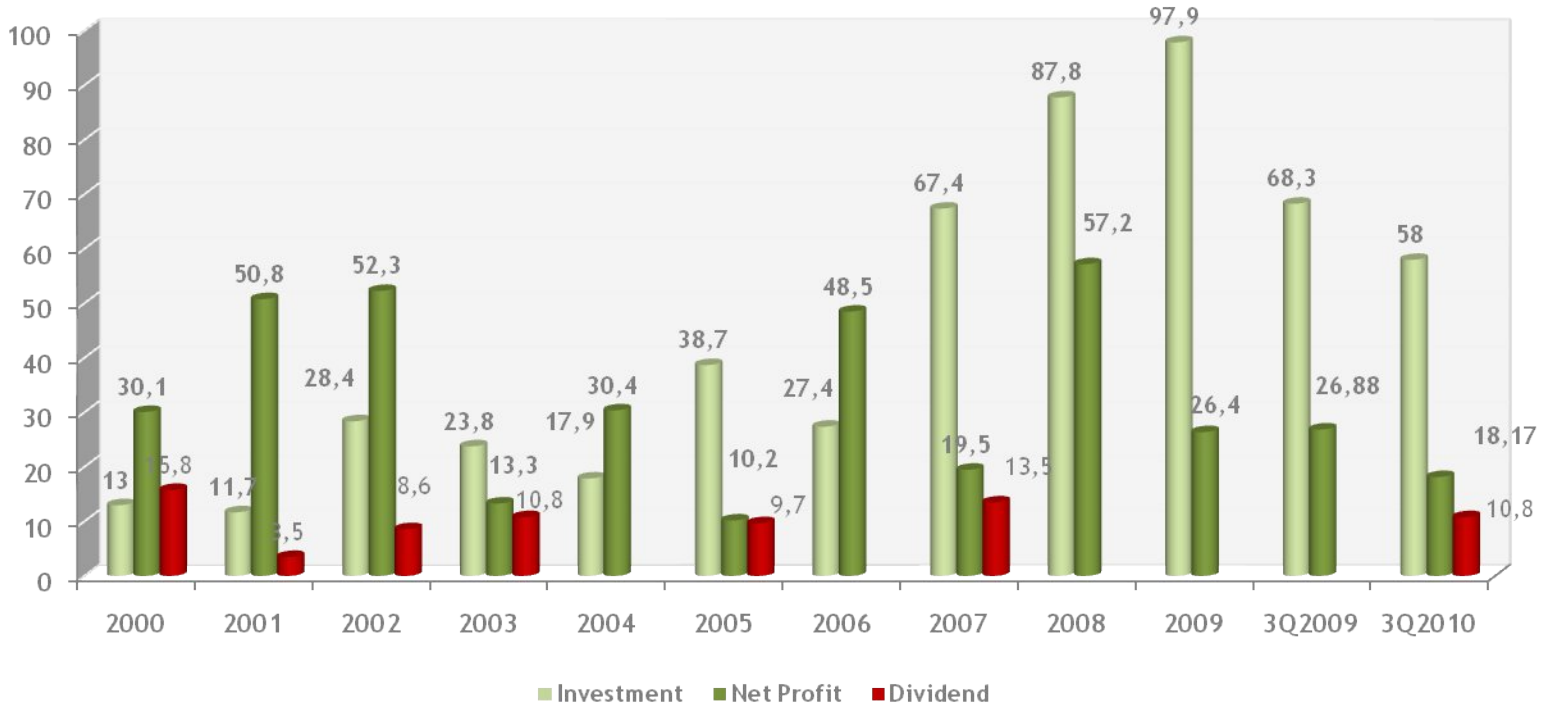
EBIT -EBITDA - NET PROFIT (%)



INVESTMENT-PROFIT-DIVIDEND

2000-2010/09:

- Total Investment : US$ 472,00 million
- Total Net Profit : US$ 356,87 million
- Total Dividend : US$ 72,70 million



AKSA

THANK YOU

YOU IMAGINE, WE PRODUCE

http://www,aksa,com

http :// www,aksaca,com,tr

AKKÖK