



# Arçelik A.Ş.

## 2008, 3rd Quarter Results

# General

- Revenue of TRY 5,09 billion (€ 2,74 billion)
- Sustained high profitability margins despite negative market conditions
- Increasing sales performance in the developing markets
- Continuing development in the consumer electronics business
  - Increase in gross profit and LCD unit sales



Temiz bir dünya için  
akıllı Beko **XL9**  
çamaşır makinesi

A\* Enerji tüketimiyle  
çamaşırınızı da düşünüyor,  
dünyayı da.



9KG  
A+

Koç



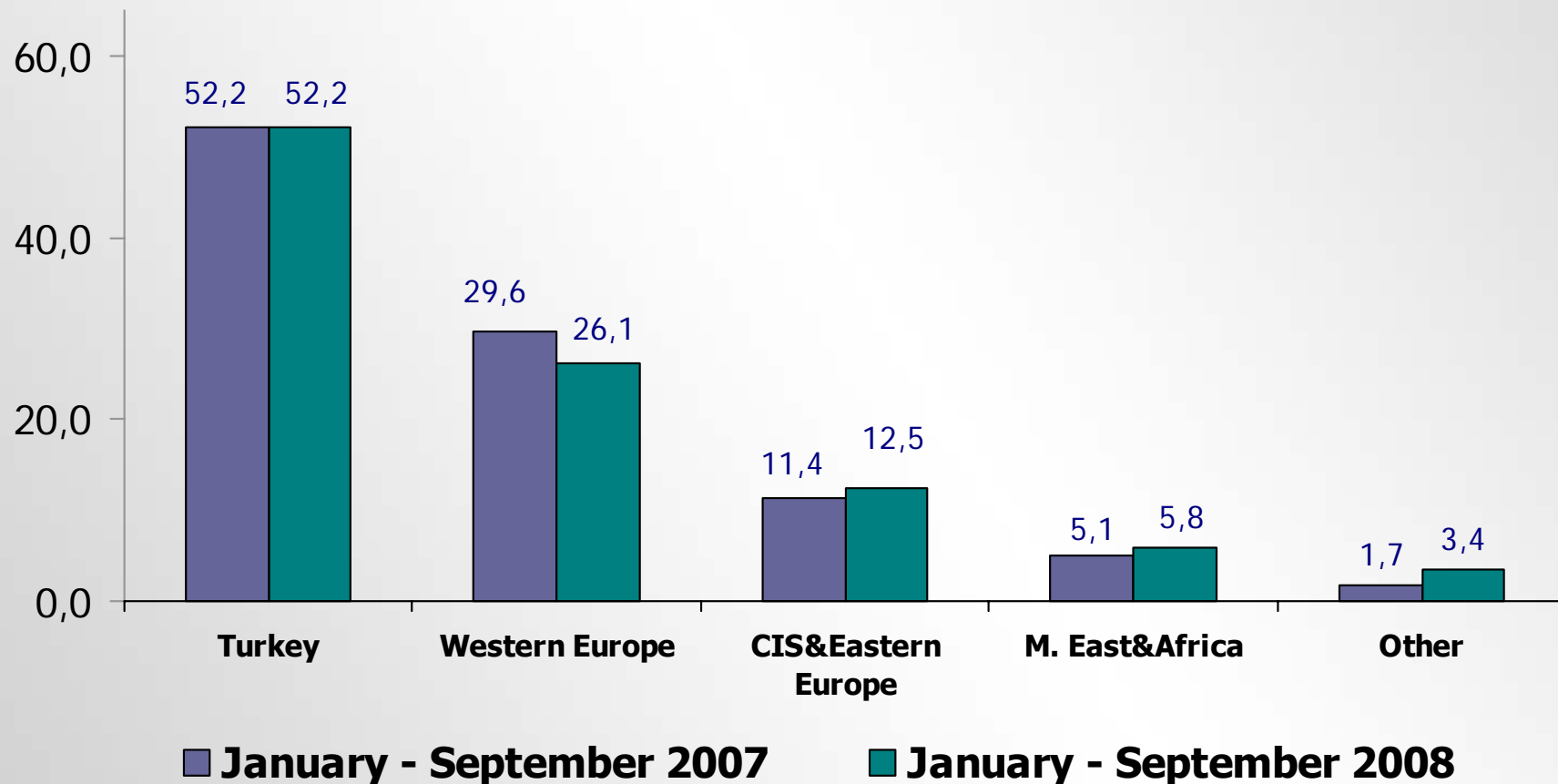
444 1404 www.beko.com.tr

Sales Performance

# White Goods Sales

- Total white goods sales amounted 7,61 billion units, declining by 2,4% YoY
- Arçelik's domestic market share was 54% on average
- Despite the shrinking Western European sales, the international sales continued to increase with the positive performance in the developing countries

# Regional Breakdown of Revenue (%)



# Unit Sales – 5 Main Products

Units ' 000	Q3 2008	Q3 2007	% Change	Jan - Sep 2008	Jan - Sep 2007	% Change
5 MAIN PRODUCTS-TOTAL	2.712	2.757	-1,6	7.609	7.796	-2,4
Refrigerator	1.161	1.185	-2,0	3.042	3.246	-6,3
Washing Machine	698	719	-2,9	2.068	2.176	-5,0
Dishwasher	359	325	10,2	1.123	1.030	9,0
Oven	437	476	-8,2	1.197	1.194	0,3
Dryer	57	51	11,4	179	150	19,1

# TV Sales

Unit '000	Q3 2008	Q3 2007	% Change	Jan - Sep 2008	Jan - Sep 2007	% Change
<b>Total</b>	<b>562</b>	<b>758</b>	<b>-25,9</b>	<b>2.010</b>	<b>2.411</b>	<b>-16,6</b>
<i>CRT</i>	<i>227</i>	<i>485</i>	<i>-53,2</i>	<i>980</i>	<i>1.741</i>	<i>-43,7</i>
<i>LCD</i>	<i>335</i>	<i>274</i>	<i>22,6</i>	<i>1.030</i>	<i>670</i>	<i>53,7</i>
<b>Domestic</b>	<b>178</b>	<b>184</b>	<b>-3,5</b>	<b>627</b>	<b>696</b>	<b>-9,8</b>
<i>CRT</i>	<i>107</i>	<i>158</i>	<i>-32,5</i>	<i>439</i>	<i>622</i>	<i>-29,4</i>
<i>LCD</i>	<i>71</i>	<i>26</i>	<i>174,3</i>	<i>188</i>	<i>74</i>	<i>155,4</i>
<b>International</b>	<b>384</b>	<b>574</b>	<b>-33,0</b>	<b>1.383</b>	<b>1.715</b>	<b>-19,4</b>
<i>CRT</i>	<i>120</i>	<i>326</i>	<i>-63,3</i>	<i>541</i>	<i>1.119</i>	<i>-51,6</i>
<i>LCD</i>	<i>265</i>	<i>248</i>	<i>6,8</i>	<i>842</i>	<i>597</i>	<i>41,1</i>



## Financial Performance



# Main Developments

- **Strong TRY**
  - Negative effect on gross profitability
- **High Raw Material Prices**
  - Full effect of increasing raw material prices at the beginning of the year has been visible in the 3rd quarter
- **Weaker Demand in the Main Markets**
- **Decreasing Panel Prices**
  - TV business has been negatively effected by falling panel prices in Q3

# Income Statement (TRY)

TRY Million	Q3 2008	Q3 2007	% Change	Jan - Sep 2008	Jan - Sep 2007	% Change
Revenue	1.755	1.745	0,6	5.093	5.158	-1,3
Gross Profit <i>margin</i>	476 <i>27,1</i>	445 <i>25,5</i>	7,1	1.419 <i>27,9</i>	1.362 <i>26,4</i>	4,2
EBITDA <i>margin</i>	162 <i>9,2</i>	203 <i>11,6</i>	-20,5	502 <i>9,8</i>	565 <i>11,0</i>	-11,3
EBIT <i>margin</i>	123 <i>7,0</i>	166 <i>9,5</i>	-25,7	381 <i>7,5</i>	452 <i>8,8</i>	-15,7
Net Income <i>margin</i>	0 <i>0,0</i>	66 <i>3,8</i>	-99,6	135 <i>2,7</i>	173 <i>3,4</i>	-22,0

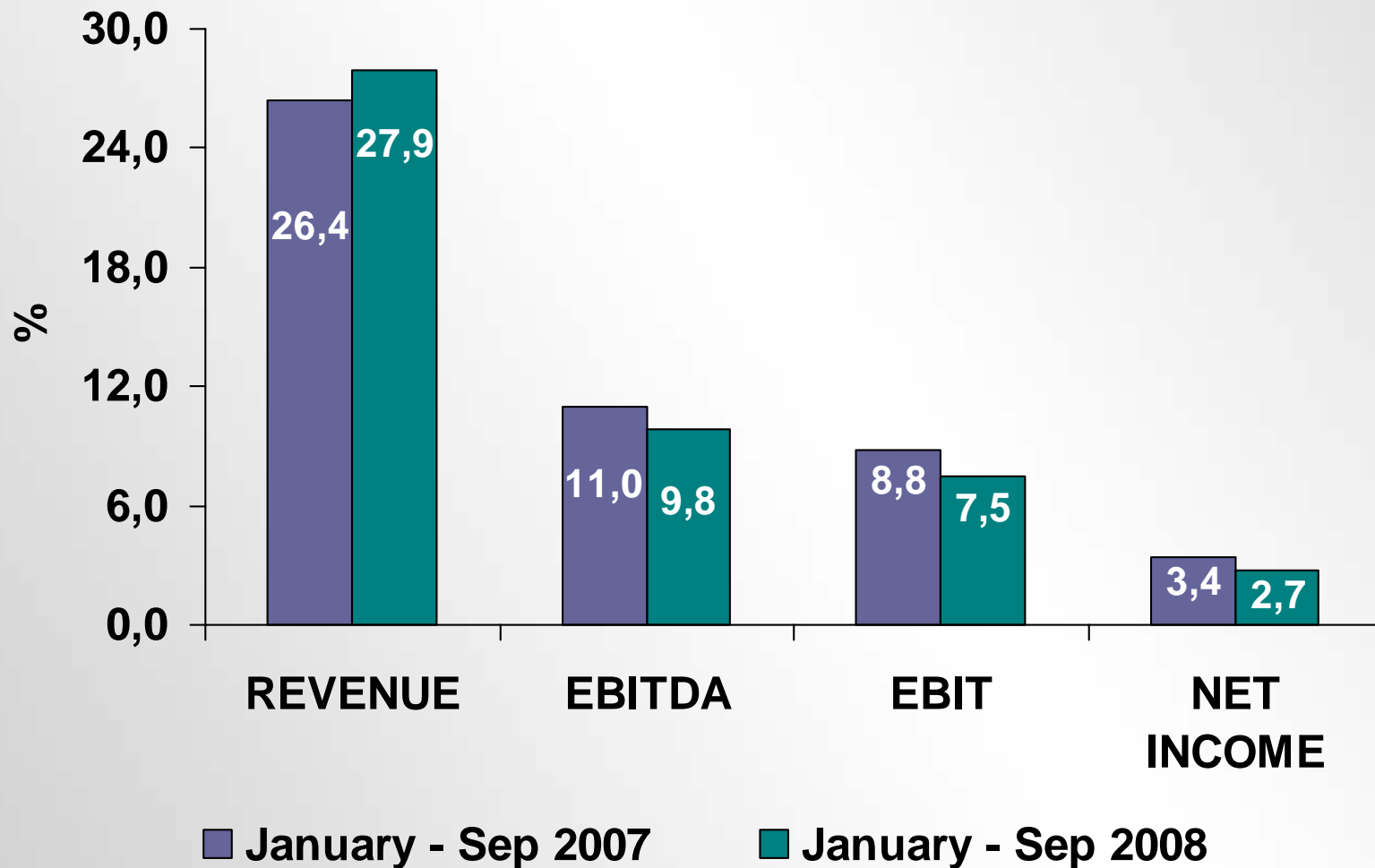
# Income Statement (€)

€ Million	Q3 2008	Q3 2007	% Change	Jan - Sep 2008	Jan - Sep 2007	% Change
Revenue	965	991	0,6	2.743	2.868	-4,4
Gross Profit	262	253	3,7	764	757	0,9
<i>margin</i>	<i>27,1</i>	<i>25,5</i>		<i>27,9</i>	<i>26,4</i>	
EBITDA	89	115	-22,6	270	314	-14,1
<i>margin</i>	<i>9,2</i>	<i>11,6</i>		<i>9,8</i>	<i>11,0</i>	
EBIT	68	94	-27,7	205	251	-18,3
<i>margin</i>	<i>7,0</i>	<i>9,5</i>		<i>7,5</i>	<i>8,8</i>	
Net Income	1	37	-97,5	73	96	-24,4
<i>margin</i>	<i>0,0</i>	<i>3,8</i>		<i>2,7</i>	<i>3,4</i>	

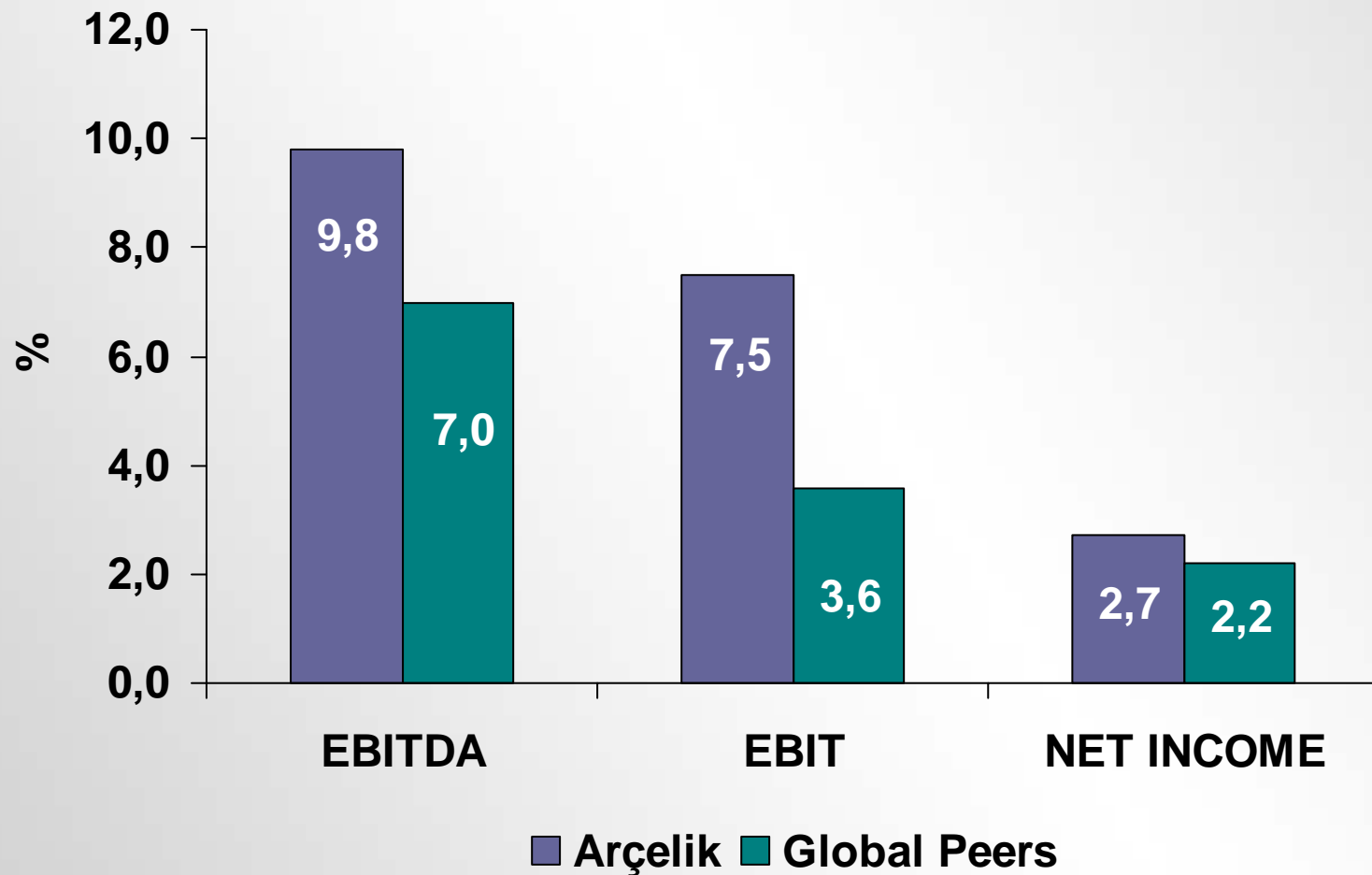
# Revenue (TRY)

TRY Million	Q3 2008	Q3 2007	% Change	Jan - Sep 2008	Jan - Sep 2008	% Change
Revenue	1.755	1.745	0,6	5.093	5.158	-1,3
<i>Gross Profit %</i>	<i>27,1</i>	<i>25,5</i>		<i>27,9</i>	<i>26,4</i>	
<i>White Goods Revenue</i>	<i>1.122</i>	<i>1.141</i>	<i>-1,6</i>	<i>3.191</i>	<i>3.274</i>	<i>-2,5</i>
<i>Gross Profit %</i>	<i>33,2</i>	<i>31,2</i>		<i>33,7</i>	<i>33,0</i>	
<i>Electronics Revenue</i>	<i>305</i>	<i>324</i>	<i>-5,7</i>	<i>997</i>	<i>986</i>	<i>1,1</i>
<i>Gross Profit %</i>	<i>16,6</i>	<i>13,1</i>		<i>19,9</i>	<i>13,9</i>	
<i>Other</i>	<i>328</i>	<i>281</i>	<i>16,8</i>	<i>905</i>	<i>897</i>	<i>0,9</i>
<i>Gross Profit %</i>	<i>16,0</i>	<i>16,4</i>		<i>16,2</i>	<i>16,1</i>	

# Profitability Ratios



# Margin Comparison – January-September 2008



# Balance Sheet

€ Million	30.09.2008	31.12.2007
<b>Size of Balance Sheet</b>	<b>3.891</b>	<b>3.816</b>
Trade Receivables	1.580	1.439
Inventory	690	647
Property, Plant and Equipmet-Net	671	705
Trade Payables	486	421
Financial Debt	1.844	1.796
Minority Interest	30	17
Total Equity	1.192	1.255

# Key Ratios

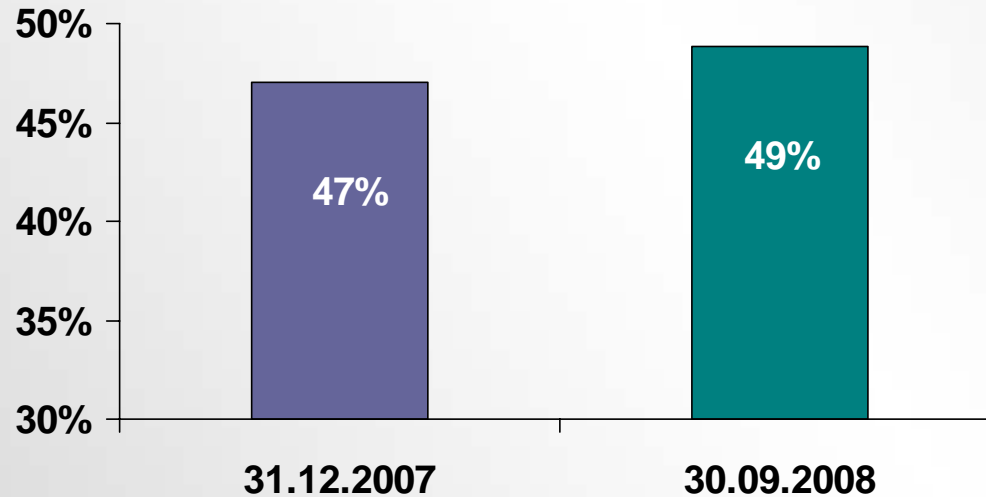
	30.09.2008	31.12.2007
Current Ratio	1,35	1,31
Leverage (%)	69	67
S/T Fin. Debt / Total Fin. Debt	0,61	0,68
Total Financial Debt / Equity	1,55	1,43



# Working Capital

TRY Million	FX Basis	TRY Basis	Total	TRY Million	FX Basis	TRY Basis	31.12.2007
S/T Trade Receivables	980	1.846	2.826	S/T Trade Payables	350	471	820
Other Receivables	13	31	44	Other Payables	52	32	84
Inventory	433	807	1.240	<b>Working Capital</b>	1.025	2.180	<b>3.205</b>

## Working Capital/Sales



# Cash Flow

€ Million	30.09.2008	30.09.2007
<b>Begining Balance</b>	<b>163</b>	<b>161</b>
Net Operational Cash Flow	182	-18
CapEx (Net)	-134	-125
Dividend Paid	-54	-113
Other Financial Operations	-155	-120
Changes in Cash	-161	-376
Changes in Financial Borrowings	124	400
<b>Ending Balance</b>	<b>126</b>	<b>185</b>



## Expectations & Financial Risks

# Expectations

- **Sales**

- 2008 to be around 2007 levels
- So far, Q4 was better than Q4 2007 especially in Western Europe

- **EBITDA**

- 2008 to be around 2007 level despite short-term negative impact of the consolidation of the Grundig Multi Media
- Weaker TRY will positively effect the profitability of international sales
- The positive impact of depreciating TRY will be even stronger in electronic business
- Recent downward trend in raw material prices will have a positive effect, especially starting from Q1' 2009

# Financial Risk Management - I

- **Credit Risk**

- Conservative approach will continue
- Major part of trade receivables are covered by bank guarantees, credit insurance and property mortgages
- There is no change in NPL level, still around historic low territory

- **Liquidity**

- Leverage ratio to stay lower, current ratio to stay higher than industry average
- Consolidated 60 days Acid-Test ratio will continue to be around 1
- Liquidity will continue to be kept in the most liquid assets

# Financial Risk Management - II

- **Currency Risk**

- Conservative approach will continue
- Consolidated exposure vs TRY will stay between (+,-) 5% of the consolidated equity

- **Financial Debt Level**

- No change in 70% TRY – 30% FX breakdown
- Total TRY based financial debt in Q4 will be stable around Q3 levels
- Level of financial debt will have a downward trend in 2009
- The Cap-ex will decline due to the high value added investments carried out in 2007-2008

# New Products & Awards

# New Products & Awards

- Divide and Cool (DAC), the Cooling Technology
  - Silent, no vibration
  - Stable inner cabinet temperature
  - Maximum built-in cooling space ever offered

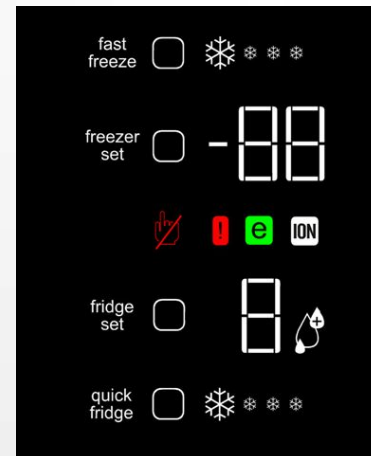




# New Products & Awards



- A++ energy efficiency
- Touch-button electronic display



# New Products & Awards



- 8 kg – XL capacity by BEKO
- Up to 30% shorter duration for standard programmes
- A++ (20% less than A level) energy consumption

# New Products & Awards



The advertisement features a central image of a washing machine drum containing a globe of the Earth, symbolizing global cleanliness. To the right, a small image of the Beko XL9 washing machine is shown. The text is in Turkish, highlighting the machine's 9kg capacity and A+ energy efficiency.

Temiz bir dünya için  
akıllı Beko **XL9**  
çamaşır makinesi

A\* Enerji tüketimiyle  
çamaşırlarınızı da düşünüyor,  
dünyayı da.

**9KG**  
**A+**

**BEKO**  
dünya markası

444 1404 www.beko.com.tr

Koç

- 9 kg – XL Washing Capacity

# New Products & Awards

- Red Dot Design Award Vacuum Cleaner



# New Products & Awards

- Zero energy consumption on stand-by mode
- 37 "
- Perfect sound performance



# New Products & Awards

- When reached out to the screen, the TV recognizes thje movement and control keys become visible
- CES ve IF Design Awards
- Excellent Picture with Full HD combined with
- Motion Compensation Technology



# New Products & Awards

- Interactive Hotel TV
- HDMI Input for full digital HD connection
- Digital clock on the front panel
- Ability to connect with bathroom speakers



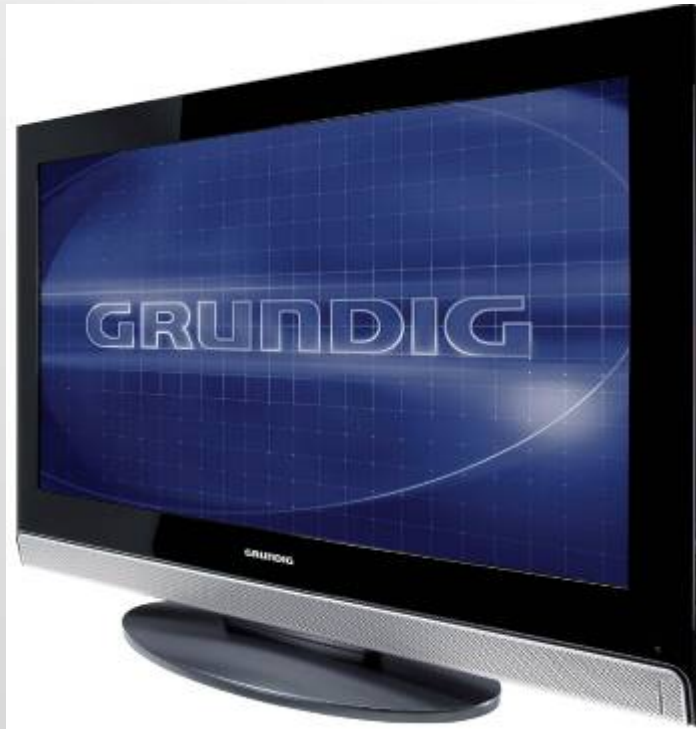
# New Products & Awards

- First in the world
- Excellent picture with Full HD & 100 Hz combined with Motion Picture Improvement
- 4 HDMI Inputs for full digital HD connection
- 4 different customized sound solutions
- Easy use integrated digital TV with single OSD for digital and analog channels





# New Products & Awards



- International Awards (CES, IF)
- 50% less energy consumption and stand-by energy consumption less than 0,1
- Dynamic Contrast Plus



# New Products & Awards



- Treble speakers protected from the acoustic pressure of bass vibration by the special design
- Stand-up mounting and ceiling suspension
- Nominal output/music output 120 watts/180 watts

[www.arcelikas.com](http://www.arcelikas.com)

**Contacts for Investor Relations**

**M. Türkay Tatar**

*Finance Director*

Tel: (+90 212) 314 31 84

turkay.tatar@arcelik.com

**Dr. Fatih Kemal Ebiçliođlu**

*CFO*

Tel: (+90 212) 314 34 34

fatih.ebiclioglu@arcelik.com

# Disclaimer

This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Arçelik nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.