

# Arçelik Group

## 2010 Financial Results

- Results are broadly in line with expectations
- Balanced development in “net sales / market share /profitability” parameters
- Positive expectations for 2011
- Raising sustainable margin guidance

## ➤ **Sales Performance**

- Financial Performance
- Long Term Sustainable Margin Guidance
- 2011 Expectations

# REVENUE and GROSS PROFIT

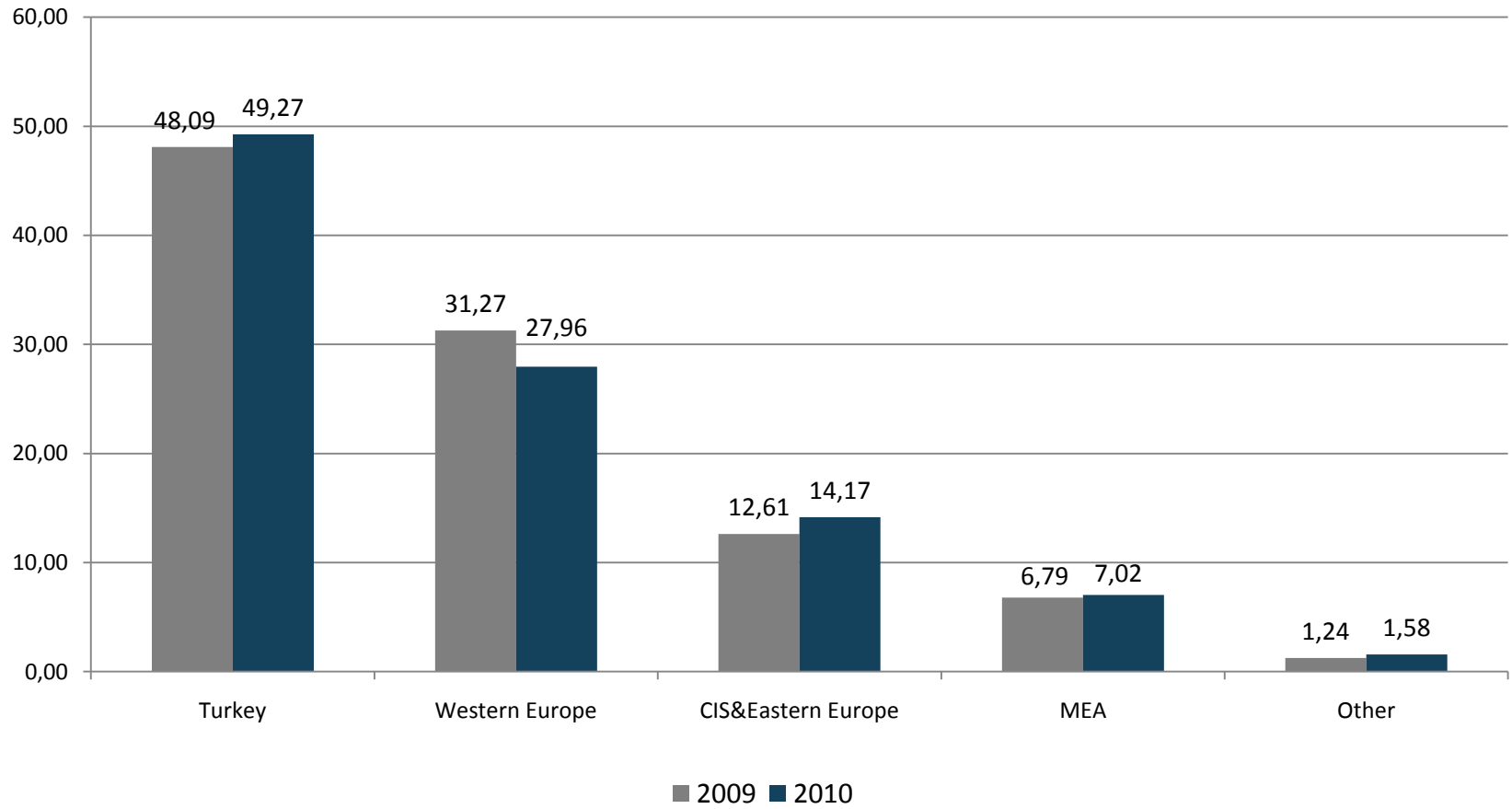
TL Million	2010	2009	Δ%
Revenue	6.936	6.592	5,2
<i>Gross Profit %</i>	<i>29,8</i>	<i>33,0</i>	
<i>White Goods Revenue</i>	<i>4.392</i>	<i>4.303</i>	<i>2,1</i>
<i>Gross Profit %</i>	<i>36,1</i>	<i>40,2</i>	
<i>Electronics Revenue</i>	<i>1.256</i>	<i>1.209</i>	<i>3,8</i>
<i>Gross Profit %</i>	<i>20,8</i>	<i>21,7</i>	
<i>Other Revenue</i>	<i>1.289</i>	<i>1.080</i>	<i>19,4</i>
<i>Gross Profit %</i>	<i>17,0</i>	<i>16,9</i>	

Volume, price/mix: + 9,1%  
Currency: - 3,9%

## REGIONAL BREAKDOWN OF REVENUE - I

TL Million	<b>2010</b>	<b>2009</b>	<b>Δ%</b>
Total Revenue	6.936	6.592	5,2
Turkey	3.417	3.170	7,8
International	3.519	3.422	2,8
<i>International (in million €)</i>	<i>1.769</i>	<i>1.591</i>	<i>11,2</i>

# REGIONAL BREAKDOWN OF REVENUE – II



# TOTAL SALES UNITS

	White Goods		LCD TV		A/C	
Units ' 000	2010	2009	2010	2009	2010	2009
Turkey	3.690	3.353	535	393	339	238
International	8.244	7.730	1.262	1.126	436	311
<b>Total</b>	<b>11.934</b>	<b>11.083</b>	<b>1.797</b>	<b>1.519</b>	<b>775</b>	<b>549</b>

$\Delta\%$ (2010 / 2009)	White Goods	LCD TV	A/C
Turkey	10,1	36,1	42,4
International	6,6	12,1	40,2
<b>Total</b>	<b>7,7</b>	<b>18,3</b>	<b>41,2</b>

\* White Goods : Refrigerator, Washing Machine, Dishwasher, Oven, Cooker, Dryer

➤ Sales Performance

➤ **Financial Performance**

➤ Long Term Sustainable Margin Guidance

➤ 2011 Expectations



# INCOME STATEMENT

TL Million	2010 (*)	2009 (*)	Δ % (*)	2010	2009
Revenue	6.936	6.592	5,2	6.936	6.592
Gross Profit	2.068	2.174	-4,9	2.068	2.174
<i>margin</i>	<i>29,8</i>	<i>33,0</i>		<i>29,8</i>	<i>33,0</i>
EBITDA	790	868	-9,0	830	931
<i>margin</i>	<i>11,4</i>	<i>13,2</i>		<i>12,0</i>	<i>14,1</i>
EBIT	598	686	-12,9	638	749
<i>margin</i>	<i>8,6</i>	<i>10,4</i>		<i>9,2</i>	<i>11,4</i>
Net Income	511	433	17,9	549	503
<i>margin</i>	<i>7,4</i>	<i>6,6</i>		<i>7,9</i>	<i>7,6</i>

\* Excluding one-off items

# BALANCE SHEET

TL Million	2010	2009	2010	2009	
Current Assets	4.748	4.158	Current Liabilities	2.342	3.180
Cash and Cash Equivalents	1.317	905	ST Financial Liabilities	839	1.924
Trade Receivables	2.325	2.233	Trade Payables	969	762
Inventories	988	907	Provisions	205	205
Other	119	113	Other	328	289
Non-current Assets	2.573	2.269	Non-current Liabilities	1.572	503
Property, Plant and Equipment	1.252	1.244	LT Financial Liabilities	1.218	188
Financial Investments	795	525	Other	354	315
Other	526	500	Equity	3.408	2.744
<b>Total Assets</b>	<b>7.322</b>	<b>6.427</b>	<b>Total Liabilities</b>	<b>7.322</b>	<b>6.427</b>

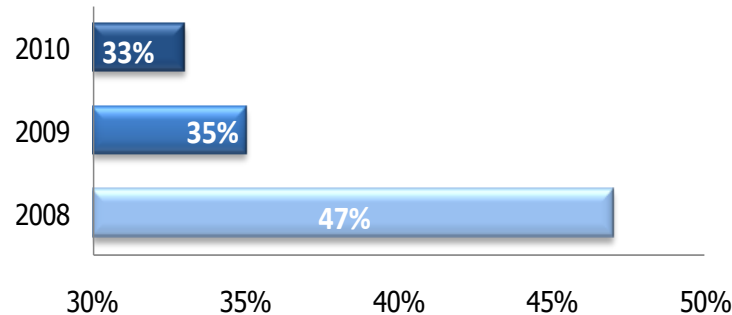
	2010	2009	2008
Net Financial Debt/Equity	0,22	0,44	1,54
Current Ratio	2,03	1,31	1,47
Leverage	0,53	0,57	0,71

# WORKING CAPITAL

TL Million	FX Basis	TL Basis	2010		FX Basis	TL Basis	Total
ST Trade Rec.	1.023	1.302	2.325	ST Trade Payables	376	593	969
Other Receivables	37	59	96	Other Payables	104	73	177
Inventory	458	530	988	<b>Working Capital</b>	<b>1.038</b>	<b>1.225</b>	<b>2.263</b>

TL Million	FX Basis	TL Basis	2009		FX Basis	TL Basis	Total
ST Trade Rec.	925	1.308	2.233	ST Trade Payables	238	524	762
Other Receivables	40	51	91	Other Payables	101	64	165
Inventory	363	544	907	<b>Working Capital</b>	<b>989</b>	<b>1.315</b>	<b>2.305</b>

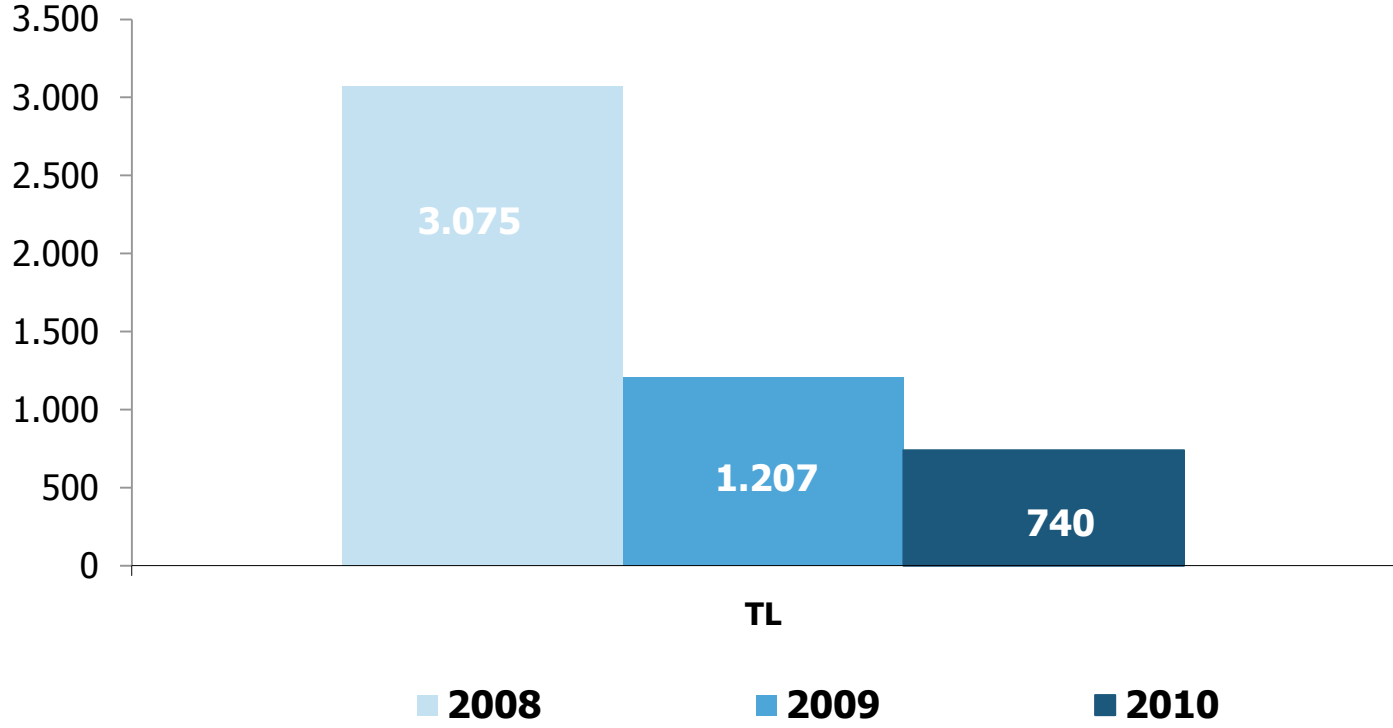
## Working Capital / Sales



# CASH FLOW

TL Million	2010	2009
Beginning Balance	900	414
<i>Net Operational Cash Flow</i>	845	1.797
<i>Financial Asset Sales</i>	0	267
<i>Fixed Asset Sales</i>	54	3
<i>Other CapEx (Net)</i>	-260	-197
<i>Dividend Paid</i>	-109	-3
<i>Changes in Financial Borrowings</i>	-49	-1.341
<i>Other Financial Operations</i>	-68	-40
Changes in Cash	413	486
Ending Balance	1.313	900

# NET DEBT (TL)



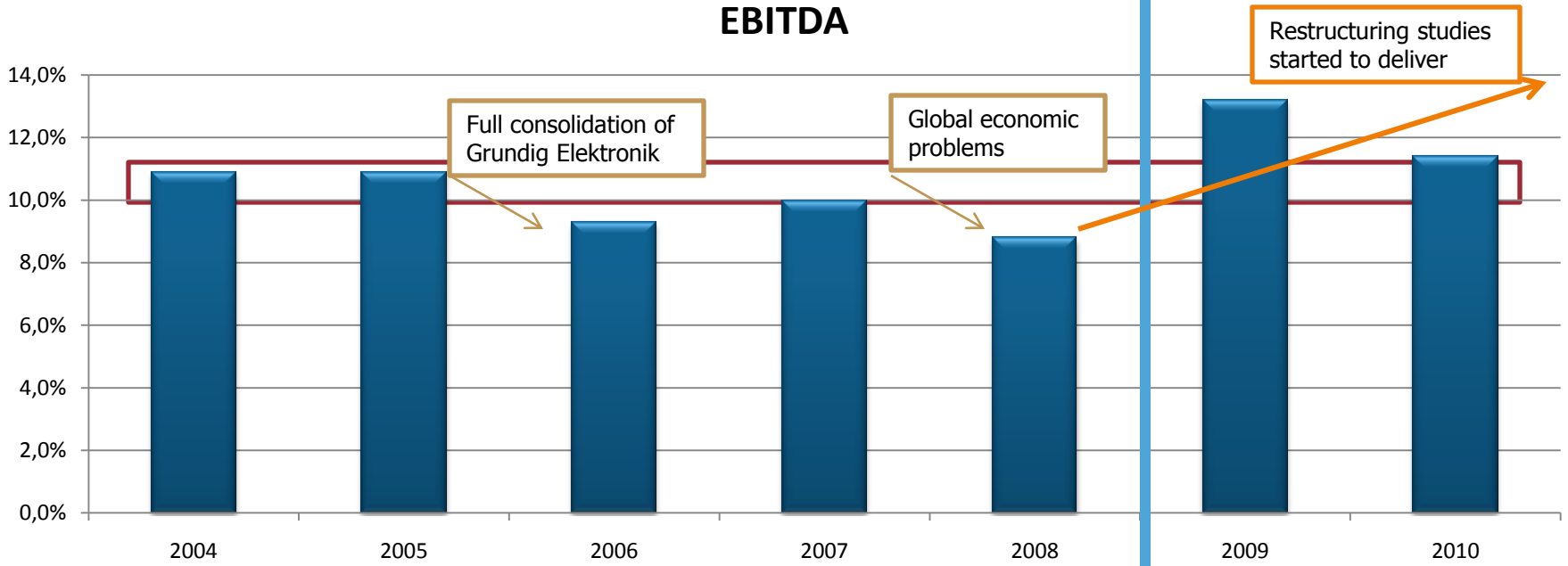
➤ Sales Performance

➤ Financial Performance

➤ **Long Term Sustainable Margin Guidance**

➤ 2011 Expectations

# Raising Sustainable Margin Guidance



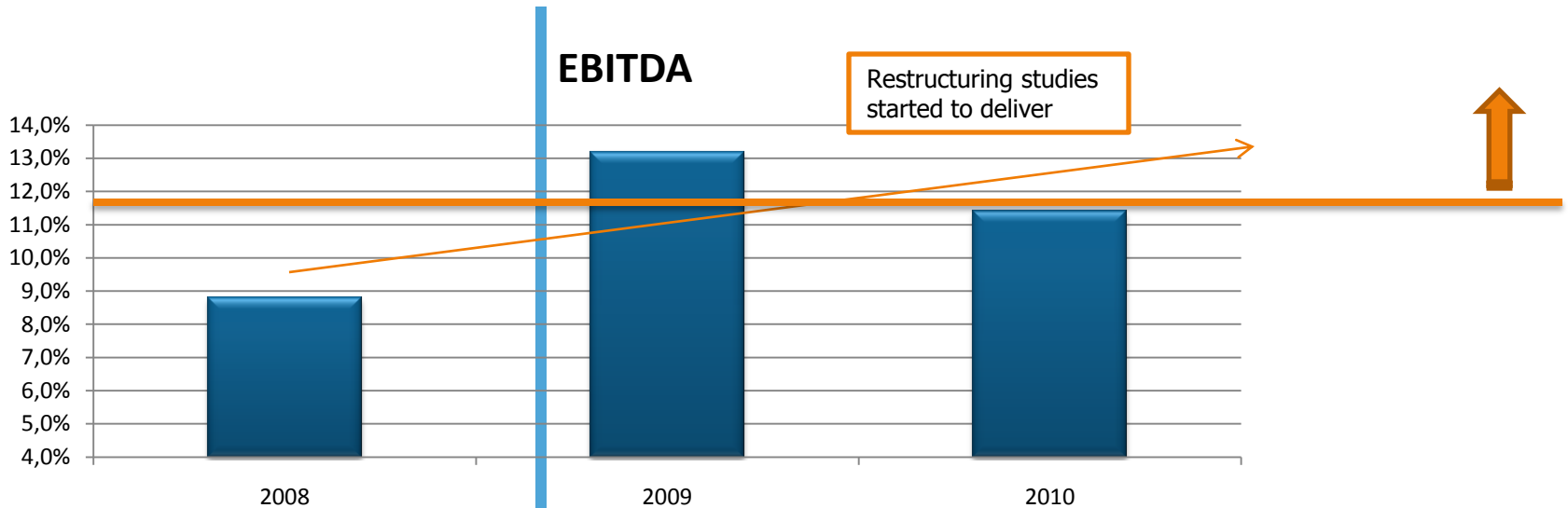
➤ Previous guidance : 10 – 11 %

5 years average : 10 % →

In line with guidance despite of global recession

← 7 years average : 10,6 %

# Raising Sustainable Margin Guidance



➤ Previous guidance : 10 – 11 %

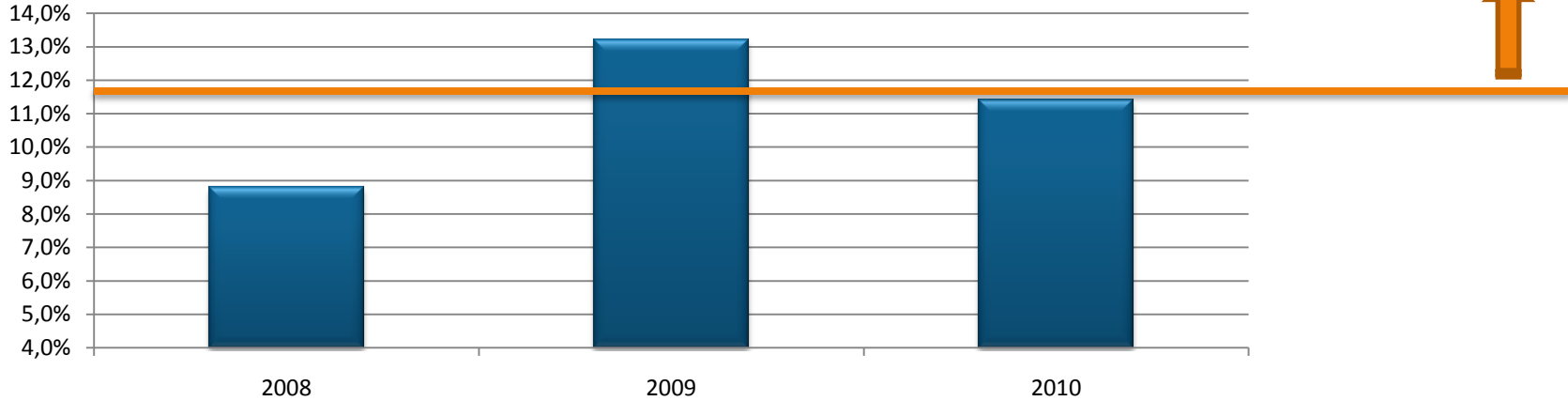
- Higher profitability in TV business
- Optimization of supply-chain
- Efficiency gains in production process
- Increasing sales in emerging markets
- Marketing applications more focused on brand management
  - ↳ Better price/mix, higher market share

New sustainable EBITDA margin guidance: > 11,5 %



# Raising Sustainable Margin Guidance

## EBITDA



New sustainable EBITDA margin guidance: > 11,5 %

### Risks:

- Political developments
- Aggressive competition
- Global economic conditions

- Sales Performance
- Financial Performance
- Long Term Sustainable Margin Guidance

- **2011 Expectations**

# 2011 EXPECTATIONS

## ➤ Expectations for the Market ;

- Satisfactory growth rate in key regions
- Average product prices to be higher than 2010

## ➤ Expectations for Arcelik ;

- Stable or increasing market share in key regions
- White goods volume growth :
  - Turkey\* : 6-8 %
  - International : 10-12%
- Total revenue : + 10-12 % in TL
- EBITDA margin : > 11,5 %

*\*: 5 main products, in compliance with WGMA data*

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