Arçelik

2016 Q1 Financial Results

1Q16 Key Results

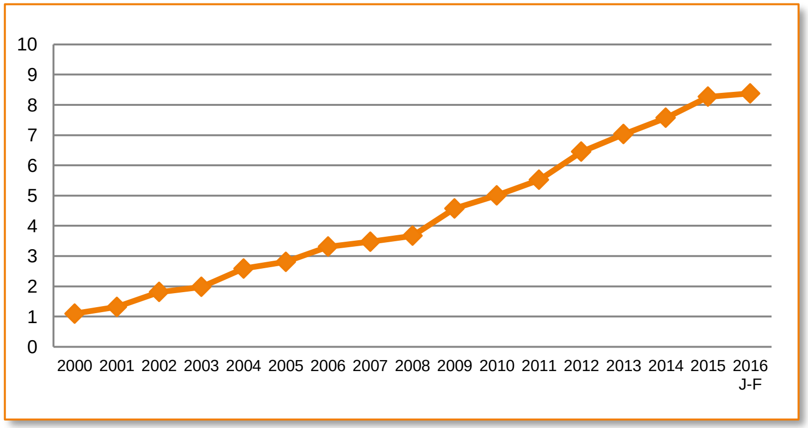
- Strong growth in both in domestic and international sales
- Keeping leading position in domestic market
- Increasing unit market share across all Europe, accompanied by increasing price index
- Improved gross and EBITDA margin driven by favorable EUR:USD parity and commodity prices
- Improved working capital level, achieved by continuing measures on receivables and inventory management
- Improved leverage (Net Debt/EBITDA)

1Q16 Market Performance - International

Respects THE GLOBE Respected GLOBALLY

- Overall growth in international MDA markets
  - European sell-out markets overall robust, especially UK, France, Spain, Germany and Romania
  - First signs of picking up in Russia (9% increase in Jan-Feb 2016)
  - Continuing weakness in South Africa and Ukraine
  - Middle East still negatively impacted by regional instability; Iran a potential after sanction liftoff
- Arçelik continues to strengthen its international presence
  - Beko holds 2nd rank in total market and leading position in free-standing segment in Europe.

Beko Unit Market Share in Europe (MDA6)



Europe Market by Product Group (MDA6)

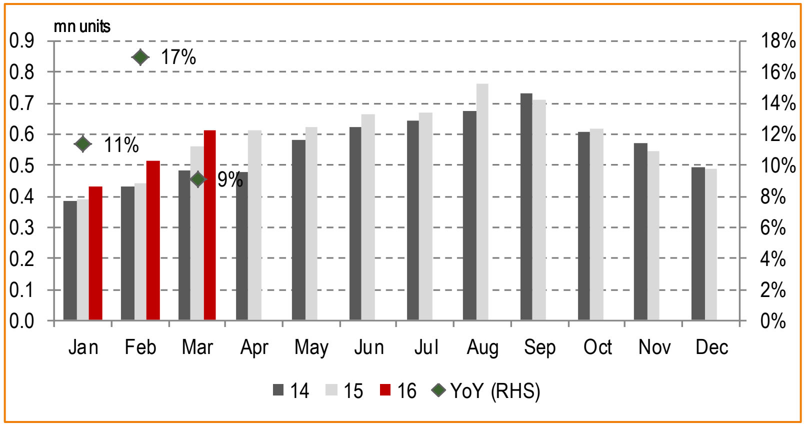
in 000's	1Q16	1Q15	YoY
Refrigerator	2.747	2.648	4%
Freezer	643	630	2%
Washing mach.	3.586	3.410	5%
Dryer	927	849	9%
Dishwashers	1.631	1.541	6%
Ovens	2.070	1.966	5%
Total	**11.603**	**11.044**	**5%**

1Q16 Market Performance - Turkey

- Overall growth in domestic market
  - Strong MDA sell-in market (12% in 1Q2016)
  - Relatively flat sell-out market both for MDA and TV

    (Retailers building inventory for the high season in Q2)
  - Cash register sales performing high due to existing deadlines in 2016

Turkish MDA6 Total Market – Monthly Figures



Turkish Market by Product Group (MDA6)

in 000's	1Q16	1Q15	YoY
Refrigerator	418	367	14%
Freezer	82	82	-1%
Washing mach.	484	453	7%
Dryer	27	20	33%
Dishwashers	375	291	29%
Ovens	176	178	-1%
Total	**1.562**	**1.391**	**12%**

Source: TURKBESD

1Q16 Sales Performance

Key factors impacting revenues

Domestic white goods and CE sales	Double-digit sales growth in major product segments (24% YoY growth), more than doubling sales in cash registers
International Growth	Continuing to win market share in MDA6 European market, Asia-Pacific starts contributing to growth strategy mainly in China.
FX gains from international sales	c.8% positive impact on consolidated revenues in 1Q16 (c.4% negative impact in 1Q15)

1Q16 Margins

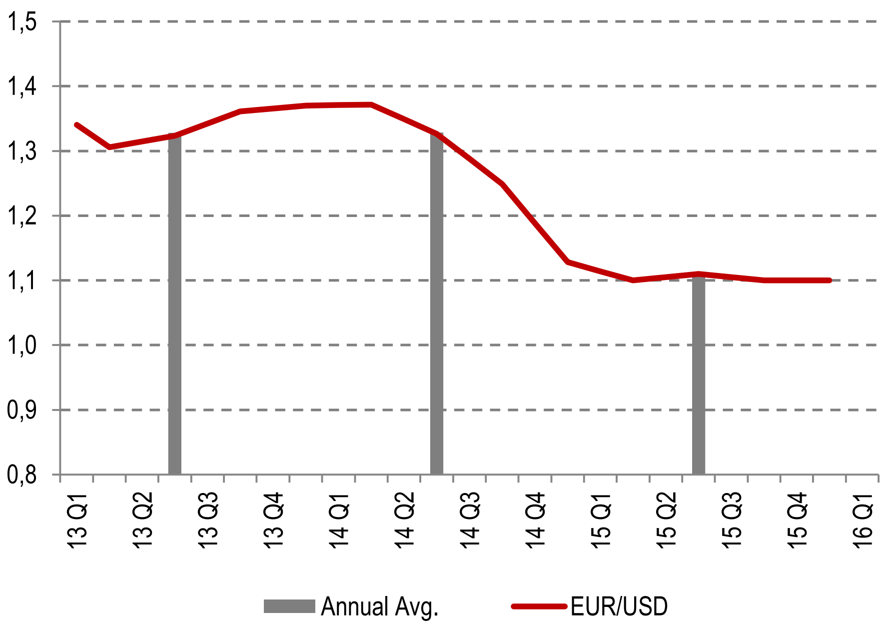
Respects THE GLOBE Respected GLOBALLY

Key factors impacting margins

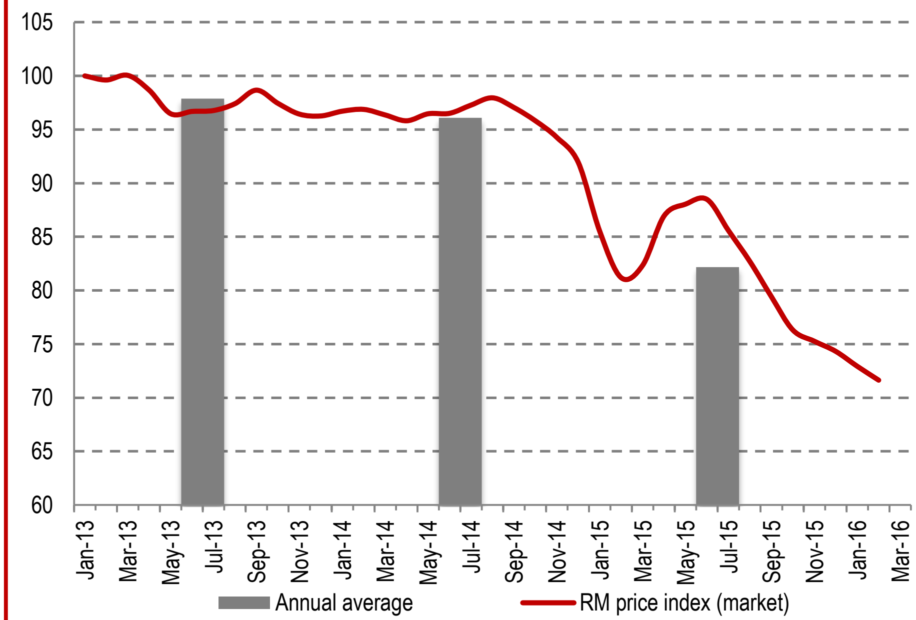
Raw Material Prices	Raw material and panel prices continued to support white goods and TV margins in 1Q16 .
FX Rate	EUR/USD parity was, in average, stable around 1.10 level.
Improved GP Margin	White goods GPM improved by 3 pp YoY supported by raw material cost declines, favorable EUR:USD parity and price actions. Electronics margins up by 8.5 pp YoY supported by low panel prices, TV and cash register sales, and reclassification of cash register service fee.
OPEX slightly high	OPEX/sales ratio (excluding net other operating income) slightly worse, largely due to investments in marketing and distribution for both new and existing markets

1Q16 Margins

EUR/USD Development



Raw material Market Price Index*



* Raw material price index for appliances category

1Q16 Other Developments

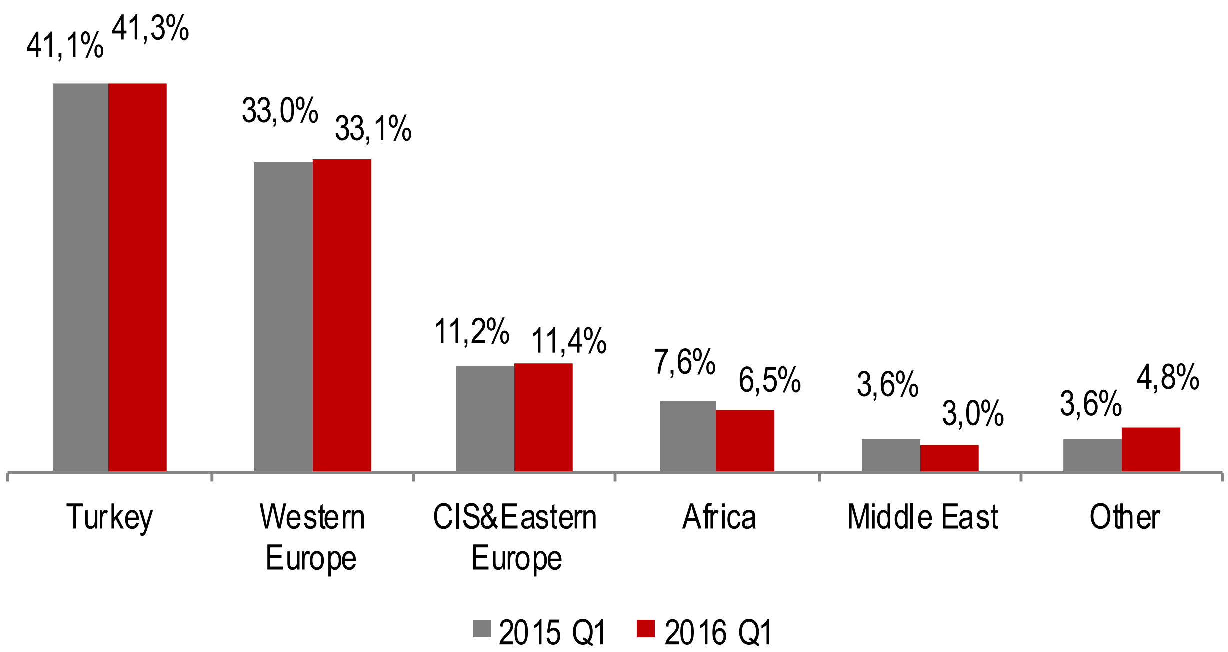
Respects THE GLOBE Respected GLOBALLY

- Mass production started at Thailand refrigerator plant.
- Sales subsidiary became operational in the U.S.A..
- S&P affirmed Arçelik's 'BB+' long-term corporate credit rating and revised the recovery rating upward to '3' from '4' on senior unsecured notes.
- Arçelik A.Ş. received 6 awards at IF Design 2016, including the Golden Award for the Turkish Coffee Machine with Capsule System.

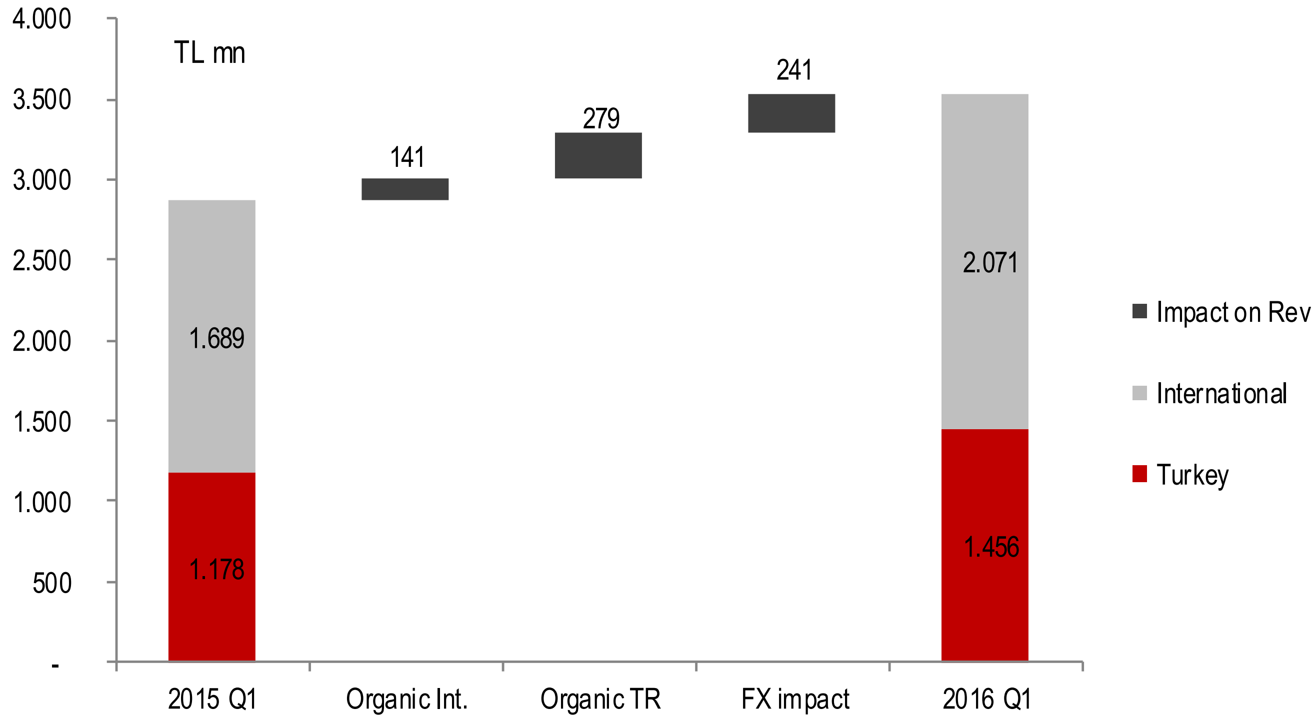
Sales Performance

Sales by Region

TL mn	2016 Q1	2015 Q1	2015 Q4	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Total Revenue	3.527	2.867	4.067	23	-13	14.166	12.514	13
Turkey	1.456	1.178	1.532	24	-5	5.724	4.850	18
International	2.071	1.689	2.535	23	-18	8.442	7.664	10



Sales Bridge



2016 Q1	Organic	Currency effect	Total
% International Growth	8,4%	14,3%	22,6%
% Total Growth	14,6%	8,4%	23,0%

Financial Performance

Income Statement

Respects THE GLOBE Respected GLOBALLY

TL mn	2016 Q1	2015 Q1	2015 Q4	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Revenue	3.527	2.867	4.067	23	-13	14.166	12.514	13
Gross Profit	1.194	872	1.322	37	-10	4.536	3.979	14
margin	*33,9*	*30,4*	*32,5*			*32,0*	*31,8*	
EBIT *	323	181	371	79	-13	1.157	1.024	13
margin	*9,2*	*6,3*	*9,1*			*8,2*	*8,2*	
Profit Before Tax	154	122	243	27	-36	785	732	7
margin	*4,4*	*4,2*	*6,0*			*5,5*	*5,8*	
Net Income**	157	141	212	11	-26	893	638	40
margin	*4,4*	*4,9*	*5,2*			*6,3*	*5,1*	
EBITDA*	421	270	465	56	-10	1.527	1.370	11
margin	*11,9*	*9,4*	*11,4*			*10,8*	*11,0*	

* EBIT was calculated by deducting the impact of foreign exchange gains and losses arising from trade receivables and payables, credit finance income and charges and cash discount expense and adding income and expenses from sale of property plant and equipment.

** Net income before minority

Revenue and Gross Profit by Segment

Respects THE GLOBE Respected GLOBALLY

TL mn	2016 Q1	2015 Q1	2015 Q4	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Consolidated								
Revenue	3.527	2.867	4.067	23	-13	14.166	12.514	13
Gross Profit	1.194	872	1.322	37	-10	4.536	3.979	14
Gross Profit %	33,9	30,4	32,5			32,0	31,8	
White Goods								
Revenue	2.463	2.031	2.915	21	-16	10.299	9.069	14
Gross Profit	889	671	1.024	32	-13	3.578	3.080	16
Gross Profit %	36,1	33,1	35,1			34,7	34,0	
Consumer Electronics								
Revenue	576	430	649	34	-11	1.966	1.829	7
Gross Profit	171	92	157	87	9	433	442	-2
Gross Profit %	29,8	21,3	24,2			22,0	24,2	
Other								
Revenue	489	406	503	20	-3	1.901	1.616	18
Gross Profit	133	109	142	22	-6	524	457	15
Gross Profit %	27,3	26,8	28,2			27,6	28,3	

Balance Sheet

Respects THE GLOBE Respected GLOBALLY

TL mn	31.03.2016	31.12.2015		31.03.2016	31.12.2015
Current Assets	9.546	9.406	Current Liabilities	5.623	5.236
Cash and Cash Equivalents	2.491	2.168	ST Bank Borrowings	2.508	2.185
Trade Receivables	4.491	4.791	Trade Payables	1.958	2.090
Inventories	2.255	2.140	Provisions	335	335
Other	309	308	Other	822	627
Non-current Assets	4.322	4.332	Non-current Liabilities	3.649	3.826
Property, Plant and Equipment	2.091	2.056	LT Bank Borrowings	3.084	3.269
Financial Investments	740	749	Other	565	557
Other	1.490	1.528	Equity	4.596	4.676
Total Assets	**13.868**	**13.739**	**Total Liabilities**	**13.868**	**13.739**

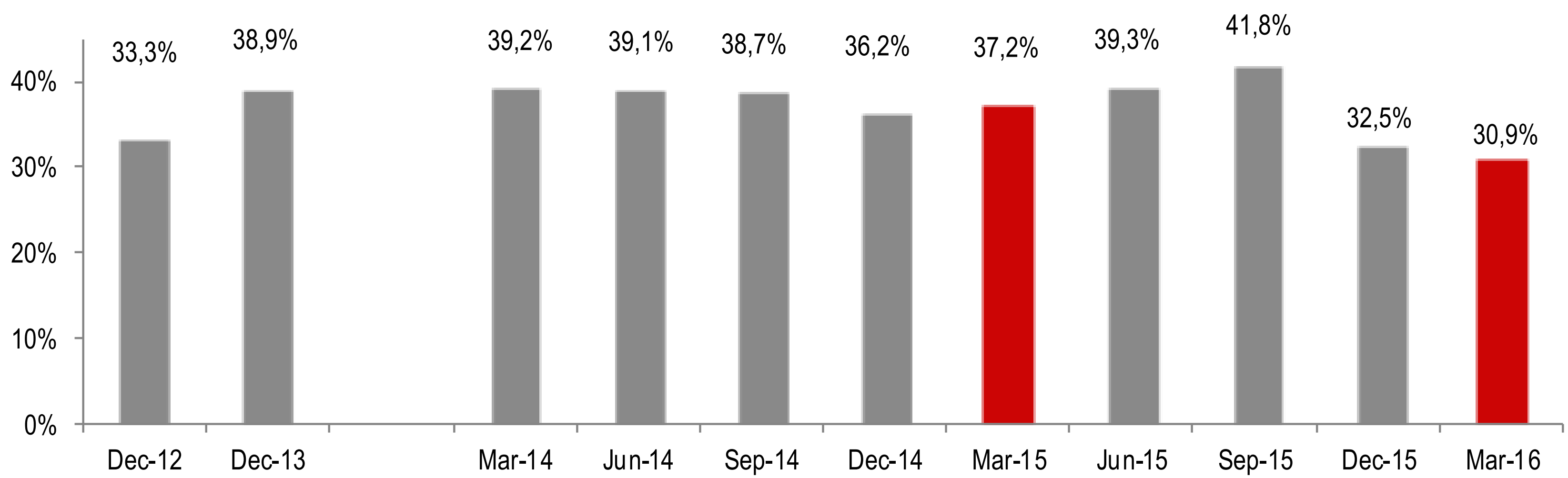
	31.03.2016	31.12.2015	31.12.2014	31.12.2013
Net Financial Debt/Equity	0,67	0,70	0,72	0,72
Total Liabilities/Total Assets	0,67	0,66	0,65	0,64

Working Capital

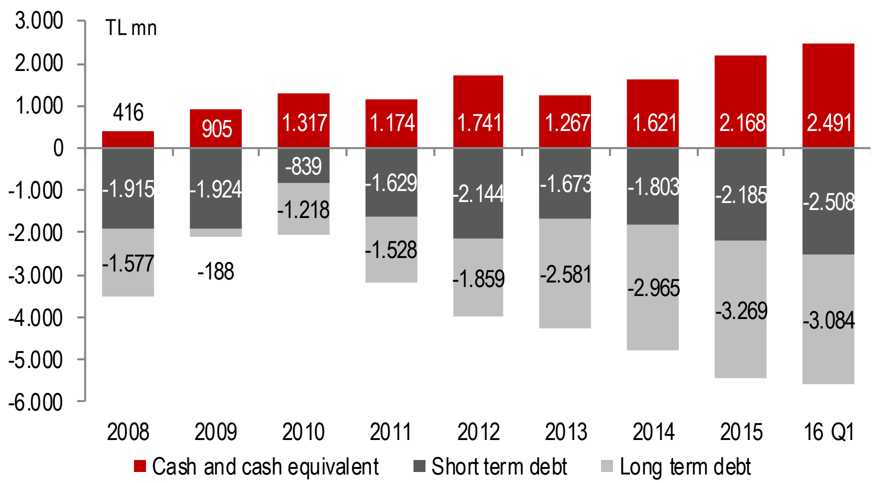
TL mn	FX Basis	TL Basis	31.03.2016		FX Basis	TL Basis	Total
ST Trade Rec.	1.680	2.811	4.491	ST Trade Payables	911	1.047	1.958
Other Receivables	39	48	87	Other Payables	161	125	286
Inventory	1.084	1.171	2.255	**Working Capital**	**1.731**	**2.858**	**4.589**

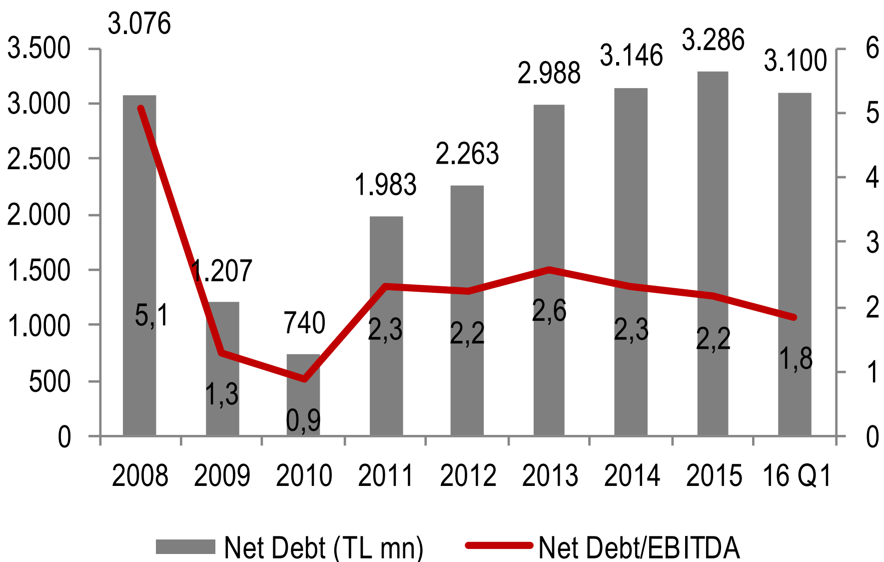
TL mn	FX Basis	TL Basis	31.12.2015		FX Basis	TL Basis	Total
ST Trade Rec.	2.038	2.753	4.791	ST Trade Payables	798	1.292	2.090
Other Receivables	29	33	62	Other Payables	248	44	292
Inventory	1.035	1.105	2.140	**Working Capital**	**2.057**	**2.554**	**4.611**

Working Capital / Sales



Debt Profile

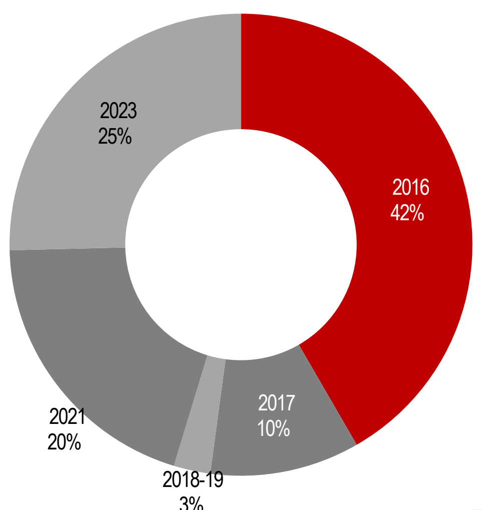




Debt profile (as of 31 Mar 2016)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	11,6%	2.251	2.251
EUR	1,7%	166	533
ZAR	9,1%	750	142
RUB	8,9%	475	20
CNY	4,4%	110	48
GBP	1,6%	5	18
USD	1,4%	1	2
Other			0
Total Bank Borrowings			**3.014**
USD	5,1%	509	1.442
EUR	4,0%	354	1.136
Total Eurobond			**2.578**
Total			**5.592**

Debt maturity profile



Cash Flow

Respects THE GLOBE Respected GLOBALLY

TL mn	2016 Q1	2015 Q1
Beginning Balance	2.166	1.621
Net Operational Cash Flow	*351*	*149*
CapEx	*-143*	*-116*
Fixed Asset Sales	*2*	*9*
Dividends Received	*13*	*11*
Changes in Bank Borrowings	*130*	*-21*
Other Financial & Investing Activites	*-47*	*-47*
Differences due to FX Conversion	*18*	*38*
Changes in Cash	324	24
Ending Balance	2.490	1.644

2016 Expectations

2016 Expectations

Respects THE GLOBE Respected GLOBALLY

White goods market volume growth	Turkey* : 3% - 5% International : c.2%
Market Share	Stable or higher market share in key regions
Revenue Growth	>10% in TL
EBITDA Margin (2016)**	c.11%
Long-Term EBITDA margin**	c.11%

**6 main products, in compliance with WGMA data.*

***EBITDA margin calculations are inline with the methodology used in calculation of historical values*

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