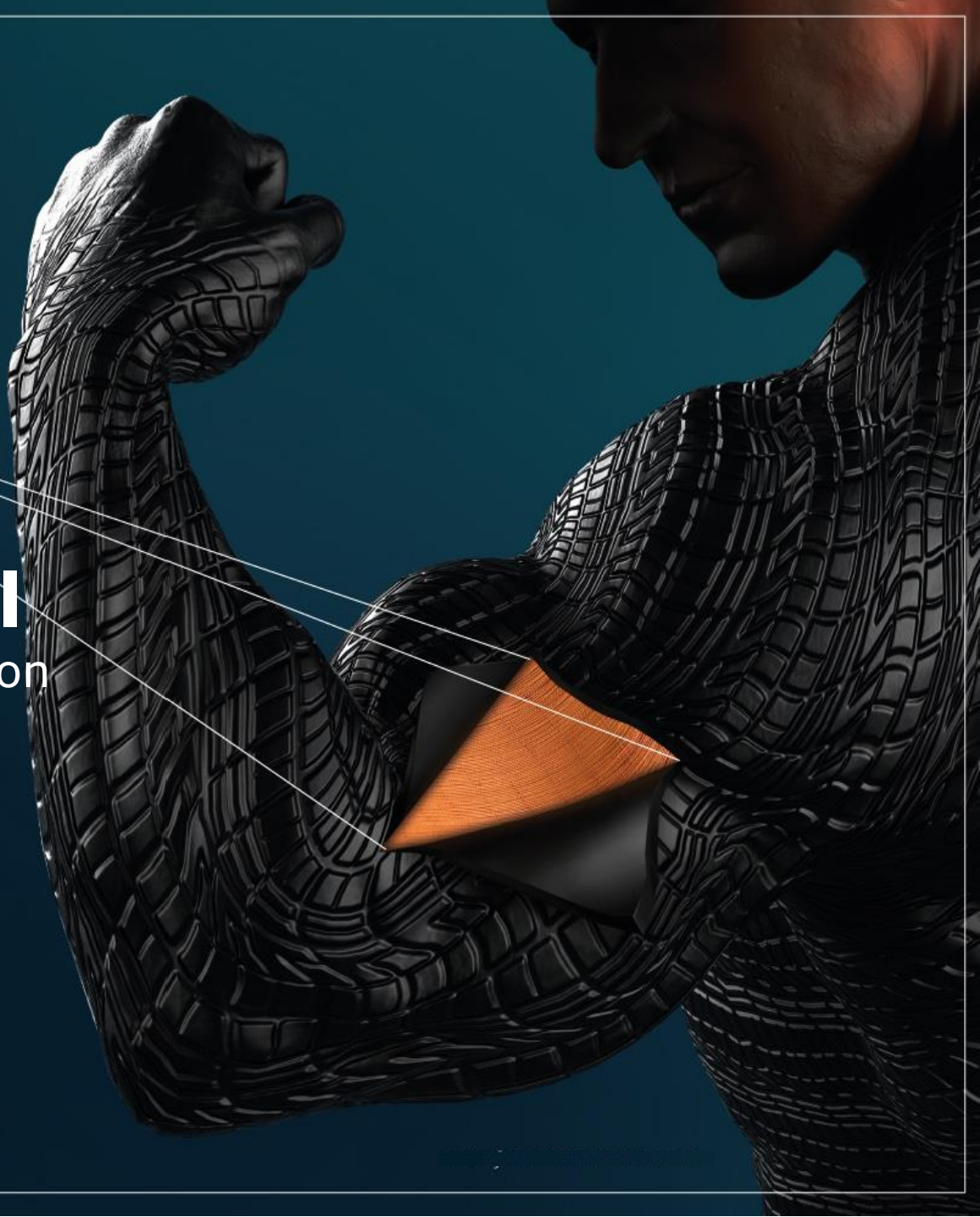


Reinforced
by Kordsa

KordSA Global

2015 Earnings Presentation

KORDSA GLOBAL



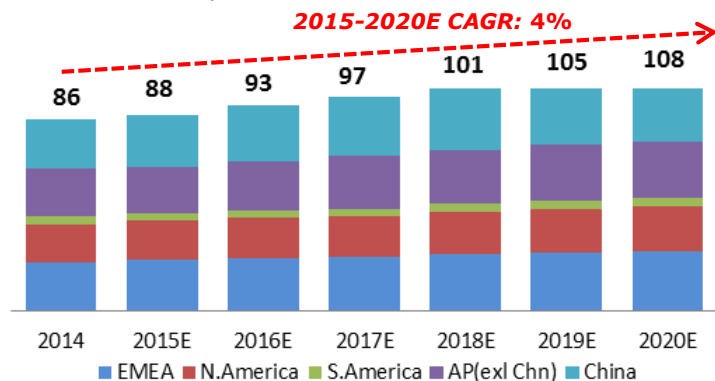
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Market Dynamics

Global Automotive Market

Global LV Assembly – M Units / Year

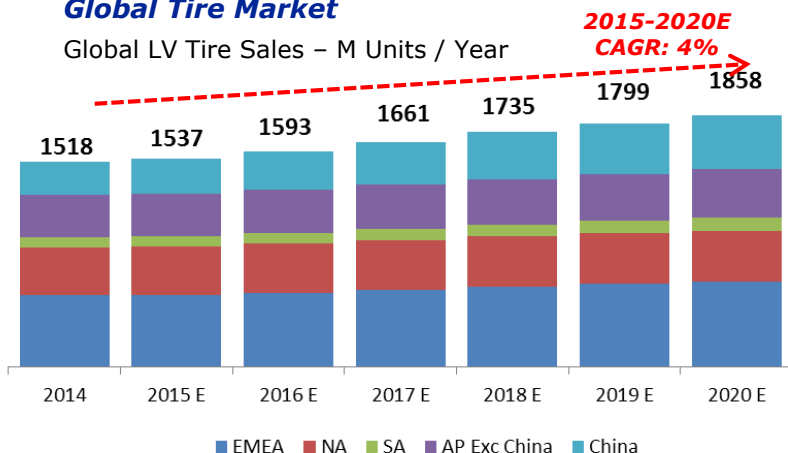


Declines in key developing countries, strong growth in Europe and NA

Source: PWC Autofacts

Global Tire Market

Global LV Tire Sales – M Units / Year



US anti-dumping & anti-subsidy duties on Chinese LV tires have global impact. Chinese tire production is declining.

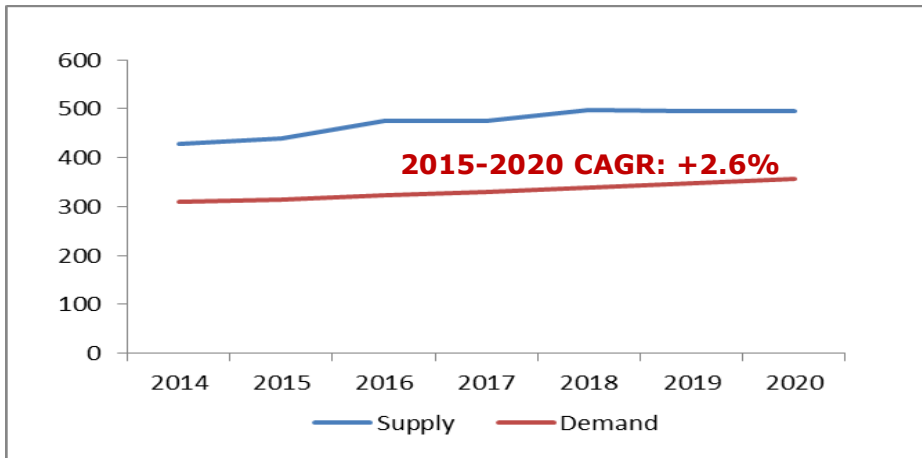
Source: LMC Tyre Forecast

- Strong 2015 sales in EU, NA. LATAM struggles.
- Record number of recalls in the industry will continue to be felt into 2016 (and beyond).
- Key trends into the future: strategic partnerships on autonomous vehicle technology and new mobility models.

- US imposed ADD on Chinese Light Vehicle(LV) Tires, now investigation is due for Off the Road (OTR) Tires.
- Chinese imports of PCR tires into USA decreased by 53%.
- Replacement tire sales are steady in mature markets, Russia and Brazil are under pressure.
- 2016 will be a difficult year for China and growth is expected to slow down.

Market Dynamics

Tire Reinforcement Market (NY6.6)



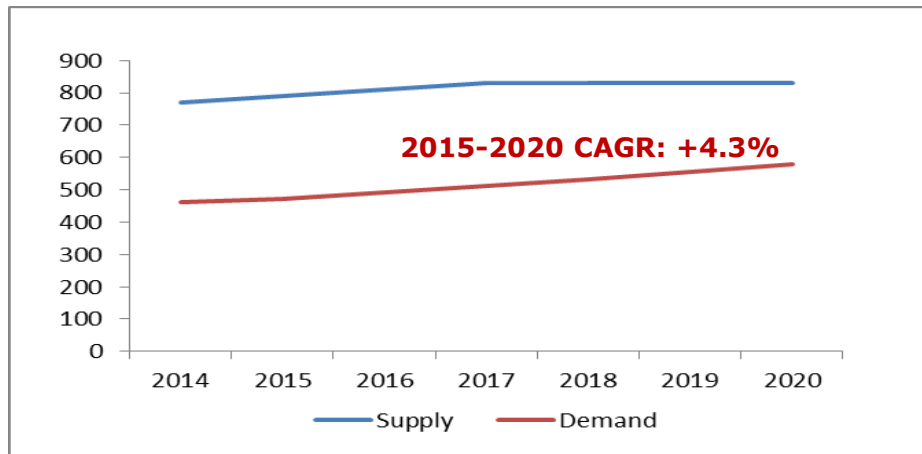
Source: Company Estimates

Cap-ply grows, Agro & Mining Tires demand is low

Nylon 6.6

- Cap-ply demand grows as LV tire market grows
- Slower growth in China
- Low demand is expected to continue in mining & large agro tires
- Low NY6 prices continue to pressure NY66

Tire Reinforcement Market (PET HMLS)



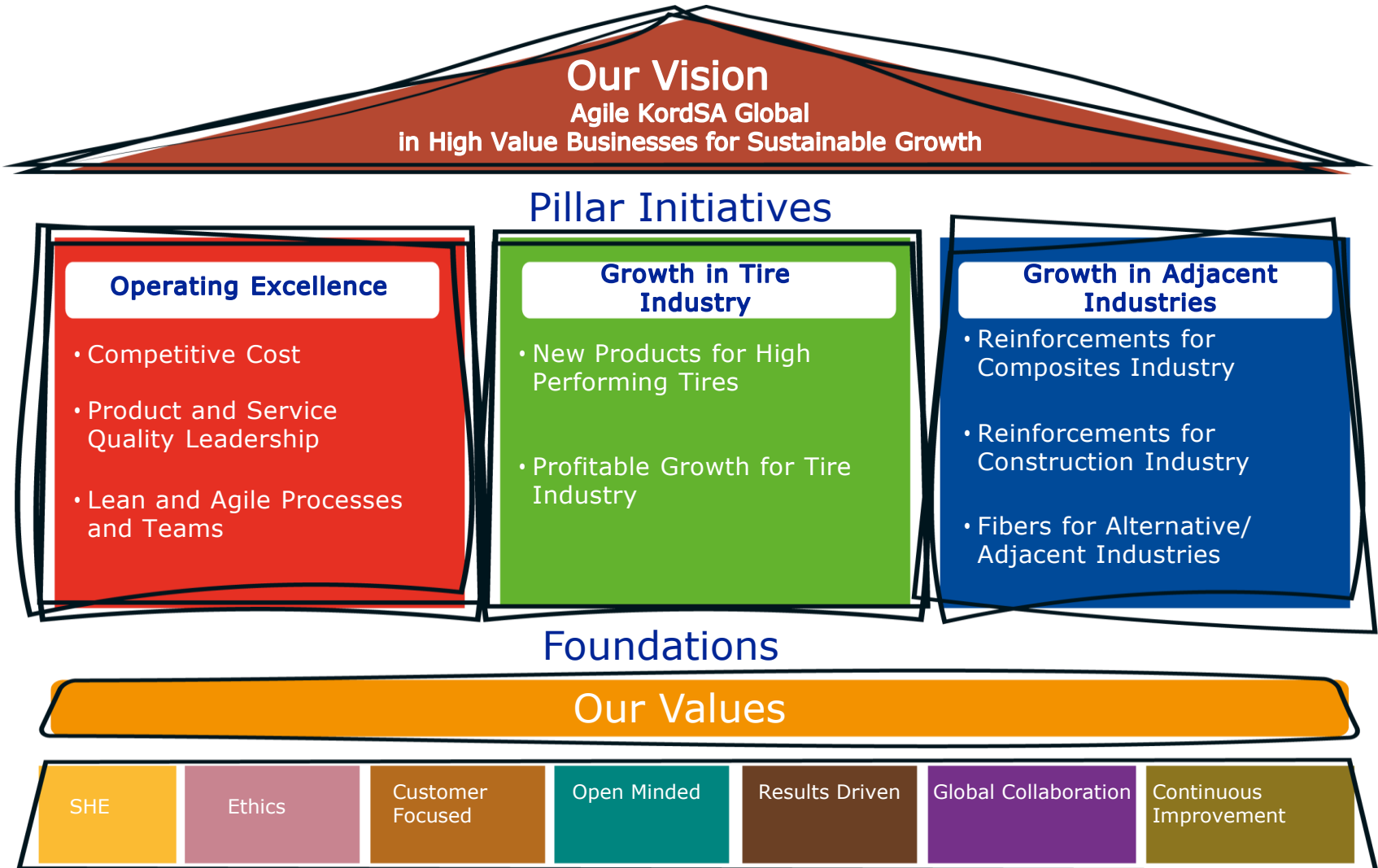
Source: Company Estimates

Passenger & LV tire driven growth

PET HMLS

- Demand grows parallel to LV production
- Supply surplus in China
- Increasing PET HMLS penetration to Agro tires in USA and EU

Strategy house



What we have been doing in 2015

1. Operating Excellence

- a. Continuing Cost Reduction Programs
 - Energy, labor and equipment efficiency initiatives
 - Alternative raw material and chemicals source developments and purchasing excellence
- b. Lean Kordsa Global
 - High capacity utilization at large entities
 - Organizational Simplification decreasing SARM and fixed costs

2. Profitable Growth in Tire Industry

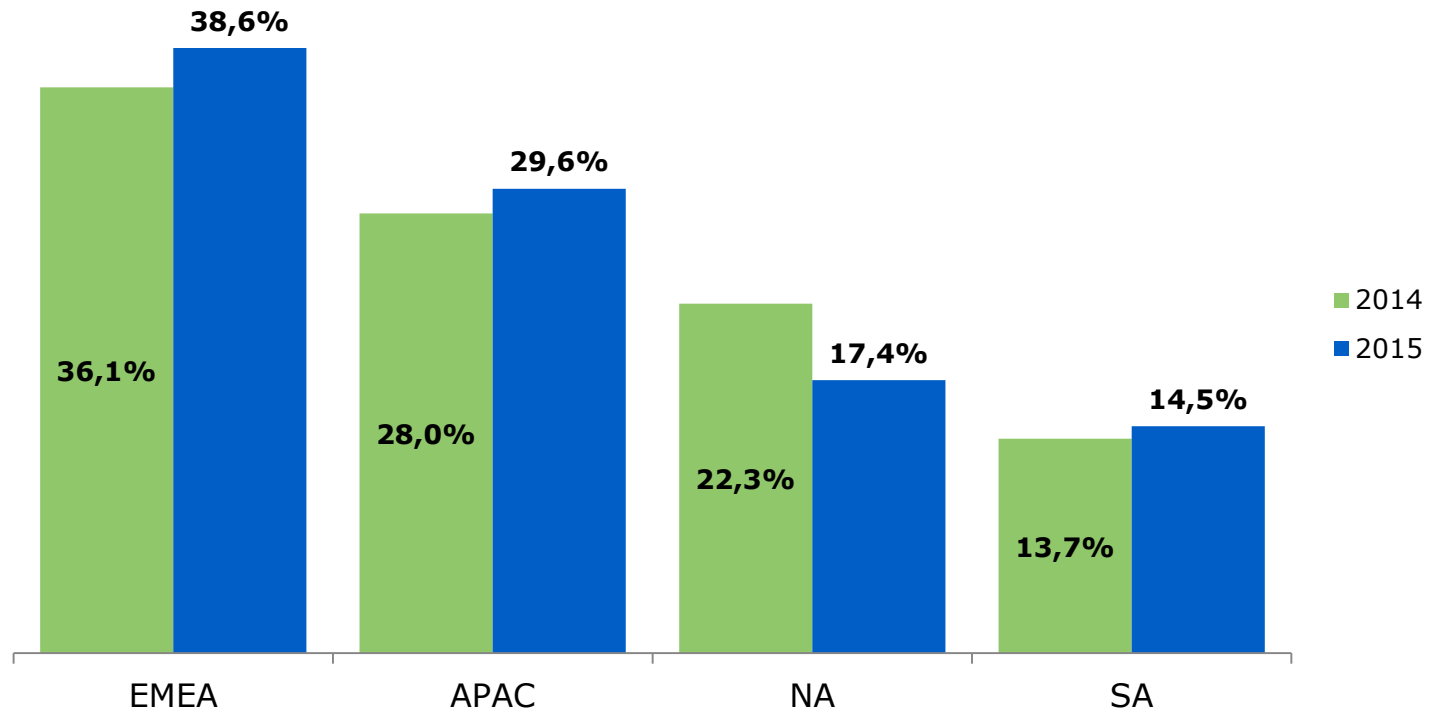
- a. Focus on high value add customer and products segments
- b. Increase new product sales

3. Profitable Growth in Adjacent Industries

- a. Composite Reinforcement Business – TR investment at «Composites Excellence Center & focused acquisition target's evaluation»
- b. Construction Reinforcement Business

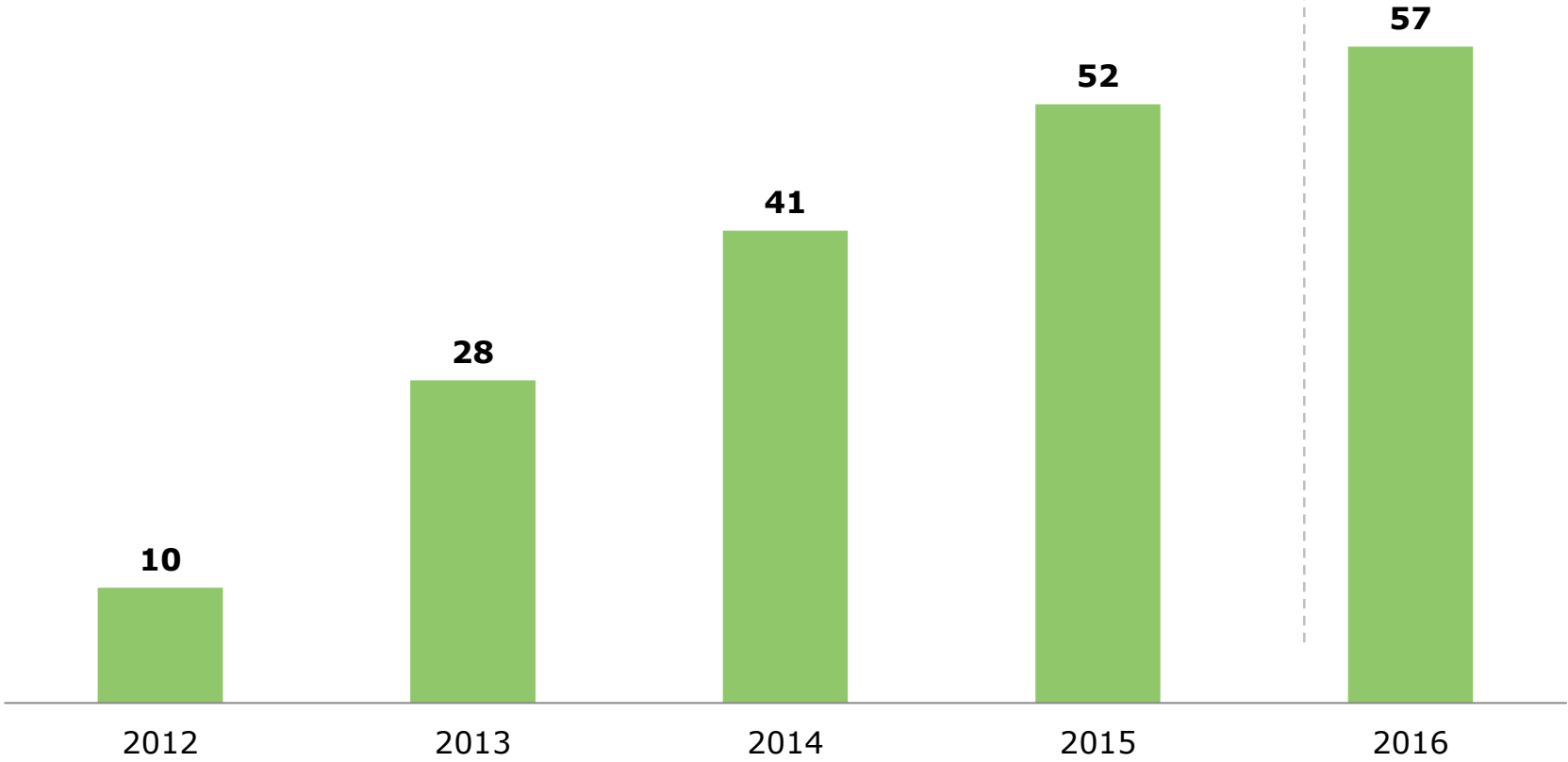
Focus on tire industry for profitable growth, selectively grow adjacencies

2015 Regional Revenue Split (2014 vs 2015)



Strong Focus on R&D

■ Revenue From New Products (US\$m)

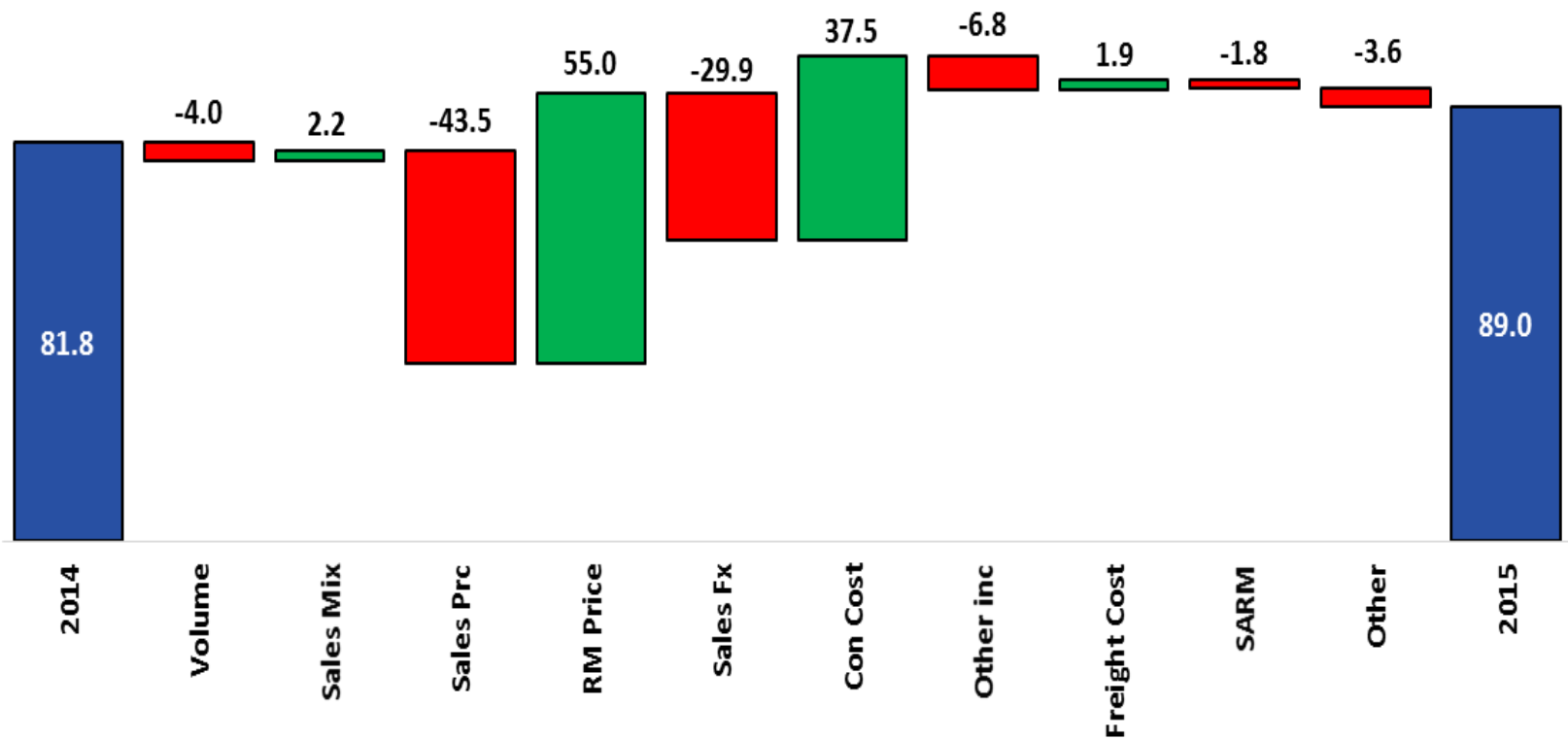


2015

Key Financials

In MMTL	2014	2015	Change
Net Sales	1,569	1,735	10.6%
Gross Profit	234	315	34.6%
<i>Gross Profit %</i>	15%	18%	+3 pts
Operating Profit	107	171	59.0%
<i>Operating Profit %</i>	7%	10%	+3 pts
EBITDA	179	242	35.1%
<i>EBITDA %</i>	11.4%	14.0%	+2.6 pts
Net Income Parent Company	77	99	28.6%

Ebitda Evolution 2014 vs 2015 (M\$)



2015 Balance Sheet

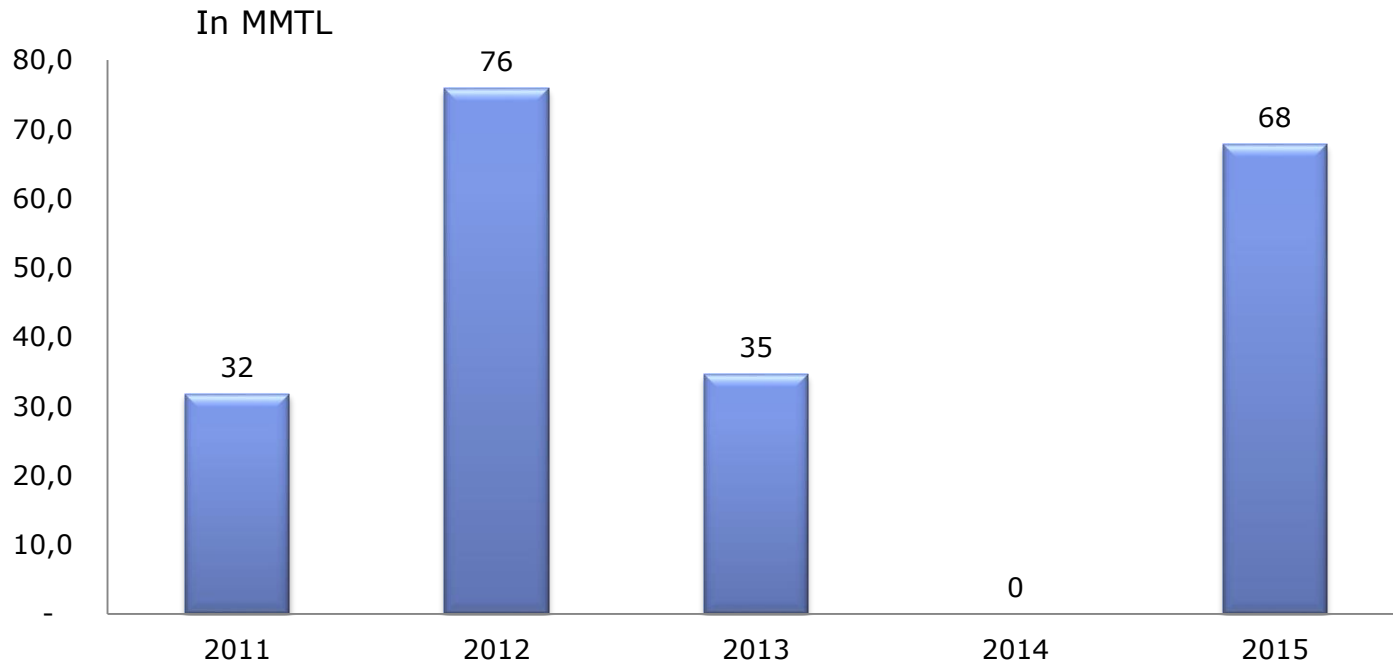
In MMTL	December 31, 2014	December 31, 2015	Change
Cash and Cash Equivalents	14	18	(4.1)
Account Receivable	359	474	(115)
Inventories	437	425	13
Accounts Payable	(208)	(268)	60
Working Capital	588	631	(43)
<i>WCAP Turnover</i>	<i>2.7</i>	<i>2.7</i>	<i>-</i>
Total Debt	557	554	3
Net Debt	544	537	7
<i>Short Term</i>	<i>405</i>	<i>342</i>	<i>62</i>
<i>Long Term</i>	<i>139</i>	<i>194</i>	<i>(55)</i>

2015

Free Cash Flow

In MMTL	December 31, 2014	December 31, 2015	Change
Net Income with Minority	95	116	22
Depreciation and Amortization	68	81	(13)
Financial expense / (income)	9	15	(6)
Change in Working Capital	(146)	(23)	124
Cash Used in Investing Activities	(212)	(77)	135
Other	30	26	(4)
Free Cash Flow	(156)	139	295

Dividend Distribution



- Kordsa distributes all the distributable income subject to Gen Assembly approval. Basis of distribution is the lower of the Turkish solo tax books or consolidated TFRS net income.

Guidance

	<u>Feb'2016</u>
Revenue Growth	%10 - %20
Ebitda Growth	%15 - %20
Raw Material	
<i>NY</i> ----->	Highly correlated with Butadiene, Benzene, Propylene
<i>Pet</i> ----->	Highly correlated with PTA, MEG
Recurring Creep Capex	23 M\$

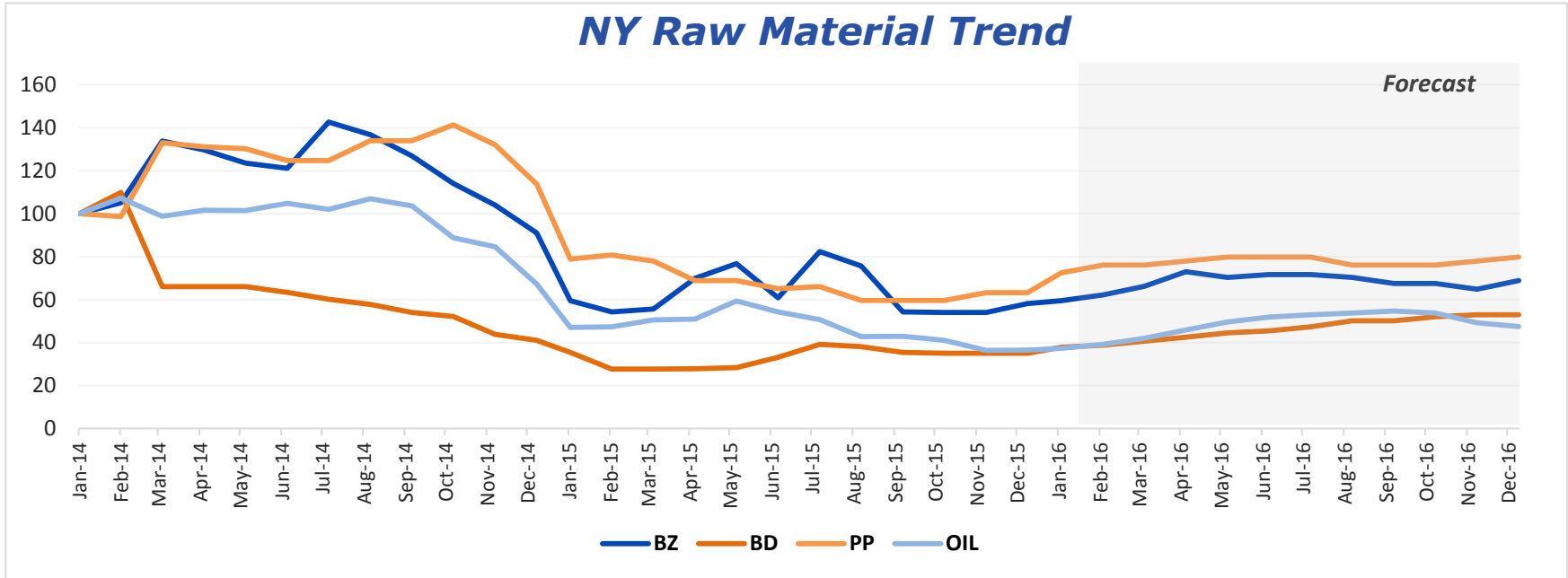
EBITDA Calculation = Operating Profit - [Dep&Amort] - [A]* - [B]*

[A] : FX Gain/Loss on trade Rec. & Pay.*

*[B]** Unearned finance inc/exp on credit sales*

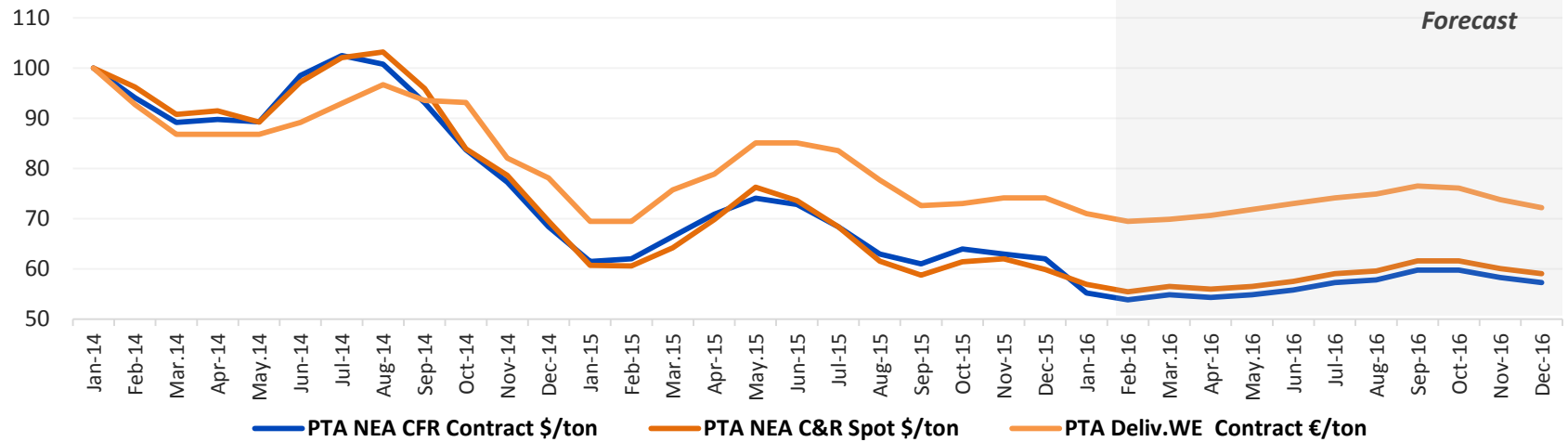
APPENDIX

RM Price Drivers



RM Price Drivers

Polyester Raw Material Trend, PTA



Polyester Raw Material Trend, MEG

