

Arçelik

9M15 Financial Results

Key developments

- Decent domestic growth overall
- Ongoing growth in international markets with both organic and FX components
- Improving EBITDA supported by:
 - Gross margin enhancement for both white goods and consumer electronics
 - Favorable raw material prices
- Sticking high working capital levels, with some seasonality effect

Domestic market

- July-August appliance sales were on a growth track
- Some weakening in September caused by:
 - Shift of Eid to September, 9 days of public holiday
 - Civil disturbances in the eastern regions of Turkey
- Price actions are taken in line with increase in costs

International markets

- Ongoing overall growth in international markets
 - European appliance markets overall robust, especially Spain, Germany, Austria, UK, Poland and Romania
 - Pickup in TV sales together with a slight margin improvement
 - Change in France's retail channel landscape, putting pressure on prices
 - Continuing weakness in Russia /Ukraine (c.31% / 41% decline in the market in 8M15)*
 - Continuing weakness in South Africa (macro, store closures, credit constraints)
 - Middle East still negatively impacted by regional instability; Iran a potential catalyst for the region in the future
- Arçelik continued to strengthen its international presence*
 - Beko holds 2nd rank MDA6 total Europe
 - Beko; capturing the leading brand position in MDA6 free-standing total Europe
 - Beko; top winning brand in total Europe
 - Our price index continued to improve in Europe

*Source: GFK

3Q15 developments

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Key factors impacting revenues

Domestic white goods, TV
and SDA sales

Strong growth in domestic appliances, TV and SDA sales
Weakness in September due to holidays and regional issues

FX gains from international
sales

c.8% positive impact on consolidated revenues in 3Q15 (3% in 9M15)

International volumes

MDA6: Top market share winning brand in Europe in terms of sales units*

Consumer Electronics: Stabilizing TV sales

Appliances: Negative trend in volumes in France (channel restructuring)

South Africa (market), Russia /Ukraine (market)

*Source: GFK

3Q15 developments

Key factors impacting margins

Commodity prices

Commodity prices continued to support white goods margins in 3Q15

FX rate

EUR/USD down from 1.33 in 3Q14 to 1.11 in 3Q15=> Negative impact on margins

Flat on GPM YoY

White goods GPM improved by 0.4pp YoY supported by commodity cost declines and price actions, especially in the domestic market. Electronics margins are back above 20% threshold after actions taken in the last quarter.

OPEX

OPEX/sales ratio (including net other operating income) improved by 0.2pp YoY

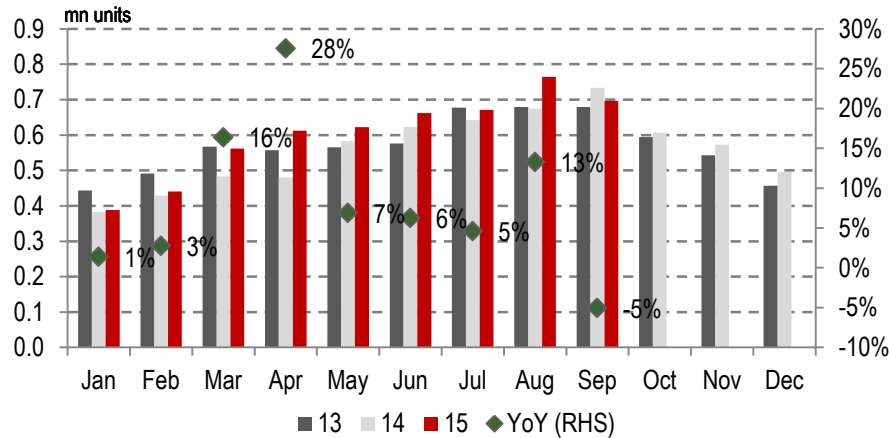
Other developments

- New Turkish coffee machines using single-use capsules have been introduced.
- Arçelik has been included in the MSCI Global Sustainability Index as of June 1st, 2015 with an MSCI ESG rating of 'AA'. Also rated Green (G) in MSCI's ESG Impact Monitor with a 10 out of 10 score. BIST Sustainability Index membership renewed.
- Successfully attended IFA Fair in Germany to exhibit newest product technologies with Beko and Grundig brands.
- Thailand investment on track. Production to commence by year-end.

3Q15 developments

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Domestic market monthly progression



Domestic market in 9M15

in 000's	9M15	9M14	YoY
Refrigerator	1,495	1,438	4%
Freezer	534	485	10%
Washing mach.	1,500	1,366	10%
Dryer	47	33	41%
Dishwashers	1,106	1,065	4%
Ovens	739	645	15%
Total	5,420	5,031	8%

Domestic market in 3Q15

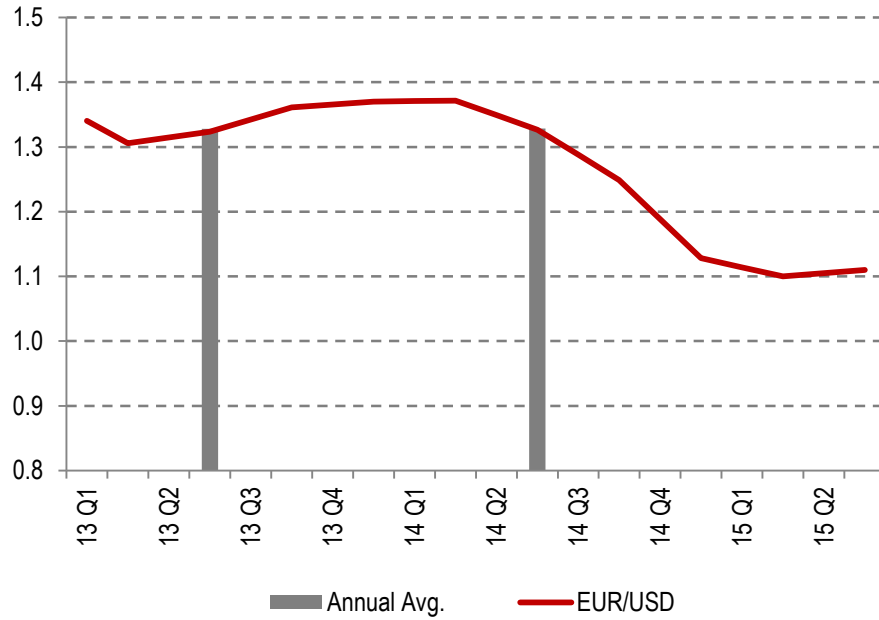
in 000's	3Q15	3Q14	YoY
Refrigerator	610	616	-1%
Freezer	290	247	17%
Washing mach.	523	510	2%
Dryer	15	12	22%
Dishwashers	411	408	1%
Ovens	284	257	10%
Total	2,132	2,050	4%

Source: TURKBESD

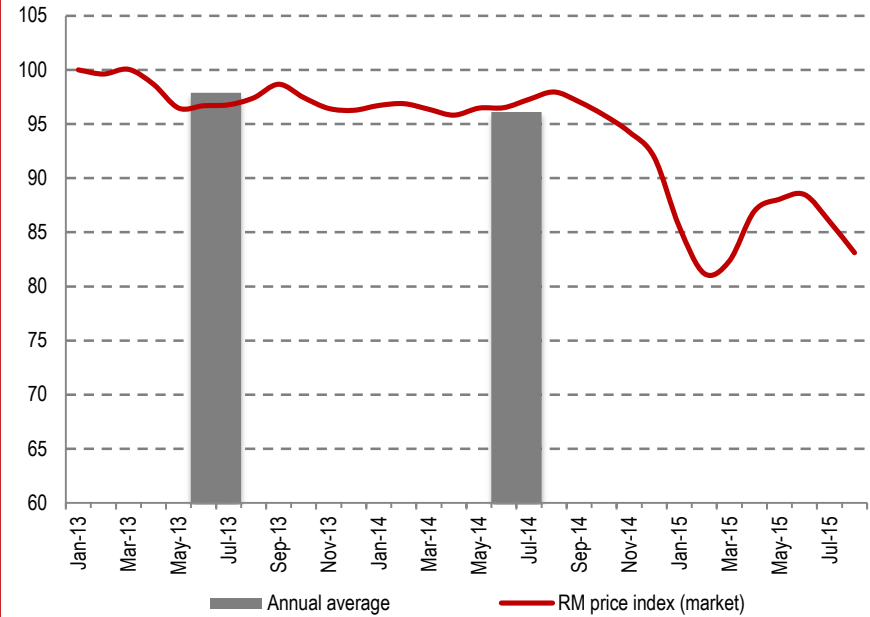
3Q15 developments

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EUR/USD development



Raw material market price index*



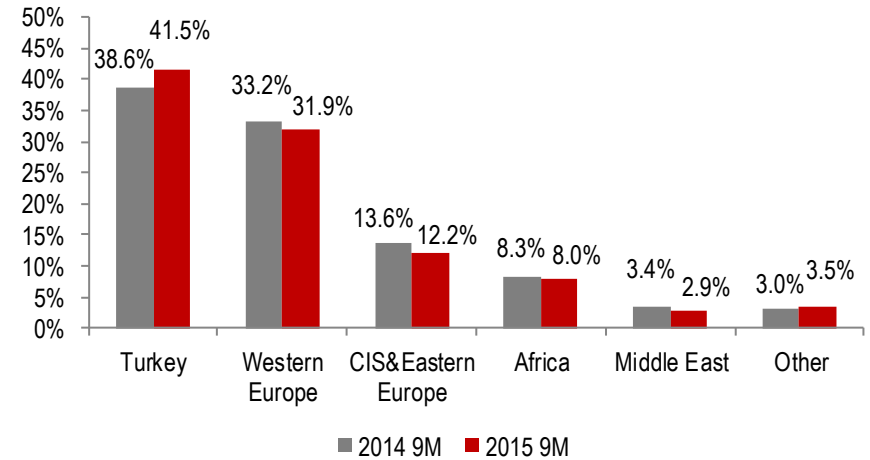
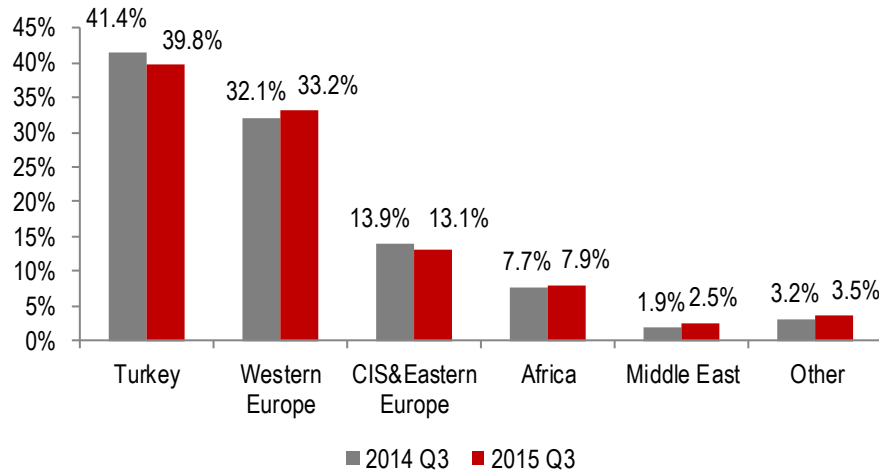
* Raw material price index for appliances category

Sales performance

Sales by region

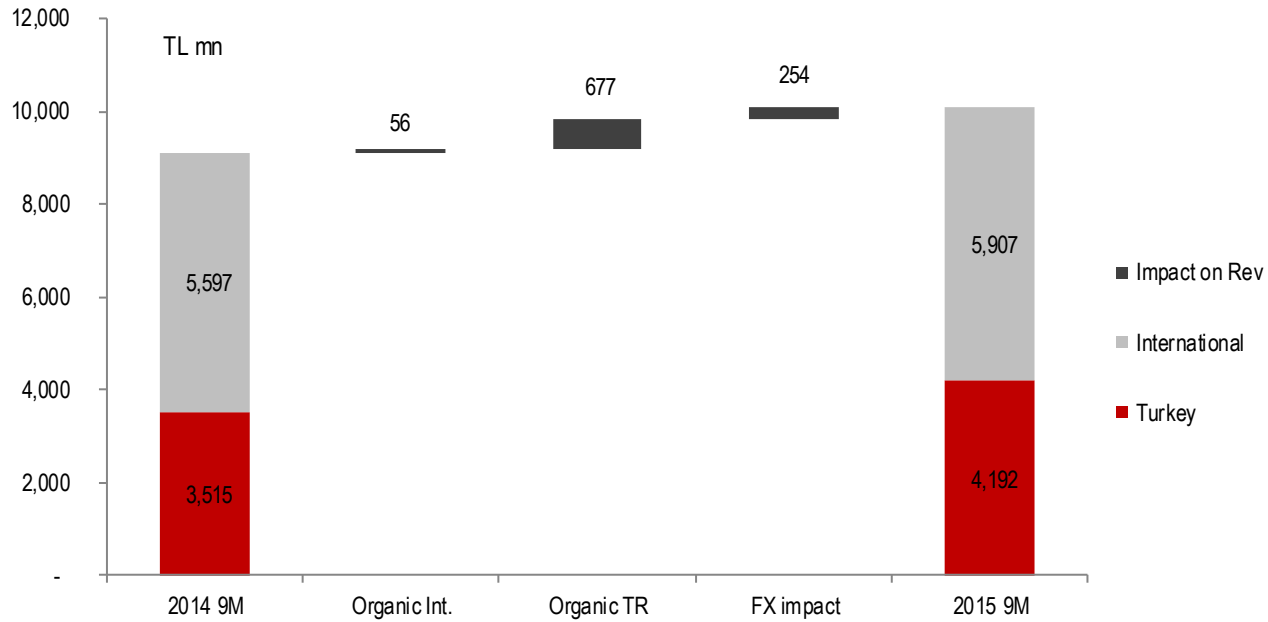
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TL mn	2015 Q3	2014 Q3	2015 Q2	Δ% YoY	Δ% QoQ	2015 9M	2014 9M	Δ% YoY	2014	2013	Δ% YoY
Total Revenue	3,877	3,234	3,355	20	16	10,099	9,112	11	12,514	11,098	13
Turkey	1,542	1,337	1,472	15	5	4,192	3,515	19	4,852	4,617	5
International	2,335	1,897	1,883	23	24	5,907	5,597	6	7,662	6,481	18



Sales bridge

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2015 9M	Organic	Currency effect	Total
% International Growth	1%	5%	6%
% Consolidated Growth	8%	3%	11%

Financial performance

Income statement

TL mn	2015 Q3	2014 Q3	2015 Q2	Δ% YoY	Δ% QoQ	2015 9M	2014 9M	Δ% YoY	2014	2013	Δ% YoY
Revenue	3,877	3,234	3,355	20	16	10,099	9,112	11	12,514	11,098	13
Gross Profit	1,260	1,046	1,082	20	16	3,214	2,928	10	3,979	3,388	17
margin	32.5	32.3	32.2			31.8	32.1		31.8	30.5	
EBIT *	330	274	277	20	19	787	761	3	1,024	853	20
margin	8.5	8.5	8.2			7.8	8.4		8.2	7.7	
Profit Before Tax	241	194	180	24	34	543	545	0	732	745	-2
margin	6.2	6.0	5.4			5.4	6.0		5.8	6.7	
Net Income**	214	160	326	33	-35	681	462	47	638	623	2
margin	5.5	5.0	9.7			6.7	5.1		5.1	5.6	
EBITDA*	423	363	370	17	15	1,063	1,020	4	1,370	1,155	19
margin	10.9	11.2	11.0			10.5	11.2		11.0	10.4	

* 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

TL mn	2015 Q3	2014 Q3	2015 Q2	Δ% YoY	Δ% QoQ	2015 9M	2014 9M	Δ% YoY	2014	2013	Δ% YoY
Consolidated											
Revenue	3,877	3,234	3,355	20	16	10,099	9,112	11	12,514	11,098	13
Gross Profit	1,260	1,046	1,082	20	16	3,214	2,928	10	3,979	3,388	17
Gross Profit %	32.5	32.3	32.2			31.8	32.1		31.8	30.5	
White Goods											
Revenue	2,947	2,444	2,406	21	22	7,384	6,635	11	9,069	7,818	16
Gross Profit	1,038	852	846	22	23	2,555	2,277	12	3,080	2,564	20
Gross Profit %	35.2	34.8	35.1			34.6	34.3		34.0	32.8	
Consumer Electronics											
Revenue	465	416	422	12	10	1,317	1,277	3	1,829	1,607	14
Gross Profit	101	101	84	-1	20	276	315	-12	442	346	28
Gross Profit %	21.6	24.4	19.9			21.0	24.7		24.2	21.6	
Other											
Revenue	466	375	527	24	-12	1,399	1,200	17	1,616	1,673	-3
Gross Profit	122	93	152	31	-20	383	337	14	457	478	-4
Gross Profit %	26.2	24.8	28.9			27.4	28.1		28.3	28.6	

Balance sheet

TL mn	30.09.2015	31.12.2014		30.09.2015	31.12.2014
Current Assets	9,965	8,472	Current Liabilities	5,567	4,431
Cash and Cash Equivalents	1,564	1,621	ST Bank Borrowings	2,310	1,803
Trade Receivables	5,603	4,434	Trade Payables	2,148	1,781
Inventories	2,493	2,125	Provisions	392	264
Other	305	292	Other	719	583
Non-current Assets	4,415	3,923	Non-current Liabilities	4,064	3,566
Property, Plant and Equipment	2,018	1,813	LT Bank Borrowings	3,501	2,965
Financial Investments	839	894	Other	563	601
Other	1,558	1,217	Equity	4,749	4,399
Total Assets	14,380	12,395	Total Liabilities	14,380	12,395

	30.09.2015	30.06.2015	31.12.2014	31.12.2013	31.12.2012
Net Financial Debt/Equity	0.89	0.92	0.72	0.72	0.58
Total Liabilities/Total Assets	0.67	0.66	0.65	0.64	0.62

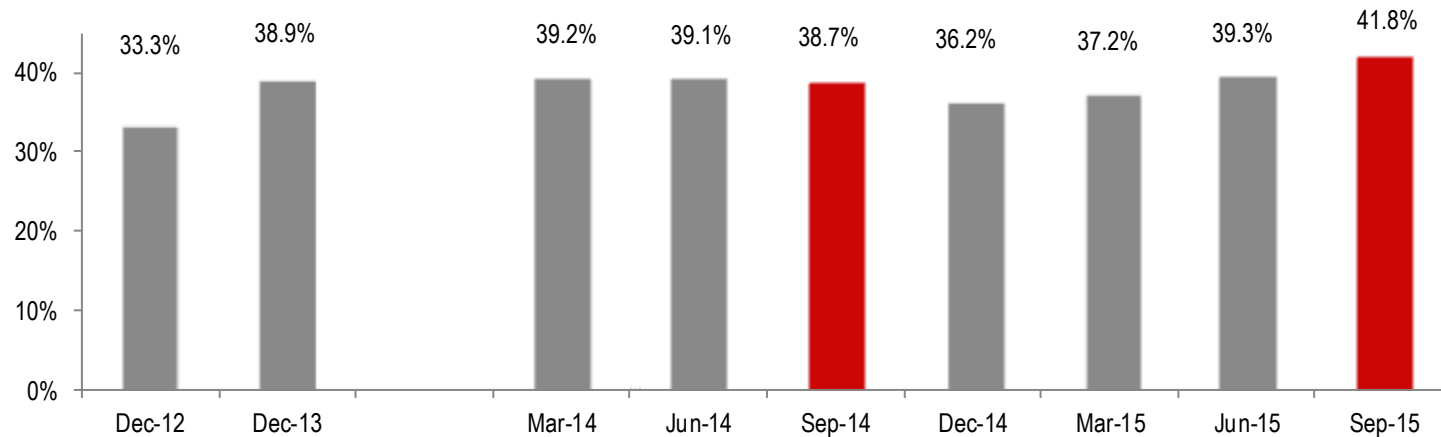
Working capital

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TL mn	FX Basis	TL Basis	30.09.2015		FX Basis	TL Basis	Total
ST Trade Rec.	2,529	3,074	5,603	ST Trade Payables	994	1,154	2,148
Other Receivables	46	50	96	Other Payables	210	184	394
Inventory	1,255	1,238	2,493	Working Capital	2,626	3,024	5,650

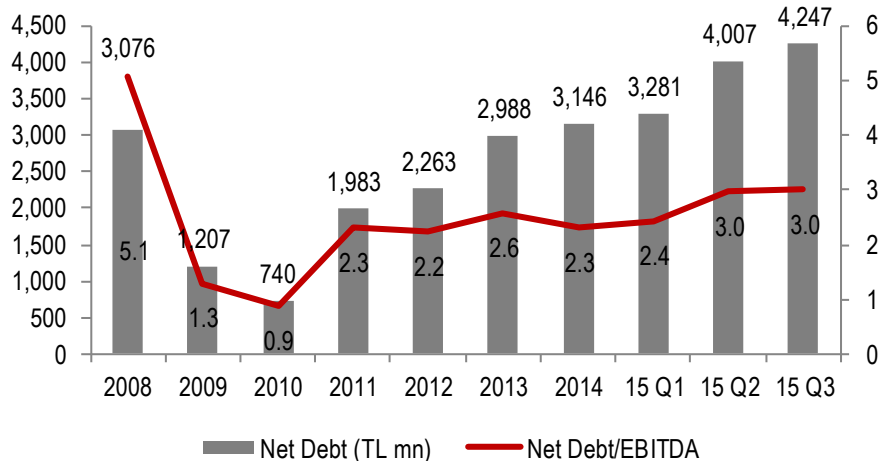
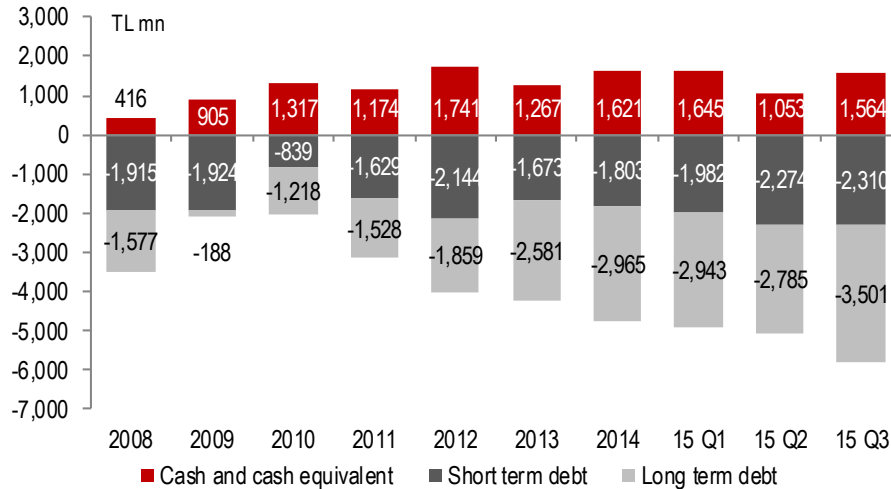
TL mn	FX Basis	TL Basis	31.12.2014		FX Basis	TL Basis	Total
ST Trade Rec.	1,994	2,440	4,434	ST Trade Payables	884	897	1,781
Other Receivables	27	32	59	Other Payables	246	58	304
Inventory	1,219	906	2,125	Working Capital	2,110	2,423	4,533

Working capital /sales



Debt profile

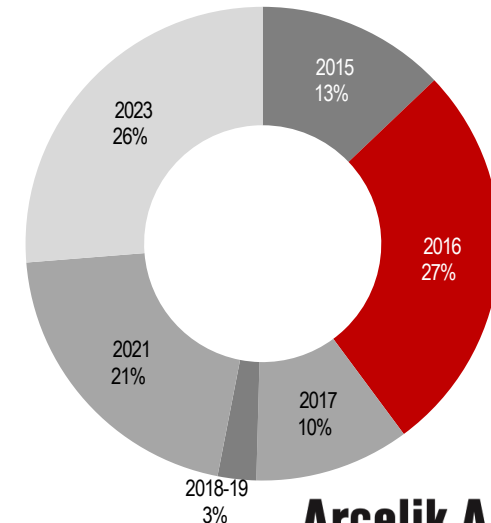
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Debt profile (as of 30 Sept 2015)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	11.2%	2,032	2,032
EUR	1.6%	227	778
ZAR	8.6%	750	164
RUB	8.7%	904	41
CNY	4.9%	111	53
Other	1.4%		5
Total Bank Borrowings			3,073
USD	5.1%	509	1,549
EUR	4.0%	347	1,189
Total Eurobond			2,738
Total			5,811

Debt maturity profile



Cash flow*

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TL mn	2015 9M	2014 9M
Beginning Balance	1,621	1,266
Net Operational Cash Flow	454	586
CapEx	-414	-310
Acquisition of minority interest	-282	0
Fixed Asset Sales	11	2
Dividend Paid	-350	-354
Dividends Received	24	27
Changes in Bank Borrowings	474	-473
Bonds Issued	0	991
Other Financial & Investing Activites	-197	-222
Differences due to FX Conversion	222	-23
Changes in Cash	-57	225
Ending Balance	1,563	1,490

2014 figure reclassified

2015 expectations

2015 expectations

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Market share	Stable or higher market share in key regions
White goods volume growth	Turkey* :> 5% International : c.2%
Revenue growth	c.10% in TL
EBITDA margin (2015)**	c.10.5%
Long-Term EBITDA margin**	c.11%

*5 main products, in compliance with WGMA data.

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

www.arcelikas.com

Contacts for Investor Relations

Polat Şen

CFO

Tel: (+90 212) 314 34 34

Doğın Korkmaz

Finance Director

Tel: (+90 212) 314 31 85

investorrelations@arcelik.com

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