

Arçelik

2015 Financial Results

Key developments

- Strong growth in international sales, both organic and FX related
- Record breaking monthly international sales in October and November
- Good YoY performance in Arcelik domestic sales (up 16%)
- Improved EBITDA levels driven by gross profit
- Improved working capital levels, achieved by measures on receivables and inventory management
- Improved Net Debt / EBITDA

- Overall growth in international markets
 - European appliance markets overall robust, especially Spain, UK, Germany, Austria, Poland and Romania
 - Change in France's retail channel landscape, putting pressure on prices
 - Continuing weakness in Russia /Ukraine (c.31% / 41% decline in 11M15)*
 - 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 after sanction liftoff
- Arçelik continued to strengthen its international presence*
 - Beko holds 2nd rank MDA6 total Europe
 - Beko; maintaining the leading brand position in MDA6 free-standing total Europe
 - Beko; top winning brand in total Europe in 2015

*Source: GFK

4Q15 developments

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Key factors impacting revenues

Domestic white goods, TV
and SDA sales

Strong performance across all product segments
16% YoY growth

FX gains from international
sales

c.9% positive impact on consolidated revenues in 4Q15 (4% in 2015)

International volumes

MDA6: Top market share winning brand in Europe in terms of sales
units*. Record-breaking sales in October and November (€278m)

*Source: GFK

Key factors impacting margins

Commodity prices

Commodity prices continued to support white goods margins further in 4Q15

FX rate

EUR/USD still down around 1.10 levels=> Stable QoQ

Improved GPM YoY

White goods GPM improved by 2.1pp YoY supported by commodity cost declines and price actions, especially in the domestic market. Electronics margins up by 1.1pp YoY supported by TV and cash register sales despite unfavorable EURUSD.

OPEX flat YoY

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

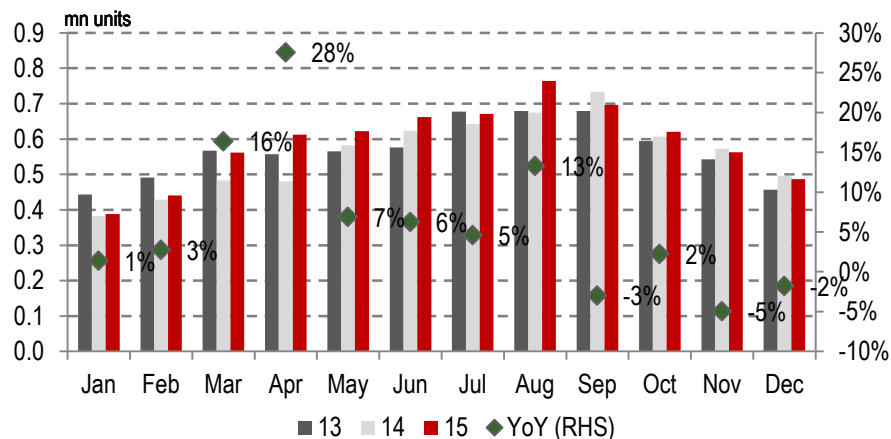
Other developments

- Arçelik received R&D Leadership and Leadership in Technology Development awards at Innovation Week.
- Test production started in Thailand factory as planned.

4Q15 developments

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Domestic market monthly progression



Domestic market in 2015

in 000's	2015	2014	YoY
Refrigerator	1,976	1,908	4%
Freezer	571	535	7%
Washing mach.	2,026	1,897	7%
Dryer	82	64	27%
Dishwashers	1,483	1,435	3%
Ovens	951	868	10%
Total	7,090	6,706	6%

Domestic market in 4Q15

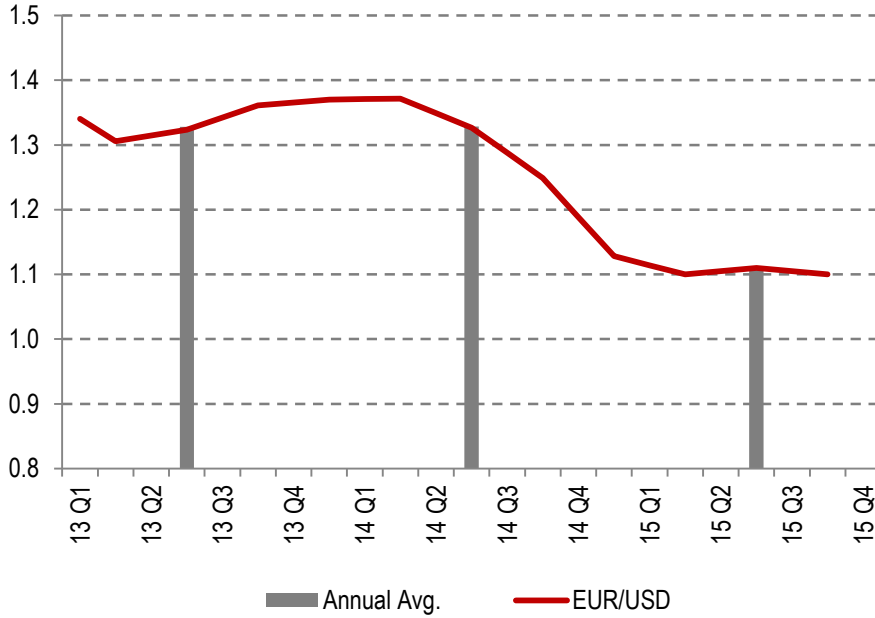
in 000's	4Q15	4Q14	YoY
Refrigerator	473	469	1%
Freezer	45	50	-10%
Washing mach.	510	531	-4%
Dryer	35	31	12%
Dishwashers	373	370	1%
Ovens	217	223	-3%
Total	1,653	1,675	-1%

Source: TURKBESD

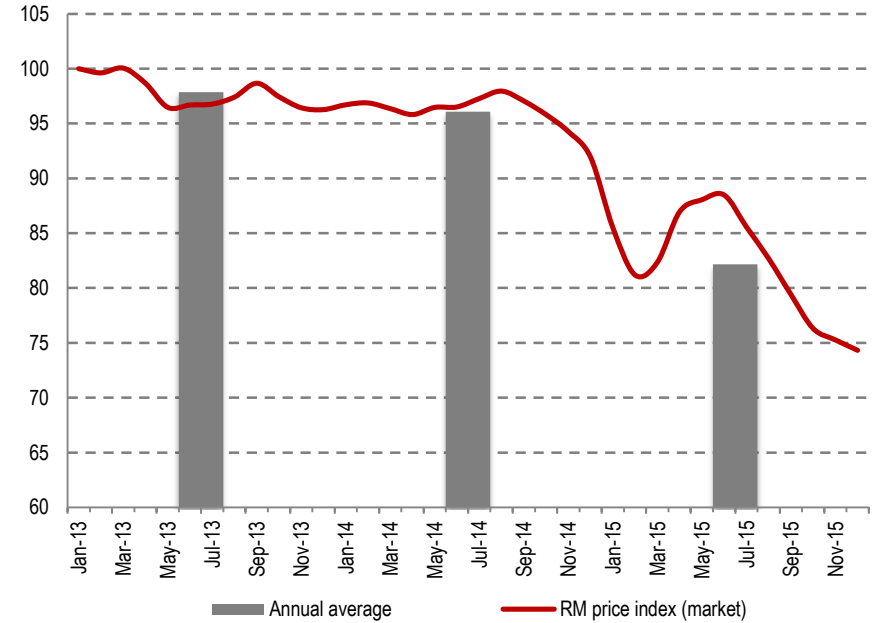
4Q15 developments

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EUR/USD development



Raw material market price index*



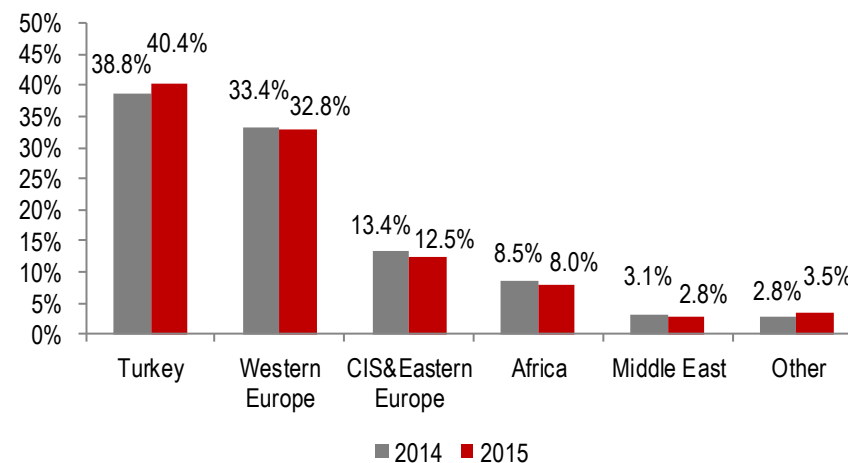
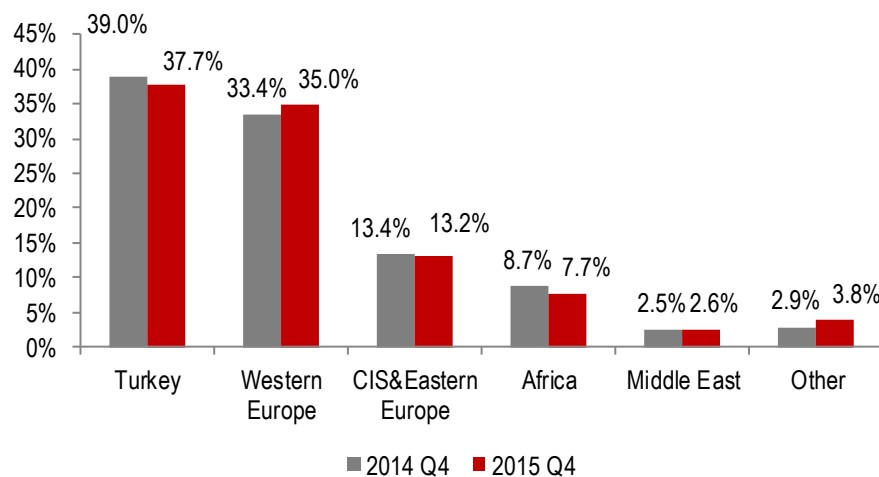
* Raw material price index for appliances category

Sales performance

Sales by region

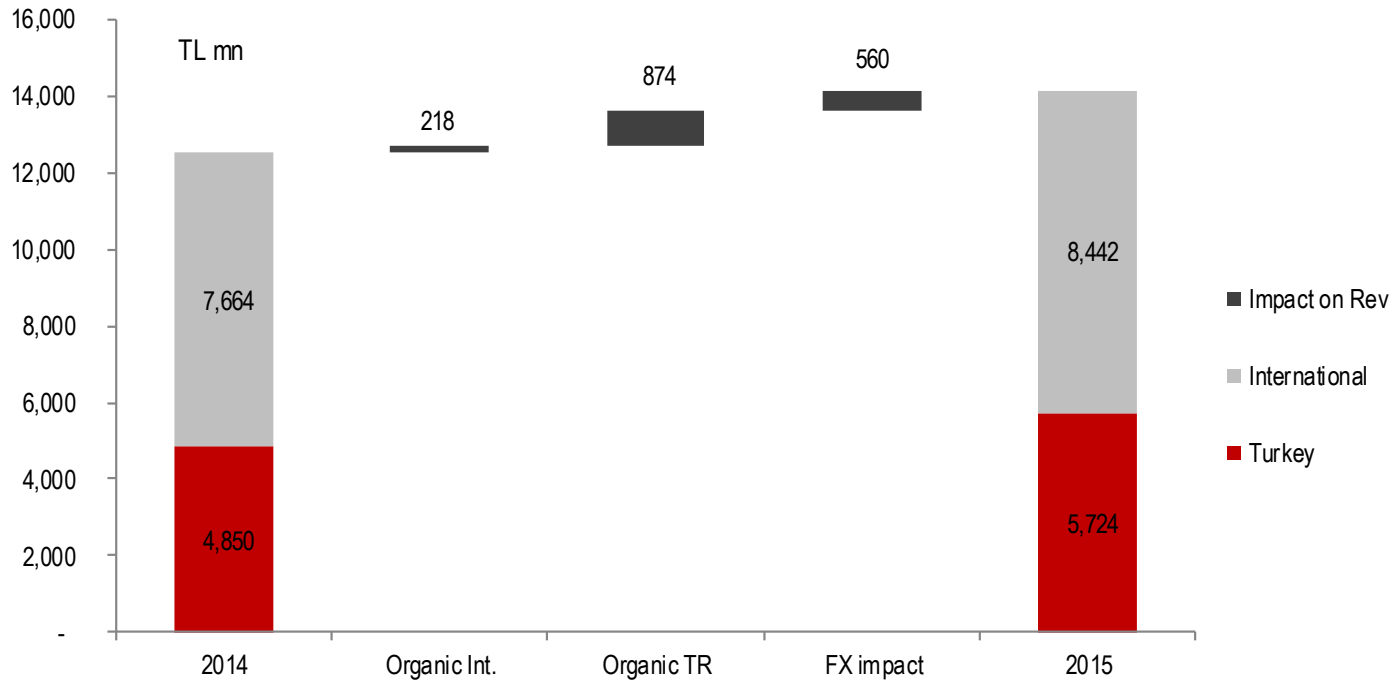
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TL mn	2015 Q4	2014 Q4	2015 Q3	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Total Revenue	4,067	3,402	3,877	20	5	14,166	12,514	13
Turkey	1,532	1,326	1,543	16	-1	5,724	4,850	18
International	2,535	2,076	2,334	22	9	8,442	7,664	10



Sales bridge

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2015	Organic	Currency effect	Total
% International Growth	3%	7%	10%
% Consolidated Growth	9%	4%	13%

Financial performance

Income statement

TL mn	2015 Q4	2014 Q4	2015 Q3	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Revenue	4,067	3,402	3,877	20	5	14,166	12,514	13
Gross Profit	1,322	1,050	1,260	26	5	4,536	3,979	14
margin	32.5	30.9	32.5			32.0	31.8	
EBIT *	371	263	330	41	13	1,157	1,024	13
margin	9.1	7.7	8.5			8.2	8.2	
Profit Before Tax	243	187	241	30	1	785	732	7
margin	6.0	5.5	6.2			5.5	5.8	
Net Income**	212	176	214	21	-1	893	638	40
margin	5.2	5.2	5.5			6.3	5.1	
EBITDA*	465	351	423	32	10	1,527	1,370	11
margin	11.4	10.3	10.9			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

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TL mn	2015 Q4	2014 Q4	2015 Q3	Δ% YoY	Δ% QoQ	2015	2014	Δ% YoY
Consolidated								
Revenue	4,067	3,402	3,877	20	5	14,166	12,514	13
Gross Profit	1,322	1,050	1,260	26	5	4,536	3,979	14
Gross Profit %	32.5	30.9	32.5			32.0	31.8	
White Goods								
Revenue	2,915	2,434	2,947	20	-1	10,299	9,069	14
Gross Profit	1,024	803	1,038	27	-1	3,578	3,080	16
Gross Profit %	35.1	33.0	35.2			34.7	34.0	
Consumer Electronics								
Revenue	649	552	465	18	40	1,966	1,829	7
Gross Profit	157	127	101	23	56	433	442	-2
Gross Profit %	24.2	23.1	21.6			22.0	24.2	
Other								
Revenue	503	416	466	21	8	1,901	1,616	18
Gross Profit	142	120	122	18	16	524	457	15
Gross Profit %	28.2	28.8	26.2			27.6	28.3	

Balance sheet

TL mn	31.12.2015	31.12.2014		31.12.2015	31.12.2014
Current Assets	9,406	8,472	Current Liabilities	5,236	4,431
Cash and Cash Equivalents	2,168	1,621	ST Bank Borrowings	2,185	1,803
Trade Receivables	4,791	4,434	Trade Payables	2,090	1,781
Inventories	2,140	2,125	Provisions	335	264
Other	308	292	Other	627	583
Non-current Assets	4,332	3,923	Non-current Liabilities	3,826	3,566
Property, Plant and Equipment	2,056	1,813	LT Bank Borrowings	3,269	2,965
Financial Investments	749	894	Other	557	601
Other	1,528	1,217	Equity	4,676	4,399
Total Assets	13,739	12,395	Total Liabilities	13,739	12,395

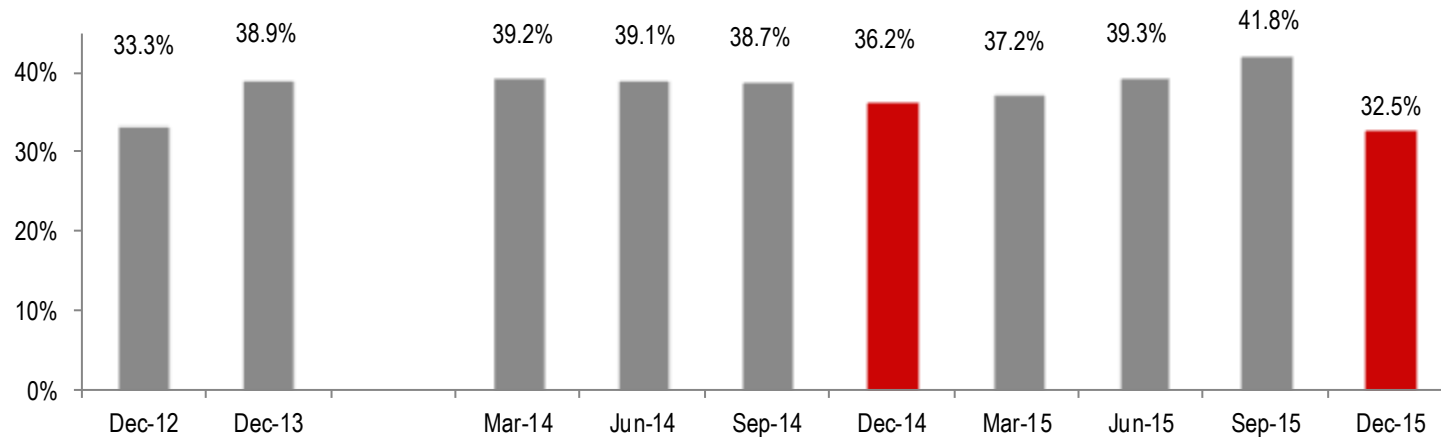
	31.12.2015	30.09.2015	30.06.2015	31.12.2014	31.12.2013
Net Financial Debt/Equity	0.70	0.89	0.92	0.72	0.72
Total Liabilities/Total Assets	0.66	0.67	0.66	0.65	0.64

Working capital

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

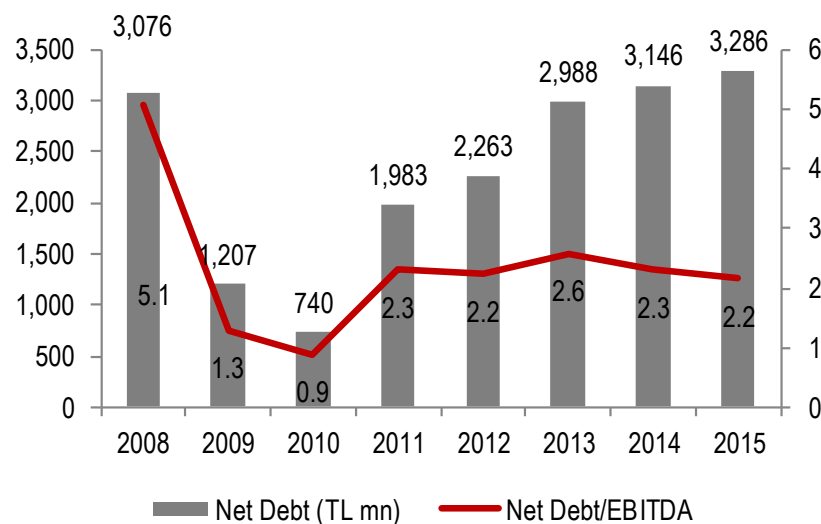
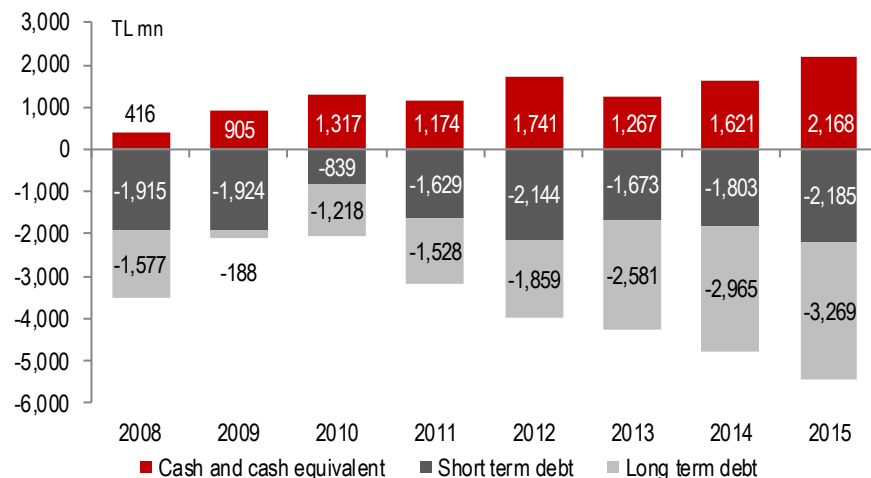
TL mn	FX Basis	TL Basis	31.12.2014		FX Basis	TL Basis	Total
ST Trade Rec.	1,994	2,440	4,434	ST Trade Payables	884	897	1,781
Other Receivables	27	32	59	Other Payables	246	58	304
Inventory	1,219	906	2,125	Working Capital	2,110	2,423	4,533

Working capital /sales



Debt profile

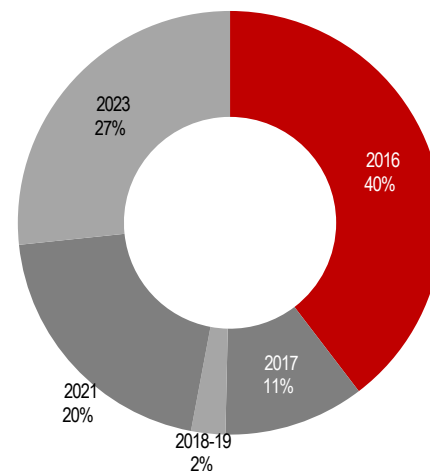
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Debt profile (as of 31 Dec 2015)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	11.5%	2,021	2,021
EUR	1.6%	191	608
ZAR	9.1%	750	142
RUB	8.7%	904	36
CNY	4.4%	110	49
GBP	1.6%	4	19
USD	1.5%	1	2
SEK	1.3%	2	1
Other			1
Total Bank Borrowings			2,878
USD	5.1%	503	1,461
EUR	4.0%	351	1,115
Total Eurobond			2,576
Total			5,454

Debt maturity profile



Cash flow*

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TL mn	2015	2014
Beginning Balance	1,621	1,266
Net Operational Cash Flow	1,723	1,003
CapEx	-642	-453
Acquisition of minority interest	-282	0
Fixed Asset Sales	19	4
Dividend Paid	-350	-354
Dividends Received	24	27
Changes in Bank Borrowings	230	-522
Bonds Issued	0	991
Other Financial & Investing Activities	-330	-274
Differences due to FX Conversion	153	-67
Changes in Cash	546	355
Ending Balance	2,166	1,621

2014 figure reclassified

2016 expectations

2016 expectations

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

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