

DENİZLİ CAM SANAYİİ ve TİCARET A.Ş.



YE 2016 RESULTS INVESTOR PRESENTATION

History

- Founded in 1973, Denizli Cam was acquired by Şişecam Group with a mission to continue the traditional Turkish hand- made glass production heritage of Paşabahçe which was founded by Atatürk in 1935
- With more than 25.000 SKUs, Denizli is the leading hand-made glassware producer in Turkey and one of the top producers in Europe with its high-quality glass, production capacity, superb workforce that can produce all types of designs to expand its product portfolio. With these assets, Denizli is a well-known brand in the global glassware market
- 49% free float with a market capitalization of 79 mn TL (31 december 2016)
- Products exported to 65 countries in 5 continents; 67% of exports to Europe and 6% to North America

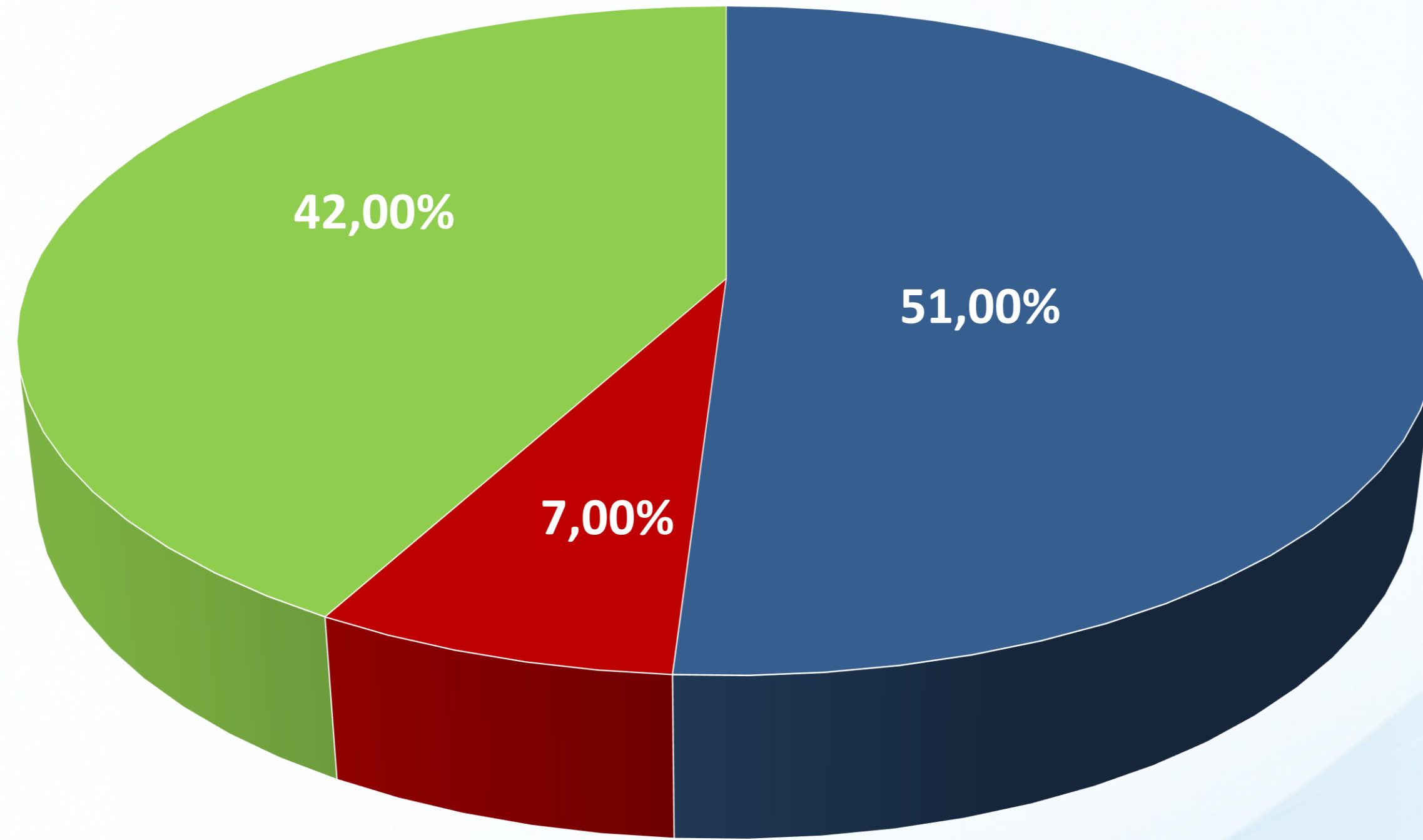


Vision & Strategy

- Denizli Cam's vision is to be the preferred brand by the global «upscale» consumers and retailers for hand-made glassware products with its superb design and high-quality production.
- Its strategic targets are to produce with minimum cost and optimum economies of scale, to improve the production capabilities with continuous development, improvement, innovation and to achieve maximum customer satisfaction.
- Increasing the capabilities and products portfolio further penetrate to the markets with its new brand “NUDE” .
- Studies are continuously undertaken including development of new techniques and «know-how» to differentiate hand-made production in order to compete with the automated production and also with the competitors.



Shareholder Structure



■ Paşabahçe Cam Sanayii ve Tic. A.Ş. ■ Denizli Cam Mensupları Vakfı ■ Others

Financial Performance

Denizli Cam Consolidated Financials

Bin TL	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sales	50.613	49.318	55.151	49.802	76.496	64.202
EBITDA	5.259	(1.795)	796	2.839	6.507	(9.841)
EBITDA	3.602	(3.050)	(741)	1.311	3.753	(13.169)
Net Profit	4.095	(1.684)	(885)	526	2.185	(8.916)
Ebitda Margin (%)	10.39	(3.64)	1.44	5.70	8,51	(15,32)
Ebit Margin (%)	7.12	(6.18)	(1.34)	2.63	4,91	(20,51)
Net Profit Margin (%)	8.09	(3.42)	(1.60)	1.06	2,86	(13,88)

Operations

Denizli Cam's product portfolio includes;

- Highly sophisticated and aesthetic glassware with original designs and shapes,
- Traditional products such as Çeşm-i Bülbül, Evil Eyes and Beykoz-style products
- Hand-made crystal products that have niche demand,

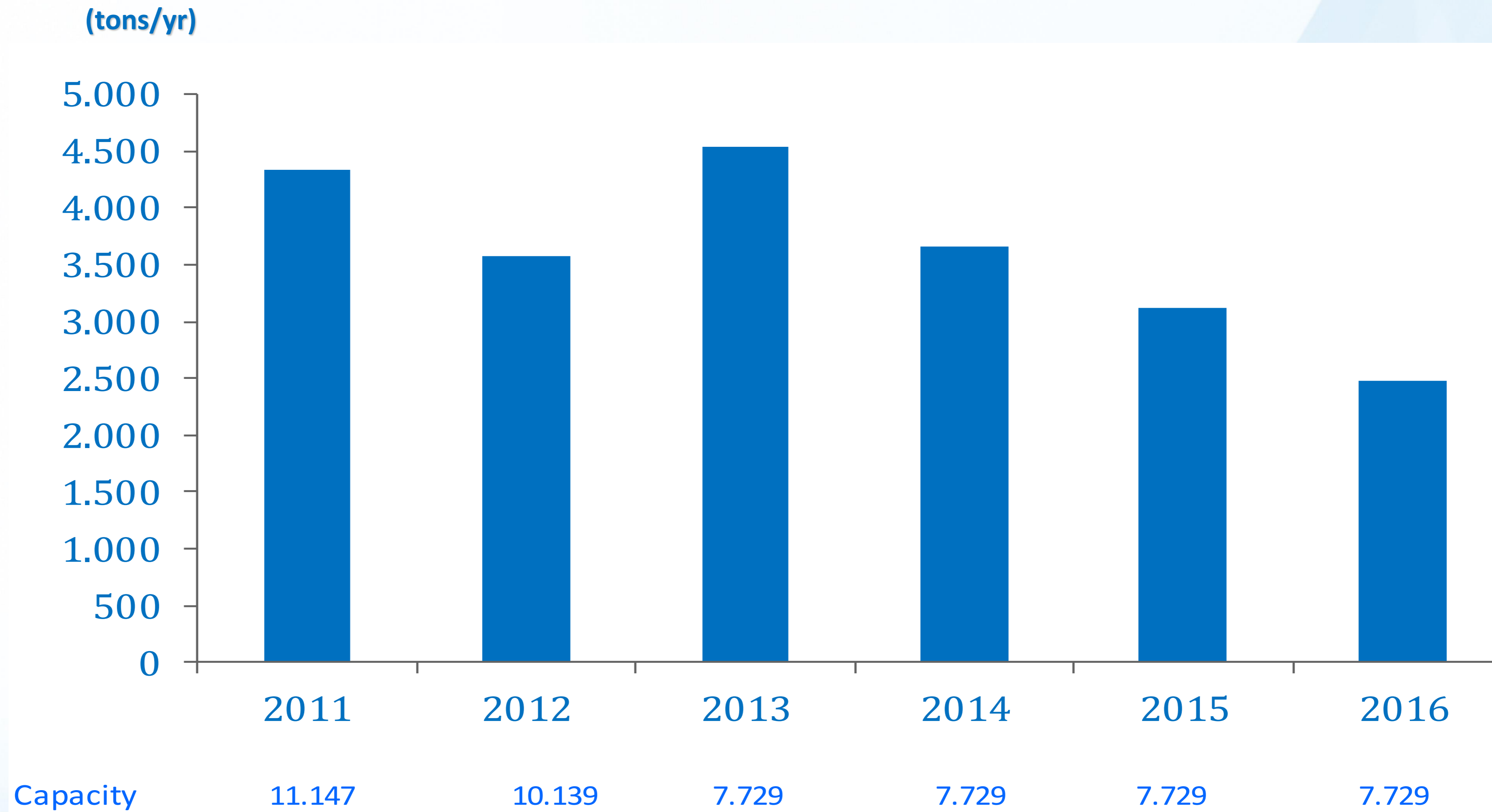


Global Industry Dynamics

- Due to global economic downturns, number of high-quality handmade glassware producers has decreased. However, volume of supply was not adversely impacted therefore fierce price competition in these products continues.
- While for colored and sizeable items , Polish products are preferred, for cheap but high number of products Chinese production is preferred . As for hand-made products, Denizli Cam is among the top preferred brands globally.

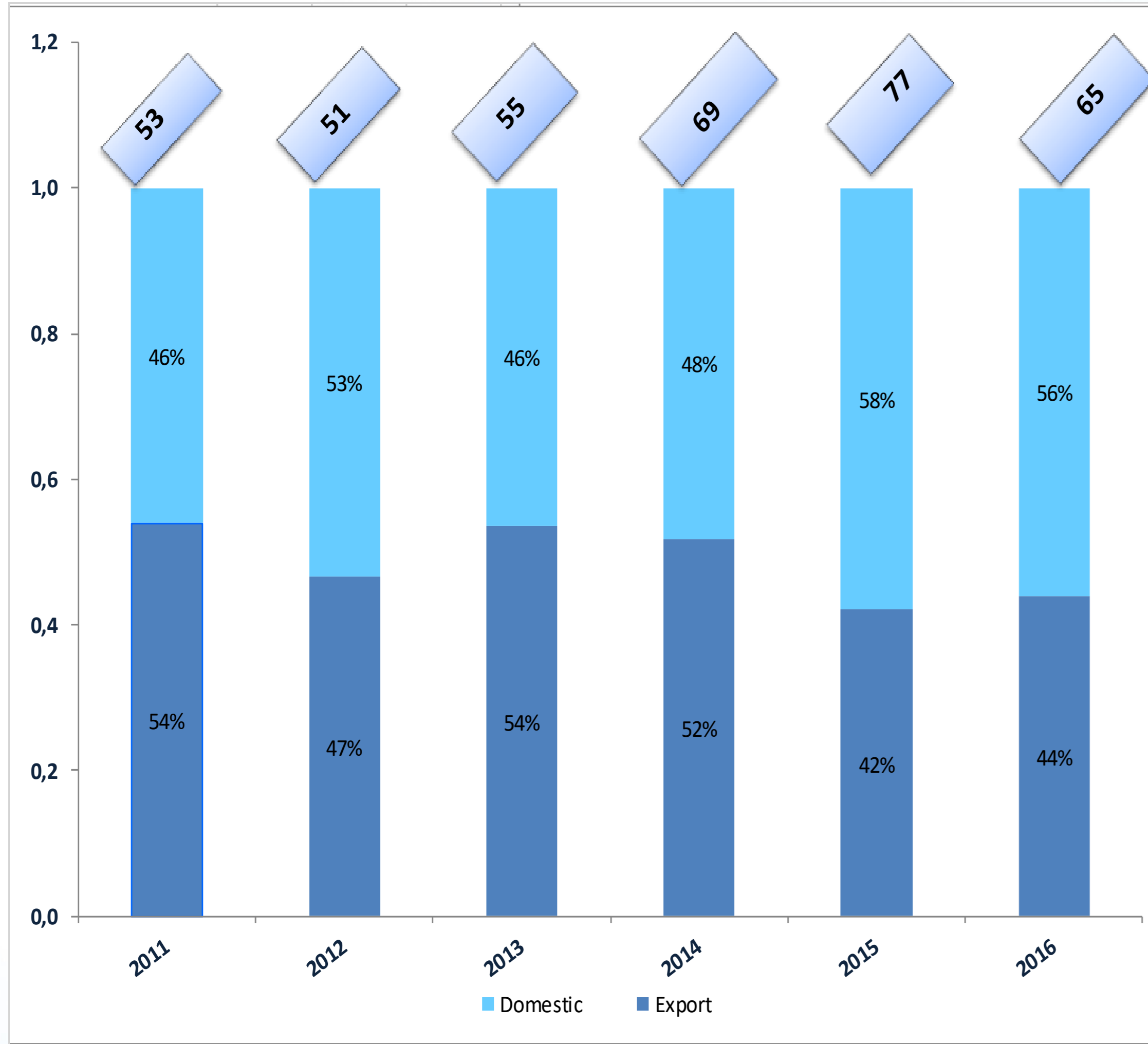


Production & Capacity



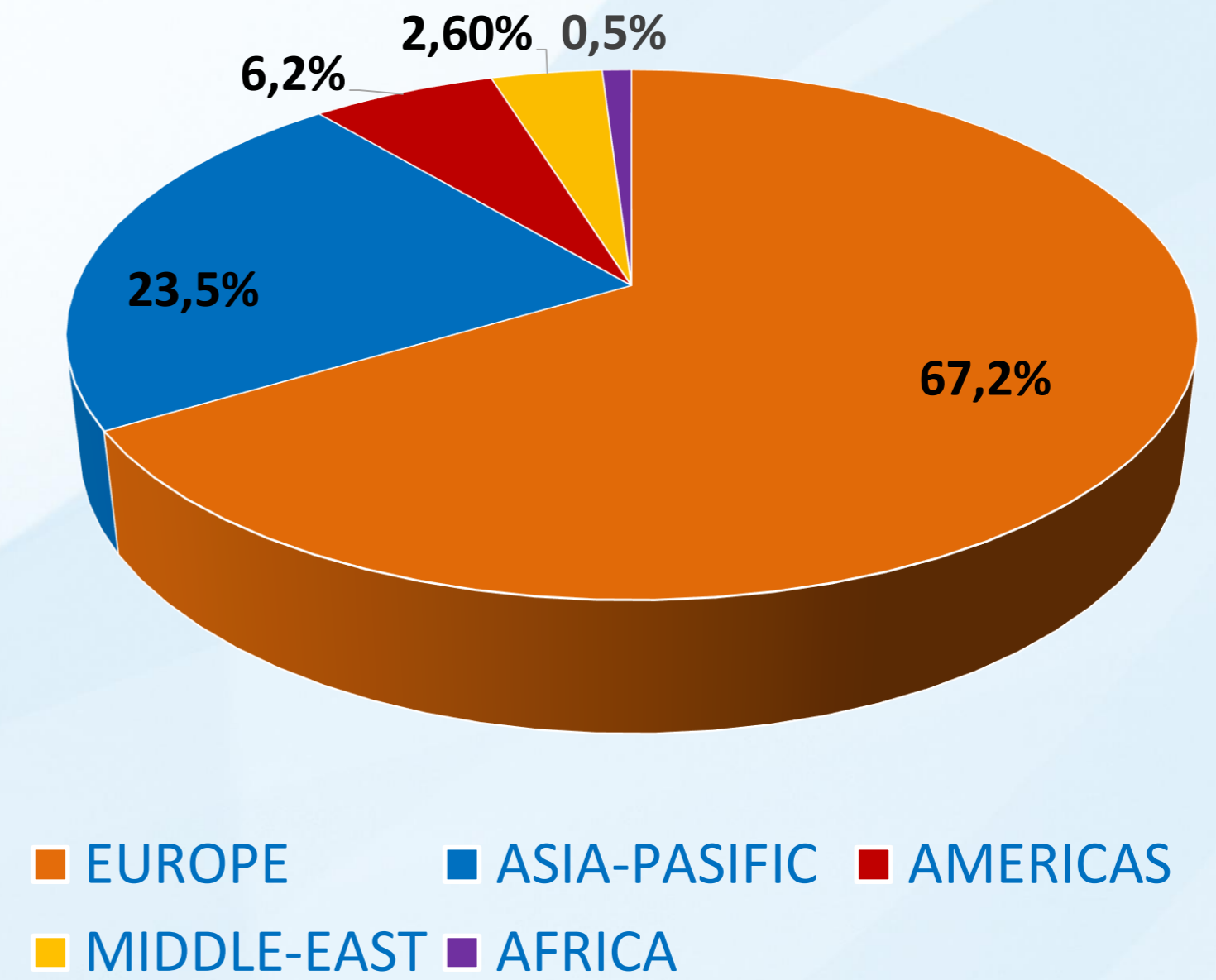
Sales

mn TL



Export Markets : Denizli Cam products are exported to Western European countries and North America, a total of 65 countries in 5 continents. Largest export markets are Denmark, USA, Germany, Italy, France, Sweden, UK, Belgium, Czech Republic, China and Canada

REGIONAL BREAKDOWN OF EXPORTS



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ŞİŞECAM

Şişecam Overview

- Executive Summary
- Revenue & Cash Generation
- Company Overview

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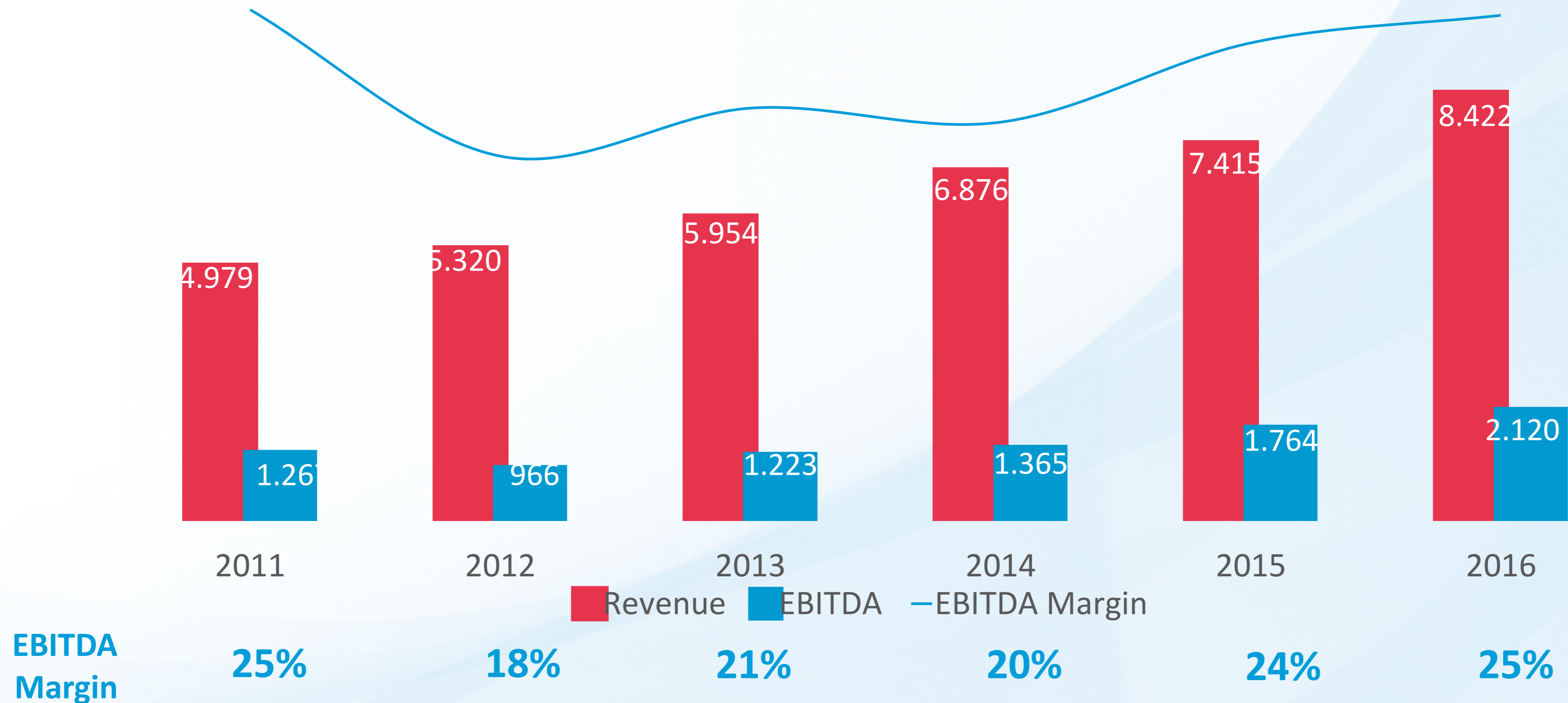
Executive Summary

- ◆ Şişecam is a conglomerate in Turkey, founded by İşbank in 1935
- ◆ Operational in: Flat glass, Glass Packaging, Glassware and Chemicals
- ◆ USD 2,2 Billion Mcap (March 2017), 25,57% Free float, 66,16% held by İş Bank
- ◆ Present in 13 countries: Turkey, Russia, Bulgaria, Egypt, Georgia, Bosnia Herzegovina, Romania, Ukraine, Italy, Germany, Slovakia, Hungary and India with exports to 146 countries
- ◆ Annual production of approx. 4,6 Million tons of Glass and 2,3 Million tons of Soda Ash
- ◆ Alliances with global players
- ◆ Rated by Ba1/BB by Moody's and S&P

Revenue & Cash Generation

Sustained Growth in Revenue with Increasing EBITDA Margin

TRY mn



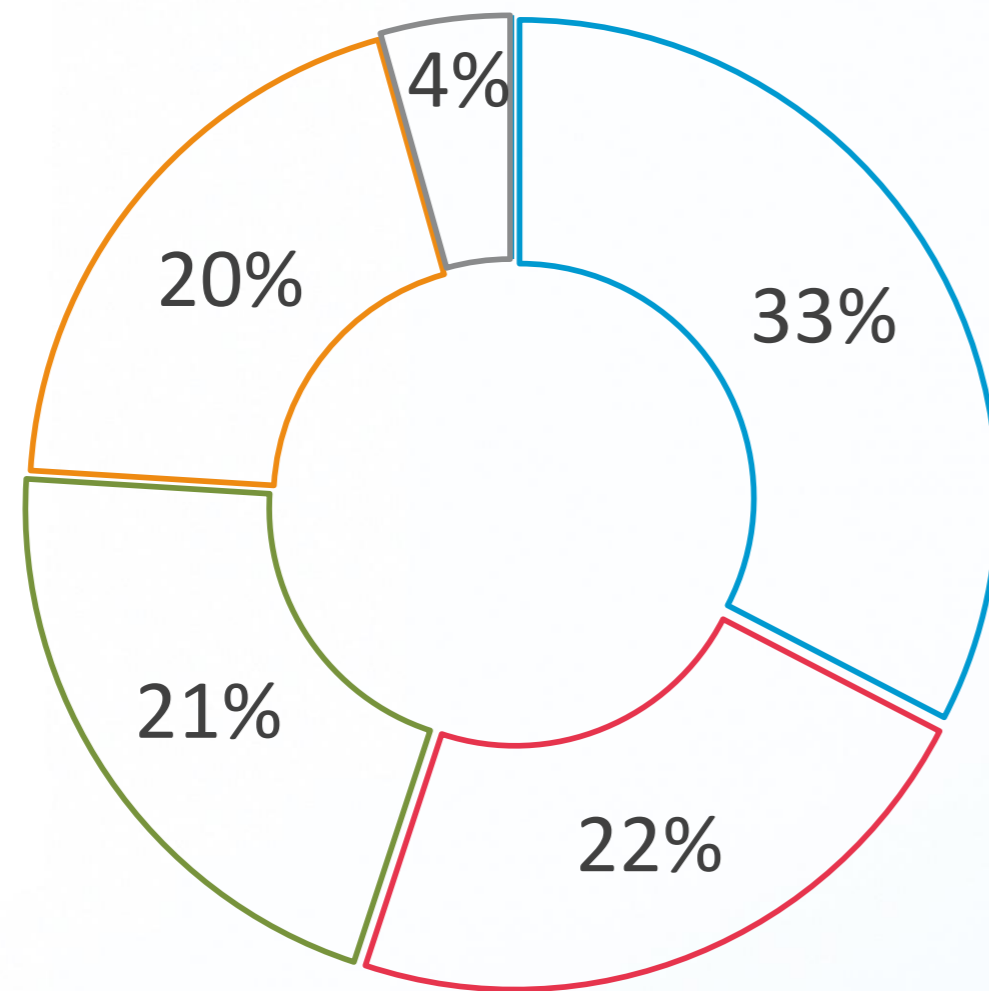
EBITDA
Margin

Revenue & Cash Generation

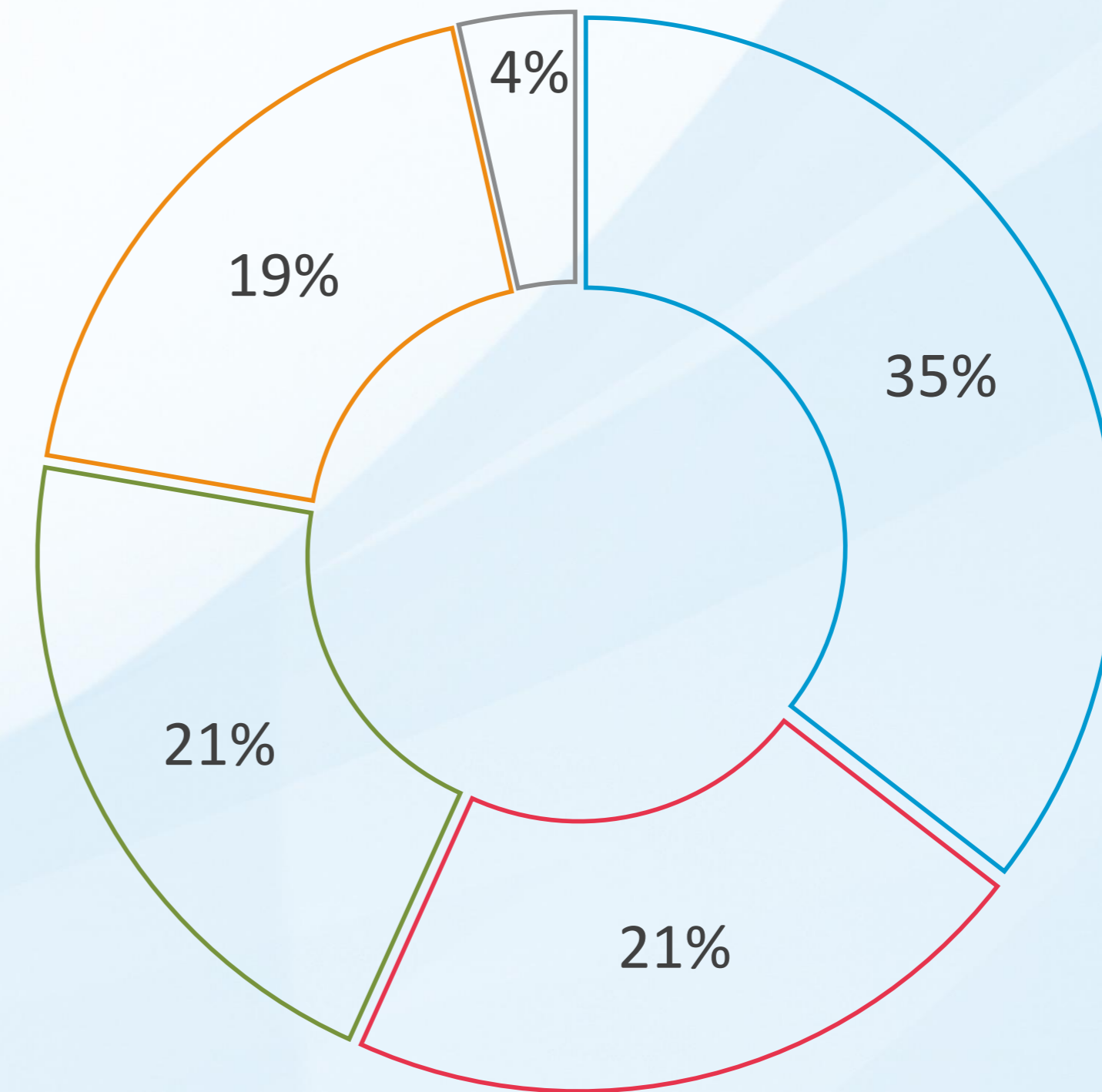
Segments' Contribution to Revenue

Balanced Contribution of the Segments in Conformity with Previous Years' Results

2015



2016



Flat Glass

Glassware

Glass Packaging

Chemicals

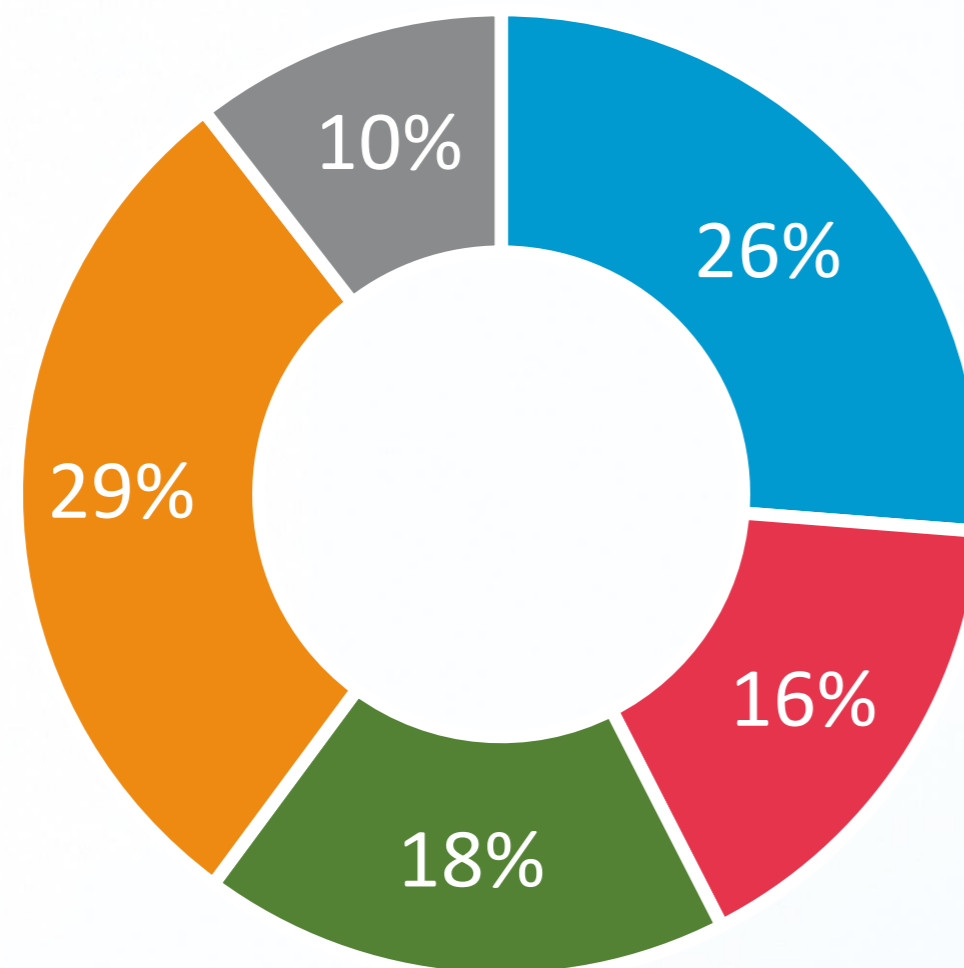
Other*

Revenue & Cash Generation

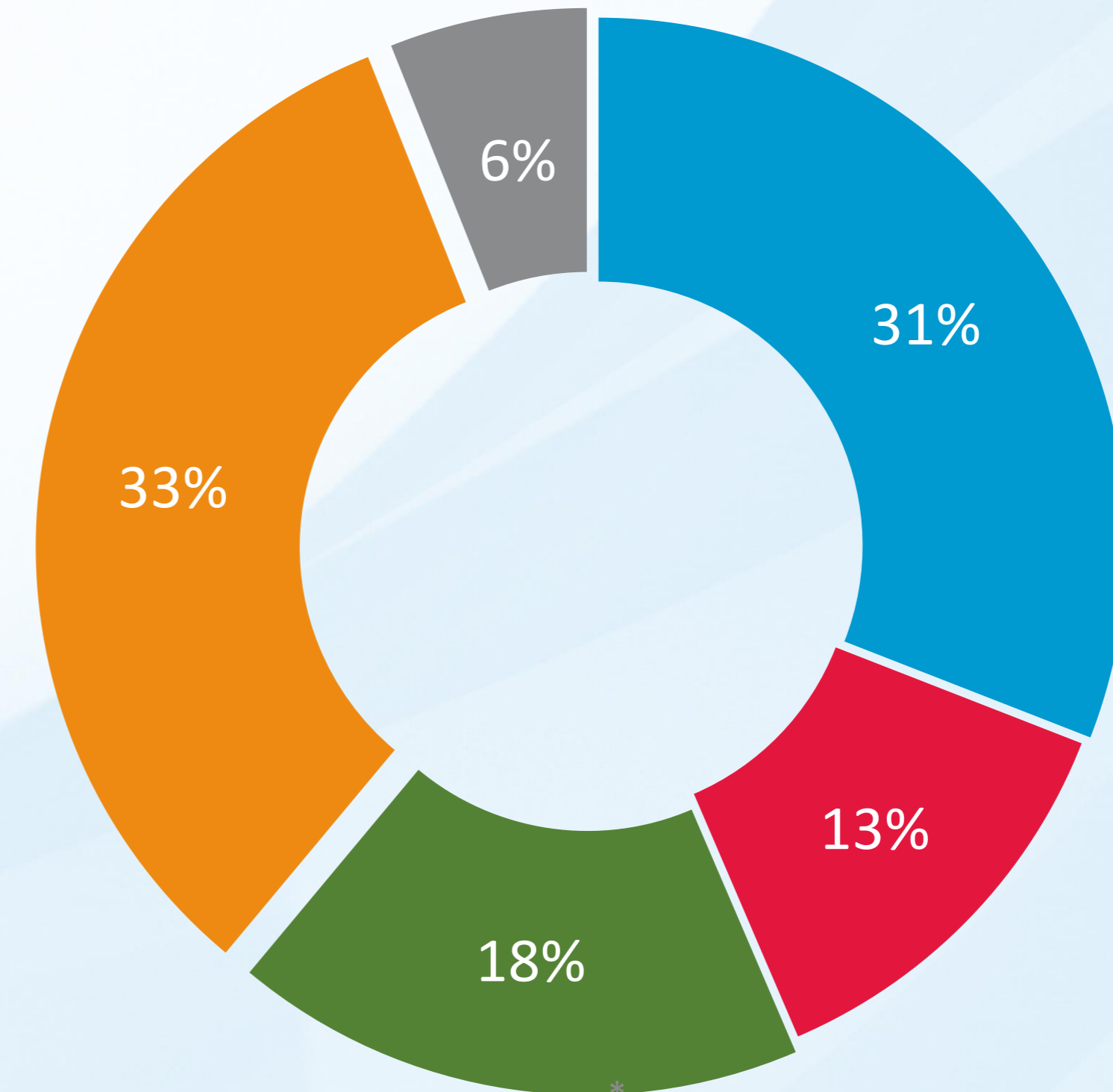
Segments' Contribution to EBITDA

Balanced Contribution of the Segments in Conformity with Previous Years' Results

2015



2016



■ Flat Glass

■ Glassware

■ Glass packaging

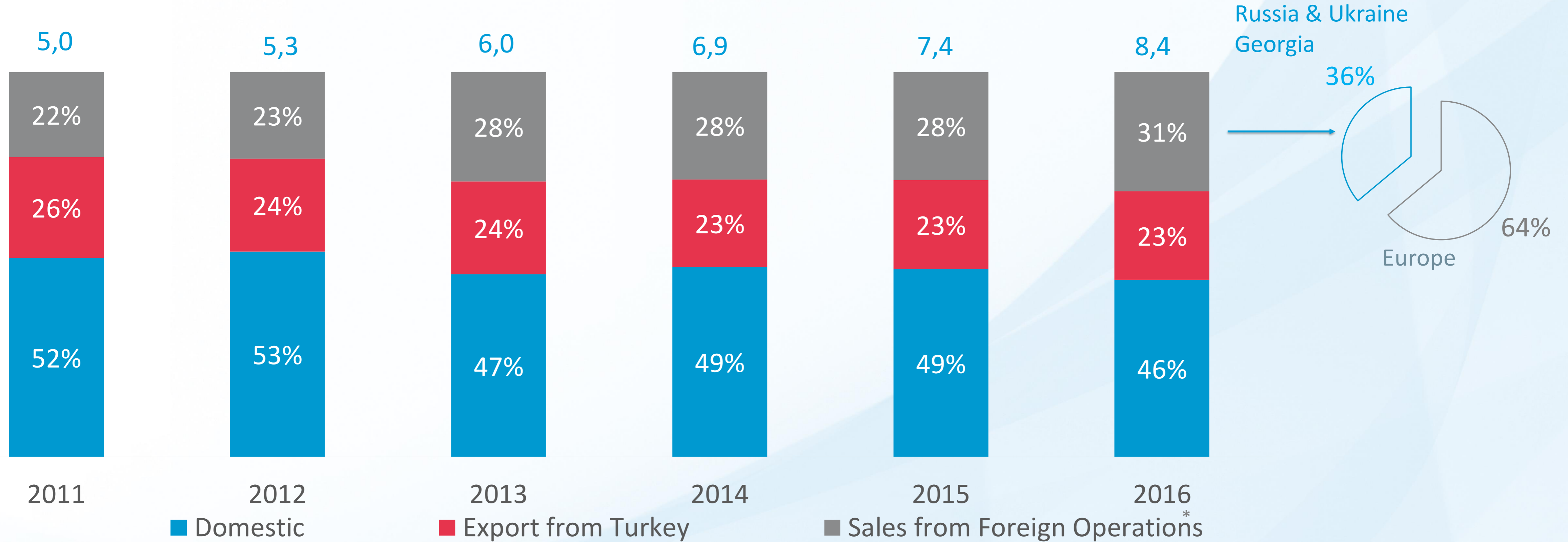
■ Chemicals

■ Other*

Revenue & Cash Generation

Geographical Contribution to Revenue

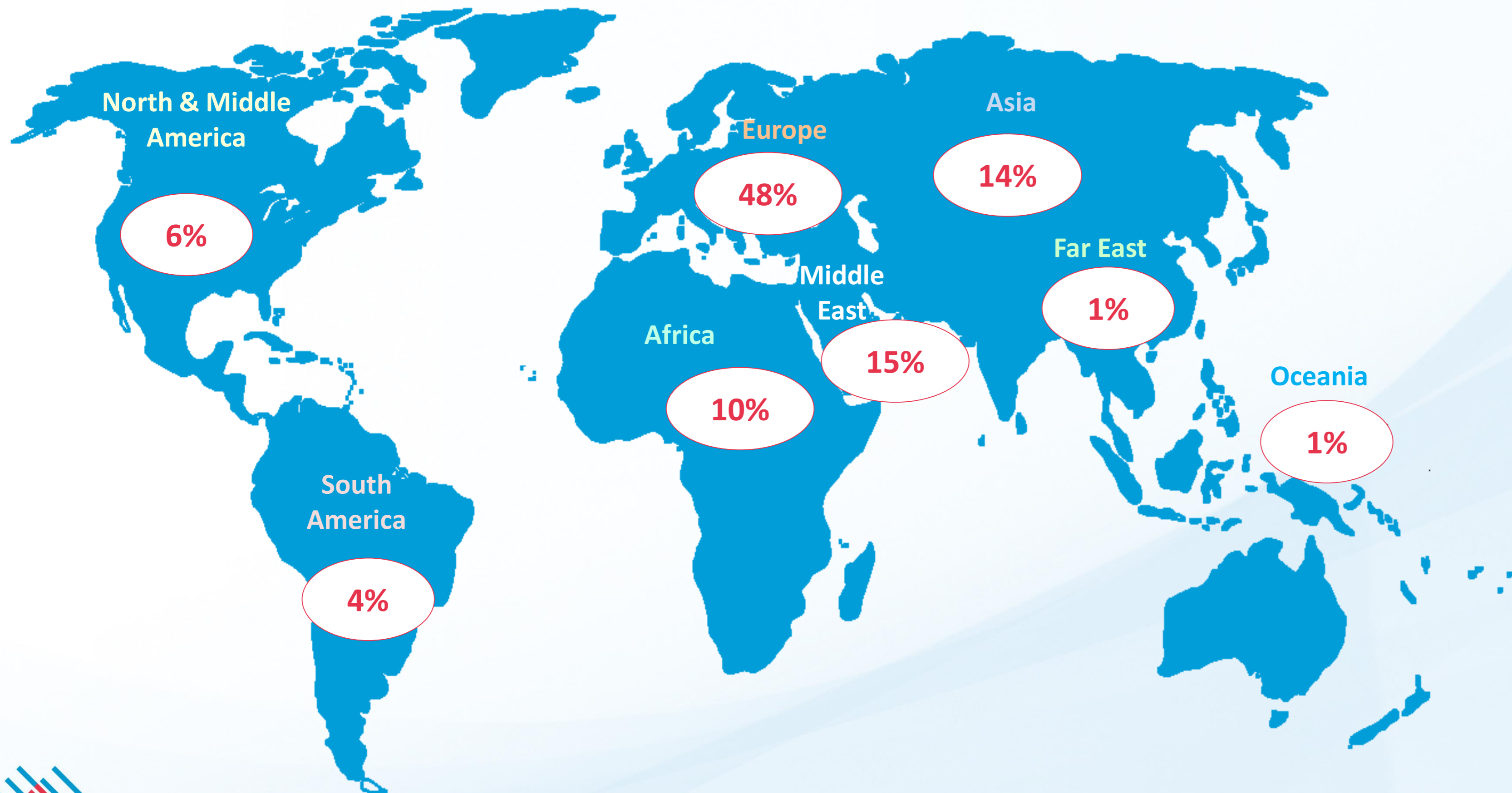
TRY Billion



Revenue & Cash Generation

Exports from Turkey

Exports of USD 696 Million in 2016 to 146 countries

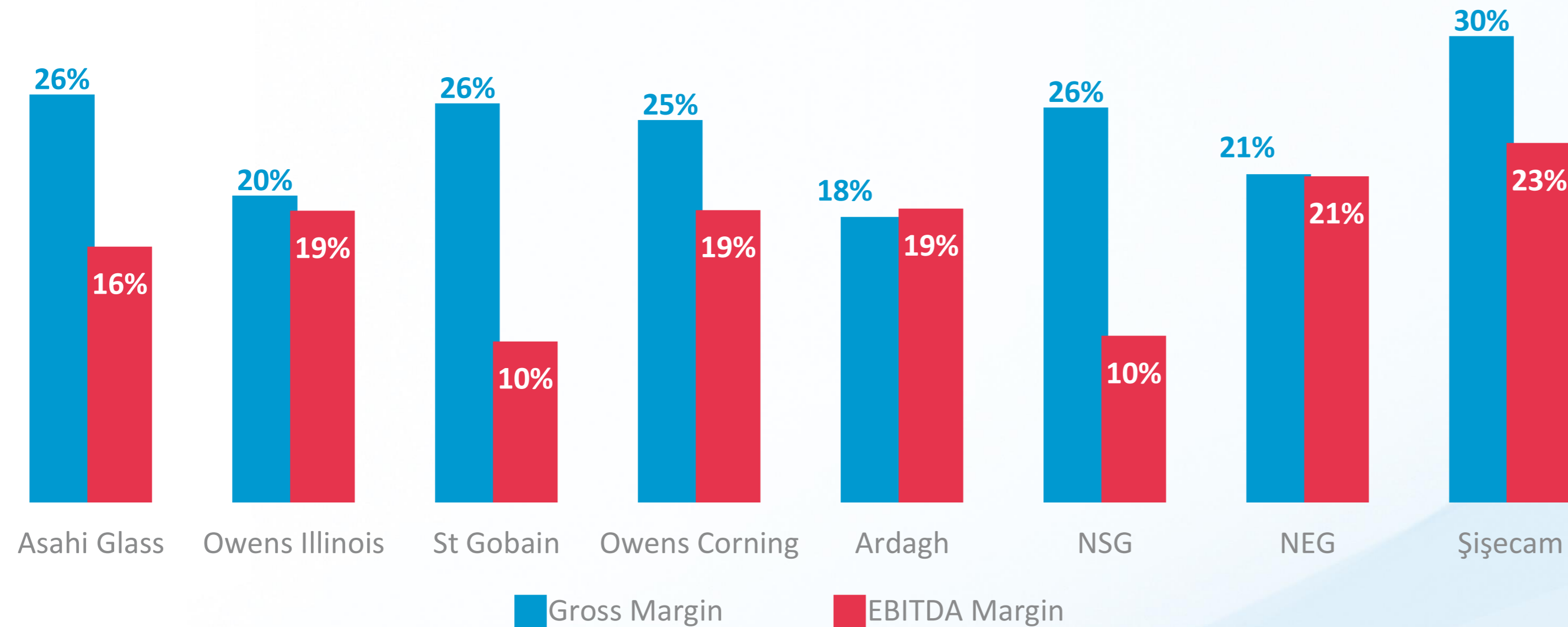


Top 10 Countries

Italy	12%
Egypt	6%
China	5%
France	5%
Bulgaria	5%
UK	5%
USA	5%
Saudi Arabia	4%
Germany	4%
Spain	3%

Global Presence

Strong Global Player with Competitive Profitability



Glass Revenues' Share in Total

NEG	100%
Owens Illinois	100%
NSG	100%
Şişecam	78%
Owens Corning	65%
Asahi Glass	53%
Ardagh	48%
St Gobain	25%

Operating Territories

ŞİŞECAM GROUP PRODUCTION PLANTS IN TURKEY

ŞİŞECAM FLAT GLASS

Trakya Cam Sanayii A.Ş.
Trakya Plant - Kırklareli
Mersin Plant - Mersin

Trakya Yenişehir Cam Sanayii A.Ş.
Yenişehir Plant - Bursa

Trakya Polatlı Cam Sanayii A.Ş.
Polatlı Plant - Ankara

Şişecam Otomotiv A.Ş.
Şişecam Otomotiv Plant - Kırklareli

ŞİŞECAM GLASSWARE

Paşabahçe Cam San. ve Tic. A.Ş.
Kırklareli Plant
Eskişehir Plant

Denizli Cam San. ve Tic. A.Ş.
Denizli Plant

Camiş Ambalaj Sanayii A.Ş.
Tuzla Plant - İstanbul
Eskişehir Plant

ŞİŞECAM GLASS PACKAGING

Anadolu Cam San. A.Ş.
Mersin Plant

Anadolu Cam Yenişehir San. A.Ş.
Yenişehir Plant - Bursa

Anadolu Cam Eskişehir Sanayi A.Ş.
Eskişehir Plant

OMCO-İstanbul Kalıp San. ve Tic. A.Ş.
Gebze Plant - Kocaeli

ŞİŞECAM CHEMICALS

Soda San. A.Ş.
Soda Plant-Mersin
Kromsan Krom Bileşikleri Plant-Mersin

Camiş Madencilik A.Ş.
Cities in Operation: Aydın, Balıkesir, Bilecik, İstanbul, Karabük, Kırklareli, Mersin

Cam Elyaf San. A.Ş.
Gebze Plant-Kocaeli

Oxyvit Kimya San. ve Tic. A.Ş.
Mersin Plant



Şişecam History

2014's Onwards
To Be Among The Top 3 Producers Globally

2000's
Global Vision

Regional leadership achieved
Higher market share regionally

1990's
Investment Structuring

Reaching World glass volumes
Efficient Management Structure
Investments Abroad

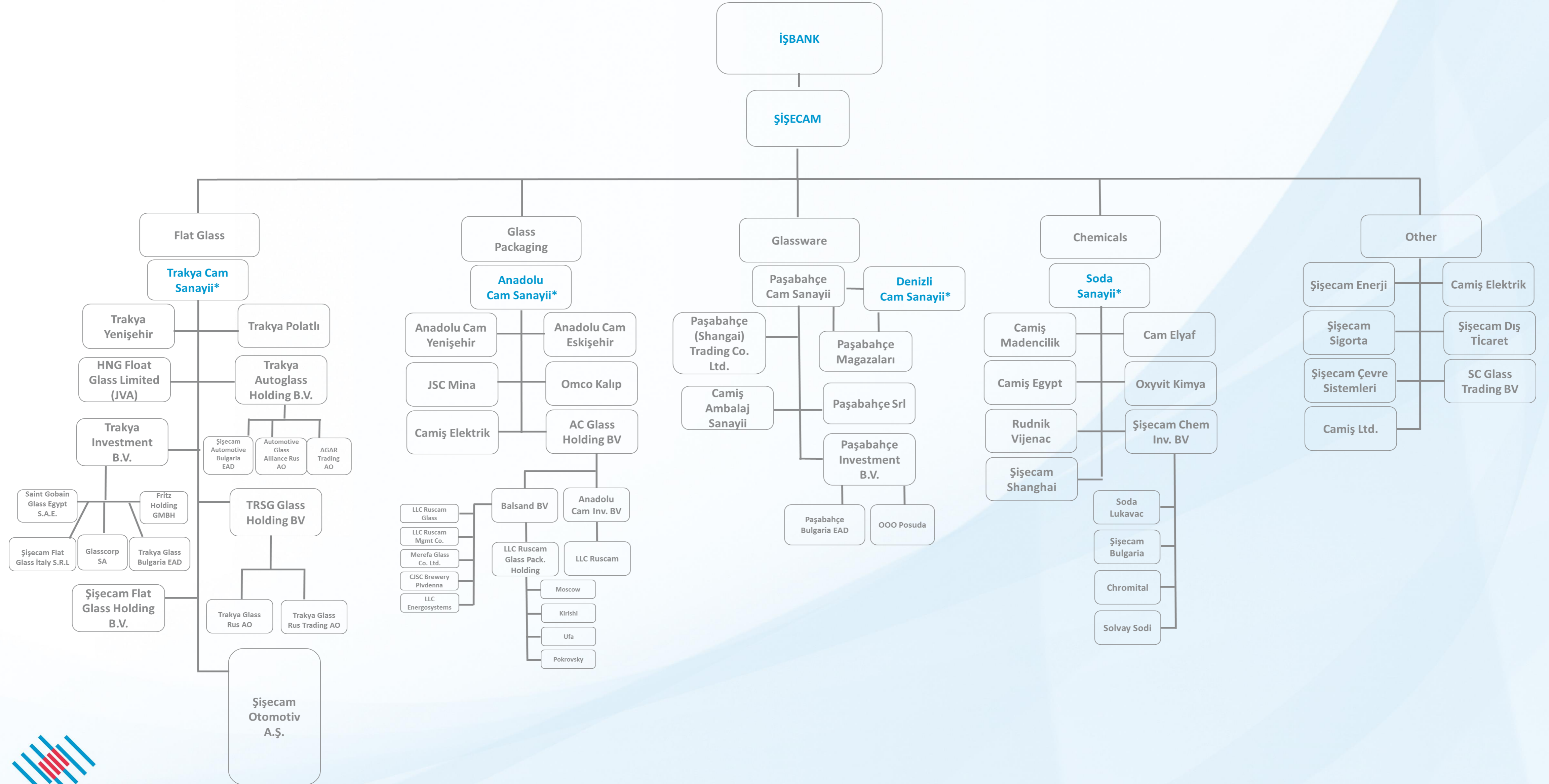
1960-1990
Strong Growth

Expansion of product range
State of the art Technologies, institutional R&D
«The World is our Market»

1935-1960
Establishment and Single Plant Stage

Glassware and container production – Paşabahçe
Modest Growth

Corporate Structure



*Publicly Traded on BIST

Prudent Risk Management Policies

Leverage

Leverage with conservative NET DEBT / EBITDA levels

Liquidity

Maintain sufficient liquidity to meet short-term funding and finance equity portion of Capex

FX Position

FX position limited to +/- 25% of shareholder's equity

Counterparty

Not only a diversified relationship banks portfolio, but also access to international debt capital and loan markets at favorable rates.

Interest Rate

Balanced fixed and variable rate loan book

Derivatives

Limited to hedging only, no speculative trading

Credit & Corporate Governance Ratings

Credit Ratings

MOODY'S LT FCY Rating **Ba1** **Stable**

S&P LT FCY Rating **BB** **Negative**

Corporate Governance & Sustainability

Şişecam was included in the **BIST Sustainability Index**. The index comprises publicly traded companies with a high rating on corporate sustainability performance.

Corporate Governance Rating of Sisecam was revised to **9,44** from **9,35** in December 2016.

As a Corporate Policy, Şişecam continues to strive for reaching the highest level of Corporate Governance practices, where its heritage of «good corporate governance practices» has already been evidenced by the recent rating received.

Sustainability remains at the core of operations and strategy, with continuously improved practices.

<http://www.sisecam.com.tr/en/investor-relations/corporate-overview-and-governance/corporate-governance-policies>

<http://www.sisecam.com.tr/en/sustainability/sustainability-reports>

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FX Rates

	2011	2012	2013	2014	2015	2016
USD/TL						
Period End	1,89	1,78	2,13	2,32	2,91	3,52
Period Average	1,67	1,79	1,90	2,19	2,72	3,02
EUR/TL						
Period End	2,44	2,35	2,94	2,82	3,18	3,71
Period Average	2,32	2,30	2,53	2,90	3,02	3,34

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