

Arçelik A.Ş.



2008 Financial Results

2008...

- Increase in revenue despite negative market conditions
- Stable or increasing market shares in all markets
- Developments that affected profitability margins;
 - ❖ Increased raw material costs
 - ❖ Fluctuating FX rates
 - ❖ Decreased production volumes

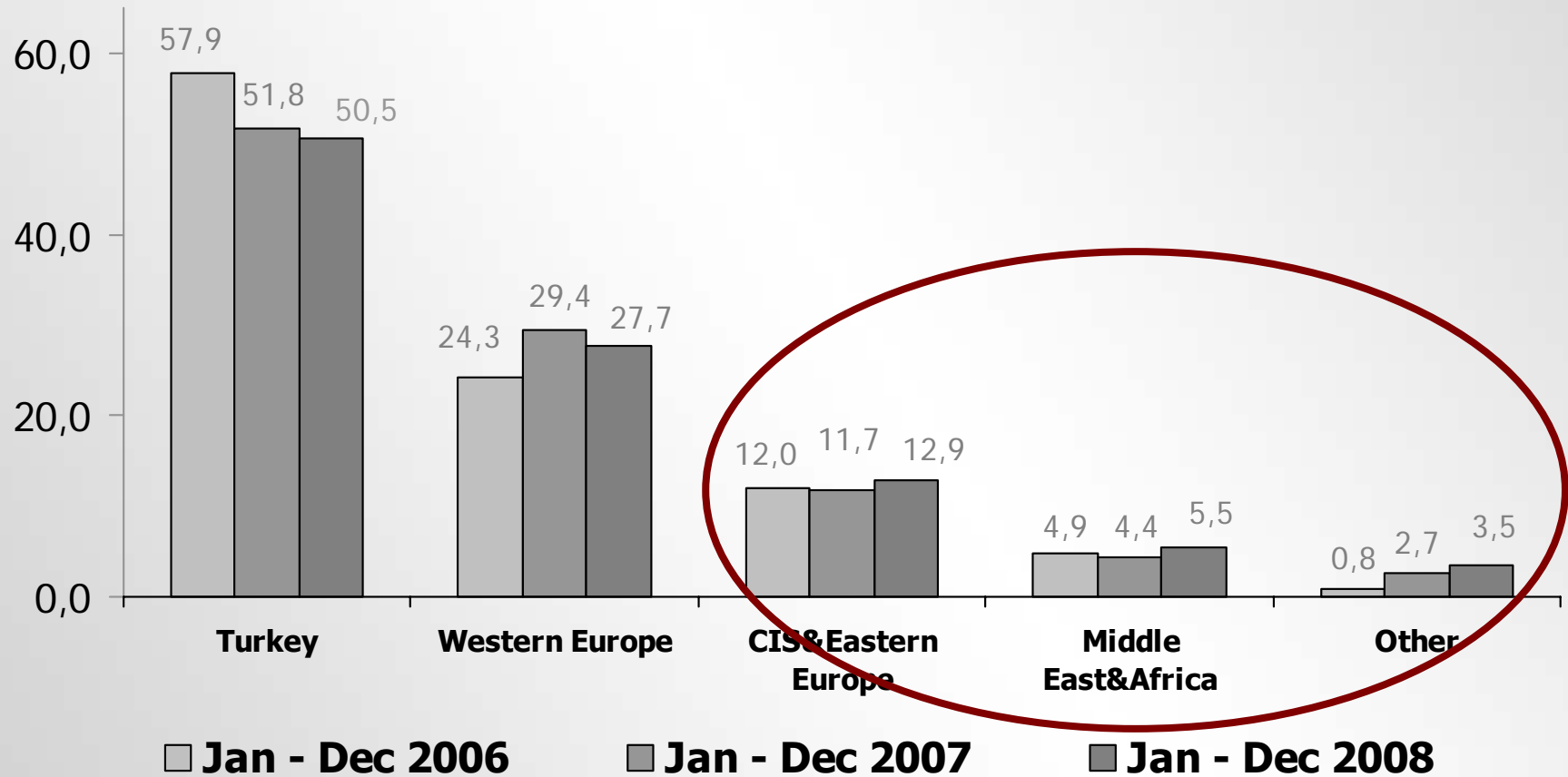


Sales Performance

Revenue and Gross Profit (TL)

TL Million	Q4 2008	Q4 2007	% Change	2008	2007	% Change
Revenue	1.682	1.464	14,9	6.776	6.623	2,3
<i>Gross Profit %</i>	<i>26,8</i>	<i>28,0</i>		<i>27,6</i>	<i>26,7</i>	
<i>White Goods Revenue</i>	<i>985</i>	<i>851</i>	<i>15,8</i>	<i>4.176</i>	<i>4.125</i>	<i>1,2</i>
<i>Gross Profit %</i>	<i>36,4</i>	<i>34,5</i>		<i>34,3</i>	<i>33,3</i>	
<i>Electronics Revenue</i>	<i>420</i>	<i>343</i>	<i>22,2</i>	<i>1.417</i>	<i>1.330</i>	<i>6,5</i>
<i>Gross Profit %</i>	<i>14,4</i>	<i>18,6</i>		<i>18,3</i>	<i>15,1</i>	
<i>Other</i>	<i>278</i>	<i>270</i>	<i>2,7</i>	<i>1.183</i>	<i>1.168</i>	<i>1,3</i>
<i>Gross Profit %</i>	<i>11,5</i>	<i>19,3</i>		<i>15,1</i>	<i>16,8</i>	

Regional Breakdown of Revenue (%)



Sales – 5 Main Goods

Units ' 000	Q4 2008	Q4 2007	% Change	2008	2007	% Change
5 MAIN PRODUCTS-TOTAL	2.368	2.588	-8,5	9.977	10.384	-3,9
Refrigerator	900	931	-3,3	3.942	4.177	-5,6
Washing Machine	649	793	-18,2	2.717	2.969	-8,5
Dishwasher	297	332	-10,7	1.420	1.362	4,2
Oven	417	432	-3,5	1.614	1.626	-0,7
Dryer	106	101	5,3	285	251	13,5

TV Sales

Unit '000	Q4 2008	Q4 2007	% Change	2008	2007	% Change
Total	803	985	-18,5	2.813	3.396	-17,2
<i>CRT</i>	<i>232</i>	<i>596</i>	<i>-61,1</i>	<i>1.212</i>	<i>2.337</i>	<i>-48,1</i>
<i>LCD</i>	<i>571</i>	<i>389</i>	<i>46,9</i>	<i>1.601</i>	<i>1.059</i>	<i>51,2</i>
Domestic	209	223	-5,9	837	918	-8,9
<i>CRT</i>	<i>133</i>	<i>199</i>	<i>-33,0</i>	<i>572</i>	<i>821</i>	<i>-30,3</i>
<i>LCD</i>	<i>76</i>	<i>24</i>	<i>222,7</i>	<i>264</i>	<i>97</i>	<i>171,7</i>
International	593	762	-22,1	1.976	2.477	-20,2
<i>CRT</i>	<i>98</i>	<i>397</i>	<i>-75,2</i>	<i>639</i>	<i>1.516</i>	<i>-57,8</i>
<i>LCD</i>	<i>495</i>	<i>365</i>	<i>35,6</i>	<i>1.337</i>	<i>962</i>	<i>39,0</i>

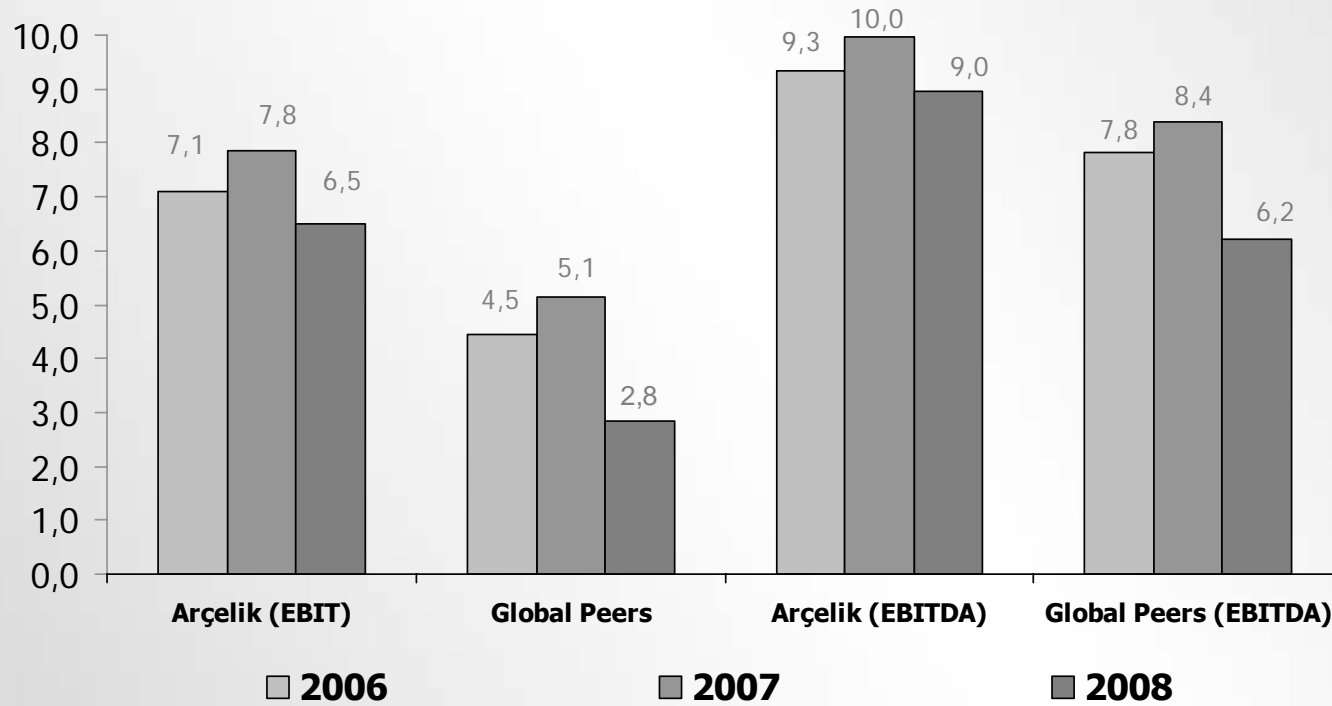


Financial Performance

Income Statement (TL)

TL Million	Q4 2008	Q4 2007	2008	2007
Revenue	1.682	1.464	6.776	6.623
Gross Profit	451	410	1.870	1.772
<i>margin %</i>	<i>26,8</i>	<i>28,0</i>	<i>27,6</i>	<i>26,7</i>
EBITDA	105	96	607	661
<i>margin %</i>	<i>6,3</i>	<i>6,5</i>	<i>9,0</i>	<i>10,0</i>
EBIT	59	68	440	519
<i>margin %</i>	<i>3,5</i>	<i>4,6</i>	<i>6,5</i>	<i>7,8</i>
Net Income	-95	-15	40	158
<i>margin %</i>	<i>-5,7</i>	<i>-1,1</i>	<i>0,6</i>	<i>2,4</i>

Margin Comparison



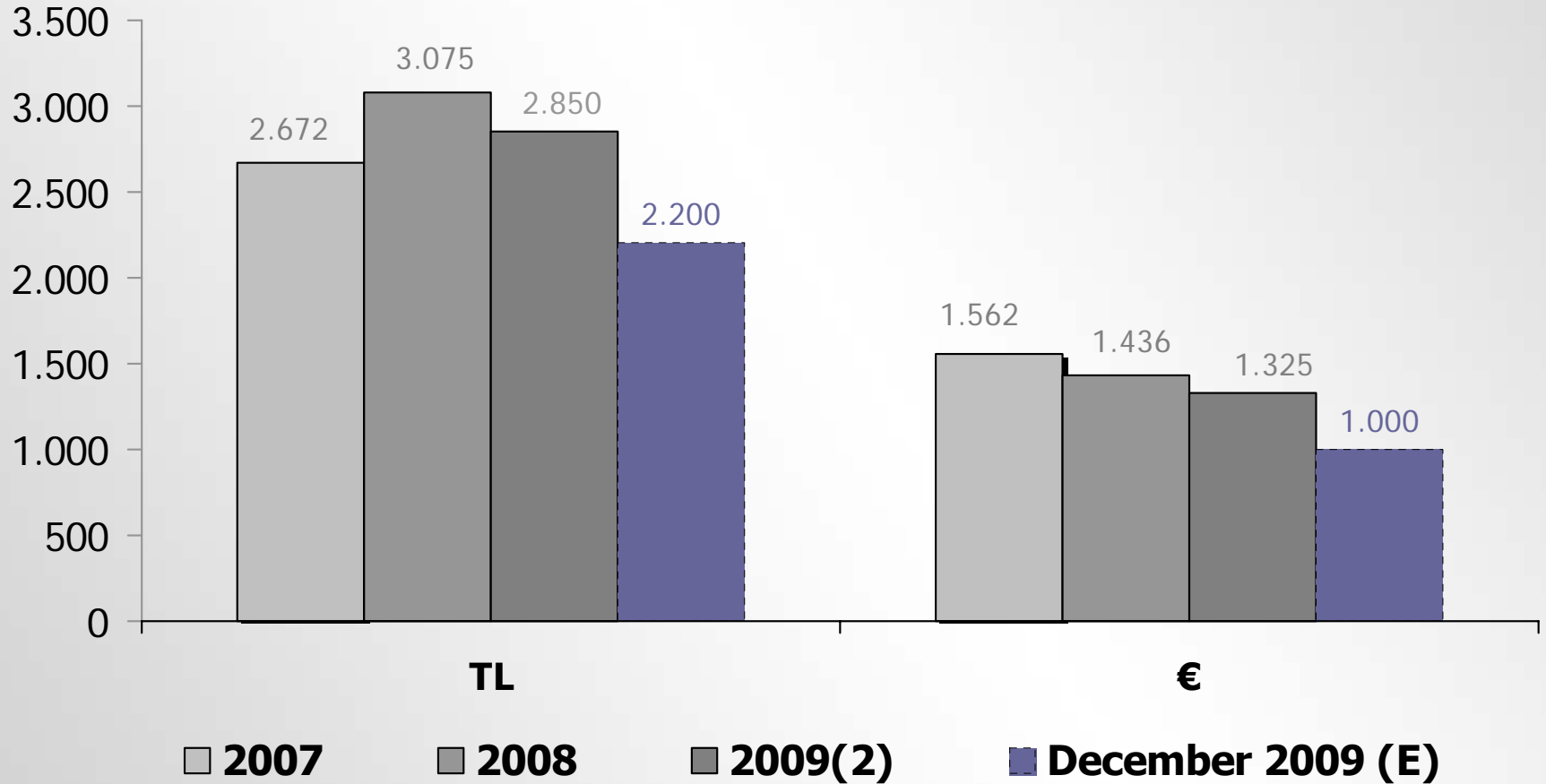
Arçelik - Global Peers Difference (%)			
	2006	2007	2008
EBIT	2,6	2,7	3,7
EBITDA	1,5	1,6	2,7

Balance Sheet

TL Million	2008	2007	2008	2007	
Current Assets	4.494	4.240	Current Liabilities	3.061	3.157
Cash and Cash Equivalents	416	401	ST Financial Liabilities	1.915	2.076
Trade Receivables	2.645	2.443	Trade Payables	705	661
Inventories	1.304	1.297	Provisions	198	187
Other	129	99	Other	243	233
Non-current Assets	2.436	2.287	Non-current Liabilities	1.867	1.224
Property, Plant and Equipment	1.272	1.206	LT Financial Liabilities	1.577	996
Financial Investments	543	715	Other	290	228
Other	620	366	Equity	2.001	2.146
Total Assets	6.929	6.527	Total Liabilities	6.929	6.527

	2008	2007
Current Ratio	1,47	1,34
Leverage (%)	71	67
ST Fin. Debt / Tot. Fin. Debt	0,55	0,68

Net Debt (TL & €)

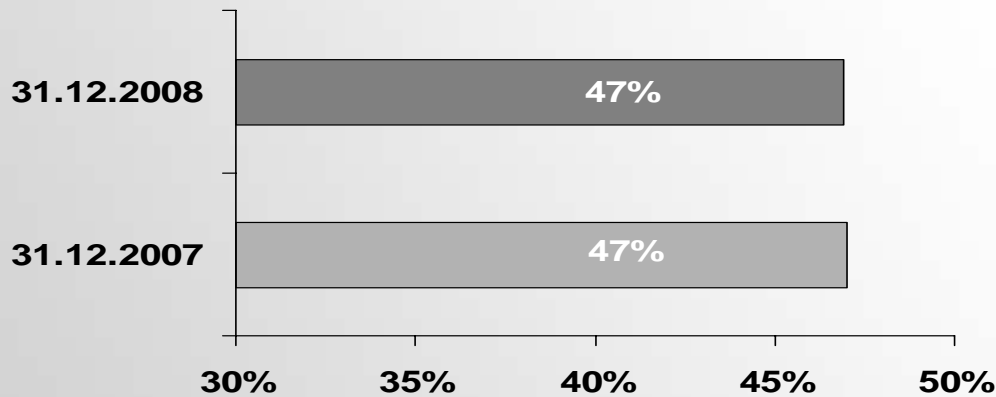


Working Capital

TL Million	FX Basis	TRY Basis	2008	TL Million	FX Basis	TRY Basis	Total
ST Trade Rec.	1.121	1.533	2.654	ST Trade Payables	398	380	778
Other Receivables	67	16	83	Other Payables	55	29	84
Inventory	479	825	1.304	Working Capital	1.214	1.965	3.179

TL Million	FX Basis	TRY Basis	2007	TL Million	FX Basis	TRY Basis	Total
ST Trade Rec.	1.116	1.331	725	ST Trade Payables	675	126	691
Other Receivables	0	82	82	Other Payables	0	99	99
Inventory	401	895	1.296	Working Capital	953	2.083	3.036

Working Capital/Sales



Cash Flow

TL Million	2008	2007
Beginning Balance	401	401
Net Operational Cash Flow	450	118
CapEx (Net)	-323	-313
Dividend Paid	-102	-203
Other Financial Operations	-414	-328
Changes in Cash	-389	-726
Changes in Financial Borrowings	405	725
Ending Balance	417	399



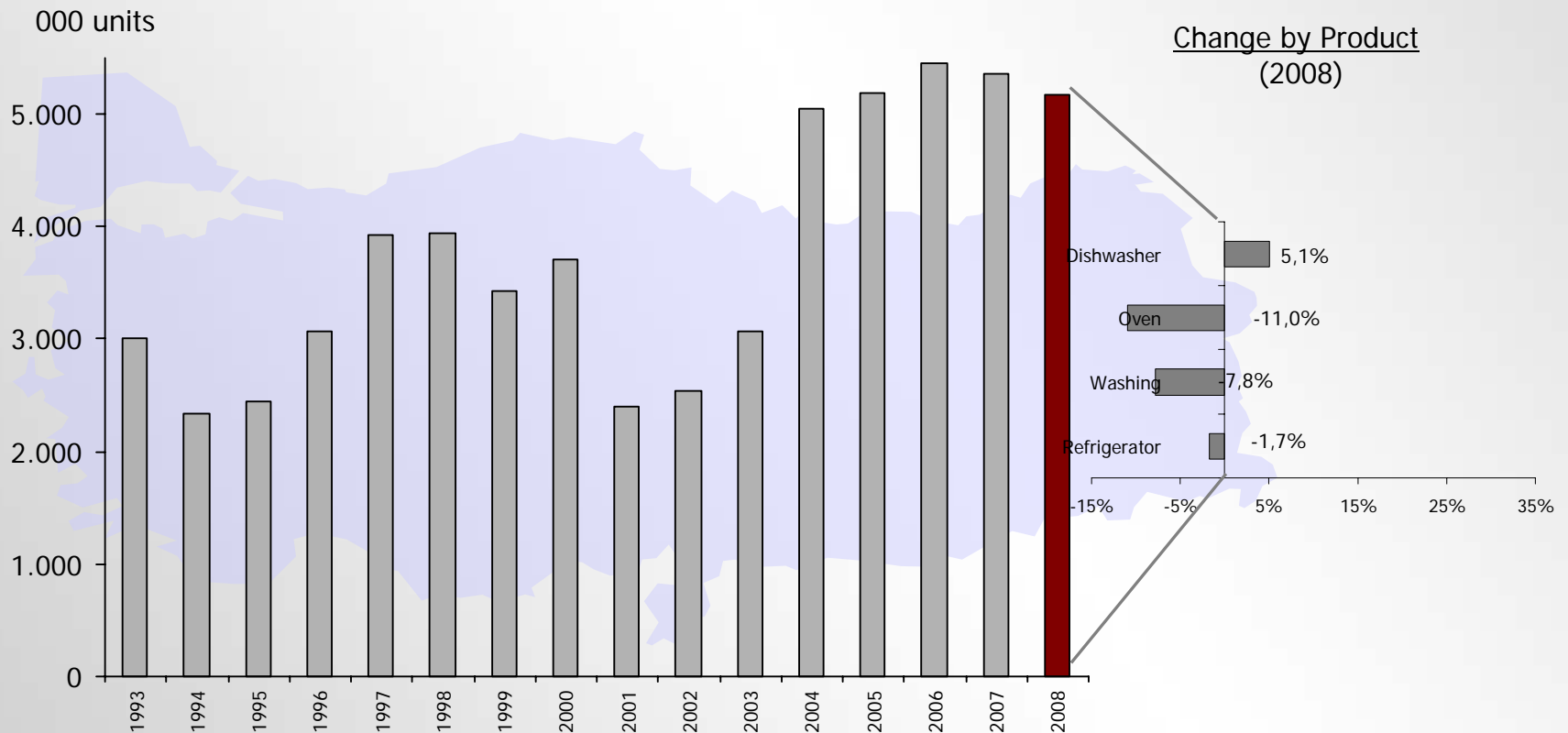
Market Developments

Market Development

- Decreasing demand in all regions
- Consumers preference towards more economic goods
- Increased credit risk
- Depreciation of local currencies

Turkish White Goods Market

- Sales of four major products* have declined by 3,5% YoY and size of the Turkish white goods market declined to 5,2 mio units



* Refrigerator, washing, dishwasher, oven



Restructuring

Purpose...

- Increasing the efficiency and savings
- Increasing competitive strength
- Getting ready for the potential opportunities in the market

Group Structure

- Legal merger of Arçelik and Grundig Elektronik
 - ❖ The positive effect of the accumulated loss on net income which is approx TL 60 mio will be realized in 2009
- Restructuring the subsidiaries of GMM
 - ❖ A contribution of € 8-10 mio to net income after one-off expenditures

Balance Sheet Structure

- Sales of 48% of the KFS shares owned by Arçelik
 - ❖ TL 250 mio of cash injection
 - ❖ One-off effect on pre-tax profit is TL 72 mio
- Rights issue of 62,5%
 - ❖ TL 250 mio of cash injection



- ❖ Annual saving of TL 70-75 mio on interest expenses, effect on 2009 will be TL 45-50 mio
- ❖ Increased leverage capacity of the balance sheet



Latest Developments and Expectations

Latest Developments

- Entering new white goods distribution channels in Europe
 - ❖ Kitchen producers
- Co-operation with Sony in consumer electronics
- Decreasing competitive power of peers, increased consolidation/elimination possibility

Market Expectations

- Shrinking demand in most of the regions in 2009
- Shrinkage in Turkish white goods market
- Decrease in the market shares of the mid-high segment brands in the developed countries
- Continuing volume growth in LCD TV market

Expectations for Arçelik

- Declining costs;
 - ❖ Raw material
 - ❖ Financing
 - ❖ Sales&Marketing
- Increase in market share in all regions
- Decrease in financial debt level
- Keeping EBITDA margin similar to previous years

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