

Financials (TRY mn)	2Q2015	1Q2016	2Q2016	YoY Growth	QoQ Growth
Revenue	446	345	489	10%	42%
Gross Profit	105	69	116	11%	67%
Gross Margin	24%	20%	24%		
EBIT	51	280	120	137%	-57%
EBIT Margin	11%	81%	25%		
Adjusted EBIT*	51	16	43	-16%	163%
Adjusted EBIT Margin*	11%	5%	9%		
Analyst EBIT**	38	3	35	-7%	1217%
Analyst EBIT Margin**	9%	1%	7%		
EBITDA	105	337	181	73%	-46%
EBITDA Margin	23%	98%	37%		
Adjusted EBITDA*	105	73	104	-1%	41%
Adjusted EBITDA Margin*	23%	21%	21%		
Analyst EBITDA**	92	60	96	5%	61%
Analyst EBITDA Margin**	21%	17%	20%		
Net Income	32	254	133	314%	-48%
Net Margin	7%	74%	27%		
Adjusted Net Income*	32	-10	55	72%	-657%
Adjusted Net Margin*	7%	-3%	11%		
Capex	154	122	71	-54%	-42%
Capex/Sales	35%	35%	15%		
*Excluding non-recurring income from subsidiary & asset sales					
**Excluding other income/expense from operations, investing activities, investments in associates and joint ventures					

COMMENTS ON ANADOLU CAM SANAYİİ A.Ş. 2Q2016 CONSOLIDATED FINANCIAL STATEMENTS

Based on 2Q2016 IFRS results,

Parallel to the company's strategy of increasing the exports' share in its sales mix, based on a y-o-y comparison and in value terms, percentage of exports from Turkey increased by more than 160%, reaching out to 11% of the gross revenues generated by the region while exports sales' contributions to gross revenues was only 5% in 2Q2015.

In the same period, the share of exports from Russia gross revenue was 15%, up from 13% in 2Q2015, whereas exports from Georgia accounted for 27% of gross revenue generated by the region.

Operations carried out by Turkey based facilities accounted for 67% of the revenues while the remaining 33% were generated by Russia, Ukraine (continues to be shut down temporarily) and Georgia regions. Domestic sales accounted for 62% of revenue while the remaining 38% were the proceeds from international sales.

Net revenue was TRY 489mn, up by 10% compared with the revenue recorded in the second quarter of 2015 thanks to price increase in Russia ranging from 17% to 19% and almost 3% in Turkey, change in product portfolio towards a higher level of value added sales mix, and the sales volume growth (5% on a y-o-y basis).

Cost of goods sold were TRY 373mn, up by 9% on a year-on-year basis. The ratio of cost of goods sold to revenue was kept at 76%, which is in line with 2Q2015 results but significantly lower than the previous 5 years' average. Gross profit figure for 2Q2016 was TRY 116mn, up by 11% on a year-on-year basis. Compared to 2Q2015 results, 2Q2016 gross profit margin remained unchanged at 24%.

In the second quarter of 2016, operating expenses increased by 21% on a year-on-year basis from TRY 67mn to TRY 81mn. The operating expense ratio, on the other hand, increased by 150 bps to 17%. Ratios of G&A and R&D expenses to revenue recorded in the period were in line with the ratios seen in 2Q2015, while a 120 bps-rise was recorded in the ratio of S&M expenses to sales due to increased efforts in marketing activities, which translated into higher volume of product sales.

Anadolu Cam recorded a net other income from main operations of TRY 2mn in 2Q2016 compared to TRY 7mn in 2Q2015, mainly due to the decline in net financing gains. (It should be noted that, based on the current regulations, FX gains and losses and interest income and expenses in relation with the operations are booked under "other operating income and expenses")

In 2Q2016, average USD/TRY exchange rate increased by 9% to 2,8954 (2Q2015 average rate was 2.6642), while the FX rate increase was 26% in 2Q2015 compared to the prior year's same quarter average of 2,1119.

In 2Q2016, Anadolu Cam recorded TRY 84mn as income from investing activities including share in net profit of associates, up from TRY 6mn recorded in 2Q2015. However, it is noteworthy that the company sold its stake in Soda Sanayii A.Ş. (18,8mn shares) at a per share price of TRY 4,50 and recorded TRY 78mn net proceeds as non-recurring income in May 2016 on the other hand there were no one-off gains recorded last year in the same period.

The company's EBIT was TRY 120mn, representing an EBIT margin of 25%, versus TRY 51mn and 11%, respectively, in 2Q2015.

Based on a total depreciation and amortization expense of TRY 61mn recorded in 2Q2016, Anadolu Cam's EBITDA was TRY 181mn, pointing out an EBITDA margin of 37% versus TRY 105mn and 23%, respectively, last year in the same period.

Based on the figures adjusted to non-recurring income:

EBIT was TRY 43mn and the corresponding EBIT Margin was 9%, meanwhile the company recorded TRY 104mn on the EBITDA level, which translated into an EBITDA margin of 21%.

In June 2016, as part of asset/liability managing transactions conducted on Russian operations, the company swapped EUR 75mn variable interest rate loan to a fixed rate loan denominated in Rubles. As a result, Anadolu Cam recorded a net financial income of TRY 26mn, up from TRY 24mn-net financial loss seen in the same period of 2015.

As of 2Q2016, the company recorded a net income of TRY 133mn and a net margin of 27% versus TRY 32mn and 7%, respectively in 2Q2015. Excluding non-recurring income, Anadolu Cam's net profit was TRY 55mn, and the corresponding net margin was 11%.

Anadolu Cam had recorded a decrease in its net debt position from TRY 785mn seen in 2Q2015 to TRY 746mn at the end of 2Q2016.

In 2Q2016, Anadolu Cam recorded a net long FX position of TRY 78mn including derivative agreements whereas the company's foreign currency denominated liabilities were higher than its assets, which ended up in a net short FX position of TRY 252mn at the end of 1Q2016.

Anadolu Cam's total capital expenditure is TRY 71mn in 2Q2016 versus TRY 154mn in 2Q2015.

MAJOR DEVELOPMENTS

Anadolu Cam finalized the negotiations with Kristal-İş Labor Union by successfully renewing Eskişehir plant employees' contracts for a three year-term.

Conference Call

ŞİŞECAM is pleased to invite you to its 2016H1 Financial Results Audio Webcast Call held on Wednesday, August 17th, 2016 at 18:30 (İstanbul), 16:30 (London) and 11:30 (New York).

To join the conference-call, please dial in through one of the following telephone numbers:

Turkish Toll Access Number: +90 216 217 1202
UK Toll Access Number: +44 203 043 2439
UK Toll Free Access Number: +44 (0) 808 238 1775
US Toll Free Access Number: +1 855 402 7761

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