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12:45 June 1609 – RENEWAL 1- INTERVIEW- Şişecam may revert to profit in the 2nd Quarter, we keep our year end endorsement goal – YKB Kırman

Ceyda Çağlayan

ISTANBUL, June 16 (Reuters) – The Chairman of Şişecam <SISE.IS>, Ahmet Kırman has stated that loss in the first quarter caused by exchange difference may convert to profit in the second quarter and they keep their production and endorsement goals set for the year end.

In the interview with Reuters, Kırman has said: “Our loss for the first quarter was substantially resulted from exchange difference. I presume converting to positive in the 2nd quarter by the appreciation of TL and ruble after the exchange differences arisen in the first three months.”

In the first quarter, the announced loss for Şişecam is consolidated 10.76 million TL, and for its subsidiaries Anadolu Cam <ANACM.IS> is 39.77 million TL and Denizli Cam <DENCM.IS> is 892,614 TL. Trakya Cam <TRKCM.IS> has made a profit of 6.65 million TL in the first quarter.

Kırman has stated that they set their production goals as 3.3 million tons and said that there isn't any data for requiring a change in their target in this stage.

Kırman has said: “In the direction of preserving our production goals, we're also protecting our consolidated endorsement of 3.7 billion liras we have determined in the level of 2008 for the end of the year.

Expressing that discount in Private Consumption Tax in the automotive and white goods sectors to be applied for 3 months had a positive contribution to the 2nd quarter sales of Şişecam, Kırman said that they expect the contraction of 30% expected in these sectors on yearly basis shall decrease to 17 percent in terms of improvement in Şişecam sales connected to automotive and white goods, in condition this discount remains until the end of the year.

Kırman has said that there has been an agreement concluded about the restriction of glass import with Chinese on the basis of volunteering and that they expect the agreement restricting float glass import from China with 25,000 ton shall reflect to the sales of Şişecam positively.

Kırman has reminded that as a group they have accomplished an export of 160 million dollars in the first quarter and said that he thing they can reach the export figures of 2008, 800,000 million dollars by the end of the year. Kırman said: “Our general plan is reaching to consolidate 5 billion dollars of endorsement at the end of five years. We're targeting to achieve to 2.5-2.8 billion dollars of international sales.”

ŞİŞECAM IS MAINTAINING ITS 500\$ MILLION INVESTMENT PLAN

Kirman has indicated that they have an investment plan of 500 million dollars and they don't need any revision for this at this stage. Kirman said: "We didn't give up from our investment plan. We're actualizing our investments considering the effects of the crisis and the developments. We're spreading the ones which can be spread into time and applying the necessary ones at earlier dates." Kirman has said that they may evaluate the opportunities in purchasing the companies in difficulty as a result of the crisis, along with the current investment plans.

Kirman has said that they're evaluating the offer Egypt government has brought to Şişecam for establishing a soda factory in the country and said: "Egypt government had a demand for establishing a soda factory here. We're studying on this. Egypt is attracting attentions of many countries in glass and soda currently. We are interested in soda for preventing our competition strength in the region."

Kirman determined that Egypt market has a strategic importance for them, especially in reaching to Libya, Saudi Arabia and Africa countries and emphasized that they're continuing their negotiations with Saint Gobain <SGOB.PA>, one of the leader glass manufacturer of Trakya Cam to start an investment related to Egypt by the end of 2010.

Kirman said that they are planning to engage the investment of Trakya Cam and Saint Gobain in Russia by 2011. Trakya Cam and Saint Gobain have concluded an understanding agreement in April. According to this Trakya Cam shall participate in the project Saint Gobain is carrying with a local partner in Egypt and shall establish a partnership in Republic of Tatarstan for a construction on float line.

Relevant to the protocol signed between Anadolu Cam and Macedonia government for establishing a glass packaging facility, Kirman has said: "We're planning to start our investment in Macedonia in the second half of 2010 and accomplish in the second half of 2011".

Kirman determined that decision on the second phase investment of the auto-glass factory of Trakya Cam in Bulgaria shall be given by the end of the year according to the economic developments and said: "We are intending to put in operation the 1st phase of our investment in Bulgaria in the beginning of 2010. We'll make our decision on the 2nd stage investment by the end of 2009."

Kirman has indicated that they cover 60 percent of the investments from credits and 40 percent from their own equities and said; "We've made progress in our negotiations with international banks on providing syndication credit of 100 million dollars. We're expecting to come through in a very short time." Kirman has also said that they will show effort to satisfy the shareholders by profit distribution after the investments are saturated.