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AKSA to Invest US\$ 65 million to Erect 2nd Carbon Fiber Production Line

AKSA to more than double its carbon fiber production capacity by 2012.

Enjoying a success story with its startup in carbon fiber production, a field not entered by any new company for at least 25 years, AKSA is accelerating its investments in this field. The Board of Directors of AKSA decided to further its investment in carbon fiber as a 'strategic raw material for the 21st century'.

The Board decided that the annual capacity of the existing line should be improved by 300 tons, and that a 65-million-dollar investment be made to erect a second Carbon Fiber production line, with a nominal capacity of 1.700 tons/year, and that the new line be commissioned by July, 2012.

AKSA had previously, during 2008-2009, made a US\$ 85 million investment in carbon fiber technology and initial production facility, entirely engineered by Turkish engineers. The formal opening of the plant was made by Turkey's Prime Minister Recep Tayyip Erdogan on July 23, 2010.

Playing an influential role in world markets in acrylic fiber with its market share of 12,5%, and aiming to achieve the same success for carbon fiber sold world-wide under its AKSACA brand, AKSA has pressed the button for erection of its second carbon fiber production plant. The Board of Directors of AKSA decided to make a capacity increasing investment to its first carbon fiber line, which has a capacity of 1.500 tons/year and which is currently operating at full capacity, and to erect a second carbon fiber line with a capacity of 1.700 tons/year, in line with its target of achieving 10% market share by 2020 in carbon fiber.

Mustafa Yılmaz, Member of the Board of Directors and General Manager of AKSA Akrilik Kimya Sanayi A.Ş., says: “our Board of Directors decided to increase its investments in field of carbon fiber, which, we believe, would be one of strategic industries our country, thanks to its high value-added. The Board decided that, first of all, a 7-million-dollar investment be made for enhancing the existing line’s capacity by 300 tons/year and that such additional capacity be commissioned for commercial production by November, 2011; and that a 65-million-dollar investment be made for a second carbon fiber production line with a capacity of 1.700 tons/year and that such new line be commissioned for commercial production by July, 2012. We aim to enhance the domestic market as well as to participate in world markets, and, thus, to achieve the same market share in carbon fiber as we have in acrylic fiber.”

About Akrilik Kimya San. A.Ş.

A member of Akkök Group of Companies, AKSA Akrilik Kimya Sanayii A.Ş. is manufacturing acrylic fiber, classified as synthetic based fiber, used as primary input in world textile sector, and, thus, contributes to textile and industrial textile industry of over 50 countries in five continents.

Handling its manufacturing operations at its factory built over an area of 430.000 m², known as the ‘factory-with-largest-capacity-under-the-same-roof’ of the world, the Company achieved a world market share of 12.5% in acrylic fiber sector at end of 2009. AKSA’s world market share in outdoor fiber, a specialty product, is above 50%.

AKSA is the first company which introduced acrylic fiber to the Turkish textile industry. In this process, developing Turkish acrylic fiber market has become the second largest acrylic market of the world, only ranking after China. Our country is, currently, a net exporter only in acrylic fiber sector among synthetic fibers.

AKSA now directs its focus on carbon fiber and the carbon fiber based composite sector, as a new sphere of business, considered to be a strategic product which promises applications in aviation, space sector materials, sporting goods, a variety of industrial applications including energy, transportation, electronics, as well as in building and infrastructure reinforcement. Thanks to its carbon fiber investment realized under its strategy dedicated to development of new products, AKSA has entered the sector and started up business operations as the 9th carbon fiber producer in the world. AKSA’s strategic objective for 2020 is to increase its market share in carbon fiber up to 10%.

Standard carbon fiber, which is an important type of fiber and which replaces steel in many branches of industry on the strength of its high mechanical properties, is 3-fold stronger than steel and 4,5-fold lighter than steel. Apart from high strength and low density, it is also anticorrosive.

Reflecting advantages of economies of scale for its customers and acting as a solution partner for them, AKSA is a preferred supplier not only in Turkey, but also all over the world thanks to its flexible and agile production planning, fast shipment capabilities and proximity to market.