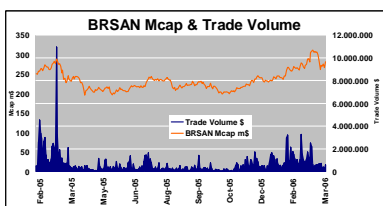


March 17, 2006

**BMB invests in two production lines to double its existing spiral pipe capacity.**



**BMB's successes in line pipe projects and future growth opportunities pave the way for investing in spiral pipe production capacity.**

**In line with BMB's investment plans, new investment will double the current spiral pipe production capacity, reaching 200k tons of spiral pipe production. Additional capacity is expected to be realized partially in 2007 and fully in 2008.**

**Total investment cost is forecasted as ~10mn\$ against total contribution to turnover by ~35mn\$ in 2007 and ~80mn\$ in 2008. EBITDA contribution of the investment is forecasted as ~7mn\$ in 2007 and ~20mn\$ in 2008.**

**Reuters Code : BRSAN.IS**  
**Mcap (mn\$) : 282**  
**Free Float (%) : 16**  
**Price : 13,2**  
**Avg. Vol. (3 months) : 989 k\$**

BMB's credentials such as BTC, Turkey-Greece and Shahdeniz projects bring new opportunities especially in North Africa and Middle-East regions where sizable infrastructure investments for natural gas, oil and water pipelines are on the way. Currently, total of 2,7mn tons of demand potential for large diameter steel pipes has been identified and expected to be realized in mid-term.

**Potential demand for spiral pipes in targeted export markets.**

Country	Size of Projects(tons)
Algeria	884,000
Lybia	574,000
Europe	404,047
Iran	337,000
Jordan	250,000
Turkey	108,903
Kuwait	90,250
Oman	88,220
Syria	5,900
<b>Grand Total</b>	<b>2,742,320</b>

In line with the business strategy, BMB's penetration into export markets has been growing but with a limited production capacity of 100kt/year operating at full capacity utilization. Considering the high demand and brand recognition in international markets, BMB invests to double its spiral pipe production capacity, reaching 200k tons/year, to gear up the sales volume of high profitable spiral pipe sales.

A sales agreement with Europipe France S.A. has been signed recently to purchase two spiral pipe welding lines (named as T5 and T6) for total of 5 million €. Total investment amount is expected to be ~10mn\$.

Sales profile of the additional capacity will be approx. 80% water and gas linepipes and 20% piling pipes, serving mostly for the potential projects in North Africa, Iran, Spain, Portugal and Turkey.

According to project plan, T6 will be installed in İzmit Plant and starts production in 2007Q1 but reaching full capacity in 2008. On the other side, BMB plans to install T5 in export markets to achieve competitive advantage along with an additional 24" large diameter production line. Feasibility evaluations for additional investment and determining the best location for T5 continue under the 2006-2010 strategic plan studies.

BMB will continue to invest its ERW and SP production capacity to grow profitable in local and export markets to achieve its 2010 strategic targets. Spiral pipe investment is the first step in BMB's 2006-2008 investment plan which will be finalized in 2006H1.



T6 machine in the pictures is seen in operation where they were located before removal.