



ROCK SOLID GROWTH

Since its establishment in 1997, AS Cement has become one of the biggest producers of clinker (the solid lumps of material that is the base of cement) lines in Europe with a production capacity of 12,500 tons clinker per day. This translates into an annual capacity of 4.3 million tonnes of clinker and 6.5 million tonnes of cement. The Company's CEO Goksel Aybek spoke to Azra Yazar.

The company was first established under the name ADO Cement in 1997 in Antalya, in the south-west of Turkey on the Mediterranean coast. Initially the firm consisted of one cement grinding plant but, as it started growing, the management quickly started to search for investment opportunities. In 2003 a decision was reached to invest in an integrated clinker and cement production line, this time in Burdur, in the north of Antalya. Some time later the company went through a name change and became AS Cement. According to Mr Goksel Aybek, this investment in Bucak, Burdur became an important starting point for the firm, and laid the foundations for later growth, the main advantage being that the site was ideal in that it offered scope for further capacity increases whenever needed. Without doubt the company has taken full advantage of that potential.

Investment in action at record pace
After the first production line was installed in 2005 with collaboration between local companies and AS Cement's own staff,

the first clinker line started operation. The designed capacity of 3,300 tonnes of clinker per day has been reached extremely easily and in 2007 the company produced 1.1 million tonnes. Because of this, the first production line's capacity was quickly raised to 4,000 tonnes per day and 1.4 million per year. The production line also had a truly impressive kiln efficiency rating of 97%. This line is composed partly of second-hand equipment brought in from Europe, mainly from Germany and France. In 2006 the company's management decided to construct a second production line, which required substantial investment in order to pay for cutting-edge new equipment. Among the purchases were prehomogenisation from Italy, electrostatic precipitators for the kiln and clinker cooler from Switzerland, a new clinker cooler and raw meal homogenization machines from Germany and preheaters from Austria. This new production line's designed capacity is 8,500 tonnes per day and 2.9 million per year. The kiln efficiency is 84% and average heat consumption is achieved which allows the process to be



limited to less than 720 kcal per kg of clinker. Soon after this, further investments took place and a third cement mill was constructed.

Mr Aybek explains that management had decided to install a new clinker grinding plant in the Bucak factory as far back as 2005 and, after long and careful discussions, a decision on installing a vertical mill was made and, due to the short delivery time, Loesche GmbH was selected as the supplier. The mill type LM 56.3 + 3 was at that time the biggest clinker grinding mill in the world. Only one mill of this type was in commission and no real proof of the reliability of the mill was available. Nevertheless, AS Cement's management decided to go ahead with this installation and nearly one year later, the production of the mill has now started. The commissioning period lasted less than one month, with the successful completion of the performance guarantee test. Currently Loesche Cement Mill is running at a rate of 281 tonnes per hour.

The second clinker line increased the company's clinker production capacity to 4.3 million tonnes per year. The two cement mills also started operation, reaching a total cement grinding capacity of 6.5 million

tonnes per year. Mr Aybek is proud to reveal that all this work was achieved in only 17 months and quickly made the company one of the biggest producers of cement in Europe. The fact that all their production is now from one location makes AS Cement's main operation the biggest clinker production line in Europe the Middle East and Turkey.

Part of a bigger family

AS Cement is a part of the AS Group. Under the umbrella company there are many companies operating in variety of business areas such as plastics, the ready mixed concrete sector, logistics and mining, power plants, marine services, air services and even a port. Within the group companies, ADO Hazır Beton A.S. has 16 ready-mixed concrete stations based in Antalya and nearby regions. Due to the fact that it has invested in the latest high technology production units and equipment it has become a well-known manufacturer in its region. CAGLAR Plastik A.S. manufactures plastic pipes in different sizes and distributes them to all parts of the country from its own independent factory in the Antalya Organized Industrial Area.

In the first half of 1997 a very welcome addition was made to the Group, namely ASCIMPORT A. . The management first obtained quay and marina services followed by maintenance and repair rights and later in May 2000, they rented a 49,000m2 area with outdoor and indoor storing areas and warehouses in the Antalya Free Zone from the Turkish Undersecretaries of Foreign Trade. Since then ASCIMPORT has been continuing its investment in this field. Coming after Mersin Free Zone Port, ASCIMPORT is Turkey's second big free zone port with 210 quay length and 9.30 meters of draft depth in Antalya Free Zone. ASCIMPORT A is currently providing port services to 740 vessels and 2,010,000 tonnes of vessel handling services with cranes capable of handling 400 tonnes at a time. Cement, barite mine, PVC raw material, marble, lime and detonate are the most common materials handled by the port and the daily capability of the port is from 4,500 to 5,000 mtons. 187,000 mtons of goods can be stored in both indoor and outdoor areas. In addition, it possesses a container storage capacity of 2,500 TEU's. ASCIMPORT, is the free zone branch of AS Cement and has the capability and

infrastructure to store 40,000 tons of packaged (bagged, sling or big bagged) cement in a 10,555m2 warehouse. The vessels in the ASCIMPORT quay can be filled from warehouses within 150-900 metres. That particular speciality of ASCIMPORT's makes it unique in Turkey and one of the most important ports in the world.

All the right moves

Mr Aybek says their rapid growth is owed to the fact that the management had a good vision and solid leadership skills. The company is proud to have a great many people working for it who are very experienced and have precisely the right know-how in this sector. Another of the firm's key assets is that it is endowed with extremely fast and straightforward decision-making procedures. "We are all about action", he says. They have young and very motivated members of staff to support the open-minded management in turning decisions into action. He also highlights the importance of their supply chain. The company is careful to maintain great relations with their supply chain and the local authorities as well as the government. All these factors, in addition to being situated in a great location so close to their own port, played an important role in the company's successful journey. According to Mr Aybek, ASCIMPORT also gives AS Cement a great advantage. It is only 65km away from the cement factory and provides significant operational benefits in establishing their logistics network which played an important role in making the company one of the biggest players in the global cement sector and the most important cement supplier in the Black Sea, Europe, Middle East and

Mediterranean region.

"Up to today we made a lot of successful investments at the right time and in the right way and we shall continue to make new investments all the time." He adds that their factory is aiming to become one of the biggest in the Mediterranean region and has already achieved a record 170 per cent growth rate with the 281mtons/hour output rated vertical Loesche cement mill. Due to the ongoing investment schedule, the company took an extremely short time, in fact a record time of 17 months to see that its clinker production was able to increase to three times what it once was. This is also made possible thanks to the excellent cooperation from equipment suppliers and local constructors.

Offering high quality and variety

Mr Aybek says another angle to their growth in their business is that AS Cement is producing high quality Portland cement clinker. They are able to provide customers with variety of cement types as well as some special cements such as oil well cement or low alkali cement when requested by the clients. "These special products are attracting new clients" he says. Mr Aybek is adamant that the company's efficiency is supported by the high technologies they use for operations and the quality management system which is in place to make sure the products are made to their highest standards. AS Cement products and operations are manufactured to the standards of TSE, ISO 9001:2000, GOST, and the CE Certificate of conformity. Mr Aybek says all these certificates are credited to their products by internationally recognized independent bodies. Recently the company put a lot of money into improving business operations. They opened up and

designed packing facilities where bulk cement is packed in big bags, making transportation easy. During this growth period the company's strategy was to concentrate on exports. Until the middle of 2008, AS Cimento's export markets were restricted to the Turkic republics, Canada and especially Europe and Russia, but since then they have gained many new contracts from Africa and the Middle East. Last year their export values hit 200 million US dollars. For 2009 an estimate for the total export value is 180,000,000 US dollars.

Future route for the business

Mr Aybek says the company's main aim is to continue providing fast and quality service to their clients. They intend to focus more on tailor-made cement production and add more value to their products with the introduction of new packaging types such as the Big-Bag and Sling-Bag. Our new packing type will be Palletless-Shrink wrapping. He says they will increase their ability to compete in their sector by improving management systems and offering the best possible quality with a reasonable price tag. As part of the company's future plans, in order to gain a greater market share in the Russian, African and the Middle Eastern markets they intend to open new marketing offices in Russia and Africa. They are currently looking out for the opportunity to purchase cement grinding units and packaging plants in Africa, Europe and Russia to invest further in these areas and they also want to improve their logistics systems. Finally, they plan to develop their port facilities by opening a new bulk cement terminal and storage facilities at the port of Antalya. □

