



**Q1 2015
INVESTOR PRESENTATION**

01 Refining
Industry

02 Company
Overview

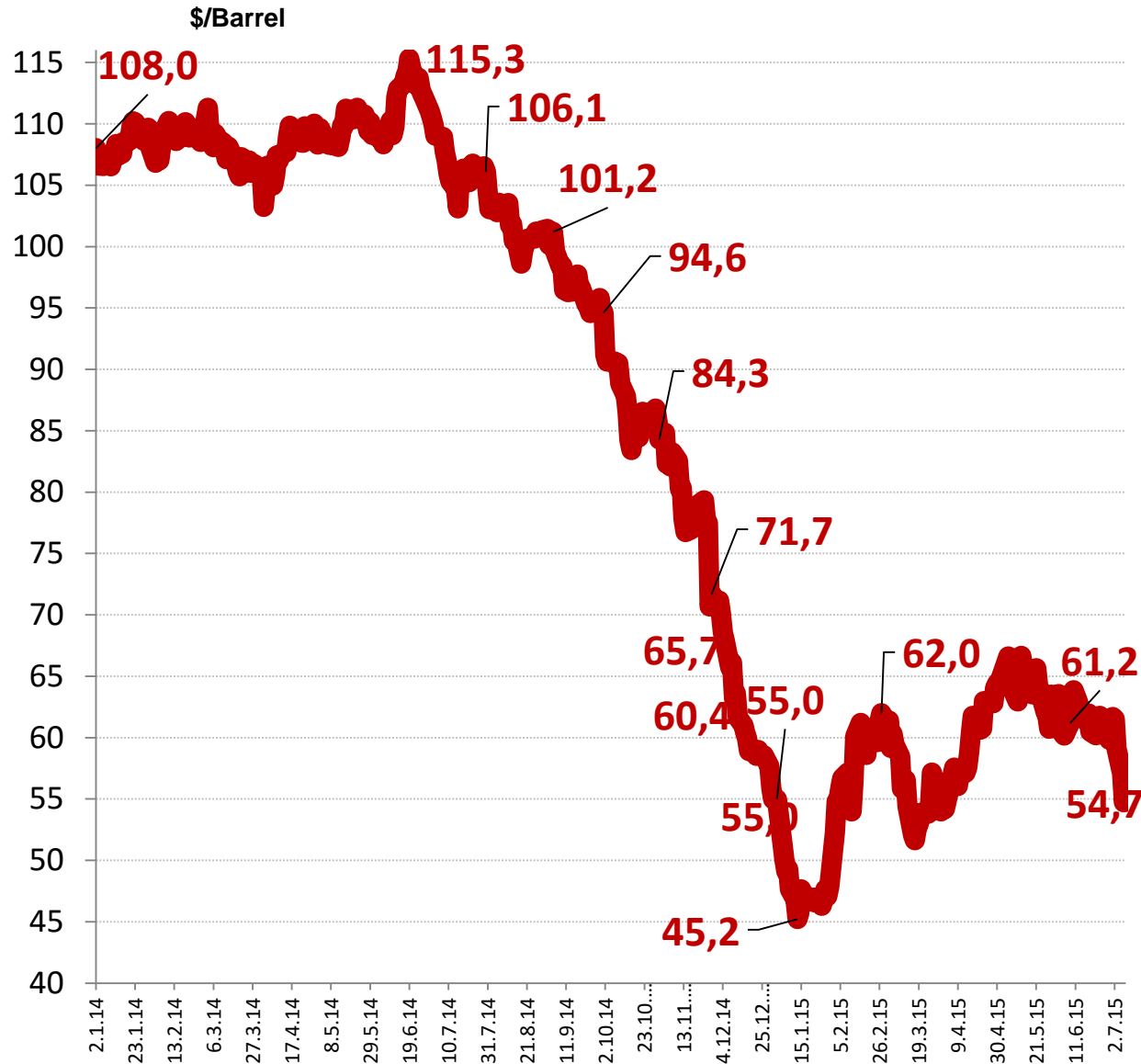
03 Investments

04 Key
Financials

Refining Industry



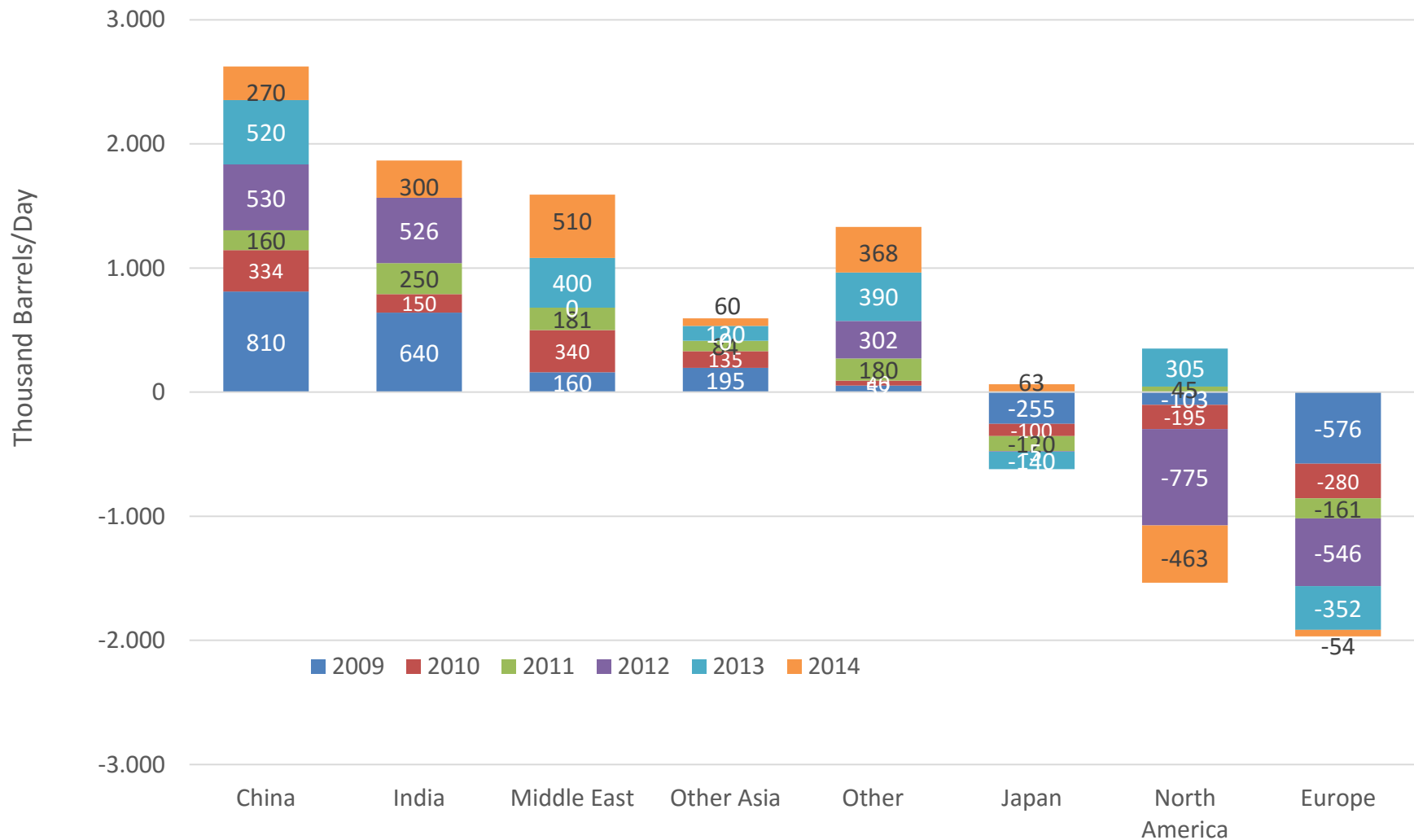
Brent Crude Oil Prices



Reasons

- **Falling Demand Growth**
 - Chinese slowdown
 - Japanese Recession
 - US weakness
- **Lower Risk Perception**
 - ISIS
 - Ukraine
 - Iran
 - No Problems Materialised
- **Excess Supply**
 - US Unconventional
 - Libya
- **OPEC Attitude**
 - OPEC & Saudi statements

Net Refinery Capacity Change



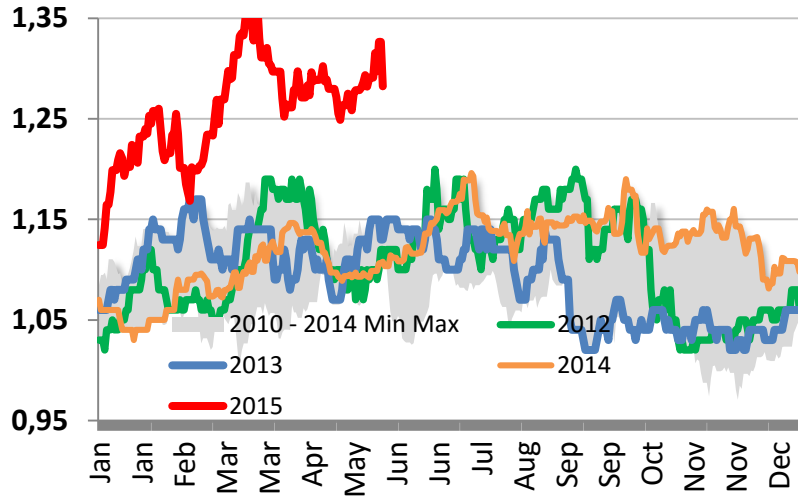
Source : Tüpraş

Refinery Value

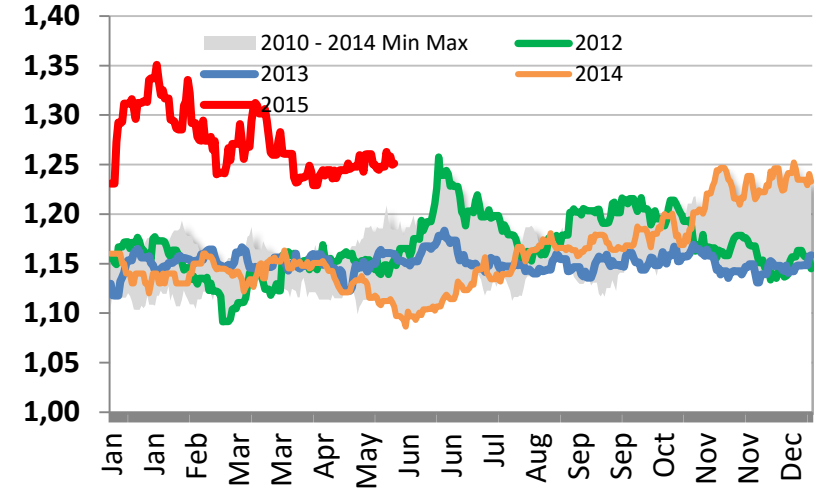


Product Ratios (Barrel/Barrel)

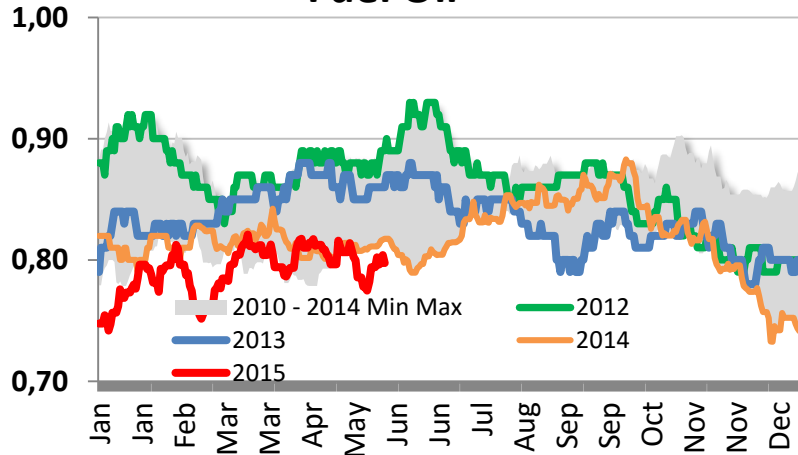
Gasoline



Diesel



Fuel Oil

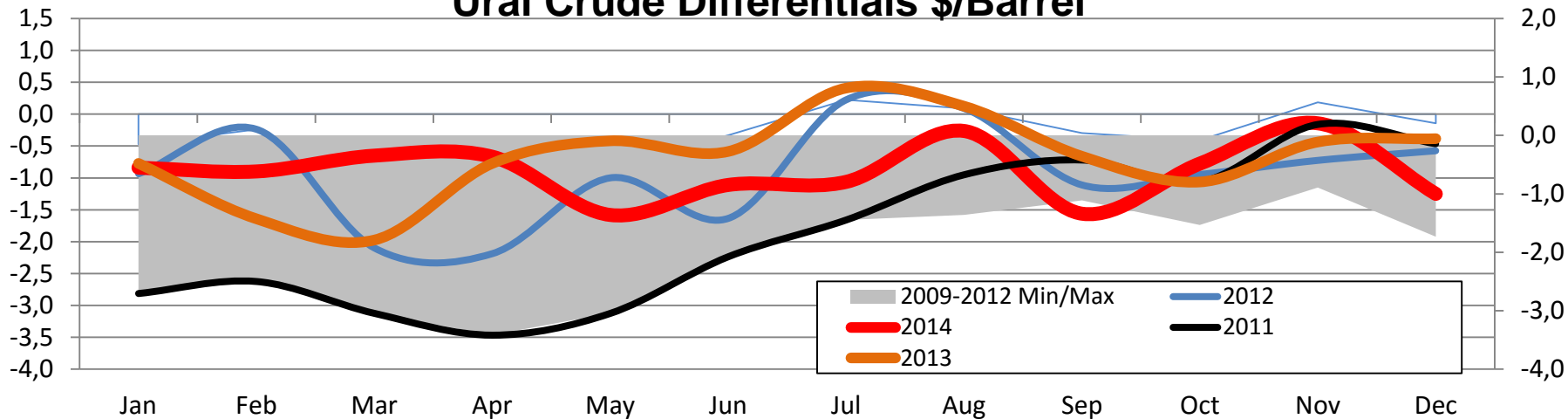


❖ 2015

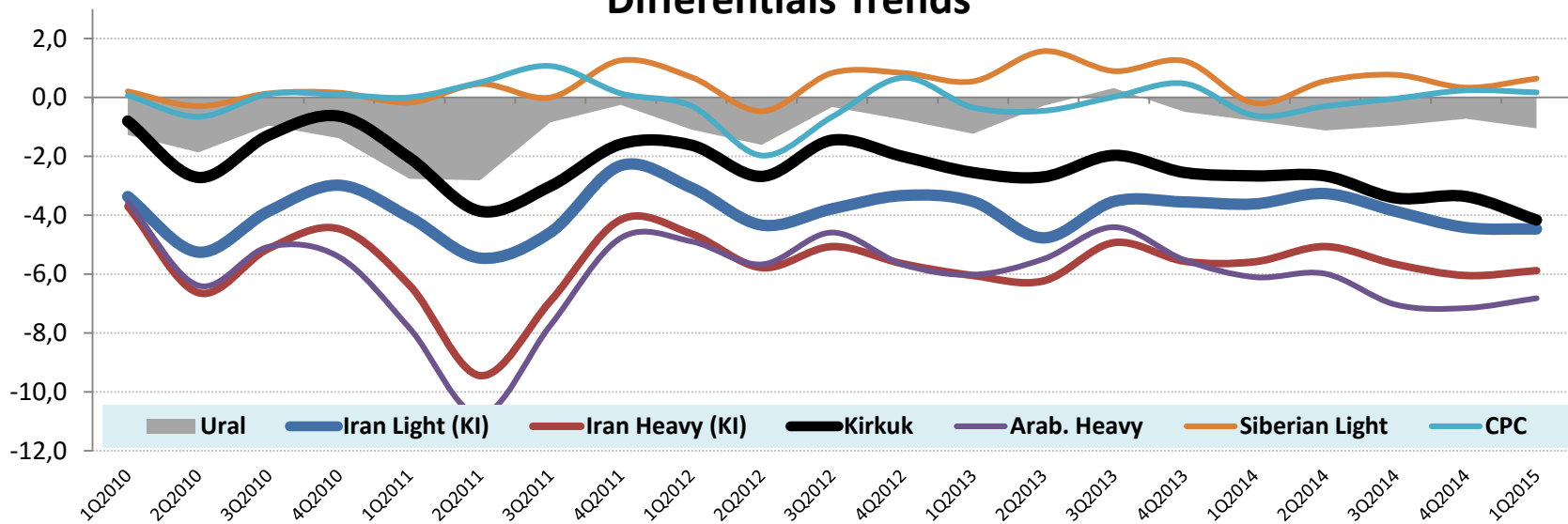
- Diesel & Gasoline ratios are still high

Crude Differentials \$/Barrel

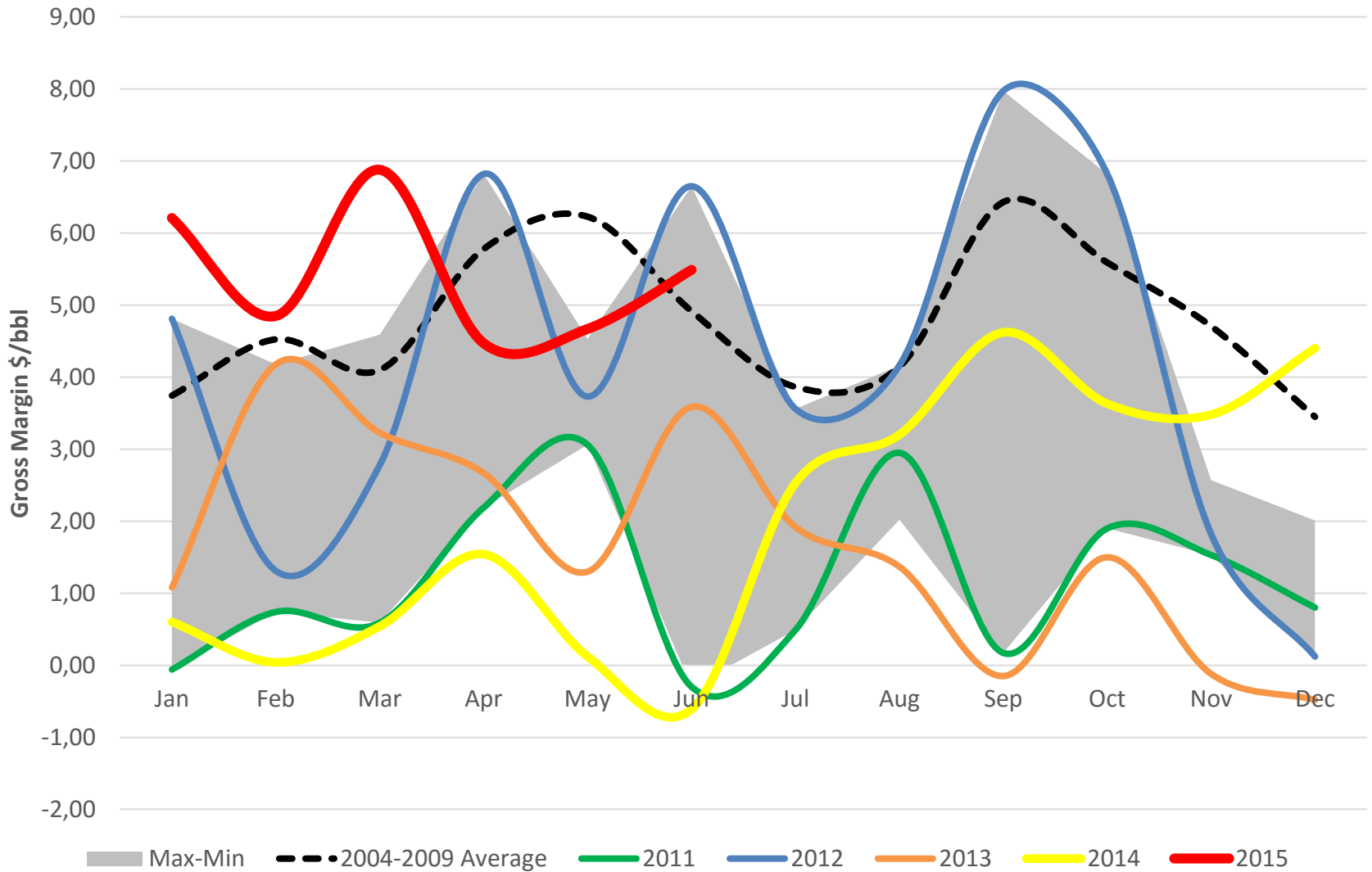
Ural Crude Differentials \$/Barrel



Differentials Trends



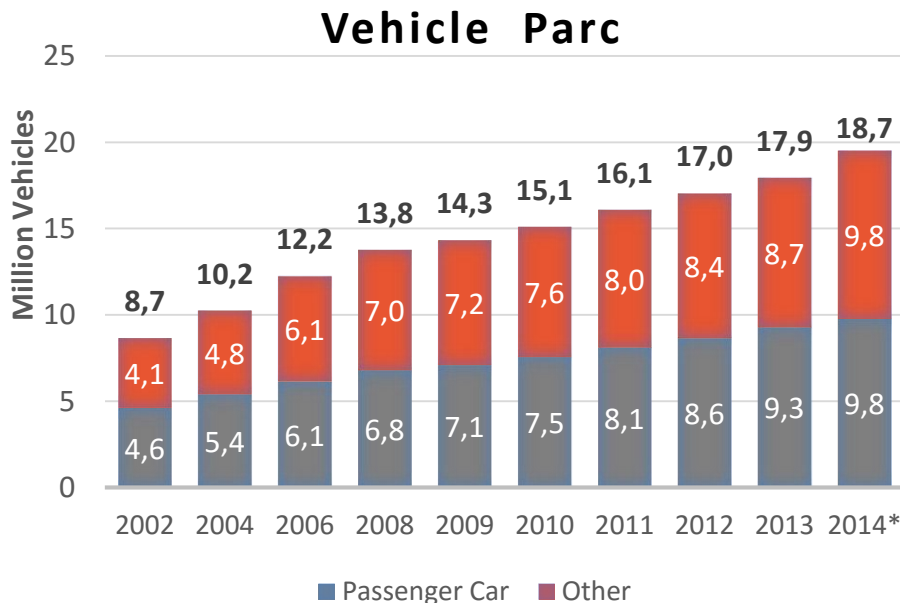
Med Complex Refining Margins



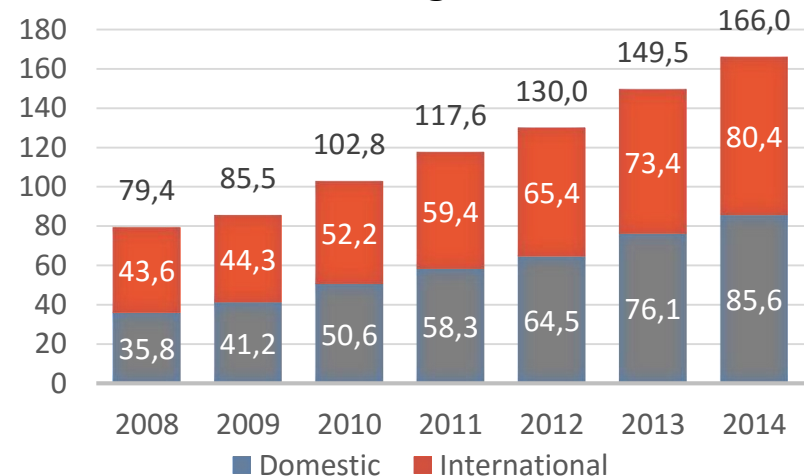
Turkish Sector Outlook

❖ Primary driver of demand is growing vehicle parc

- Auto sales continue to massively outstrip removals
- Very high gasoline tax has led to LPG & Diesel substitution
- Gasoline car sales improving



Air Passengers - Million



❖ Jet Fuel demand growing strongly

- Highly competitive liberalised market
- Big infrastructure investments
- Istanbul has become a hub for Turkish Airlines

❖ Fuel Oil demand is declining

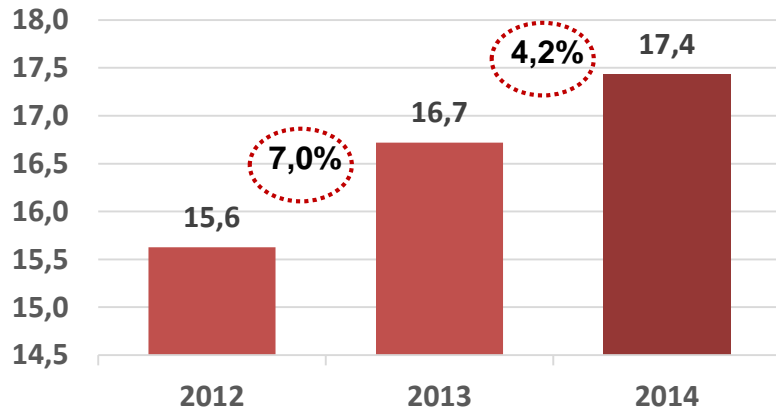
- Natural gas substitution
- Switching is dependent on price

❖ Long Term Asphalt Demand Growth

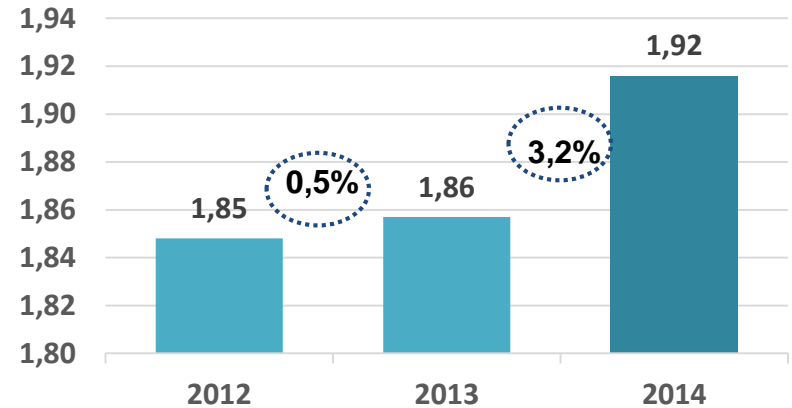
- Infrastructure investments

Turkish Consumption (Million ton)

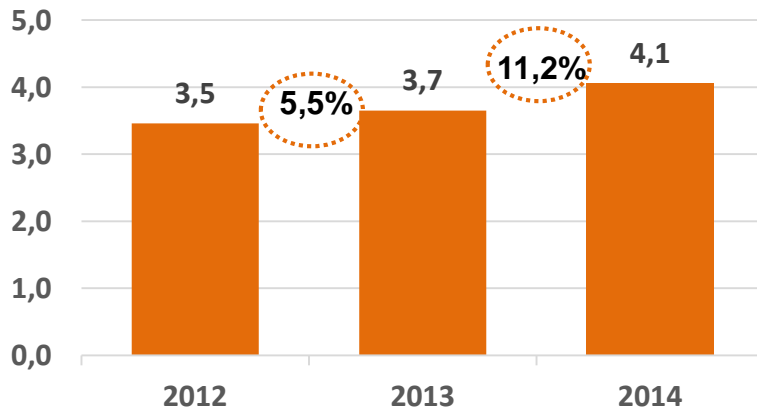
Diesel



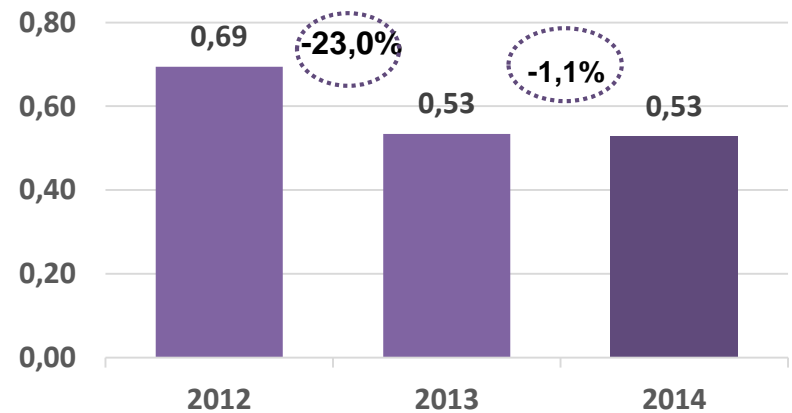
Gasoline



Jet Fuel

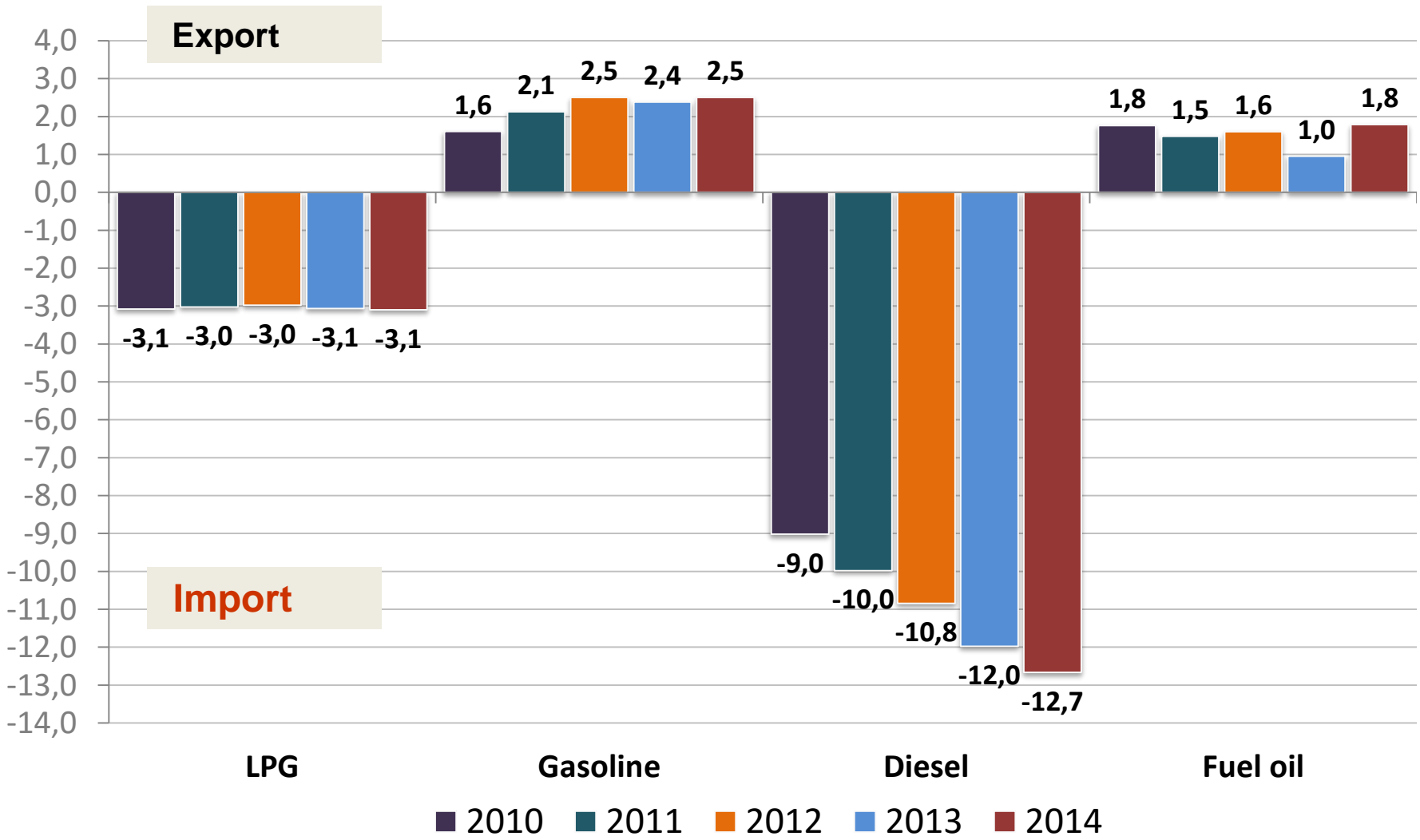


Fuel Oil



Turkey's Import / Export Balance (Net)

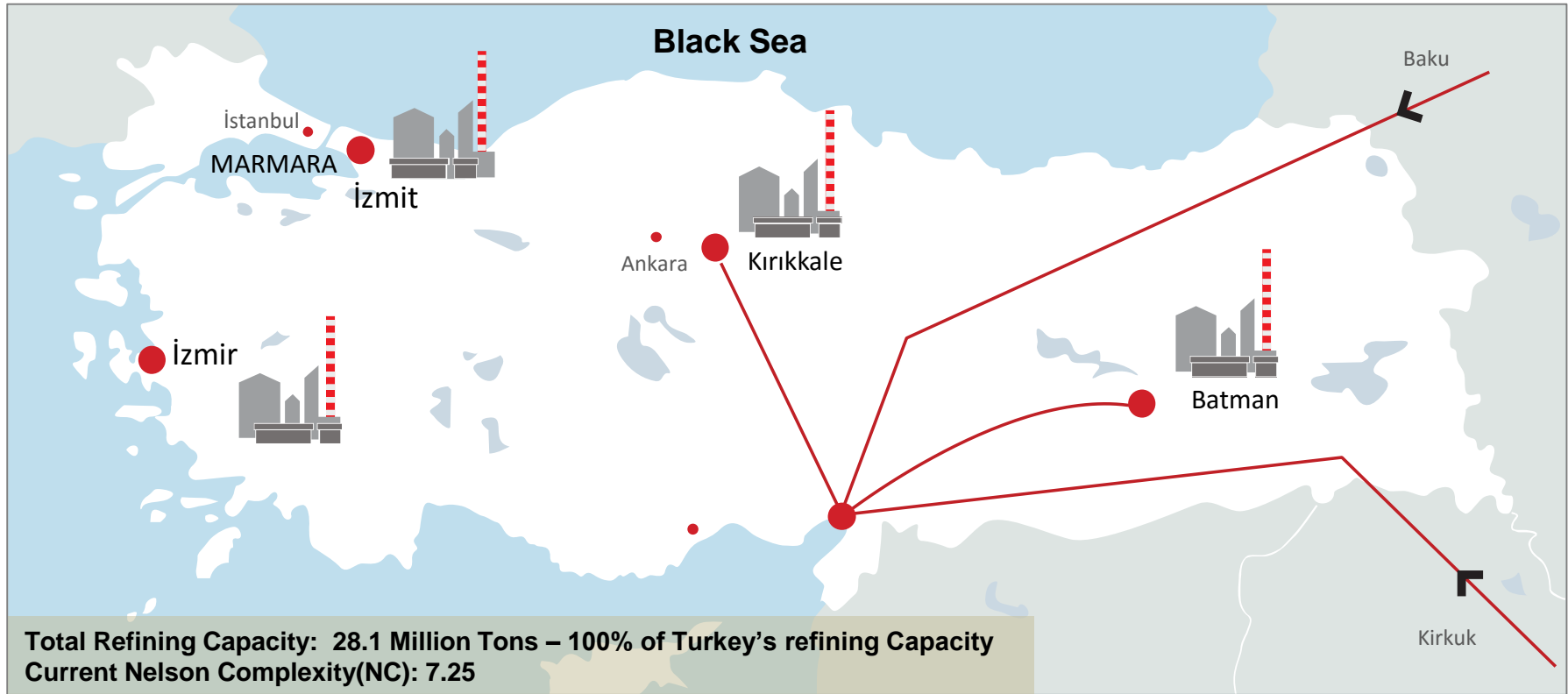
Million Ton



Company Overview



TÜPRAŞ Refining Assets



İzmit

- 11.0 MT Capacity
- NC: 7.78
- Storage Capacity :
2.2 Mn M³

İzmir

- 11.0 MT Capacity
- NC: 7.66
- Storage Capacity :
1.9 Mn M³
- Baz yağ üreticisi 400 bin ton

Kırıkkale

- 5.0 MT Capacity
- NC: 6.32
- Storage Capacity :
1.2 Mn m³

Batman

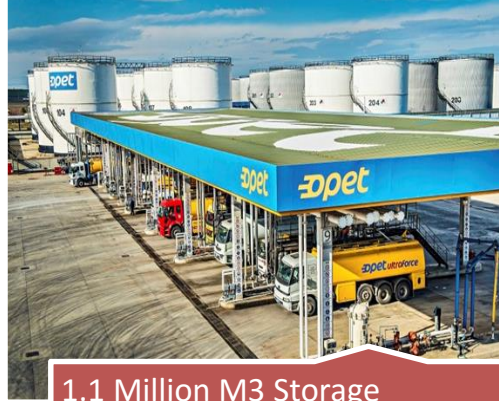
- 1.1 MT Capacity
- NC: 1.83
- Storage Capacity :
0.2 Mn m³

Opet - Tüpraş Share 40.0 %



1.424 İstasyon

- 994 Opet Marka
- 430 Sunpet Marka



1.1 Million M3 Storage

- Major Terminals in Marmara, Aegean, Black Sea & Mediterranean



International Trading

- London & Singapore



Jet Fuel Sales

- Turkish Airlines JV



Lubricants

- Fuchs JV



A Sector Leader

- 2nd Biggest Player
- # 1 Brand

DİTAŞ – Deniz Taşımacılığı – *Tüpraş Hisse Payı %79.98*

Cumhuriyet



- Crude
- 2001
- 164,86 K DWT

Sevgi



- Products
- 2008
- 10,98 K DWT

Gönül



- Products
- 2009
- 10,98 K DWT

Leyla



- Products
- 2011
- 6 K DWT

Suna

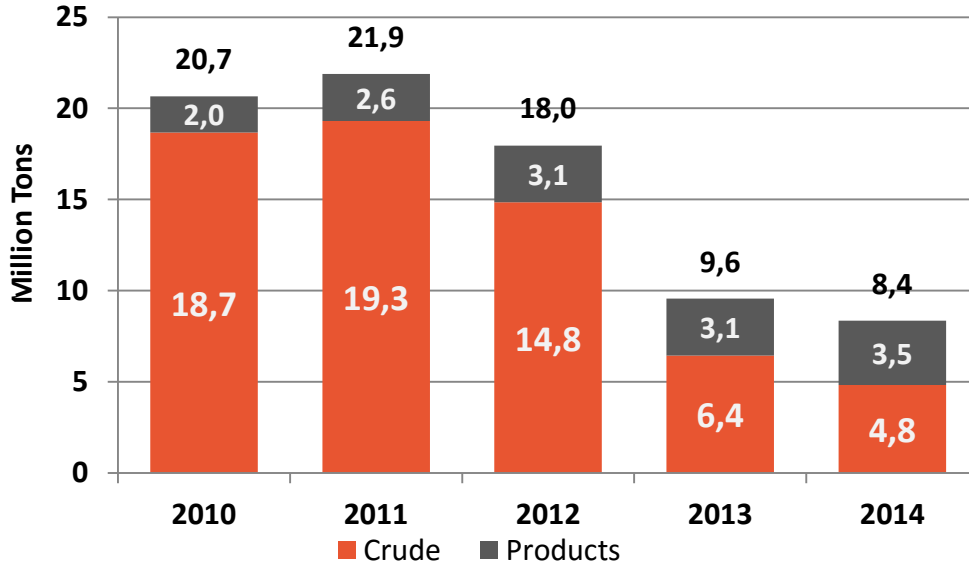


- Products
- 2012
- 55 K DWT

Esra & Aylin



- Bitümen
- 2x20 K DWT
- Esra 2014
- Aylin 2015



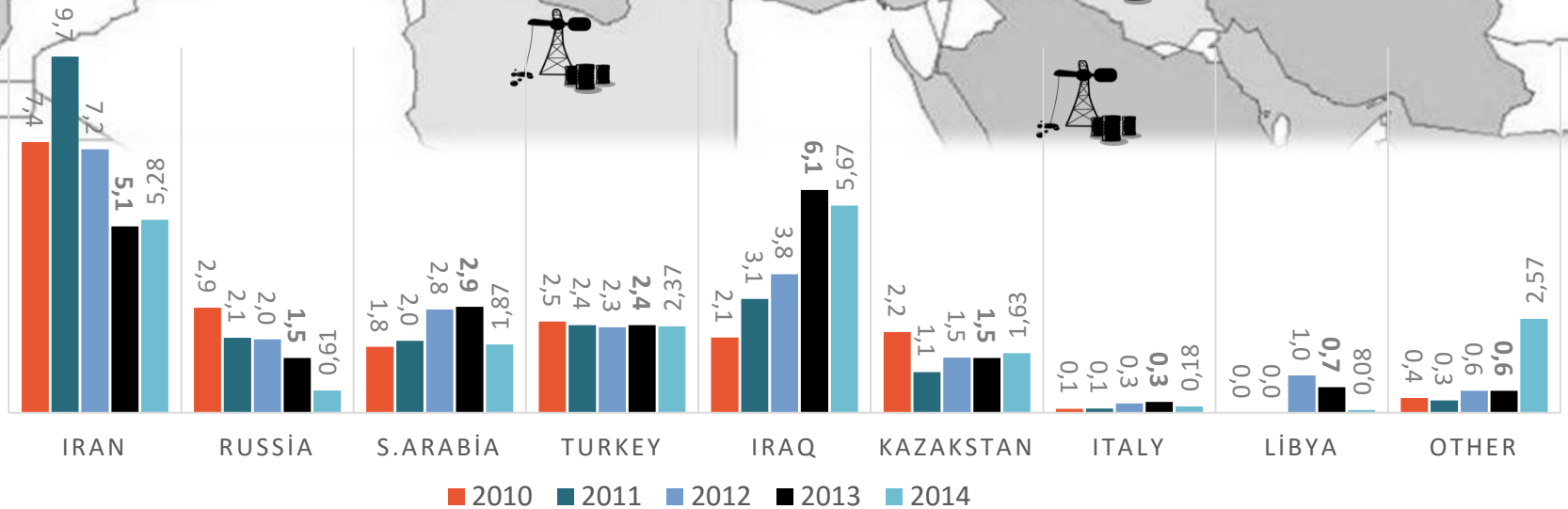
19 Tugboats

Financials

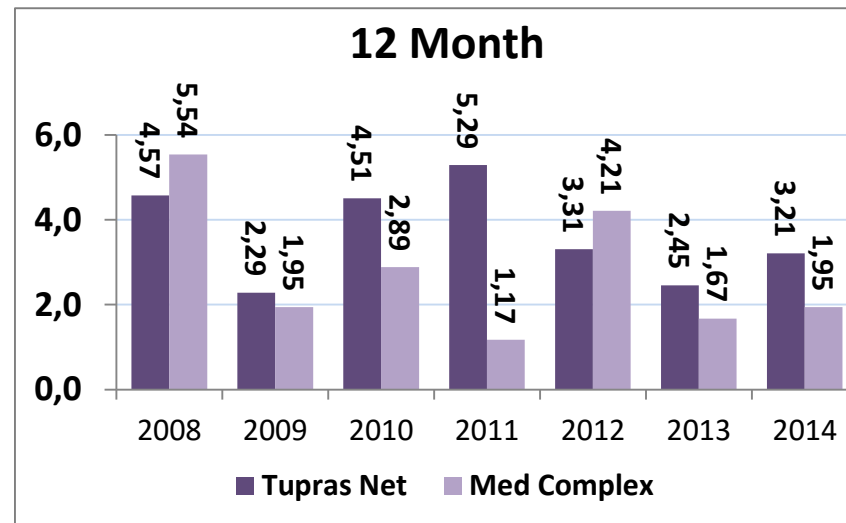
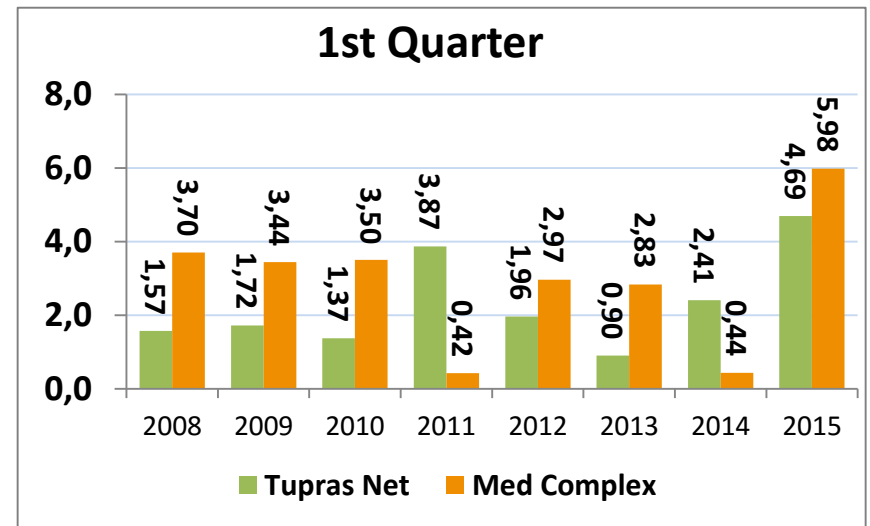
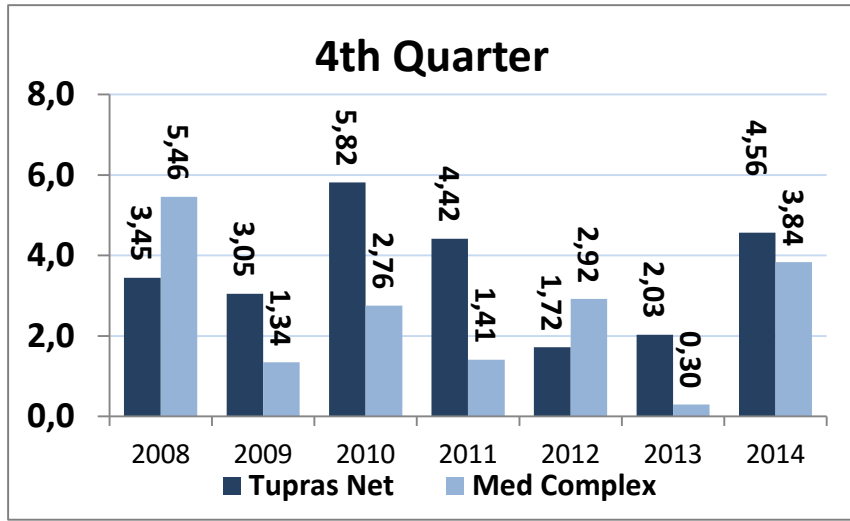
Million \$	2010	2011	2012	2013	2014
Net Sales	139,4	146,4	159,0	103,7	101,7
Op. Profit	19,1	17,9	22,8	25,2	27,3

Crude Suppliers of TÜPRAŞ (Million Tons)

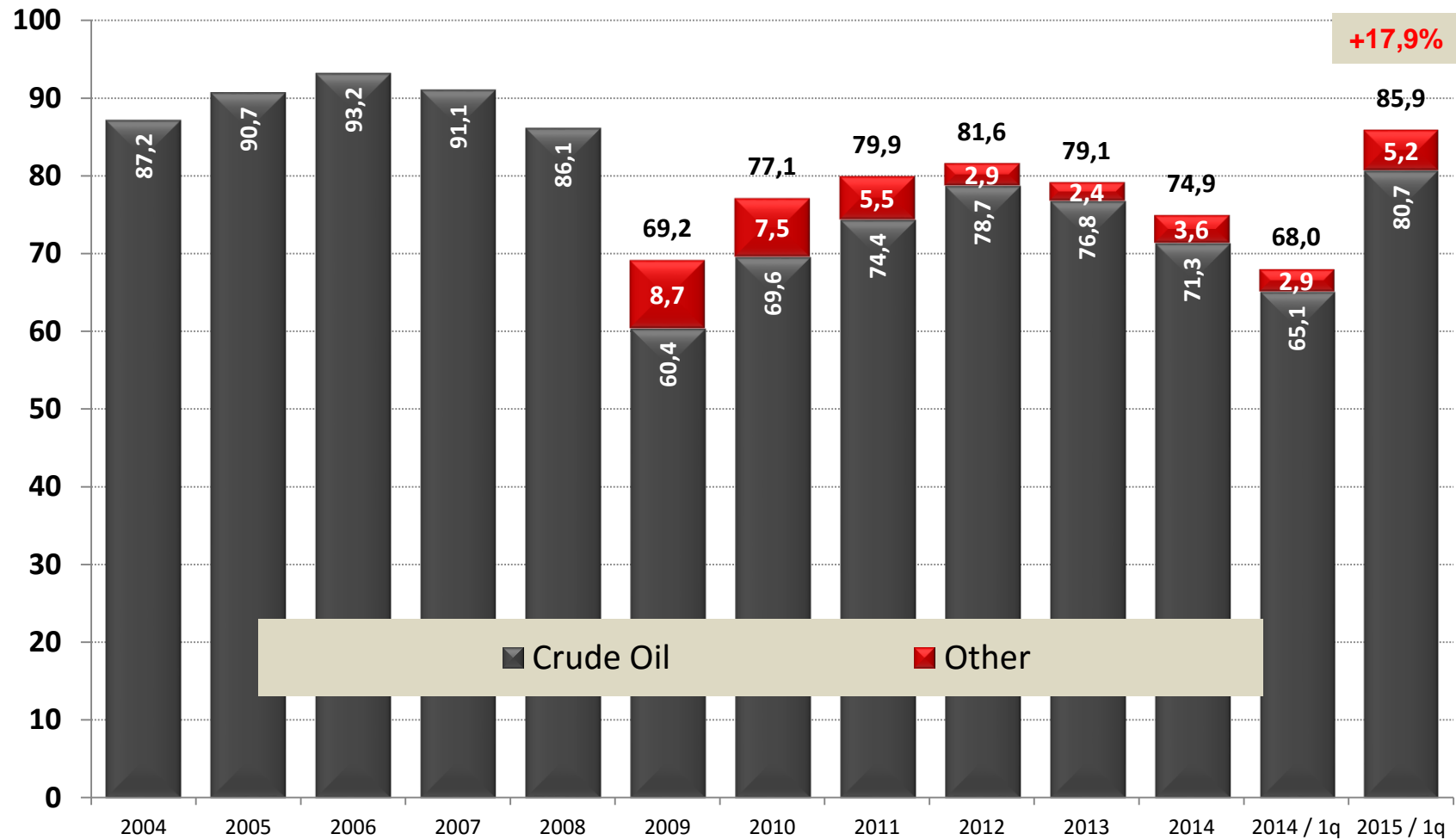
In 2014, Tüpraş purchased 18 different types of crude oil from 11 countries, with gravities ranging between 19-46 API



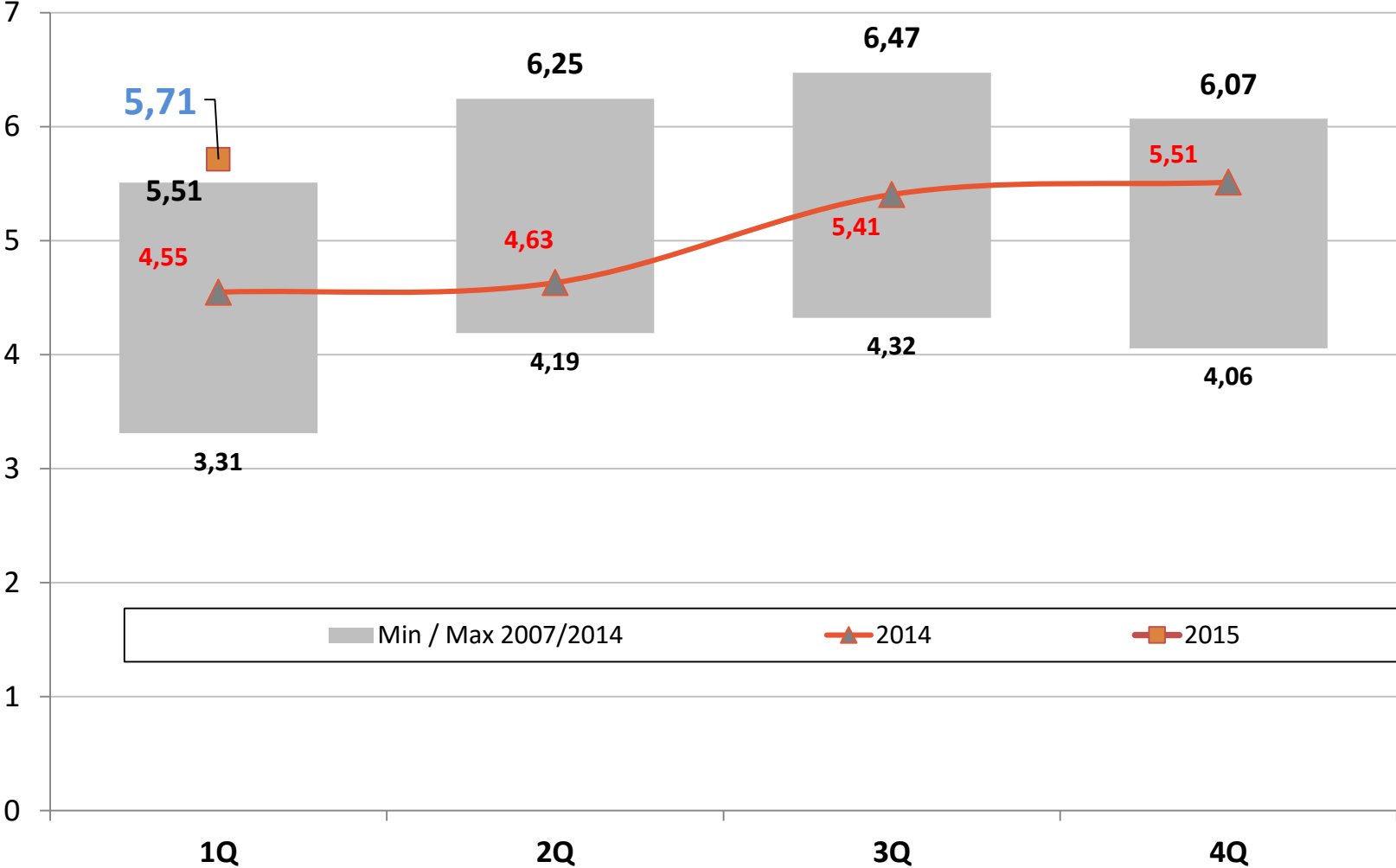
Med & Tüpraş Net Margins, \$/bbl



Capacity Utilisation,%

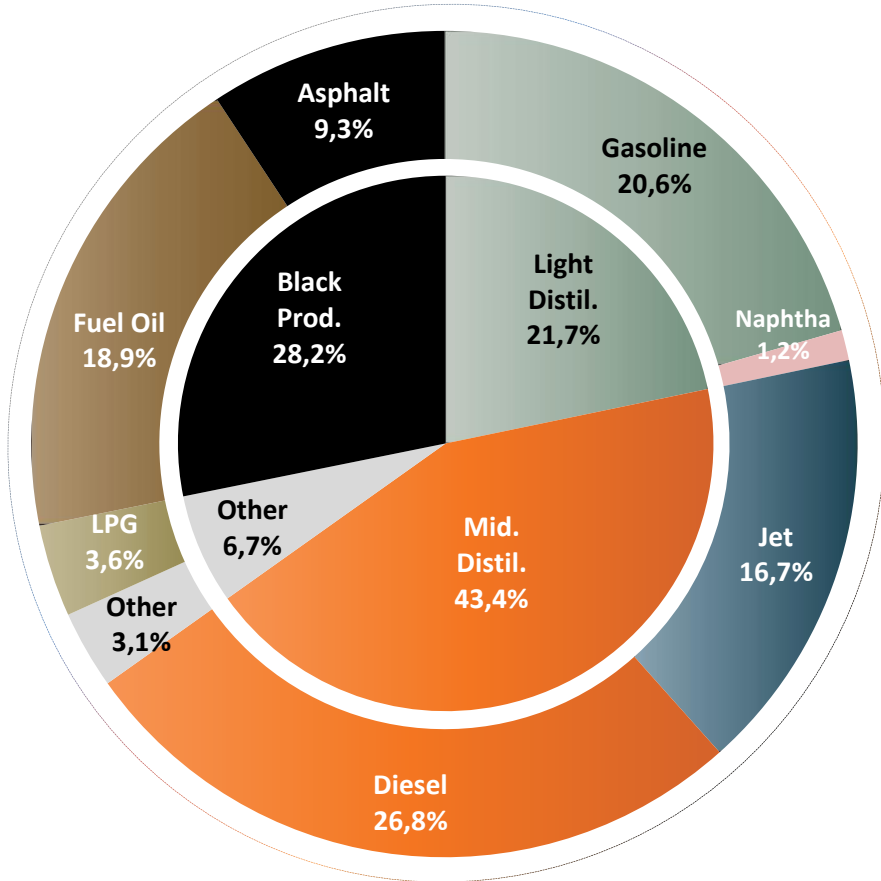


Quarterly Production Volumes (Million Tons)



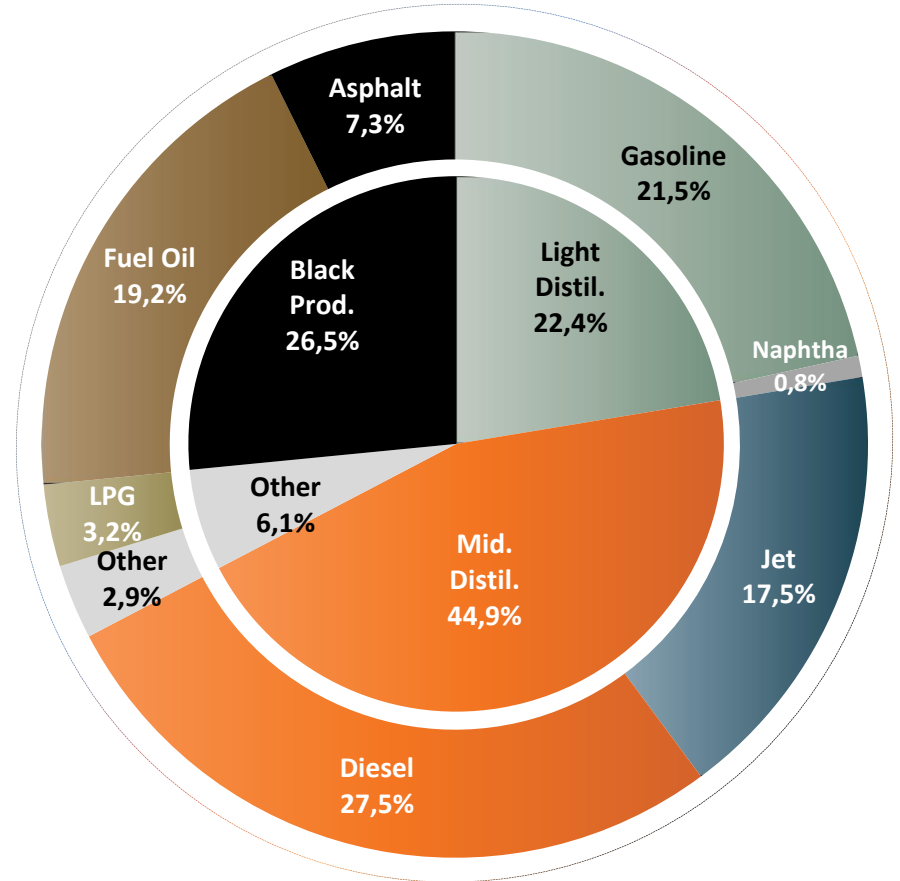
1st Quarter Product Yields

2014



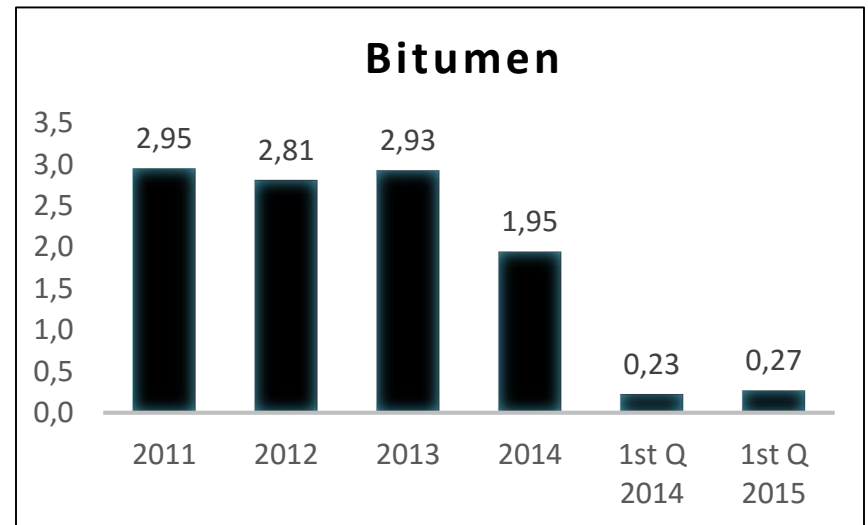
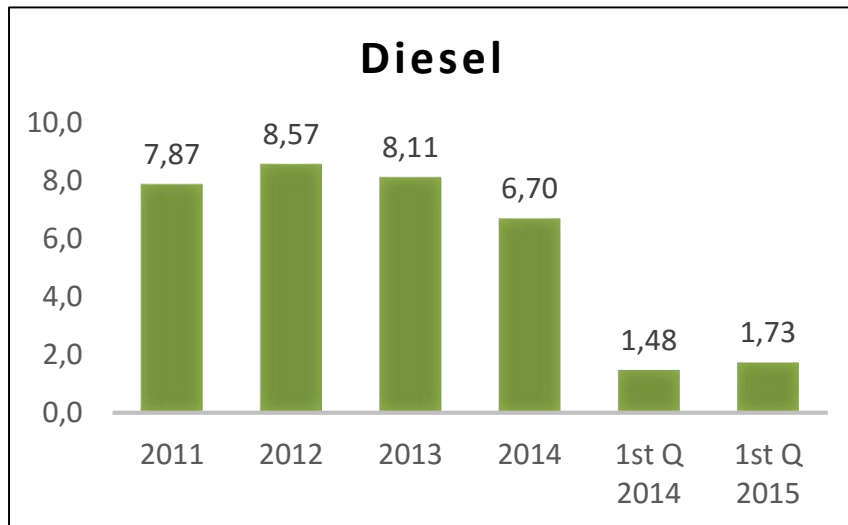
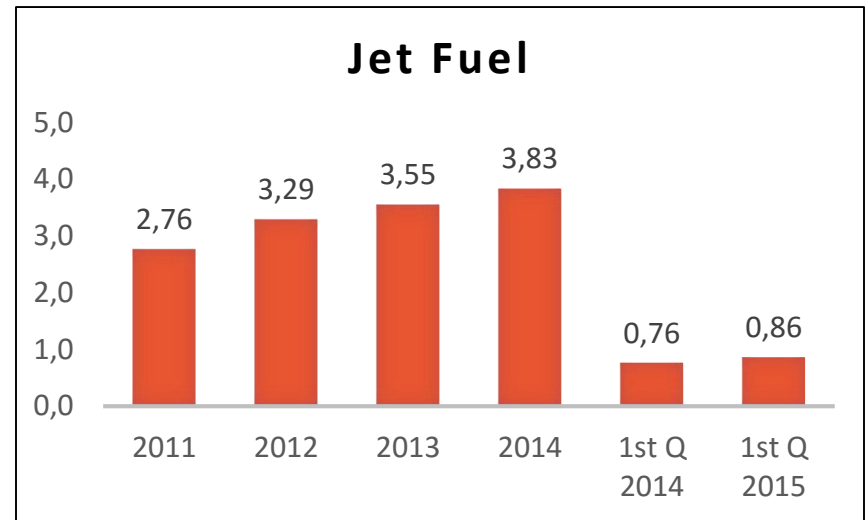
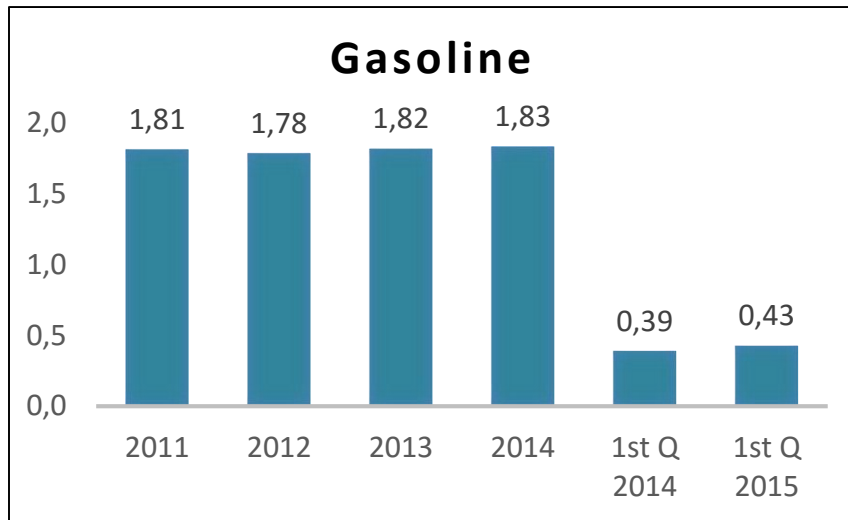
White Product 71.27%
Production 4.5 mn ton
API:32.54

2015



White Product 72.84%
Production 5.7 mn ton
API:33.14

Domestic Sales, million tons



1Q Trading Activities

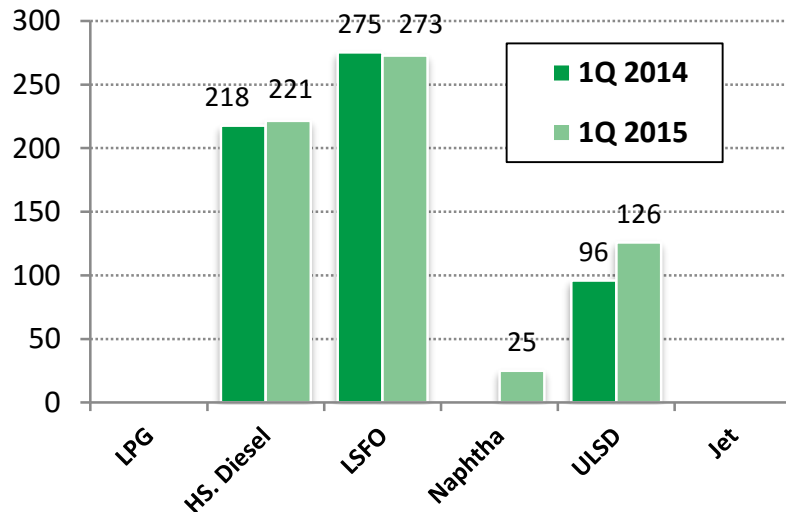
Finished Products

- ❖ High Sulfur Diesel imports were stable but buy more ULSD
- ❖ High / Low sulphur diesel differentials were too low for desulphurisation arbitrage profits.

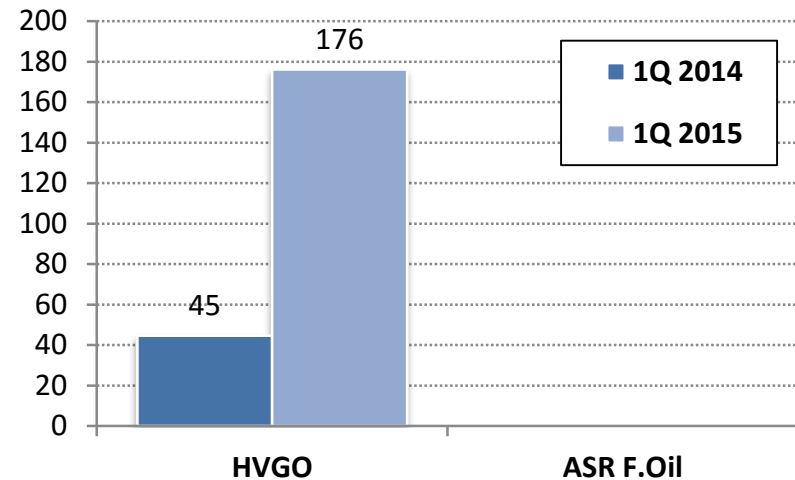
Intermediates

- ❖ Additional HVGO imported to increase Capacity Utilisation in conversion units

Product Imports, Ton*000

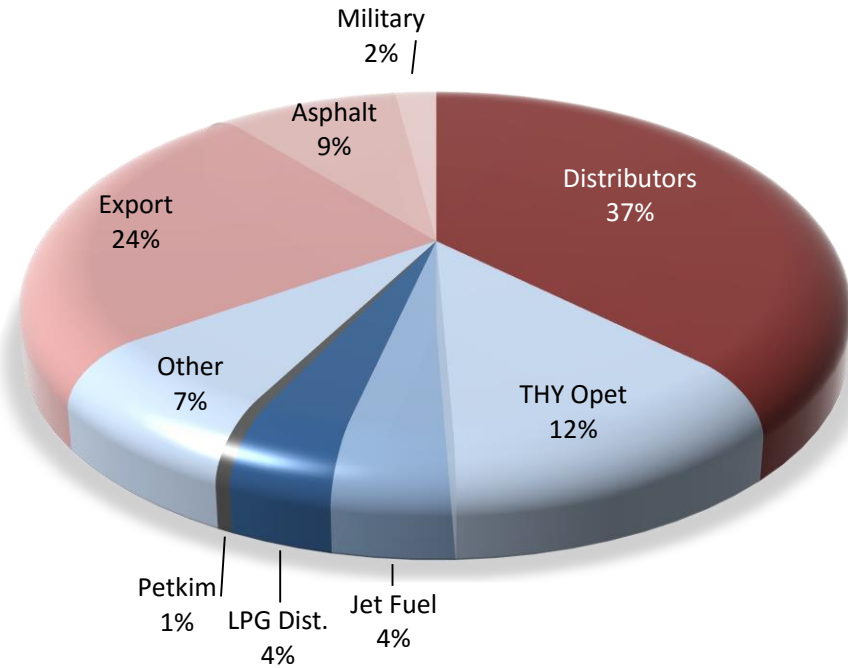


Intermediate Imports, Ton*000



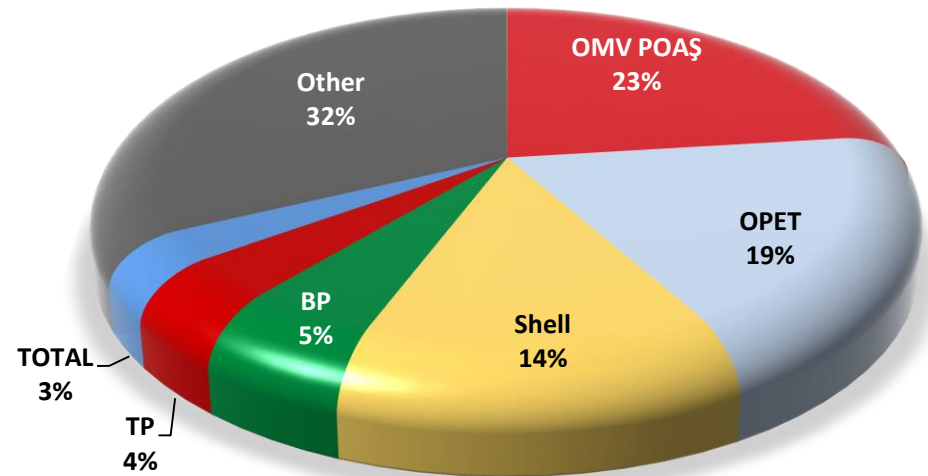
Sales By Customer 2014

Customer Groups



Total: 24.1 million ton

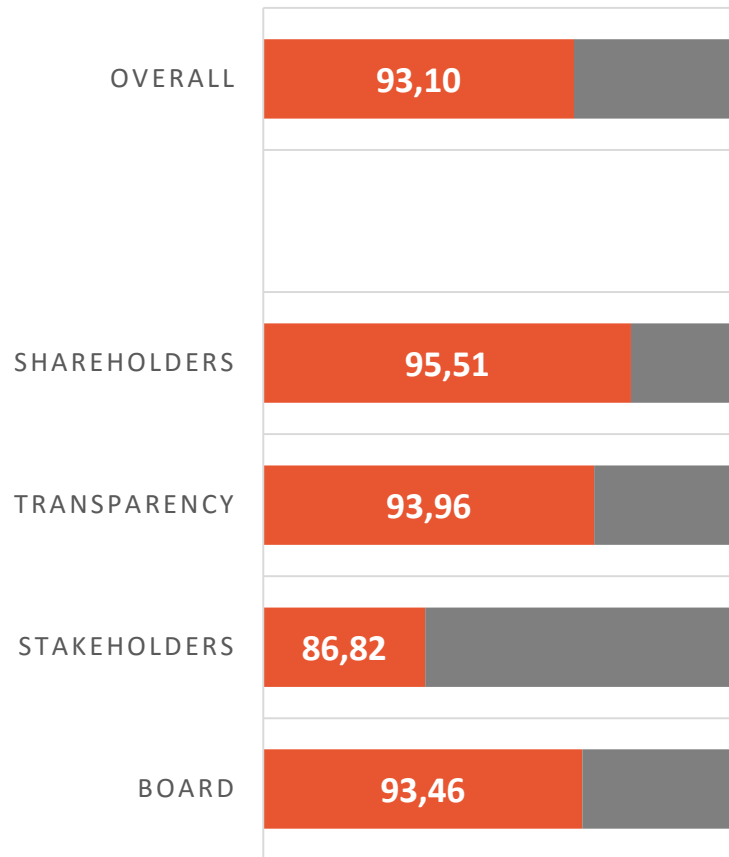
Sales to Distributors



Distributors : 10,3 million ton

Corporate Governance

Corporate Governance Rating

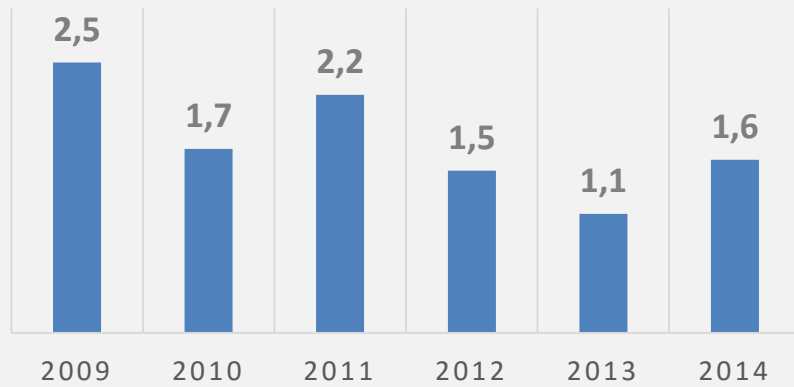


- ❖ One of the top rated companies in Turkey
- ❖ Committed to continuous improvement in this area
- ❖ Member of the Corporate Governance Association

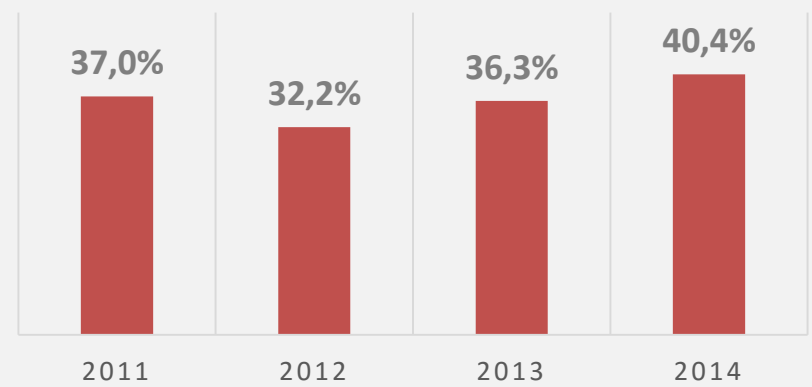


Sustainability

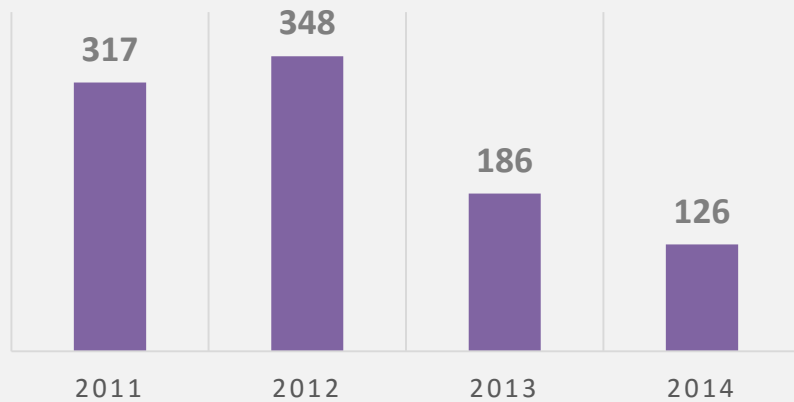
Accident Frequency Rate



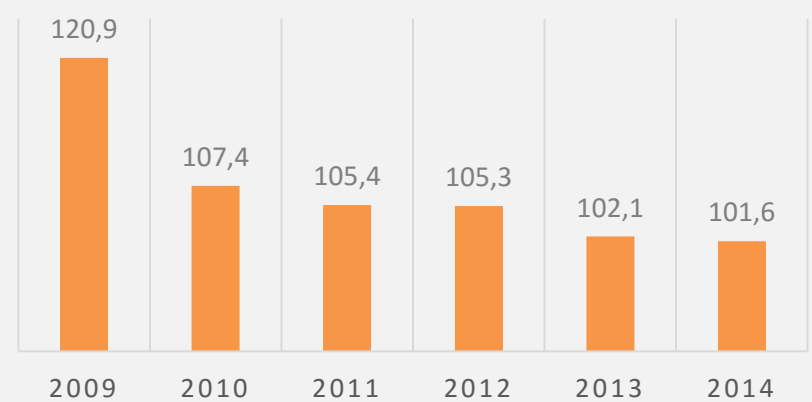
Recycled Water %



GHG Emissions Reduction



Energy Intensity Index



Corporate Social Responsibility



Education

- 23rd April Events
- Umbrella Action Programme
- Fire Fly Programme Sponsorship
- Vocational School Infrastructure Investment
- Our Power is Our Energy
- Pilot Refinery

Culture

- Purchase of Relief for Geyre Foundation

Health

- Support for Turkish Family Planning Foundation

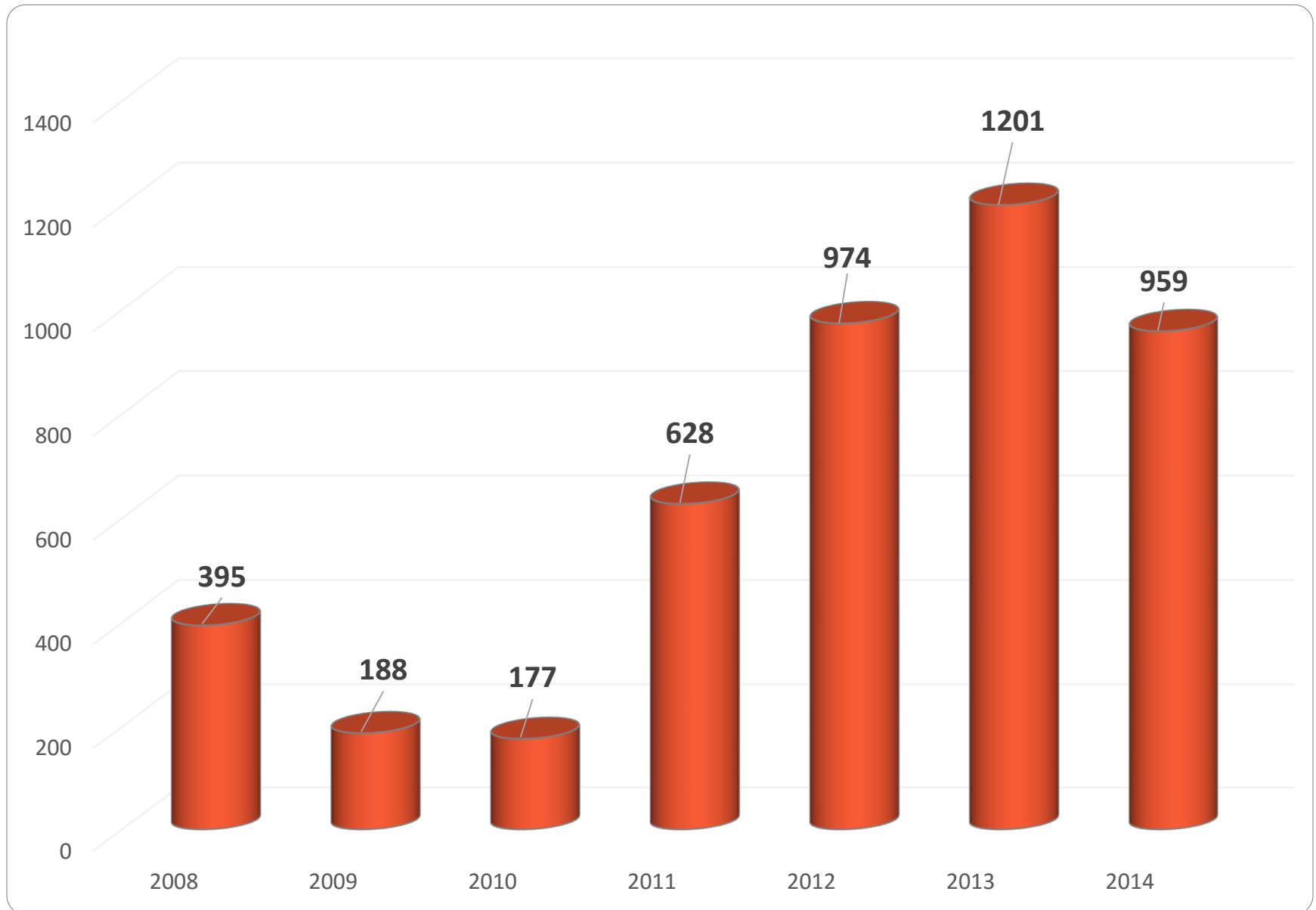
Environment

- Aliğa - Menemen Highway Tree Planting
- Natural İzmit Project
- Safety Week
- Happy Waste

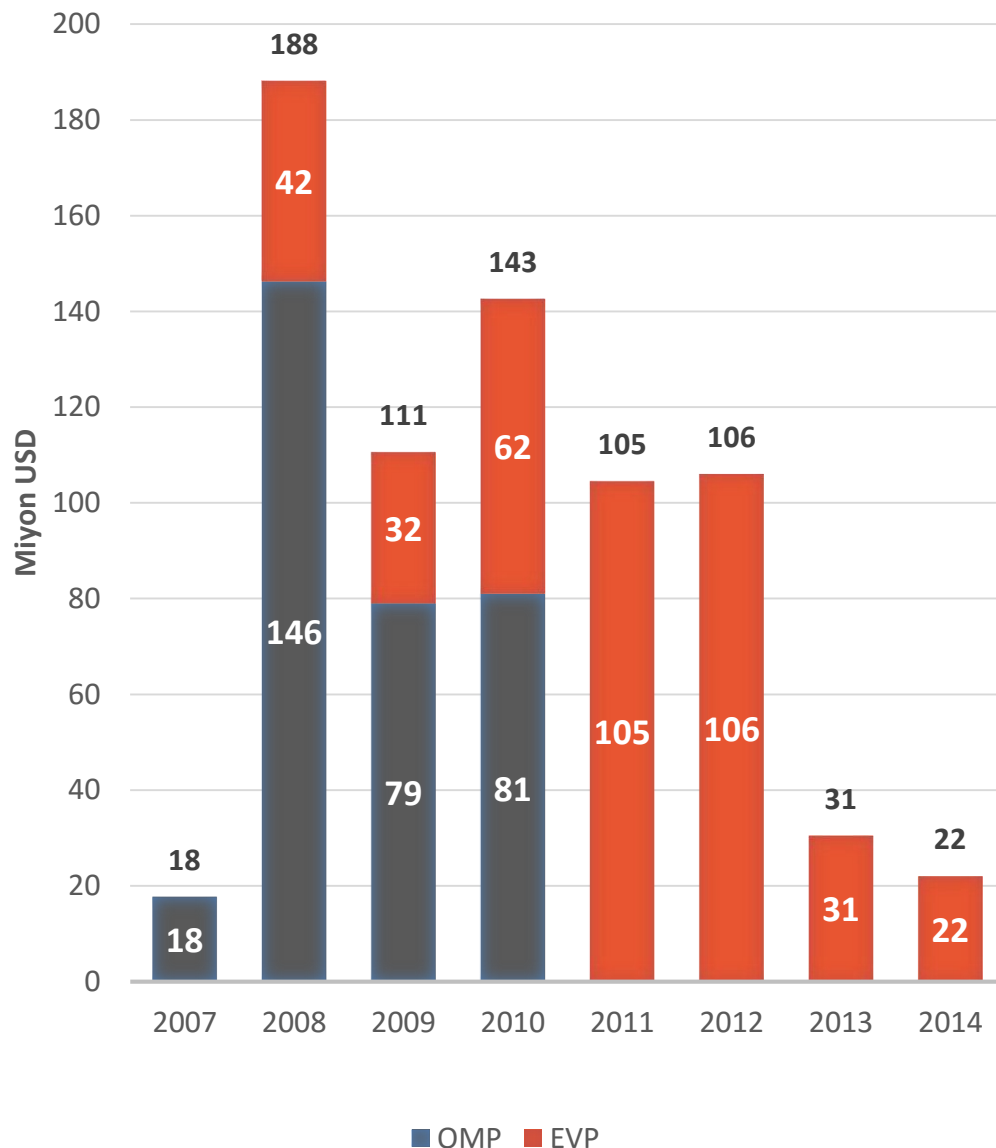
Investments



Investments (Million USD)



Investing in Efficiency



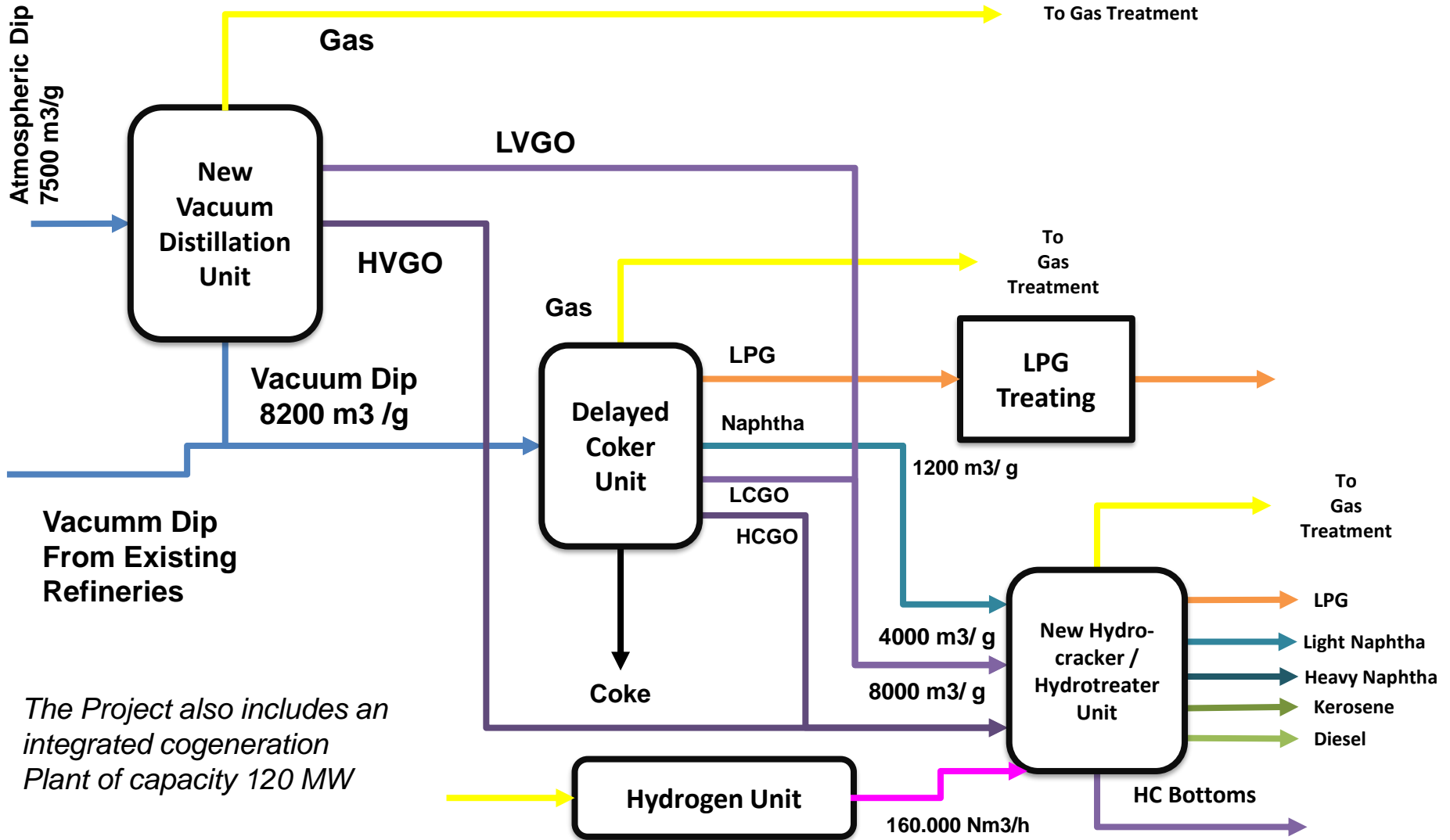
❖ Operational Excellence Programme

- Hydrocarbon Margin
- Integrity and Reliability
- Health, Safety and Environment

❖ Energy Efficiency Projects

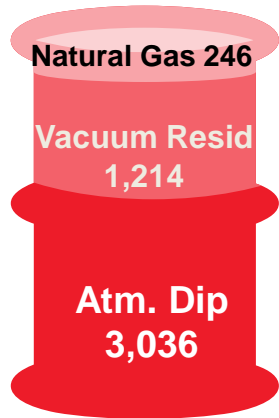
- Boiler and Furnace Modernization at the İzmit Refinery
- FCC Flue Gas Purification and Energy Recycling at İzmit
- Installation of 25 MW Gas Turbine and Waste Heat Furnace in İzmir
- Investment for the improvement of the crude oil energy efficiency at Kırıkkale

RUP Flow Chart



Resid Upgrading Project Production – (Thousand Tons)

Raw Materials (kton)



Products (kton)



Diesel
2.883



Gasoline
522



LPG
69



PetroCoke
690



Sulphur
86

Total Feed 4,496

Total Production 4,250

Residuum Upgrade Financing

Structure / Conditions

CESCE

Spanish ECA

- \$1.08 Billion
- Tenor 4+8; LIBOR+%3.05

SACE

Italian ECA

- \$597 Million
- Tenor 4+8; LIBOR+%3.10

Commercial

10 International Banks

- \$359 Million
- Tenor 4+3; LIBOR+%2.85

Total

- \$2,035.1 Million

Bank Consortium

Banco Bilbao Vizcaya Argentaria, S.A.

The Bank Of Tokyo-Mitsubishi Ufj, Ltd.

BNP Paribas

Crédit Agricole Corporate And Investment Bank

Deutsche Bank AG- London Branch

HSBC Bank Plc

Banco Santander, S.A.

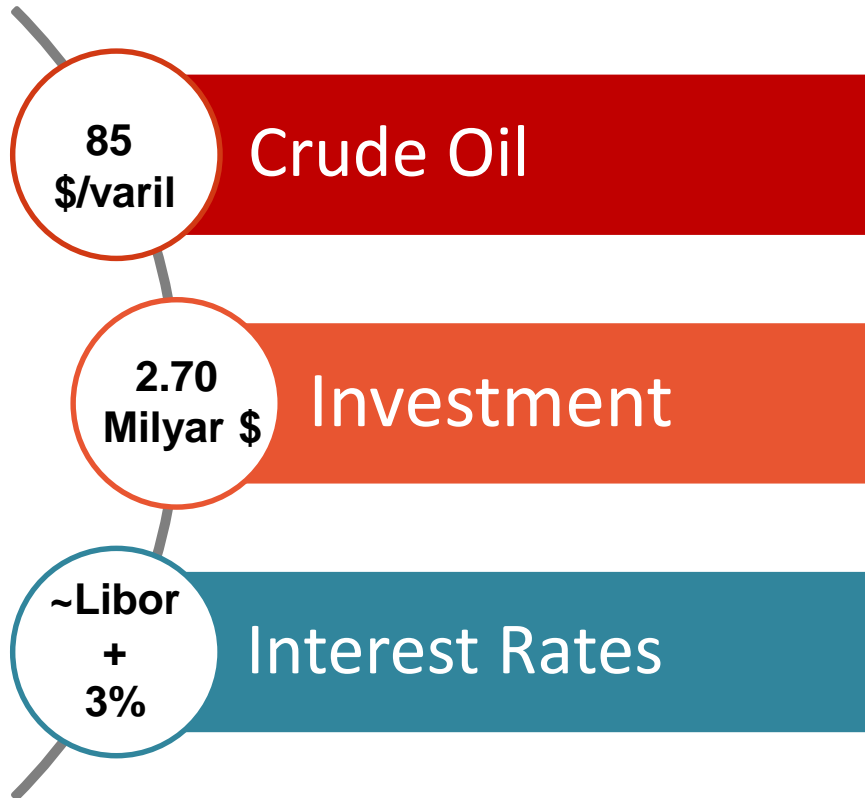
Sumitomo Mitsui Banking Corporation Europe Limited

Societe Generale

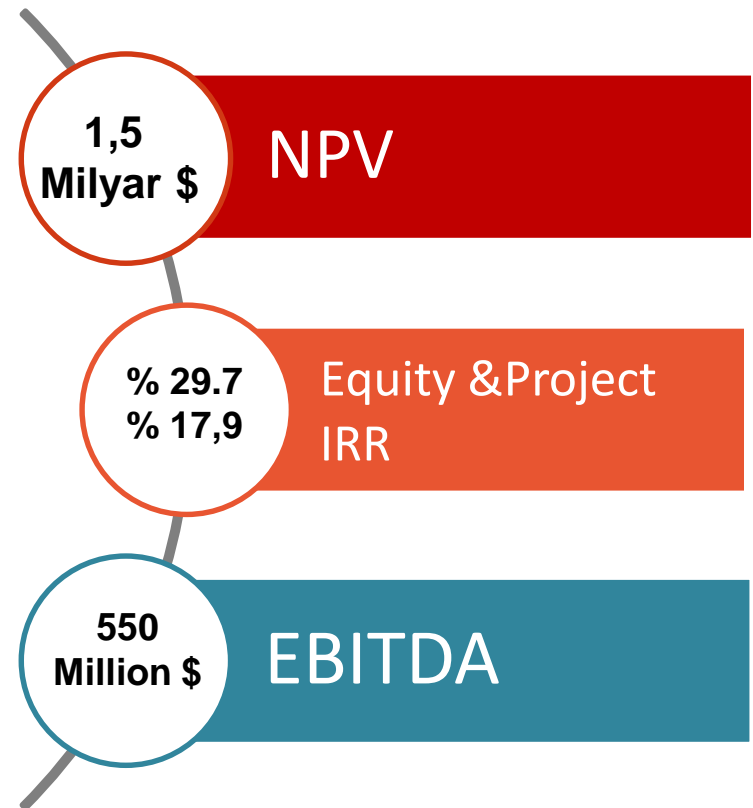
WestLB AG- London Branch

Financial Summary

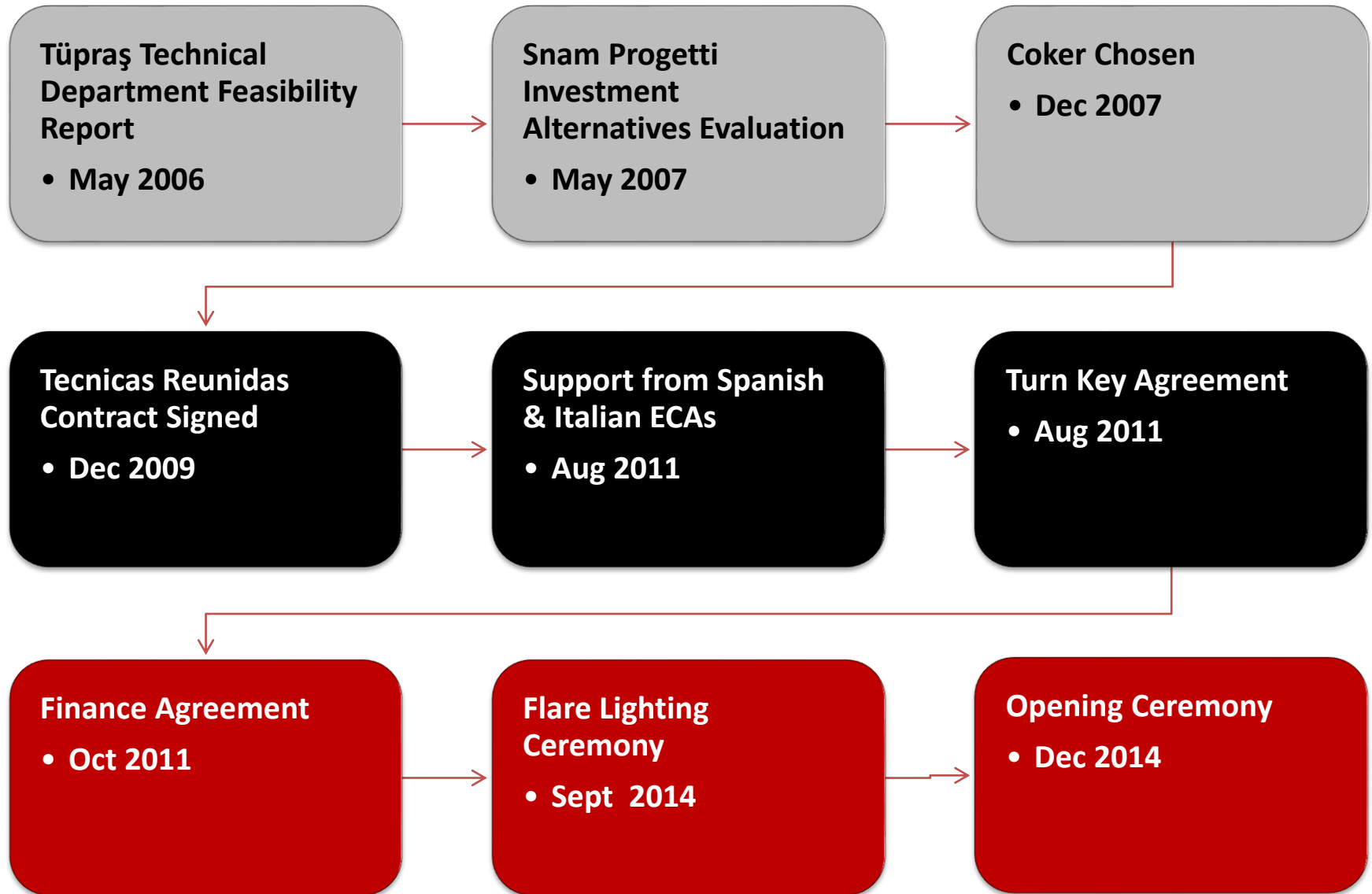
Assumptions



Returns



RUP- Mile Stones



RUP Opening Ceremony – 15th December 2014



Key Financials



Tax Incentive

- Previously – Large Scale
 - Valued at 30% of project cost
 - Realised after completion
 - Tax rate of 10% on project earnings until total incentive is reached
- Currently – Strategic
 - Valued at 50% of project cost
 - Partly realised during construction
 - Tax rate of 2% on project earnings until total incentive is reached
- Main Differences
 - Total amount increased
 - Some benefits are immediate
 - Benefits will accrue much quicker

Profitability Indicators , 12 M 2013-2014 & 1Q-2014-15

2014 1Q	2015 1Q	(%)		2013	2014	(%)
108,22	53,97	-50	Dtd.Brent Price, (\$/bbl)	108,7	98,99	-8,9
32,54	33,14	1,8	Processed Crude API	32,54	32,29	-0,8
71,27	72,84	1,6	White Product Yield, (%)	72,4	72,2	-0,2
0,44	5,98	1259	Med. Complex Margin,(\$/bbl)	1,67	1,95	16,2
2,41	4,69	94,6	Tüpraş Net Margin,(\$/bbl)	2,45	3,21	30,7
122,7	42,3	-65,6	Operating Profit, (mn. \$)	21,7	199,3	820,2
117,2	124,3	6,1	Operating Profit for EBITDA, (mn. \$)	434	220	-49,3
150,2	149,7	-0,4	EBITDA *(mn. \$)	560	338	-39,7
100,3	219,9	119,1	EBITDA* (mn. \$) CCS	467	575	23,2
155,8	67,6	-56,6	EBITDA (mn.\$)-CMB	148,0	317,3	114,4

* In our EBITDA calculation FX related items are not included, whereas CMB rules is that these should be including in operating profit

Income Statement

1Q 2014	1 Q 2015	% Diff.	Million USD	12 M 2013	12 M 2014	% Diff.
4.186,2	2.829,3	-32,4	Net Sales	21.594,7	18.164,9	-16
184,5	203,1	10,1	Gross Profit	774,5	577,5	-25
-71,3	-70,0	-1,8	Operating Expenses	-367,8	-334,6	-9
9,6	-90,8	-	Income/Loss from other operations	-385,0	-43,6	-89
122,7	42,3	-65,6	Operating Profit	21,7	199,3	820,2
10,5	-9,2	-187,4	Income/Loss from equity investment	43,0	-7,6	-118
133,2	33,1	-75,2	Operating Profit Before Fin. Income/Loss	64,7	191,6	196
22,0	180,7	720,3	Financial Income	528,7	228,2	-57
-50,5	-225,7	346,8	Finance Expenses	-586,5	-335,8	-43
104,7	-11,9	-111,4	Profit Before Tax & Minorities	6,9	84,0	1.124
230,7	112,0	-51,4	Net Profit	629,4	667,2	6

Tüpraş Balance Sheet-Assets

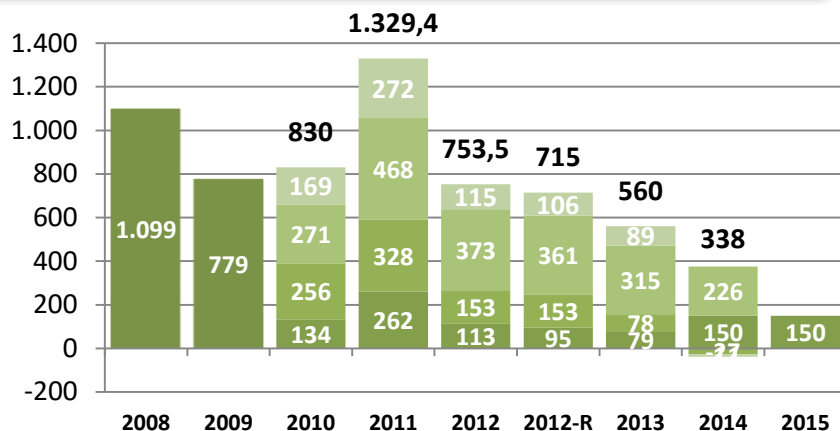
Million USD	31.03.2015	31.12.2014	Difference	% Difference
Current Assets	2.778	3.015	-237	-8
Cash & C. Equivalentents	1.206	1.681	-475	-28
Receivables	201	87	115	132
Derivatives	105	28	77	277
Inventories	1.081	1.022	59	6
Pre-paid expenses	44	53	-9	-18
Other Current Assets	142	144	-2	-1
Long Term Assets	6.037	6.443	-407	-6
Financial Assets & Subsidiaries	245	315	-70	-22
Fixed Assets	4.296	4.600	-305	-7
Pre-paid expenses	68	112	-44	-39
Deferred Tax	1.136	1.131	5	0
Other Long Term Assets	272	284	-12	-4
Total Assets	8.815	9.458	-643	-7

Tüpraş Balance Sheet-Liabilities

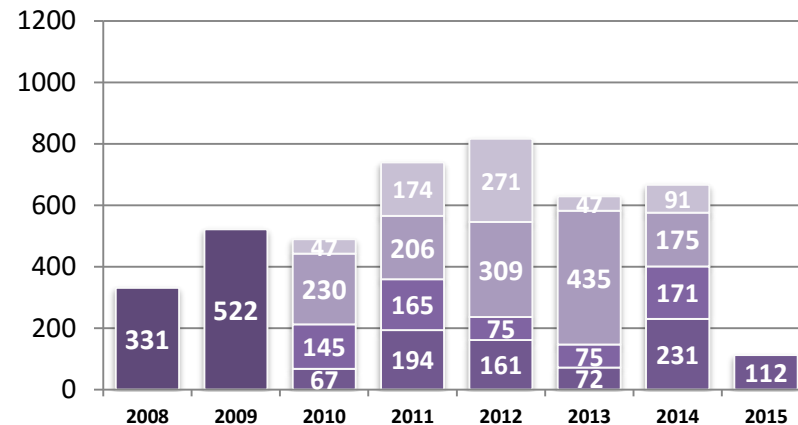
Million USD	31.03.2015	31.12.2014	Difference	% Difference
Short Term Liabilities	3.044	3.692	-648	-18
Financial Loans	377	335	42	13
Payables	1.740	2.464	-724	-29
Derivatives	3,22	0,03	3,19	10.873
Deferred Incomes	20	7		
Provisions	33	47	-14	-29
Other ST Liabilities	871	838	32	4
Long Term Liabilities	3.358	3.087	271	9
Financial Loans	3.280	3.009	271	9
Payables & Provisions	68	76	-8	-11
Other LT Liabilities	10	2	8	356
Equity	2.392	2.655	-263	-10
Minority Interests	20	24	-4	-16
Total Liabilities	8.815	9.458	-643	-7

Financial Highlights (mn \$)

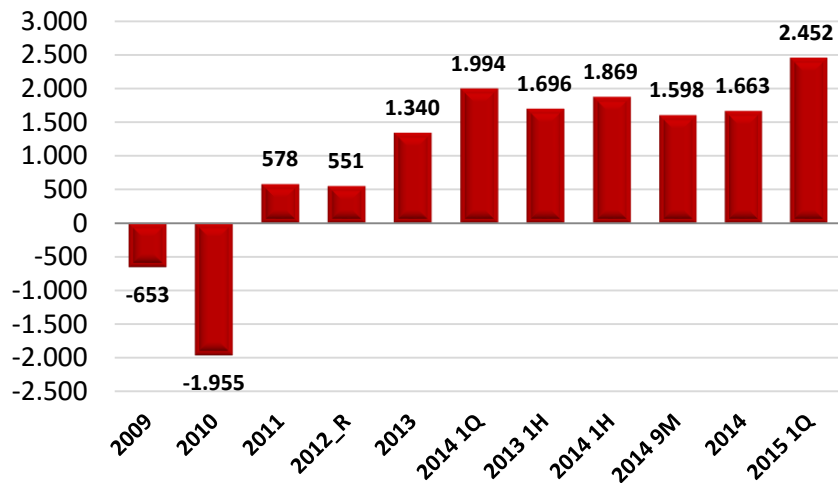
EBITDA



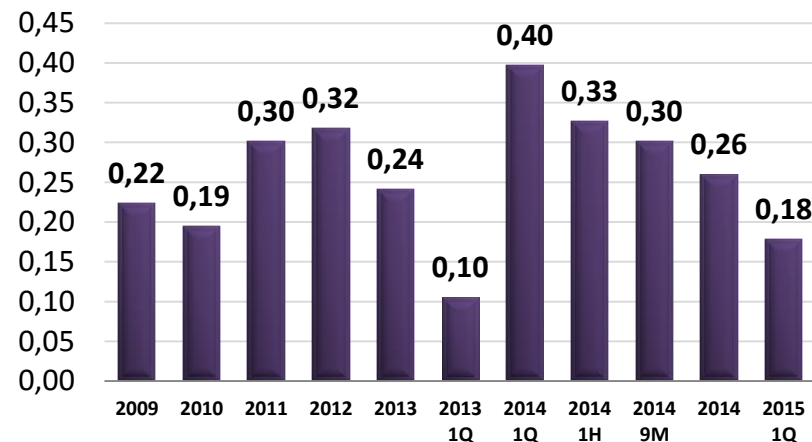
Net Income



Net Debt/(Cash)

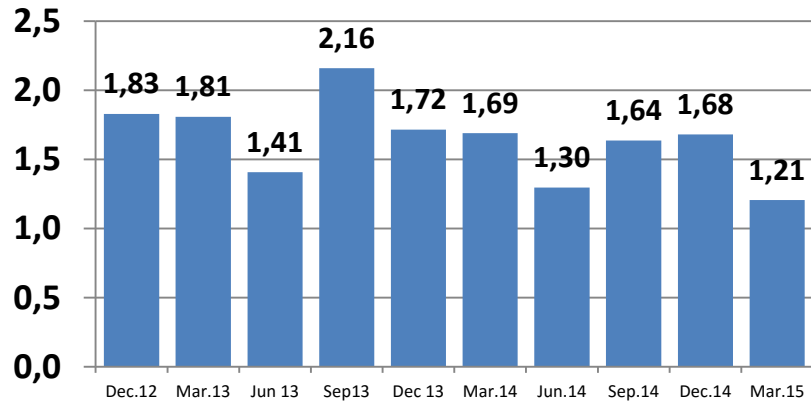


Return on Average Equity

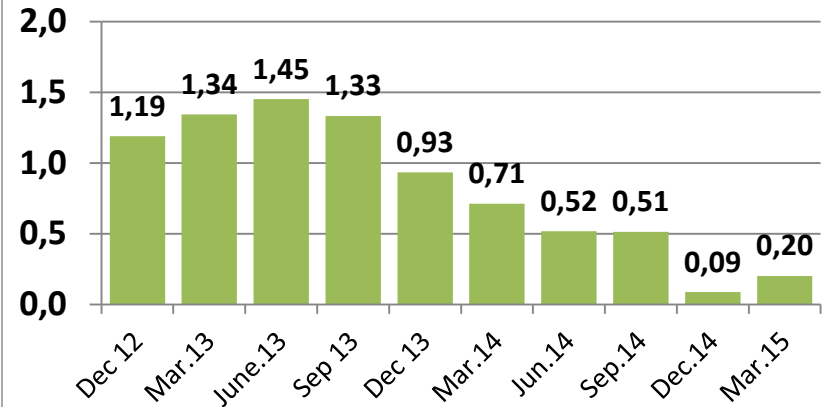


Balance Sheet Analysis

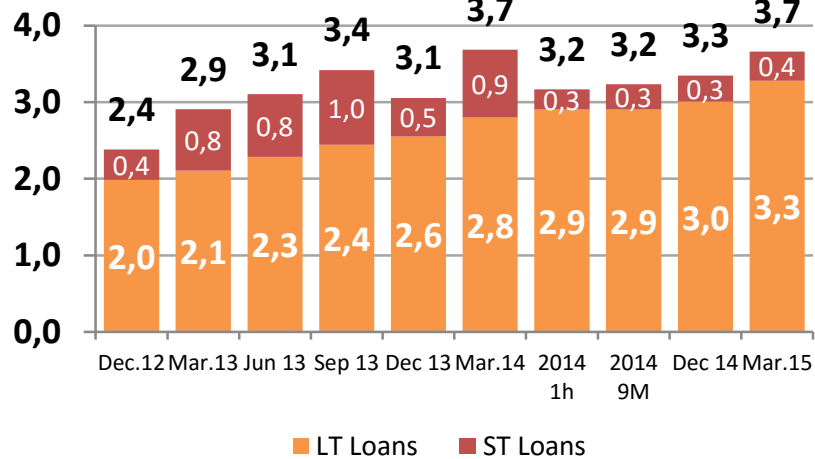
Cash & Equivalents (Billion \$)



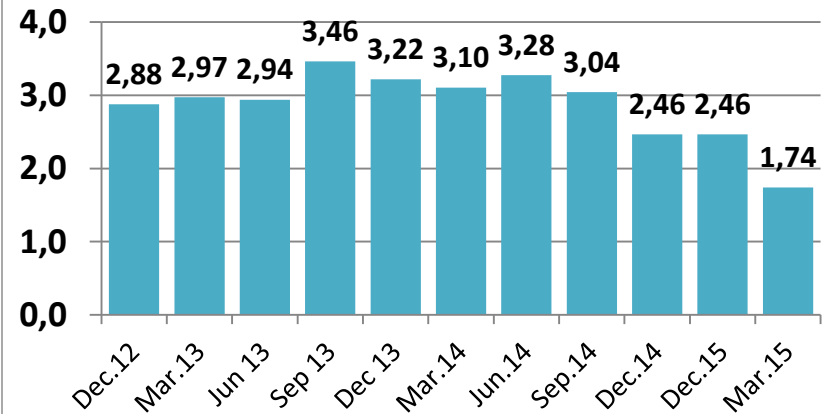
Receivables (Billion \$)



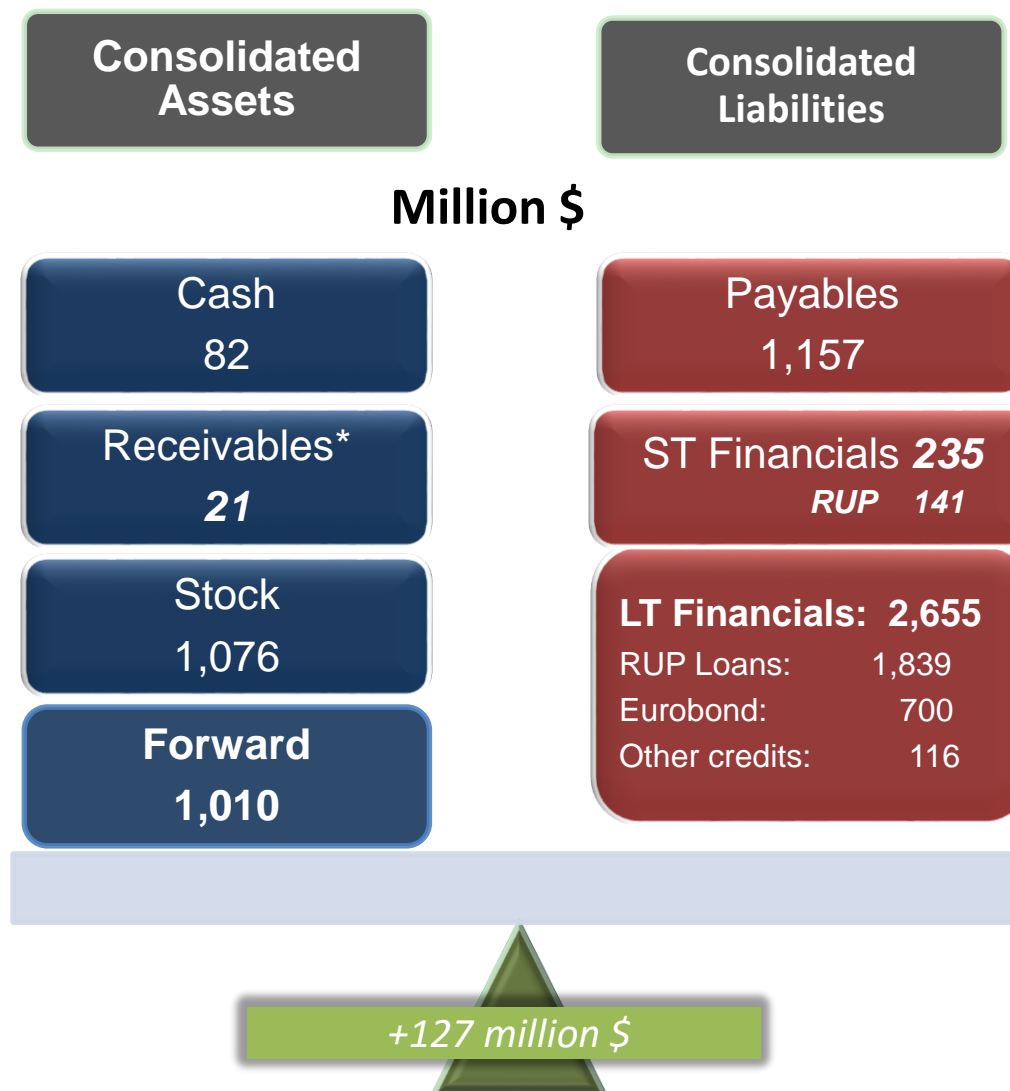
Financial Loans (Billion \$)



Payables (Billion \$)



FX Risk Exposure (31 March 2015)



FX Risk with RUP : -1,858 million \$

Disclaimer

This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Tüpraş nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.

Future Expectations

Med Complex Margin

- We expect Med Complex margins to be 3.0-3.2 dollar per barrel band in 2015.

Tupras Net Margin

- For Tupras net refinery margins, we expect this to be in the region of 3.7-4.5 dollars per barrel

Capacity Utilisation

- Following the RUP fully commissioned in March, expected Capacity Utilisation in 2015 will reach around 95 %
- Production will therefore be approximately 27.5 million tons
- Imports of finished products will be minimal, as we focus on selling increased volumes of production

Investment

- Including a total of 60 million US dollars final portion for the RUP, total investments for 2015 will be about 220 Million USD

Competition Board Evaluation

The Period 11th October 2008 – 1st January 2009 (2 months 20 Days)

850 Million TL loss in the October-December period

Prices reduced more rapidly than Europe

- Gasoline 10 times
- Diesel 9 times

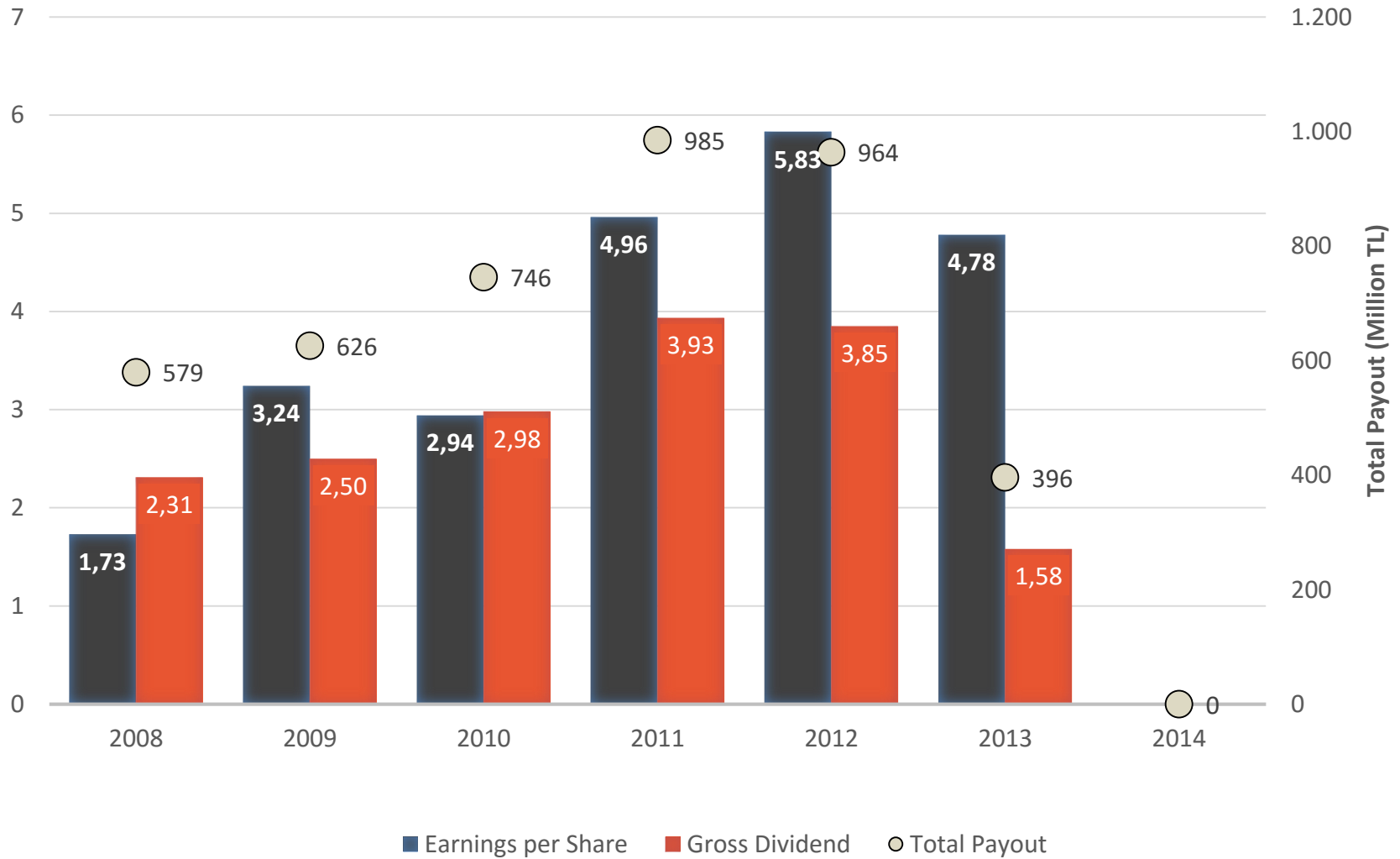
30% Currency Depreciation

- 26 Sept – 1.2316 TL/\$, 20th Nov – 1.7038 TL/\$
- 31st December – 1.5218 TL/\$

Crude Oil prices fell from 144 dollars per barrel to 36

EMRA decided that no action was necessary

Dividends (TL)



2012/2013 EPS includes the tax incentive

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Turgut Tuncay Önbilgin

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The Investor Relations section of our company website has a wealth of constantly updated information of interest to investors

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