



Q1 2016
INVESTOR PRESENTATION

01 Refining
Industry

02 Company
Overview

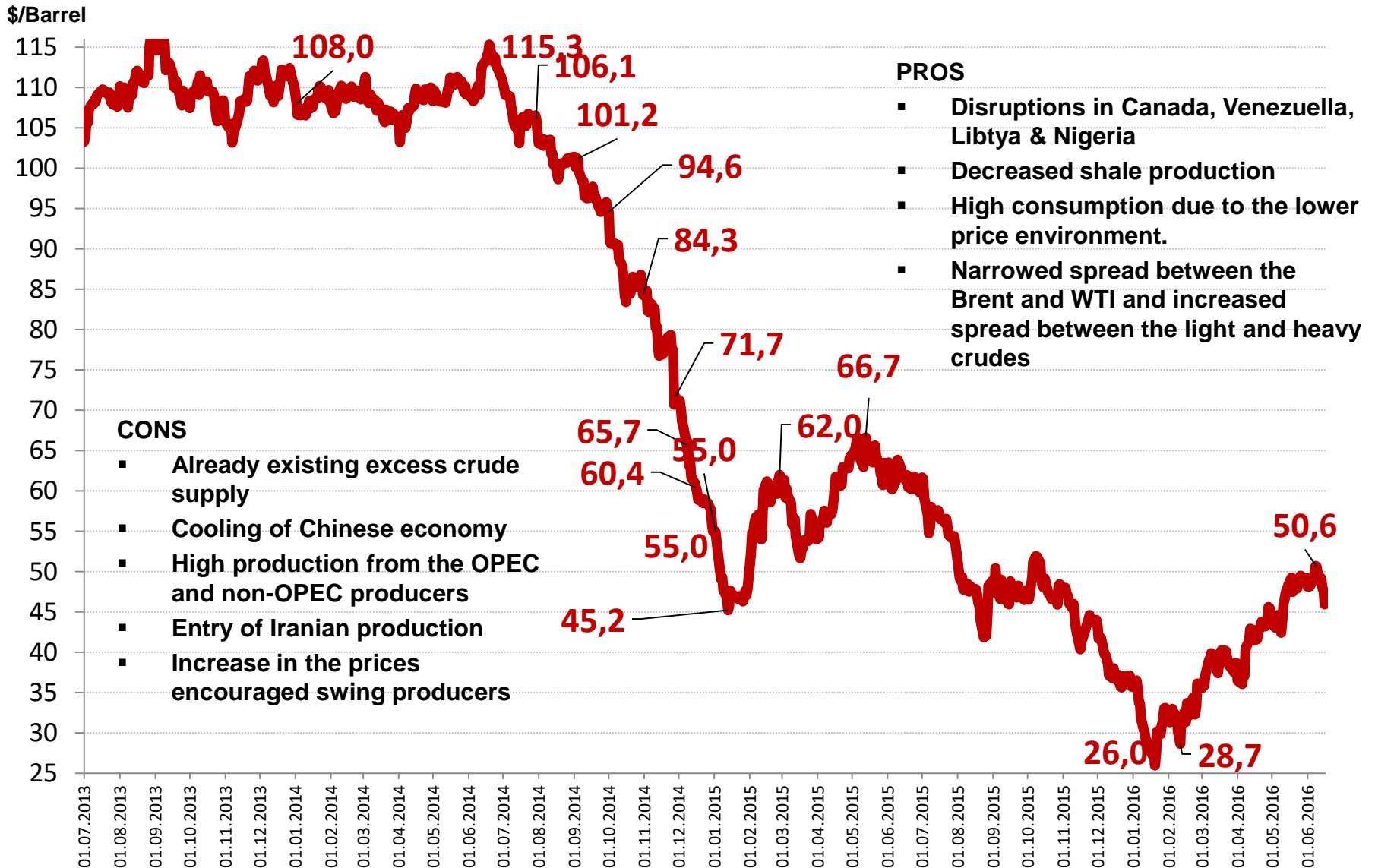
03 Investments

04 Key
Financials

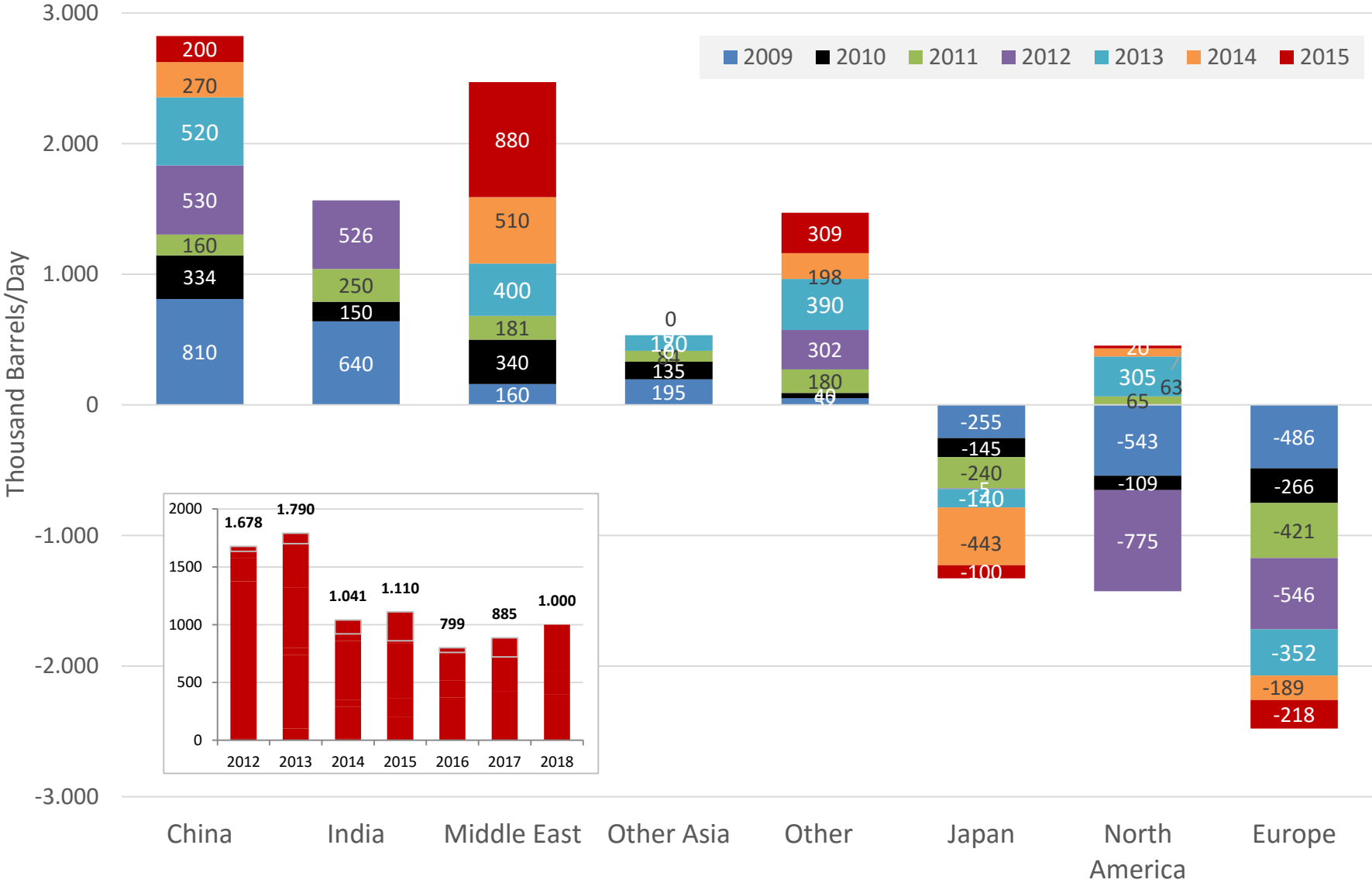
Refining Industry



Brent Crude Oil Prices



Refinery Capacity Change

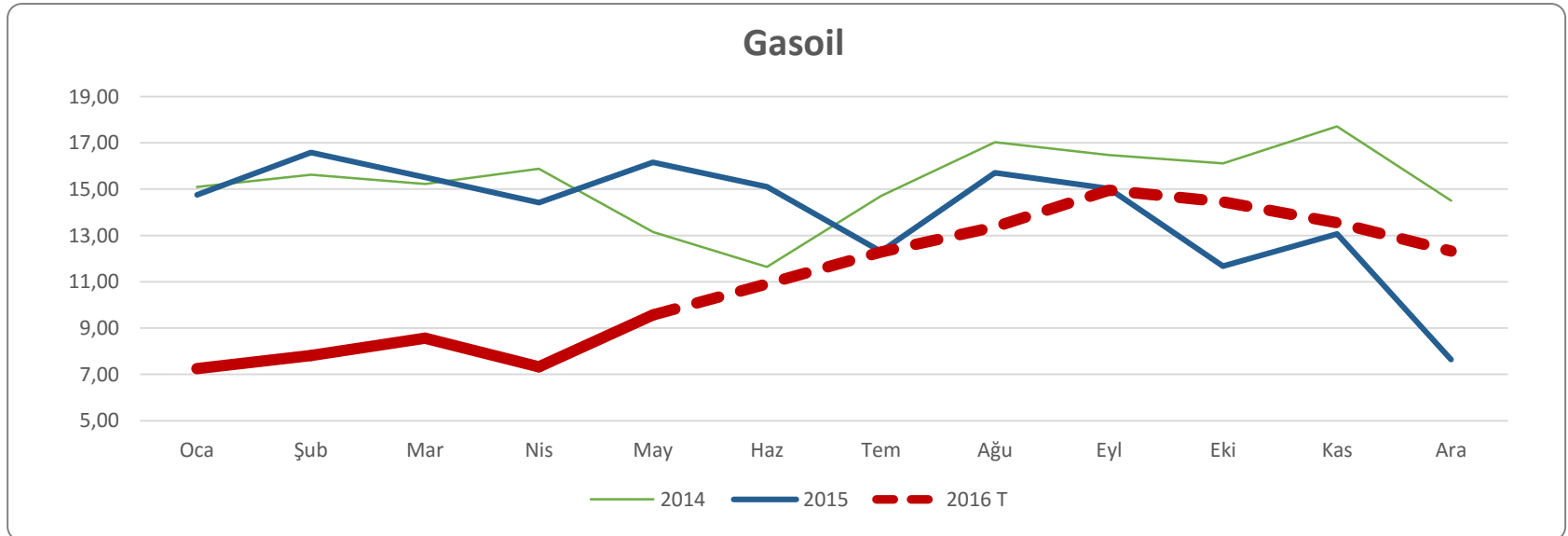
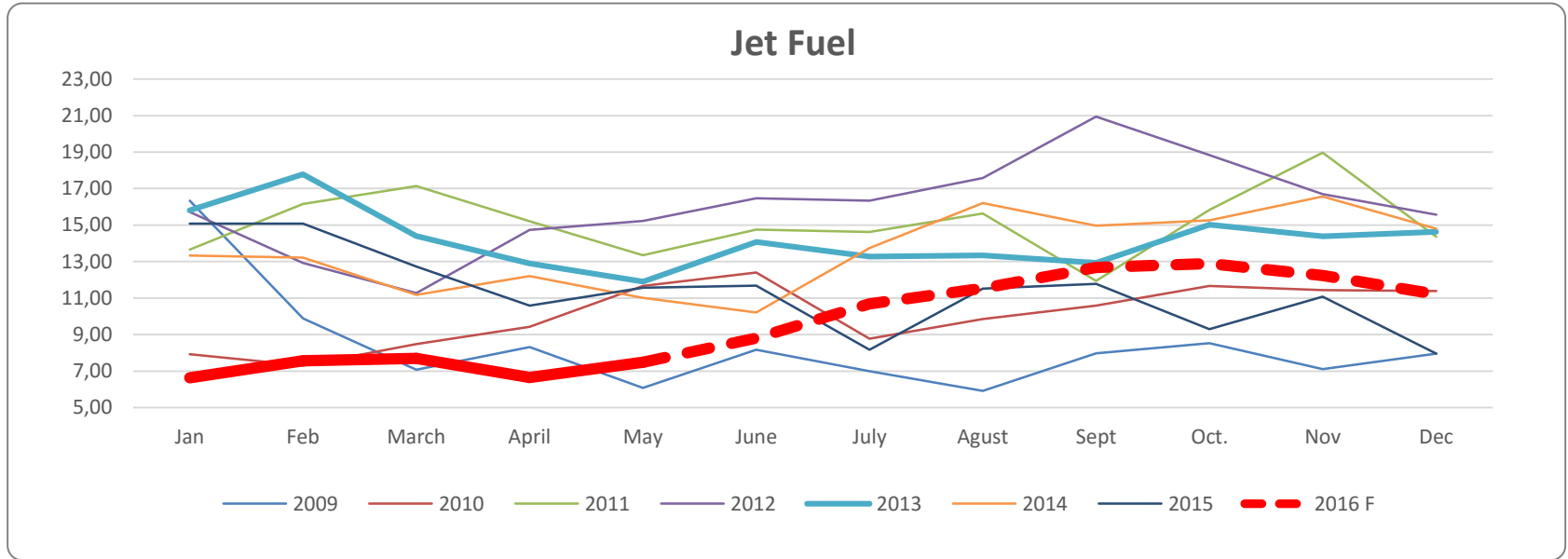


Source : Tüpraş, Reuters, Reports

Refinery Value

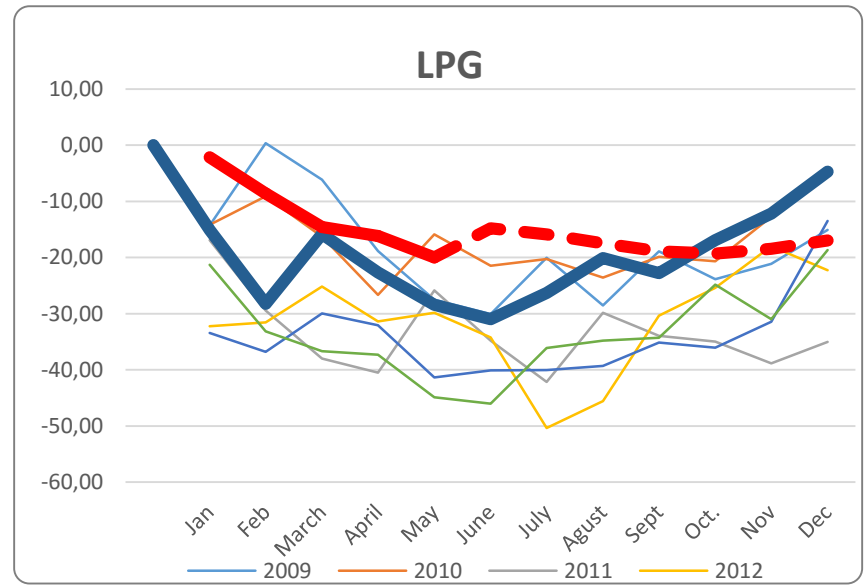
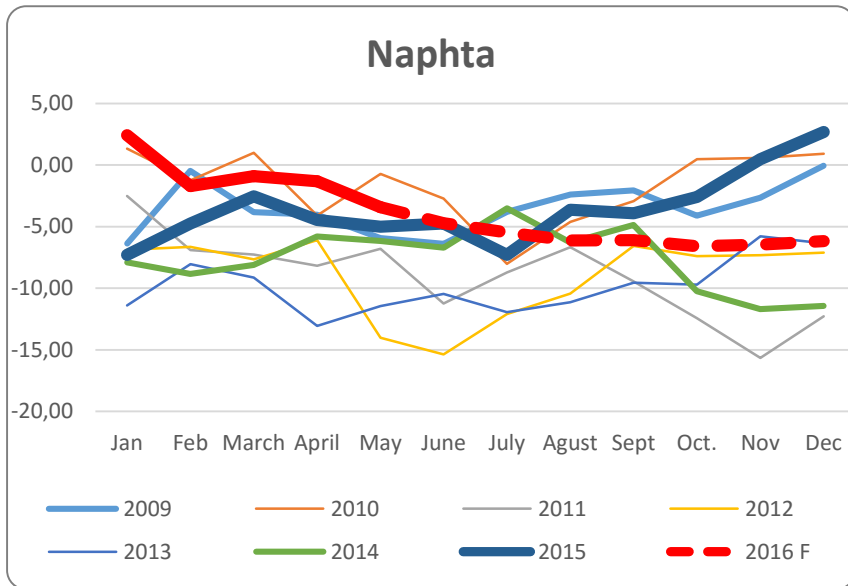
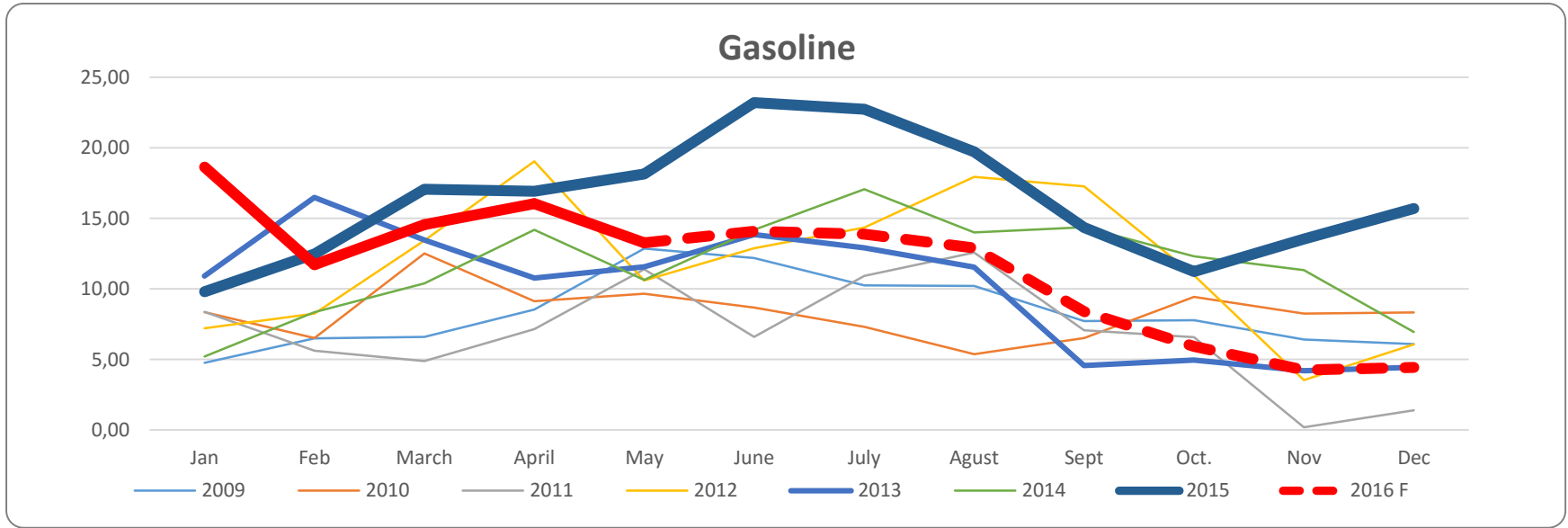


Product Crack \$/bbl



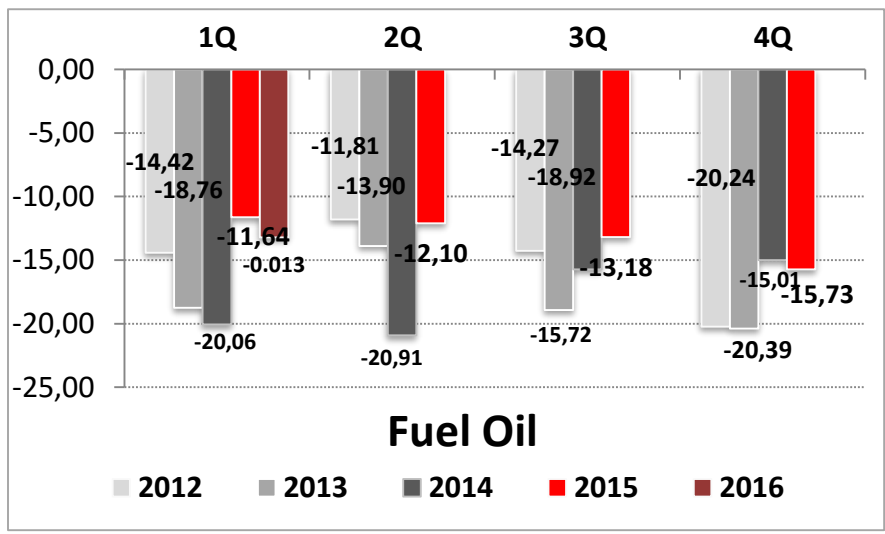
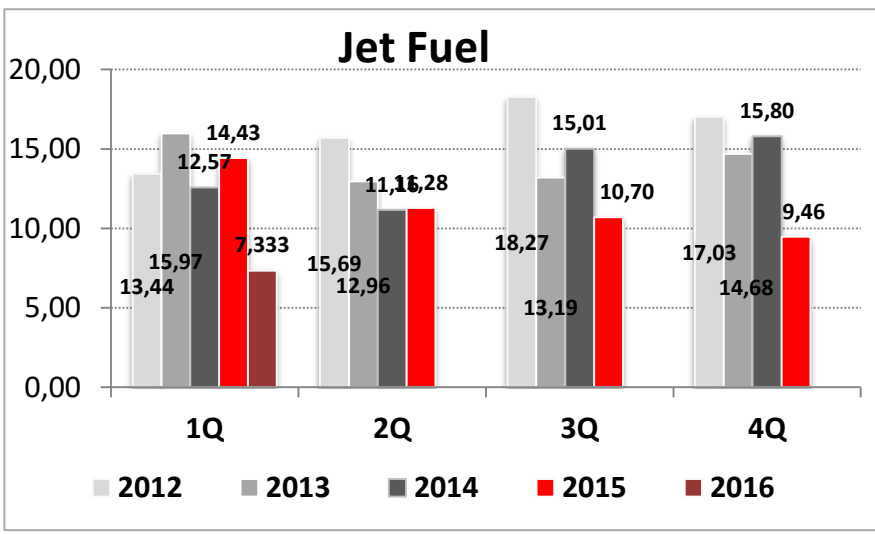
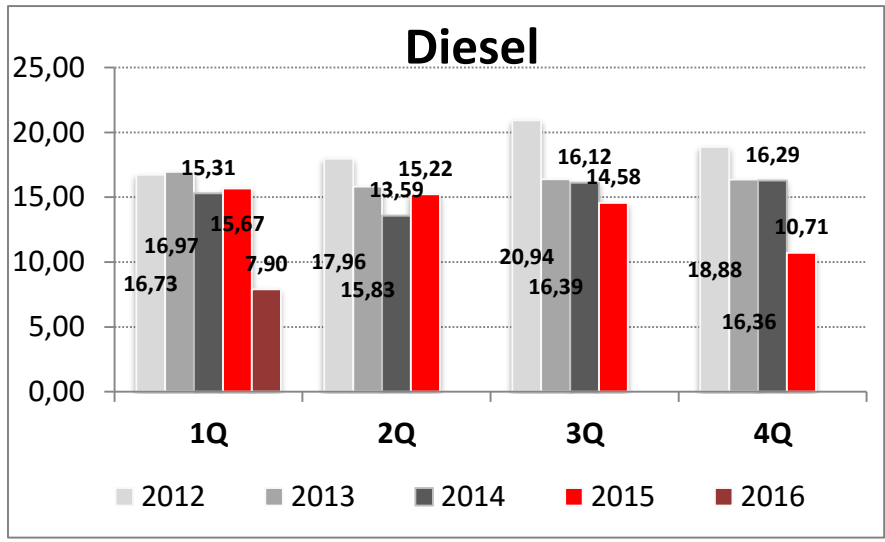
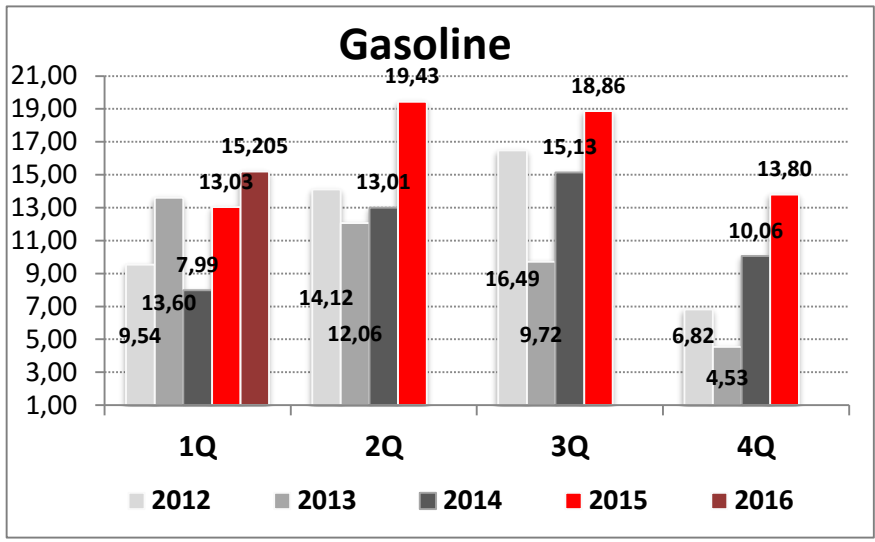
Note: 2009-March 2016 Platts Data, 2016 (June-December estimation PIRA)

Product Crack \$/bbl



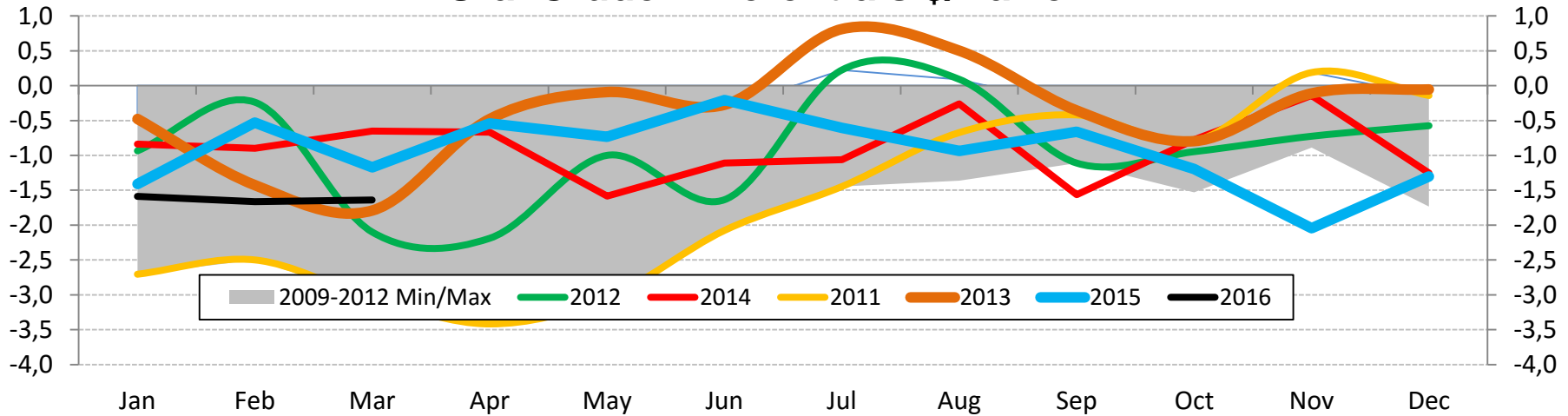
Note: 2009- March 2016 Platts Data, 2016 (June-December) estimation PIRA

Quarterly Crack

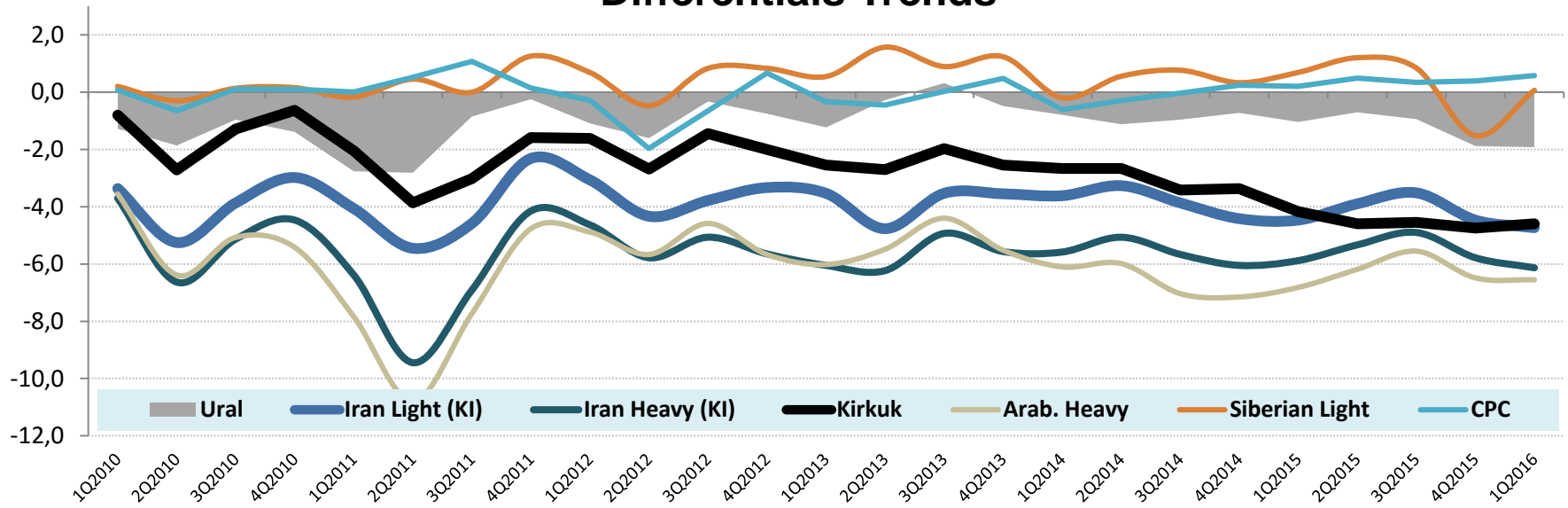


Crude Differentials \$/Barrel

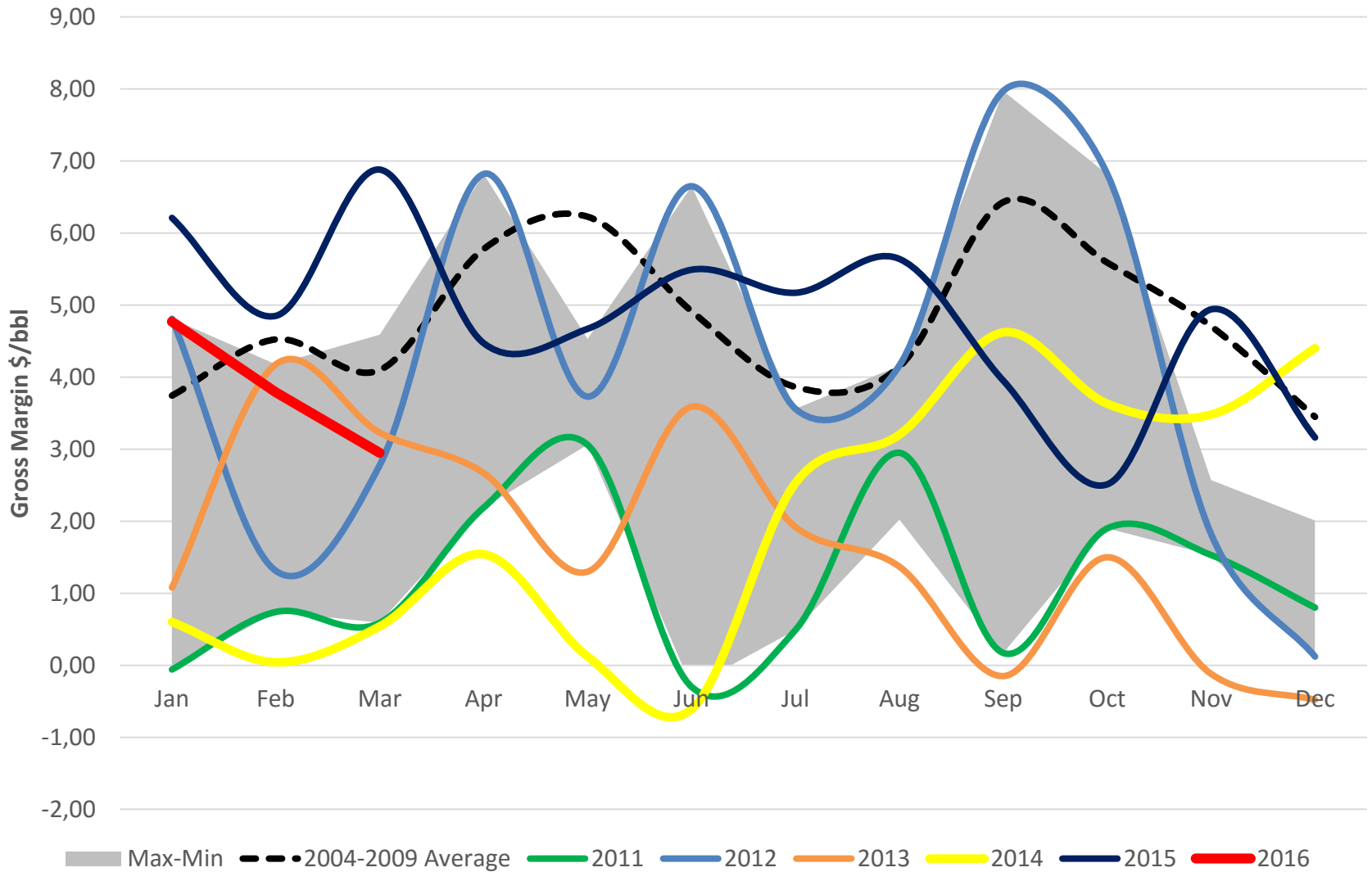
Ural Crude Differentials \$/Barrel



Differentials Trends



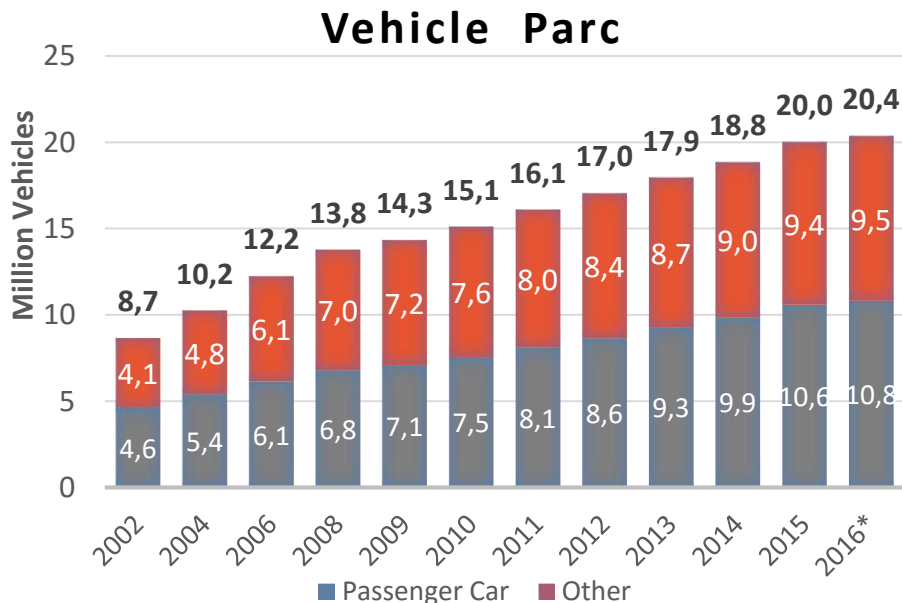
Med Complex Refining Margins



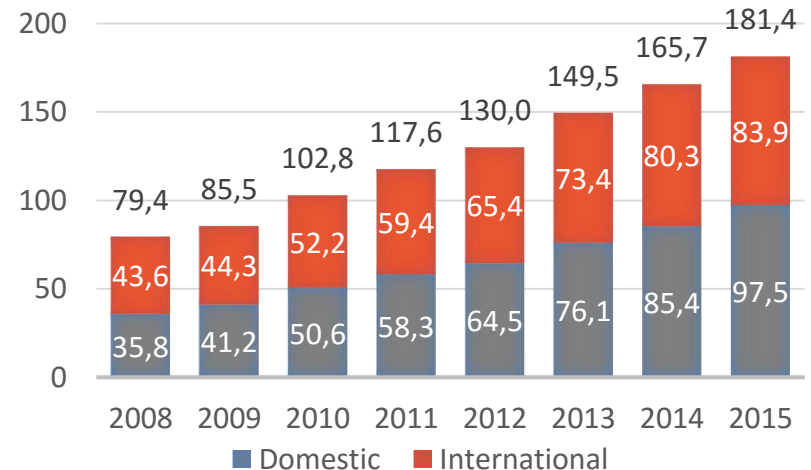
Turkish Sector Outlook

❖ 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

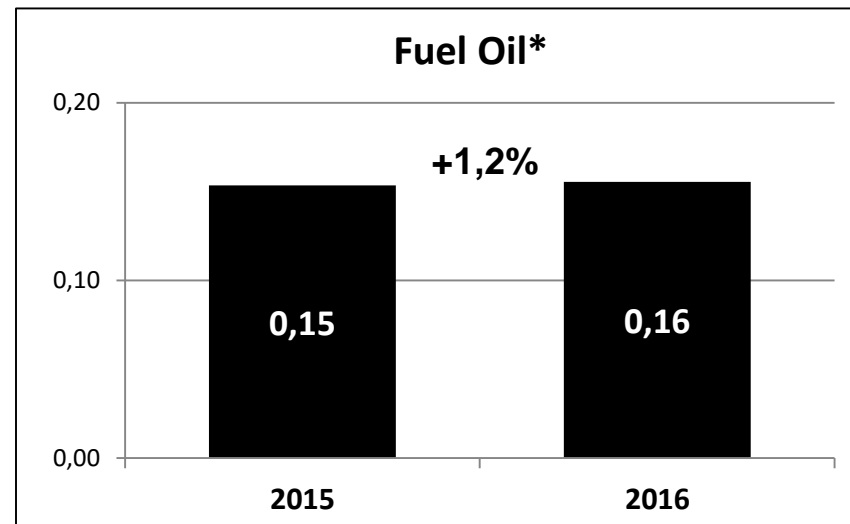
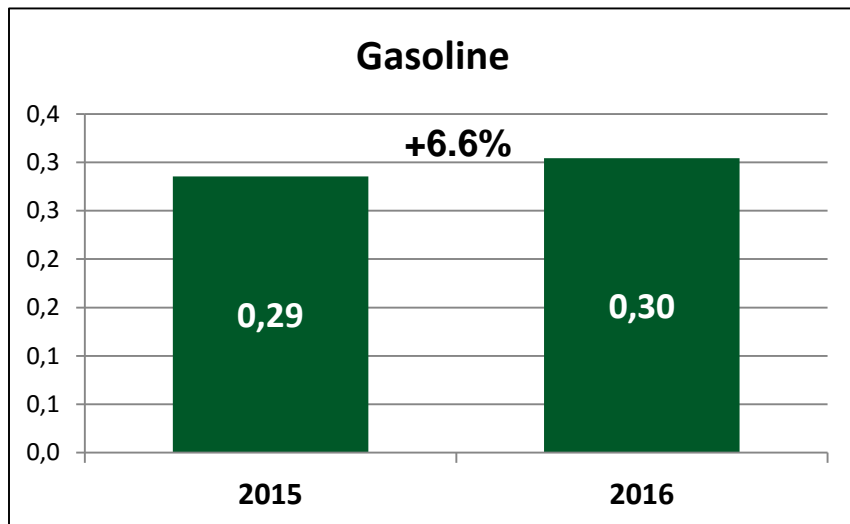
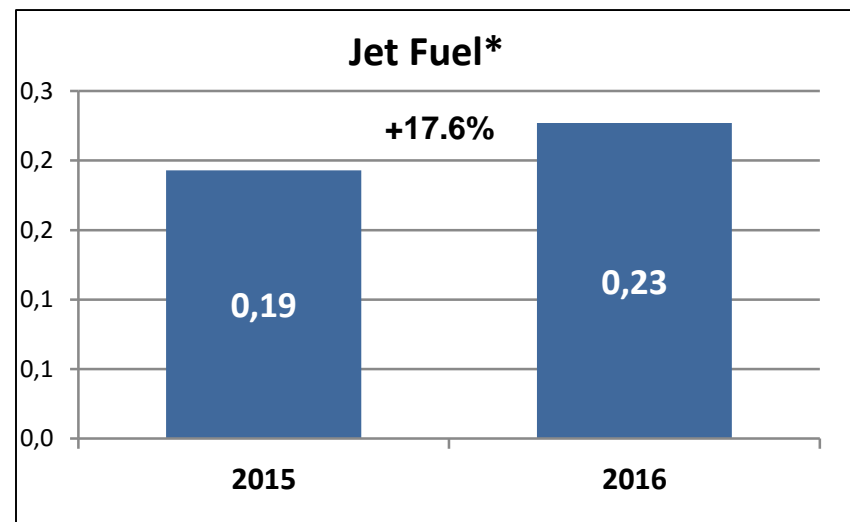
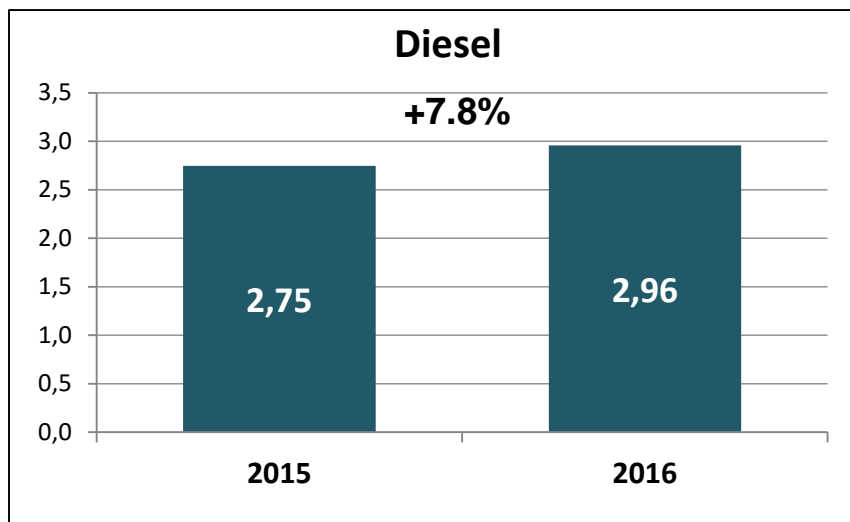
- Natural gas substitution
- Switching is dependent on price

❖ Long Term Asphalt Demand Growth

- Infrastructure investments

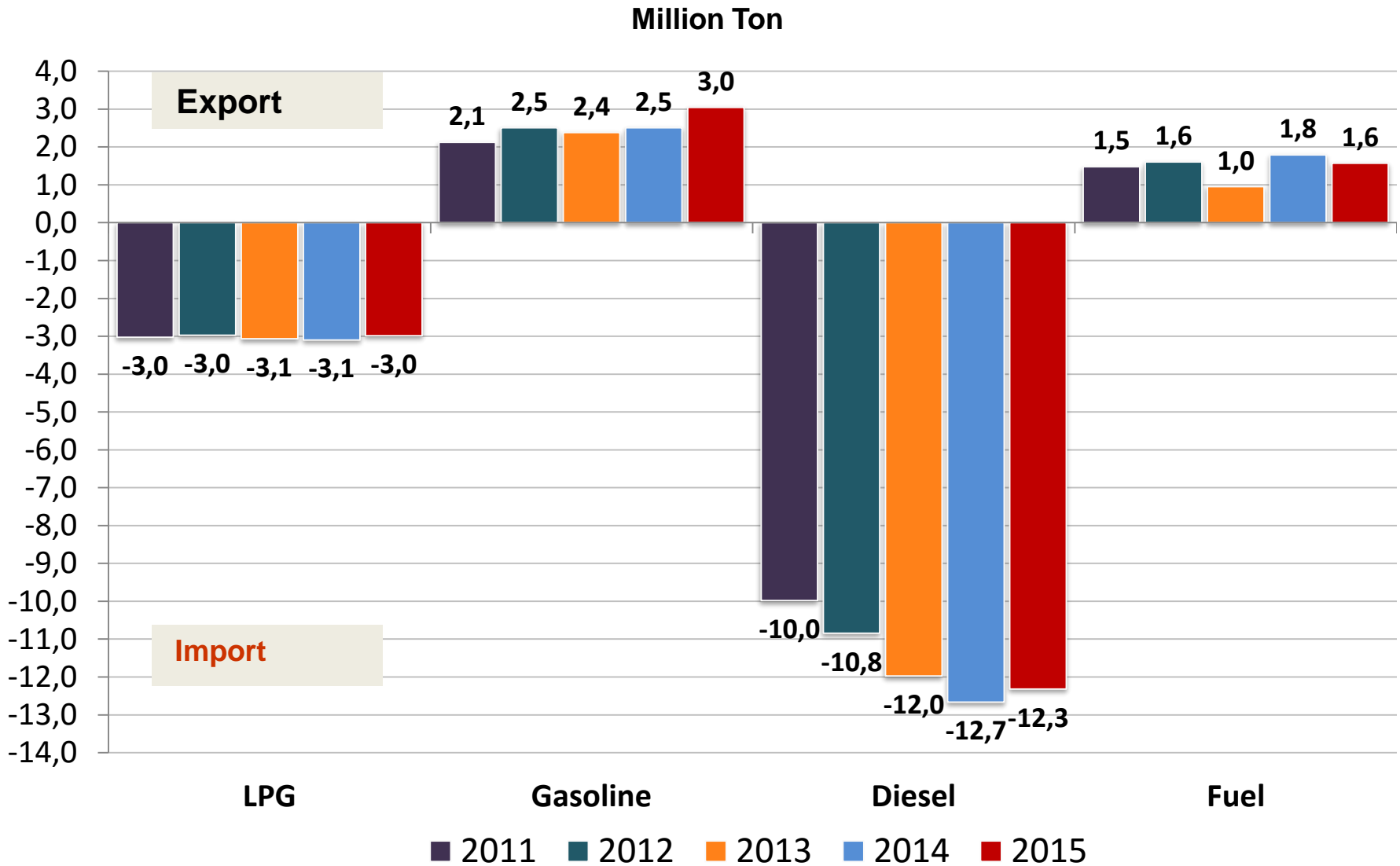
*By the end of April

2 Month 2016 - Turkish Consumption (Million ton)



Source: EMRA
*bunker excluded.

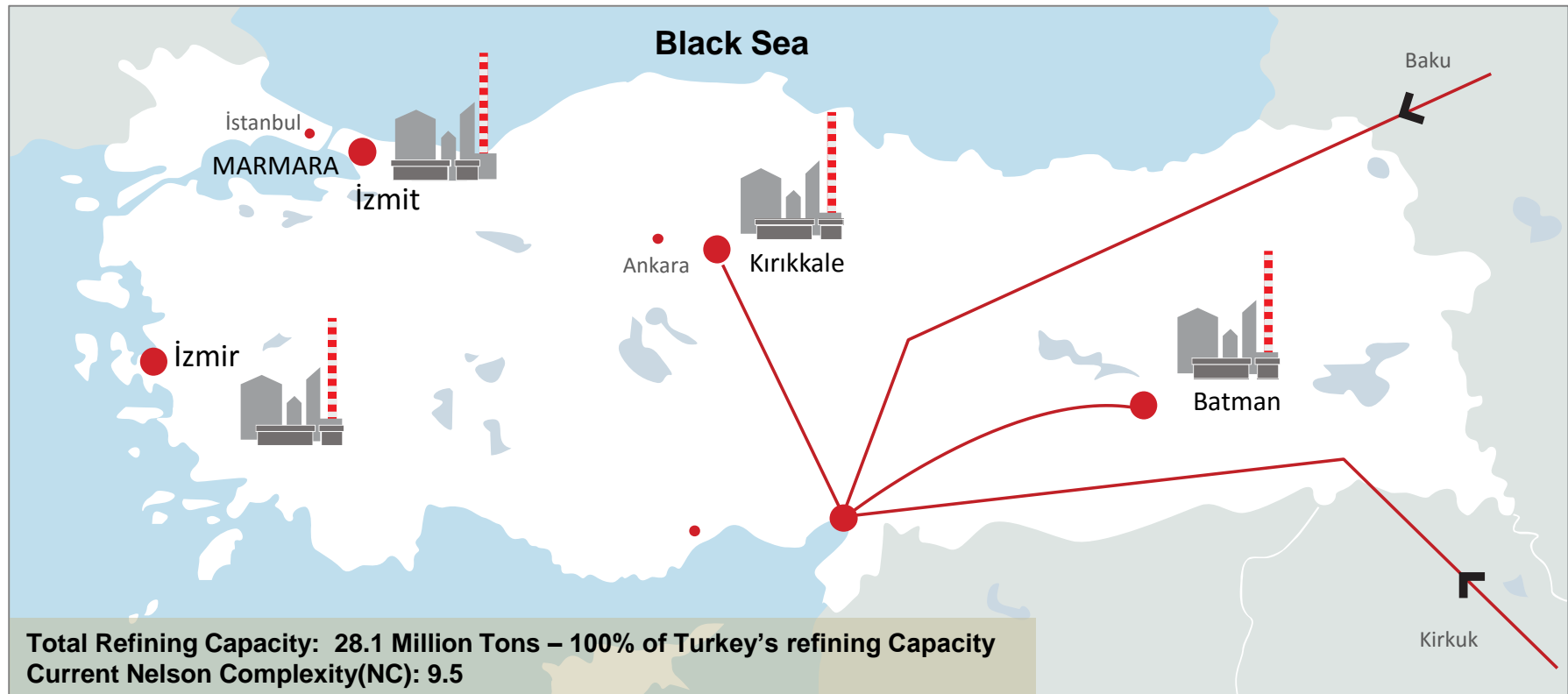
Turkey's Import / Export Balance (Net)



Company Overview



Tüpraş Refining Assets



Izmit

- 11.0 MT Capacity
- NC: 14.5
- Storage Capacity :
3.0 Mn M³

Izmir

- 11.0 MT Capacity
- NC: 7.66
- Storage Capacity :
2.5 Mn M³
- Lube Oil Production 400
thousand ton

Kirikkale

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

Batman

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



1.457 Stations

- 1.024 Opet Brand
- 433 Sunpet Brand



1.1 Million M3 Storage

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



International Trading

- London



Jet Fuel Sales

- Turkish Airlines JV



Lubricants

- Fuchs JV



A Sector Leader

- 2nd Biggest Player
- # 1 Brand

DİTAŞ – Marine Transportation – Tüpraş Share %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

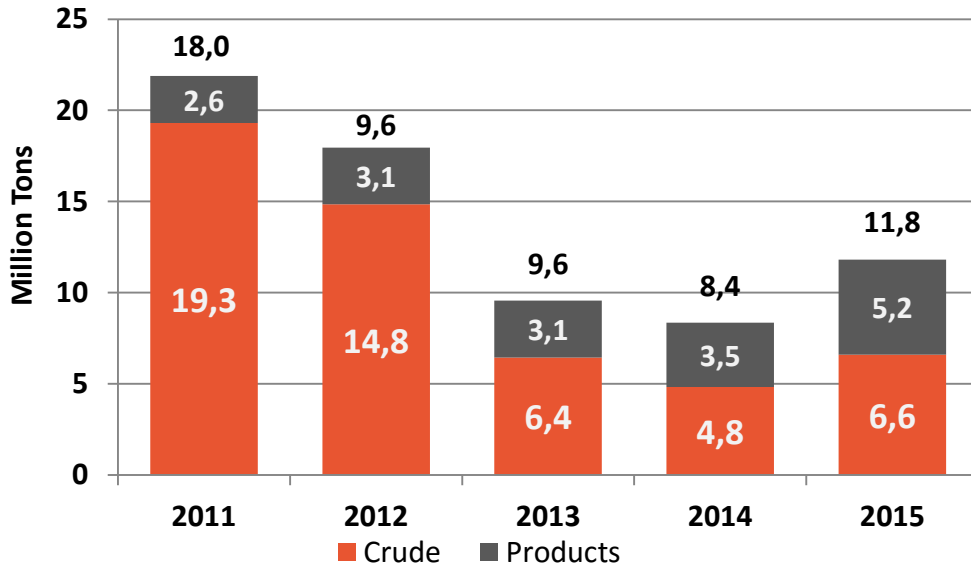


- Products
- 2012
- 55 K DWT

Esra & Aylin



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



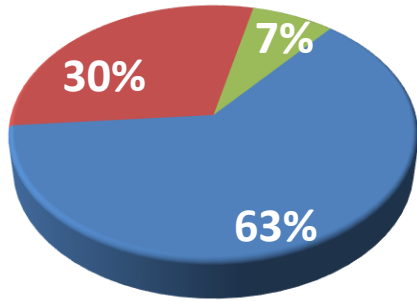
19 Tugboats

Financials

Million \$	2011	2012	2013	2014	2015
Net Sales	146,4	159,0	103,7	101,7	113,6
Op. Profit	17,9	22,8	25,2	27,3	36,8

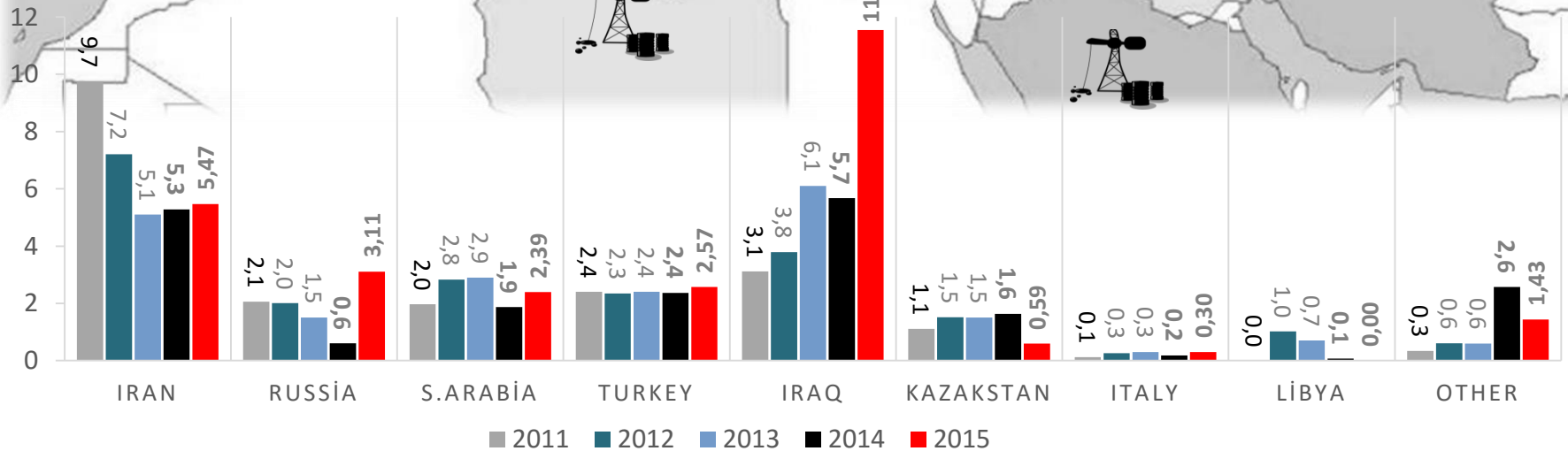
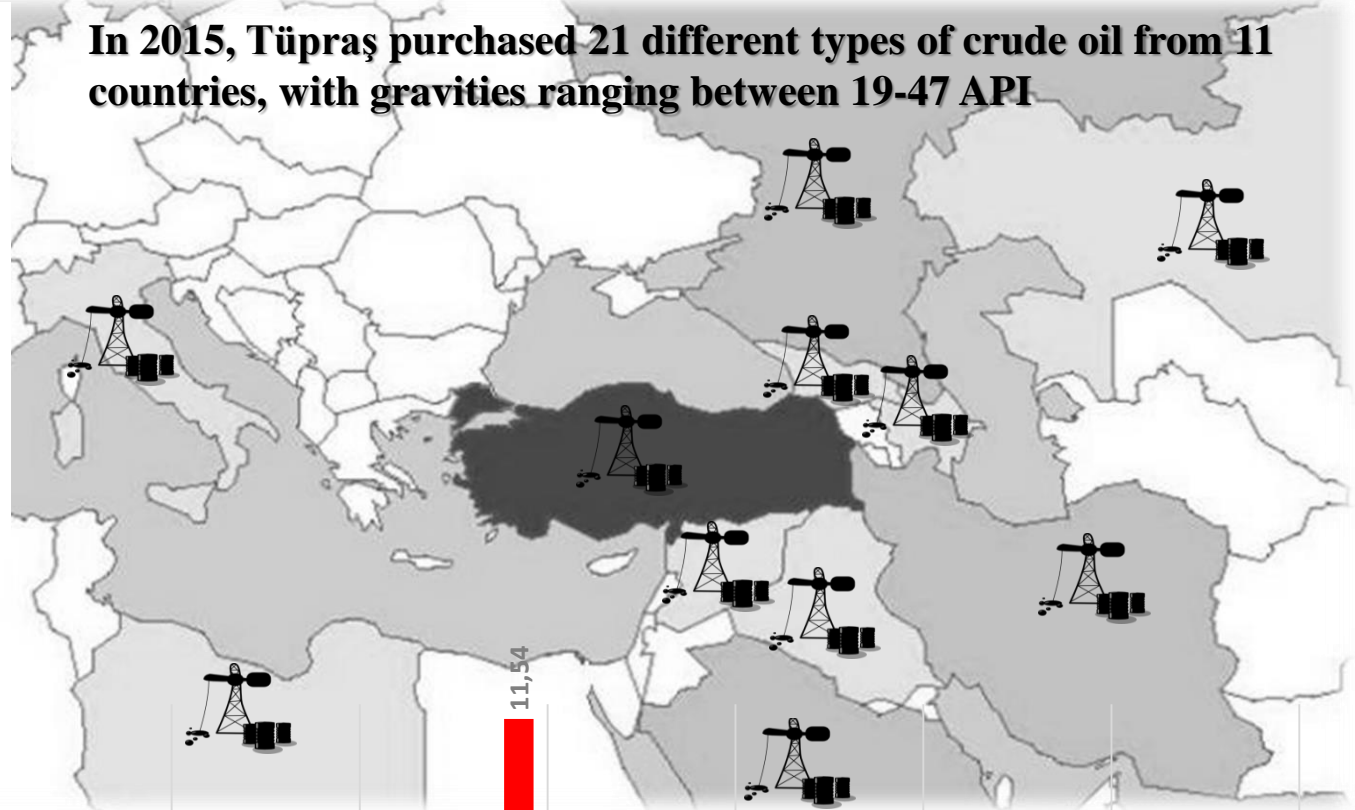
Crude Suppliers of TÜPRAŞ (Million Tons)

Crude Type - 2015



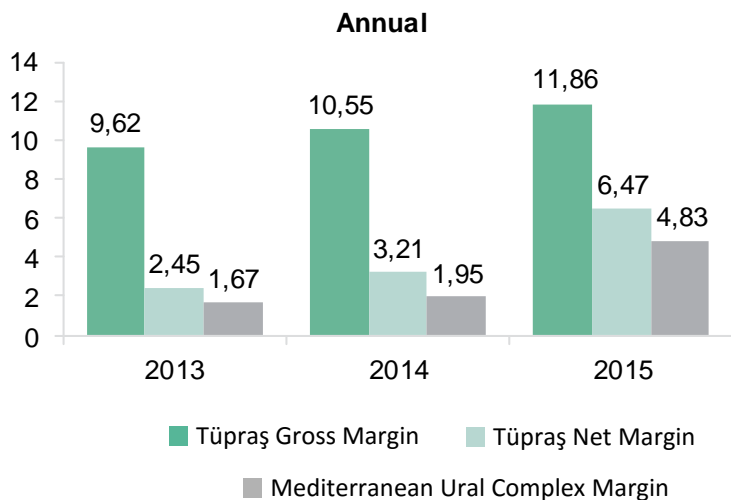
- Heavy / Sour
- Medium Heavy / Sour
- Light & Sweet

In 2015, Tüpraş purchased 21 different types of crude oil from 11 countries, with gravities ranging between 19-47 API

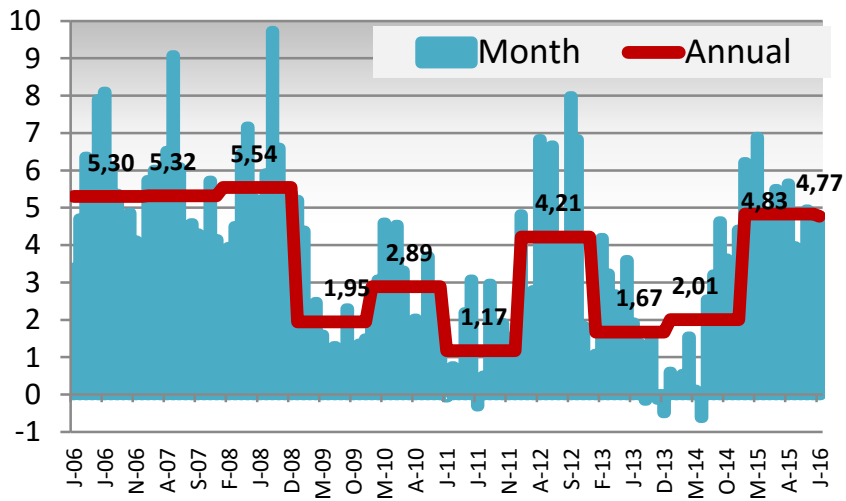


Margin Environment

Tüpraş Refining Margins (\$/bbl)



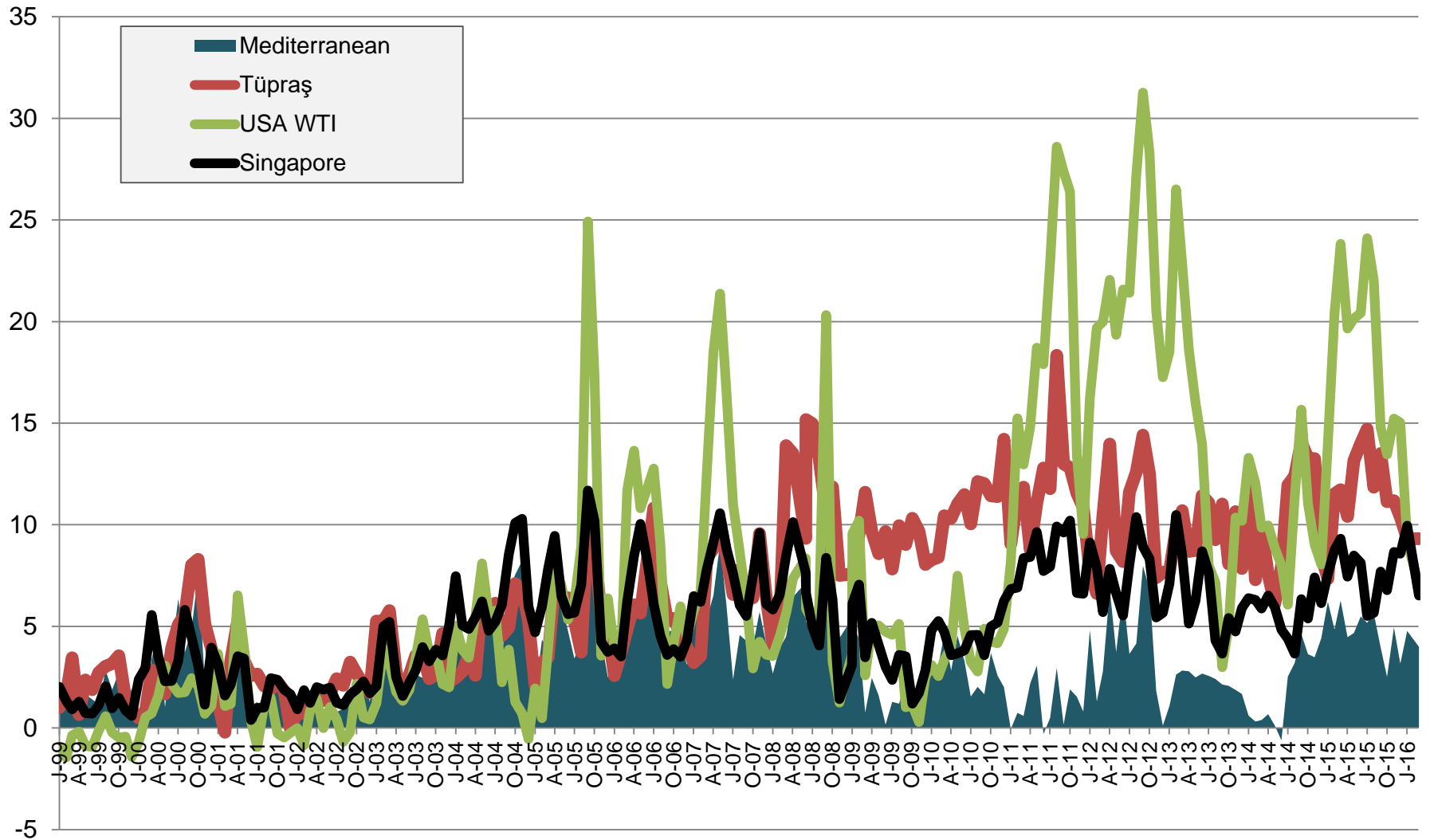
Med Complex



Premium to the benchmark Mediterranean peers' refining margin due to:

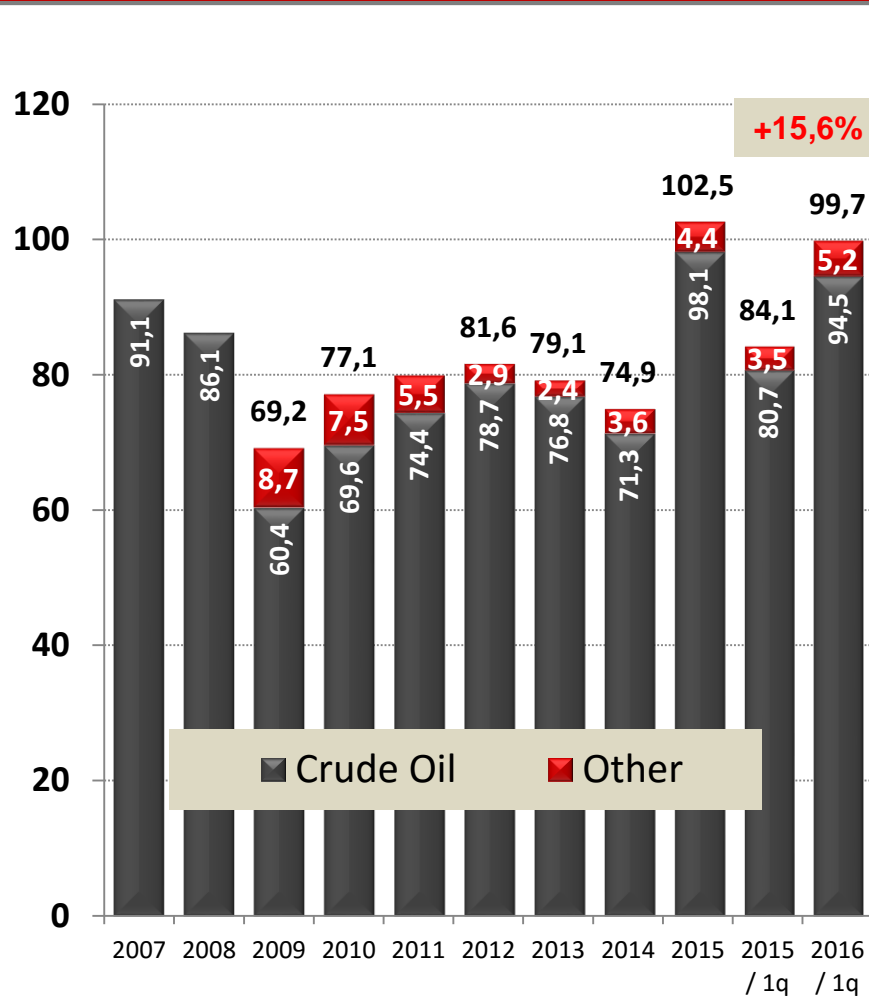
- ▶ Refined products deficit characteristic to the Turkish market (for diesel, jet fuel, LPG and specialist products such as lube oil and extract)
- ▶ Access to cheaper sources of crude oil
 - Ability to use heavier and sour crudes
- ▶ Proximity to major suppliers
 - Reduces transport costs
- ▶ Implemented cost reduction measures
 - Energy efficiency programs
- ▶ Capacity to produce higher value added range of refined products
- ▶ Direct pipeline connections with domestic clients
- ▶ High export capability

Gross Refinery Margins, \$/bbl

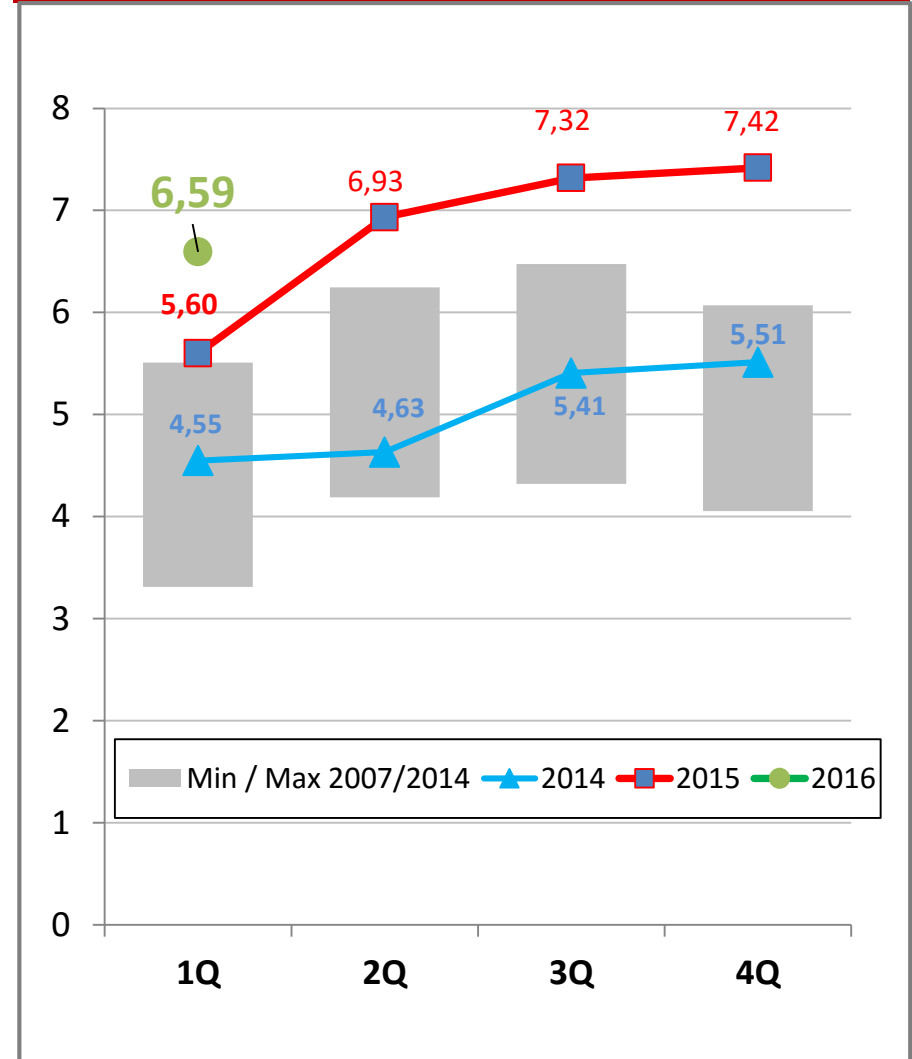


Production

Capacity Utilisation (%)

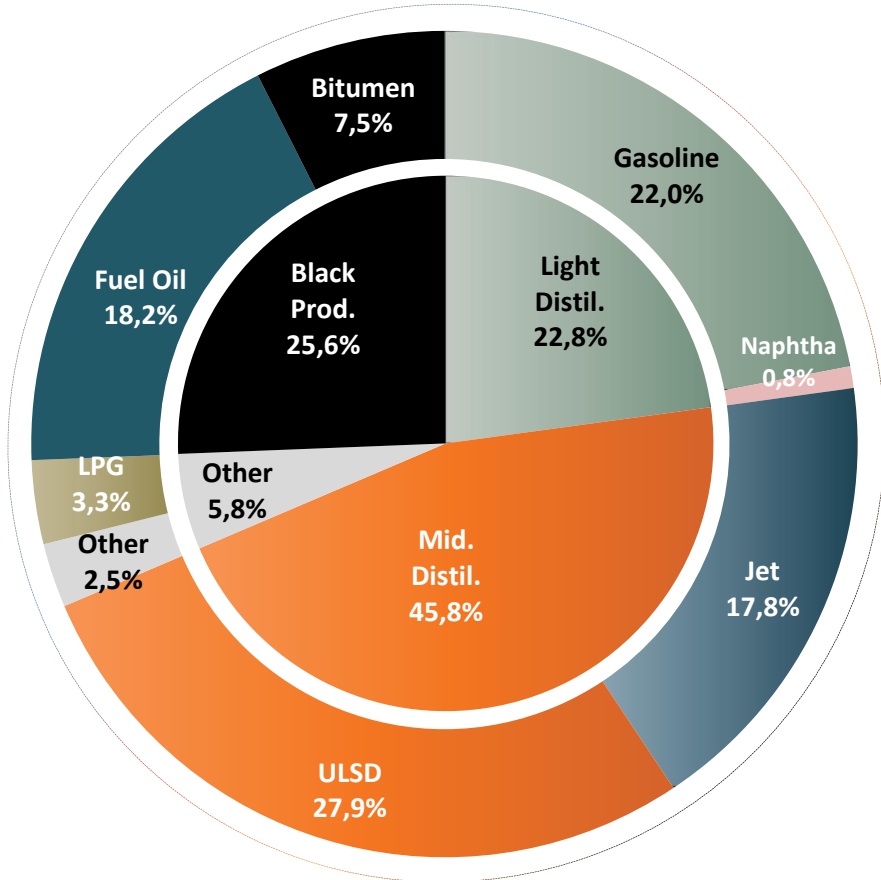


Quarterly Production Volume (Mn Tons)



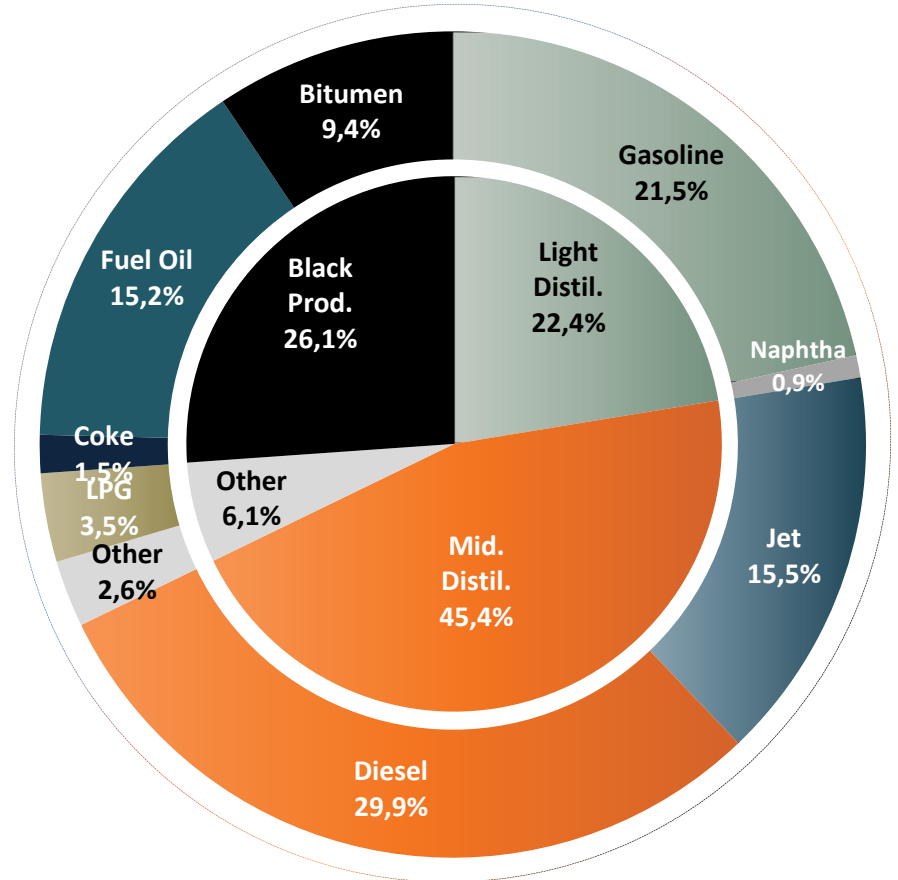
1st Quarter Product Yields

2015



White Product 73.75%
Production 5.6 mn ton
API:33.14

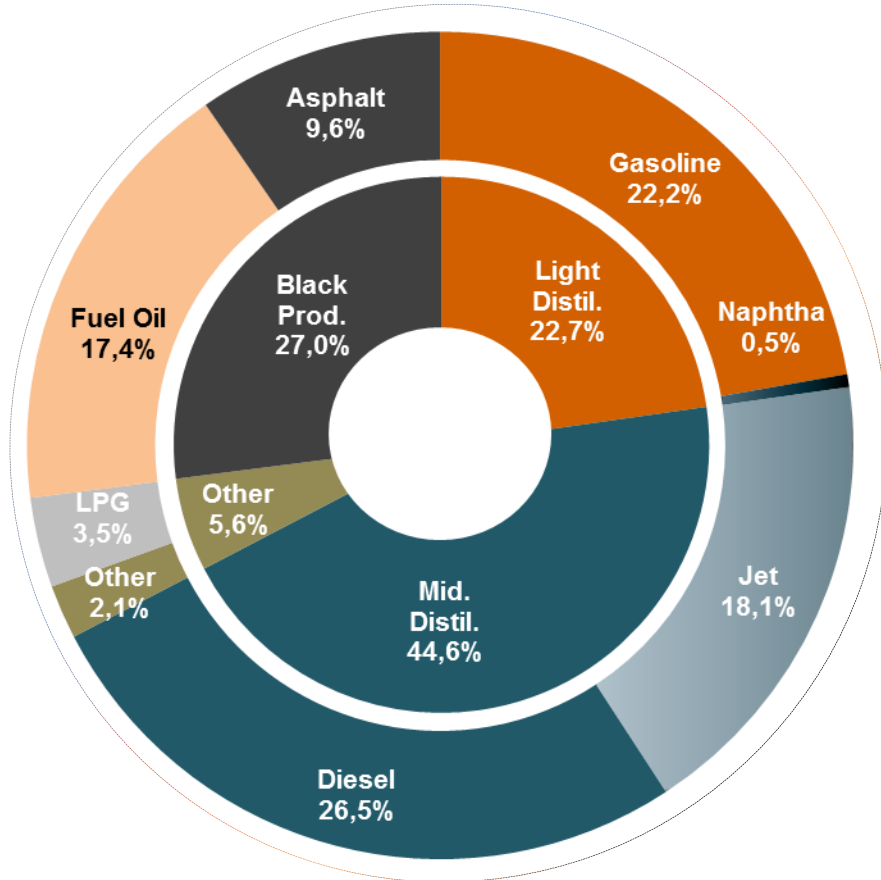
2016



White Product 72.94%
Production 6.6 mn ton
API:31.14

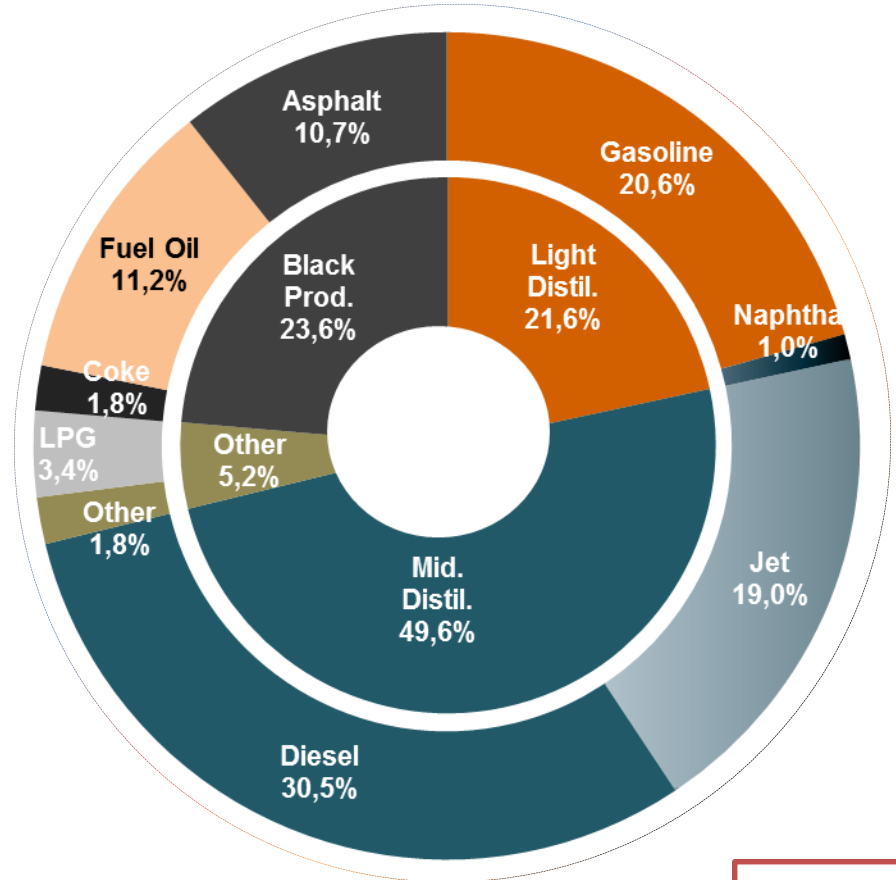
12M Product Yields

2014



White Product 72.2%
Production 19.9 mn ton
API:32.29

2015

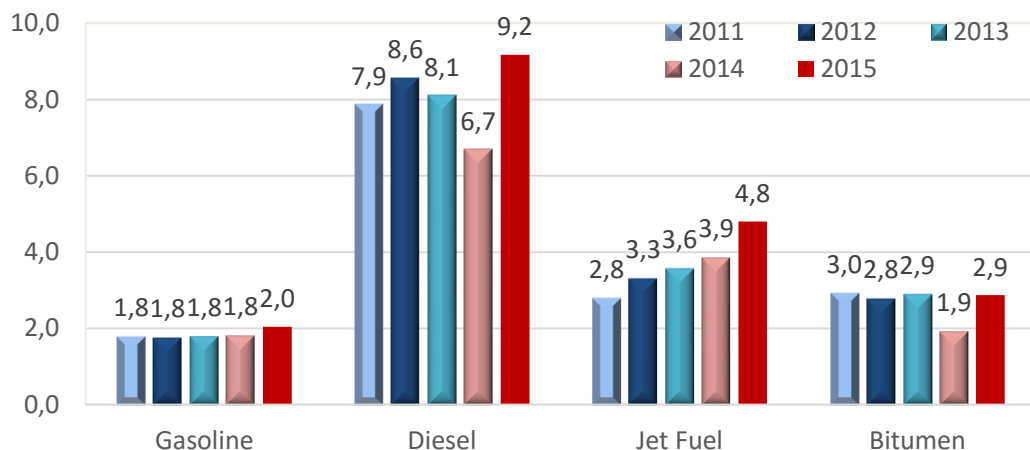


White Product 75.4%
Production 26.9 mn ton
API:31.35

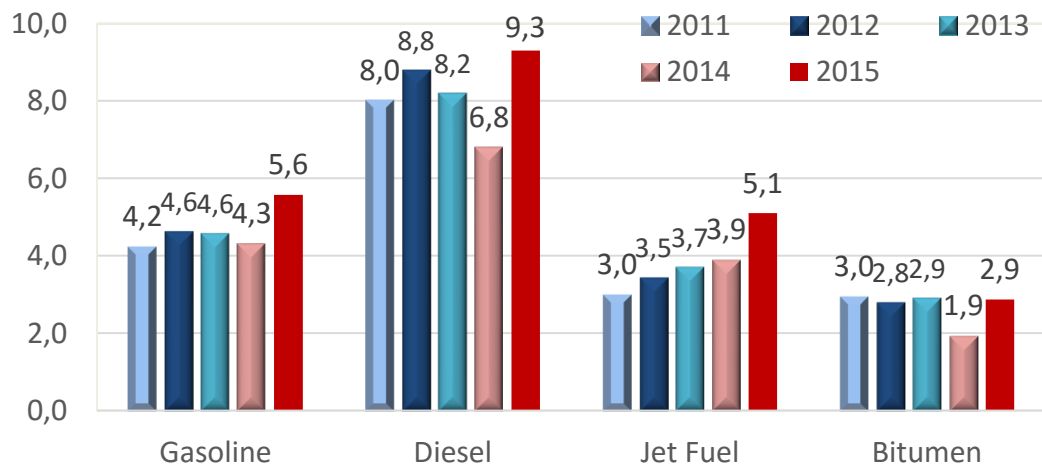
Due to
 102,5
 Capacity
 utilization
 Rate

Refining Sales

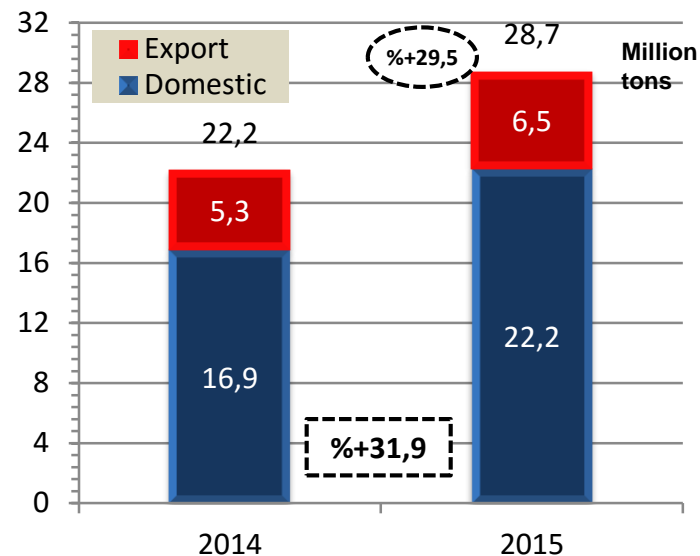
Domestic Sales, Million Tons



Total Sales, Million Tons



Sales Breakdown & Comparison

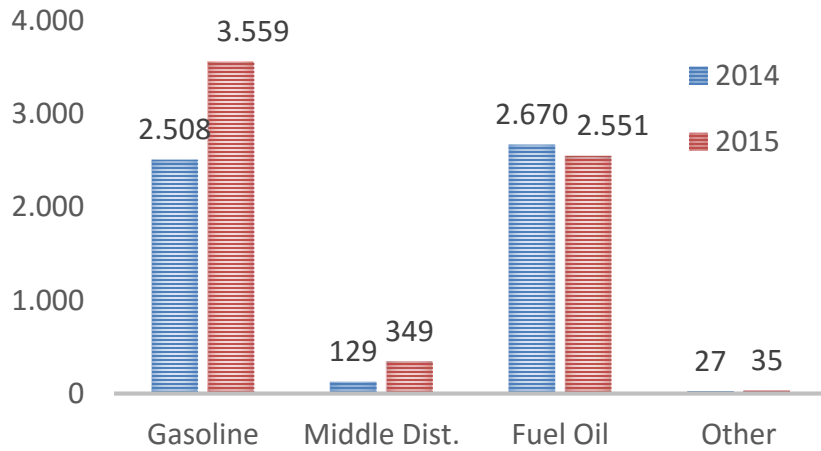


- ▶ Sales to distributors in Turkey are made at prices established by Tüpraş
 - In accordance with a formula based on Italian "CIF" prices plus a margin below a maximum approved by EMRA
 - Tüpraş's prices are affixed to all distributors, including Opet, on an equal basis

- ▶ Export sales are generally made to traders, on FOB basis

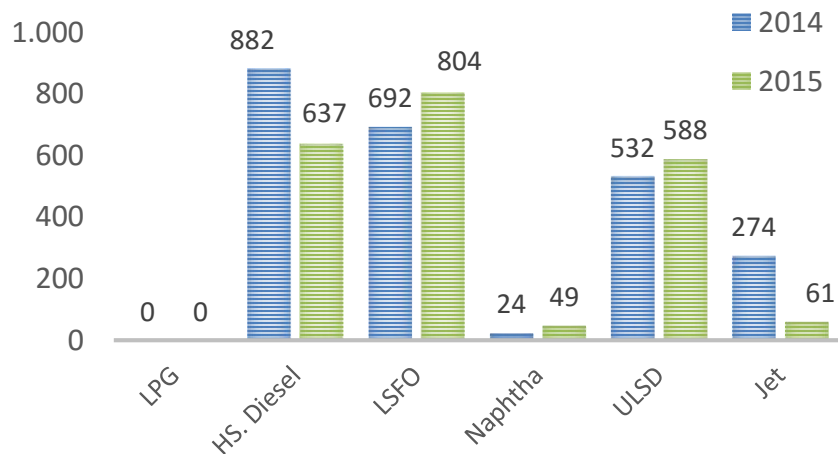
12M Trading Activities

Exports, Ton*000

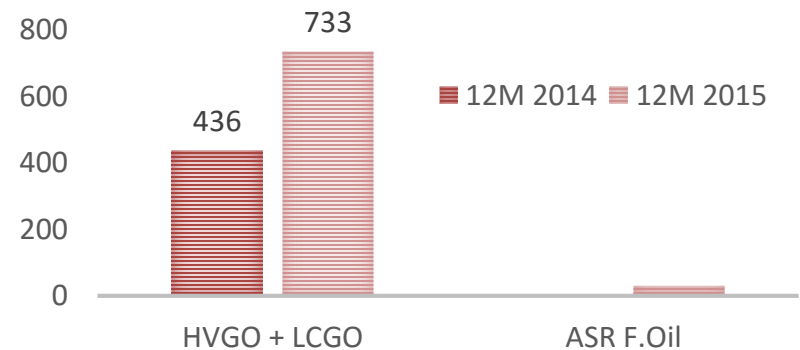


- ❖ Exports
 - High CUR = big increases in export
- ❖ Finished Products
 - ❖ High Sulfur Diesel imports decreased due to low desulphurisation arbitrage profits.
 - ❖ ULSD imports were higher due to the trading arbitrage.
- ❖ Intermediates
 - Additional HVGO + LCGO imported to increase Capacity Utilisation of conversion units.

Product Imports, Ton*000

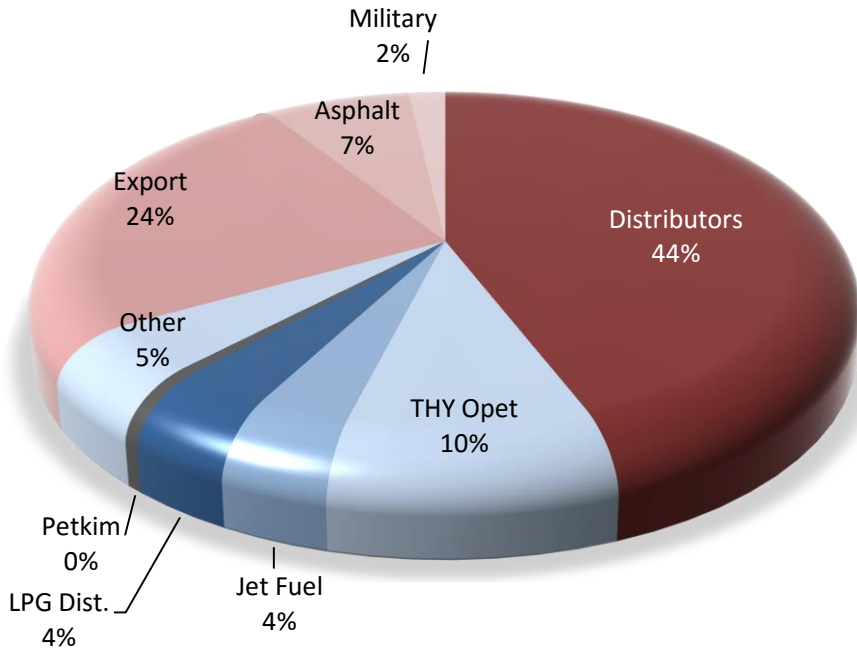


Intermediate Imports, Ton*000



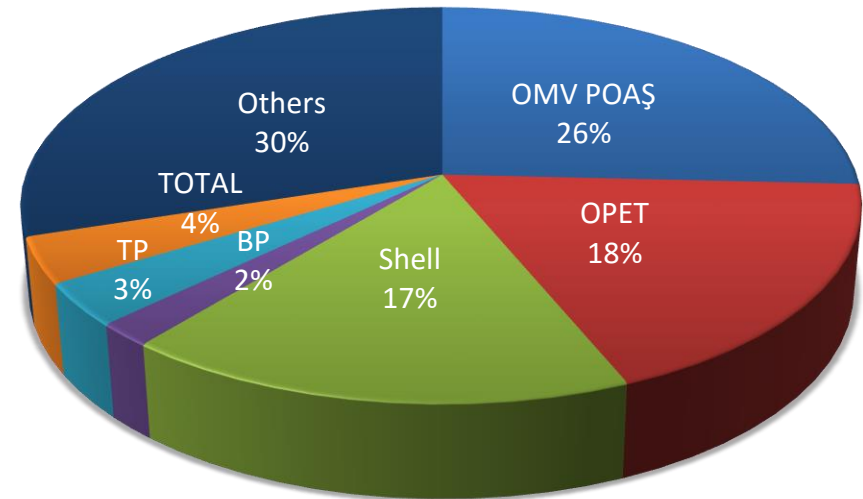
Sales By Customer 2015

Customer Groups



Total: 9.41 million ton

Sales to Distributors

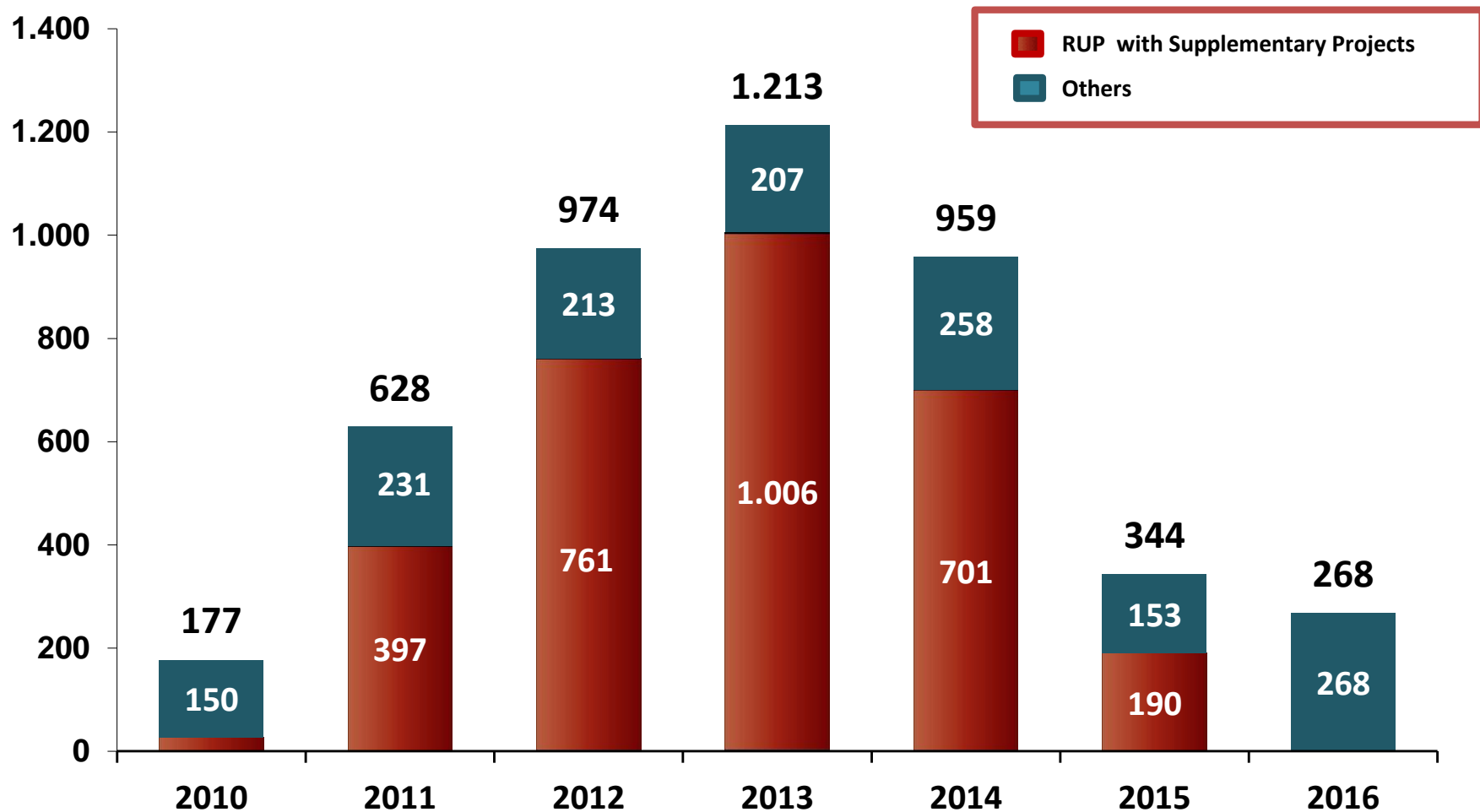


Distributors : 4.15 million ton

Investments



Investments, million \$



Other Major Projects

Izmit Waste Water Treatment

Project Aims

- To reduce the need for fresh water

What the Project Entails

- A water treatment plant to process municipal & refinery waste water
- Two temporary systems were built to serve until the main system was completed
- Project completed in 2015

Investment

- **22 Million USD**



Izmir Crude Oil Revamping

Project Aims

- Eliminating low energy efficiency in the furnaces
- Enables sustainable full capacity utilization

What the Project Entails

- Configuration Changes
 - De-salter & Pre-flash column
- Heat recycling – Heat Exchanger
- Replace column internals
- New pre-flash drum

Expectations

- **Investment: 31.9 Million USD**
- **IRR > 40%**



Kırıkkale Power Plant

Project Aims

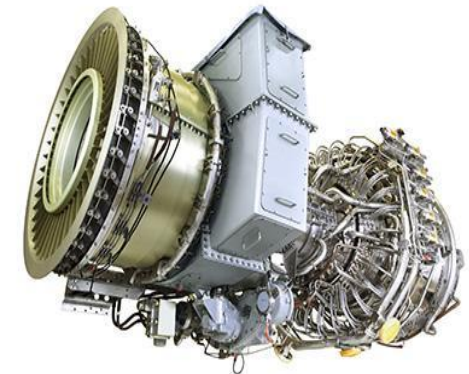
- Improving Energy Efficiency at Kırıkkale with a combined heat & power plant
- The other refineries are already equipped
- Expected completion: 2016

What the Project Entails

- A new gas turbine
- New steam turbines
- New boilers
- One existing steam turbine will be utilized
- Total power: 60 MW

Investment

- **84 Million USD**
- **IRR: >30%**



Key Financials



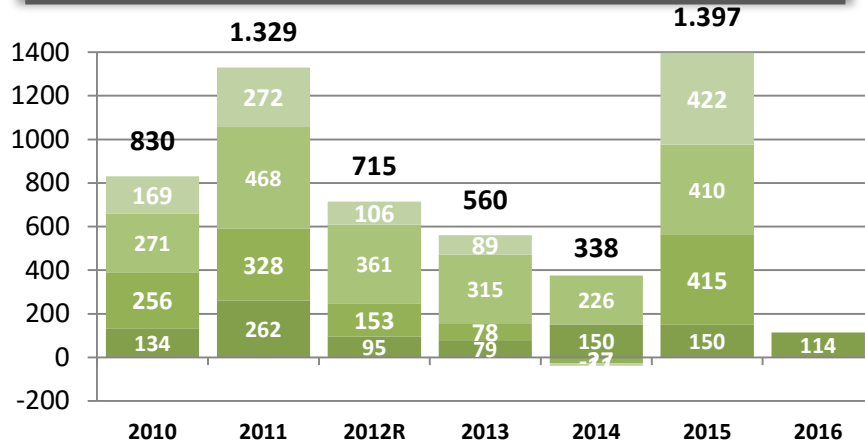
Profitability Indicators , 2014-2015 Full Year & 1Q-2015-2016

1st Q		2015	2016	2015	2016	2015	2016
2015	2016						
53,97	33,89	-37					
33,14	31,14	-6,0					
73,75	72,94	-0,8					
5,98	3,84	-35,8					
4,69	2,81	-40,0					
42,3	92,9	120					
119,7	68,2	-43					
72,1	138,5	92					
142,3	160,9	13					
149,5	113,8	-24					
219,7	136,2	-38					

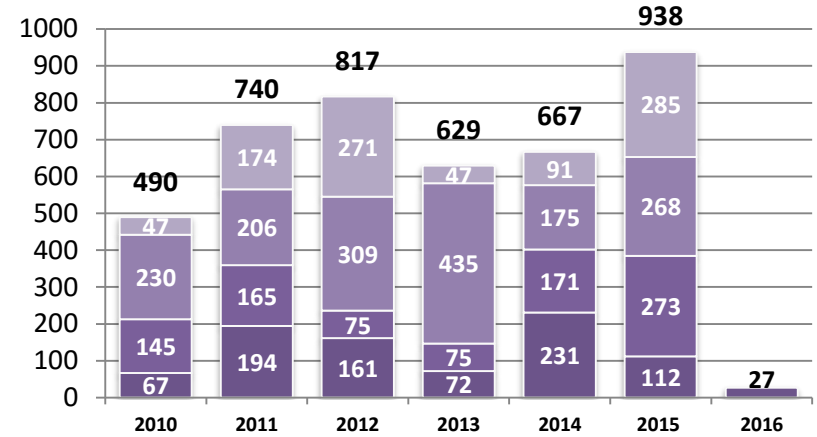
* In our EBITDA calculation, FX related items are not included, whereas CMB rules is that these should be included in operating profit

Financial Highlights (mn \$)

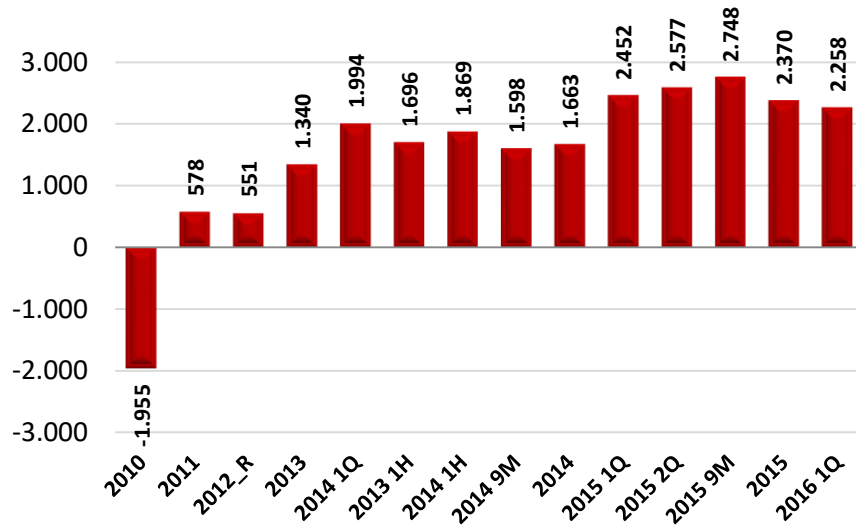
EBITDA



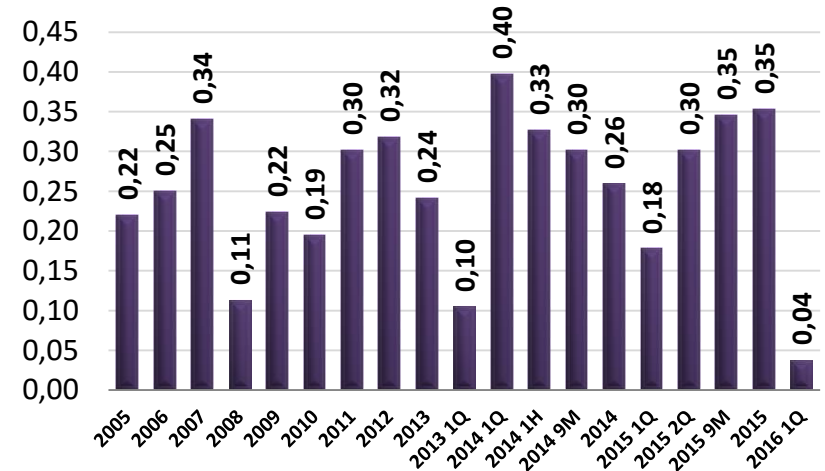
Net Income



Net Debt/(Cash)

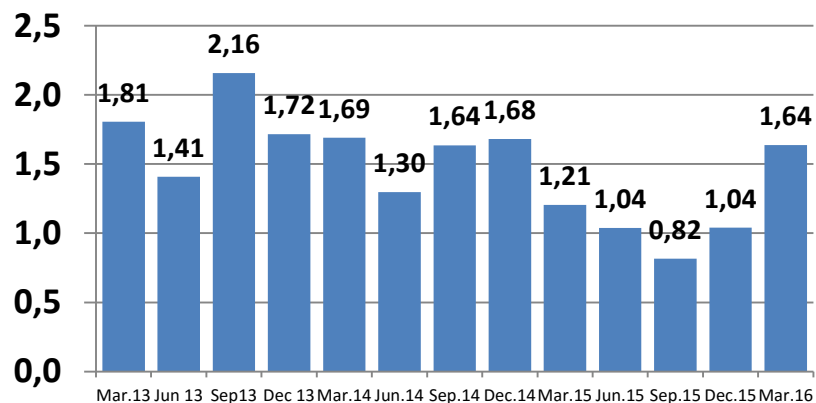


Return on Average Equity

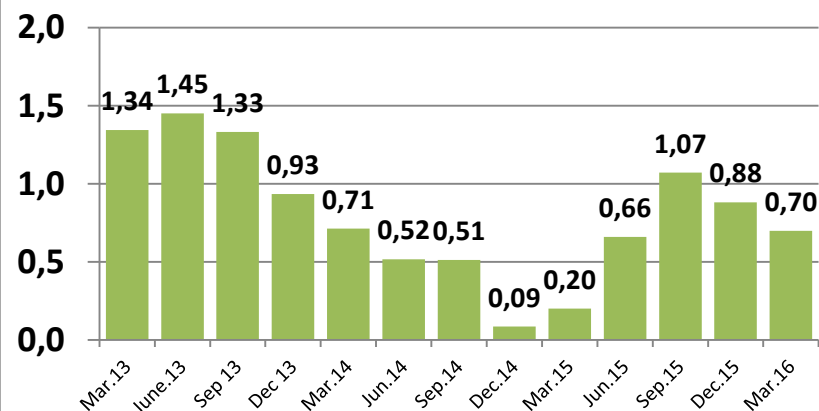


Balance Sheet Analysis

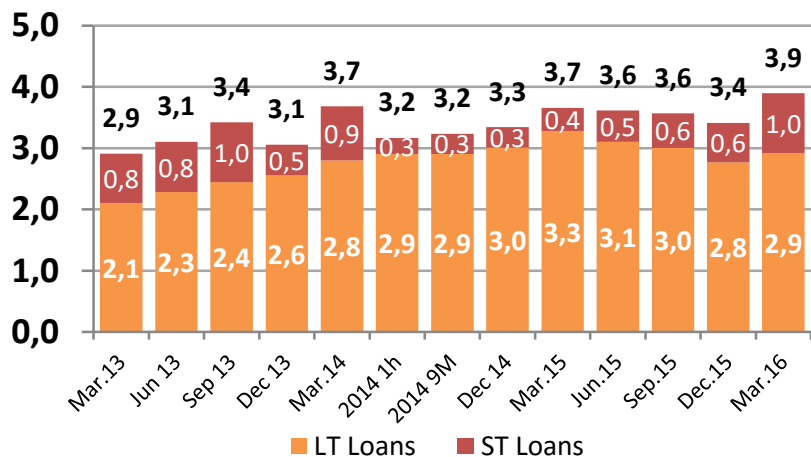
Cash & Equivalents (Billion \$)



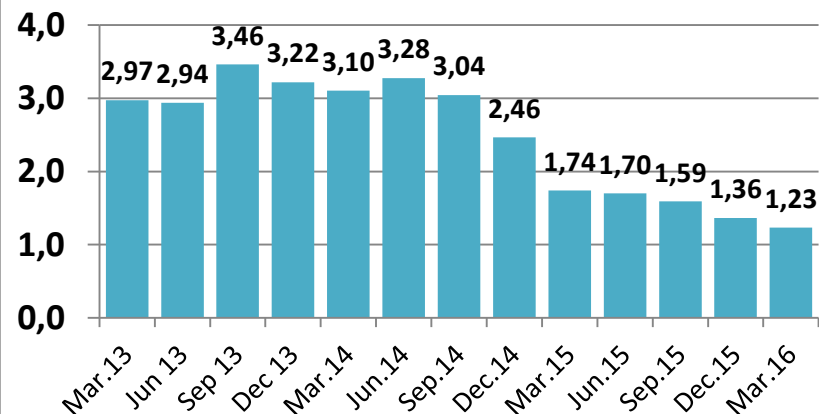
Receivables (Billion \$)



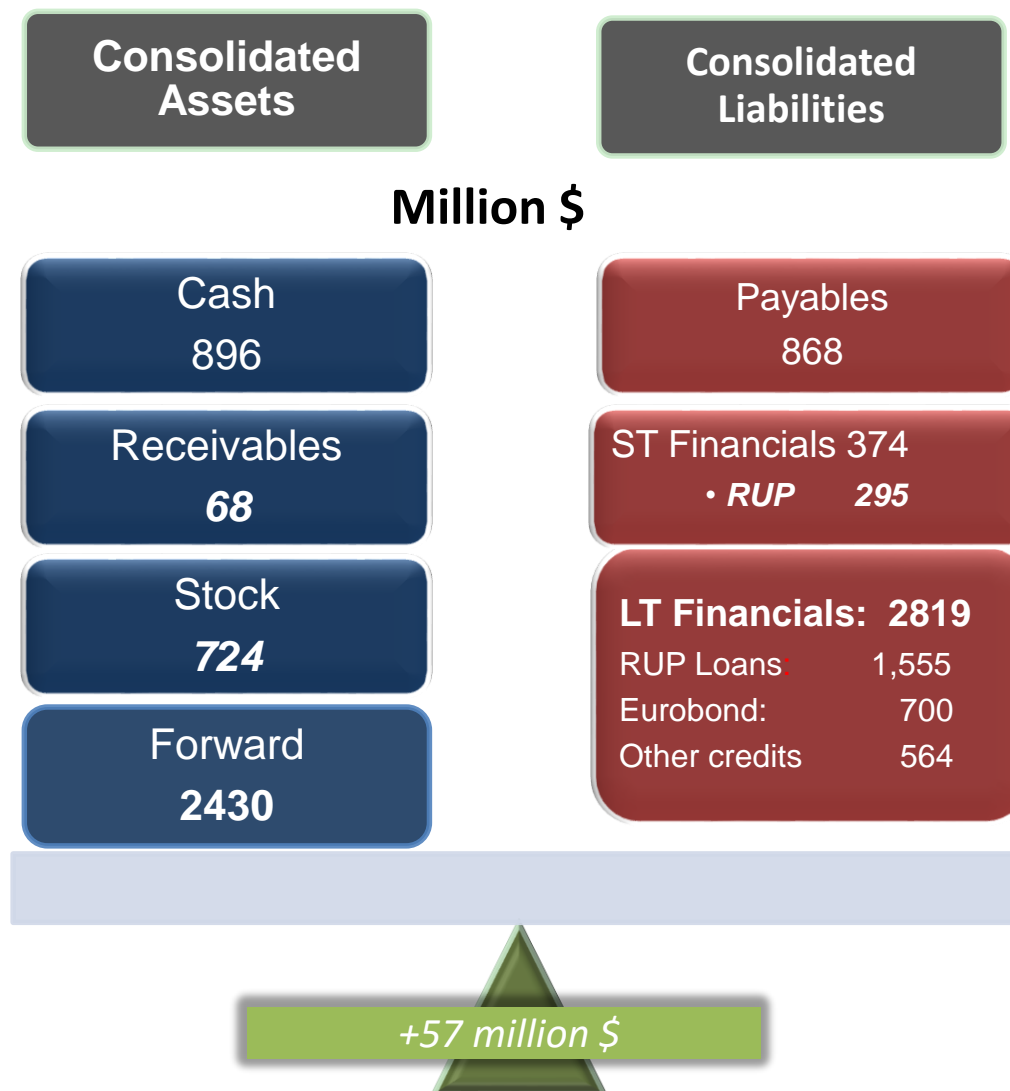
Financial Loans (Billion \$)



Payables (Billion \$)



FX Risk Exposure (31 March 2016)



Cash flow hedge accounting : 1,637 mn \$

Future Expectations

Brent Price Estimation

- The average Brent price in 2016 is expected to be 45-55 dollars per barrel band.

Med Complex Margin

- We expect Med Complex margins to be 3.5-4.0 dollars per barrel band in 2016.

Tupras Net Margin

- For Tupras net refinery margins, we expect this to be in the region of 5.5-6.0 dollars per barrel

Capacity Utilisation

- Expected Capacity Utilisation in 2016 will be around 100 %.
- Production will therefore be approximately 28 million tons
- Imports of finished products will be minimal, as we focus on selling increased volumes of production
- Total sales volume will be 30.0 million tons

Investment

- Total investments for 2016 will be about 270 Million dollars

Income Statement

1Q 2015	1Q 2016	% Diff.	Million USD	2014	2015	% Diff.
2.829,3	2.101,3	-26	Net Sales	18.164,8	13.570,7	-25
203,1	166,5	-18	Gross Profit	577,5	1.535,7	166
-70,0	-76,9	10	Operating Expenses	-334,6	-322,6	-4
-90,8	3,3	-104	Income/Loss from other operations	-43,6	-200,9	361
42,3	92,9	120	Operating Profit	199,3	1.012,2	408
-9,2	4,9	-154	Income/Loss from equity investment	-7,6	26,7	-450
33,1	97,9	196	Operating Profit Before Fin. Income/Loss	191,6	1.038,9	442
180,7	61,6	-66	Financial Income	228,1	317,3	39
-225,7	-126,9	-44	Finance Expenses	-335,8	-537,7	60
-11,9	32,5	-373	Profit Before Tax & Minorities	84,0	818,6	875
112,0	26,8	-76	Net Profit	667,2	938,0	41

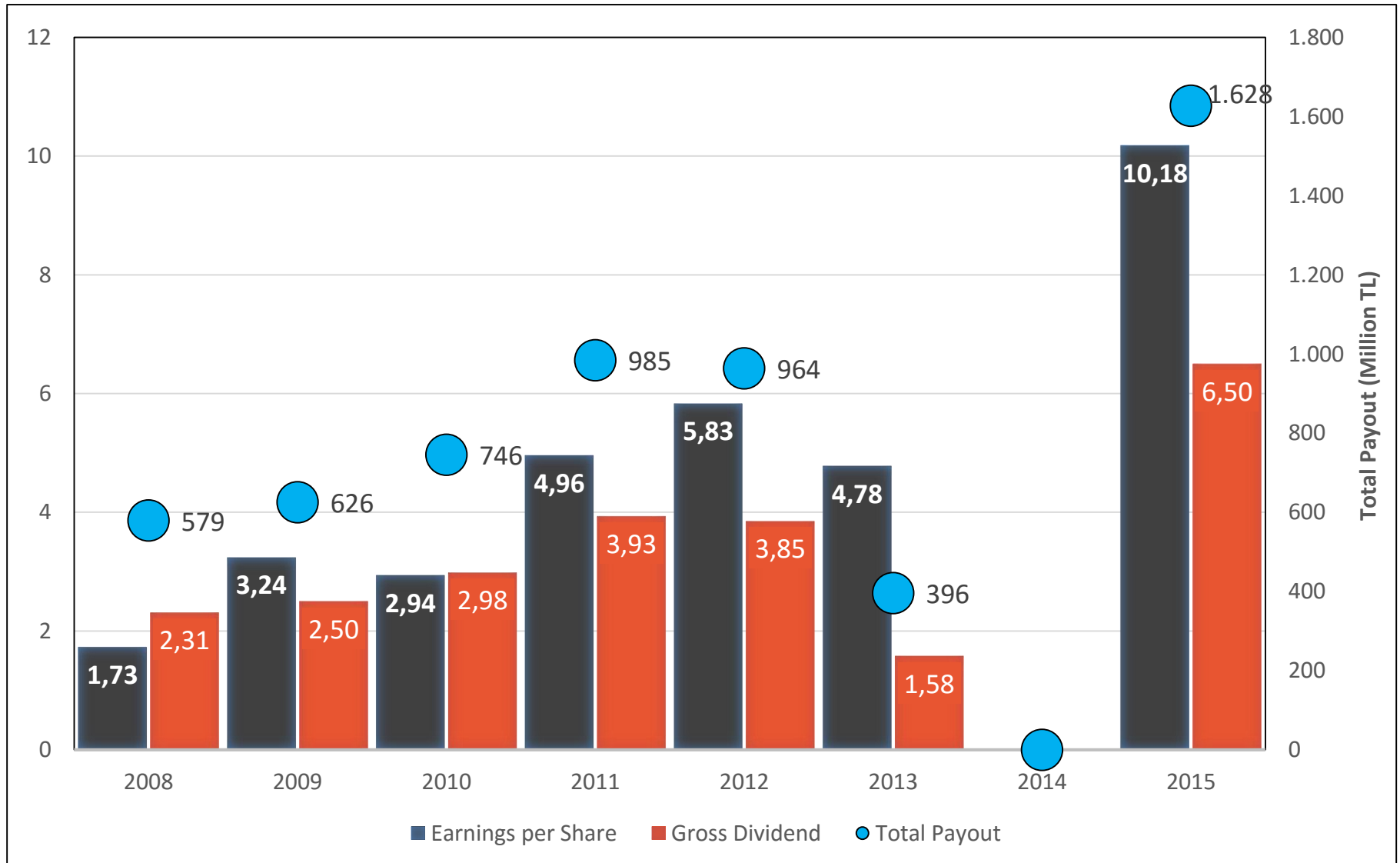
Tüpraş Balance Sheet-Assets

Million USD	31.03.2016	31.12.2015	Difference	% Difference
Current Assets	3.320	2.984	337	11
Cash & C. Equivalents	1.637	1.041	596	57
Receivables	700	882	-182	-21
Derivatives	5	6	-2	-26
Inventories	785	723	62	9
Pre-paid expenses	45	45	0	0
Other Current Assets	148	285	-137	-48
Long Term Assets	5.912	5.776	135	2
Financial Assets & Subsidiaries	261	264	-3	-1
Fixed Assets	4.057	3.950	107	3
Derivatives	71	86		
Pre-paid expenses	91	62	29	47
Deferred Tax	1.087	1.101	-14	-1
Other Long Term Assets	345	314	31	10
Total Assets	9.232	8.760	472	5

Tüpraş Balance Sheet-Liabilities

Million USD	31.03.2016	31.12.2015	Difference	% Difference
Short Term Liabilities	3.210	3.036	174	6
Financial Loans	977	644	334	52
Payables	1.234	1.363	-129	-9
Derivatives	39,45	13,89	25,56	184
Deferred Incomes	6	8	-1,77	-22
Provisions	35	24	10	43
Other ST Liabilities	919	984	-65	-7
Long Term Liabilities	3.010	2.845	164	6
Financial Loans	2.917	2.768	149	5
Payables & Provisions	70	67	3	4
Derivatives	21	9	12	127
Other LT Liabilities	1	1	0	-3
Equity	2.988	2.856	132	5
Minority Interests	24	22	2	9
Total Liabilities	9.232	8.760	472	5

Dividends (TL)



2012/2013 EPS includes the tax incentive

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.

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Deniz Değirmenci

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The Investor Relations section of our company website has a rich content of updated information for the interested investors

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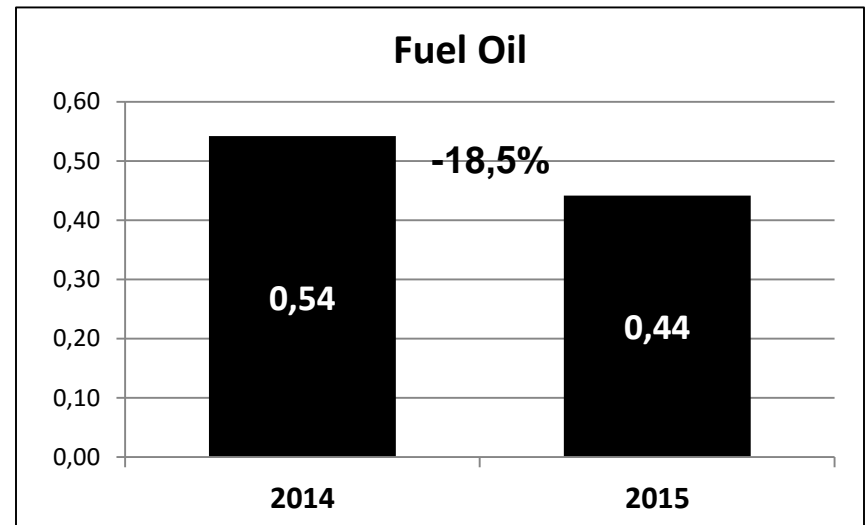
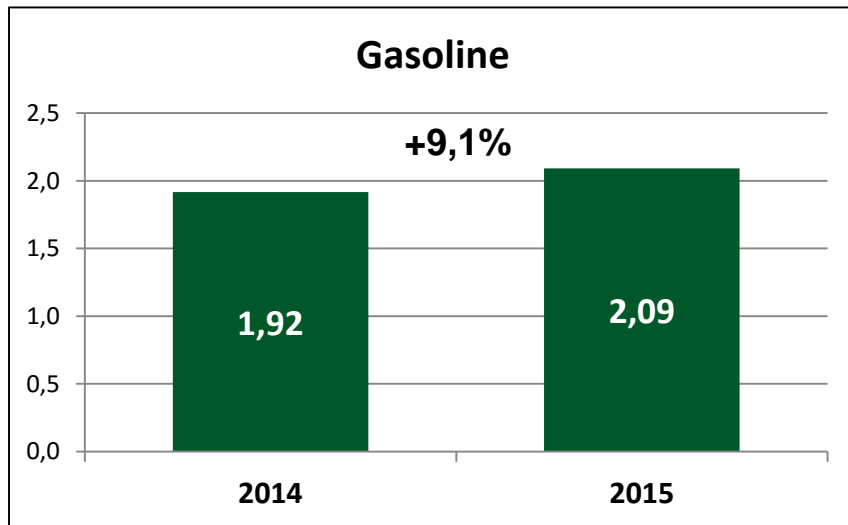
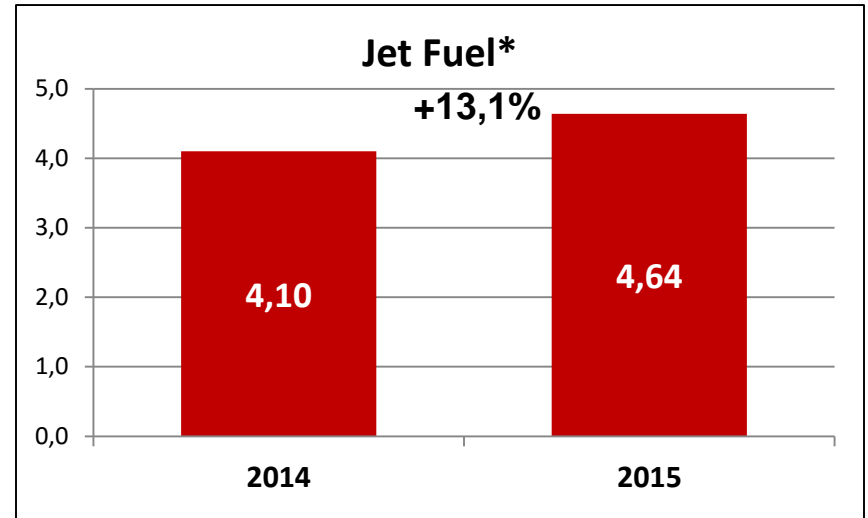
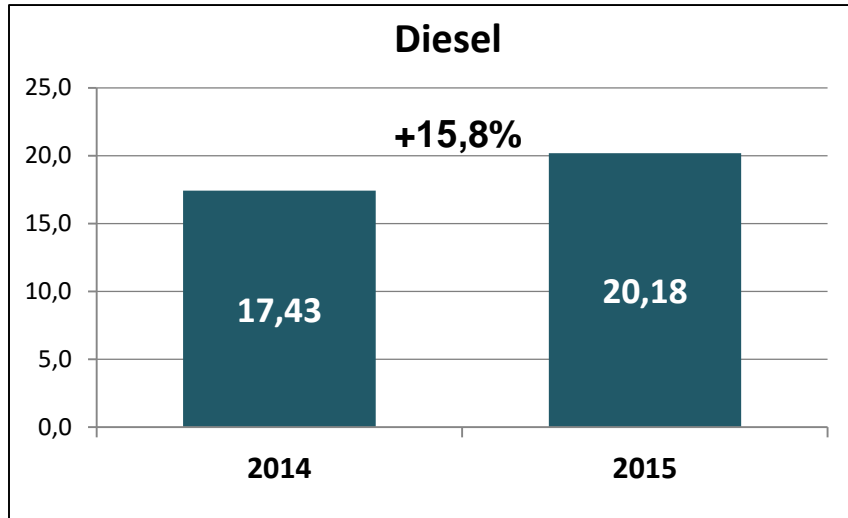


The background features a light gray grid on the left side and a large, faint gear-like graphic on the right side. The gear has several teeth and concentric circular bands. A solid red horizontal bar is positioned across the middle of the page, containing the text 'Supplements' in white.

Supplements

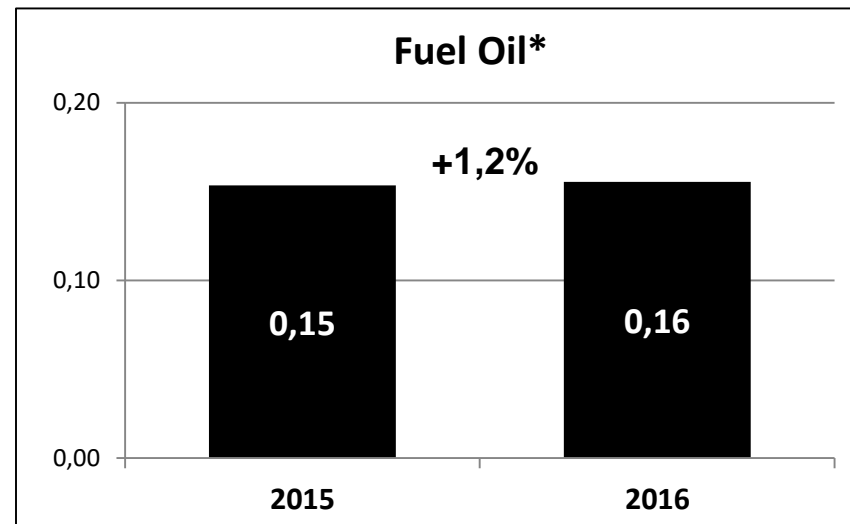
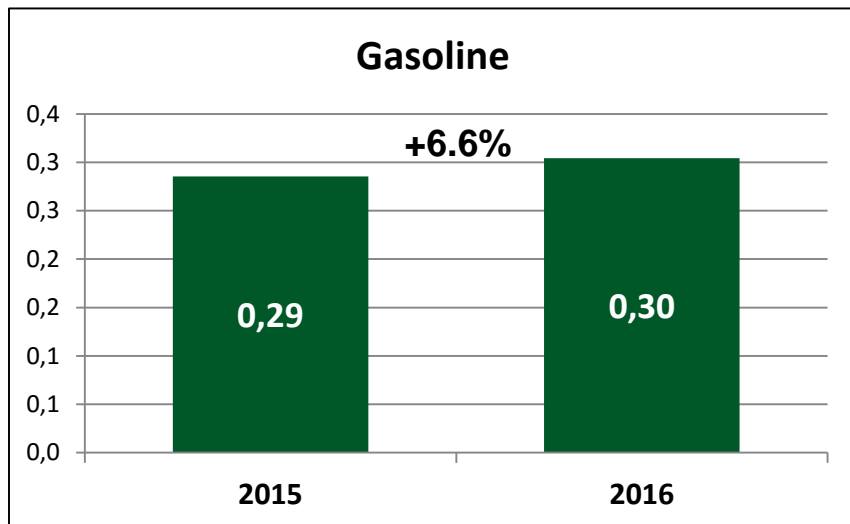
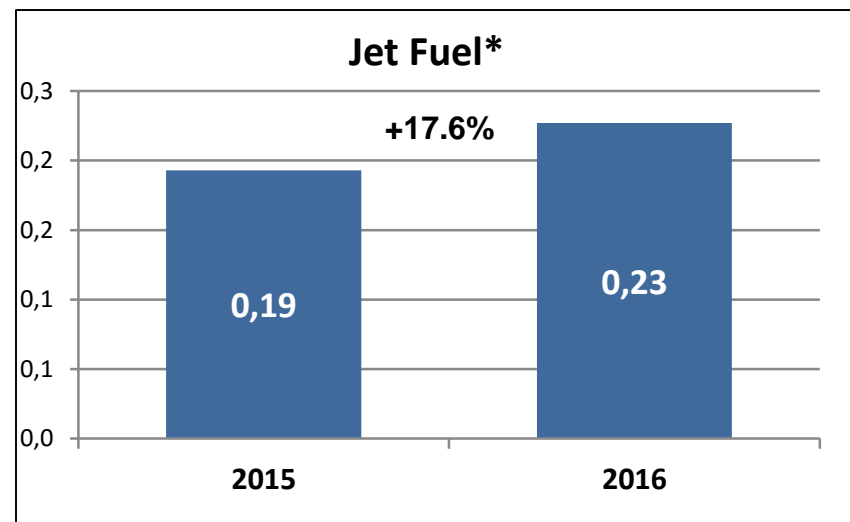
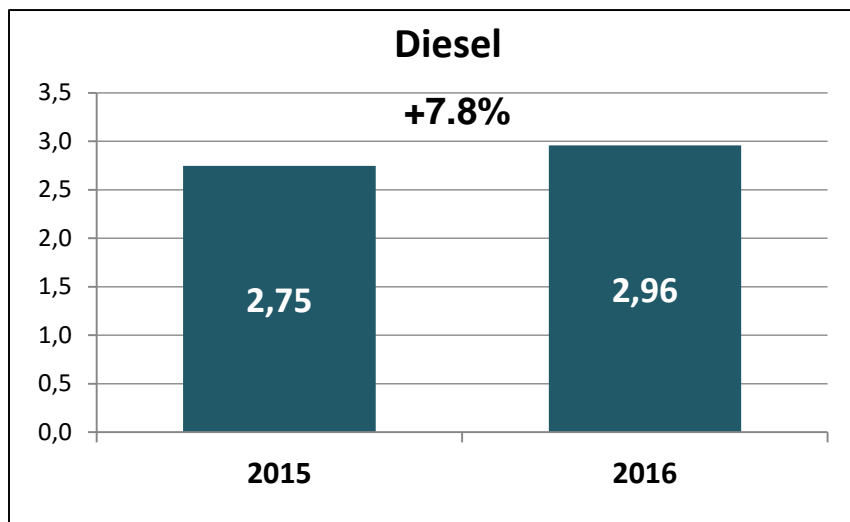
HIGH DEMAND

(12 Month 2015 - Turkish Consumption (Million ton))



* Tüpraş sales + Distributor's Imports

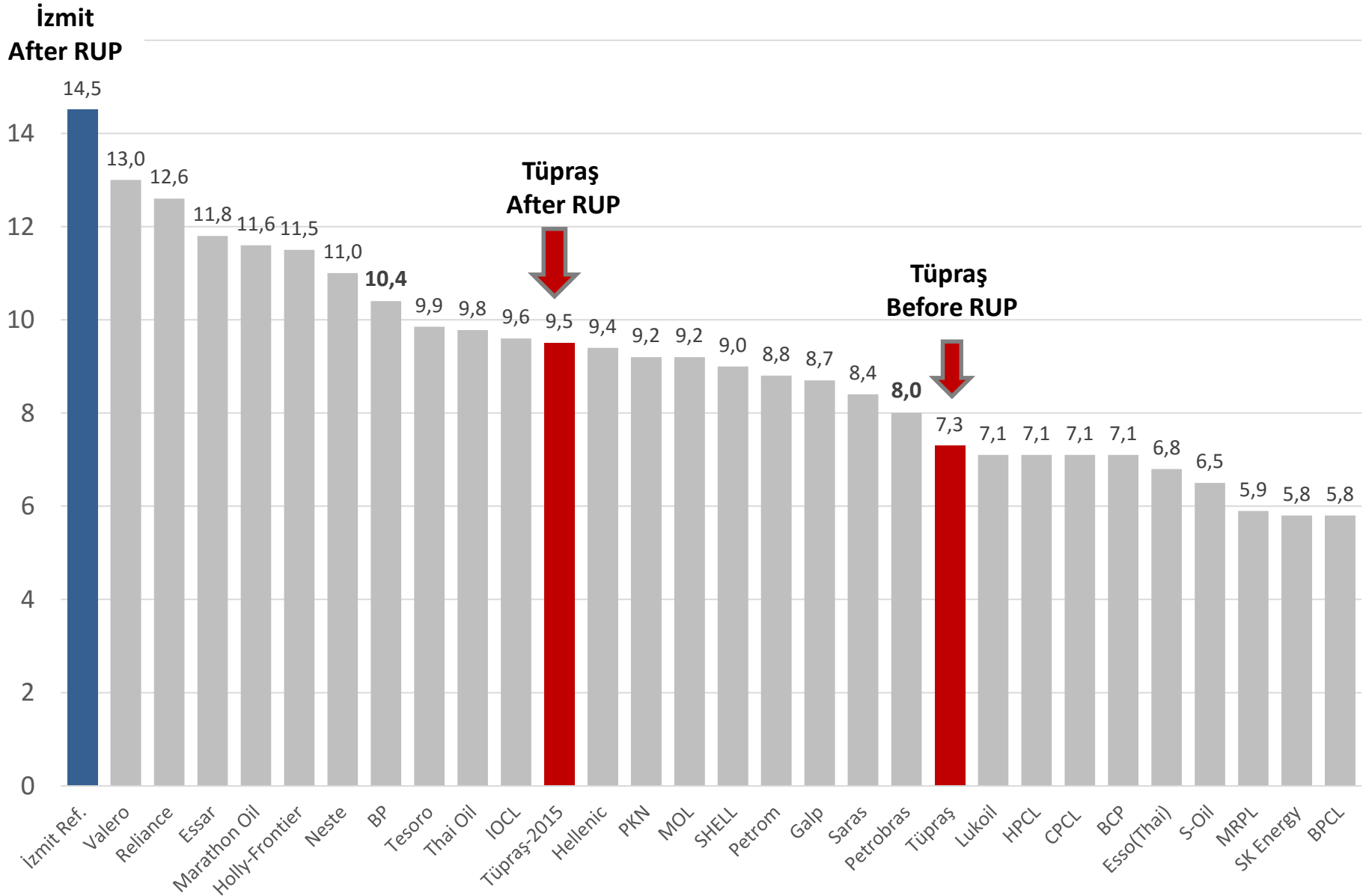
2 Month 2016 - Turkish Consumption (Million ton)



Source: EMRA
*bunker excluded.

HIGH COMPLEXITY #1

(Nelson Complexity of Refining Companies)

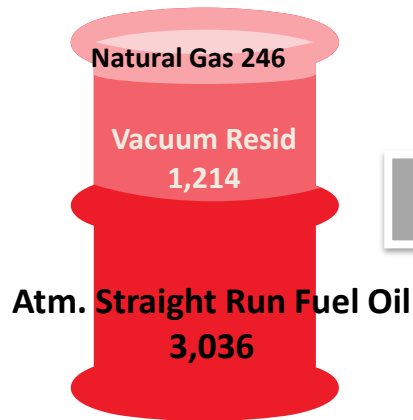


HIGH COMPLEXITY # 2

(Resid Upgrading Units Production – (Thousand Tons))

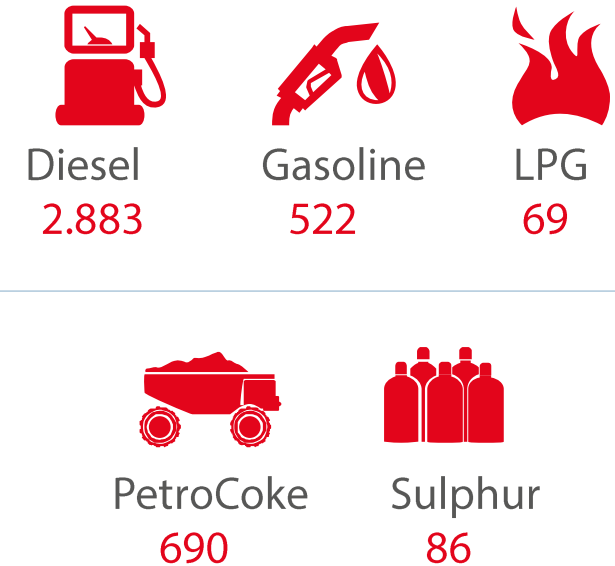
Raw Materials

(kton)



Products

(kton)

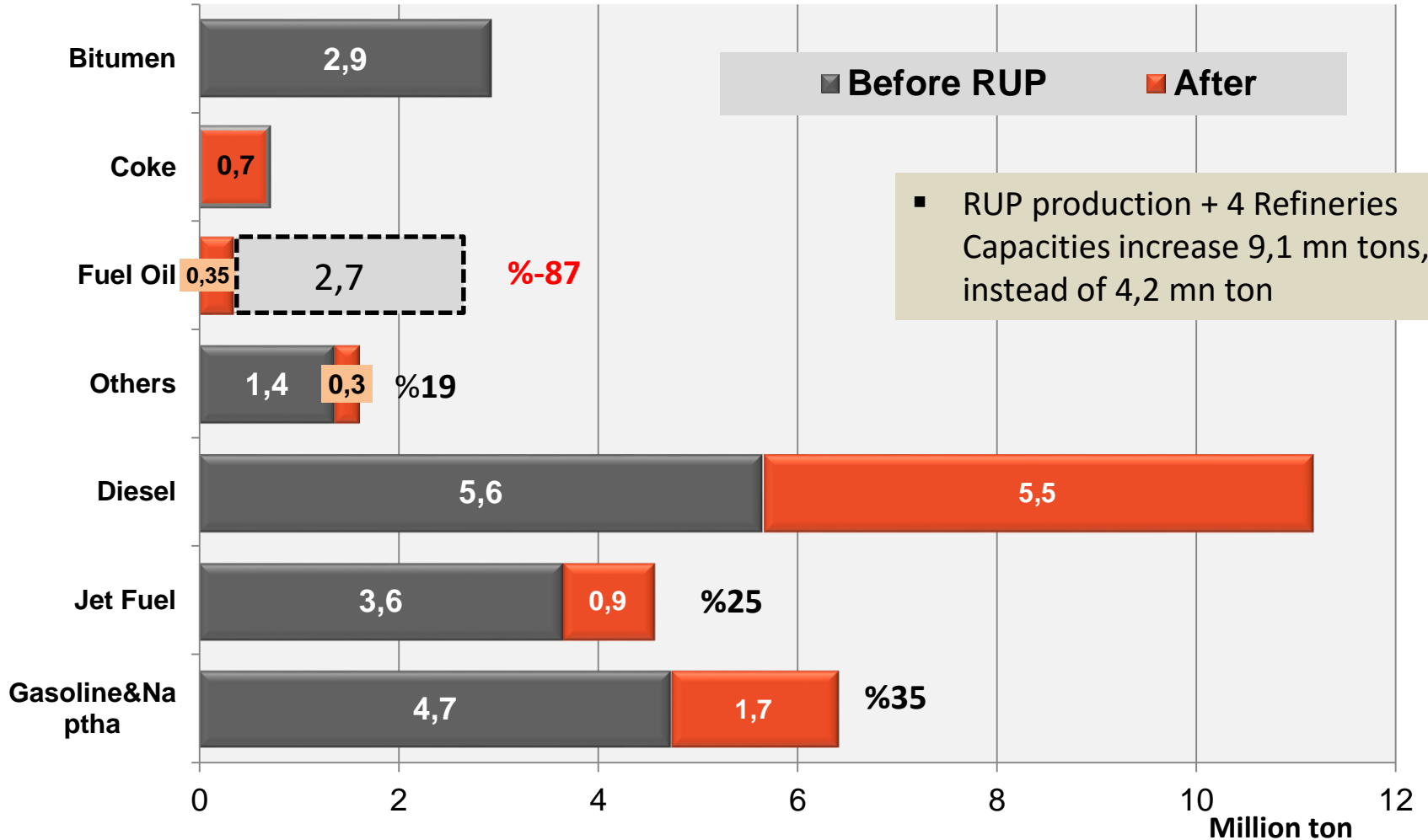


Total Feed 4,496

Total Production 4,250

HIGH COMPLEXITY # 3

(Tüpraş Total Production Change After RUP)



HIGH COMPLEXITY # 4

(Tüpraş Tax Incentive From RUP)

Large Scale Investment Incentive 21.10.2010

- Valued at 30% of project cost
- Realised after completion
- Tax rate of 10% on project earnings until total incentive is reached

Strategic Investment Incentives 19.10.2012

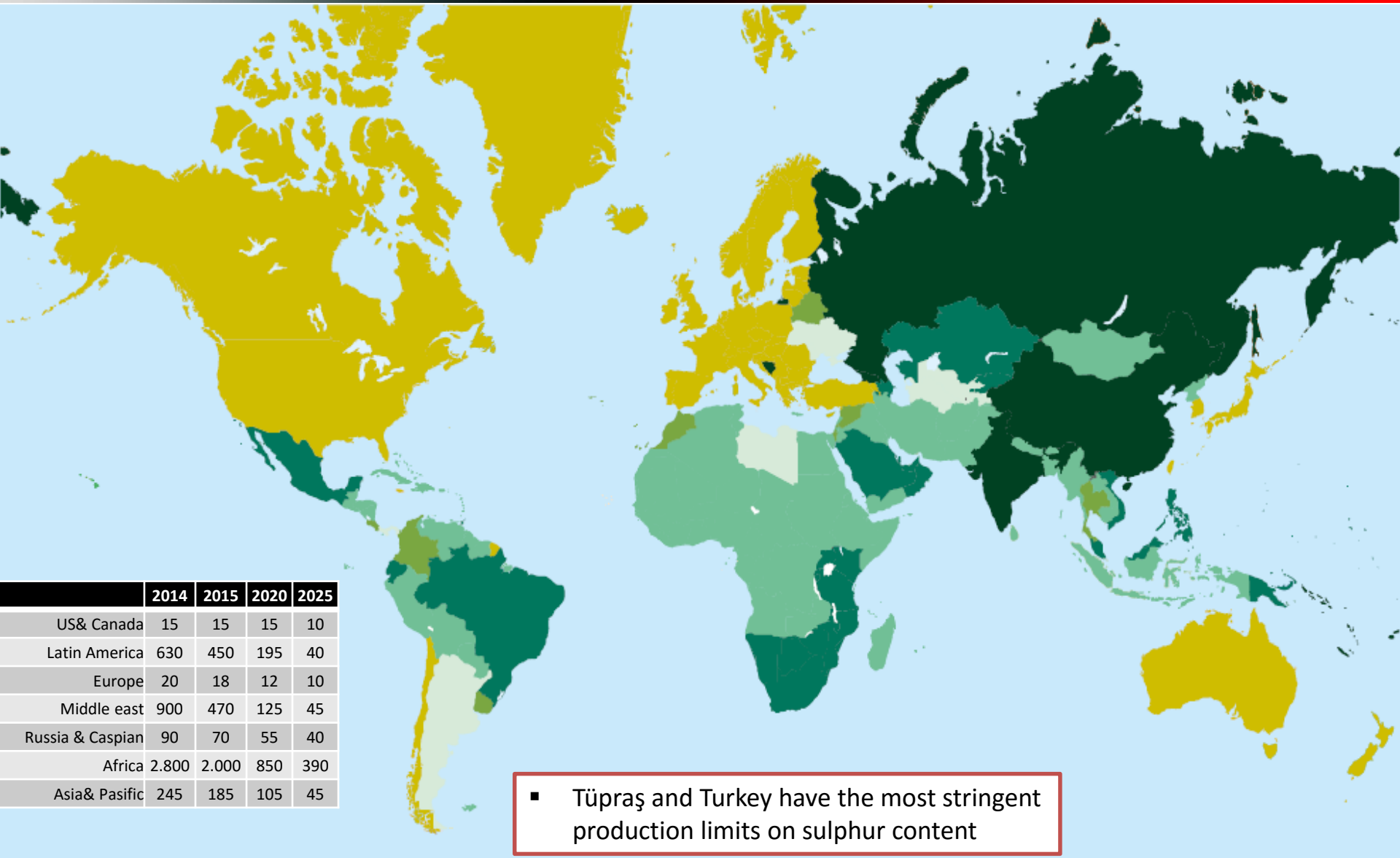
- Valued at 50% of project cost
- Partly realised during construction
- Tax rate of 2% on project earnings until total incentive is reached

Total incentive

- **is 3,66 billion TL.**
- **344 mn TL of Investment incentive income deducted** from Strategic Investment Incentive total

HIGH QUALITY

(Maximum on-road diesel sulphur limits, January 2014)



	2014	2015	2020	2025
US& Canada	15	15	15	10
Latin America	630	450	195	40
Europe	20	18	12	10
Middle east	900	470	125	45
Russia & Caspian	90	70	55	40
Africa	2.800	2.000	850	390
Asia& Pasific	245	185	105	45

Source:Stratas Advisors

10–15 ppm

16–50 ppm

51–350 ppm

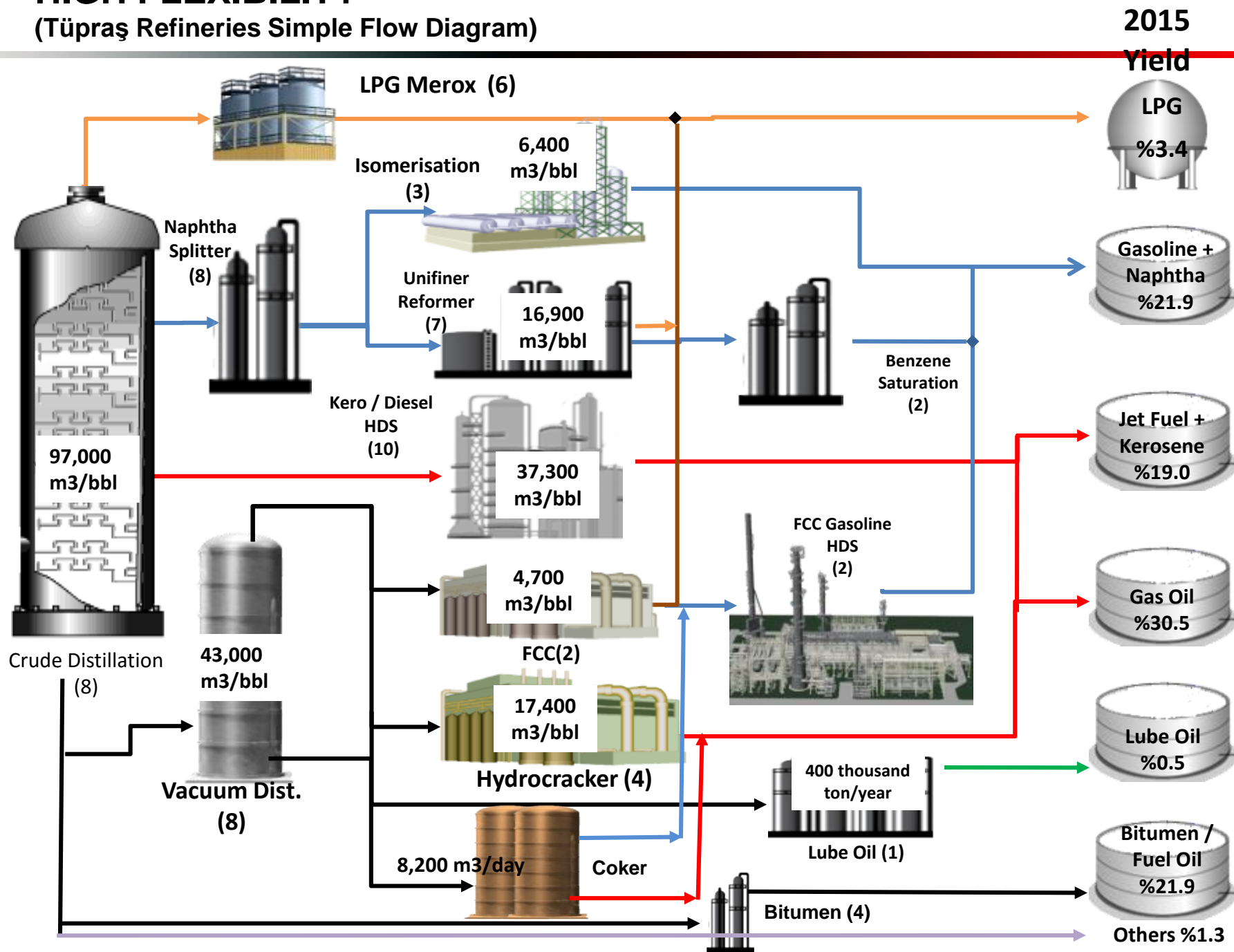
351–500 ppm

501–2,000 ppm

> 2,000 ppm

HIGH FLEXIBILITY

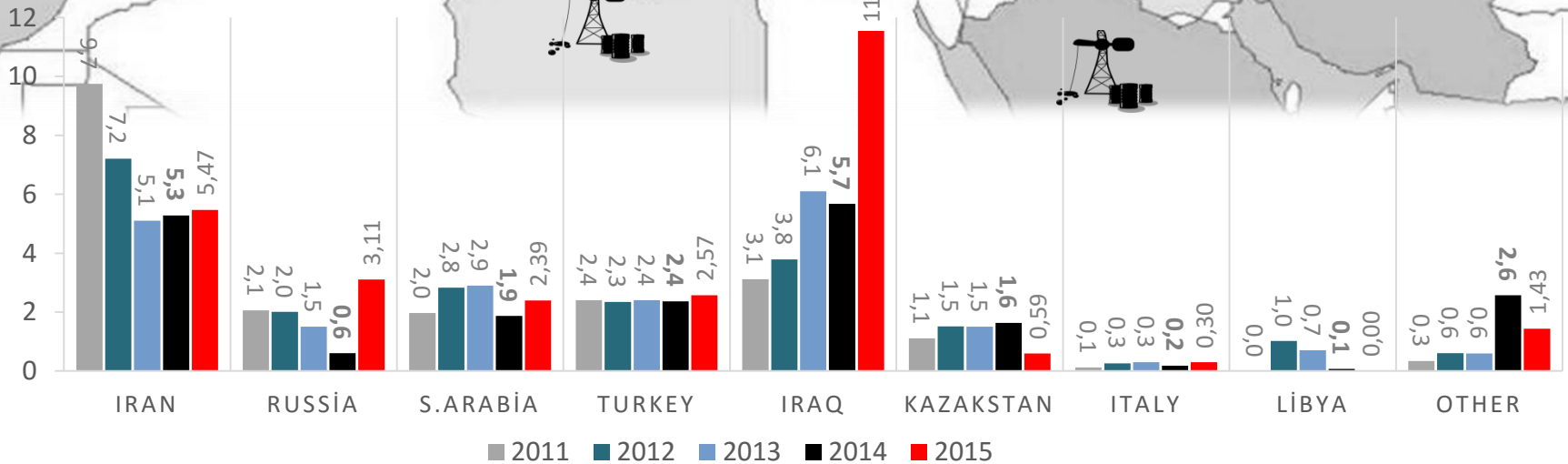
(Tüpraş Refineries Simple Flow Diagram)



LOCATIONAL ADVANTAGE & HEAVIER CRUDES

(Crude Suppliers of TÜPRAŞ (Million Tons))

In 2015, Tüpraş purchased 21 different types of crude oil from 11 countries, with gravities ranging between 19-47 API

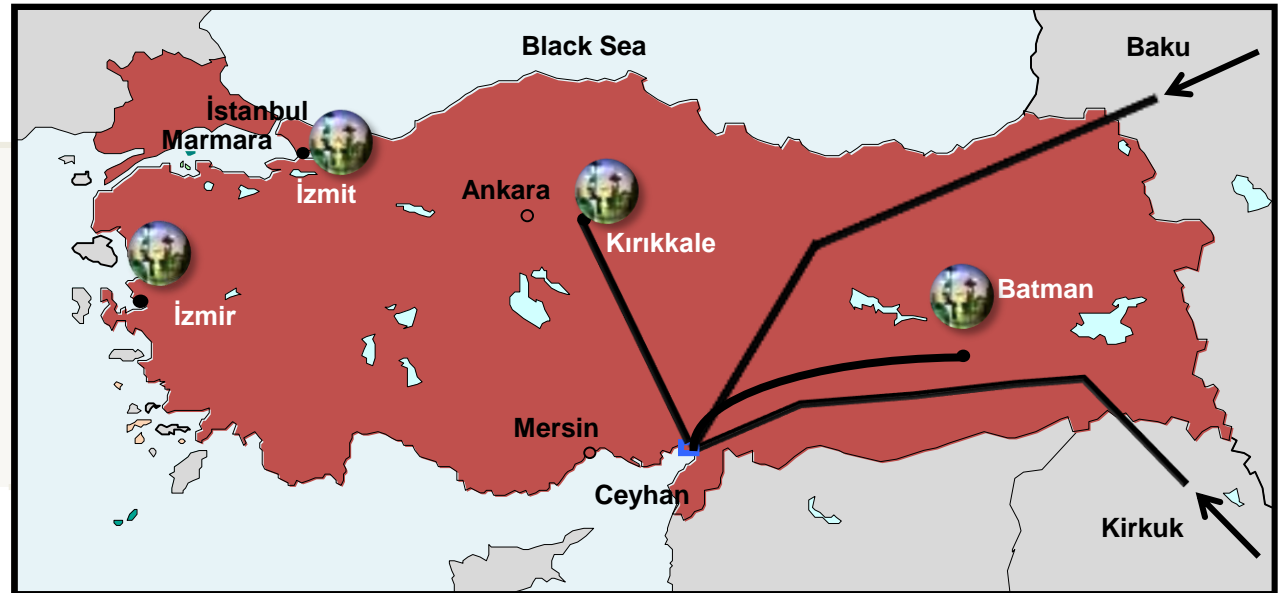


COVERING WHOLE COUNTRY

Operations

Tüpraş operates the only 4 refineries in Turkey

- 3 Large Refineries produce Euro V Diesel & Gasoline, plus jet fuel, fuel oils, asphalt, LPG, naphtha and others



Izmit

- 11.0 MT Capacity
- NC: 14,5
- Storage Capacity: 2.2 Mn M³
- Sales Channels:
 - Pipeline, Ship, Railway & Truck

Izmir

- 11.0 MT Capacity
- NC: 7.66
- Storage Capacity: 1.9 Mn M³
- Only lubricant, base Oil, producer
- Sales Channels:
 - Pipeline, Ship, & Truck

Kırıkkale

- 5.0 MT Capacity
- NC: 6.32
- Storage Capacity: 1.2 Mn M³
- Sales Channels:
 - Pipeline, Railway & Truck

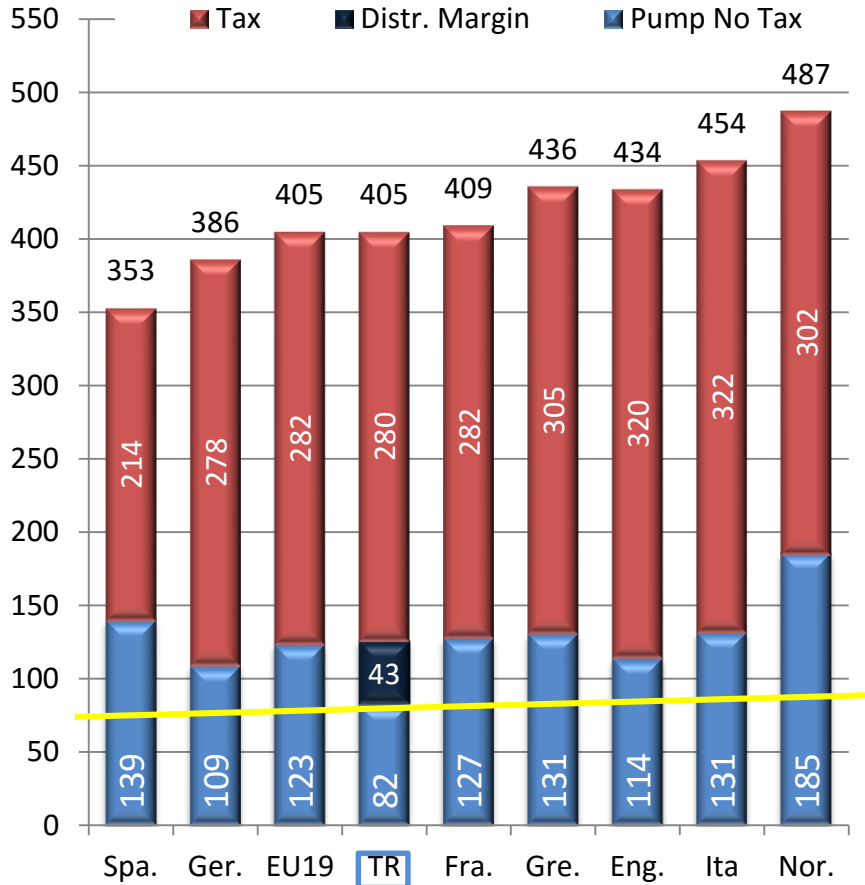
Batman

- 1.1 MT Capacity
- NC: 1.83
- Storage Capacity: 0.2 Mn M³
- Asphalt - 70% of product yield
 - Semi-finished products sent for further processing
- Sales Channels:
 - Pipeline, Railway & Truck

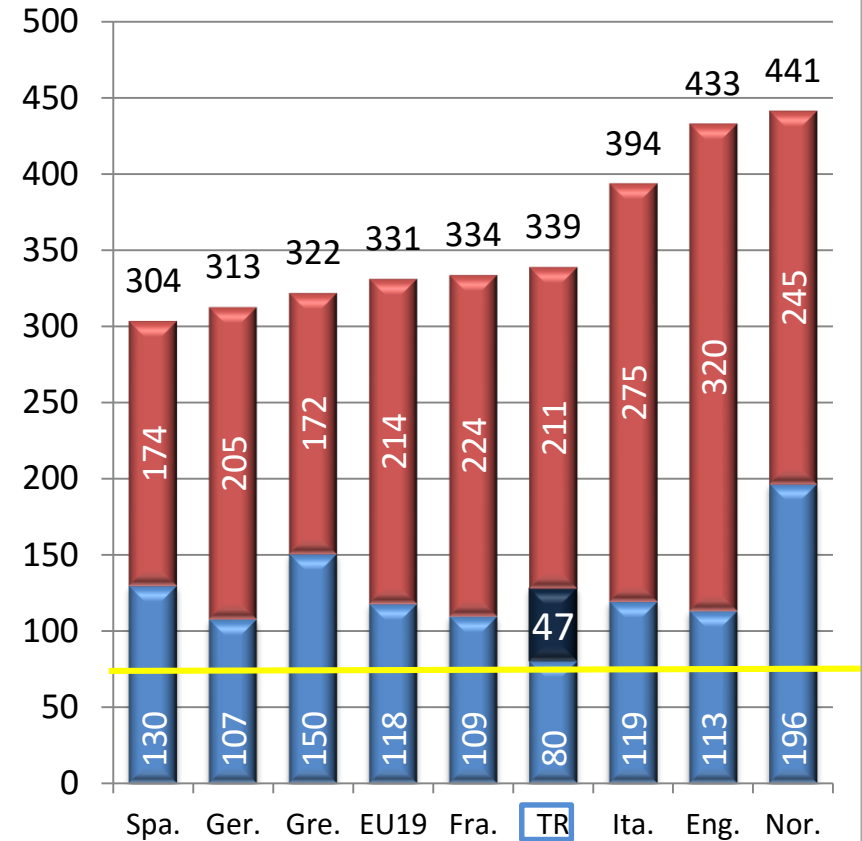
COMPETITION # 1

(European Pump Price Comparison)

Gasoline (Kırş / Lt)



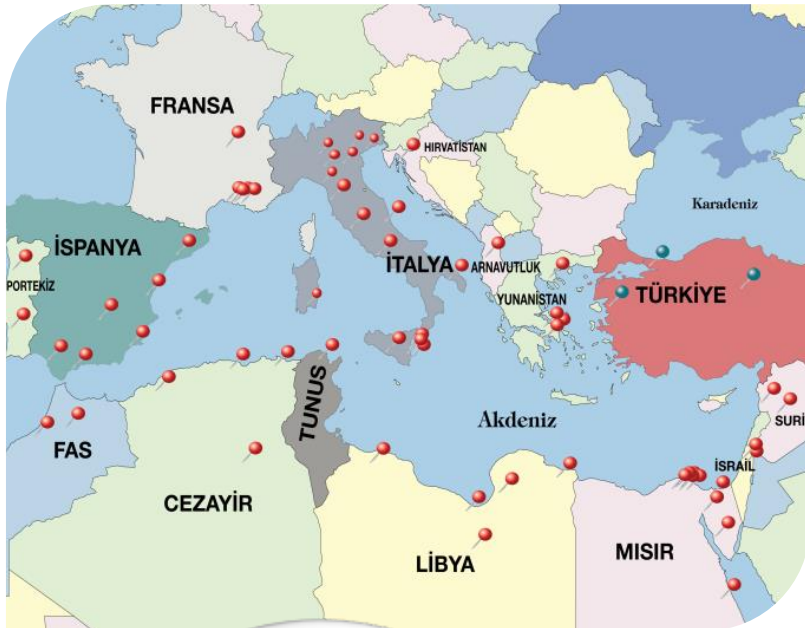
Diesel 10 ppm (Kırş / Lt)



COMPETITION # 2

(Regional Competition)

Mediterranean



53
Refineries
7.6 mn bpd

Black Sea



17
Refineries
1.6 mn bpd

COMPETITION # 3

(SOCAR-STAR Refinery)



STAR Refinery Production (k ton)

Fuels

• Diesel	5.000
• Jet Fuel	1.700
• Sulphur	158
• Petrocoke	698

Petrochemical feedstock

• LPG	260
• Naptha	1.300
• Mixed xylene	460
• Reformate	524

10,100

- Goldman Sachs has acquired a 13 percent stake in SOCAR Turkey for \$1.3 billion.
- Goldman Sachs has the right to resell 10 percent of its stakes to Socar, and the remaining 3 percent to 'Sermaye Investments Limited' owned by SOCAR within 6 year at the same price.

▪ Credit	: 3.3 Billion \$
▪ Equity	: 2.4 Billion \$
▪ Total Investment:	5.7 Billion \$

- **3,3 billion dollar** credit aggrement. First 4 year grace period total **15-18 year term**.
- Project finance is supplied to company (US\$ 1.5 billion)
- It is planned to be commissioned in 2018.

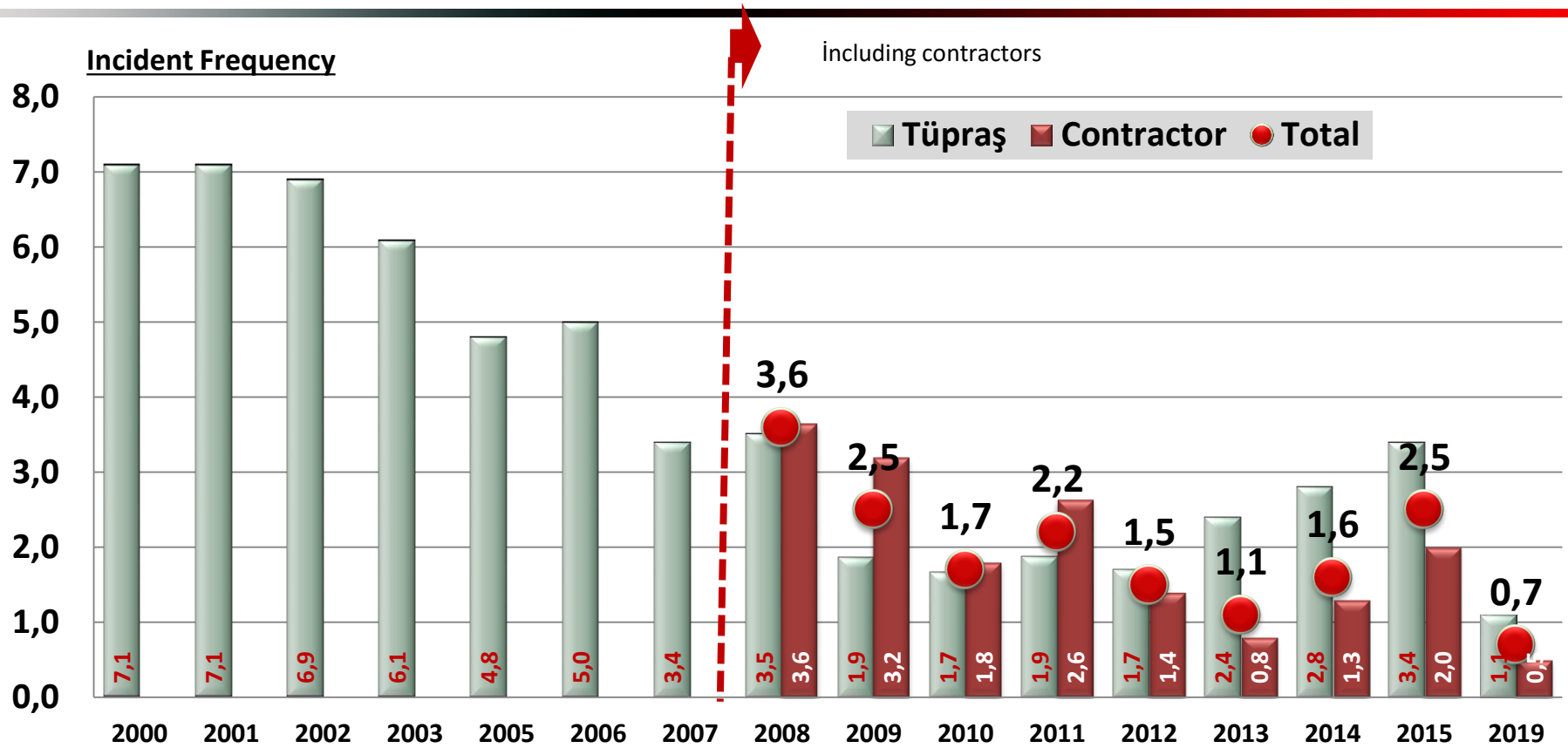
COMPETITION # 4

(Turkey consumption balance & the effect of new refinery)

Million ton	2018			2018*	
	Turkey Demand	Tüpraş Production	Turkey-Tüpraş	Star SOCAR	Deficit/ (Excess)
Crude Oil		28,1		10,0	
Semi product+Other charge		0,8			
Total processed		28,9		10,0	
Products					
LPG	4,1	1,1	-3,0	0,3	-2,7
Petrochem. charge: <i>Naptha, Reformate/xylene</i>	2,8	0,6	-2,2	2,3	0,1
Gasoline	2,2	5,7	3,5		3,5
Jet fuel/Kerosene	5,4	5,6	0,2	1,7	1,9
Diesel	21,9	10,2	-11,7	5,0	-6,7
Fuel Oil	1,1	0,9	-0,2		-0,2
Asphalt	3,3	2,7	-0,6		-0,6
Sulphur & other	1,8	0,5	-1,3	0,2	-1,1
Coke	3,0	0,8	-2,2	0,7	-1,5
Total	45,5	28,4	-17,1	10,1	-7,0

*Expected to be completed by the end of 2018

Tüpraş HSE KPI: Loss Time Incident Frequency and Severity Frequency Ratios

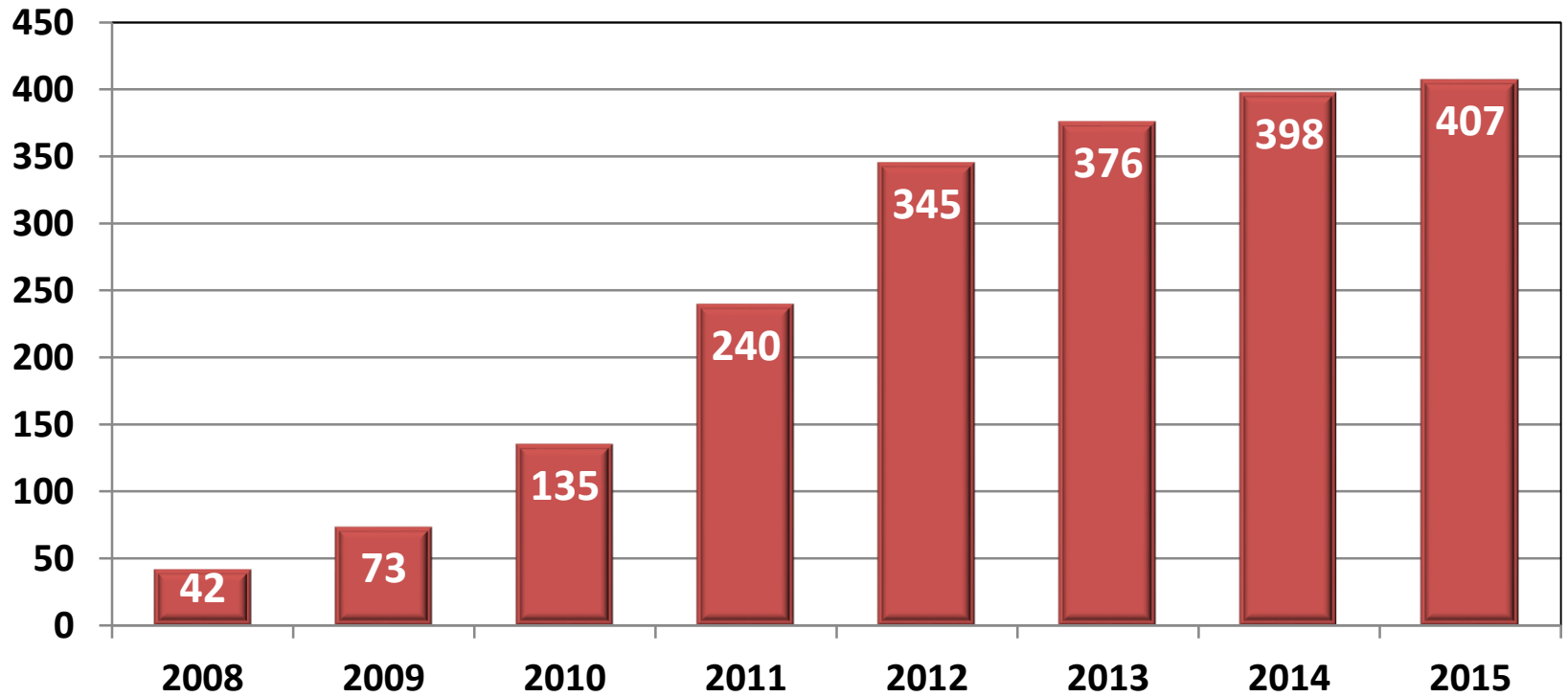


Loss Time Severity Frequency Rate (2015 Target →30)	2008	2009	2010	2011	2012	2013	2014	2015	2020
<i>Tüpraş</i>	92	44	40	53	65	61	59	719	20
<i>Contractor</i>	116	101	81	118	424	17	378	51	20
<i>Total</i>	105	73	57	83	289	26	308	315	20

loss time incident frequency rate = number of incident *1000000/man hours

loss severity frequency rate = loss time*1000000/man hours

Energy Saving Projects , mn\$



Energy Index 119,1 99,2

	2008	2009	2010	2011	2012	2013	2014	2015	Total
Tüpraş Energy consumption (TJ)	76.653	65.265	67.010	70.792	71.086	69.147	67.034	90.796	577.783
Energy-saving(TJ)	978	10.891	3.155	3.053	5.255	2.841	1.772	1.031	28.976
Energy Efficiency Project	36	52	65	92	97	40	22	21	425
Savings (mn \$)	42	32	62	105	106	31	22	10	407