



**Q3 2015
INVESTOR PRESENTATION**

01 Refining
Industry

02 Company
Overview

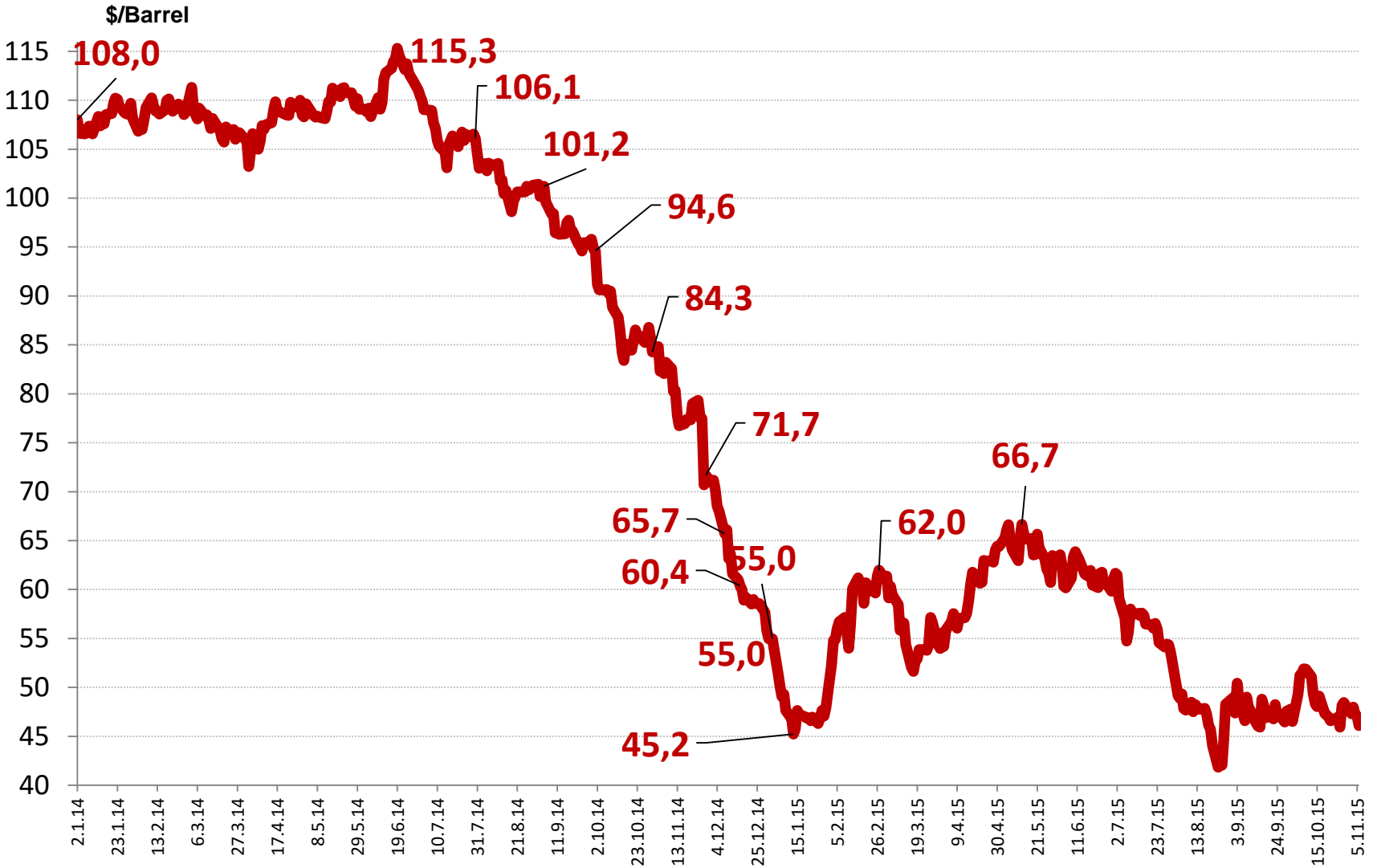
03 Investments

04 Key
Financials

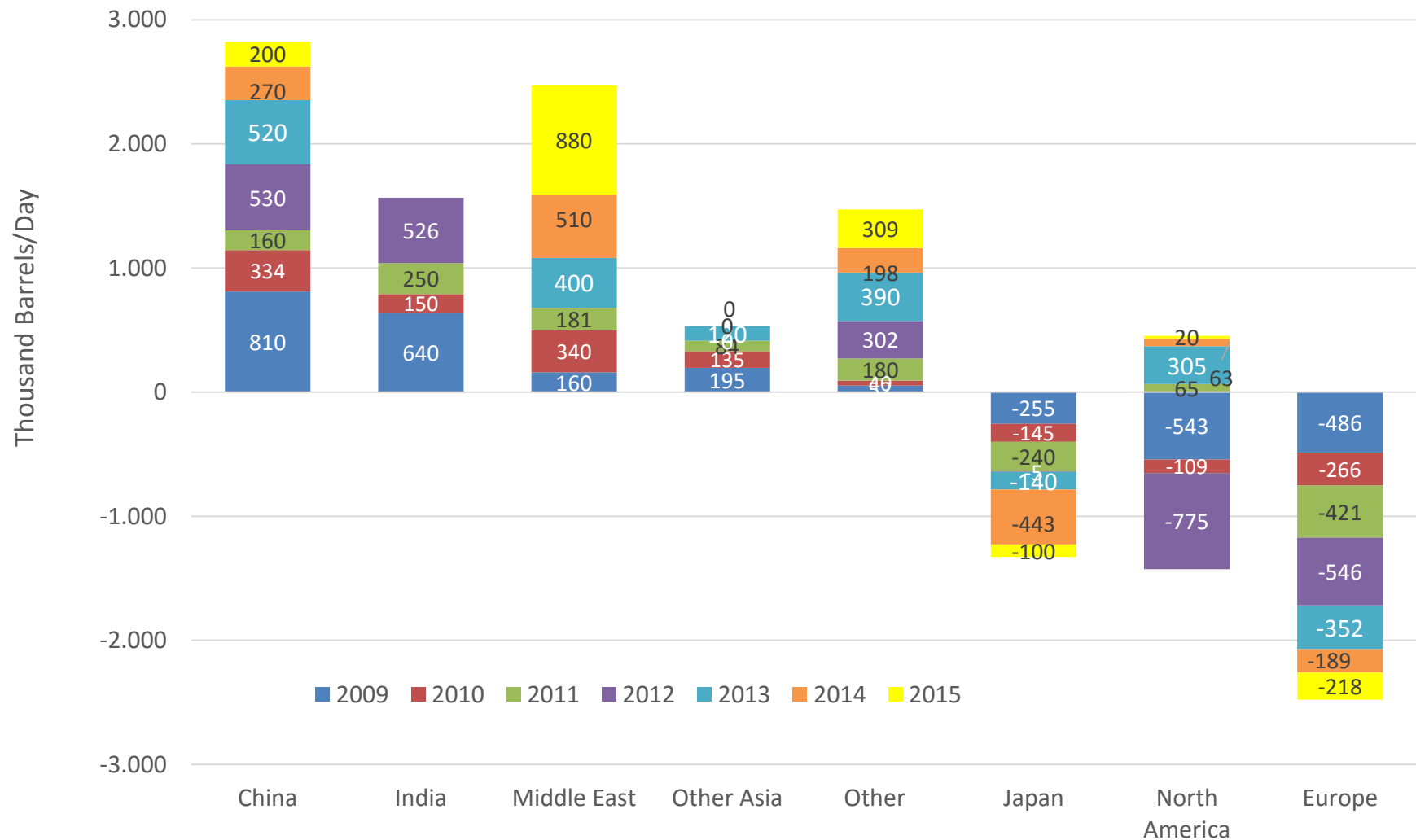
Refining Industry



Brent Crude Oil Prices



Net Refinery Capacity Change



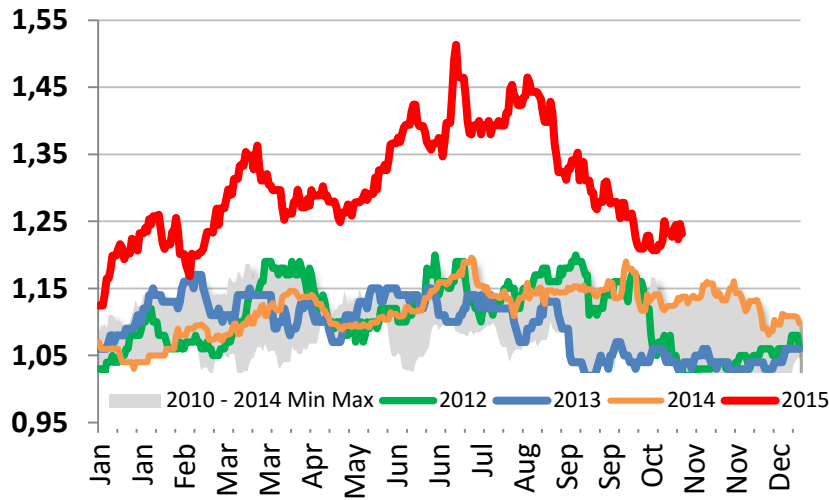
Source : Tüpraş

Refinery Value

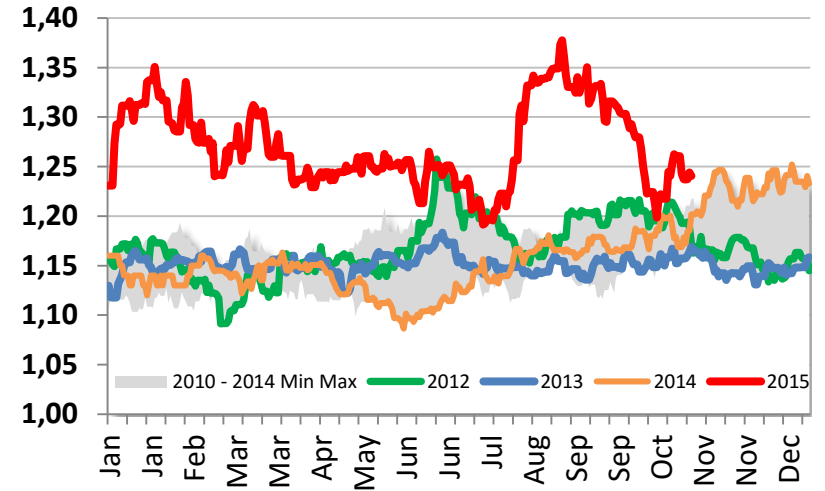


Product Ratios (Barrel/Barrel)

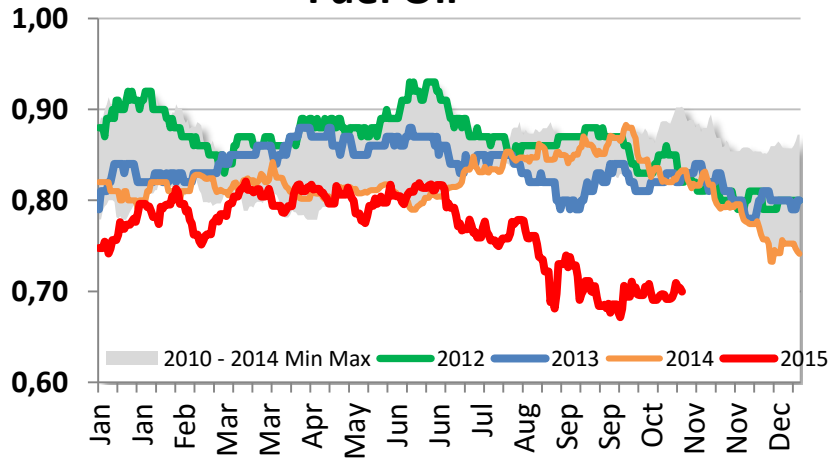
Gasoline



Diesel



Fuel Oil

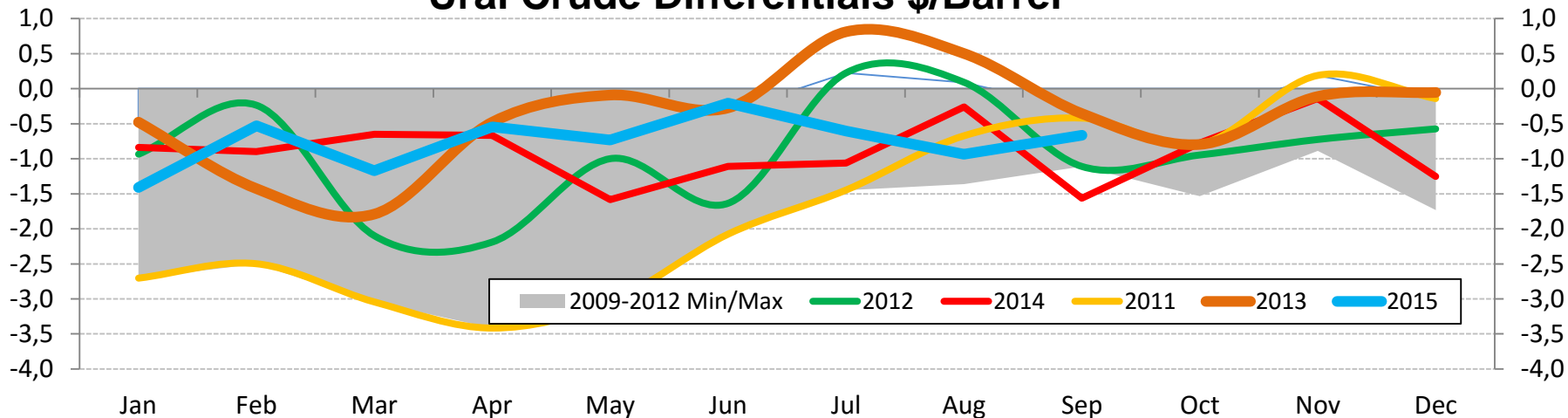


❖ 2015

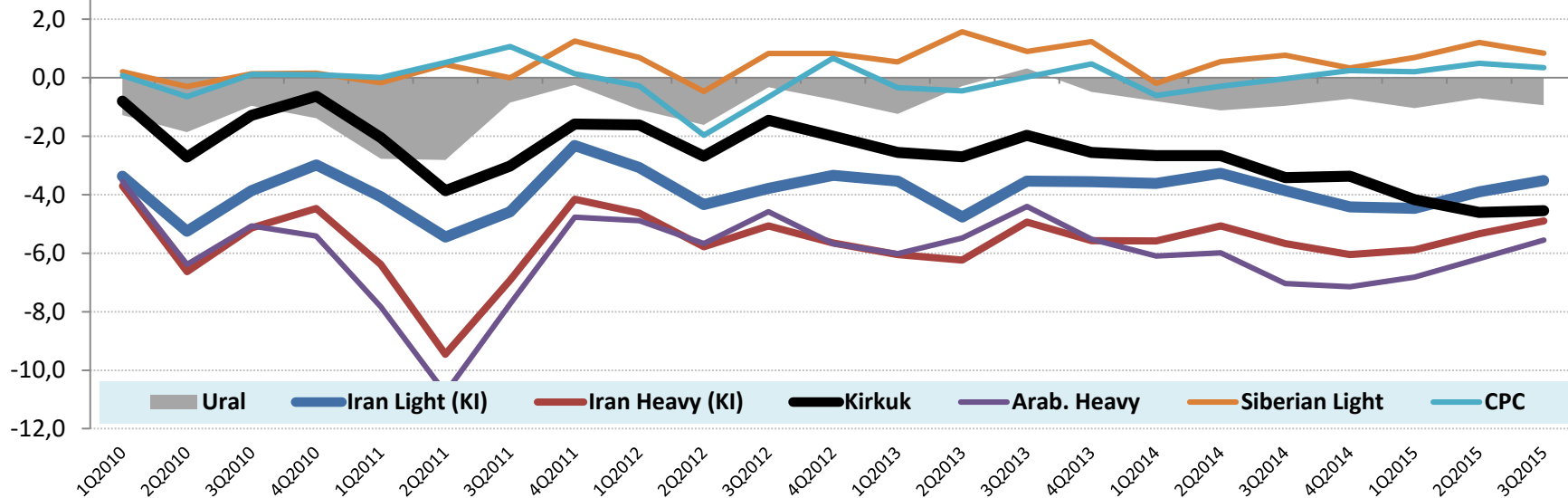
- Gasoline ratio was at very high levels
- Ratios have suffered seasonal declines

Crude Differentials \$/Barrel

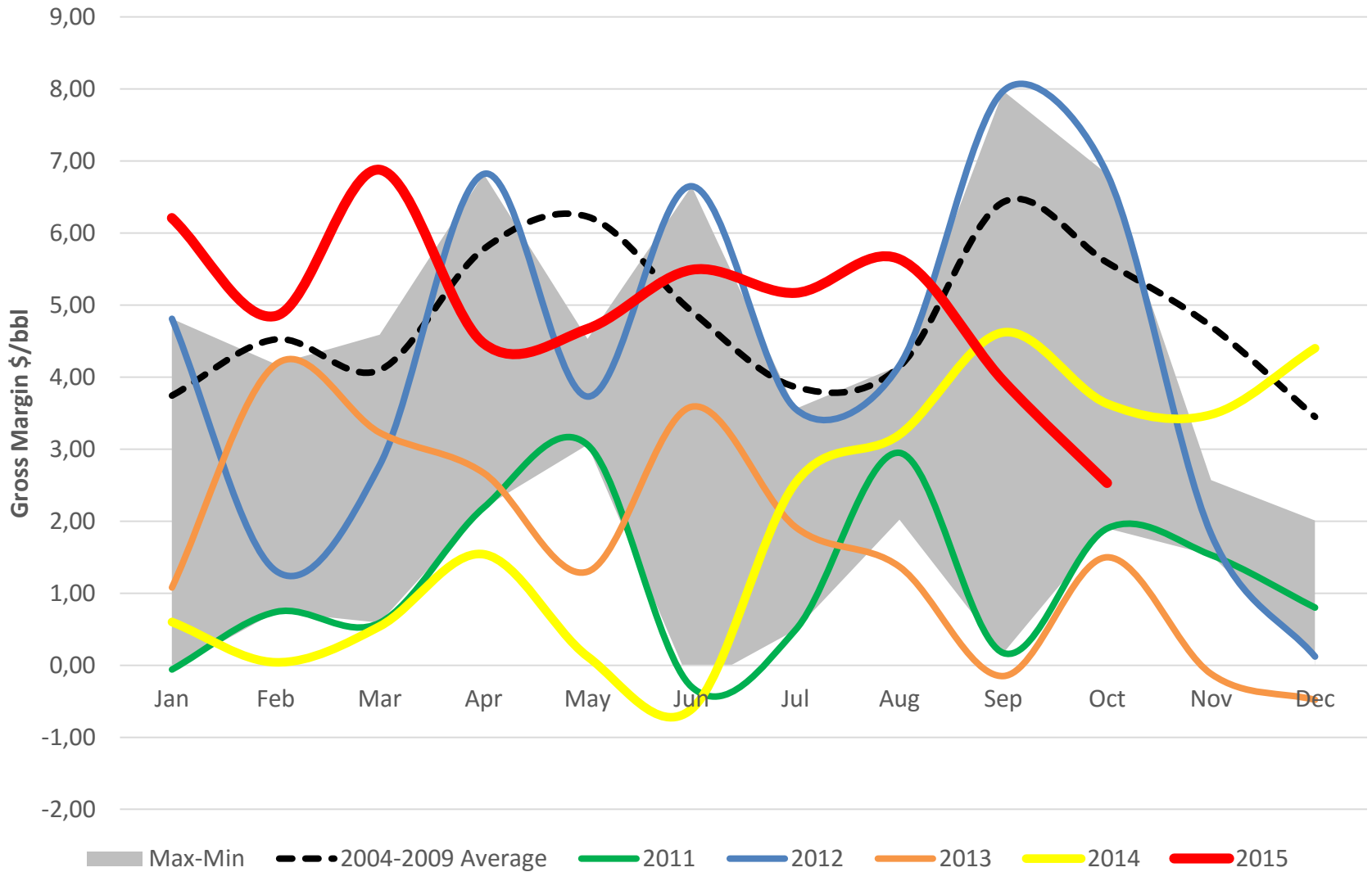
Ural Crude Differentials \$/Barrel



Differentials Trends



Med Complex Refining Margins

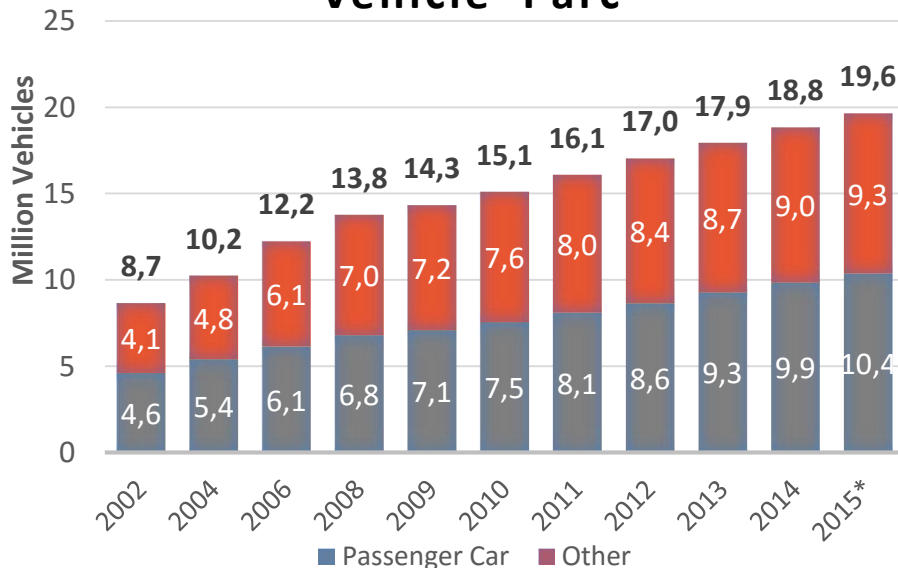


Turkish Sector Outlook

❖ Primary driver of demand is growing vehicle parc

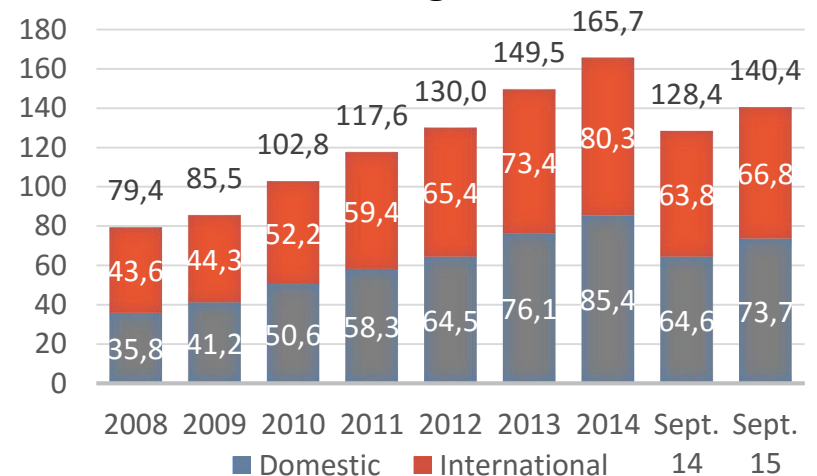
- Auto sales continue to massively outstrip removals
- Very high gasoline tax has led to LPG & Diesel substitution
- Gasoline car sales improving

Vehicle Parc



*By the end of August

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

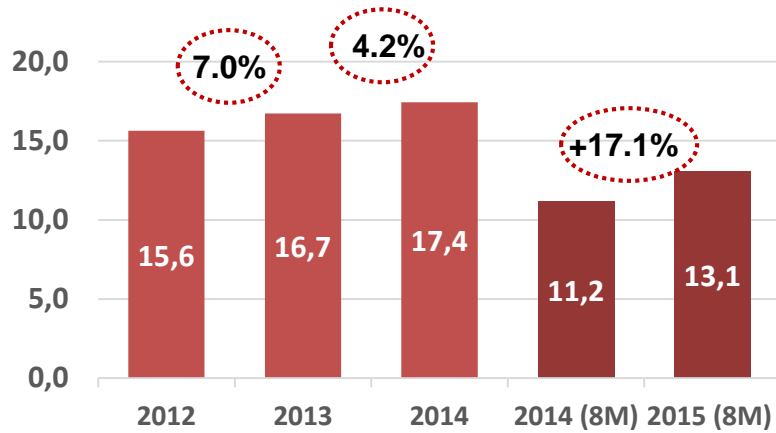
- Natural gas substitution
- Switching is dependent on price

❖ Long Term Asphalt Demand Growth

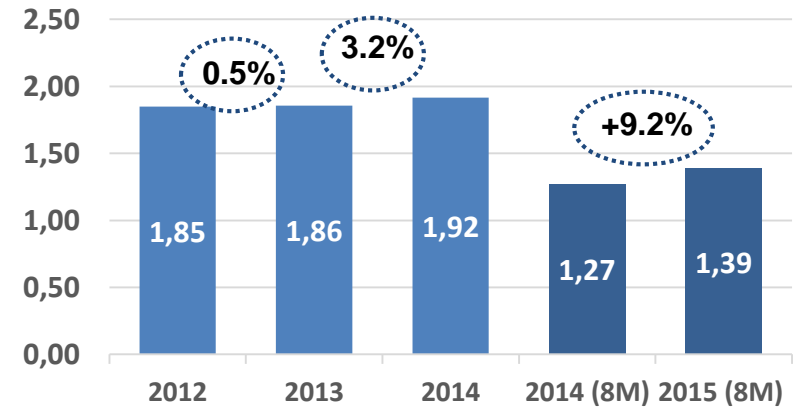
- Infrastructure investments

Turkish Consumption (Million ton)

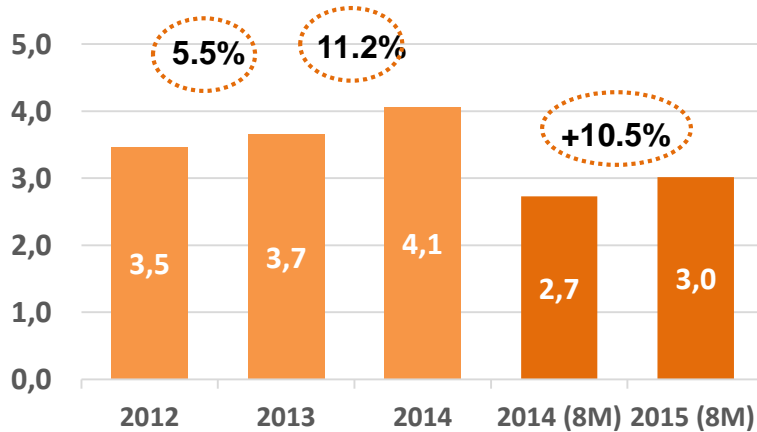
Diesel



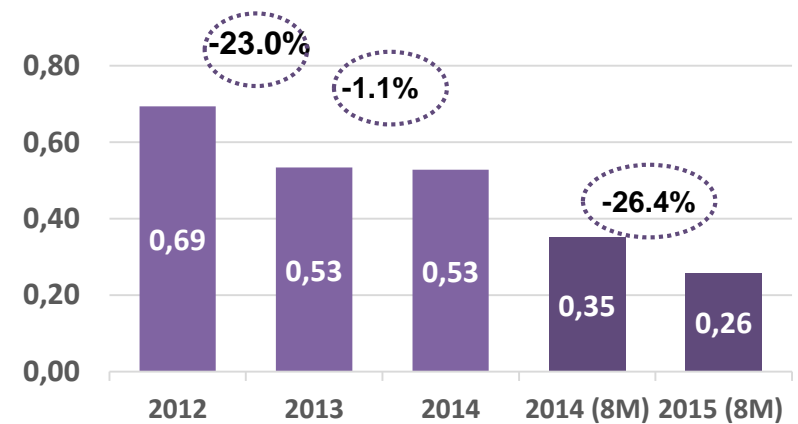
Gasoline



Jet Fuel

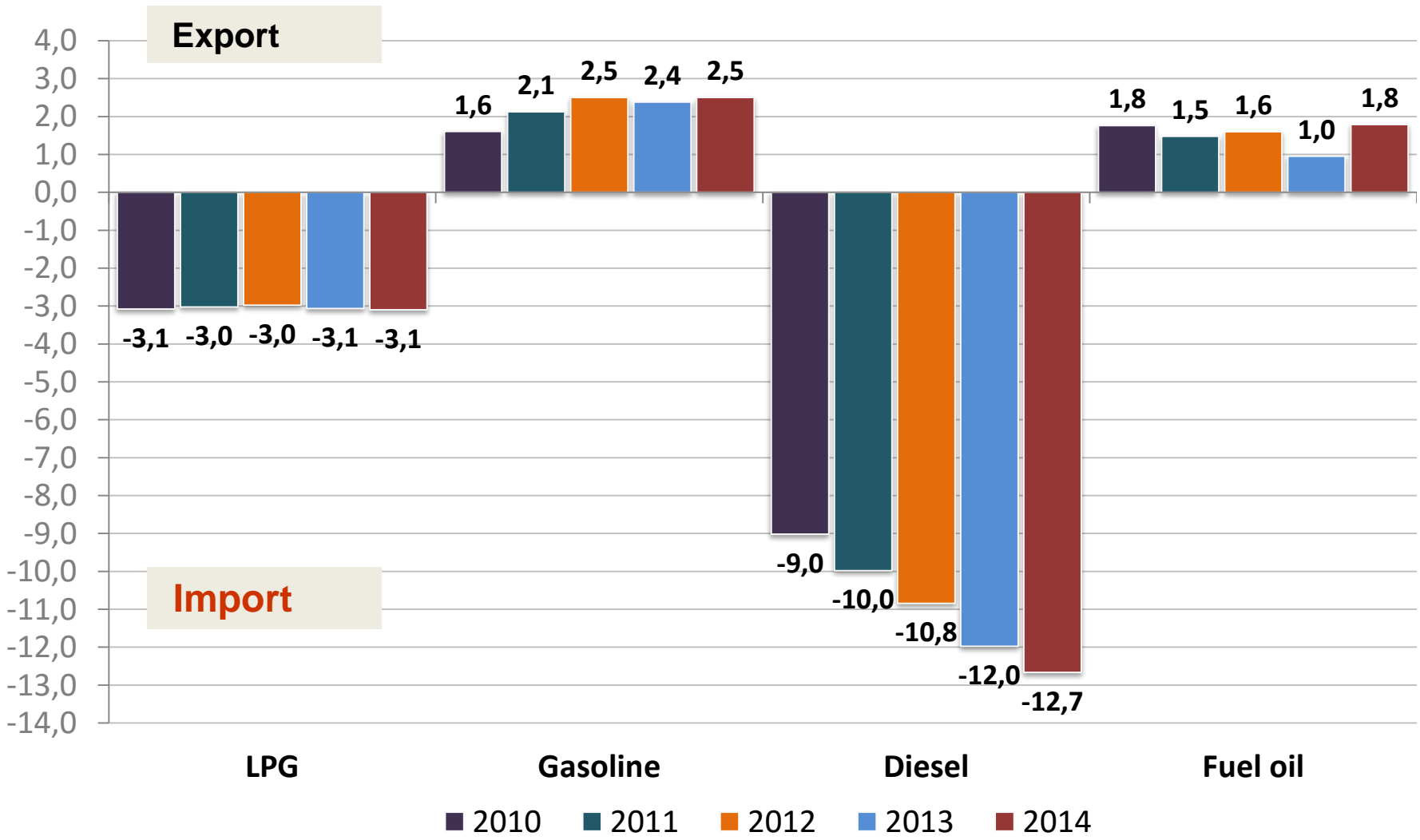


Fuel Oil



Turkey's Import / Export Balance (Net)

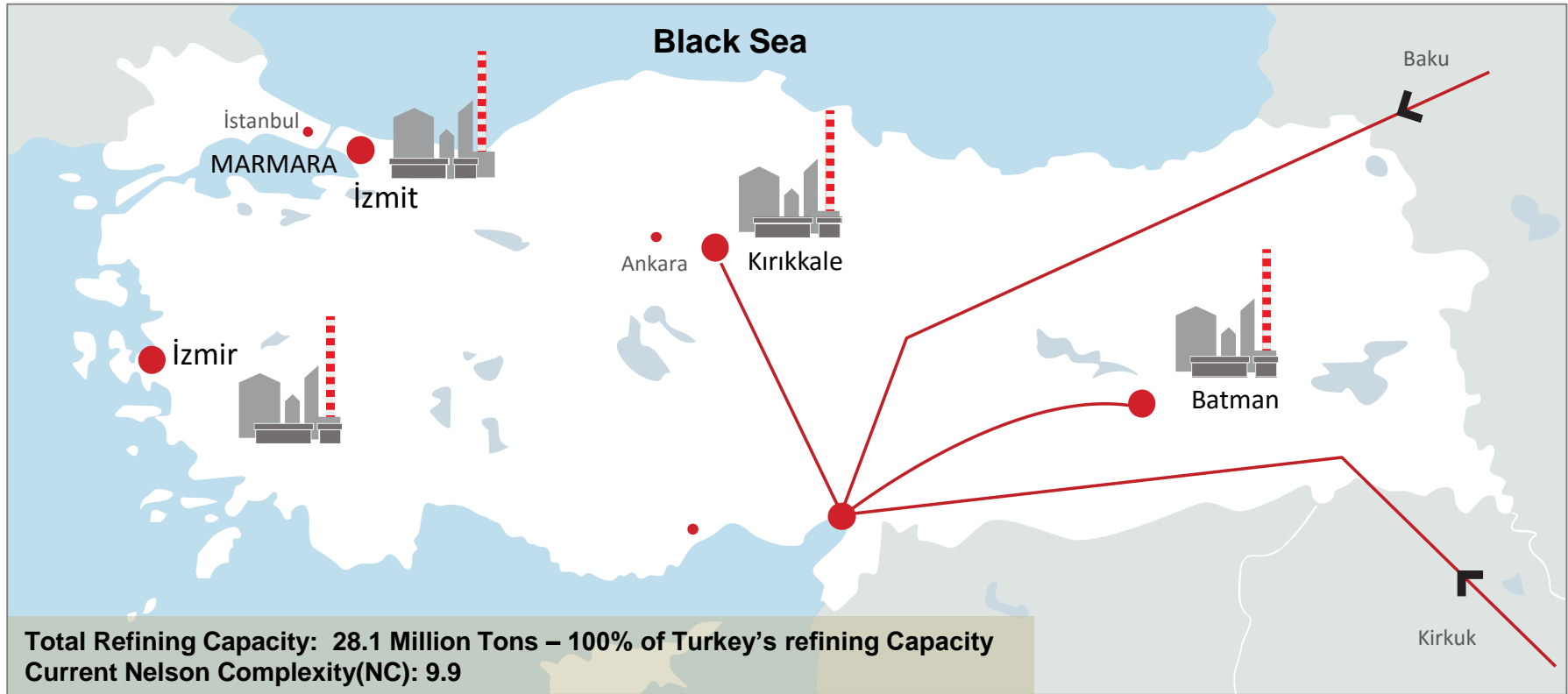
Million Ton



Company Overview



TÜPRAŞ Refining Assets



İzmit

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

İzmir

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

Kırıkkale

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

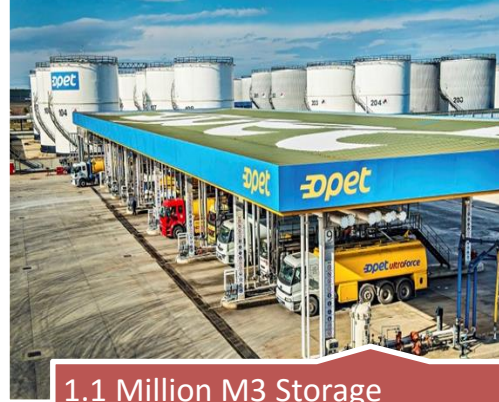
Batman

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



1.424 İstasyon

- 994 Opet Marka
- 430 Sunpet Marka



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 – Deniz Taşımacılığı – *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

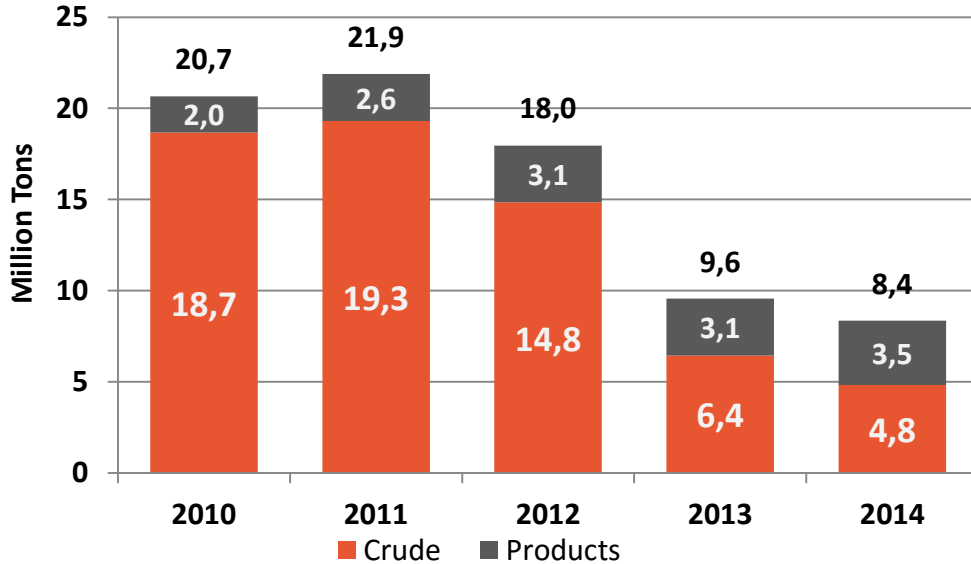


- Products
- 2012
- 55 K DWT

Esra & Aylin



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



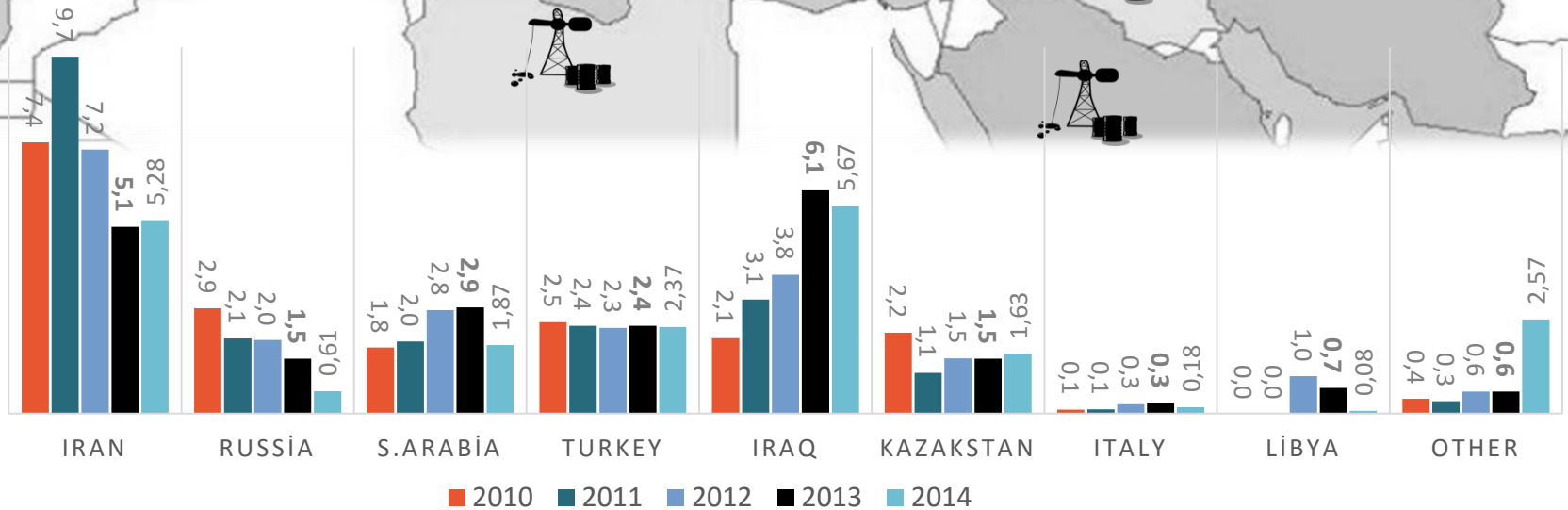
19 Tugboats

Financials

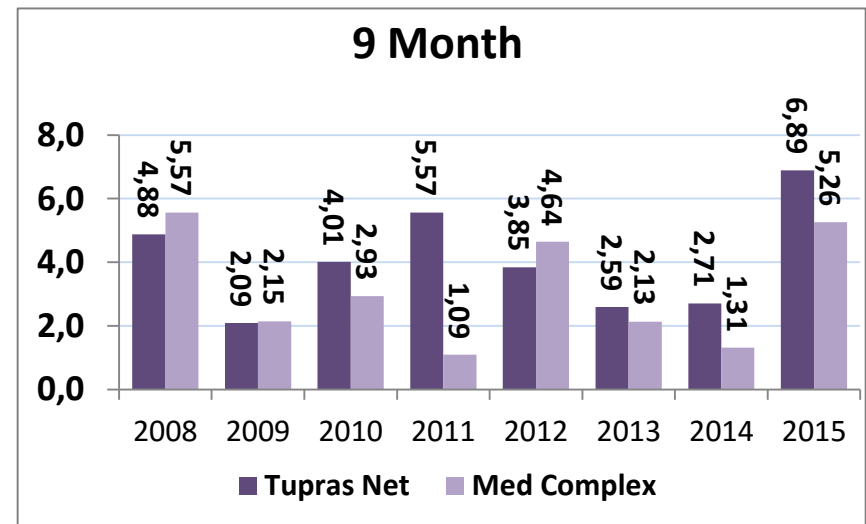
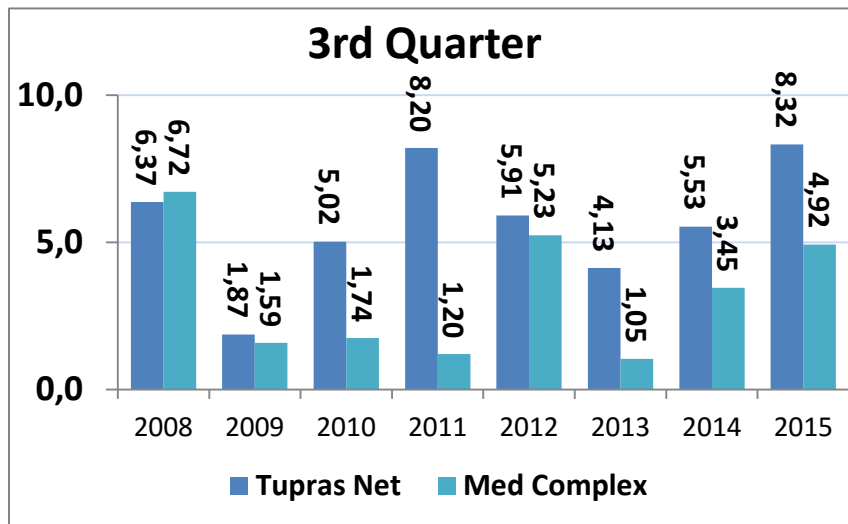
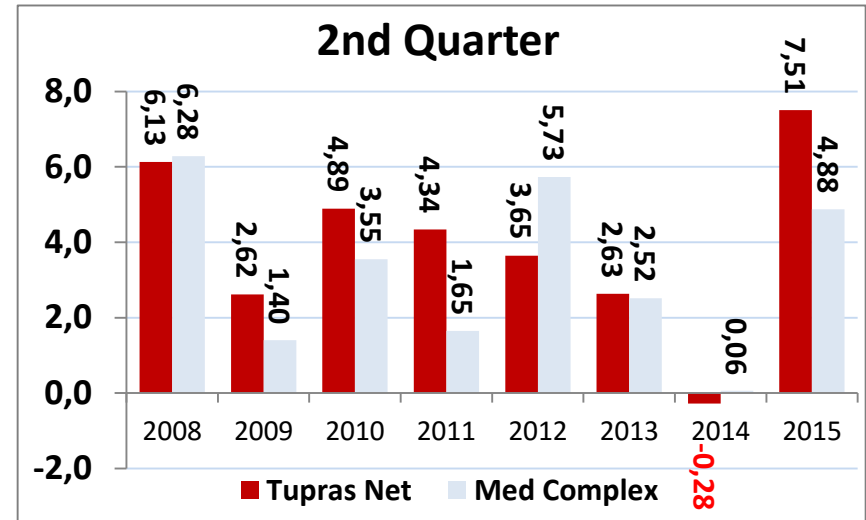
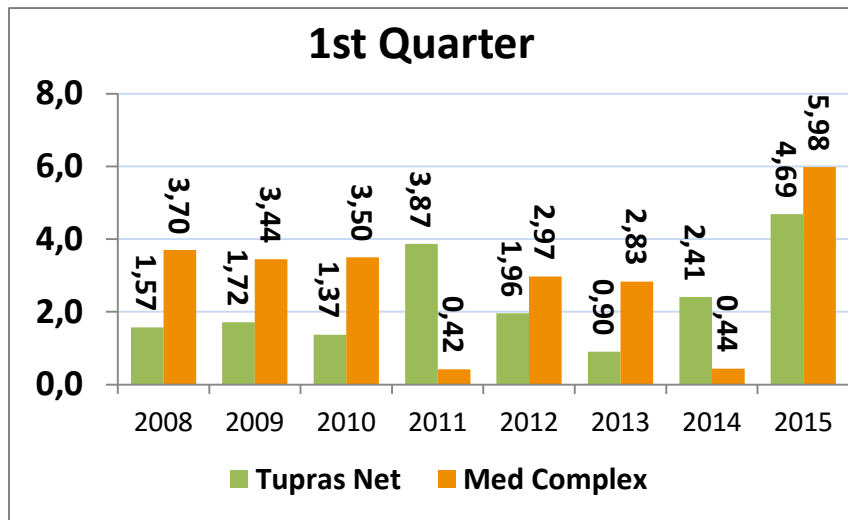
Million \$	2010	2011	2012	2013	2014
Net Sales	139,4	146,4	159,0	103,7	101,7
Op. Profit	19,1	17,9	22,8	25,2	27,3

Crude Suppliers of TÜPRAŞ (Million Tons)

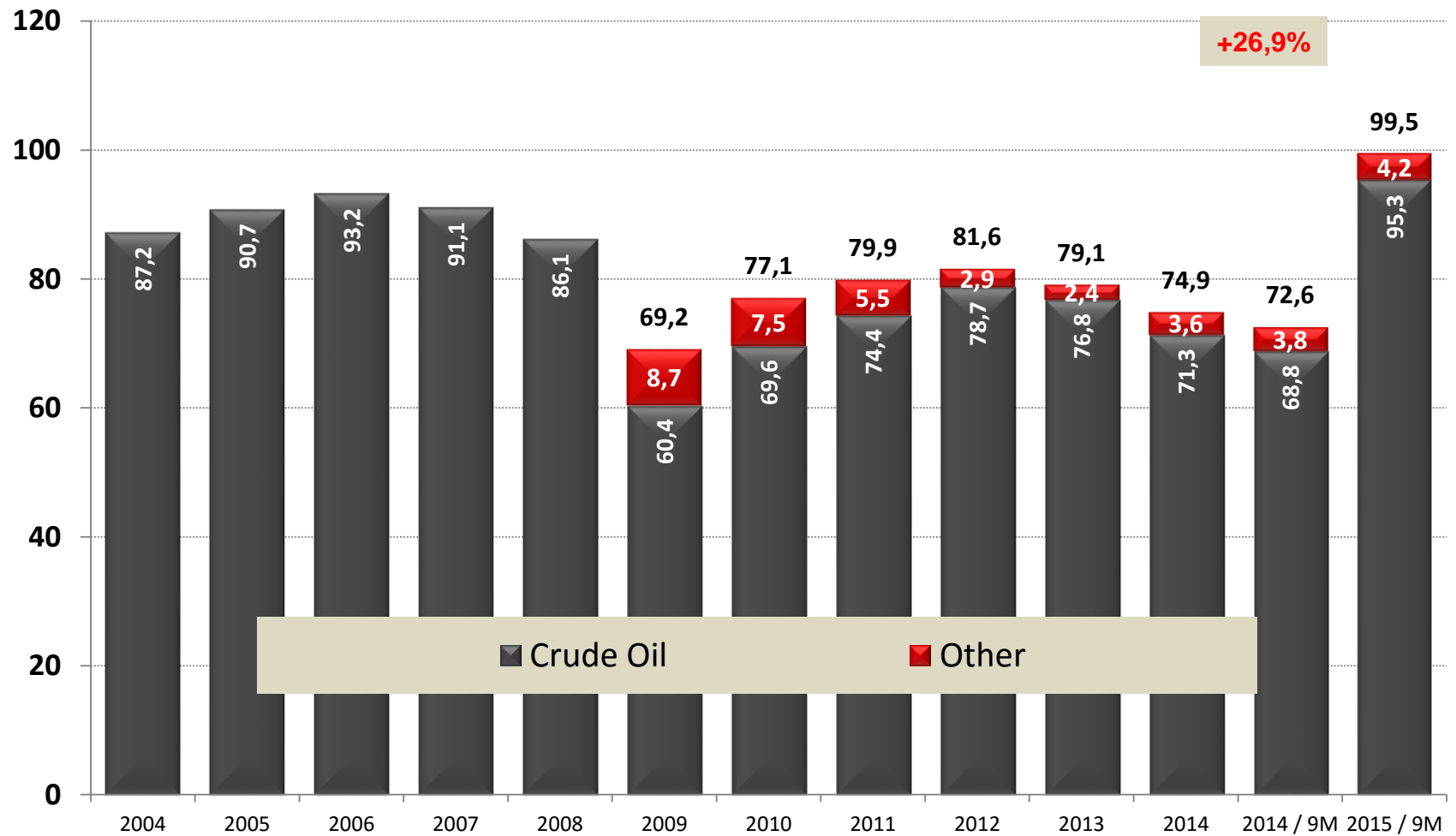
In 2014, Tüpraş purchased 18 different types of crude oil from 11 countries, with gravities ranging between 19-46 API



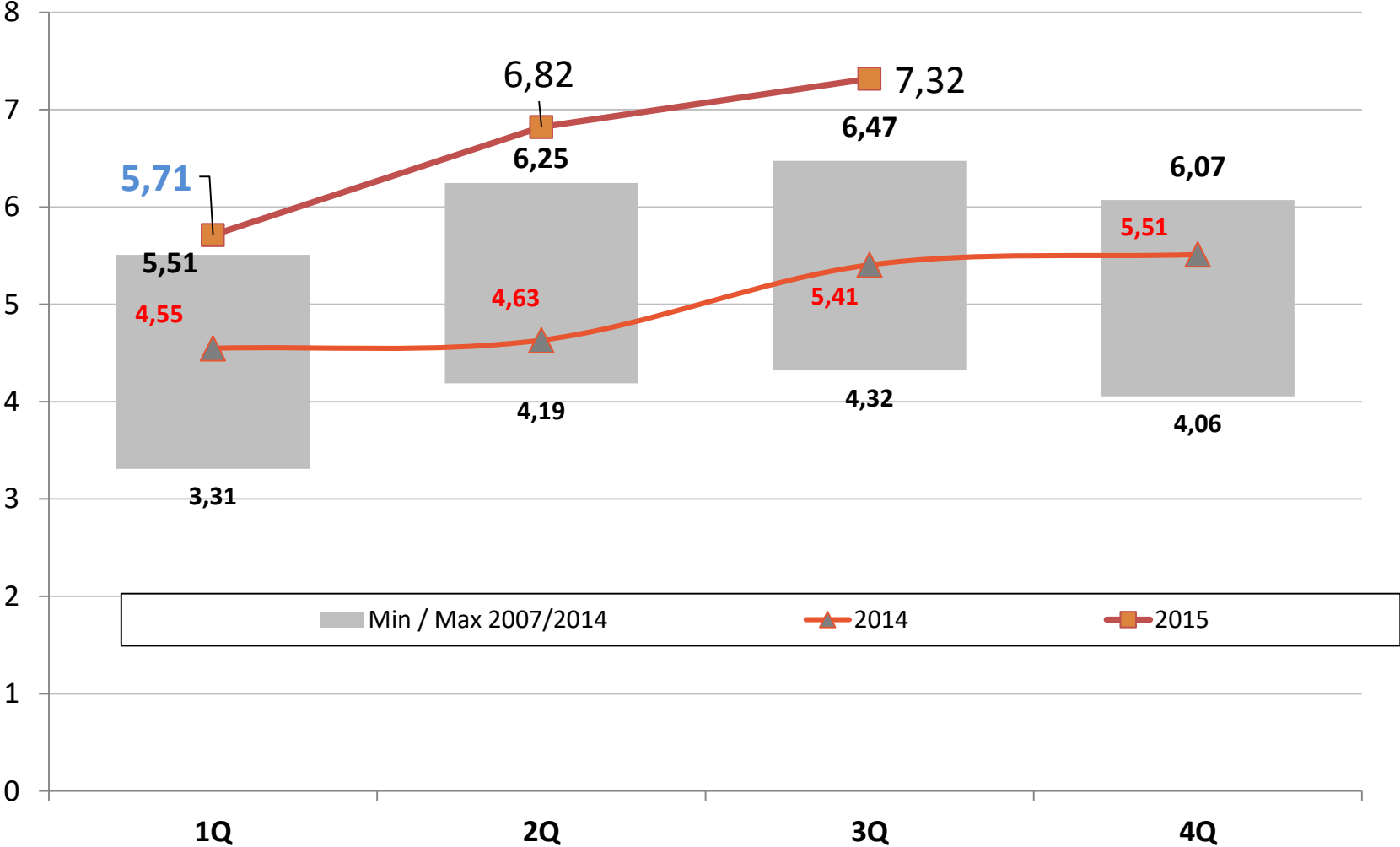
Med & Tüpraş Net Margins, \$/bbl



Capacity Utilisation,%

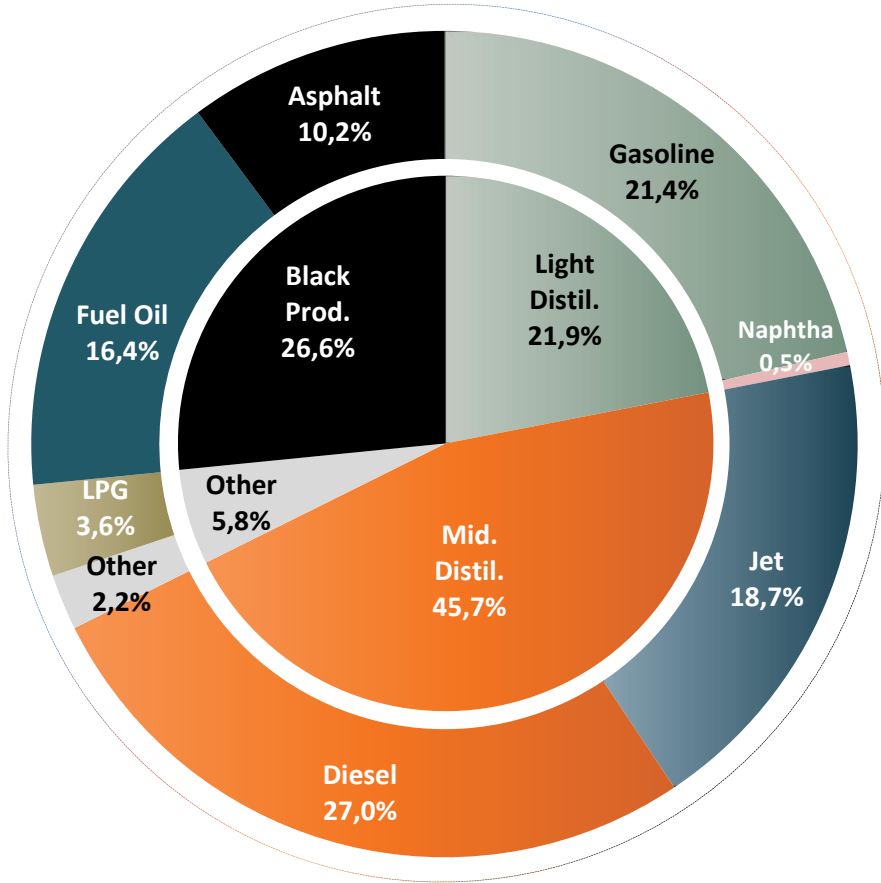


Quarterly Production Volumes (Million Tons)



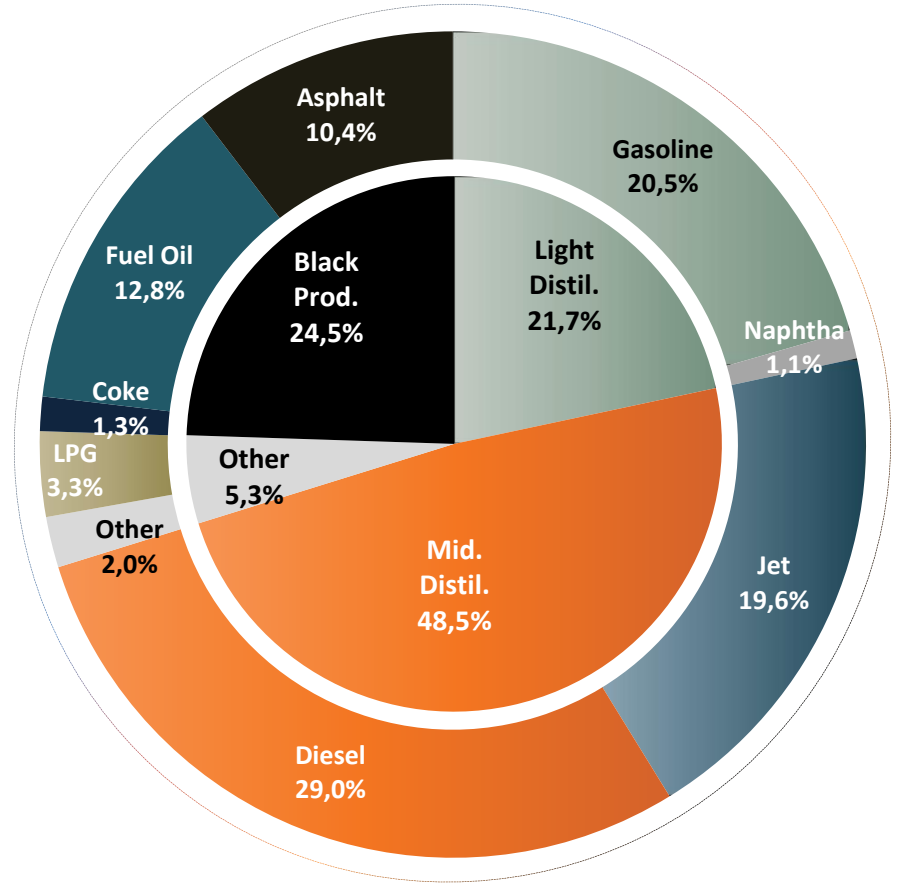
9M Product Yields

2014



White Product 72.81%
Production 14.4 mn ton
API:32.44

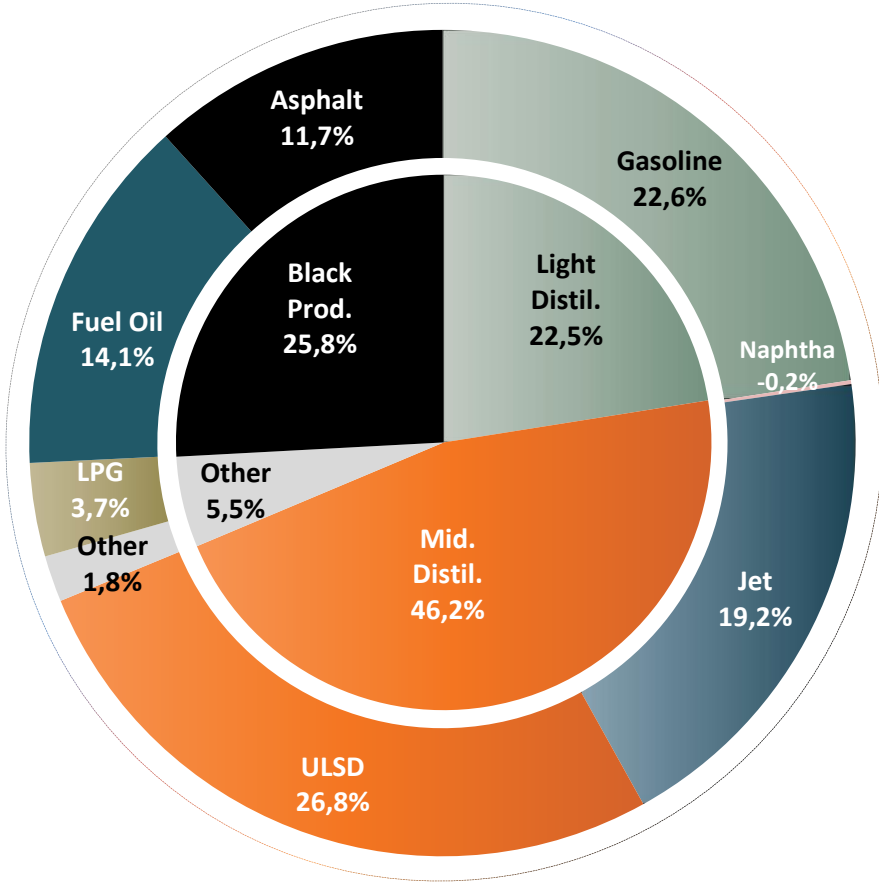
2015



White Product 74.66%
Production 19.6 mn ton
API:31.75

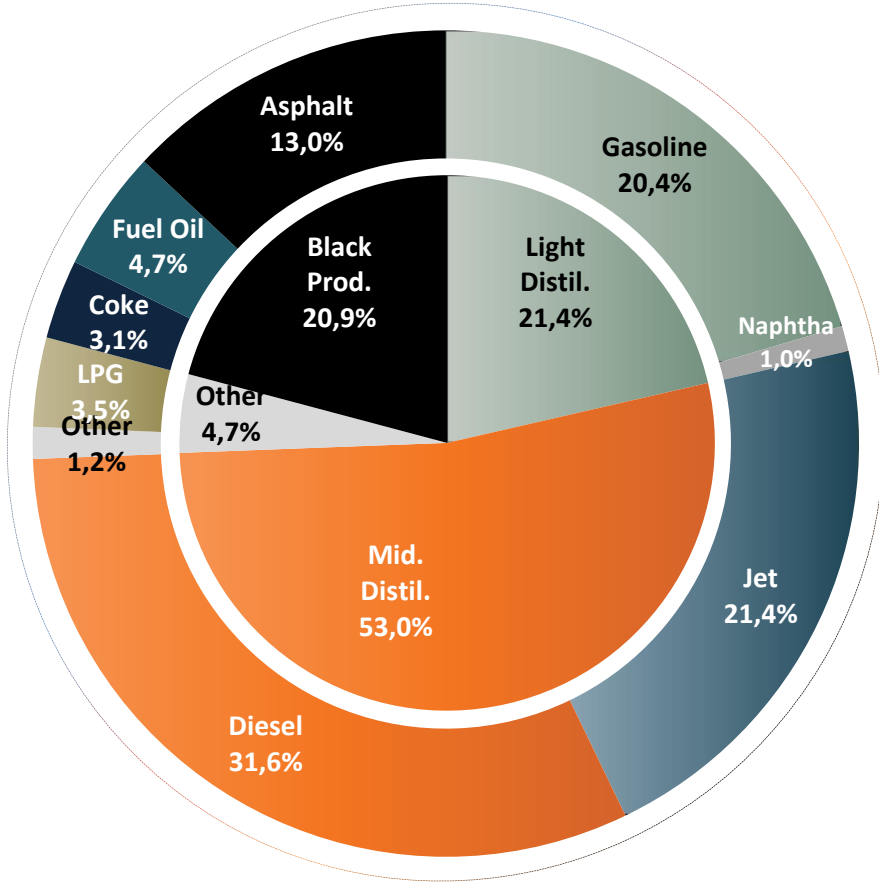
3rd Quarter Product Yields

2014



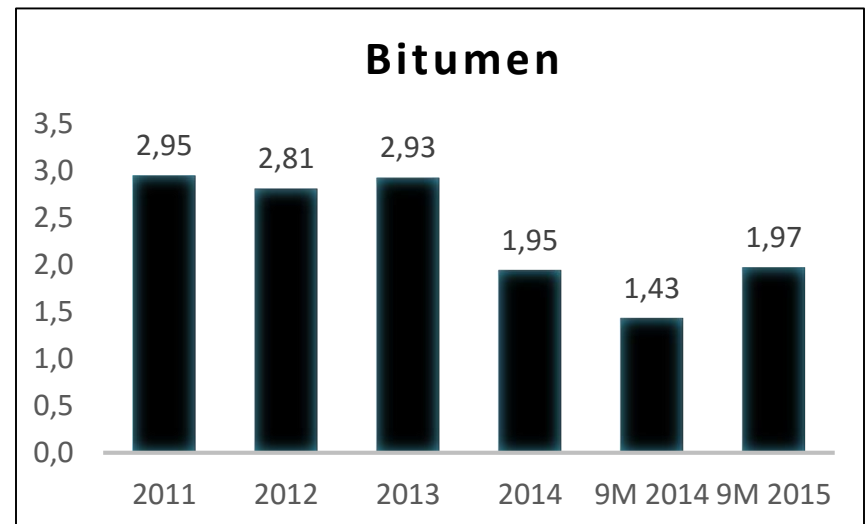
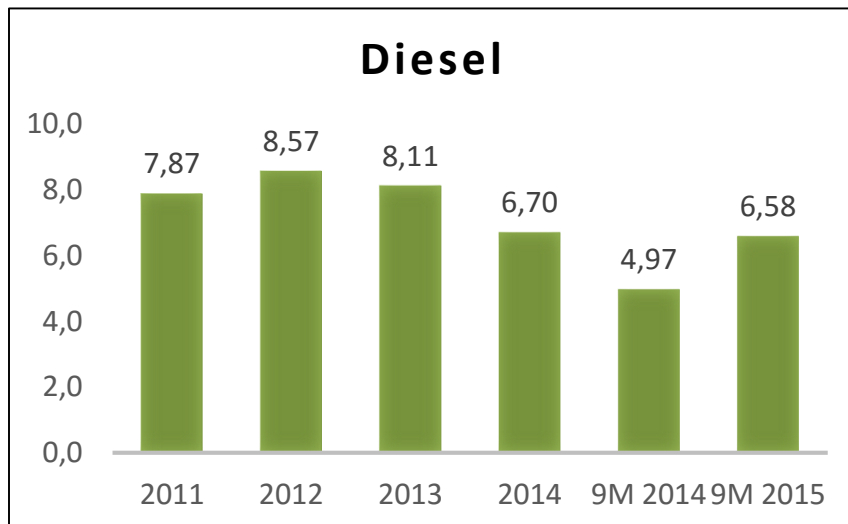
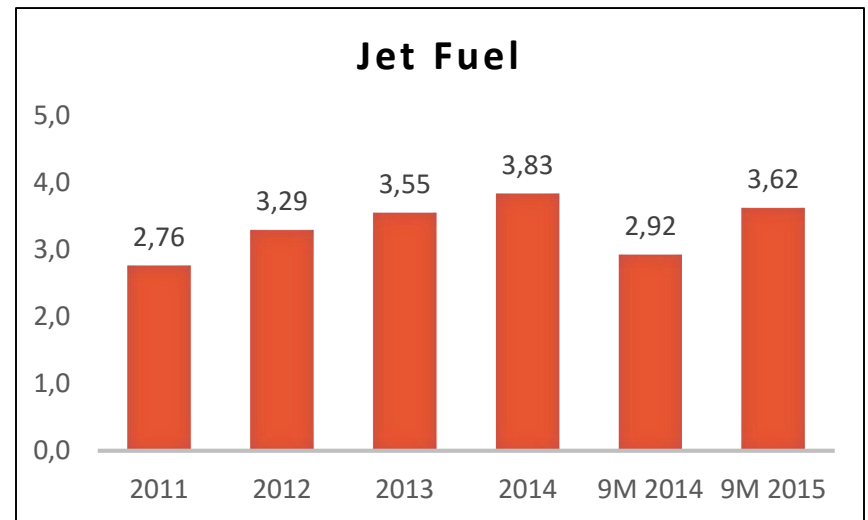
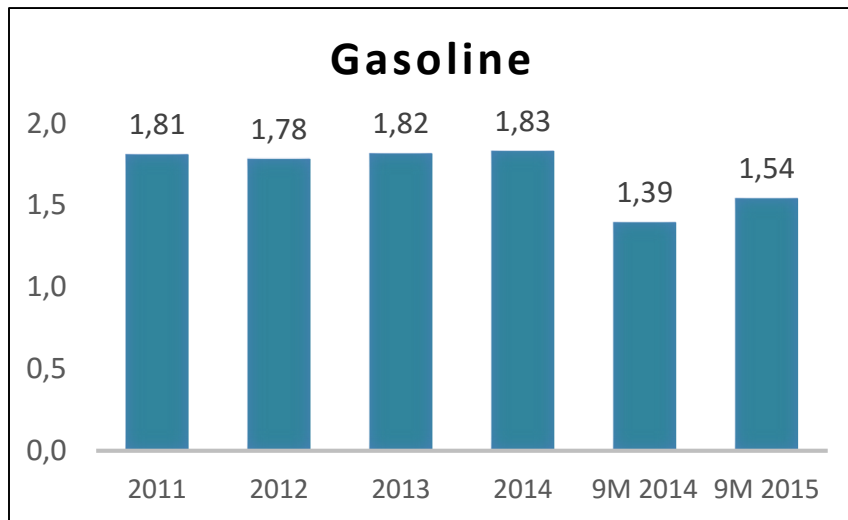
White Product 73.50%
Production 5.4 mn ton
API:31.79

2015



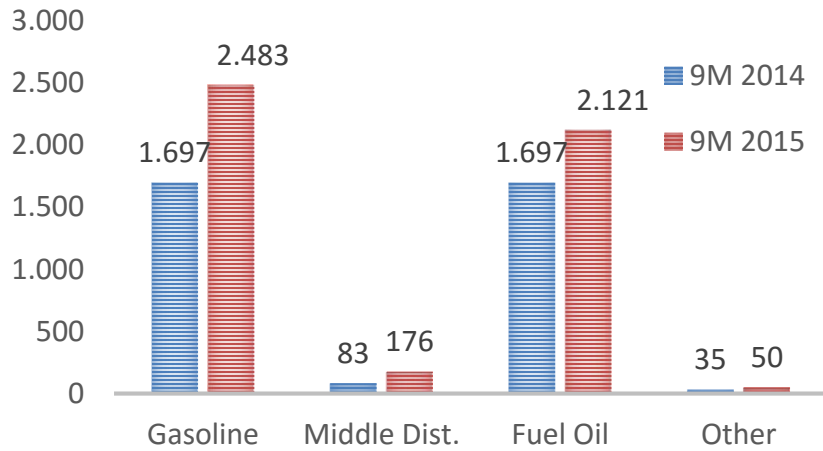
White Product 77.98%
Production 7.3 mn ton
API:30.25

Domestic Sales, million tons



9M Trading Activities

Exports, Ton*000



❖ Exports

- High CUR = big increases in export

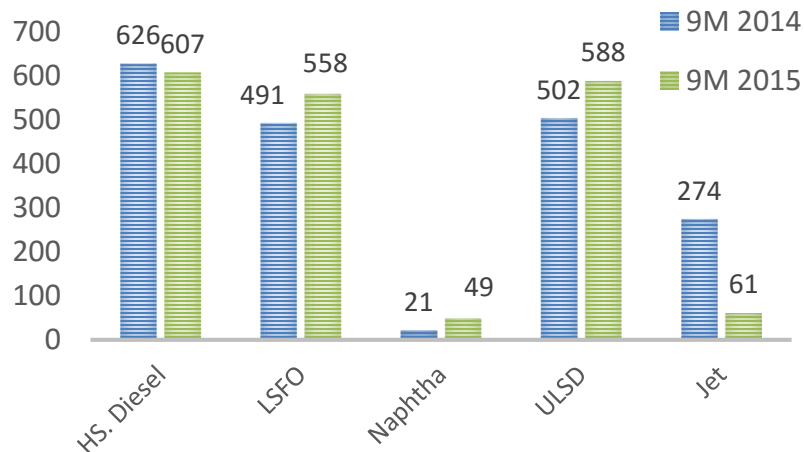
❖ Finished Products

- Despite high CUR, diesel imports continued, in order to take market share prior to RUP completion

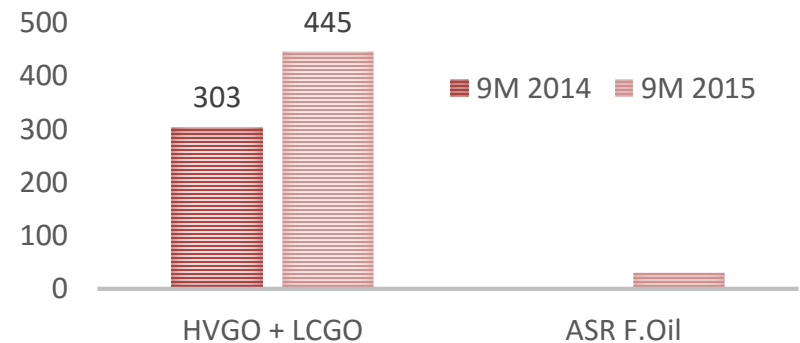
❖ Intermediates

- HVGO for Hydrocracker commissioning

Product Imports, Ton*000

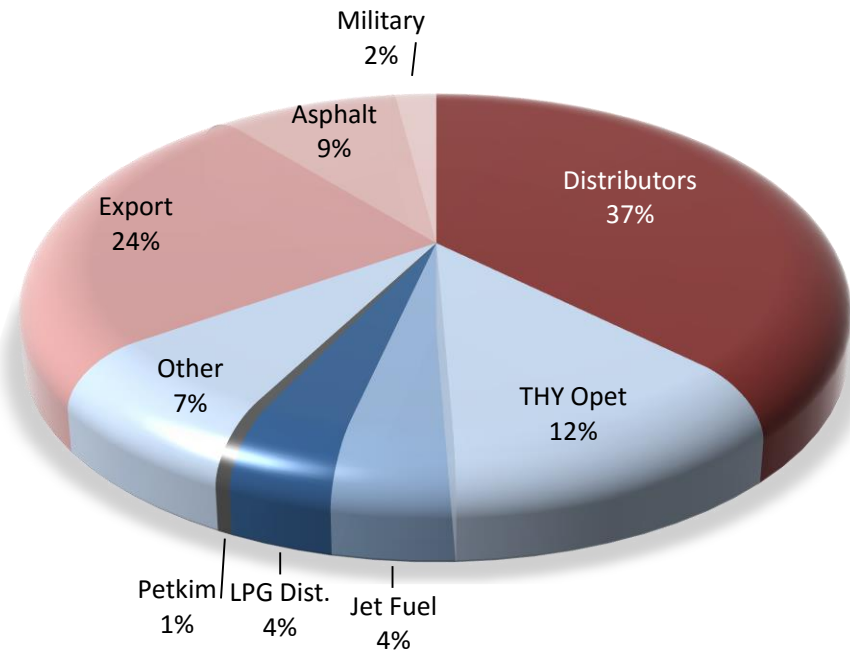


Intermediate Imports, Ton*000



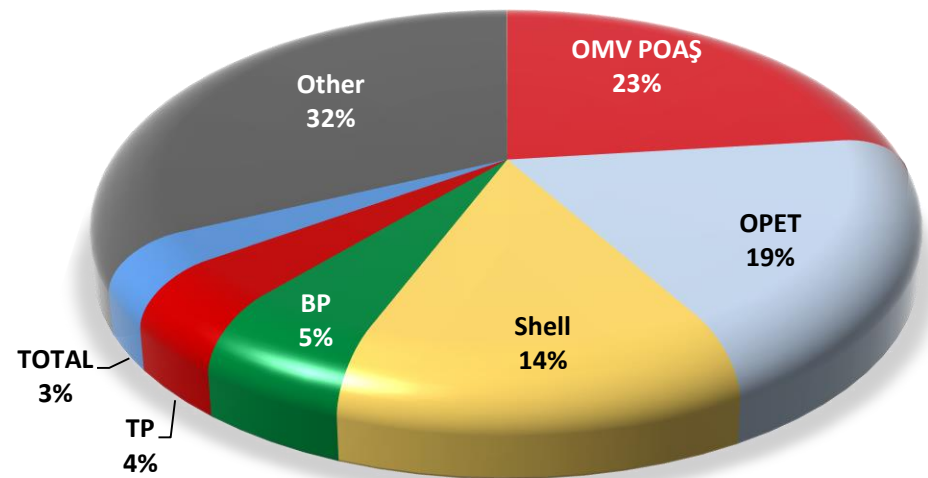
Sales By Customer 2014

Customer Groups



Total: 22,2 million ton

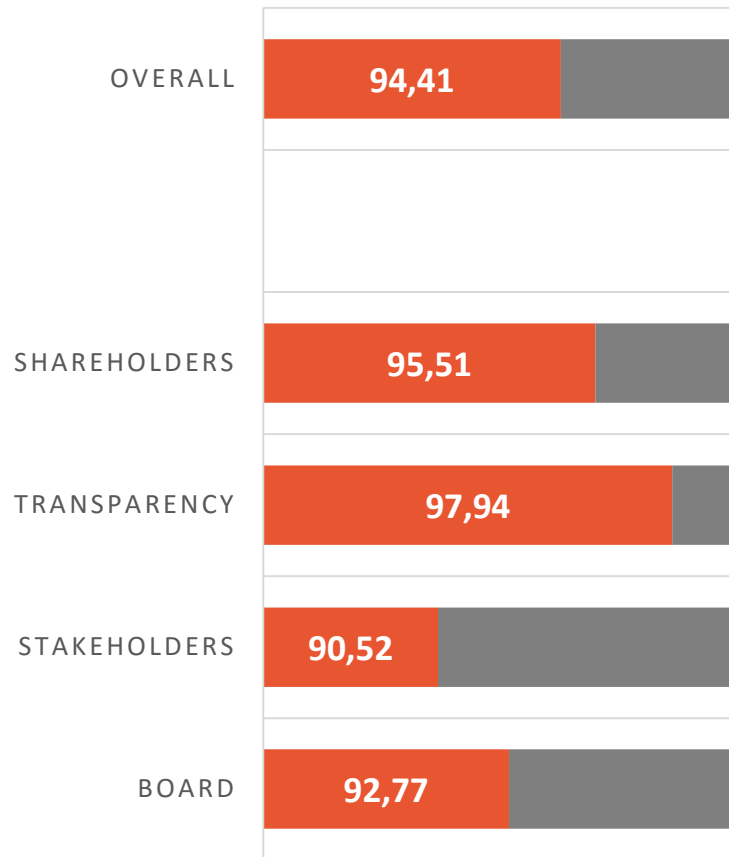
Sales to Distributors



Distributors : 9,6 million ton

Corporate Governance

Corporate Governance Rating

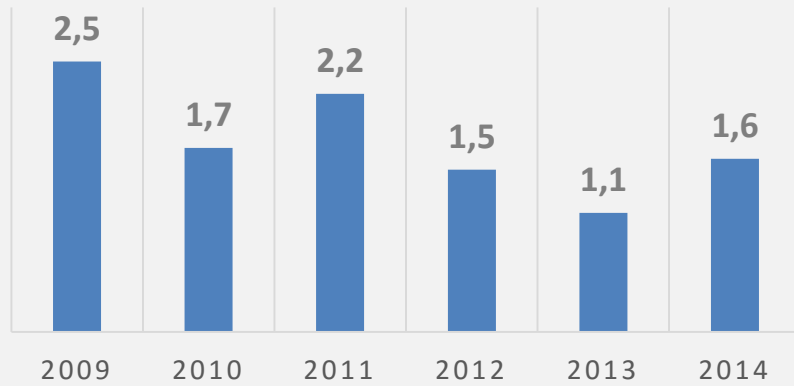


- ❖ One of the top rated companies in Turkey
- ❖ Committed to continuous improvement in this area
- ❖ Member of the Corporate Governance Association

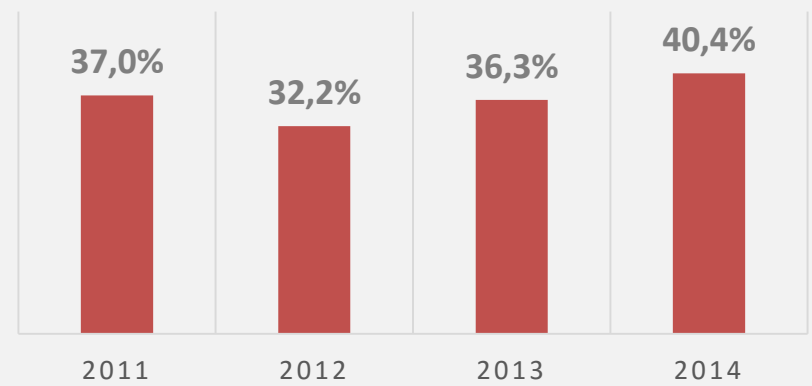


Sustainability

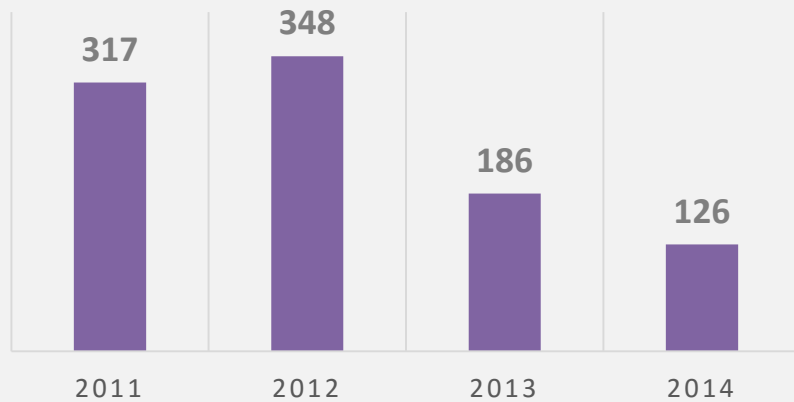
Accident Frequency Rate



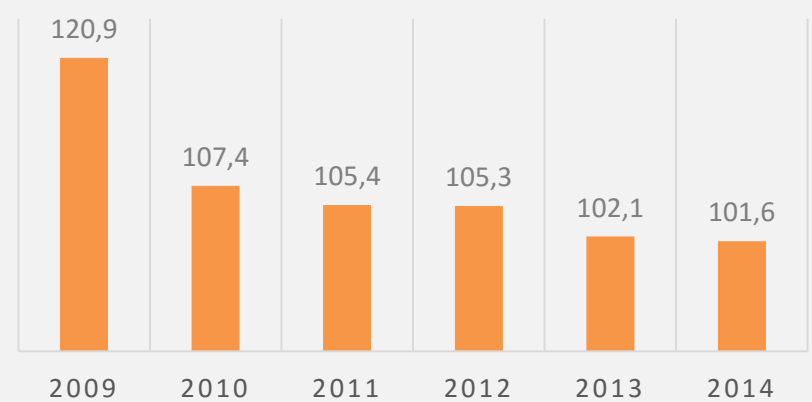
Recycled Water %



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

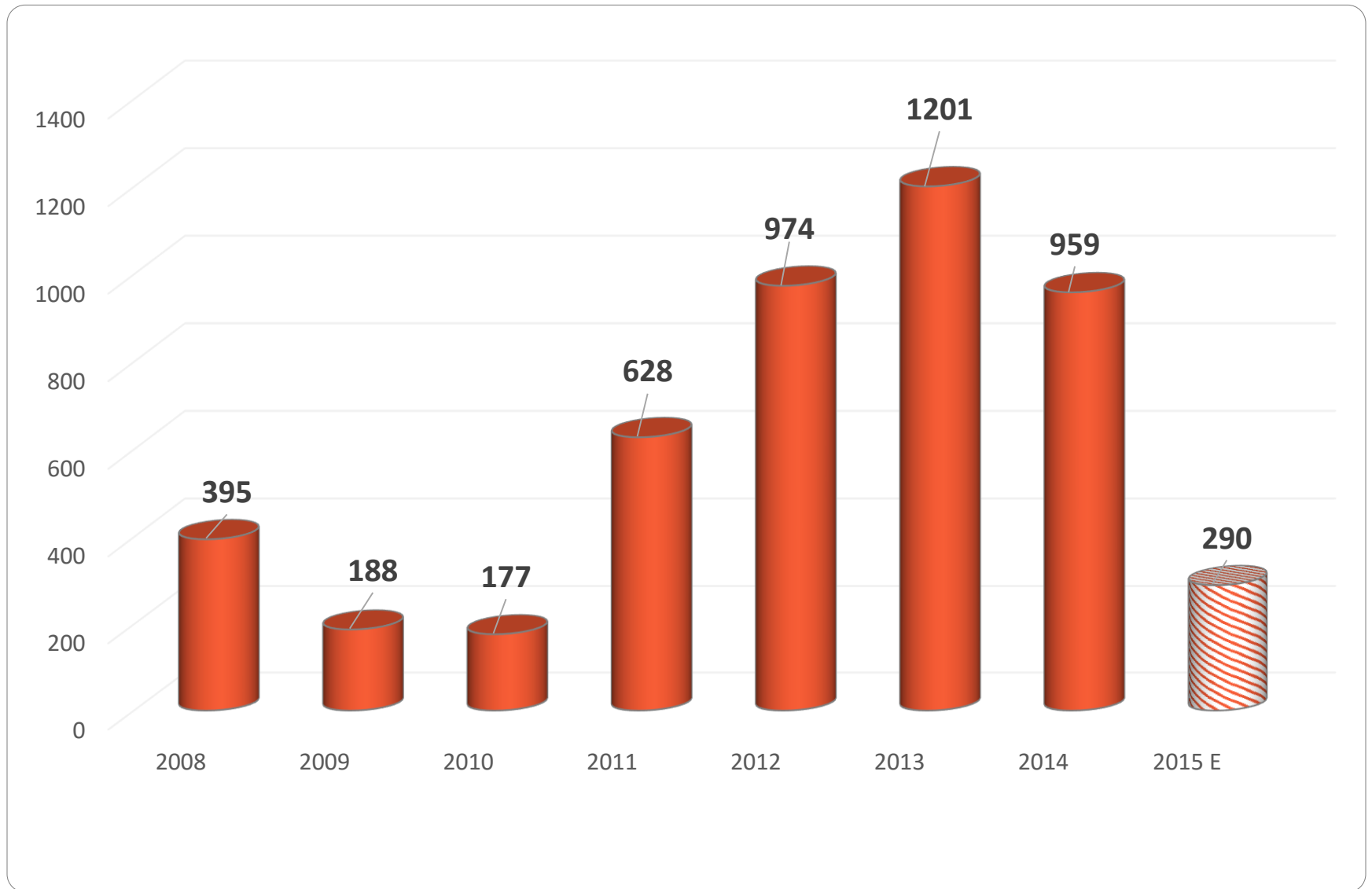
Environment

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

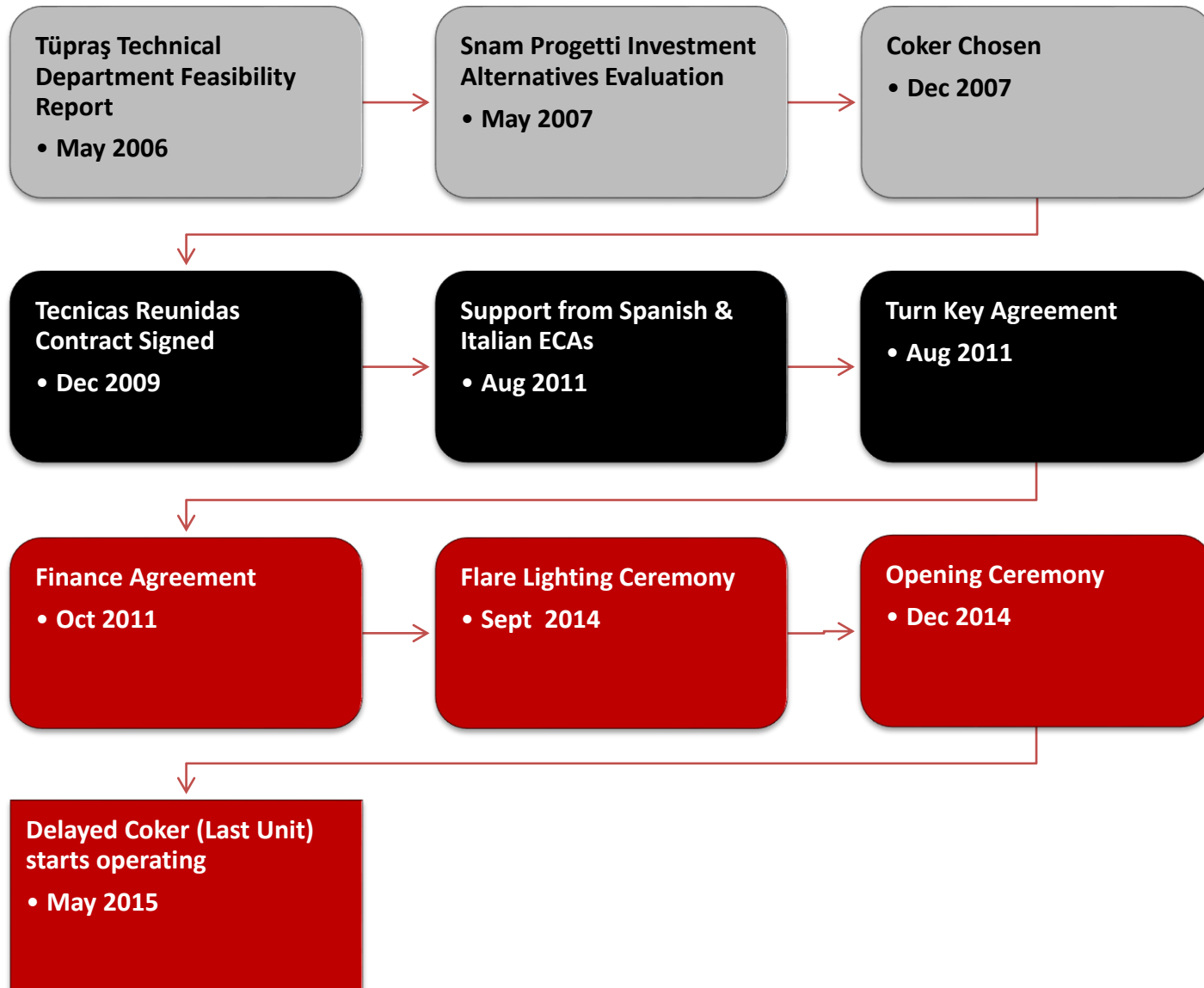
Investments



Investments (Million USD)



RUP- Mile Stones



Residuum Upgrade Performance

- As expected:
 - The whole refining system is profitably running at full capacity utilization
 - Diesel production and market share has been significantly boosted
 - The expected boost in EBITDA is in line with the \$550 million per annum originally expected



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 Unit Revamping Project

Project Aims

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

What the Project Entails

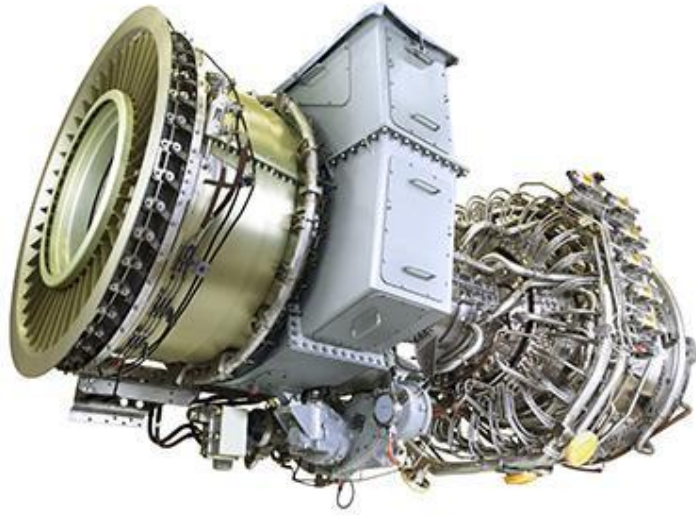
- Configuration Changes
 - De-salter & Pre-flash column
- Heat recycling – Heat Exchanger
- Replace column internals
- New pre-flash drum

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%

R&D

- ❖ The R&D department was set up in 2009
- ❖ It works primarily on process improvements
- ❖ One of the first commercial successes was the **Membrane Deaerator Project**

- ❖ The Project maximizes the use of waste heat in the refinery by utilizing cold feed water
- ❖ Unit costs and physical size are much less than the alternative processes
- ❖ The process has been implemented in two of the refineries
- ❖ It won an EU Environmental awarded



Key Financials



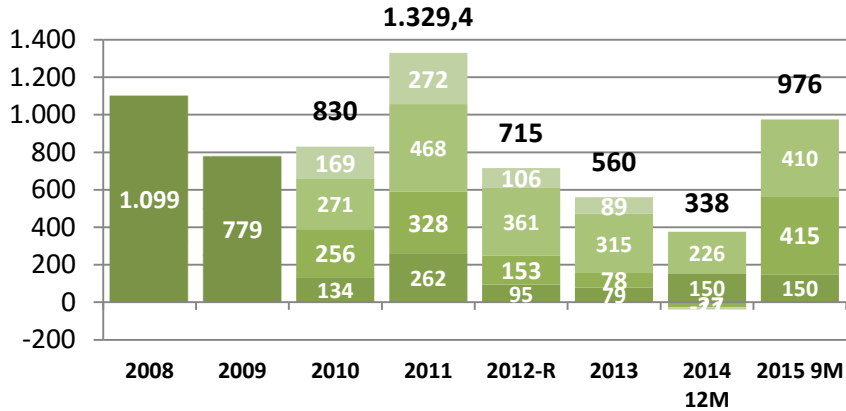
Profitability Indicators , 9 M & 3Q

2014 3Q	2015 3Q	(%)		2014 9M	2015 9M	(%)
101,85	50,26	-51	Dtd.Brent Price, (\$/bbl)	106,57	55,39	-48,0
31,79	30,25	-4,8	Processed Crude API	32,44	31,75	-2,1
73,50	77,79	4,3	White Product Yield, (%)	72,8	74,6	1,8
3,45	4,92	43,0	Med. Complex Margin,(\$/bbl)	1,31	5,26	301,5
5,53	8,32	50,5	Tüpraş Net Margin,(\$/bbl)	2,71	6,89	154,2
69,7	210,0	201,1	Operating Profit, (mn. \$)	186,1	590,2	217,2
196,1	363,6	85,4	Operating Profit for EBITDA, (mn. \$)	261,2	856,2	227,7
226,0	410,5	81,6	EBITDA *(mn. \$)	349,0	975,6	179,5
297,6	512,1	72,1	EBITDA* (mn. \$) CCS	381,6	1080,3	183,1
118,1	641,9	443,6	EBITDA (mn.\$)-CMB	273,9	709,6	159,1

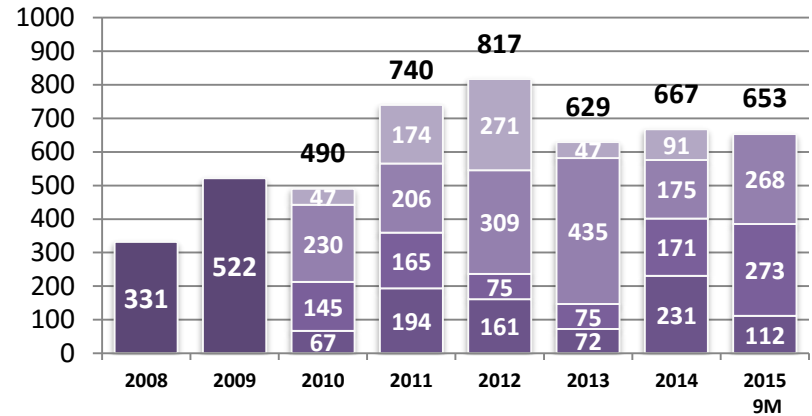
* In our EBITDA calculation, FX related items are not included, whereas CMB rules is that these should be included in operating profit

Financial Highlights (mn \$)

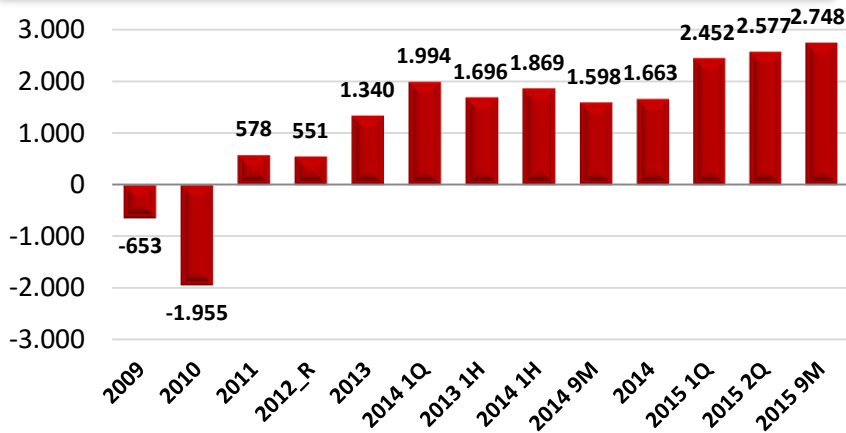
EBITDA



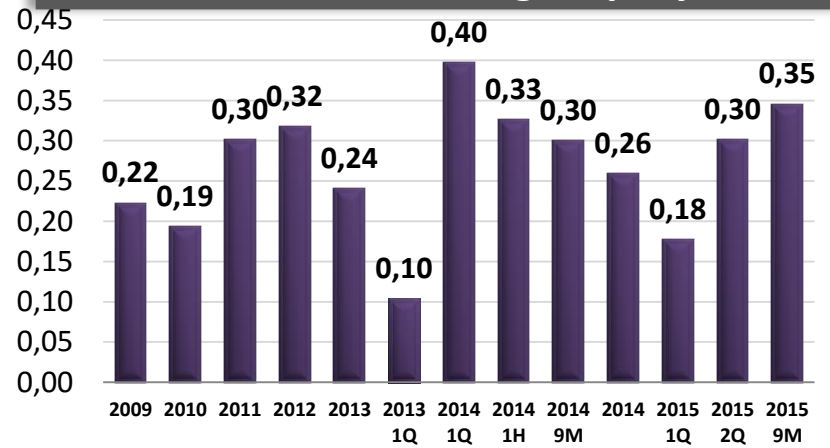
Net Income



Net Debt/(Cash)

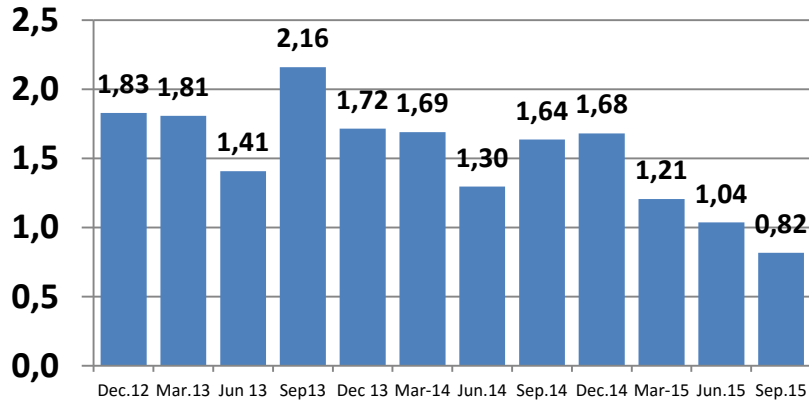


Return on Average Equity

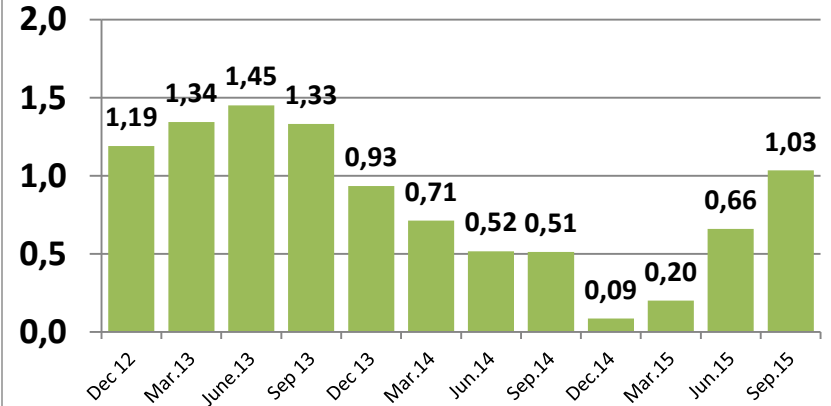


Balance Sheet Analysis

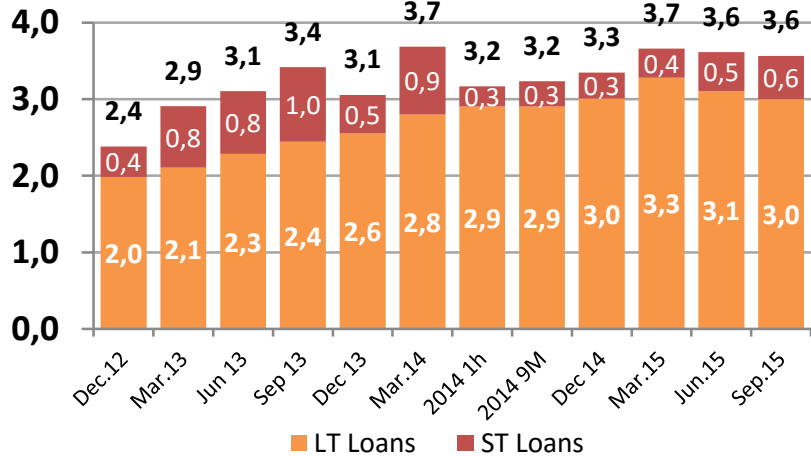
Cash & Equivalents (Billion \$)



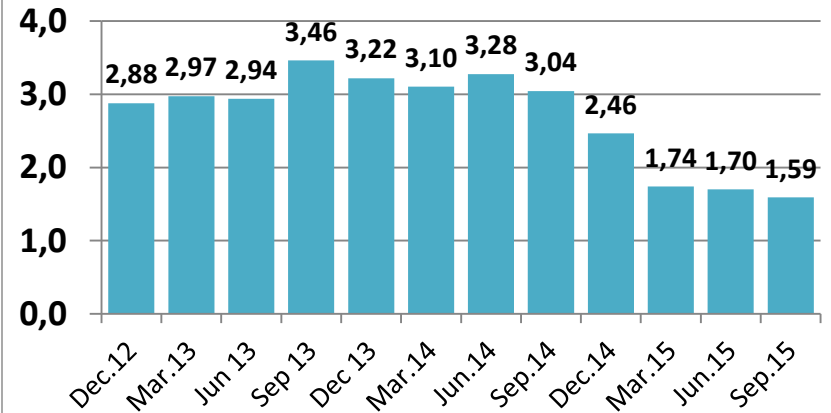
Receivables (Billion \$)



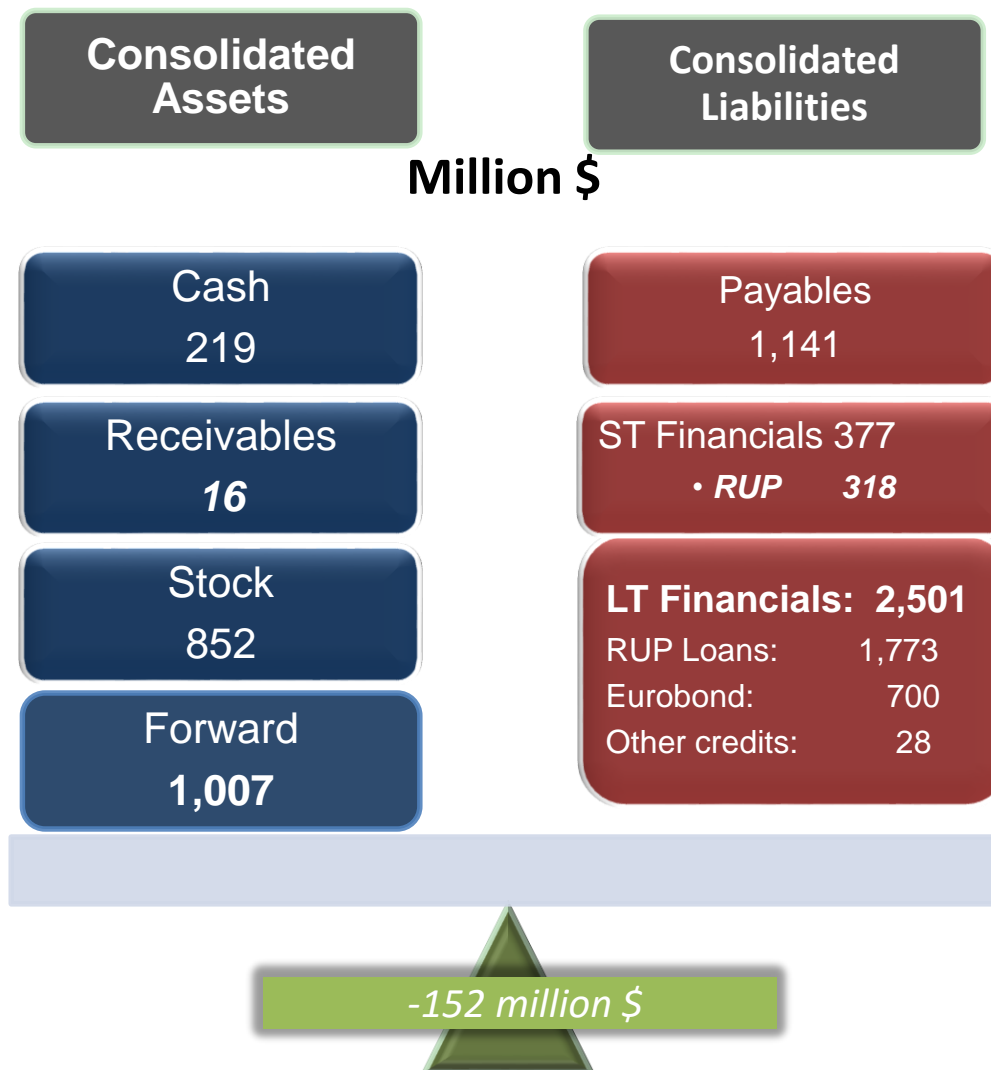
Financial Loans (Billion \$)



Payables (Billion \$)



FX Risk Exposure (30 September 2015)



FX Risk with RUP : -1,925 million \$

Income Statement

3Q 2014	3 Q 2015	% Diff.	Million USD	9 M 2014	9 M 2015	% Diff.
5.467, 1	3.685, 4	-33	Net Sales	14.190,6	10.539,4	-26
277,4	435,6	57	Gross Profit	479,4	1.081,2	126
-81,6	-81,8	0	Operating Expenses	-226,6	-223,8	-1
-126,1	-143,8	14	Income/Loss from other operations	-66,8	-267,2	300
69,7	210,0	201	Operating Profit	186,1	590,2	217
7,4	12,1	64	Income/Loss from equity investment	20,9	15,8	-24
77,1	222,0	188	Operating Profit Before Fin. Income/Loss	207,0	606,0	193
118,4	184,4	56	Financial Income	163,3	377,3	131
-135,1	-228,5	69	Finance Expenses	-241,3	-539,7	124
60,3	177,9	195	Profit Before Tax & Minorities	129,0	443,6	244
174,7	268,5	54	Net Profit	576,3	653,3	13

Tüpraş Balance Sheet-Assets

Million USD	30.09.2015	31.12.2014	Difference	% Difference
Current Assets	3.213	3.015	199	7
Cash & C. Equivalents	817	1.681	-864	-51
Receivables	1.073	87	986	1140
Derivatives	166	28	138	494
Inventories	895	1.022	-128	-12
Pre-paid expenses	46	53	-8	-14
Other Current Assets	218	144	74	52
Long Term Assets	5.496	6.443	-947	-15
Financial Assets & Subsidiaries	234	315	-81	-26
Fixed Assets	3.754	4.600	-846	-18
Pre-paid expenses	61	112	-52	-46
Deferred Tax	1.107	1.131	-24	-2
Other Long Term Assets	246	284	-38	-13
Total Assets	8.709	9.458	-749	-8

Tüpraş Balance Sheet-Liabilities

Million USD	30.09.2015	31.12.2014	Difference	% Difference
Short Term Liabilities	3.232	3.692	-460	-12
Financial Loans	564	335	229	68
Payables	1.589	2.464	-874	-35
Derivatives	13,79	0,03	13,76	46.927
Deferred Incomes	16	7	8,96	120
Provisions	39	47	-8	-18
Other ST Liabilities	1.009	838	171	20
Long Term Liabilities	3.085	3.087	-2	0
Financial Loans	3.000	3.009	-9	0
Payables & Provisions	63	76	-13	-18
Other LT Liabilities	22	2	20	880
Equity	2.374	2.655	-281	-11
Minority Interests	19	24	-6	-23
Total Liabilities	8.709	9.458	-749	-8

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

Crude Oil Prices (Brent)

- Previous expectations were for 55-57 dollars per barrel
- This has been revised to 52-55 dollars per barrel

Med Complex Margin

- Our previous expectations for Med Complex margin is 4.3-4.7 dollars per barrel range.

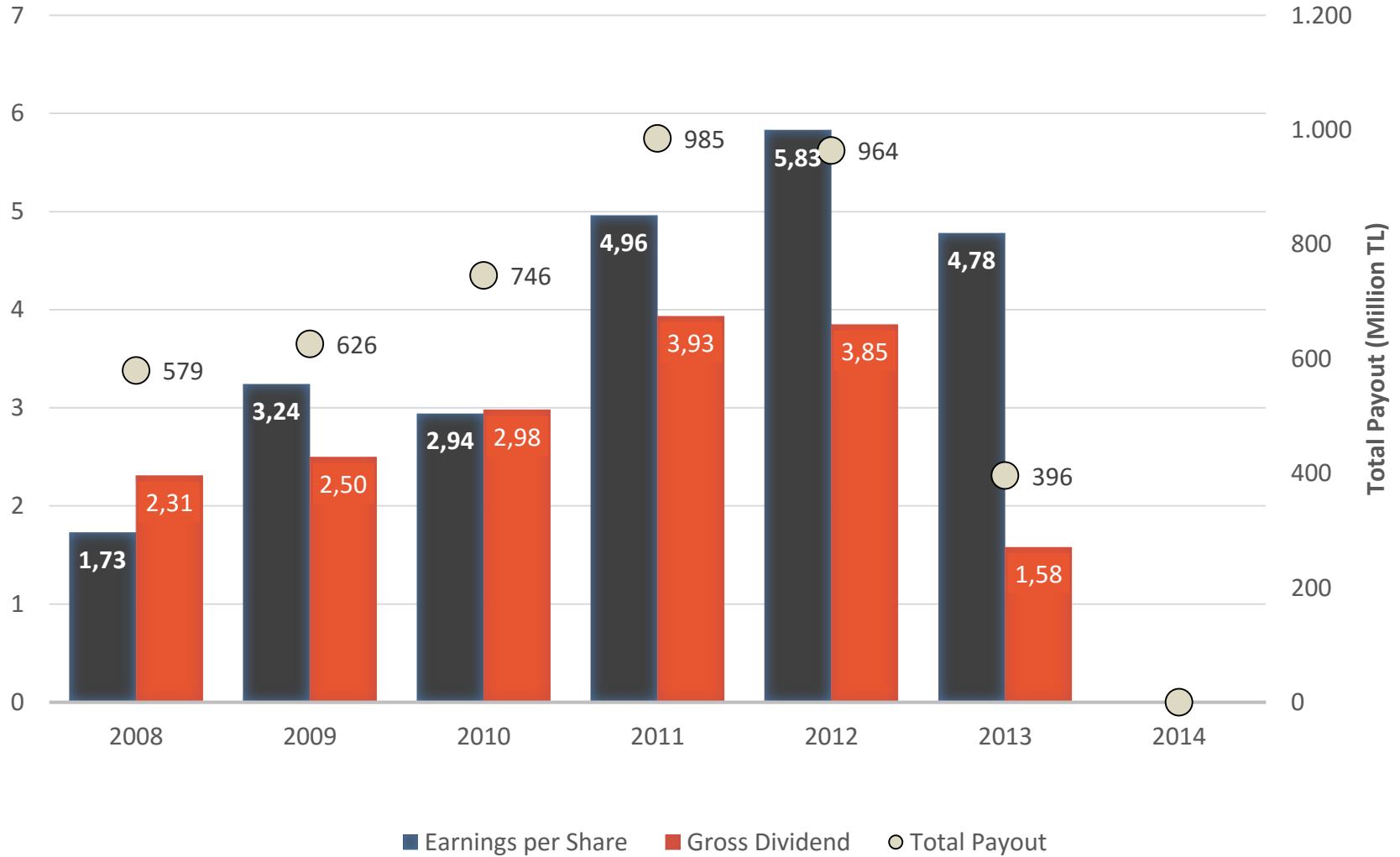
Tupras Net Margin

- For Tupras' net refinery margins, our previous guidance was 5.0-5.6 dollars per barrel. We now again increased to expect this to be in the region of 6.0-6.7 dollars per barrel.

Capacity Utilisation

- Expected Crude Oil Capacity Utilisation in 2015 is 97 %
- Production will be approximately 27.5 million tons

Dividends (TL)



2012/2013 EPS includes the tax incentive

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Turgut Tuncay Önbilgin

*Investor Relations and Reporting
Director*

Jonathan Lamb

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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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