



**Q4 2015
INVESTOR PRESENTATION**

01 Refining
Industry

02 Company
Overview

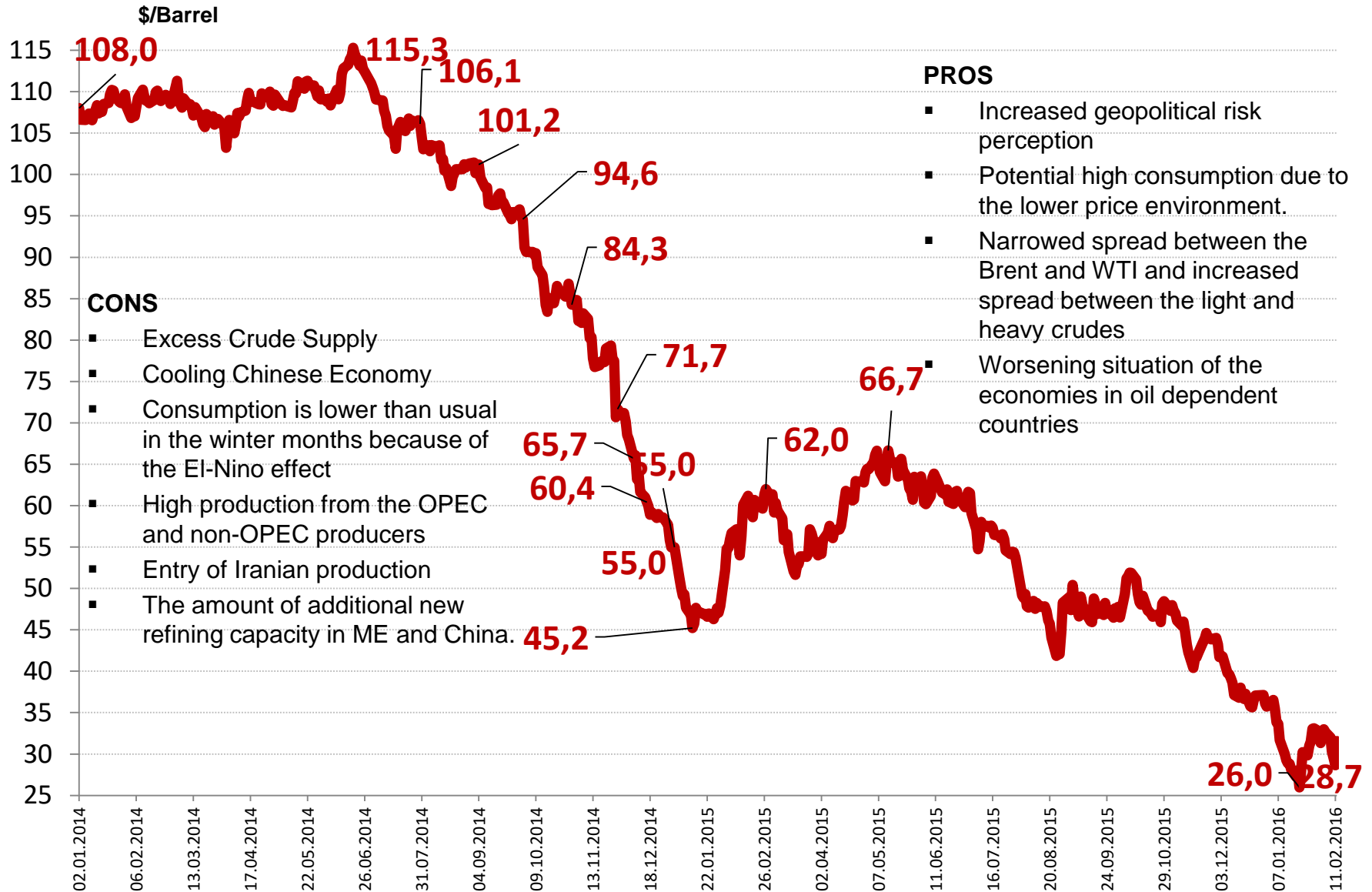
03 Investments

04 Key
Financials

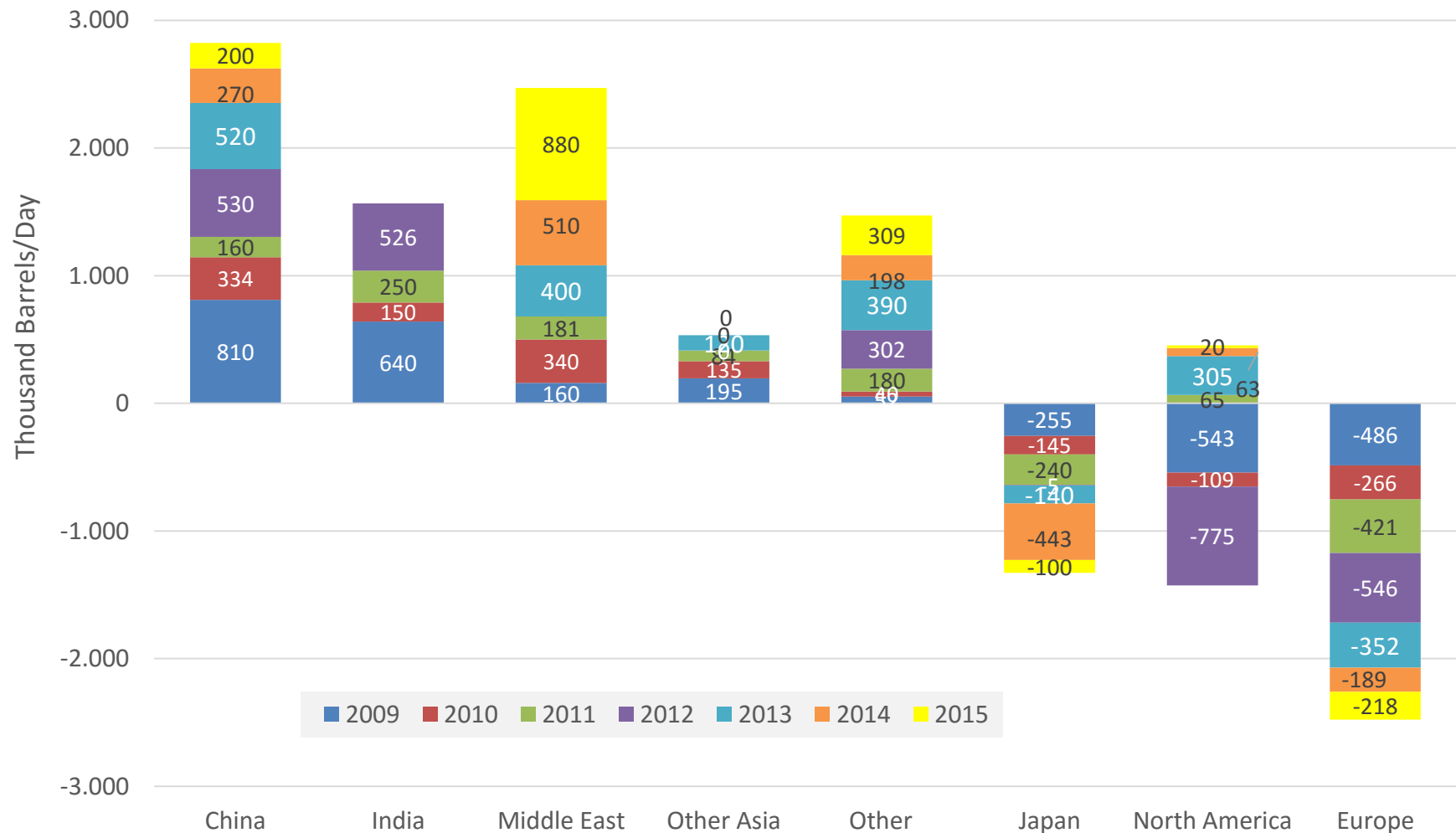
Refining Industry



Brent Crude Oil Prices



Net Refinery Capacity Change



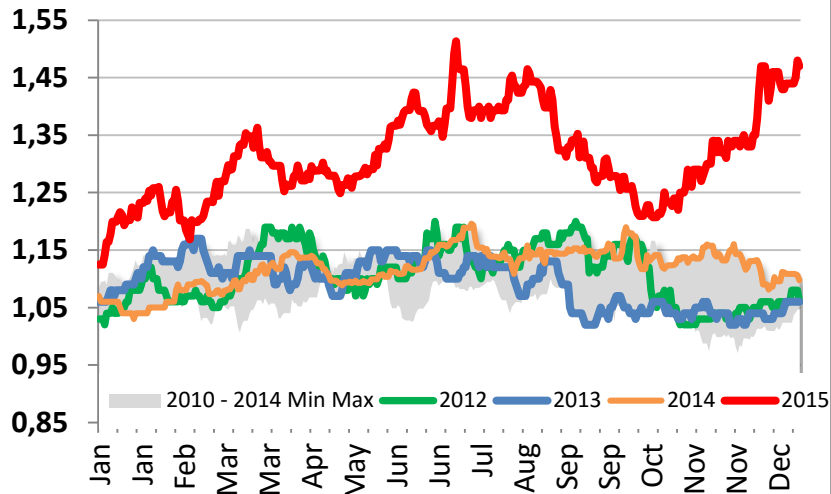
Source : Tüpraş

Refinery Value

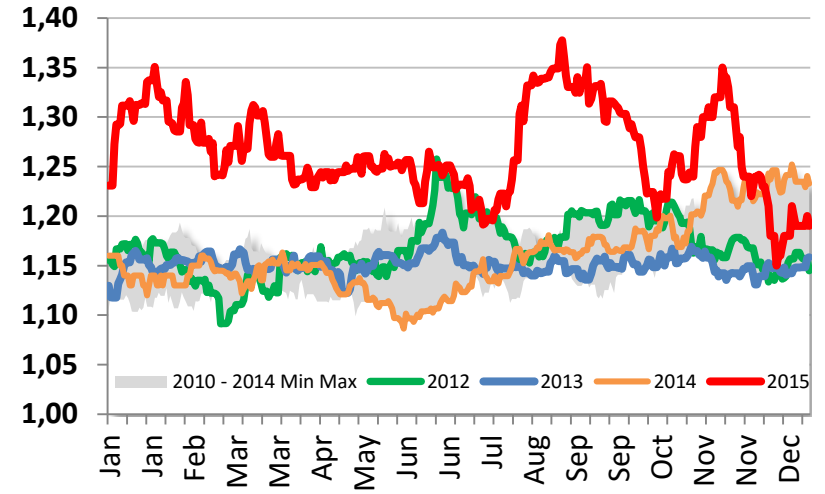


Product Ratios (Barrel/Barrel)

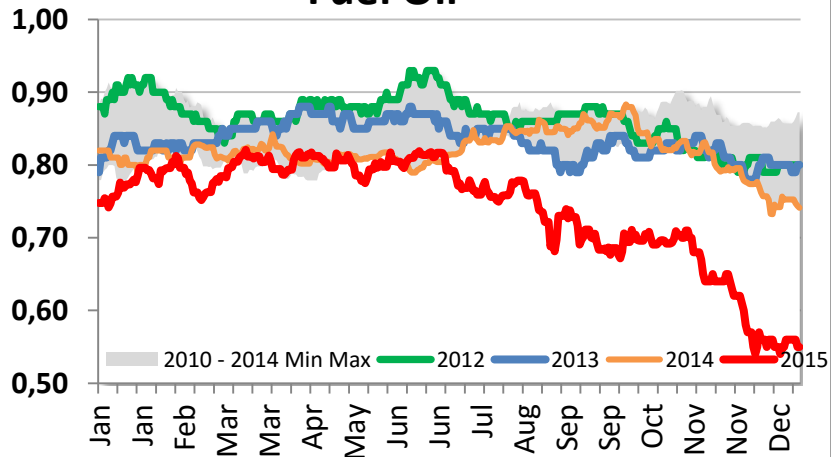
Gasoline



Diesel



Fuel Oil

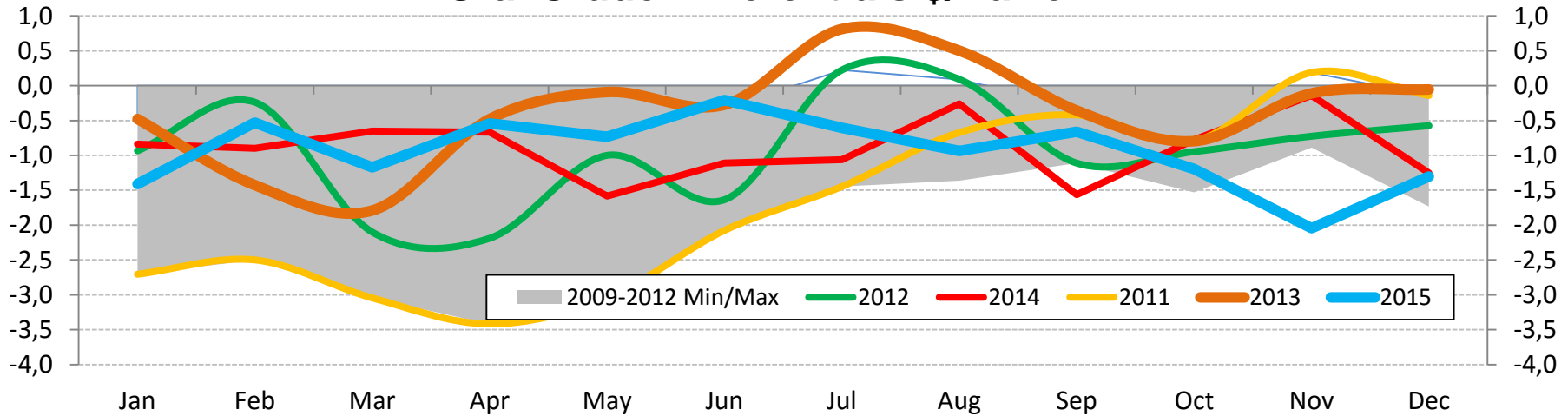


❖ 2015

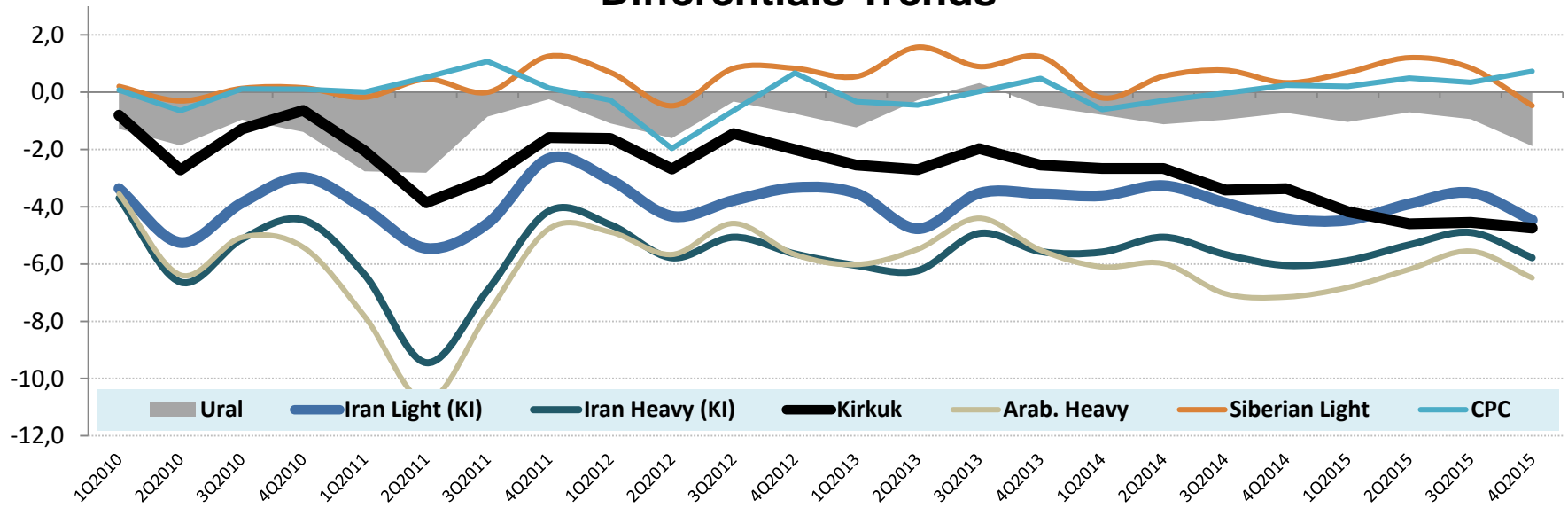
- Gasoline ratio was at very high levels
- Ratios have suffered seasonal declines

Crude Differentials \$/Barrel

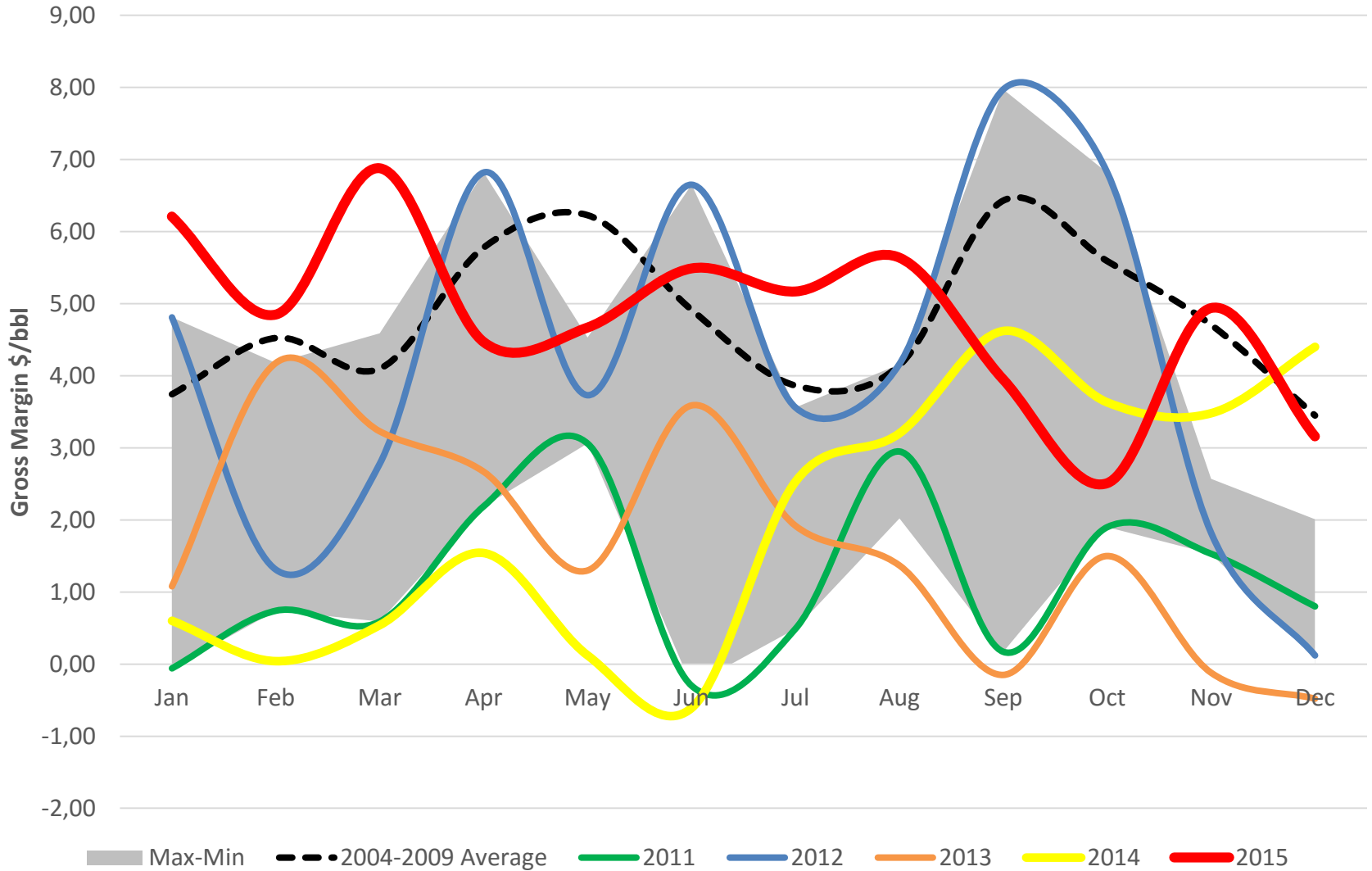
Ural Crude Differentials \$/Barrel



Differentials Trends



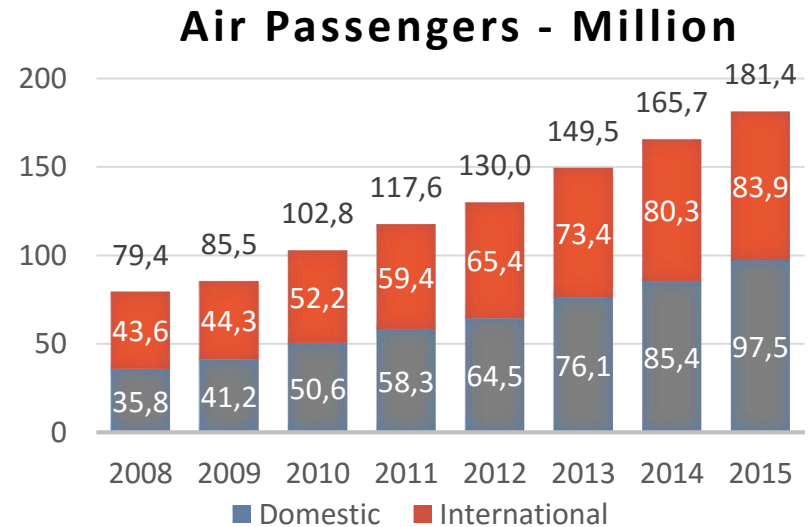
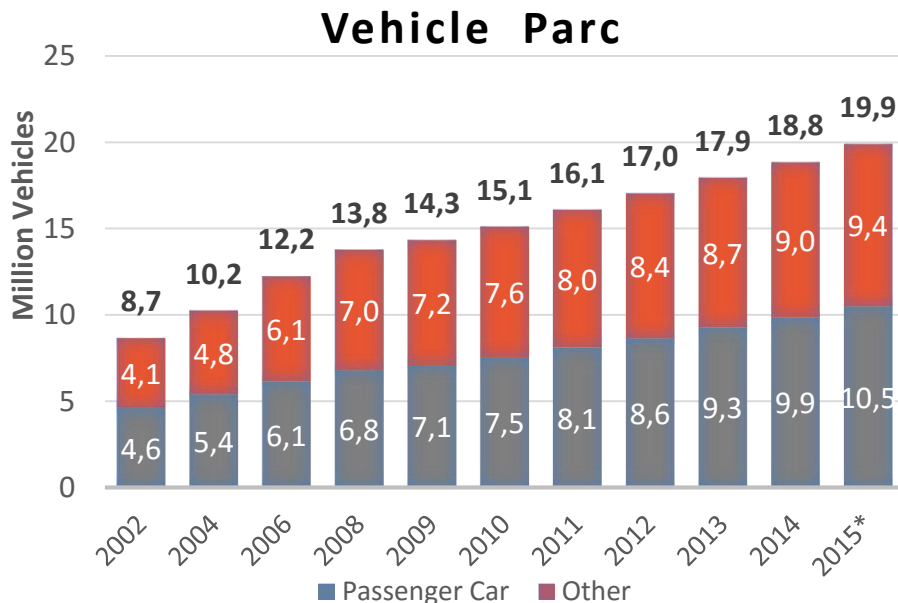
Med Complex Refining Margins



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



❖ 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

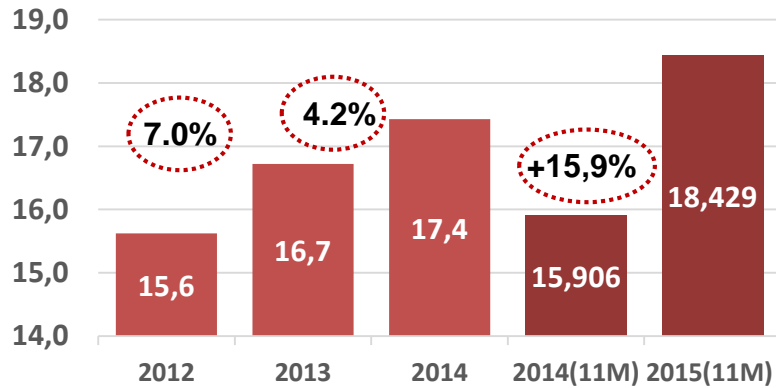
❖ Long Term Asphalt Demand Growth

- Infrastructure investments

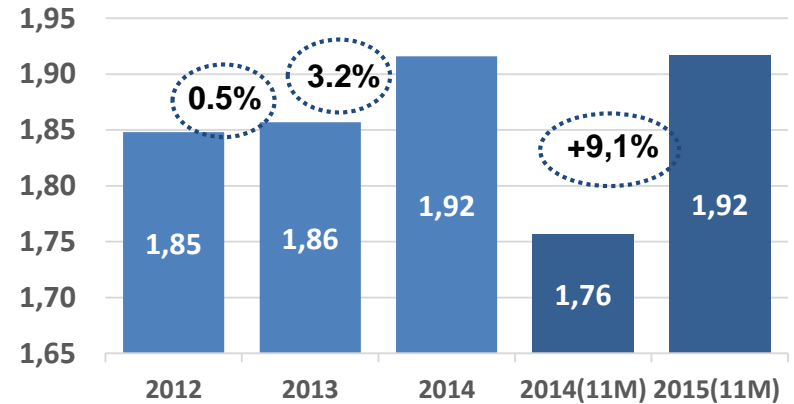
*By the end of November

Turkish Consumption (Million ton)

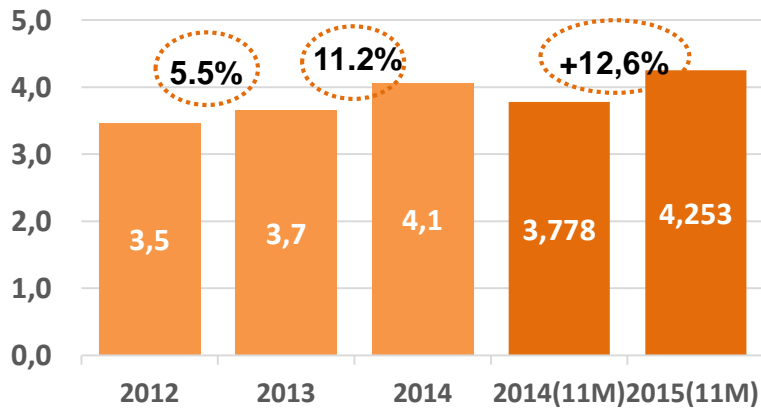
Diesel



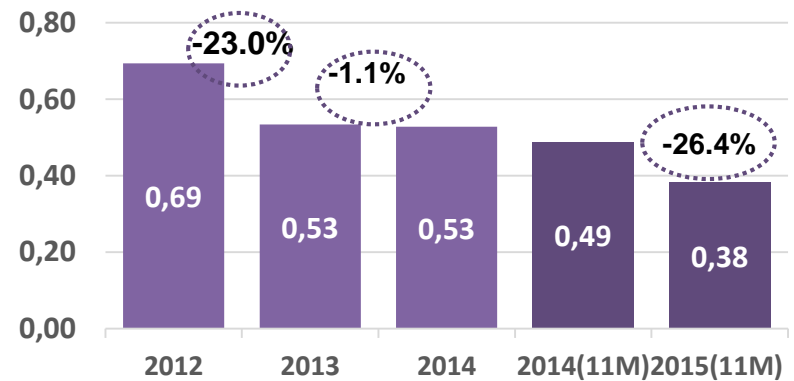
Gasoline



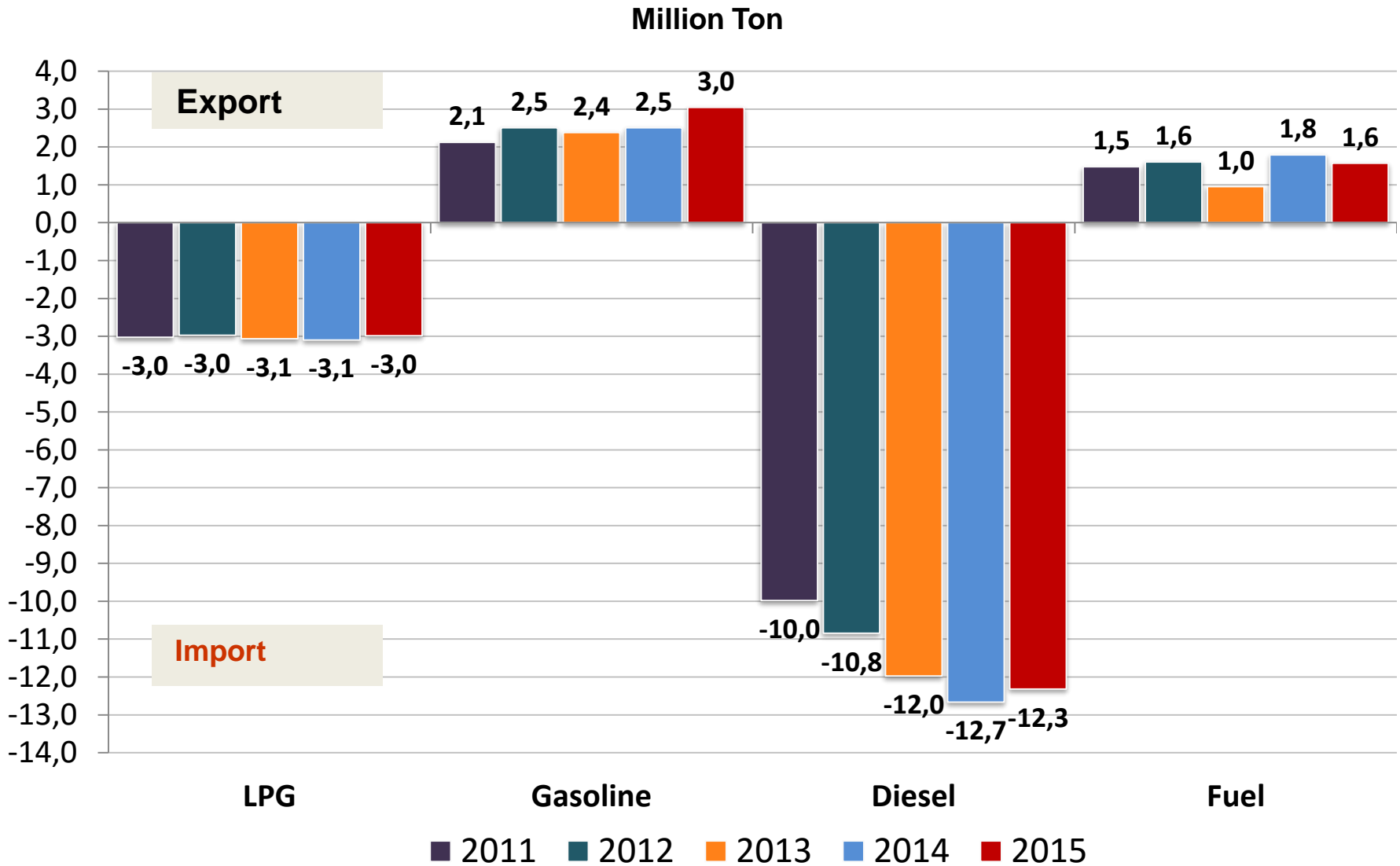
Jet Fuel



Fuel Oil



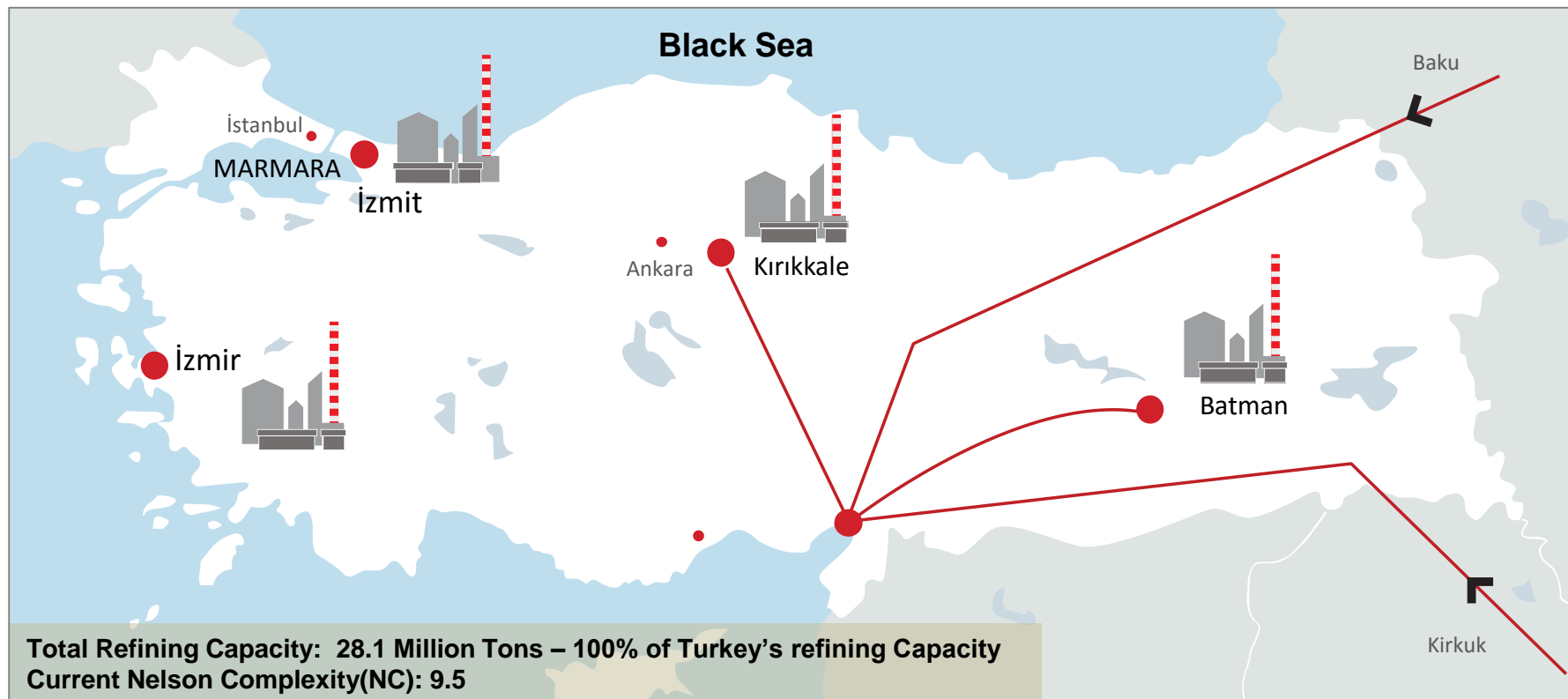
Turkey's Import / Export Balance (Net)



Company Overview



TÜPRAŞ Refining Assets



İzmit

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

İzmir

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

Kırıkkale

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

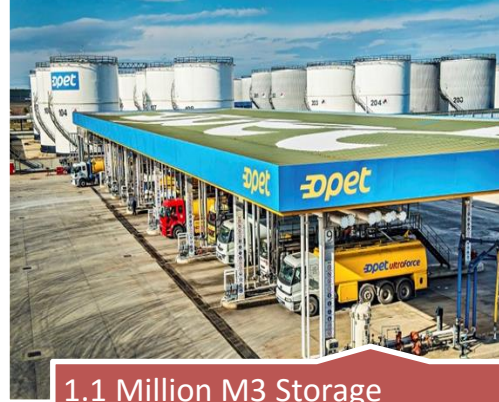
Batman

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



1.419 İstasyon

- 1.003 Opet Marka
- 416 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

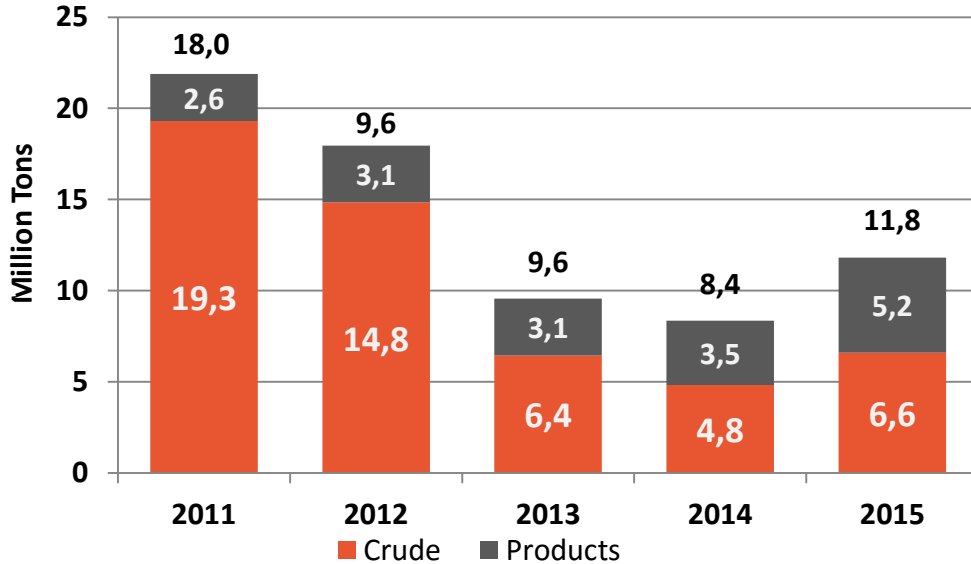


- Products
- 2012
- 55 K DWT

Esra & Aylin



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



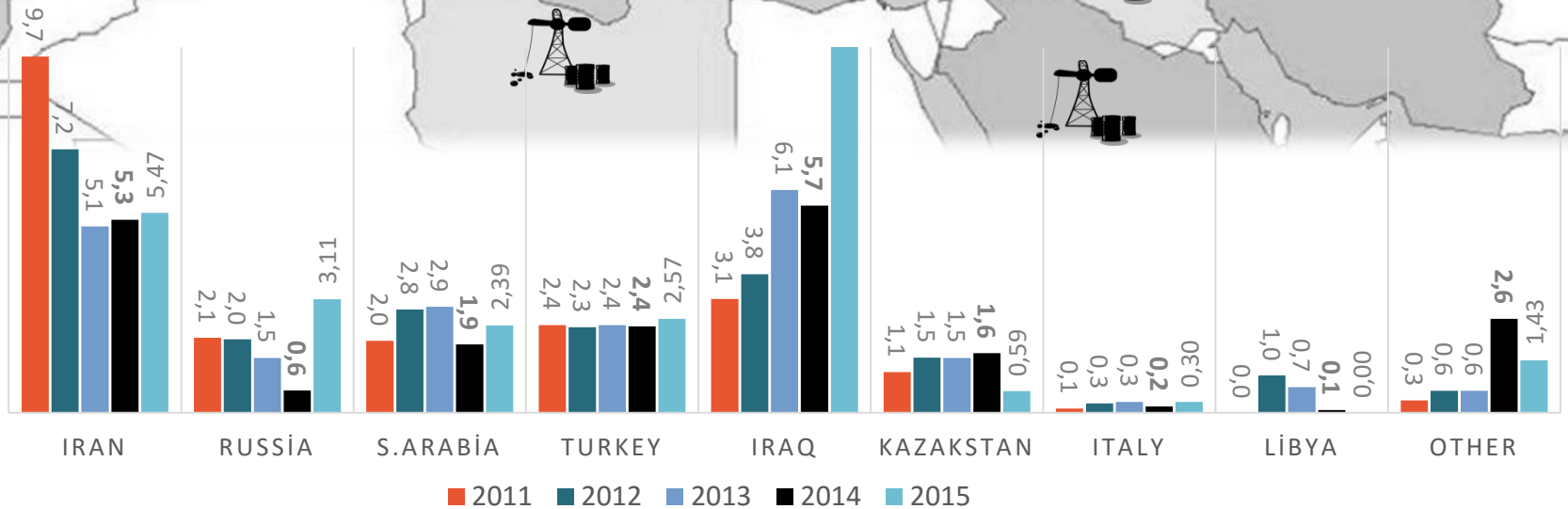
19 Tugboats

Financials

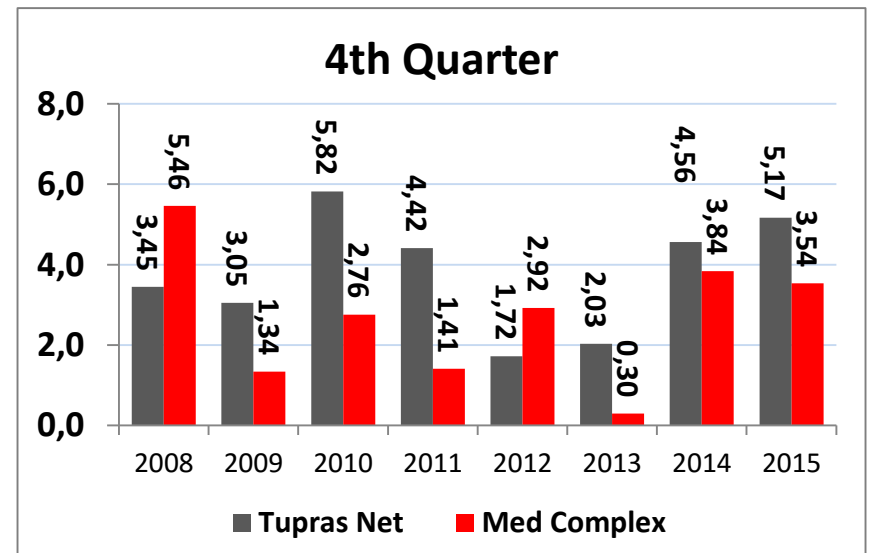
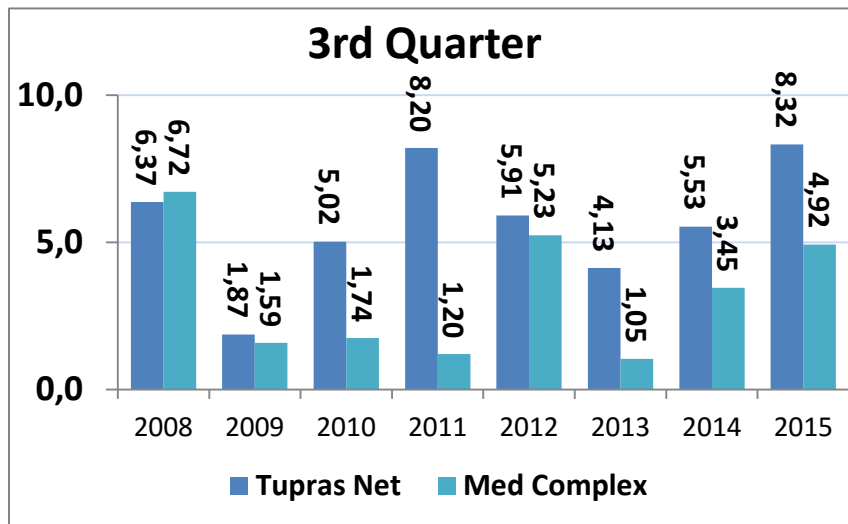
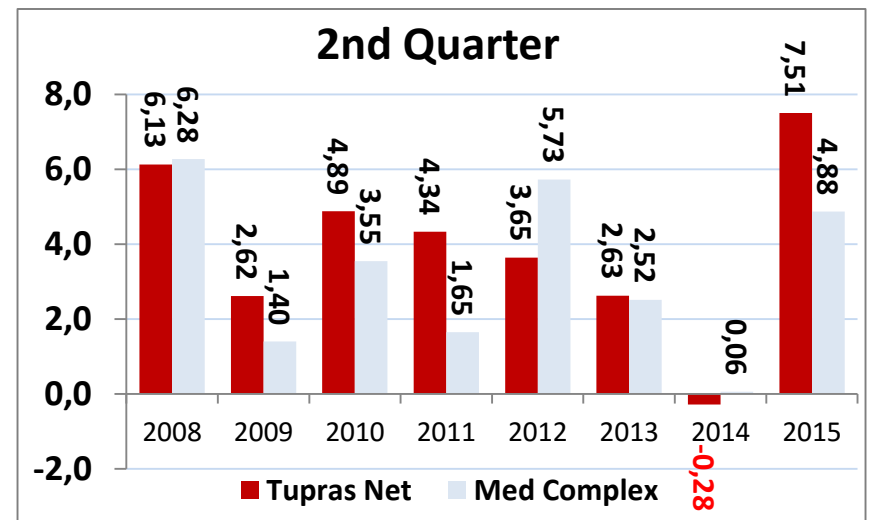
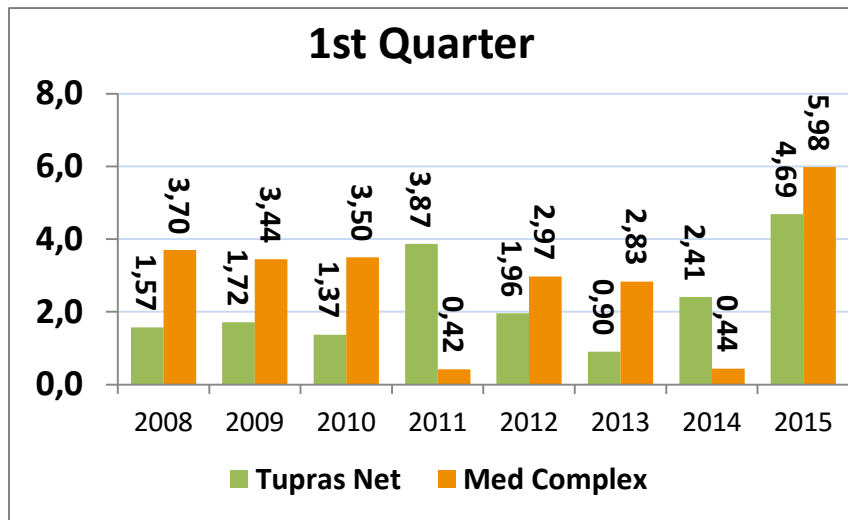
Million \$	2011	2012	2013	2014	2015
Net Sales	146,4	159,0	103,7	101,7	113,6
Op. Profit	17,9	22,8	25,2	27,3	36,8

Crude Suppliers of TÜPRAŞ (Million Tons)

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

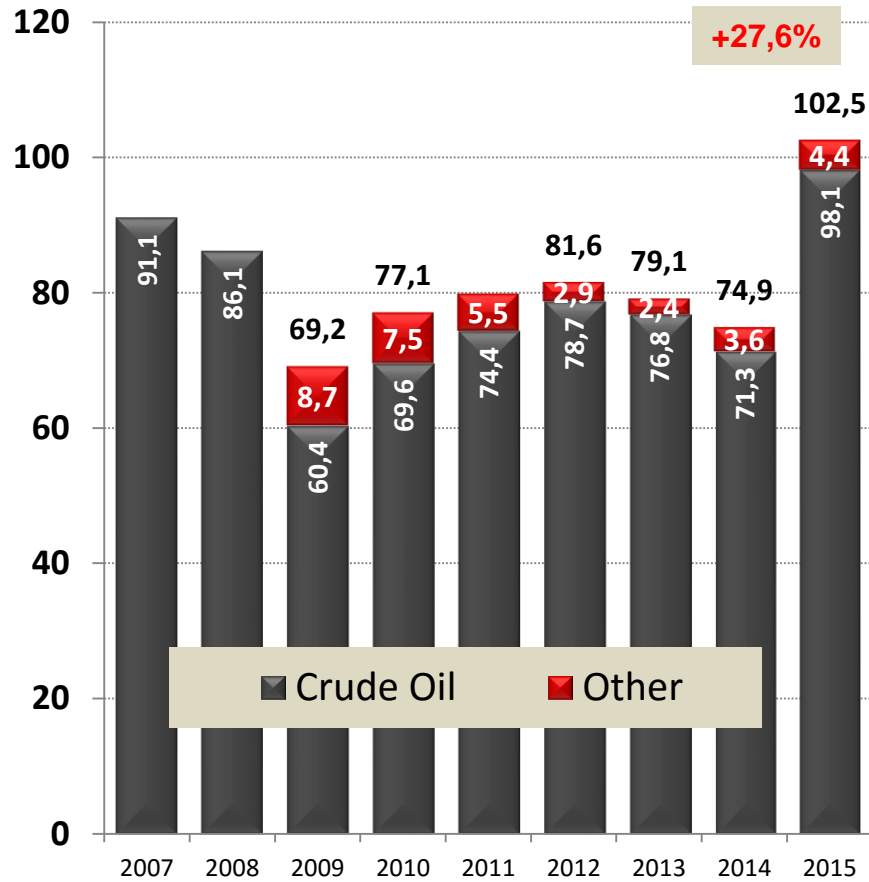


Med & Tüpraş Net Margins, \$/bbl

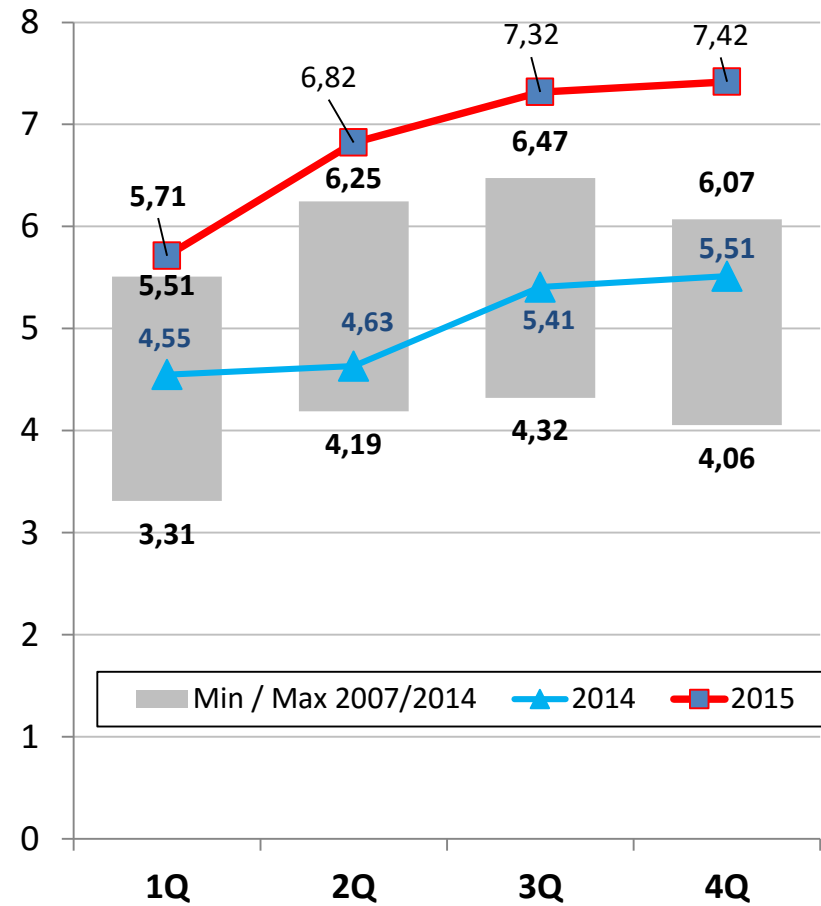


Production

Capacity Utilisation (%)

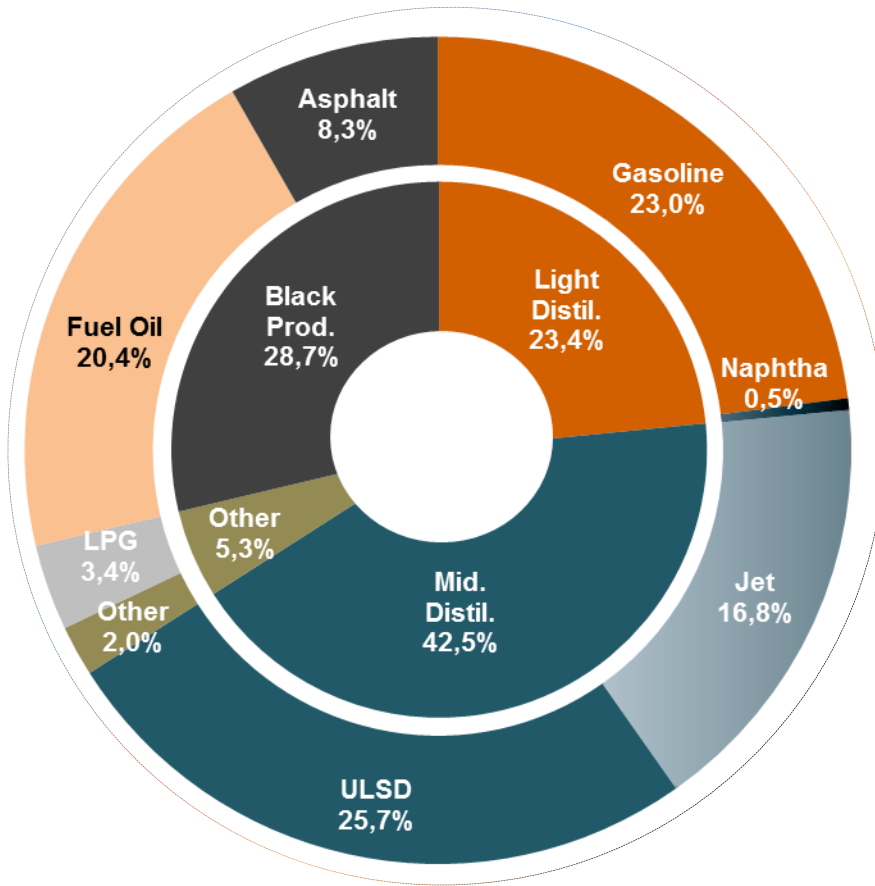


Quarterly Production Volume (Mn Tons)



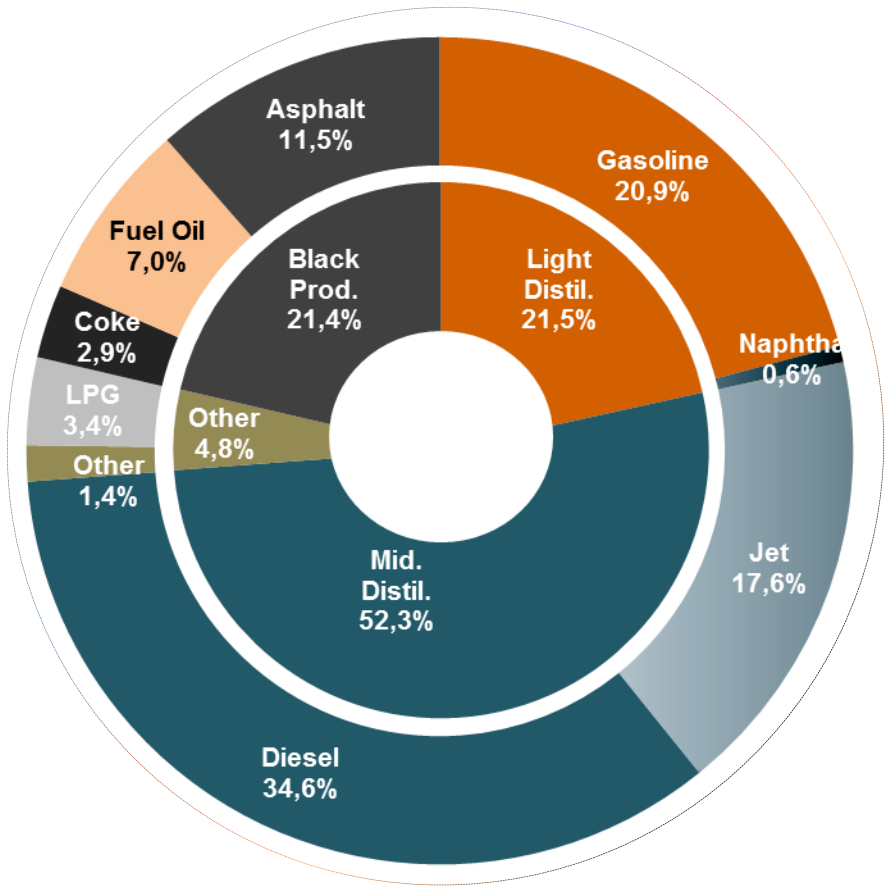
4th Quarter Product Yields

2014



White Product 70.5%
Production 5.5 mn ton
API:31.91

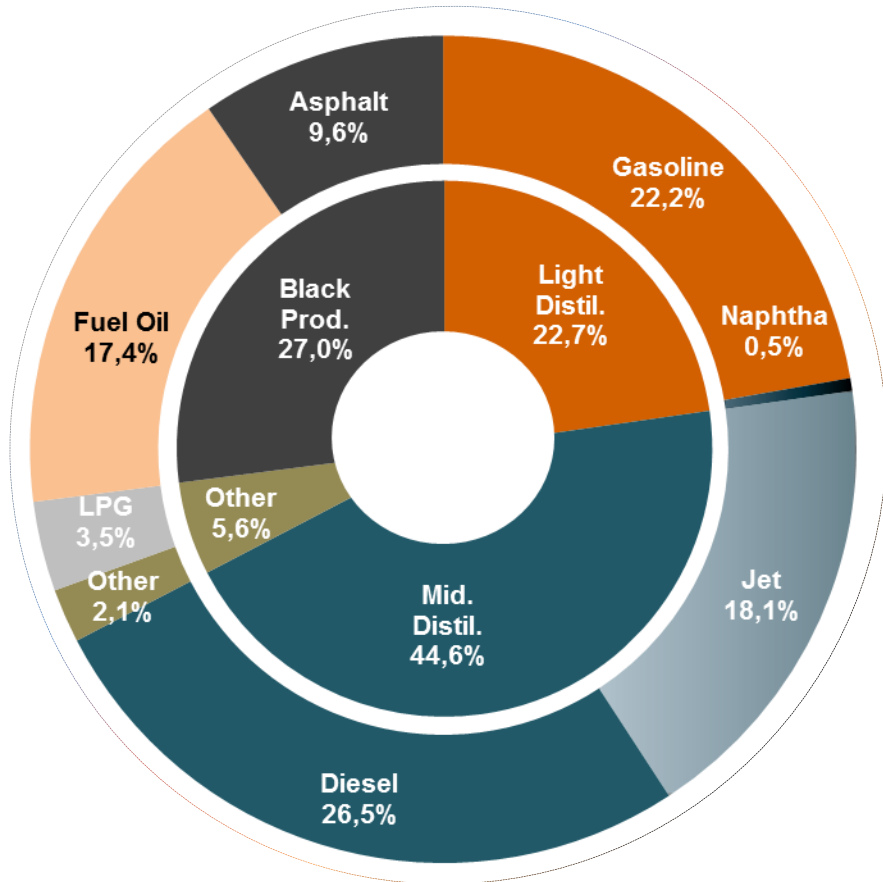
2015



White Product 77.5%
Production 7.3 mn ton
API:30.27

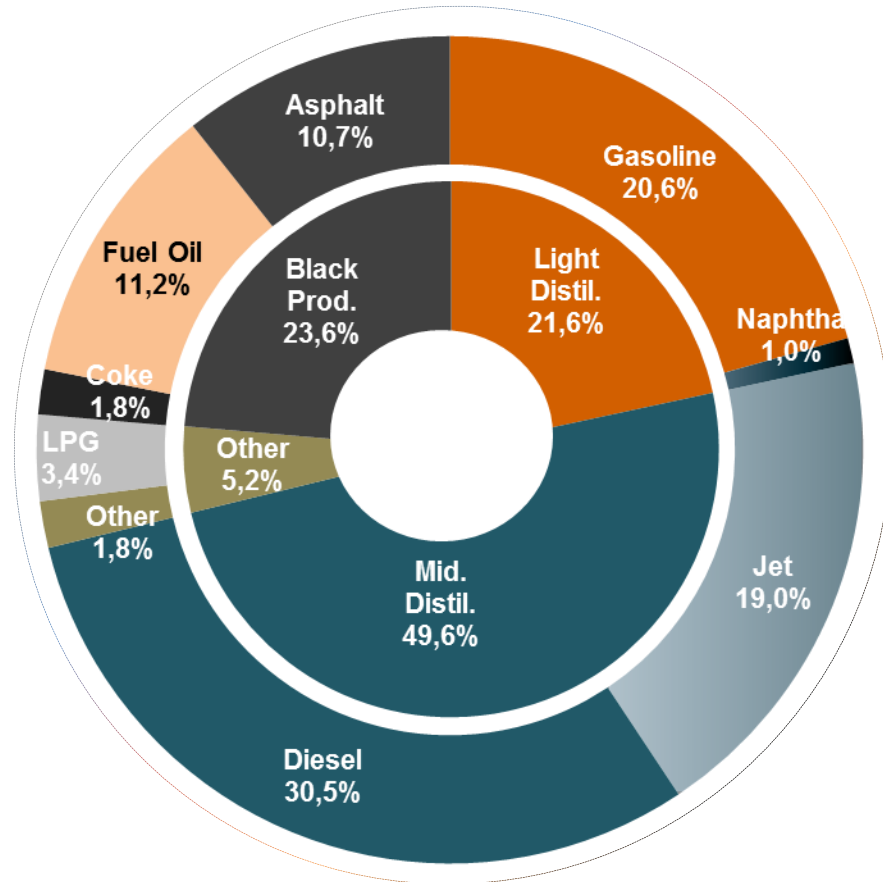
12M Product Yields

2014



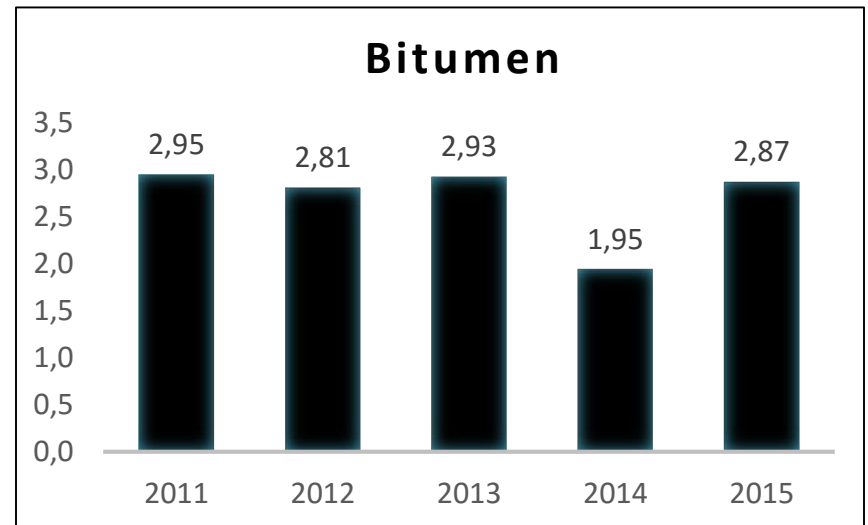
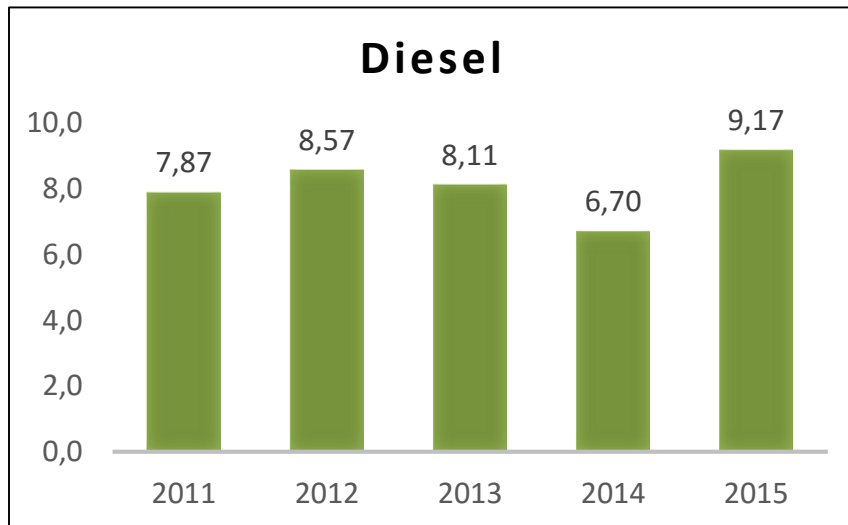
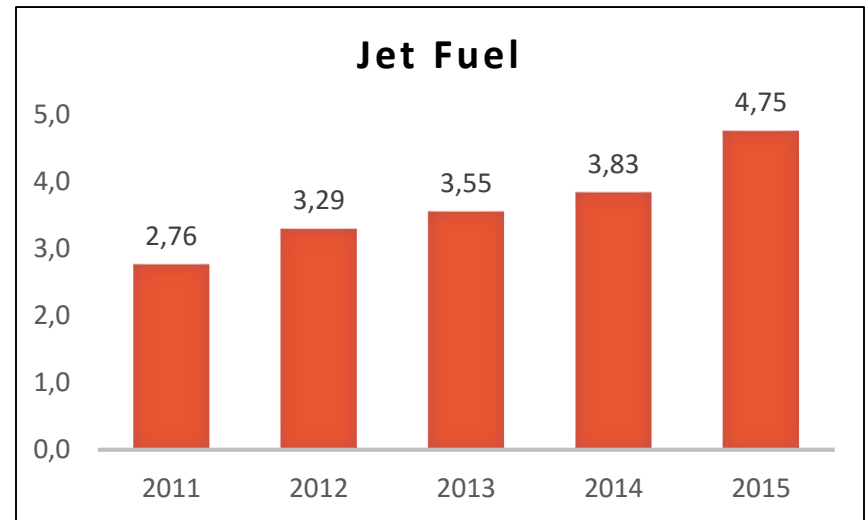
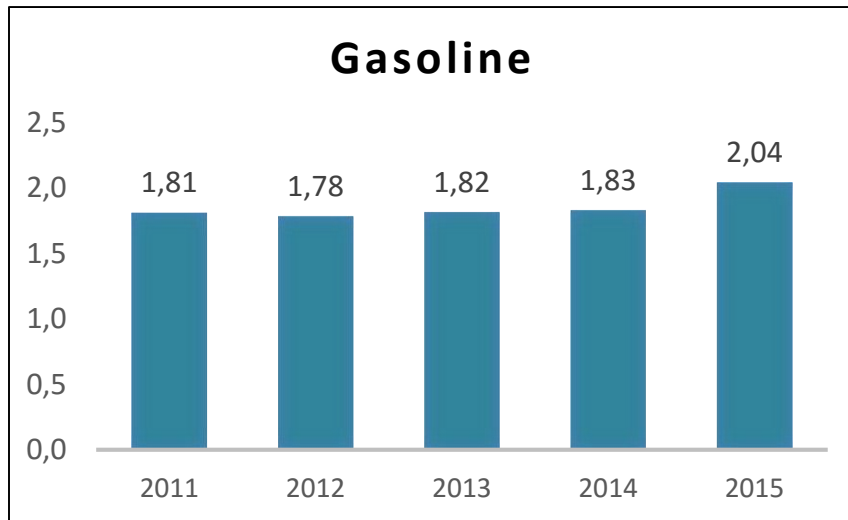
White Product 72.2%
Production 19.9 mn ton
API:32.29

2015



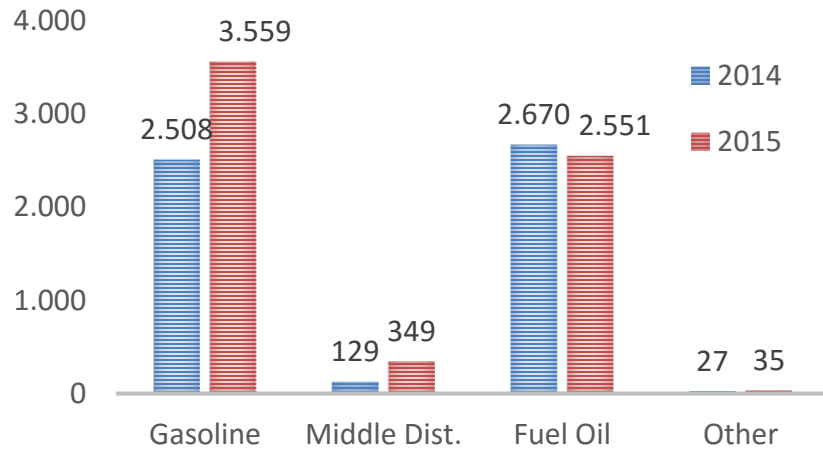
White Product 75.4%
Production 26.9 mn ton
API:31.35

Domestic Sales, million tons



12M Trading Activities

Exports, Ton*000



❖ Exports

- High CUR = big increases in export

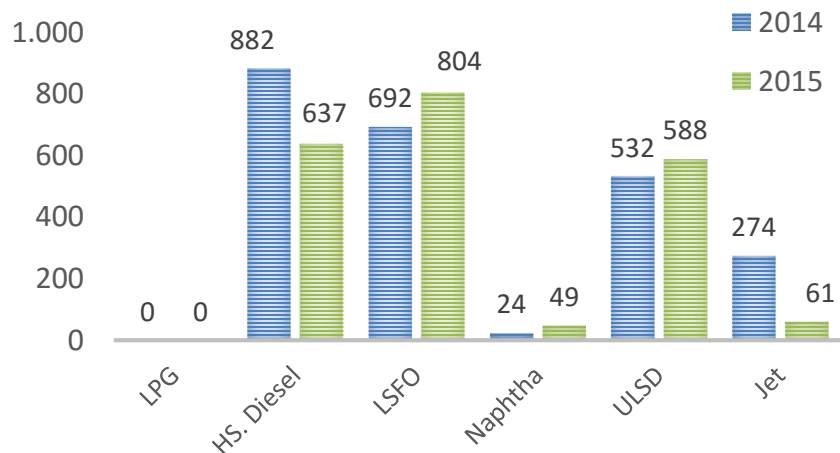
❖ Finished Products

- ❖ High Sulfur Diesel imports decreased due to low desulphurisation arbitrage profits.
- ❖ ULSD imports were higher due to the trading arbitrage.

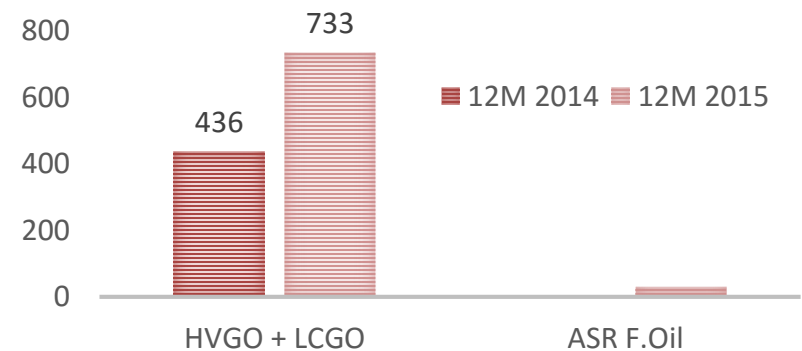
❖ Intermediates

- Additional HVGO + LCGO imported to increase Capacity Utilisation of conversion units (RUP Coker and Hydrocracker Units included)

Product Imports, Ton*000

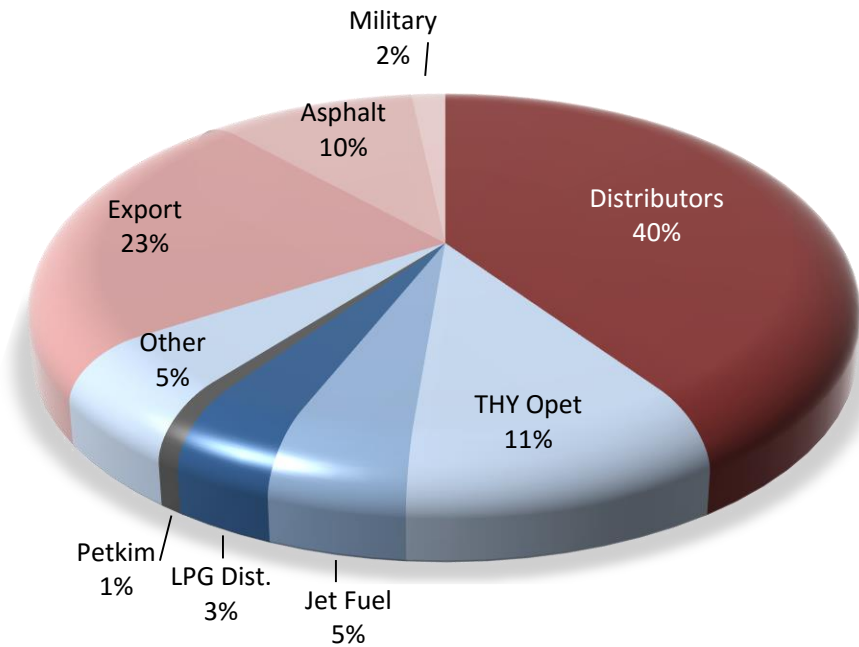


Intermediate Imports, Ton*000



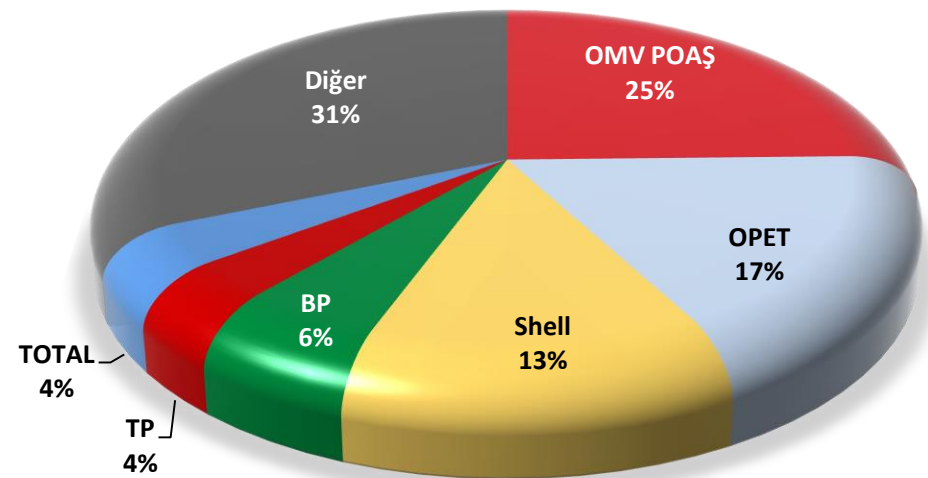
Sales By Customer 2015

Customer Groups



Total: 28.7 million ton

Sales to Distributors

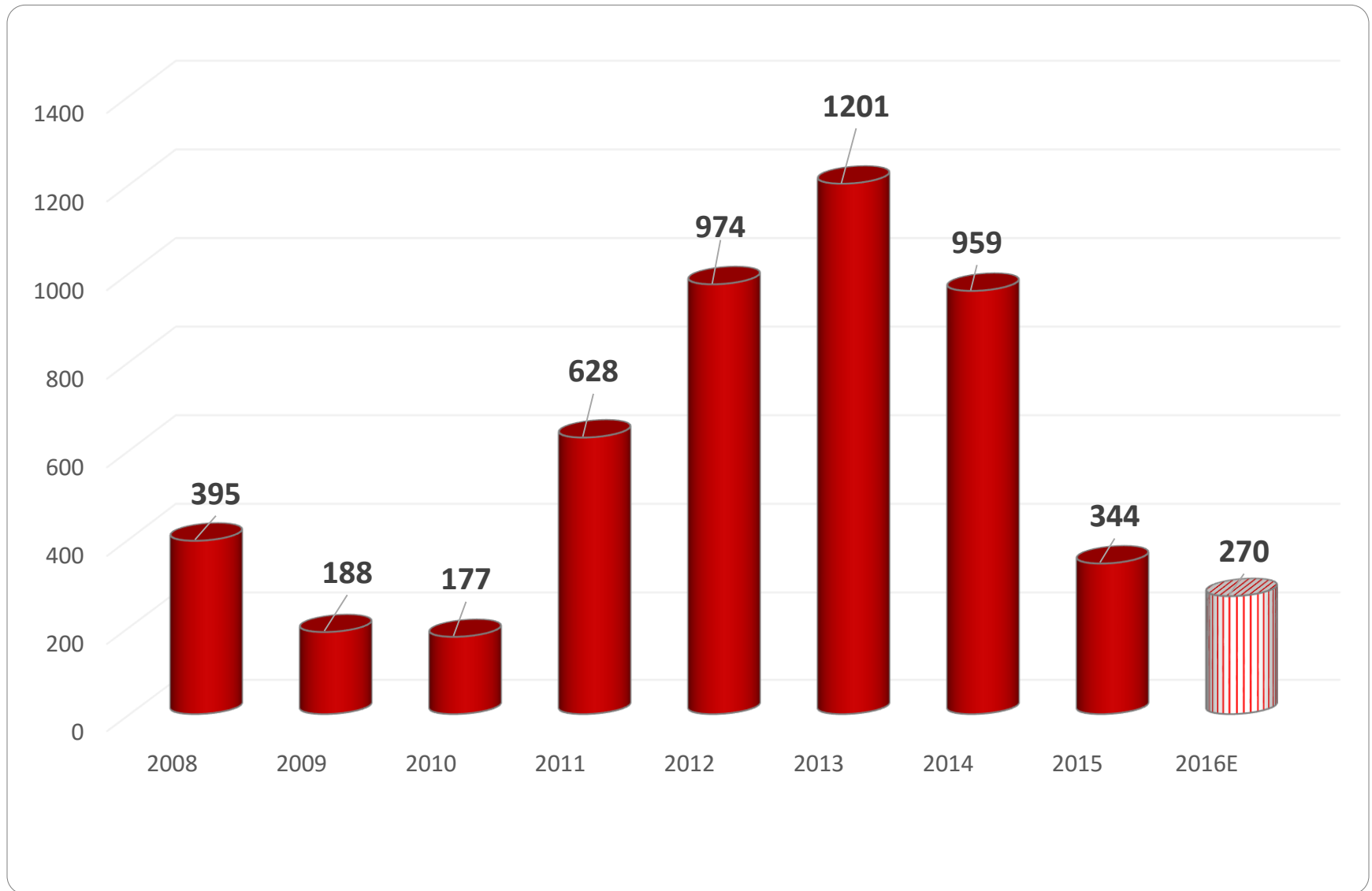


Distributors : 12.8 million ton

Investments



Investments (Million USD)



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

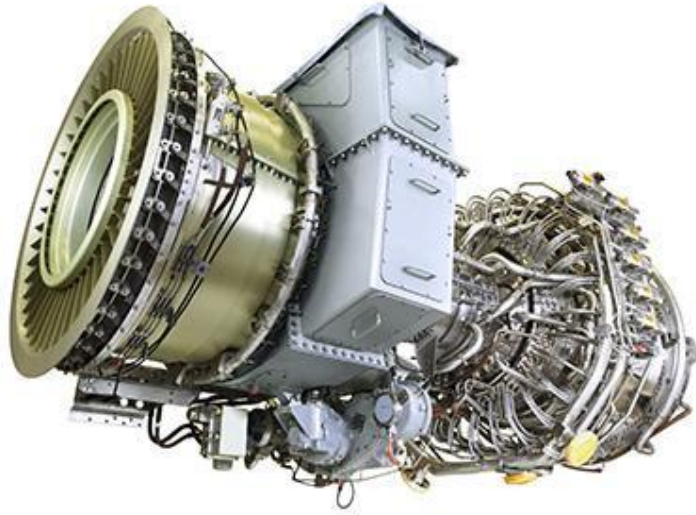
- Configuration Changes
 - De-salter & Pre-flash column
- Heat recycling – Heat Exchanger
- Replace column internals
- New pre-flash drum

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



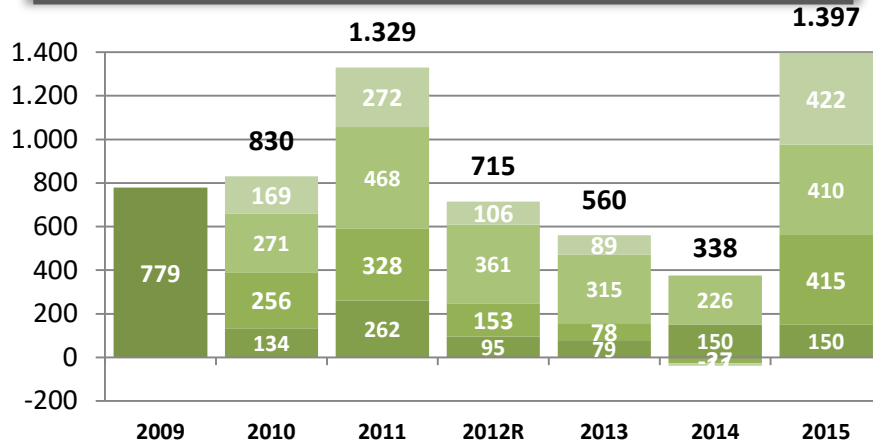
Profitability Indicators , 12 M & 4Q

4 th Q		2015	2014	2015	2014	2015	2014	2015
2014	2015							
76,27	43,69	-43	Dtd.Brent Price, (\$/bbl)	98,99	52,46	-47,01		
31,91	30,27	-5,1	Processed Crude API	32,29	31,35	-2,91		
70,50	77,50	7,0	White Product Yield, (%)	72,20	75,40	3,20		
3,84	3,54	-7,8	Med. Complex Margin,(\$/bbl)	1,95	4,83	148,2		
4,56	5,17	13,3	Tüpraş Net Margin,(\$/bbl)	3,21	6,47	101,6		
13,2	422,0	-	Operating Profit, (mn. \$)	199,3	1.012,2	408		
-41,1	362,4	982	Operating Profit for EBITDA, (mn. \$)	220,1	1.218,6	454		
43,4	481,4	1.008	EBITDA (mn.\$)-CMB	317,3	1.191,0	275		
247,7	564,9	128	EBITDA (mn.\$)-CMB- CCS	554,1	1.379,1	149		
-10,9	421,8	-3.980	EBITDA *(mn. \$)	338,2	1.397,4	313		
193,4	505,3	161	EBITDA* (mn. \$) CCS	575,0	1.585,5	176		

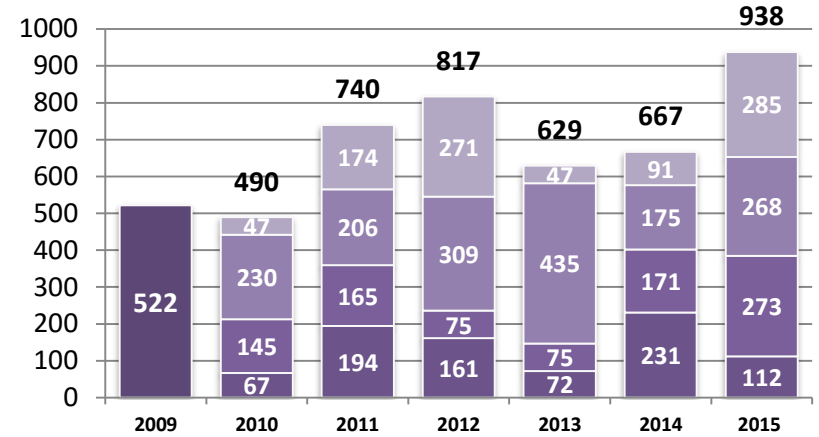
* In our EBITDA calculation, FX related items are not included, whereas CMB rules is that these should be included in operating profit

Financial Highlights (mn \$)

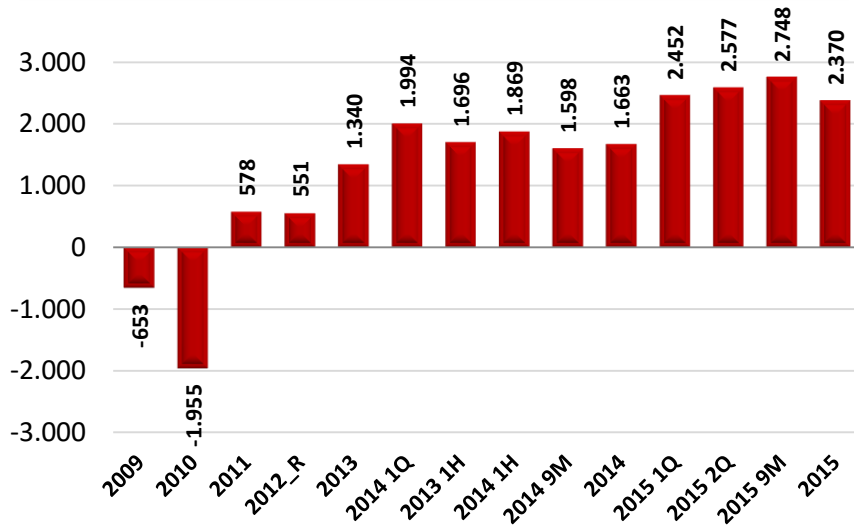
EBITDA



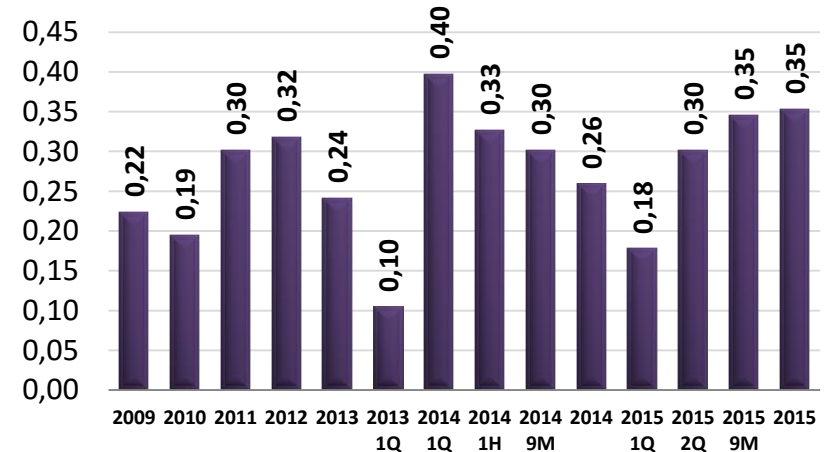
Net Income



Net Debt/(Cash)

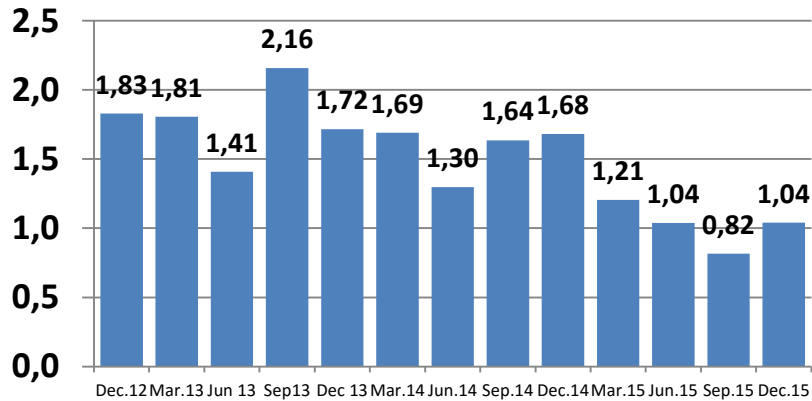


Return on Average Equity

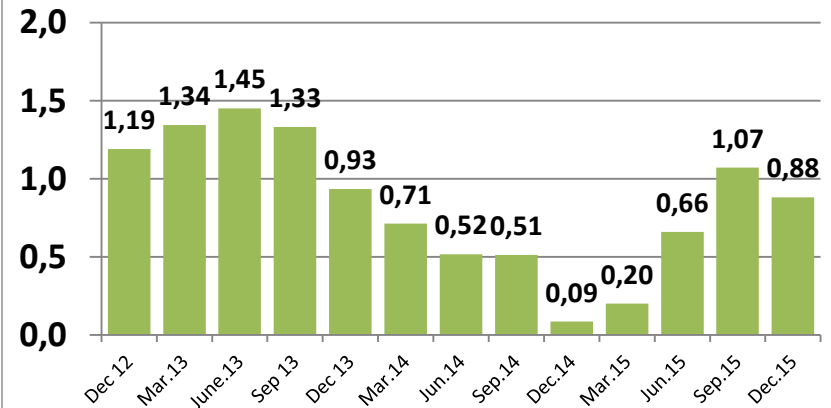


Balance Sheet Analysis

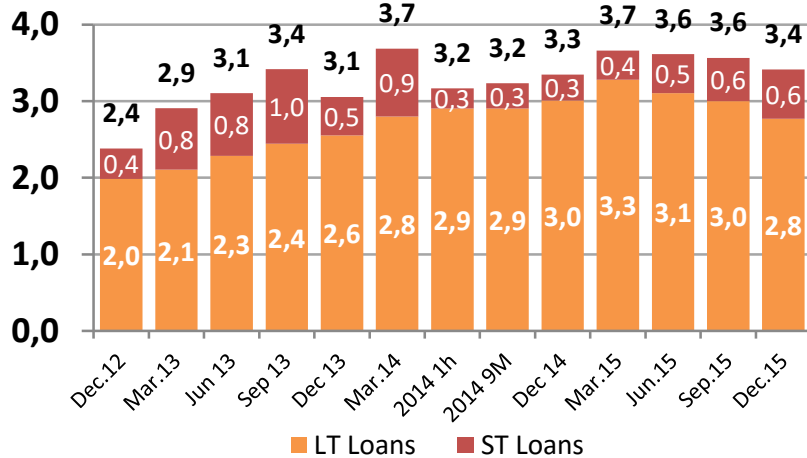
Cash & Equivalents (Billion \$)



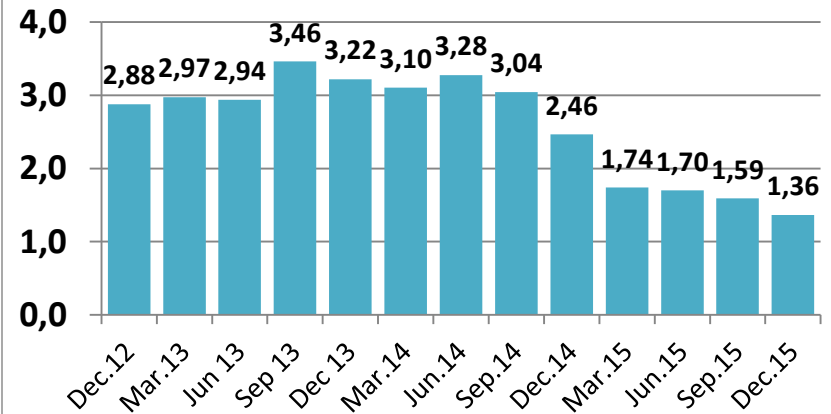
Receivables (Billion \$)



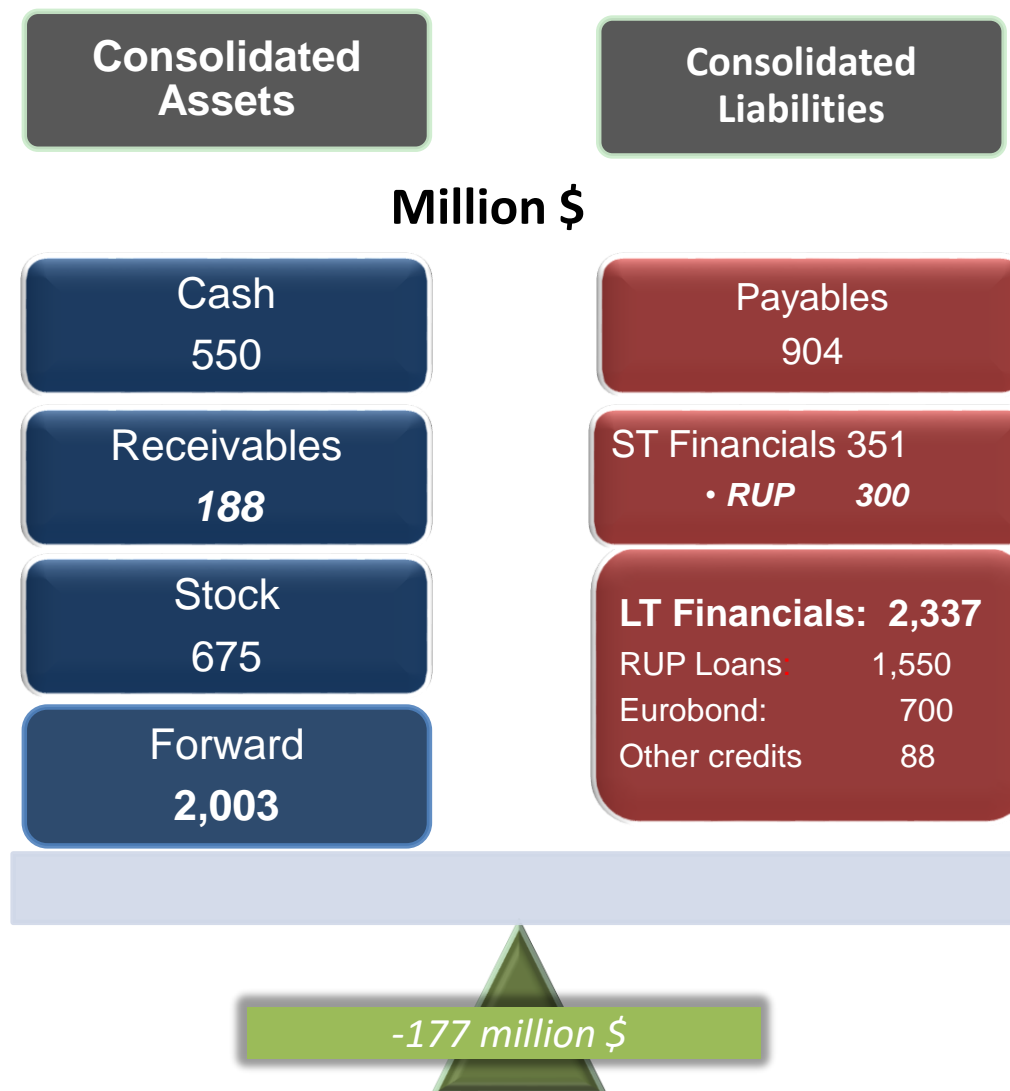
Financial Loans (Billion \$)



Payables (Billion \$)



FX Risk Exposure (31 December 2015)



Cash flow hedge accounting : 1,709 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 5.8-6.3 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

4Q 2014	4 Q 2015	% Diff.	Million USD	2014	2015	% Diff.
3.974,2	3.031,3	-24	Net Sales	18.164,8	13.570,7	-25
98,0	454,5	364	Gross Profit	577,5	1.535,7	166
-108,1	-98,8	-9	Operating Expenses	-334,6	-322,6	-4
23,2	66,3	185	Income/Loss from Other Oper.	-43,6	-200,9	361
13,2	422,0	3.098	Operating Profit	199,3	1.012,2	408
-28,6	10,9	-138	Income/Loss from equity & Inv.	-7,6	26,7	-450
-15,4	432,9	-2.913	Operating Profit Before Finance	191,6	1.038,9	442
64,9	-60,0	-192	Financial Income	228,1	317,3	39
-94,5	2,0	-102	Finance Expenses	-335,8	-537,7	60
-45,0	374,9	-932	Profit Before Tax & Minorities	84,0	818,6	875
90,8	284,8	213	Net Profit	667,2	938,0	41

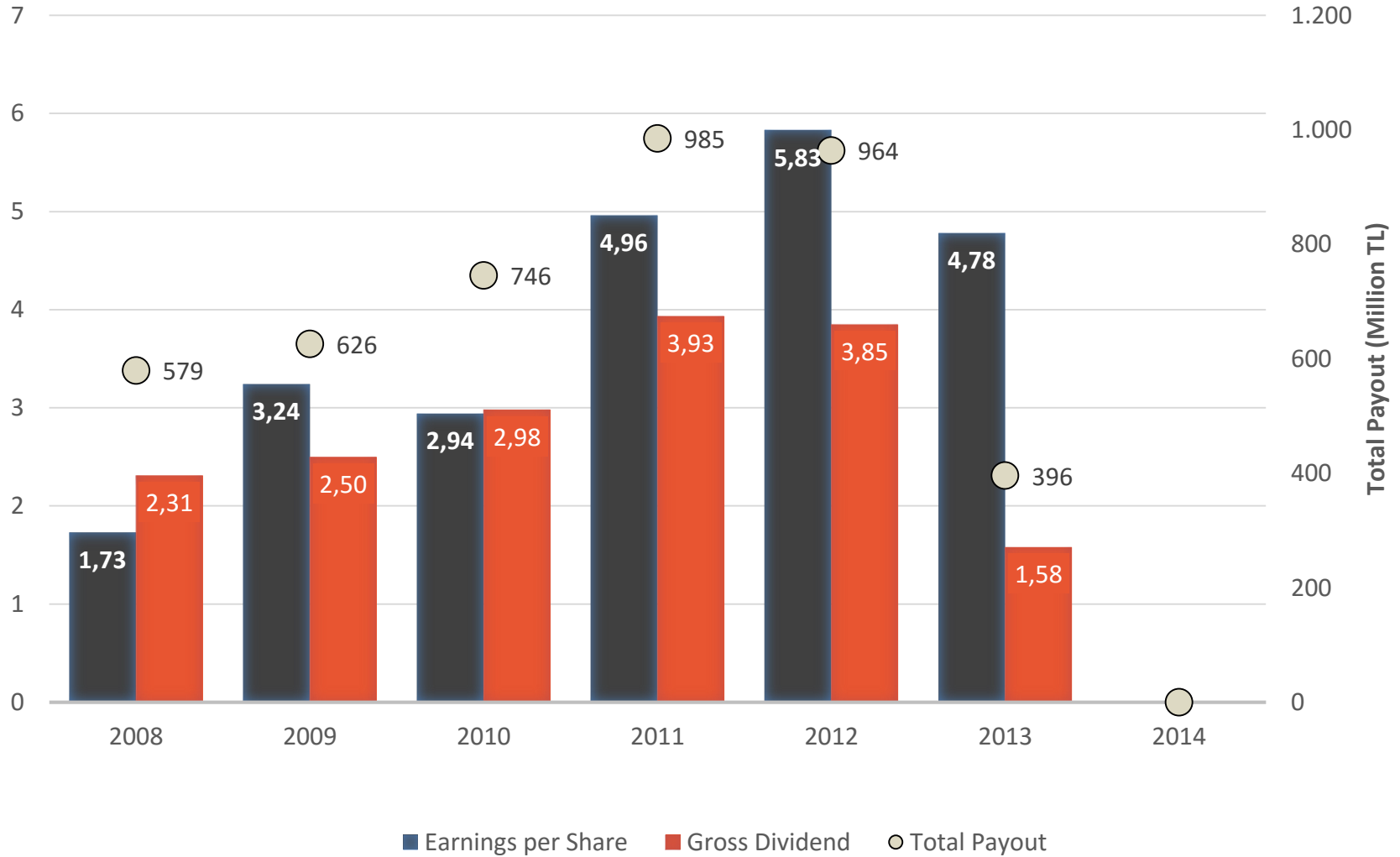
Tüpraş Balance Sheet-Assets

Million USD	31.12.2015	31.12.2014	Difference	% Difference
Current Assets	2.984	3.015	-31	-1
Cash & C. Equivalents	1.041	1.681	-640	-38
Receivables	882	87	796	920
Derivatives	6	28	-21	-77
Inventories	723	1.022	-299	-29
Pre-paid expenses	45	53	-8	-15
Other Current Assets	285	144	141	98
Long Term Assets	5.776	6.443	-667	-10
Financial Assets & Subsidiaries	264	315	-51	-16
Fixed Assets	3.950	4.600	-651	-14
Pre-paid expenses	62	112	-50	-45
Deferred Tax	1.101	1.131	-30	-3
Other Long Term Assets	314	284	29	10
Total Assets	8.760	9.458	-698	-7

Tüpraş Balance Sheet-Liabilities

Million USD	31.12.2015	31.12.2014	Difference	% Difference
Short Term Liabilities	3.036	3.692	-656	-18
Financial Loans	644	335	308	92
Payables	1.363	2.464	-1.101	-45
Derivatives	13,89	0,03	13,86	47.258
Deferred Incomes	8	8	-0,12	-1
Provisions	24	47	-23	-48
Other ST Liabilities	984	838	146	17
Long Term Liabilities	2.845	3.087	-242	-8
Financial Loans	2.768	3.009	-241	-8
Payables & Provisions	67	76	-9	-12
Derivatives	9	0	9	4.325
Other LT Liabilities	1	2	-1	-29
Equity	2.856	2.655	201	8
Minority Interests	22	24	-2	-10
Total Liabilities	8.760	9.458	-698	-7

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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Turgut Tuncay Önbilgin

*Investor Relations and Reporting
Director*

Deniz Değirmenci

Investor Relations Manager

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

www.tupras.com.tr

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