



INVESTOR PRESENTATION

February 2017



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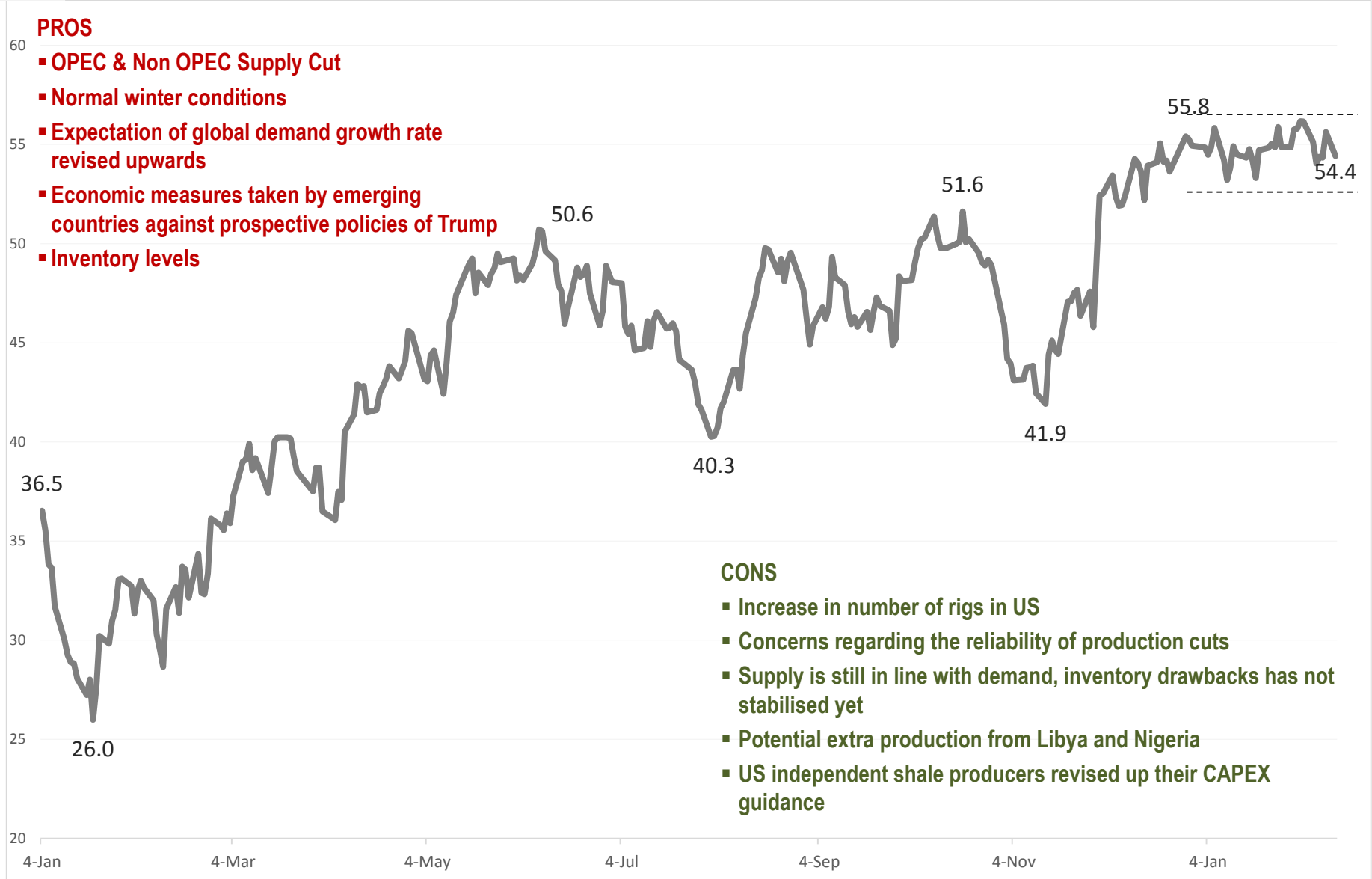
INVESTMENTS

01

Refining Industry

Brent Crude Oil Prices

\$/Bbl



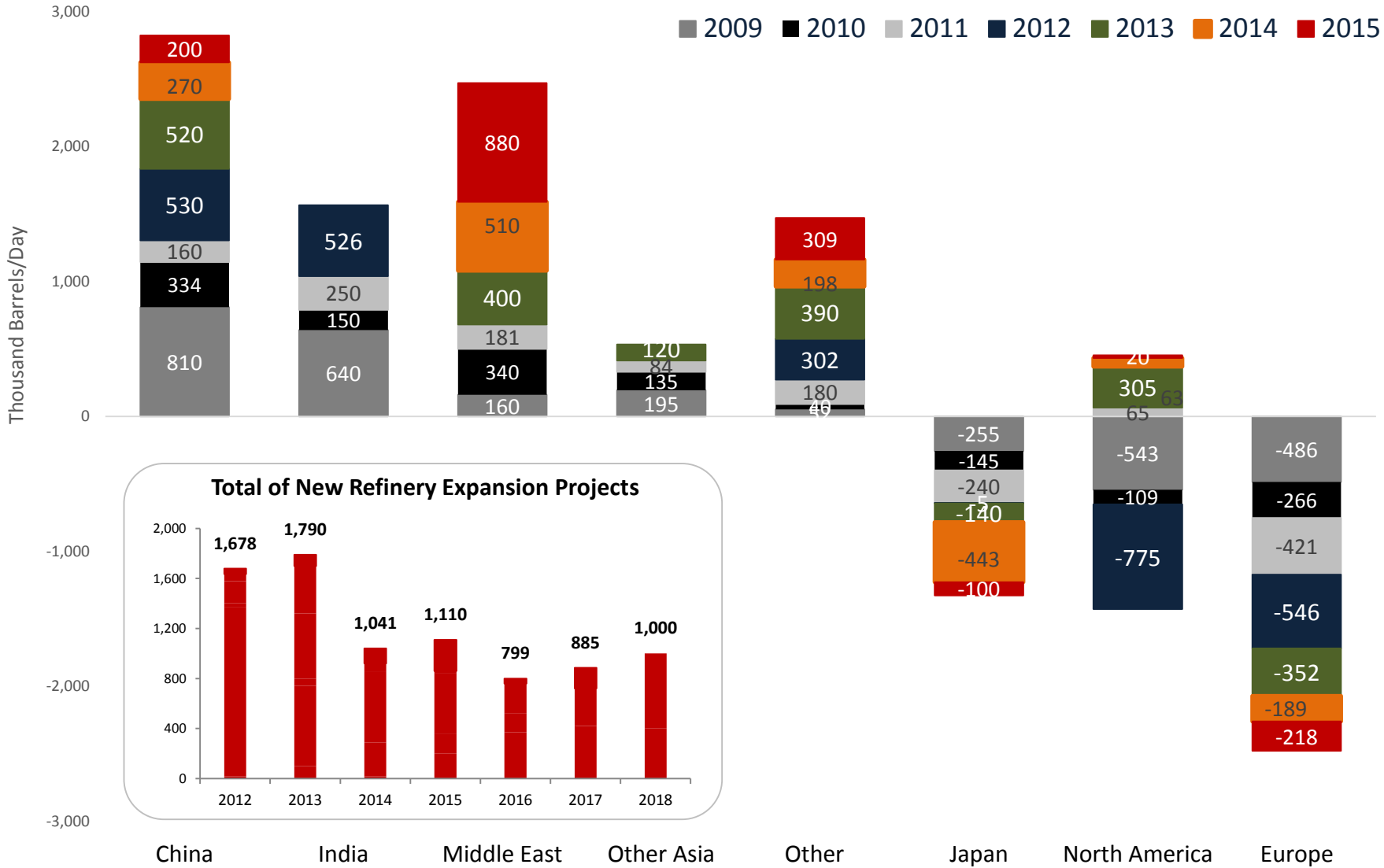
PROS

- OPEC & Non OPEC Supply Cut
- Normal winter conditions
- Expectation of global demand growth rate revised upwards
- Economic measures taken by emerging countries against prospective policies of Trump
- Inventory levels

CONS

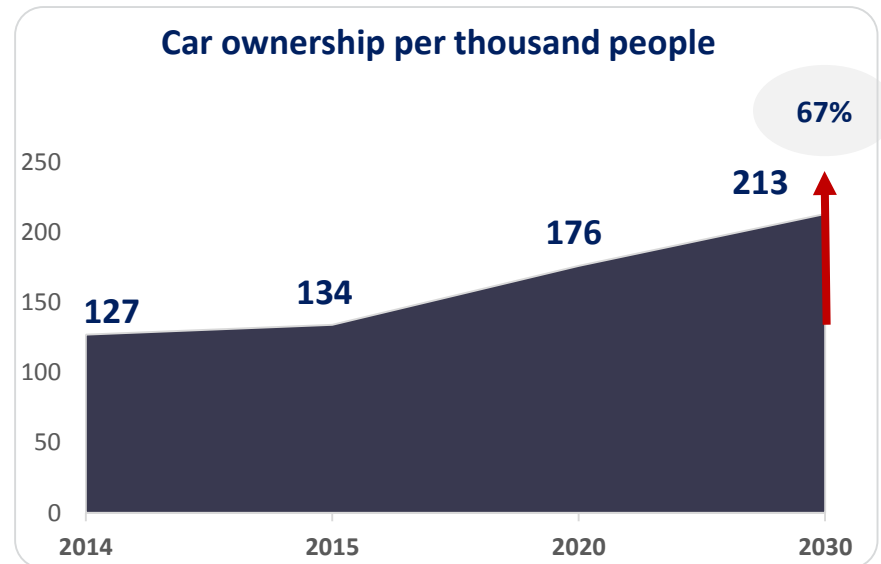
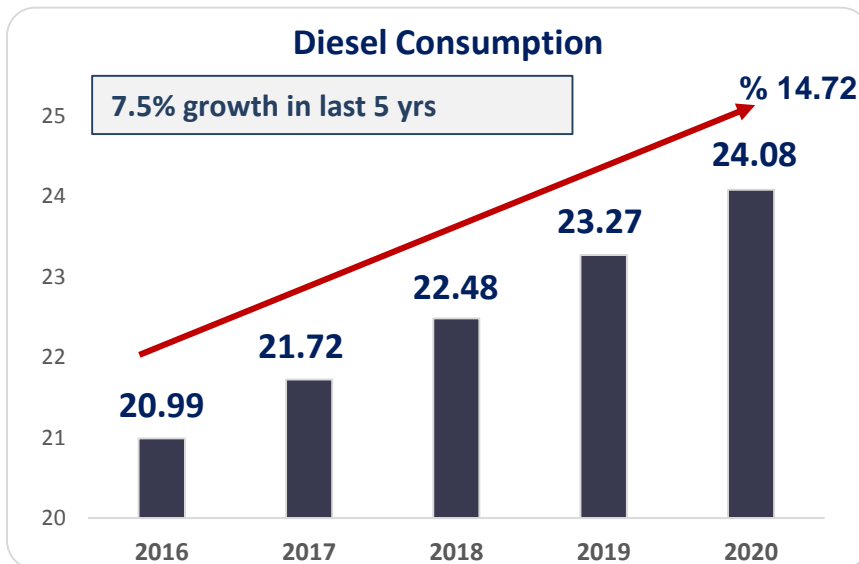
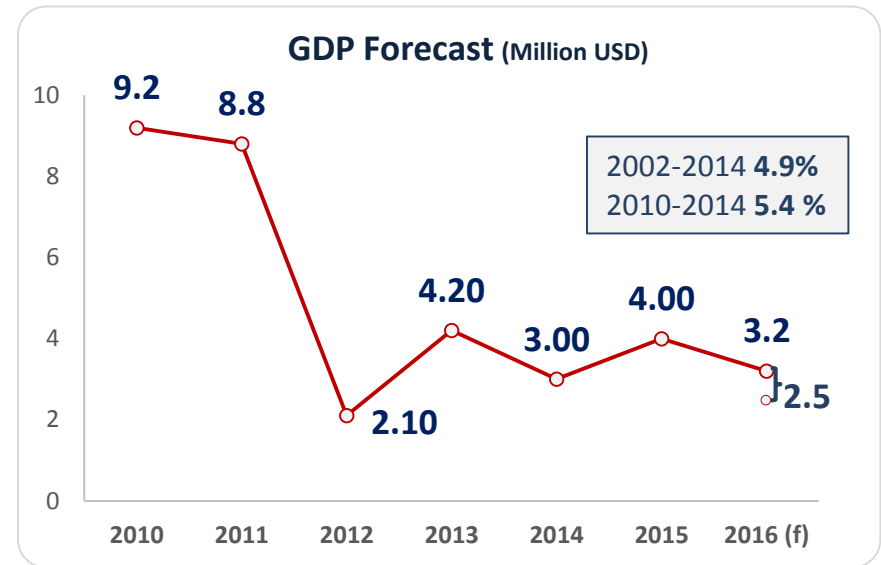
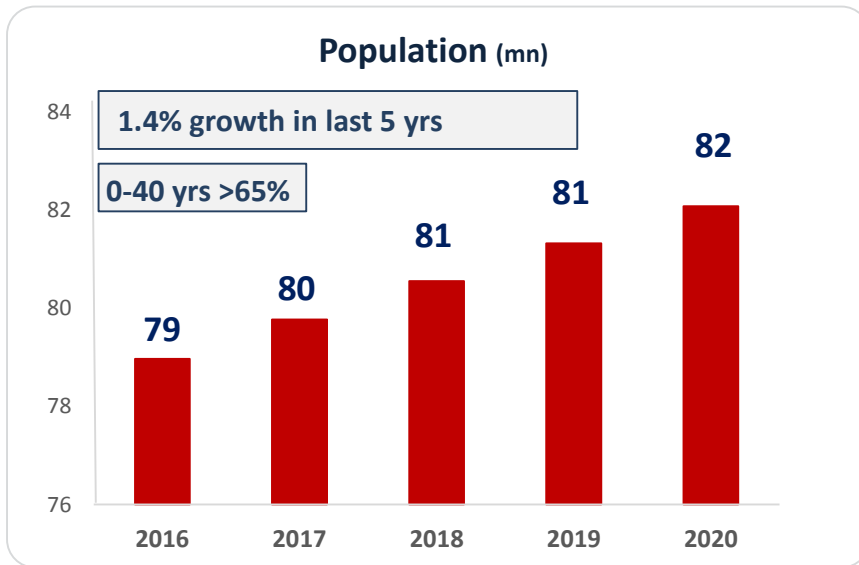
- Increase in number of rigs in US
- Concerns regarding the reliability of production cuts
- Supply is still in line with demand, inventory drawbacks has not stabilised yet
- Potential extra production from Libya and Nigeria
- US independent shale producers revised up their CAPEX guidance

Refinery Capacity Change



Source: TÜPRAŞ, Reuters, Reports

Turkish Economy Strengths



Competitive Advantages of Tüpraş

Added Value Created by Tüpraş

Best Fit for the Market
with high diesel yield

High Complexity of
Tüpraş

Presence in all over
Turkey through
refineries and terminals

Local Market Dynamics

High Growth

Short on Diesel

Import Parity Pricing
(Freight advantage of
Tüpraş)

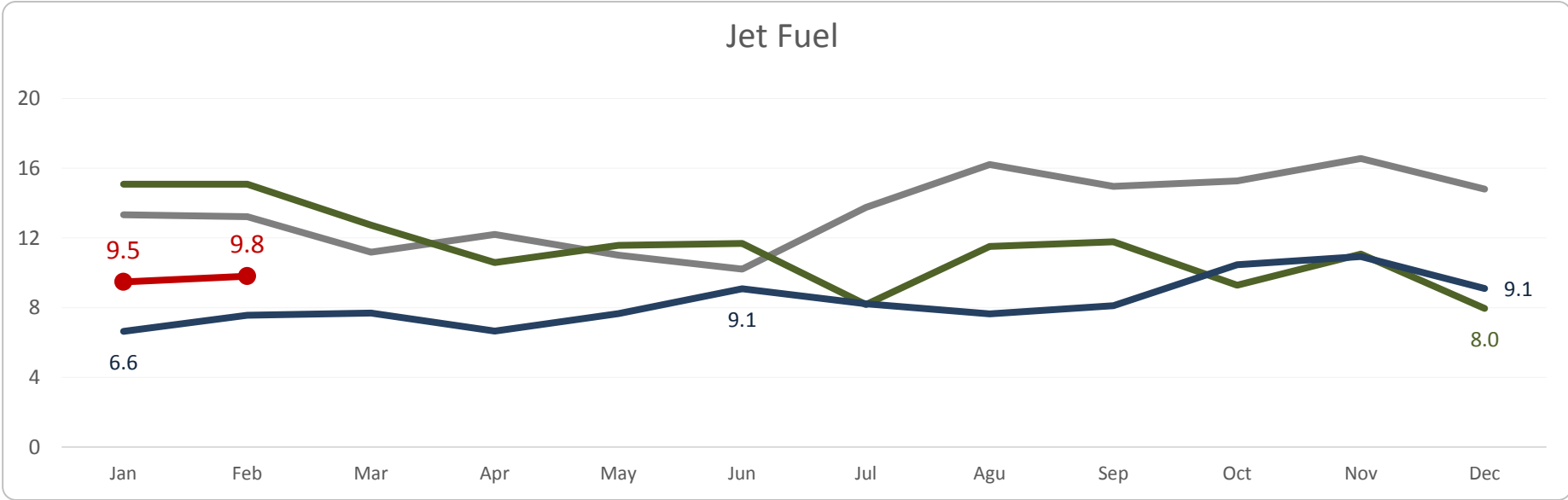
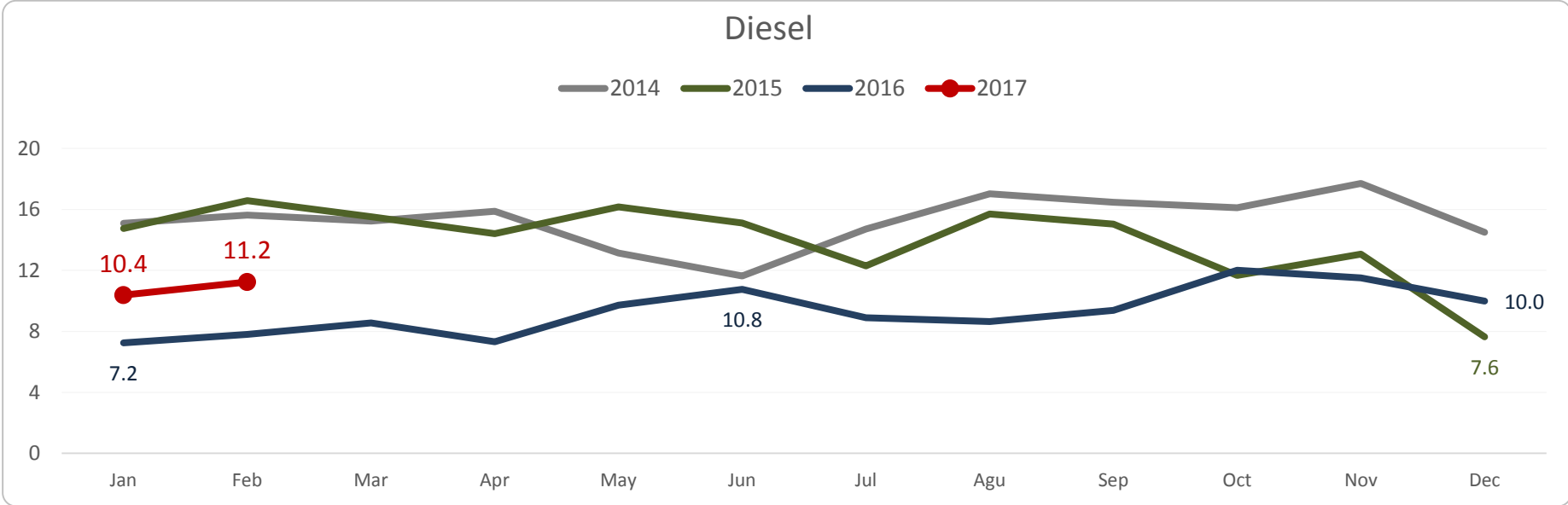
Cost Base of Tüpraş

Energy Efficient

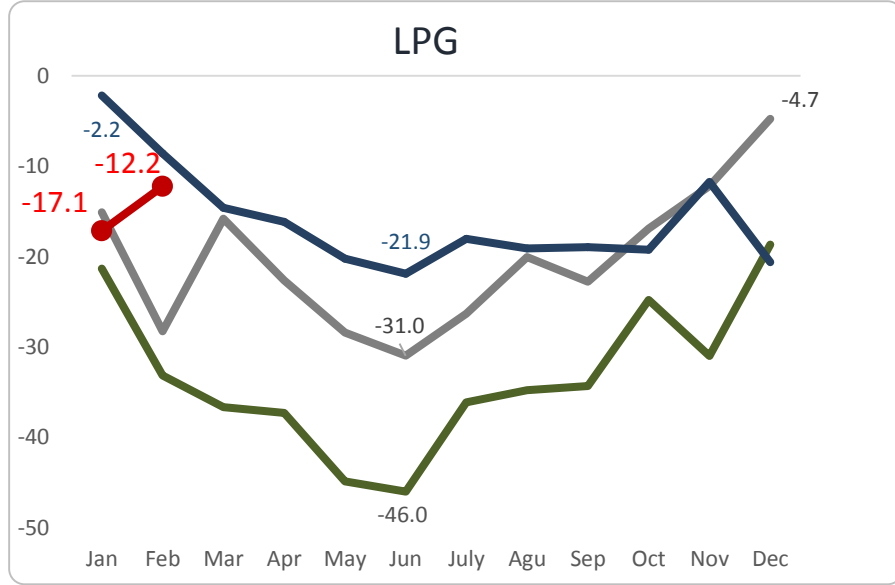
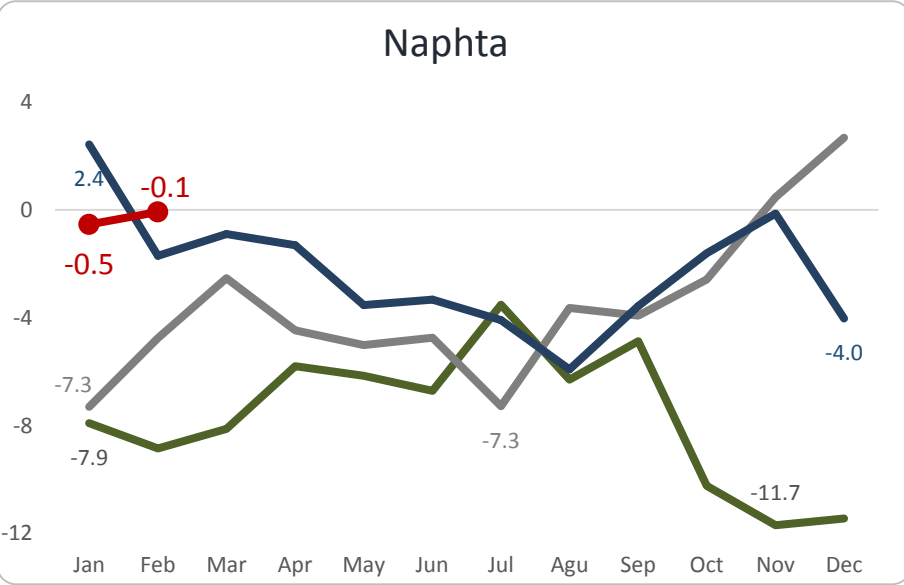
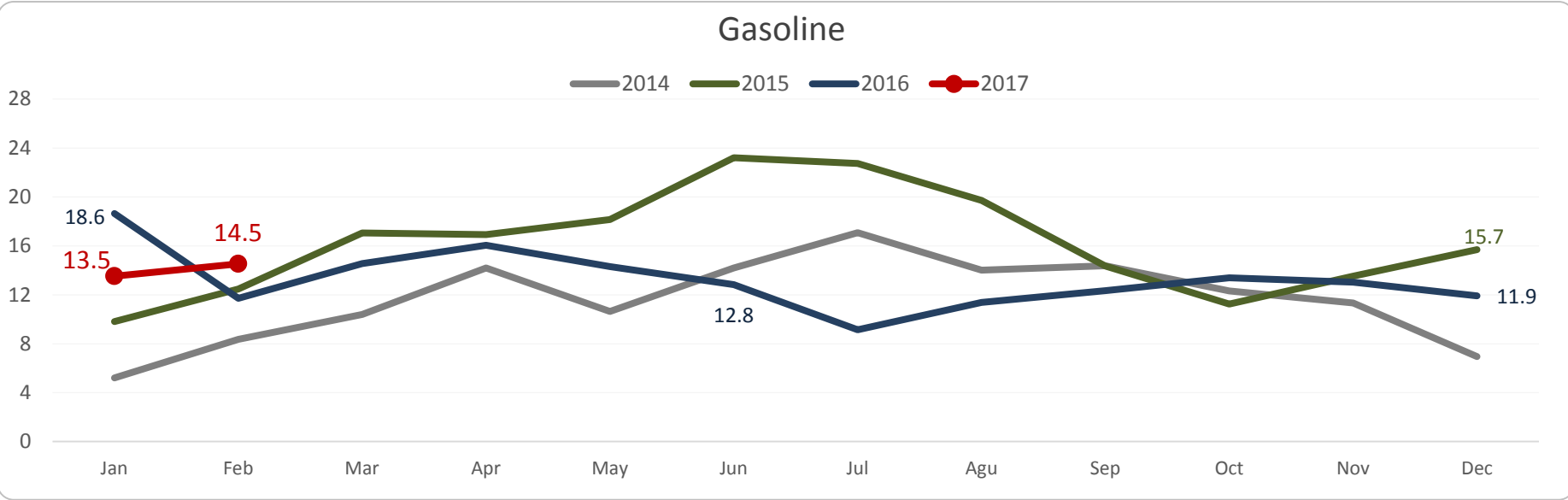
Crude Oil & Feedstock
Cost Advantage

Economies of Scale

Product Cracks (\$/bbl)

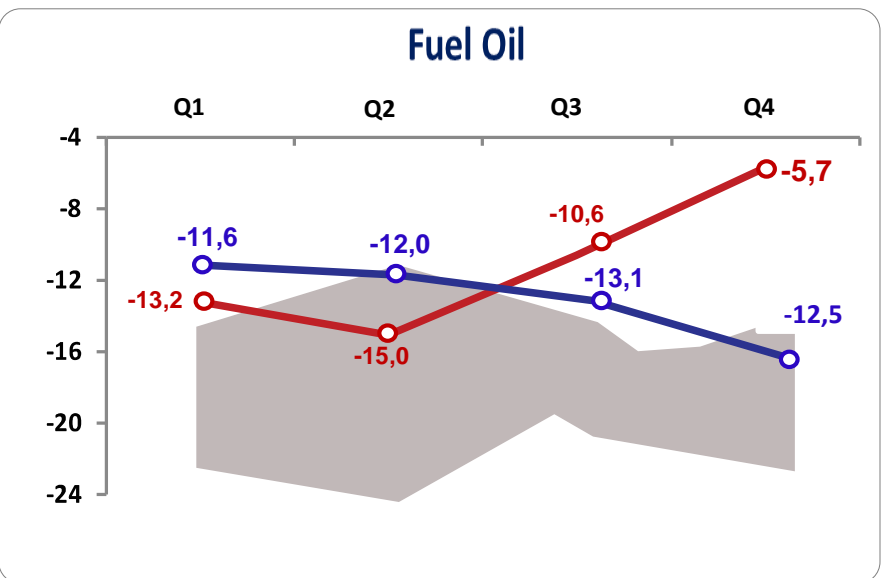
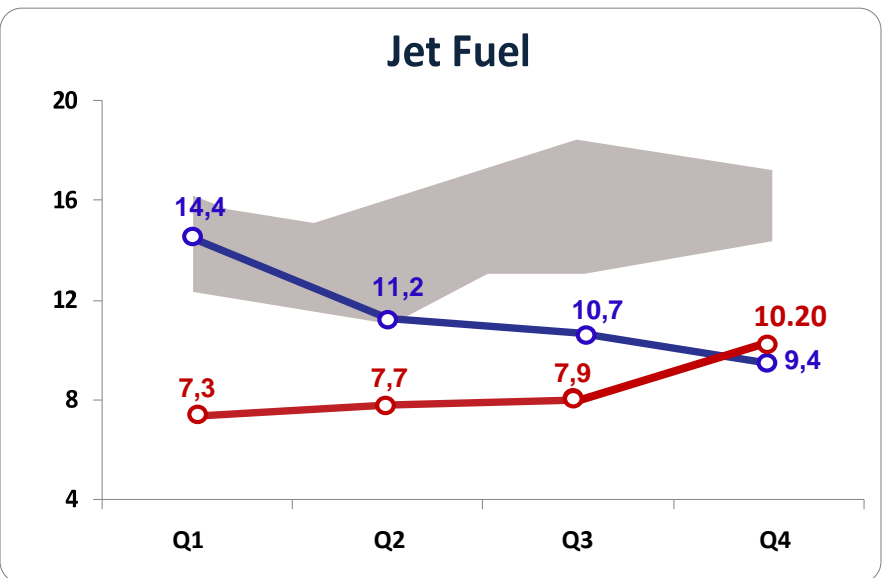
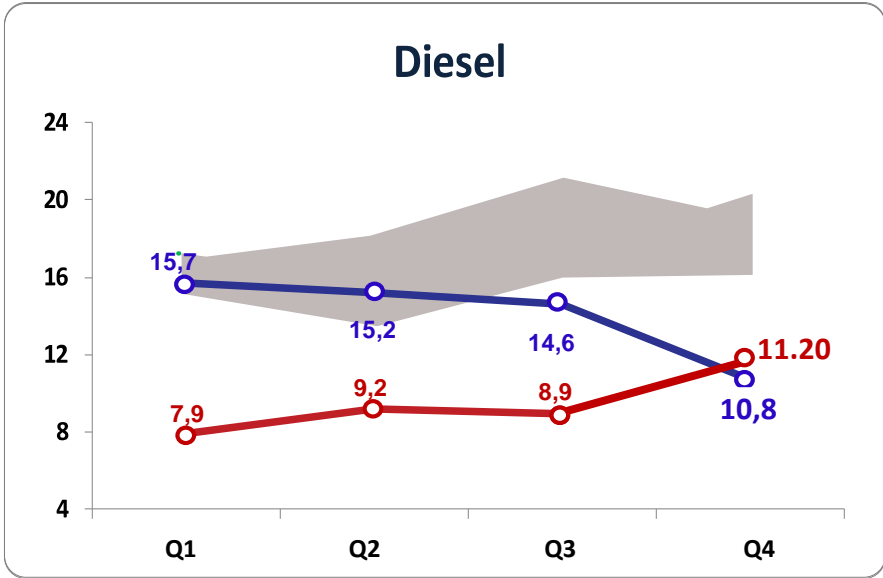
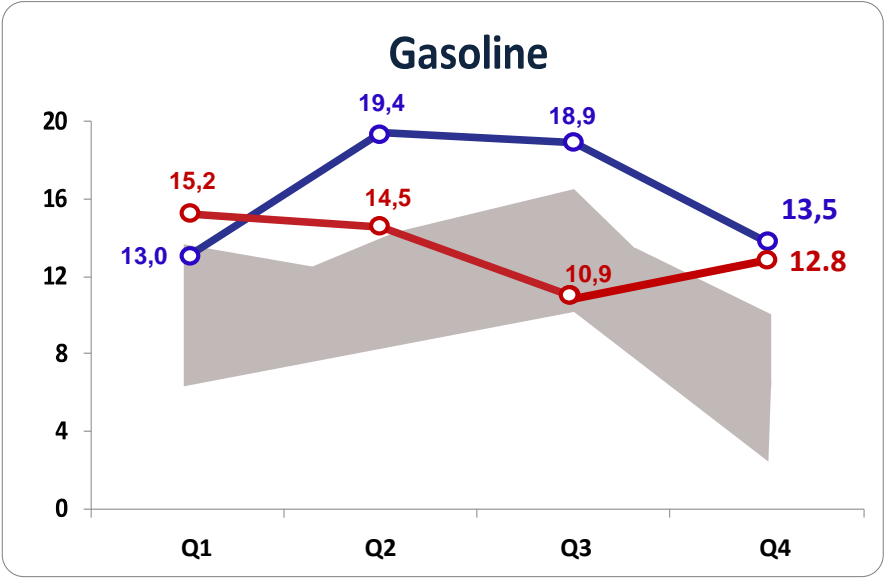


Product Cracks (\$/bbl)

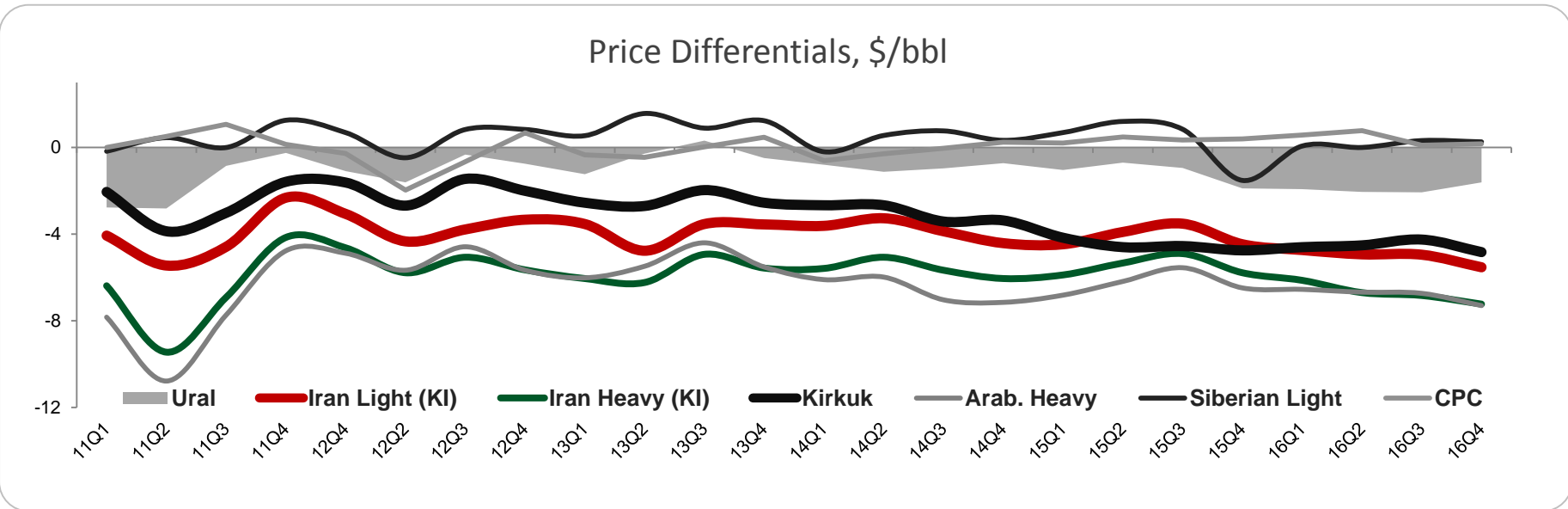
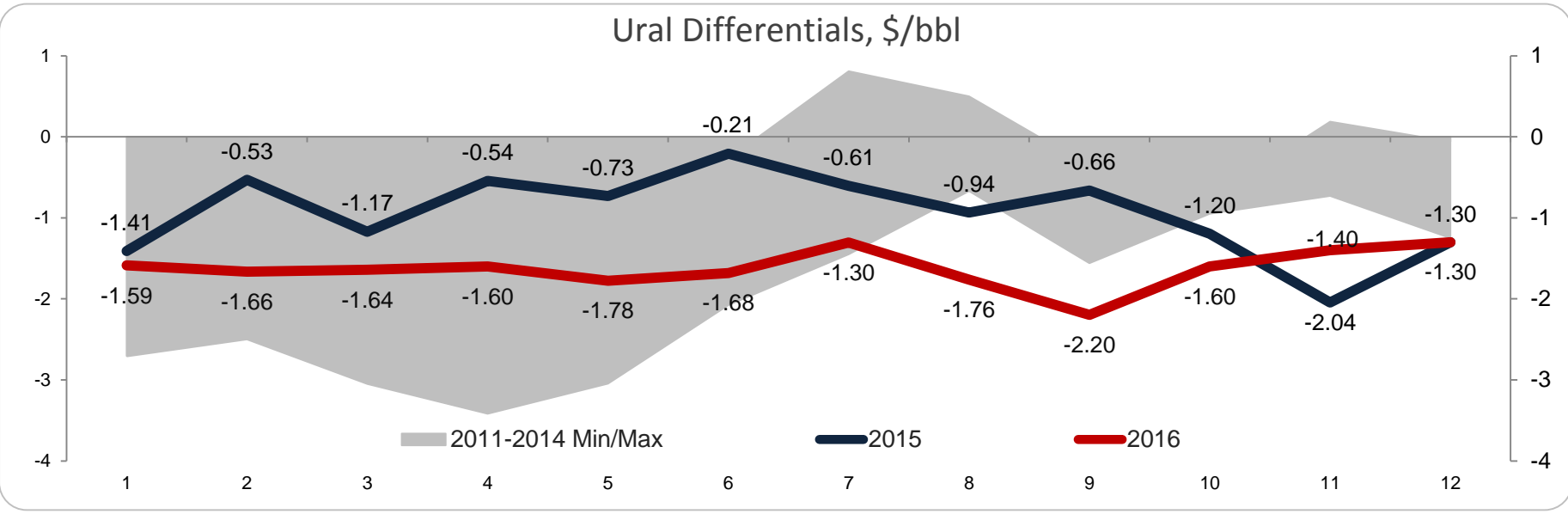


Quarterly Product Crack Margins (\$/bbl)

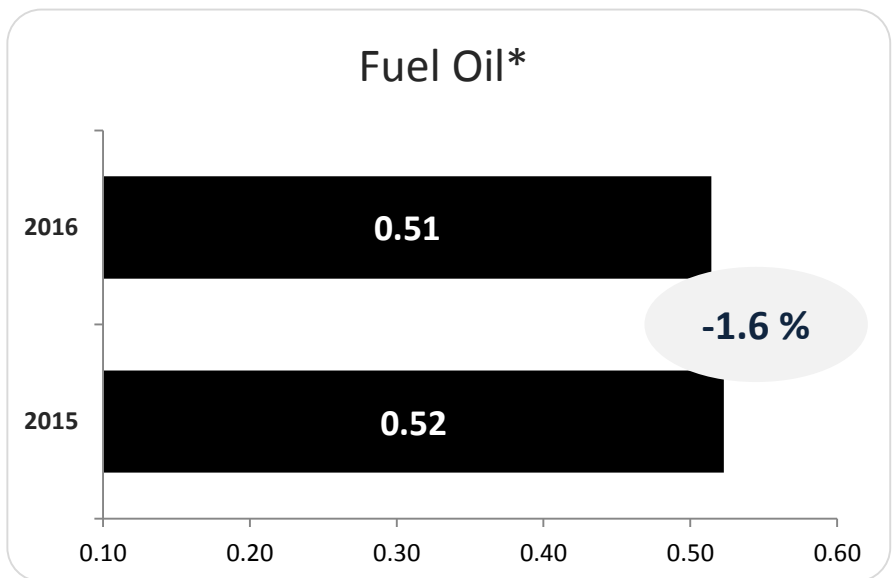
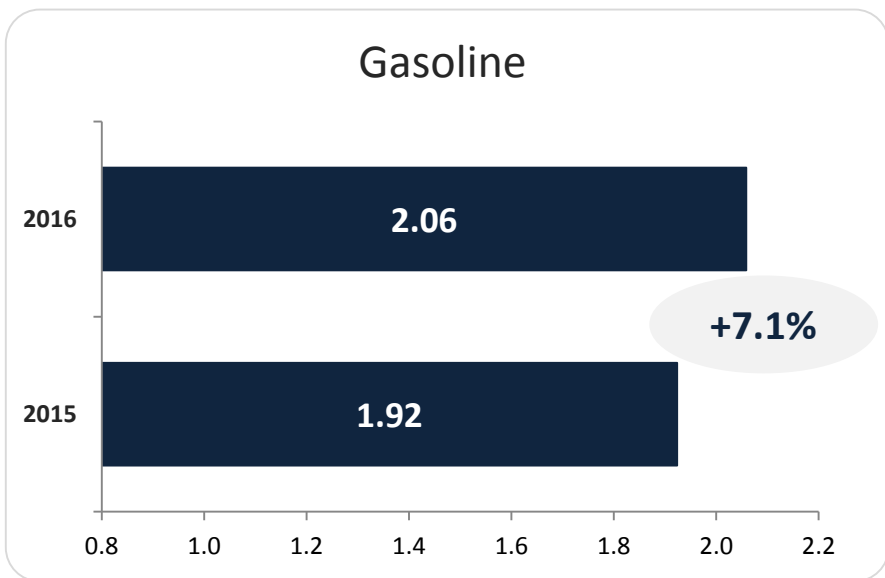
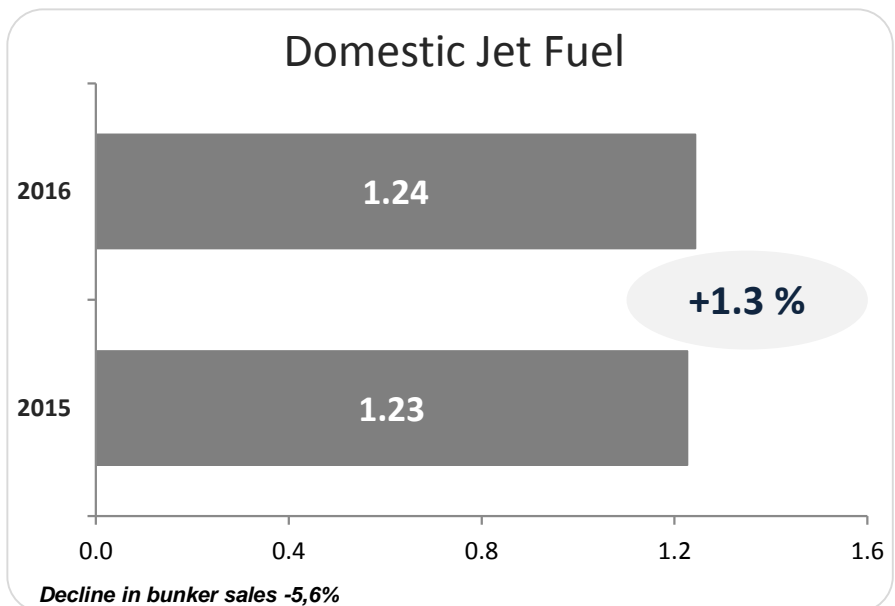
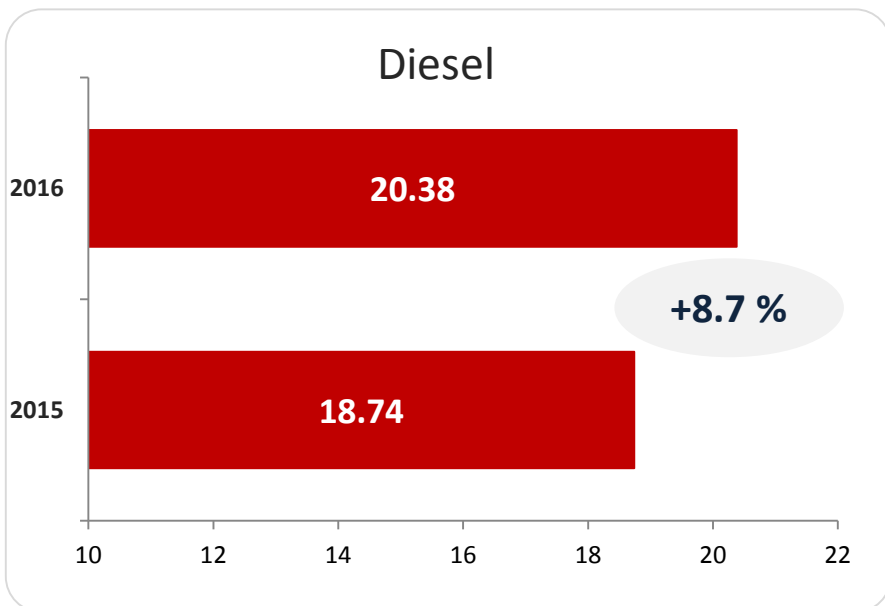
2011-2014 2015 2016



Crude Price Differentials (\$/bbl)

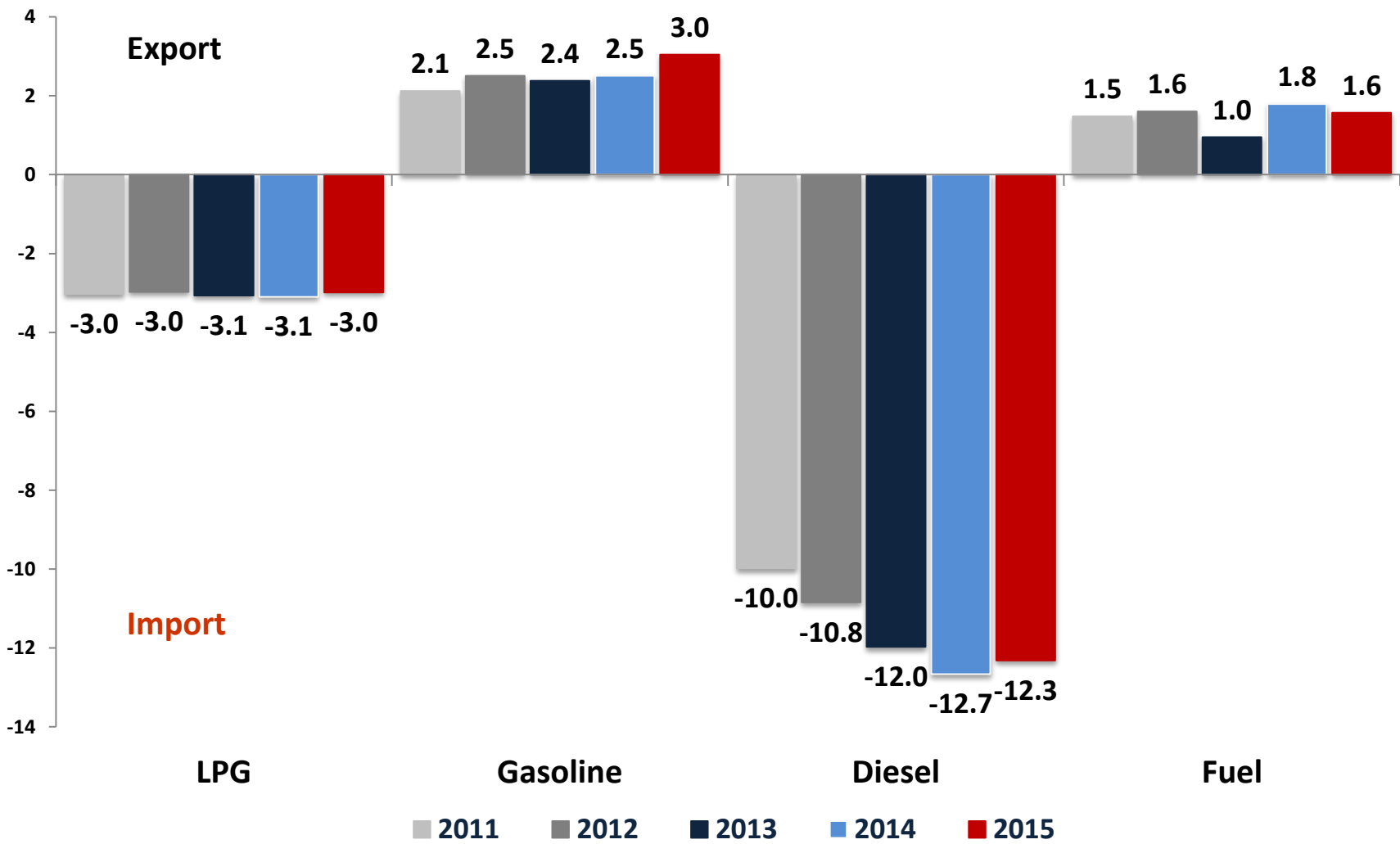


11 Months 2016 - Turkish Consumption (Million tons)



Source: EMRA
*bunker excluded.

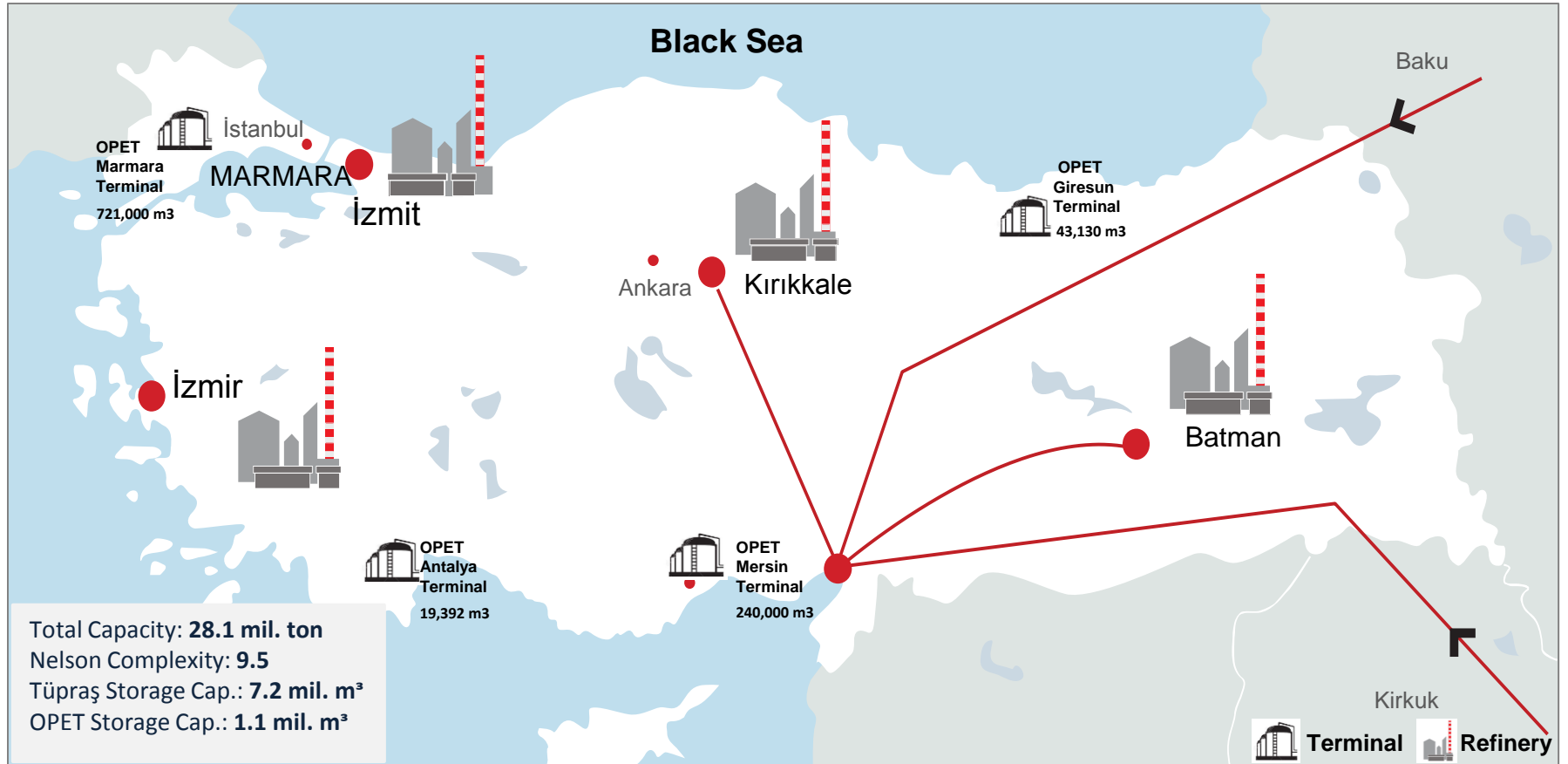
Turkey's Import / Export Balance (Net) (Million Ton)



02

Company Overview

Tüpraş Refining Assets & Distribution Network



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
- Base oil 400 t. tons

Kırıkkale

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

Batman

- 1.1 MT Capacity
- NC: 1.83
- Storage Capacity: 0.25 Mn m³



- 1.504 Stations**
- 1.073 Opet Brand
 - 431 Sunpet Brand



- 1.1 Million M3 Storage**
- Major Terminals in Marmara, Aegean, Black Sea & Mediterranean



- 2nd Biggest Distribution Company by Volume**
- # 1 Brand Royalty Award











- Jet Fuel Sales**
- Turkish Airlines JV



- Lubricants**
- Fuchs JV



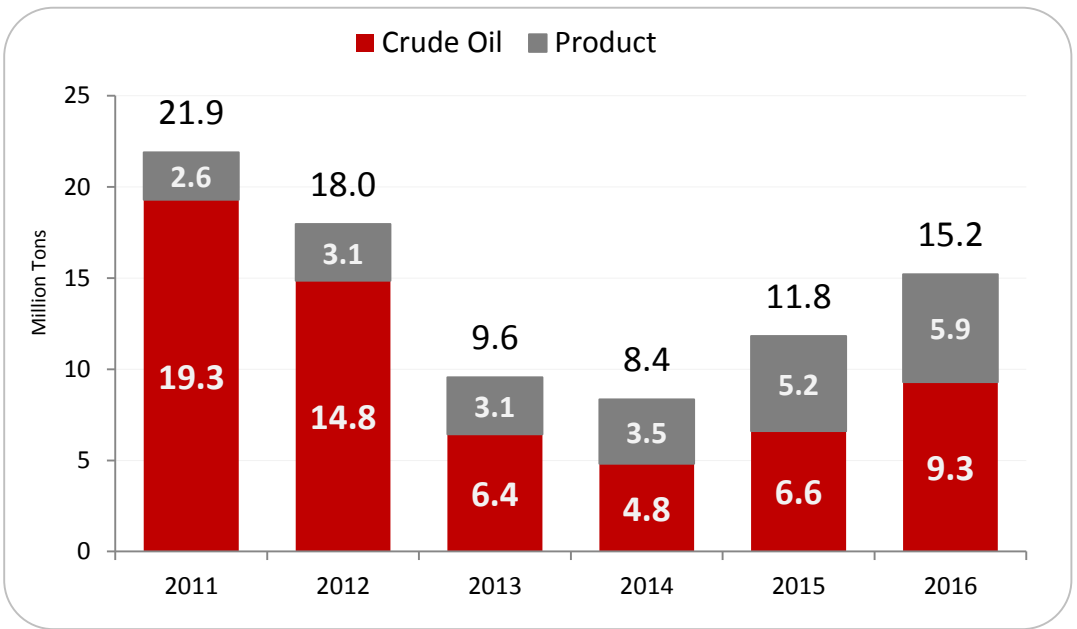
- International Trading**
- London

Cumhuriyet	Sevgi	Gönül	Suna	Leyla	Esra & Aylin	Caroline	Nevbahar
							
<ul style="list-style-type: none"> •Crude •2001 •164,9 K DWT 	<ul style="list-style-type: none"> •Products •2008 •10,98 K DWT 	<ul style="list-style-type: none"> •Products •2009 •10,87 K DWT 	<ul style="list-style-type: none"> • Products • 2012 • 51,5 K DWT 	<ul style="list-style-type: none"> •Products •2011 •6,3 K DWT 	<ul style="list-style-type: none"> •Bitumen •2x20 K DWT •Esra 2014 •Aylin 2015 	<ul style="list-style-type: none"> •Products •2009 •10,9 K DWT 	<ul style="list-style-type: none"> • Products • 2009 • 11,5 K DWT

- Turkey’s leading company in marine transportation of crude oil and petroleum products
- World’s biggest Asphalt Tankers (2 x 20,000 DWT) for semi-product transfers btwn refineries

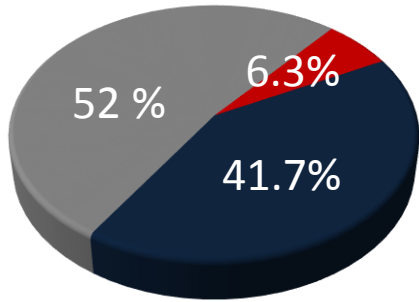


DİTAŞ Financials		2016 (mn \$)
Net Sales		151,3
Op. Profit		40,5



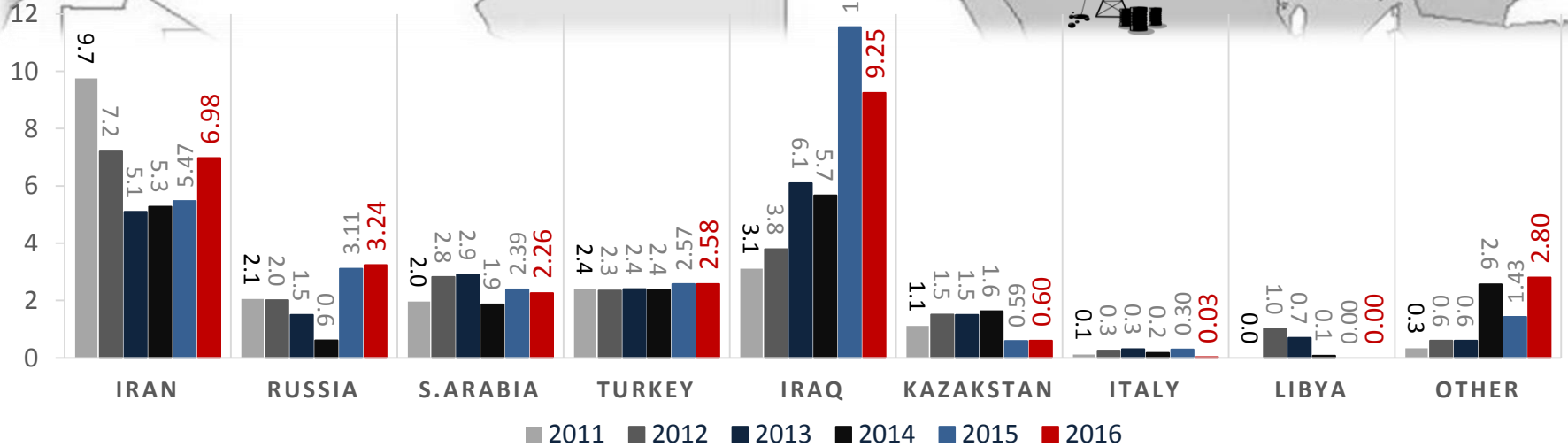
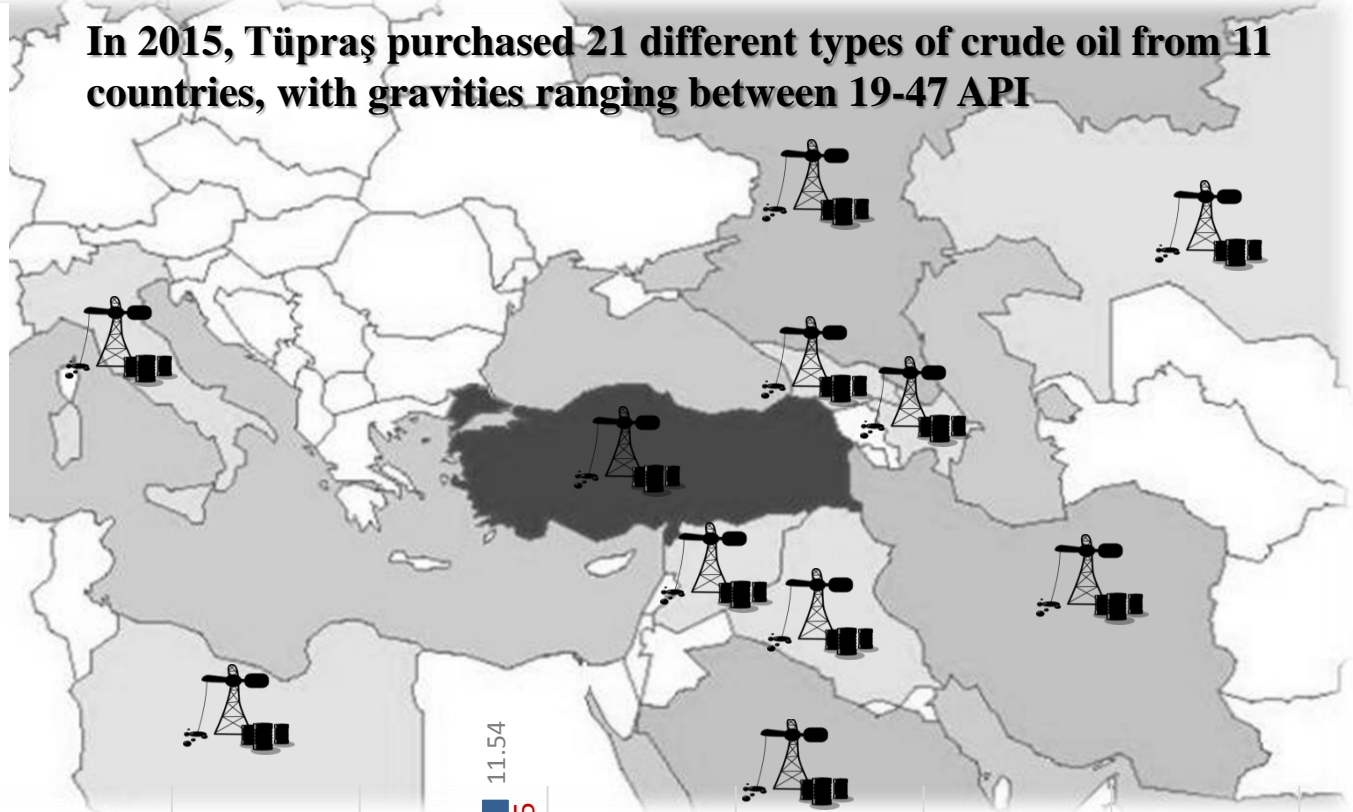
Crude Suppliers of TÜPRAŞ (Million Tons)

Crude Type - 2016

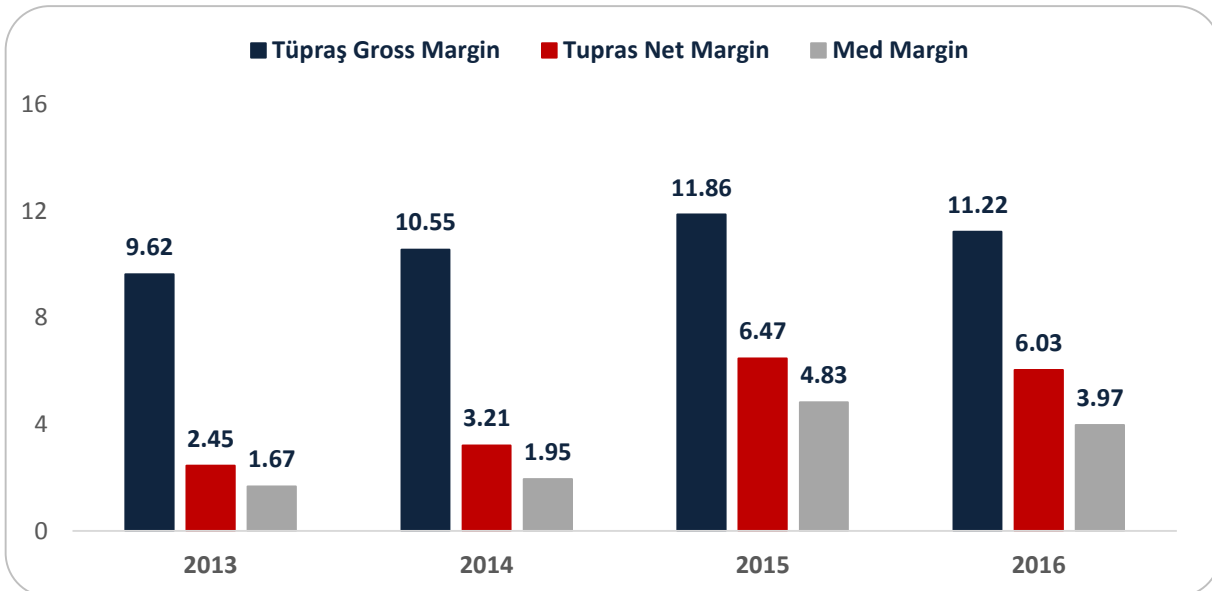
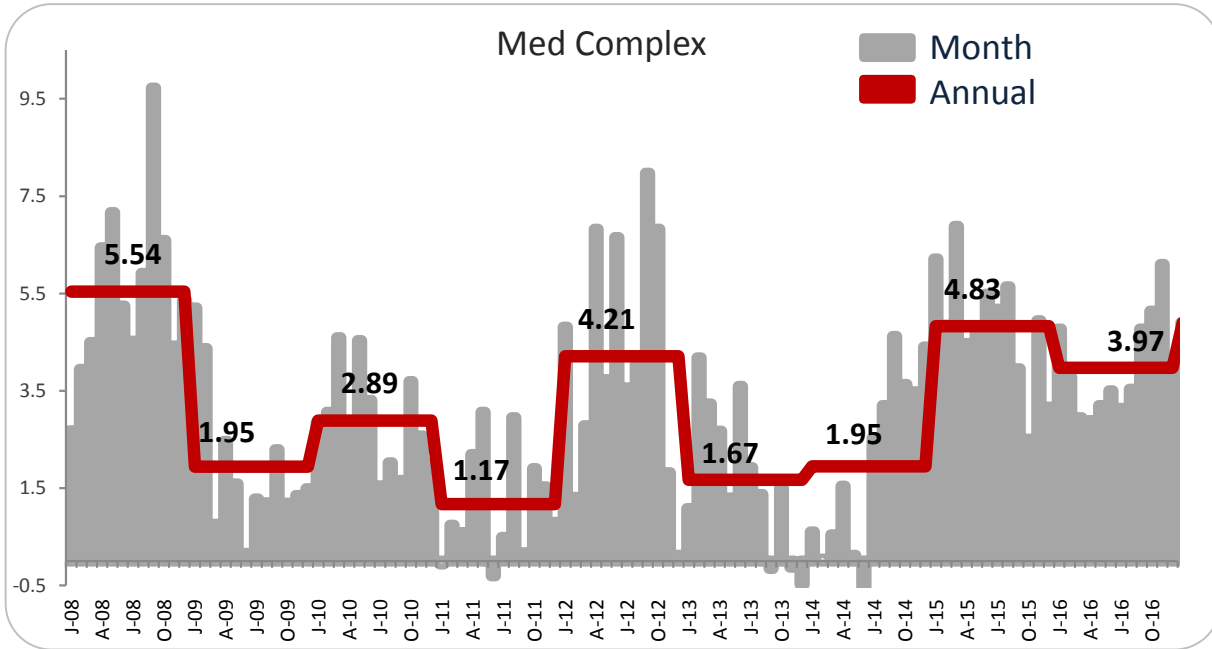


■ >34 ■ 30-34 ■ 30>

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



Margin Environment (\$/bbl)

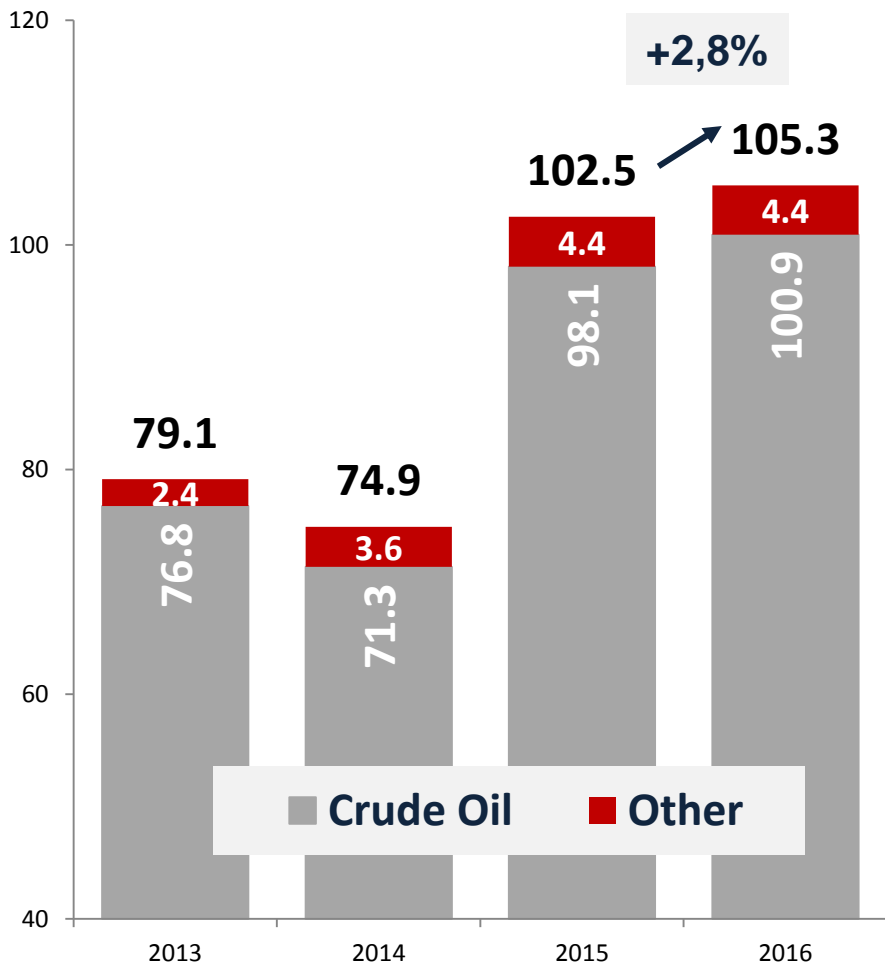


Premium to the benchmark Mediterranean peers' refining margin due to:

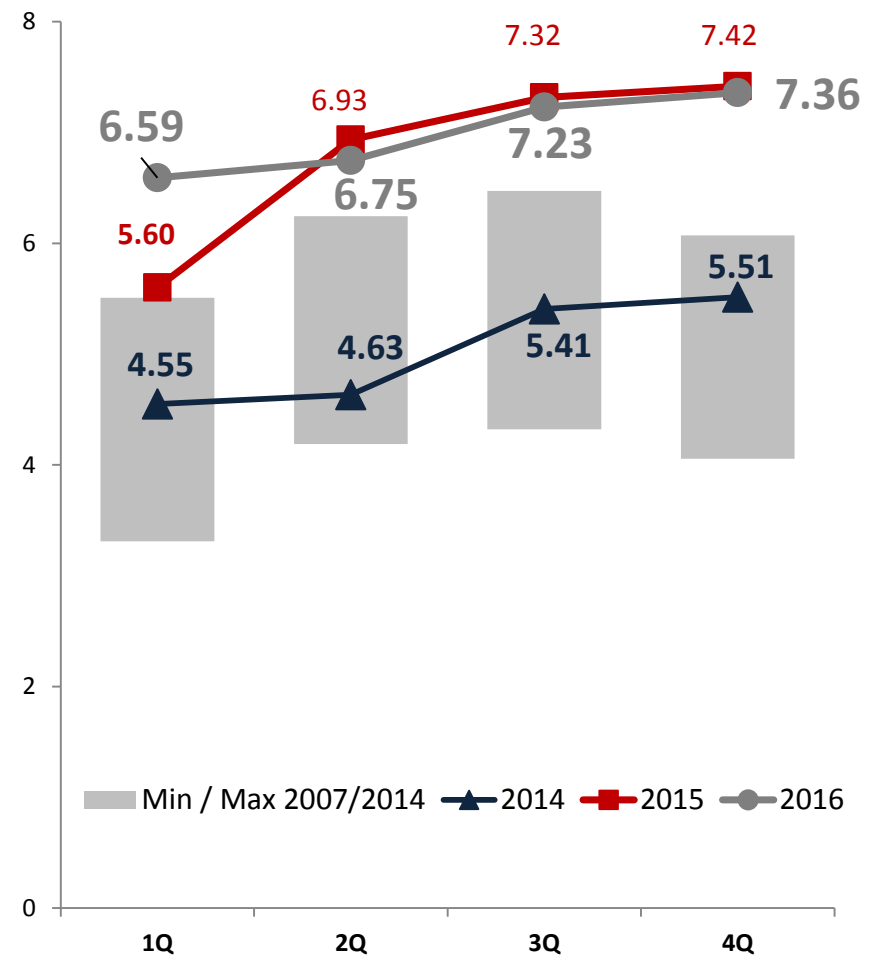
- ▶ Refined products deficit characteristic to the Turkish market
- ▶ **Access to cheaper sources of crude oil**
 - Ability to use heavier and sour crudes
- ▶ **Proximity to major suppliers**
 - Reduces transport costs
- ▶ **Implemented cost reduction measures**
 - Energy efficiency programs
- ▶ **Capacity to produce higher value added range of refined products**
- ▶ **Direct pipeline connections with domestic clients**
- ▶ **High export capability**

Production

Capacity Utilisation* (%)



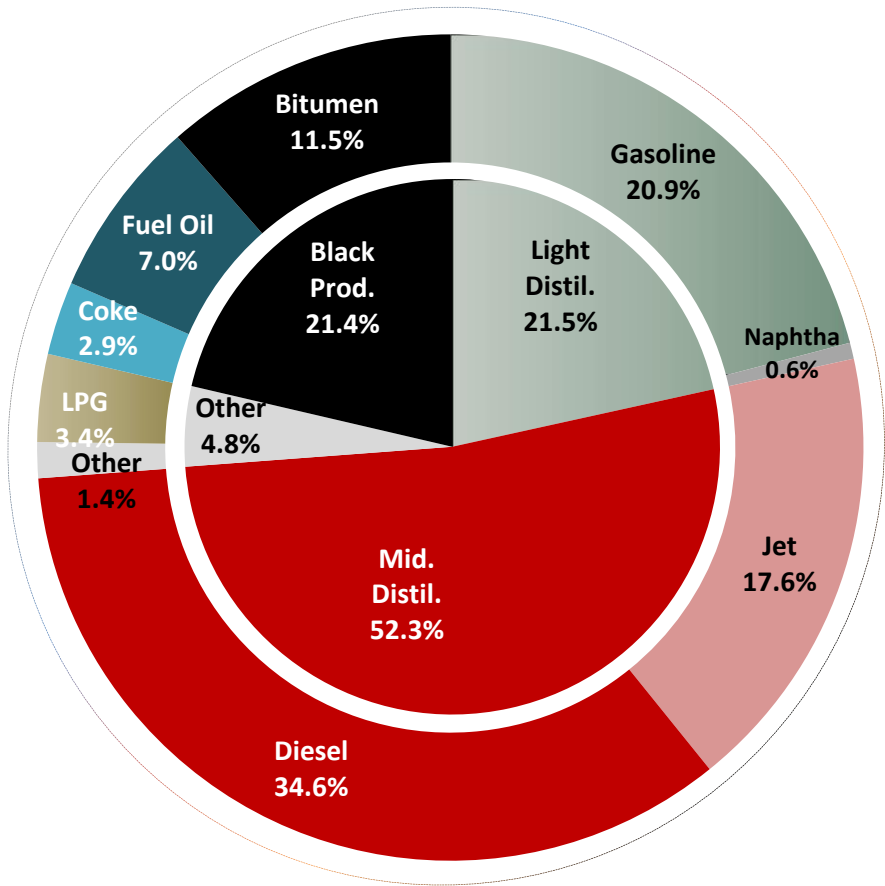
Quarterly Production Volume (Mn Tons)



*Nameplate capacity calculated by standard 330 days of operations.

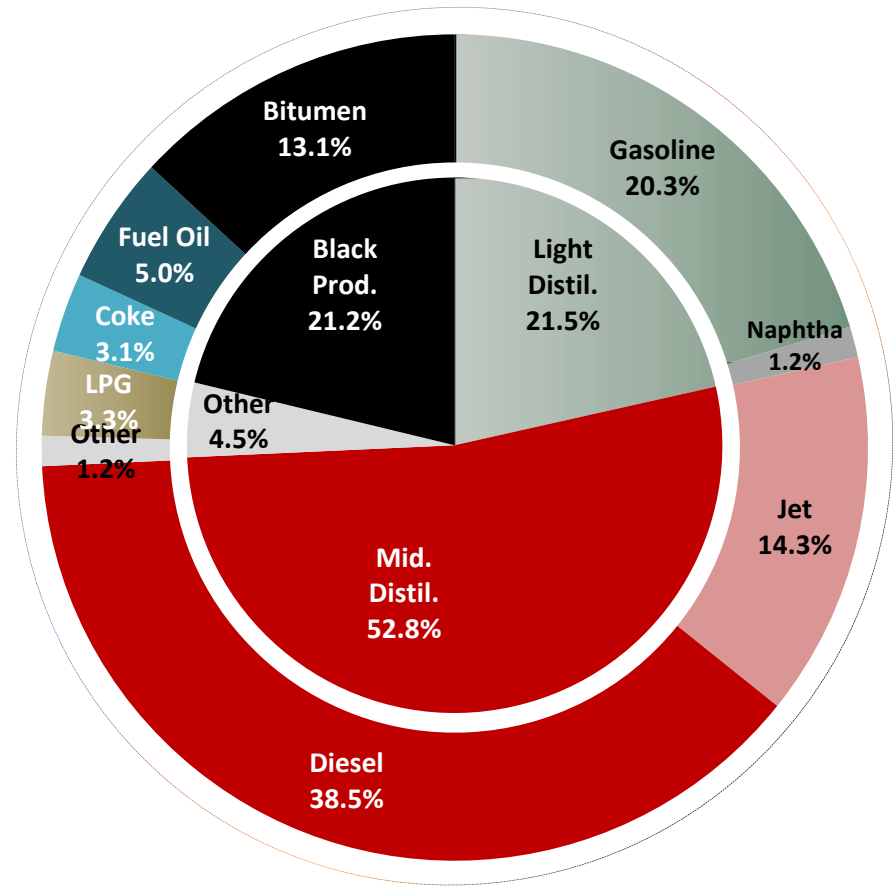
4rd Quarter Product Yields

2015



White Product 77.49%
Production 7.33 mn ton
API:30.27

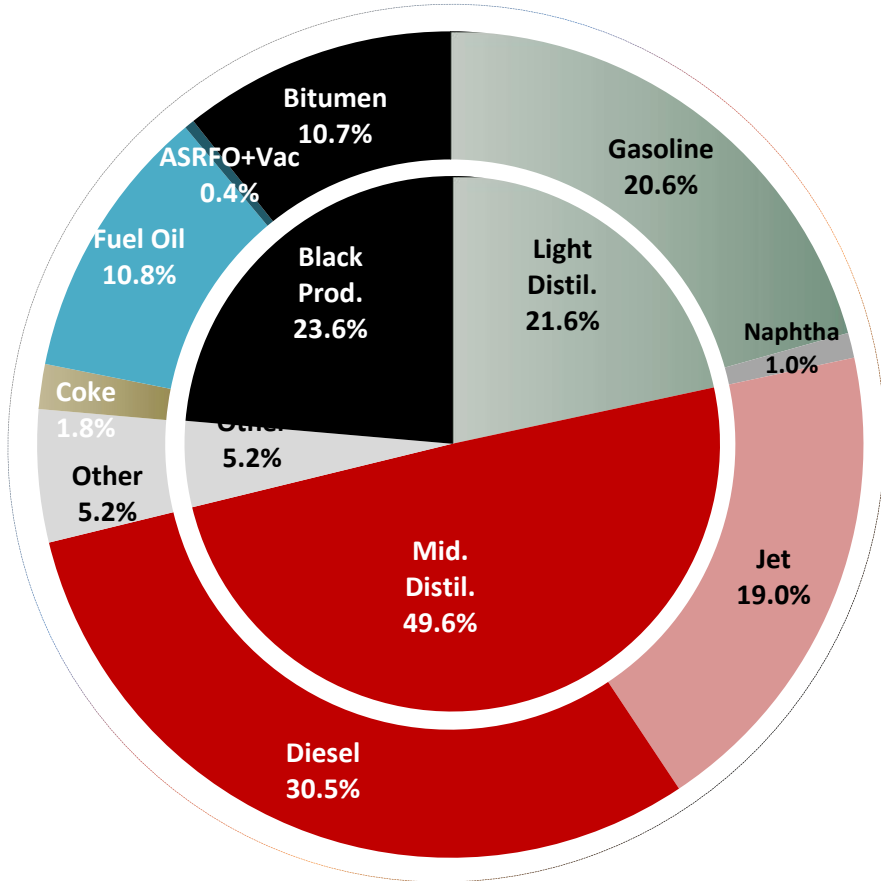
2016



White Product 77.57%
Production 7.31 mn ton
API:30.10

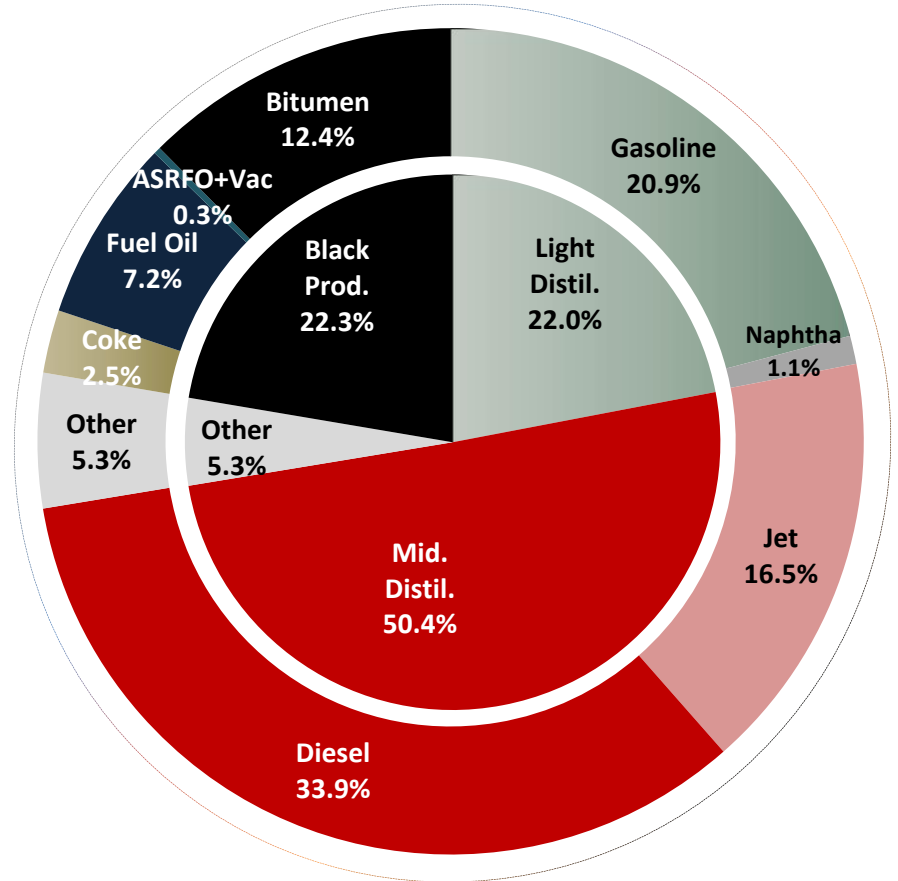
Product Yields

2015



White Product 75,43%
Production 27,27 mn ton
API:31,35

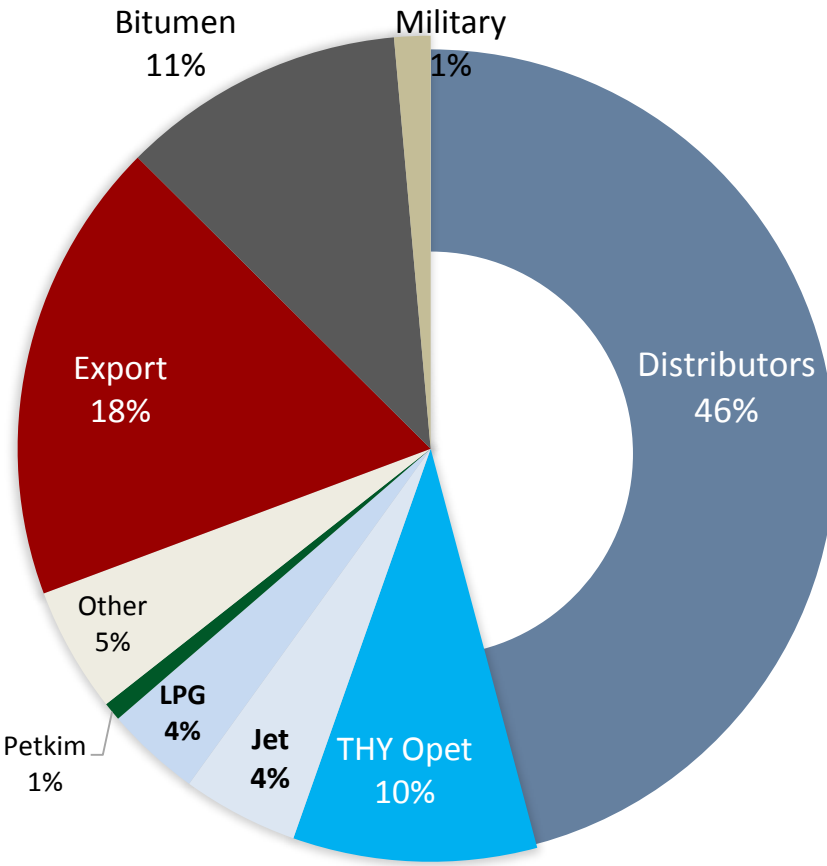
2016



White Product 76,57%
Production 27,93 mn ton
API:30,62

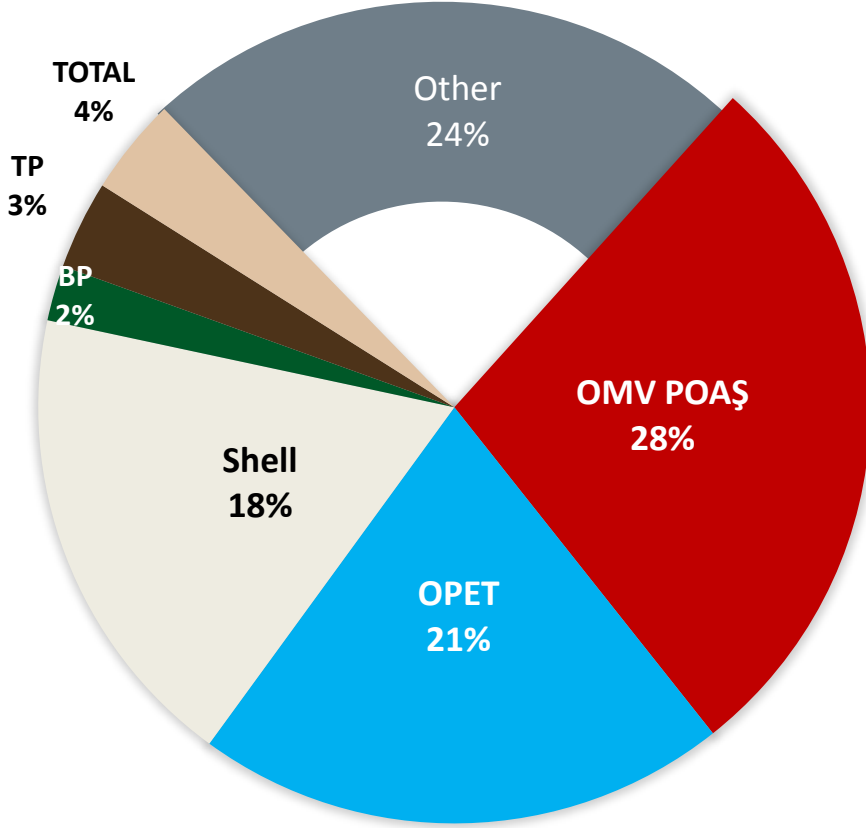
Sales By Customer (2016)

Customer Groups



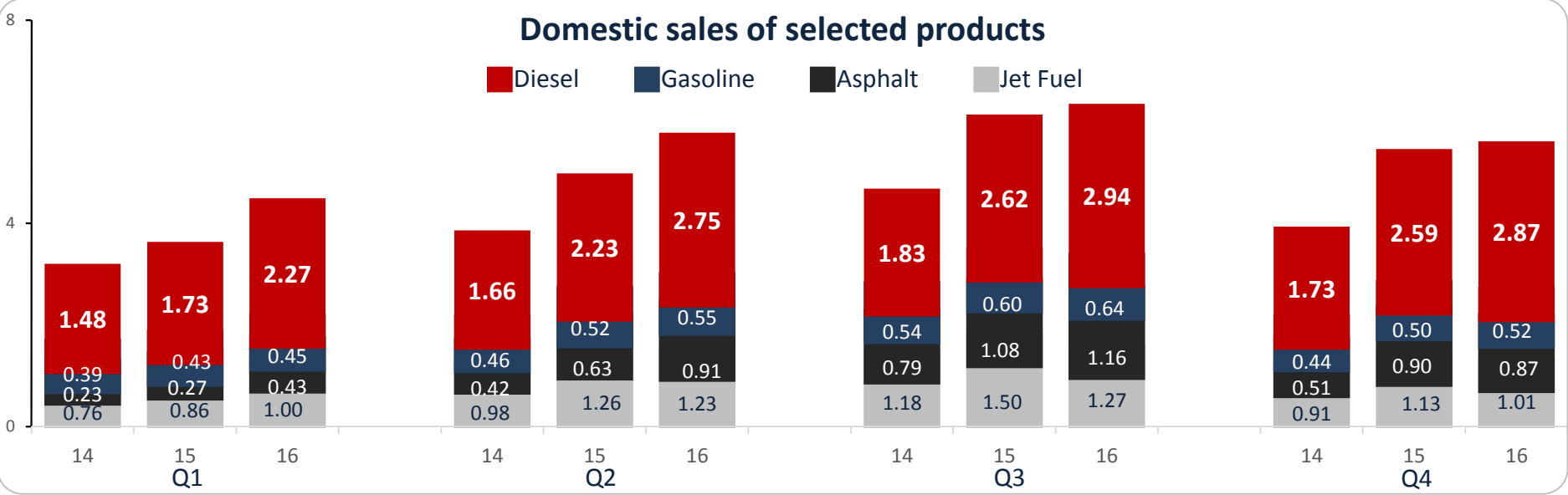
Total: **30.3** mn tons

Sales to Distributors

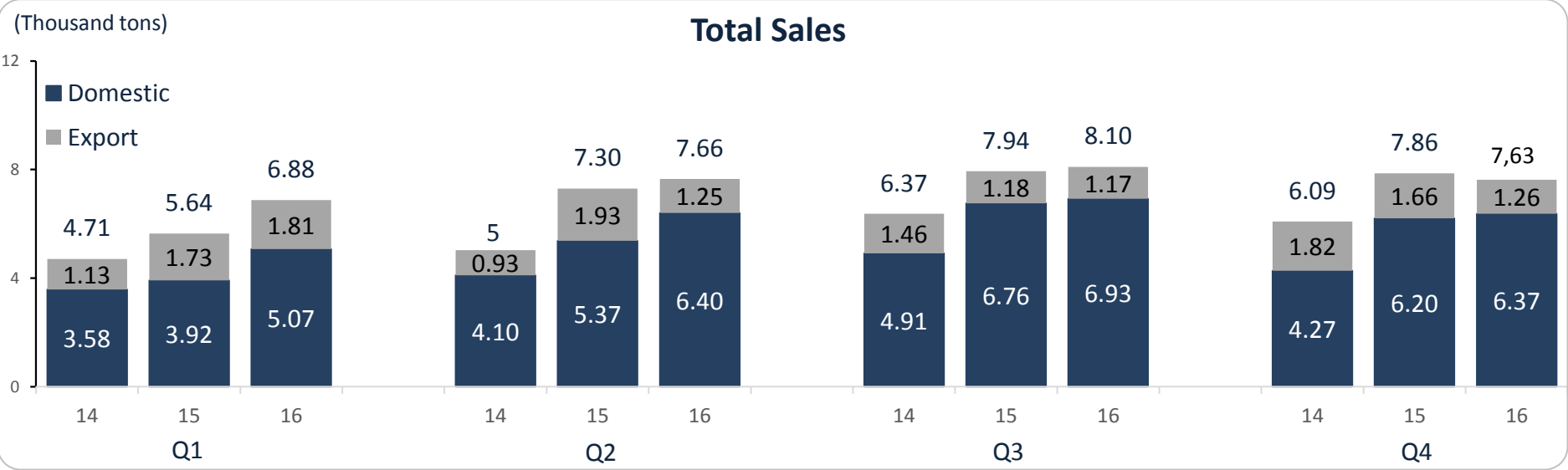


Distributors: **13.9** mn tons

Tüpraş Sales (Million Tons)



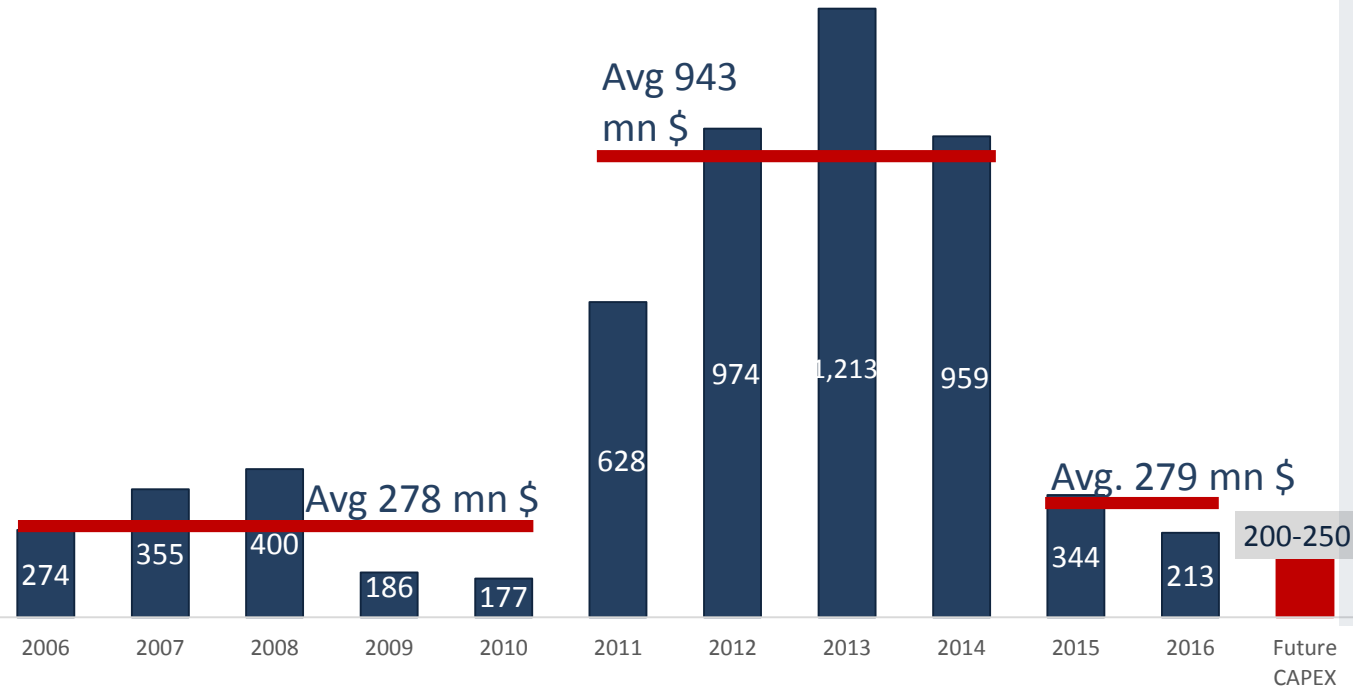
Diesel sales increased by %10,8 to 2.87 million tons compared to Q415.
In full year, diesel sales soared by 18%



Investments (mn \$)



- 9.5 Nelson complexity
- High white product yield
- Process more heavier and sour crudes
- Run all refineries with 100% capacity utilization



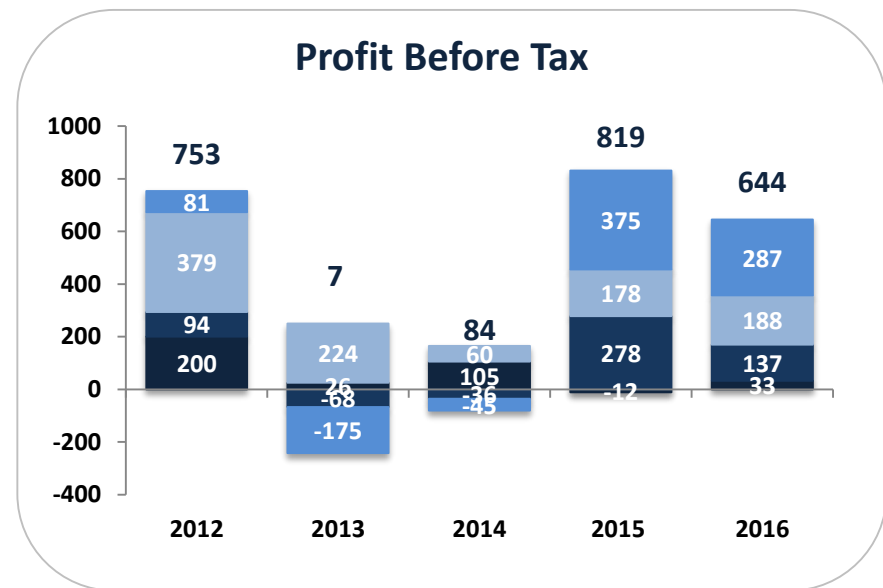
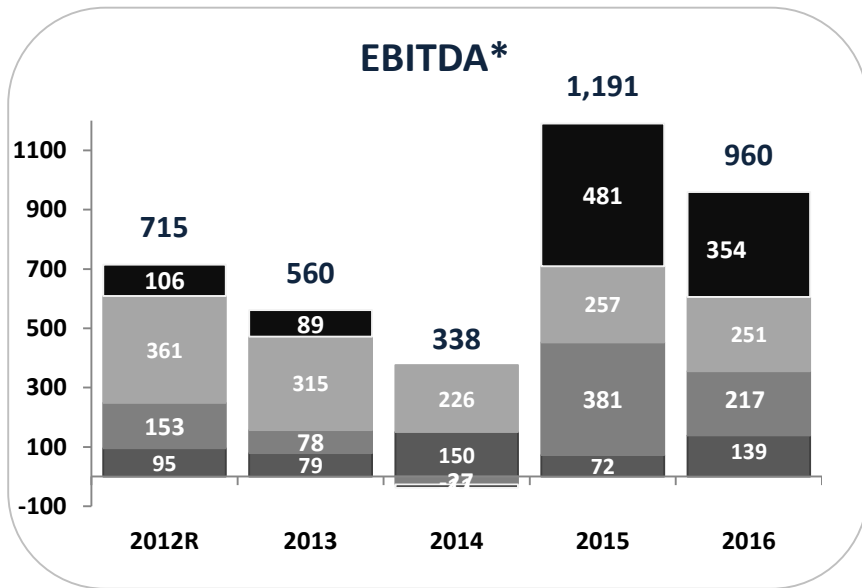
Ongoing Projects

- New Power Plant
- Revamp of Crude Unit
- FCC Modernization
- New Sulphur Units
- Energy Saving Projects
- Optimization of conversion units

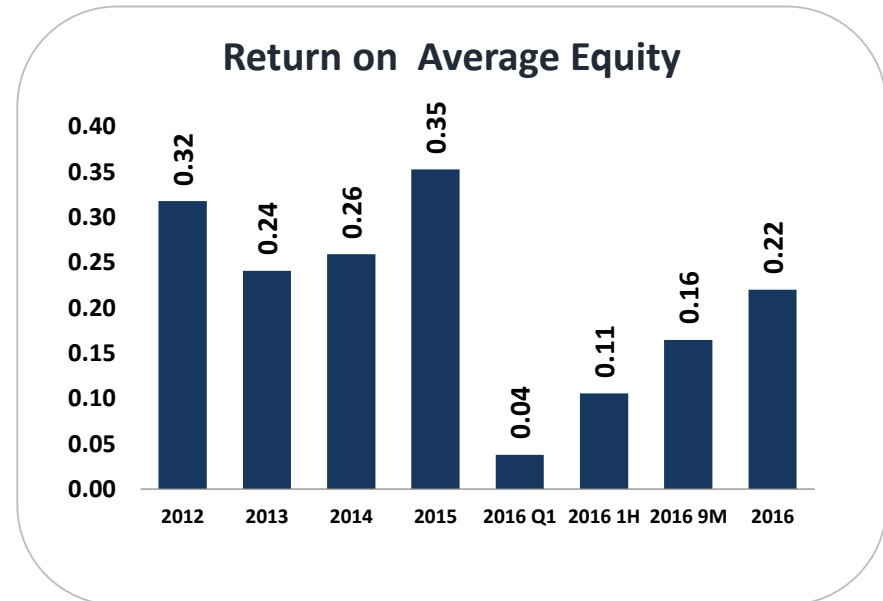
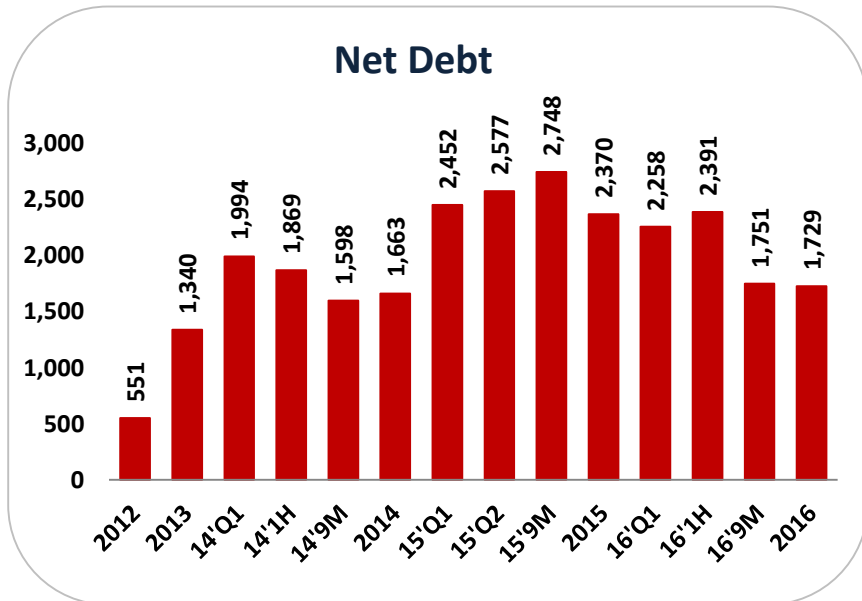
03

Key Financials

Financial Highlights (mn \$)

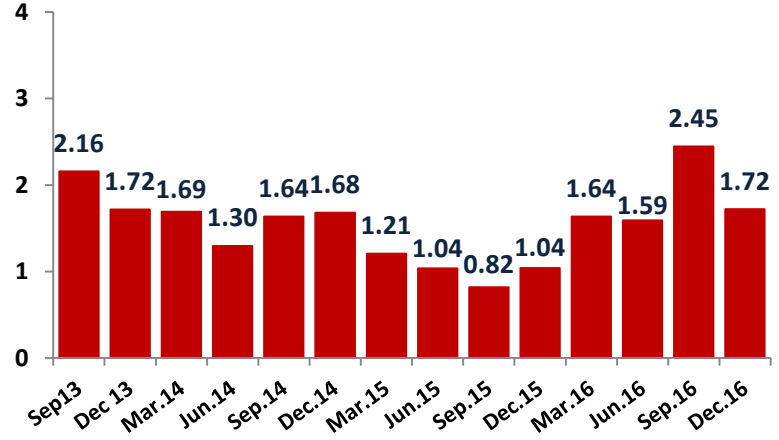


* According to CMB

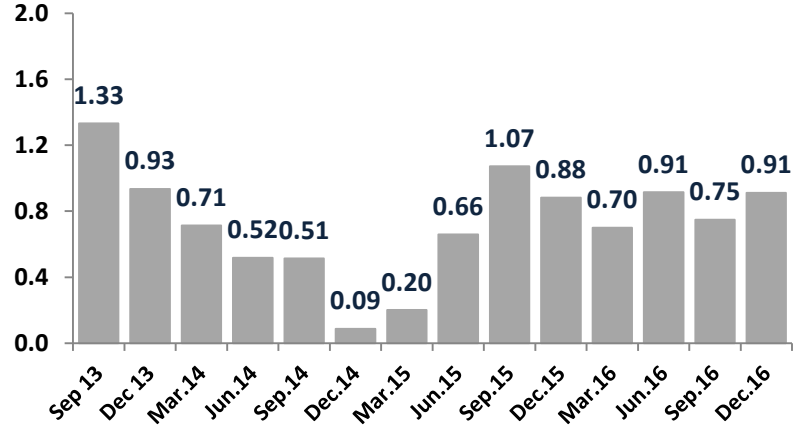


Balance Sheet Analysis

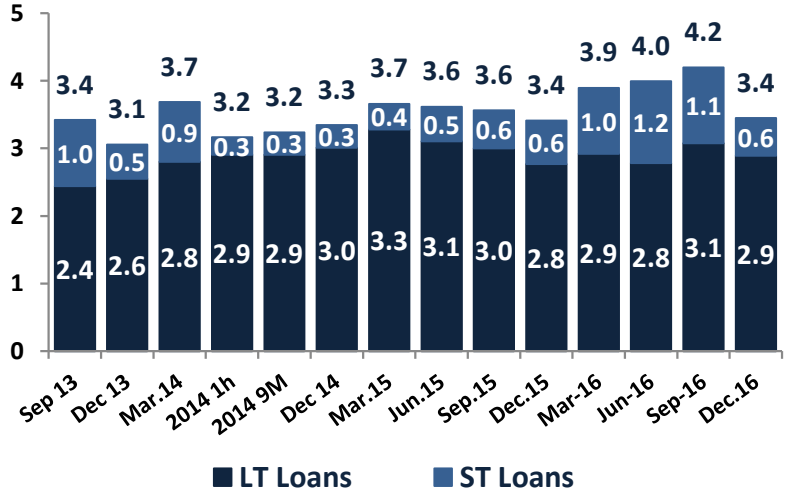
Cash & Equivalents (Billion \$)



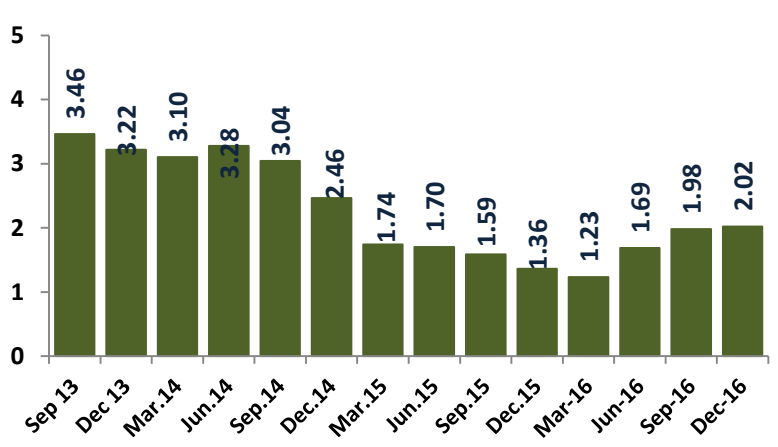
Receivables (Billion \$)



Financial Loans (Billion \$)



Payables (Billion \$)

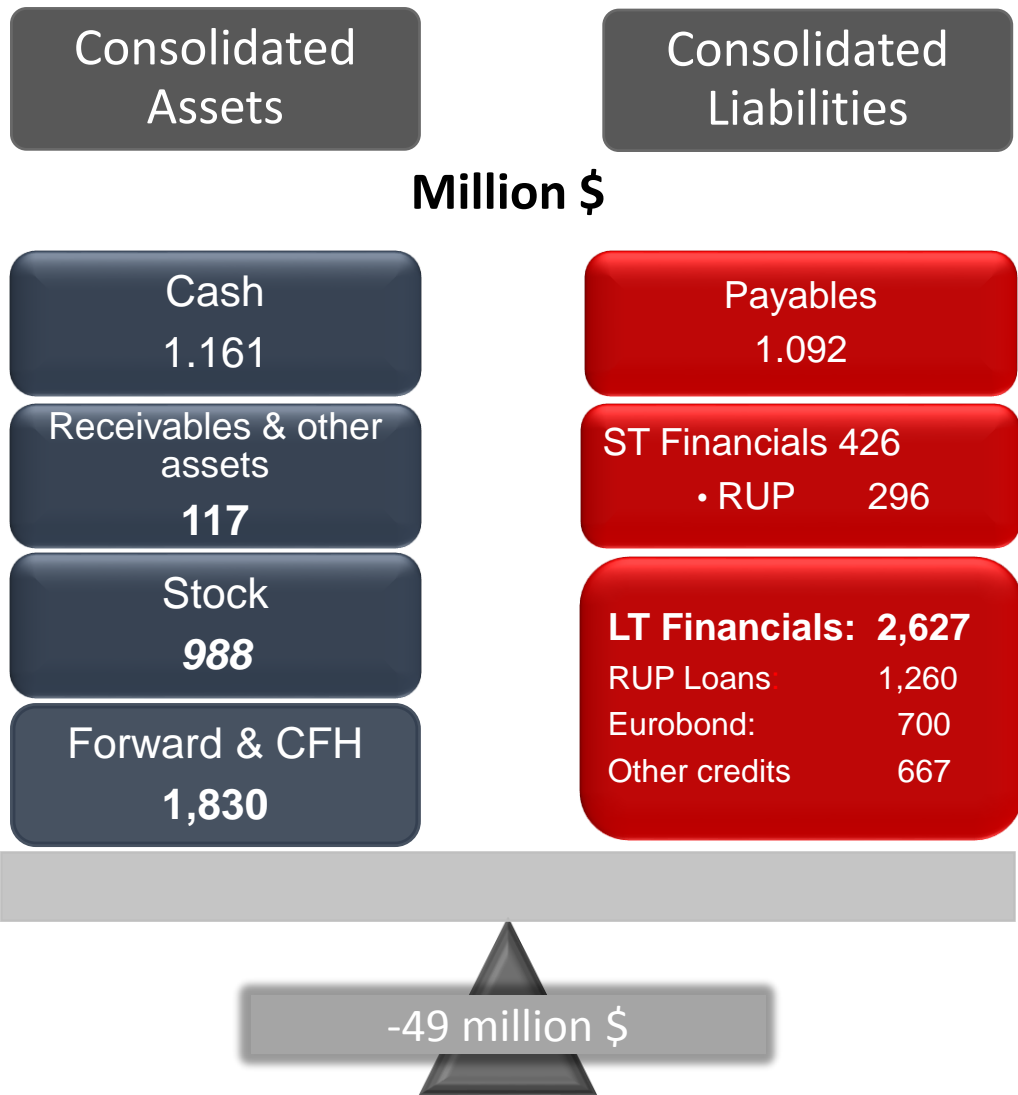


Profit Bridge On Tüpraş 12M

Mil. TL

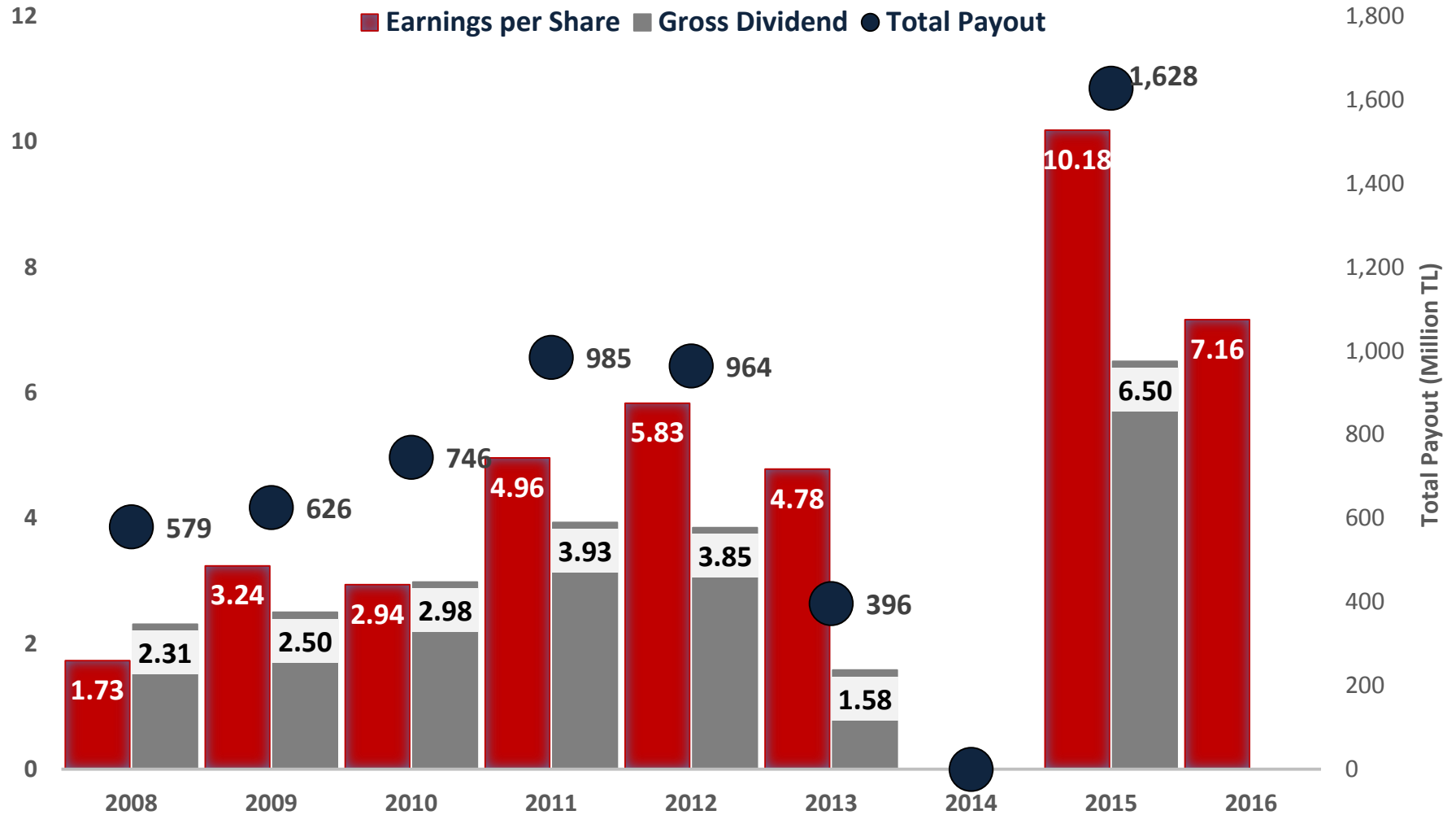


FX Risk Exposure (31 December 2016)



*Cash flow hedge accounting : 1,426 mn \$

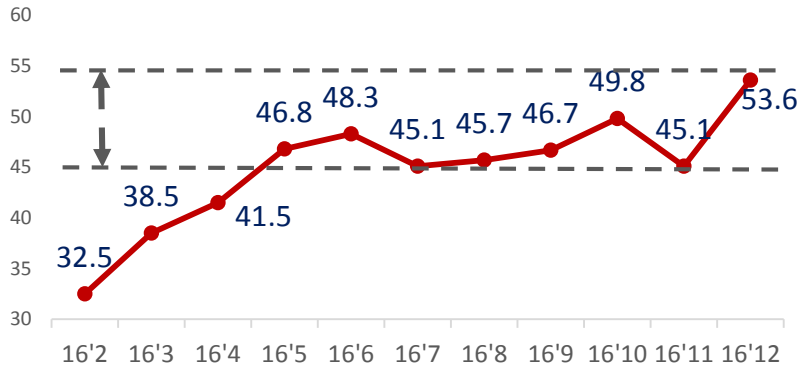
Dividends (TRY)



2012/2013 EPS includes the tax incentive

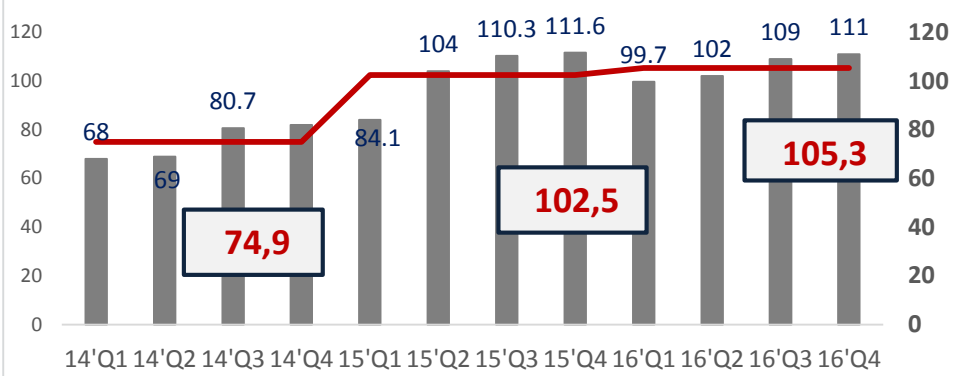
2017 Expectations vs 2016 Results

Crude Oil Price



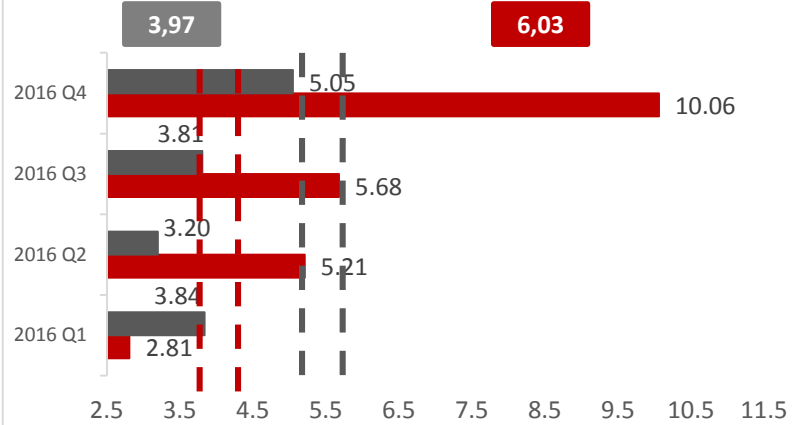
Target The average Brent price in 2017 is expected to be 55 dollars per barrel band

CDU



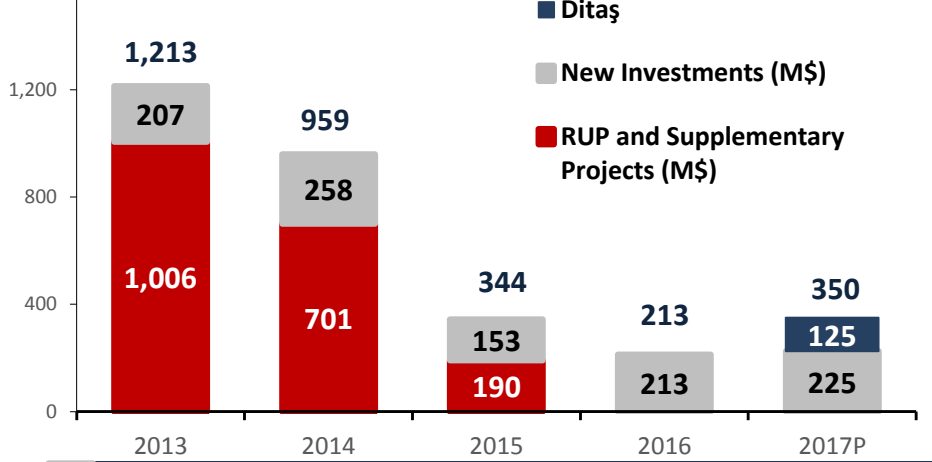
Target Expected Capacity Utilisation in 2017 will be around **100 %**

Med Margin Tüpraş Net Refinery Margin Min.



Target 2017 Net Tüpraş refinery margin is expected to be in the region of 5,75 – 6,25 dollars per barrel

Investments



Target Refining investments for 2017 will be approx. 225 Mln \$. Additionally, 125 Mln \$ investment for the marine tanker fleet

04 **Supplements**

Income Statement (In USD)

Q4 2015	Q4 2016	% Diff.	Million USD	12 M 2015	12 M 2016	% Diff.
3.031	3.332	10	Net Sales	13.571	11.547	-15
450	510	13	Gross Profit	1.517,8	1.208,9	-20
-99	-91	-8	Operating Expenses	-322,6	-329,8	2
71	-106	-249	Income/Loss from other operations	-183,0	-98,2	-46
422	314	-26	Operating Profit	1.012,2	780,9	-23
11	8	-24	Income/Loss from equity investment	26,7	52,6	97
433	322	-26	Operating Profit Before Fin. Income/Loss	1.039	834	-20
-60	277	-561	Financial Income	317,3	388,9	23
2	-312	-15.676	Finance Expenses	-537,7	-578,4	8
375	287	-24	Profit Before Tax & Minorities	818,6	644,0	-21
285	256	-10	Net Profit	938,0	594,1	-37

421,8	480,4	13,9	EBITDA *(mn. \$)	1.397,4	1.125,1	-19,5
352,2	408,6	16,0	EBITDA* (mn. \$) CCS	1.432,4	962,0	-32,8

481,4	354,4	-26	EBITDA (mn.\$)-CMB	1.191,0	960,1	-19,4
411,8	282,6	-31,4	EBITDA (mn.\$)-CMB- CCS	1.226,0	797,0	-35,0

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

Tüpraş Balance Sheet

Million USD	31.12.2016	31.12.2015	Difference	% Difference
Current Assets	3.884	3.007	877	29
Cash & C. Equivalents	1.719	1.041	678	65
Receivables	911	882	29	3
Derivatives	10	6	3	52
Inventories	1.025	723	302	42
Pre-paid expenses	28	37	-9	-25
Other Current Assets	190	317	-126	-40
Long Term Assets	4.987	5.753	-766	-13
Financial Assets & Subsidiaries	264	264	0	0
Fixed Assets	3.338	3.950	-612	-15
Derivatives	105	86	19	22
Pre-paid expenses	68	62	6	10
Deferred Tax	917	1.101	-184	-17
Other Long Term Assets	296	291	6	2
Total Assets	8.871	8.760	111	1
Short Term Liabilities	3.597	3.036	561	18
Financial Loans	556	644	-87	-14
Payables	2.020	1.363	657	48
Derivatives	8	14	-6	-40
Deferred Incomes	4	8	-4	-45
Provisions	18	24	-6	-24
Other ST Liabilities	990	984	6	1
Long Term Liabilities	2.953	2.845	107	4
Financial Loans	2.892	2.768	124	4
Payables & Provisions	59	67	-8	-12
Derivatives	1	9	-9	-95
Other LT Liabilities	2	1	0	7
Equity	2.298	2.856	-558	-20
Minority Interests	22	22	1	3
Total Liabilities	8.871	8.760	111	1

Product Price Effect on Tüpraş in Q4 (FOB Italy Prices)

Q4	Product Price, \$/ton		Tüpraş	Crack Margin, \$/bbl	
	2016	2015	Product Yield %	2016	2015
LPG	362,0	364,0	3,60%	-17,2	-11,3
Gasoline	505,0	464,0	20,10%	12,8	13,5
Naptha	421,0	388,7	1,10%	-1,9	0,2
Jet Fuel	468,8	417,7	17,50%	10,2	9,4
Diesel	451,2	405,5	32,50%	11,2	10,8
Diesel 1000	442,4	389,7	0,70%	10,0	8,7
Fuel Oil 1%	283,6	202,2	0,20%	-5,7	-12,5
Fuel Oil 3,5%	259,7	182,9	18,80%	-9,4	-15,5
Total Crack Margin,\$/bbl				5,6	4,6
Dated Brent Avg. \$/bbl	49,5	43,7	94,50%		
Margin Differences, \$/bbl					1,0
Total Raw Materials Charge, mn Barrel					55,6
Total Effect of Product Price, mn \$					56,9
Total Effect of Product Cracks, mn TL					186,6

Product Price Effect on Tüpraş in 12M (FOB Italy Prices)

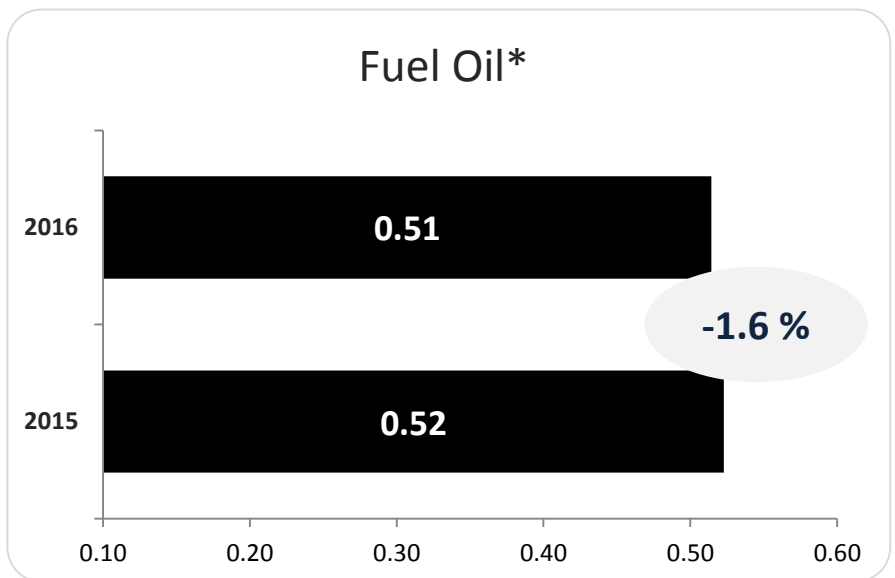
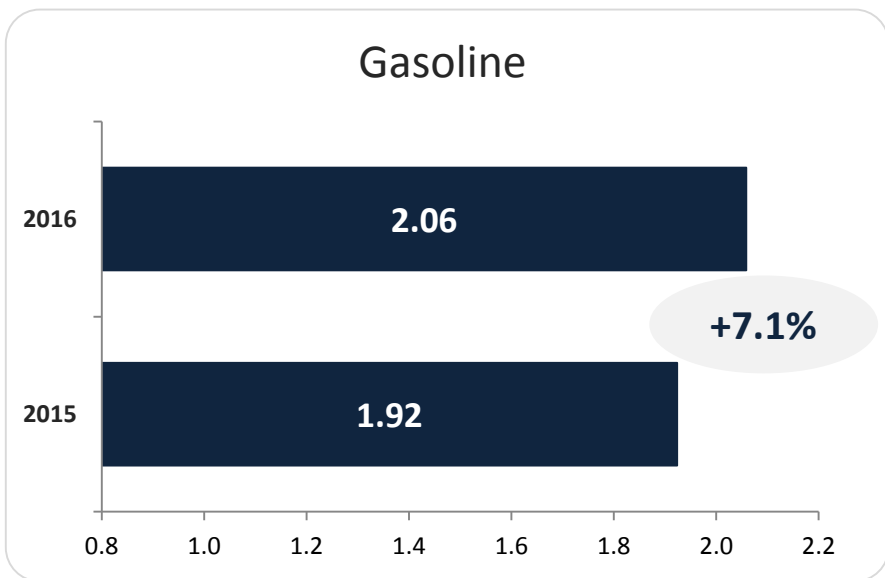
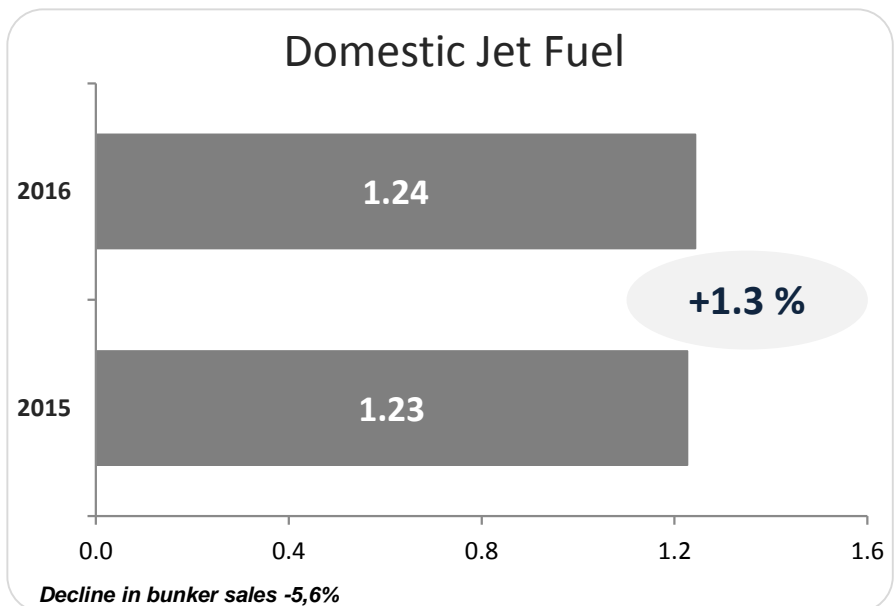
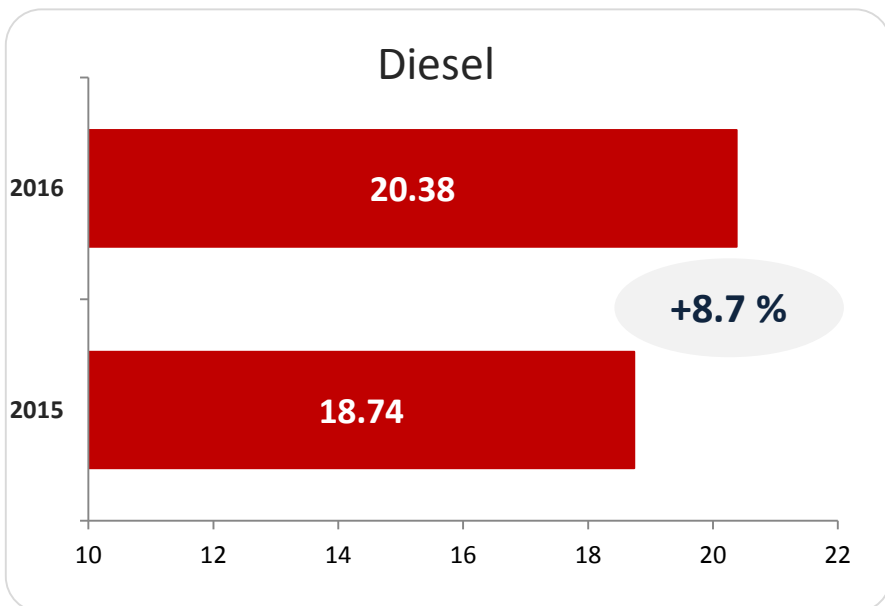
12M	Product Price, \$/ton		Tüpraş	Crack Margin, \$/bbl	
	2016	2015	Product Yield %	2016	2015
LPG	308,3	360,7	3,60%	-16,2	-20,3
Gasoline	462,3	557,5	20,10%	13,3	16,2
Naptha	366,6	432,9	1,10%	-2,3	-3,6
Jet Fuel	408,9	501,9	17,50%	8,3	11,4
Diesel	394,6	494,7	32,50%	9,3	14,0
Diesel 1000	384,9	478,1	0,70%	8,0	11,8
Fuel Oil 1%	222,3	269,1	0,20%	-9,4	-11,0
Fuel Oil 3,5%	205,2	255,4	18,80%	-12,1	-13,1
Total Crack Margin,\$/bbl				4,3	6,6
Dated Brent Avg. \$/bbl	43,7	52,5	94,50%		
Margin Differences, \$/bbl					-2,3
Total Raw Materials Charge, mn Barrel					213,3
Total Effect of Product Price, mn \$					-495,6
Total Effect of Product Cracks, mn TL					-1.495,5

Inventory Effect* Analysis

\$ million	2015			2016		
	Crude	Product	Total	Crude	Product	Total
1st Quarter	-35,1	-35,1	-70,2	-9,0	-13,4	-22,4
2nd Quarter	28,1	38,9	67,1	46,9	70,1	117,0
3rd Quarter	-45,9	-55,7	-101,6	2,3	12,8	15,2
4th Quarter	-42,8	-40,7	-83,5	64,8	58,5	123,4
Sep	-5,2	0,9	-4,3	20,4	11,7	32,1
Nov	-10,6	-17,4	-28,1	8,3	4,9	13,2
Dec	-27,0	-24,2	-51,1	36,2	41,9	78,1
12 Months	-95,6	-92,5	-188,1	105,1	128,0	233,1

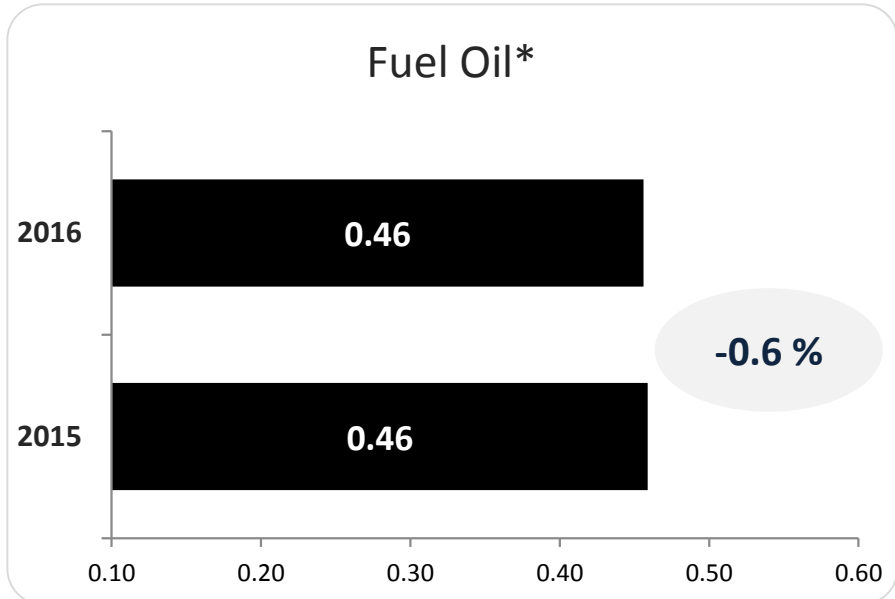
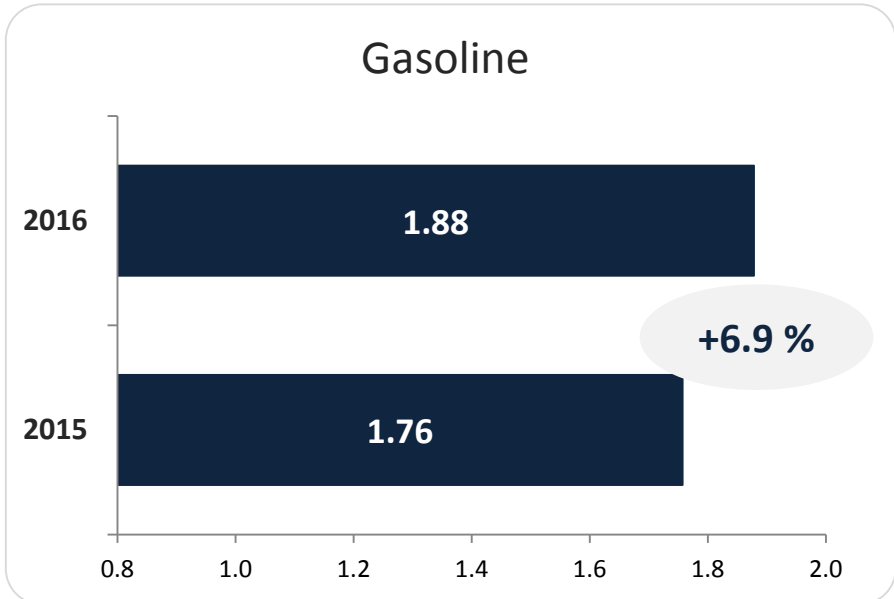
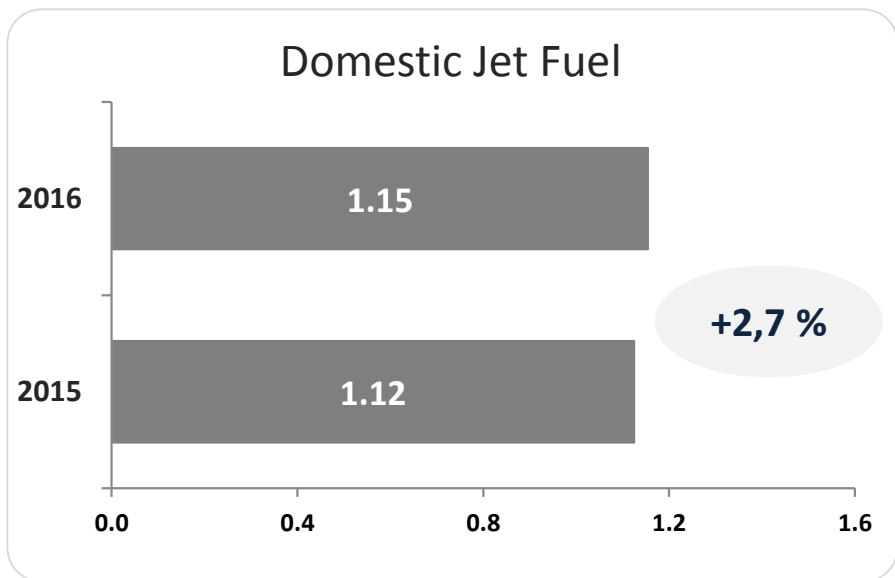
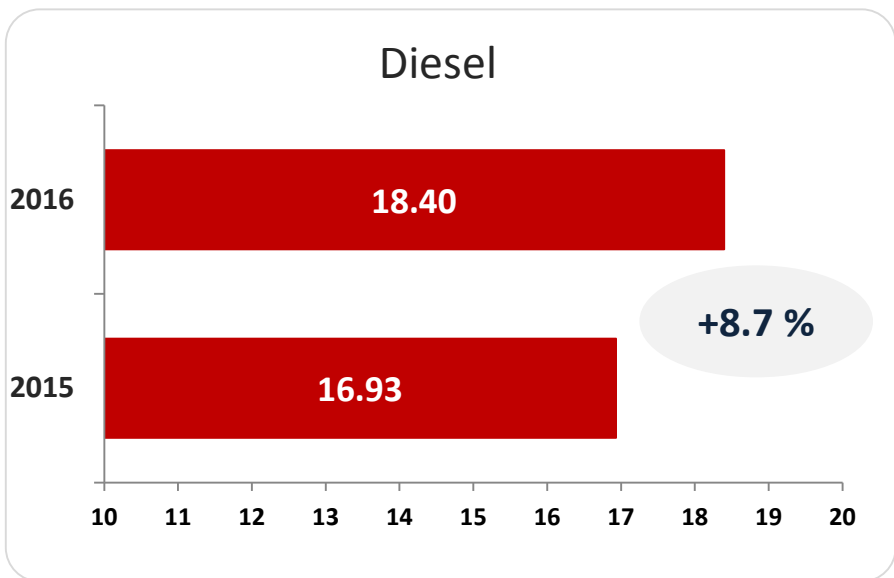
*FX effect Included, hedging excluded

11 Months 2016 - Turkish Consumption (Million tons)



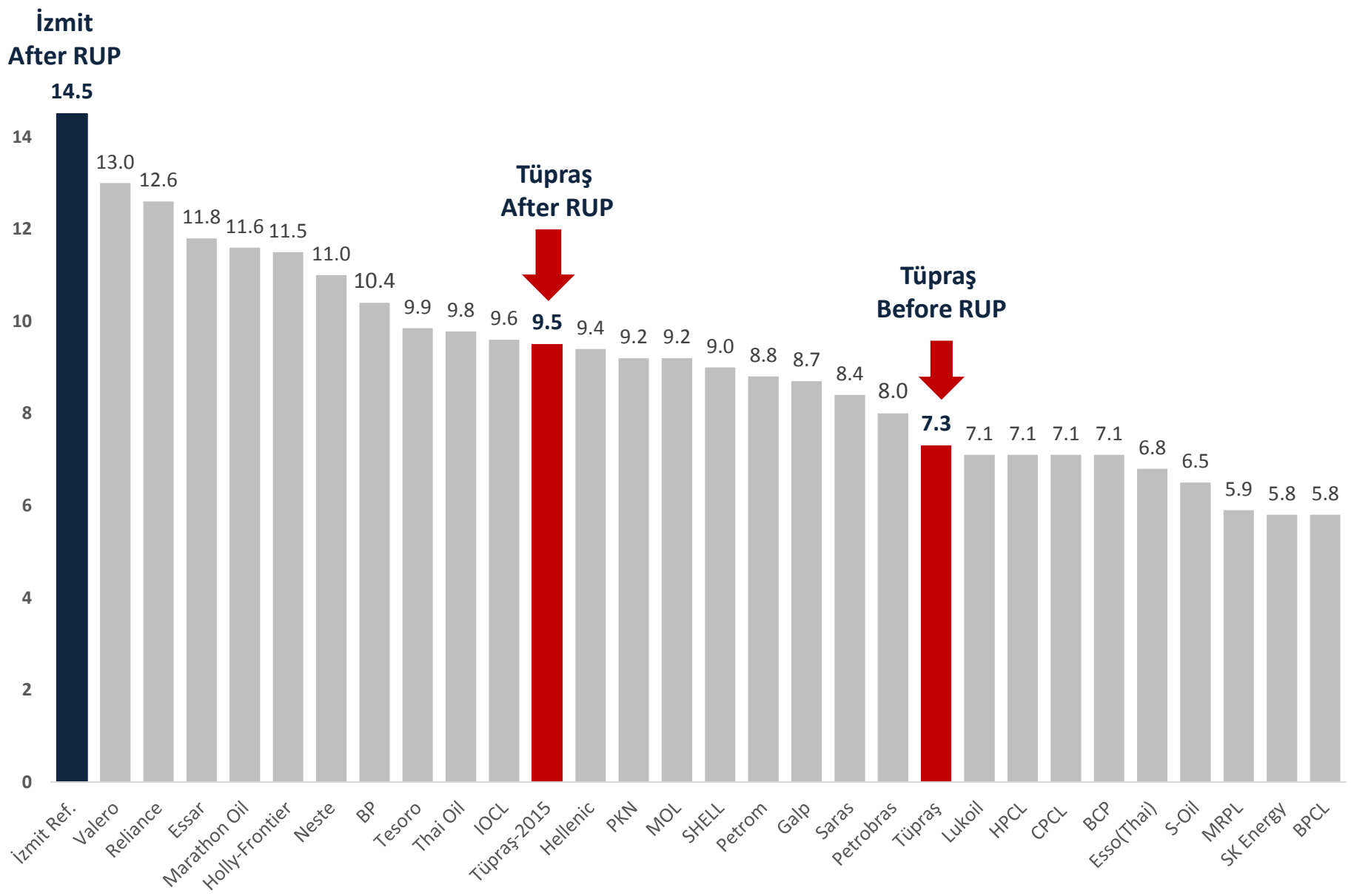
Source: EMRA
*bunker excluded.

Turkish Consumption (Million tons) (2016 10M)



Source: EMRA
*bunker excluded.

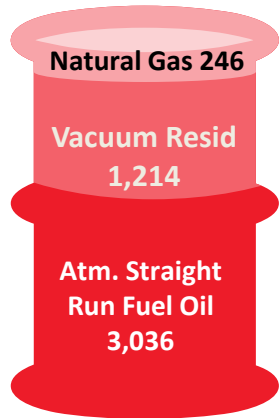
High Complexity #1 (Nelson Complexity of Refining Companies)



High Complexity # 2 (Resid Upgrading Units Production-(Thousand Tons))

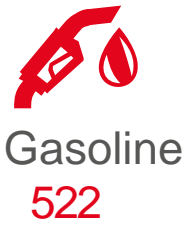
Raw Materials

(kton)



Products

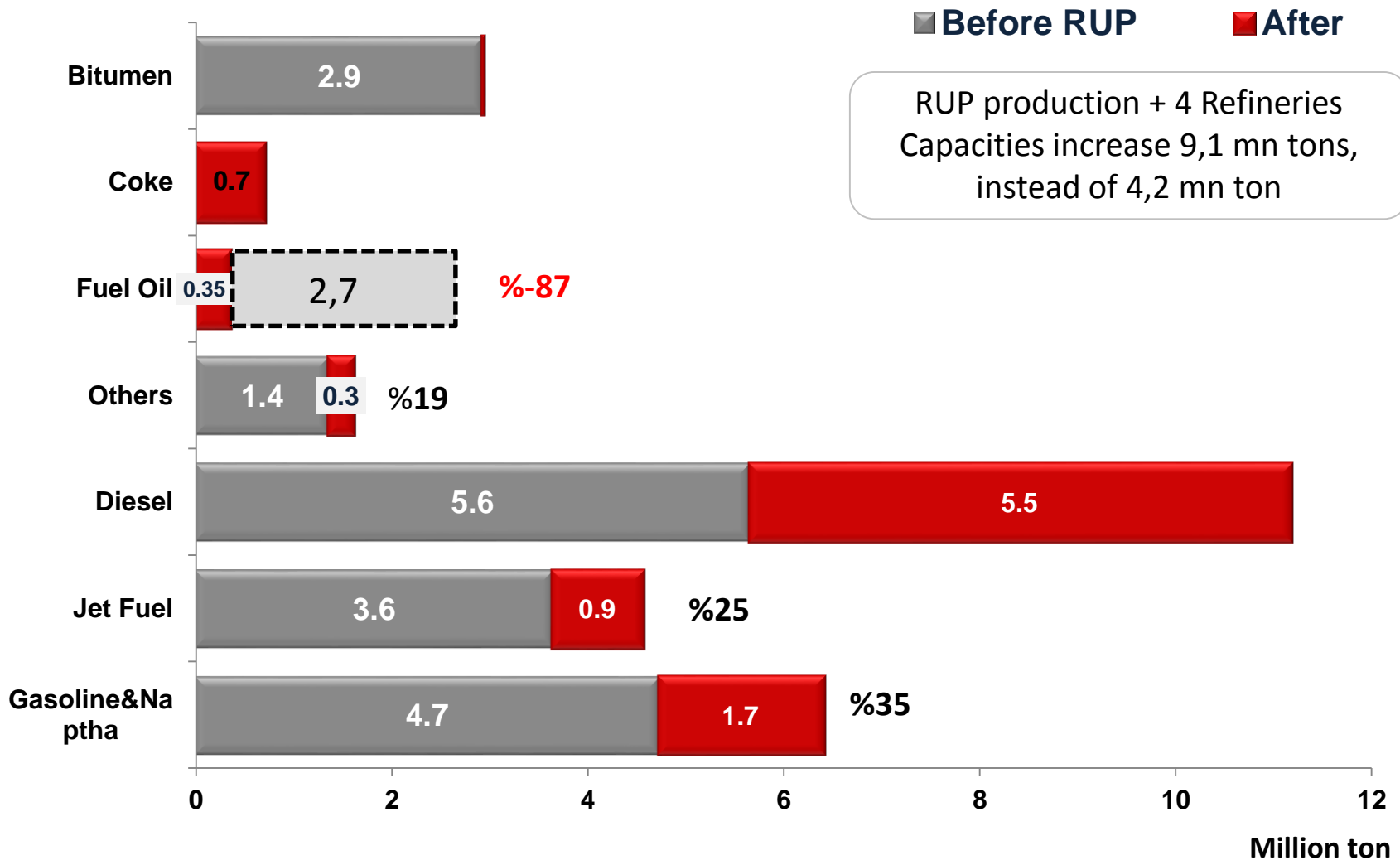
(kton)



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

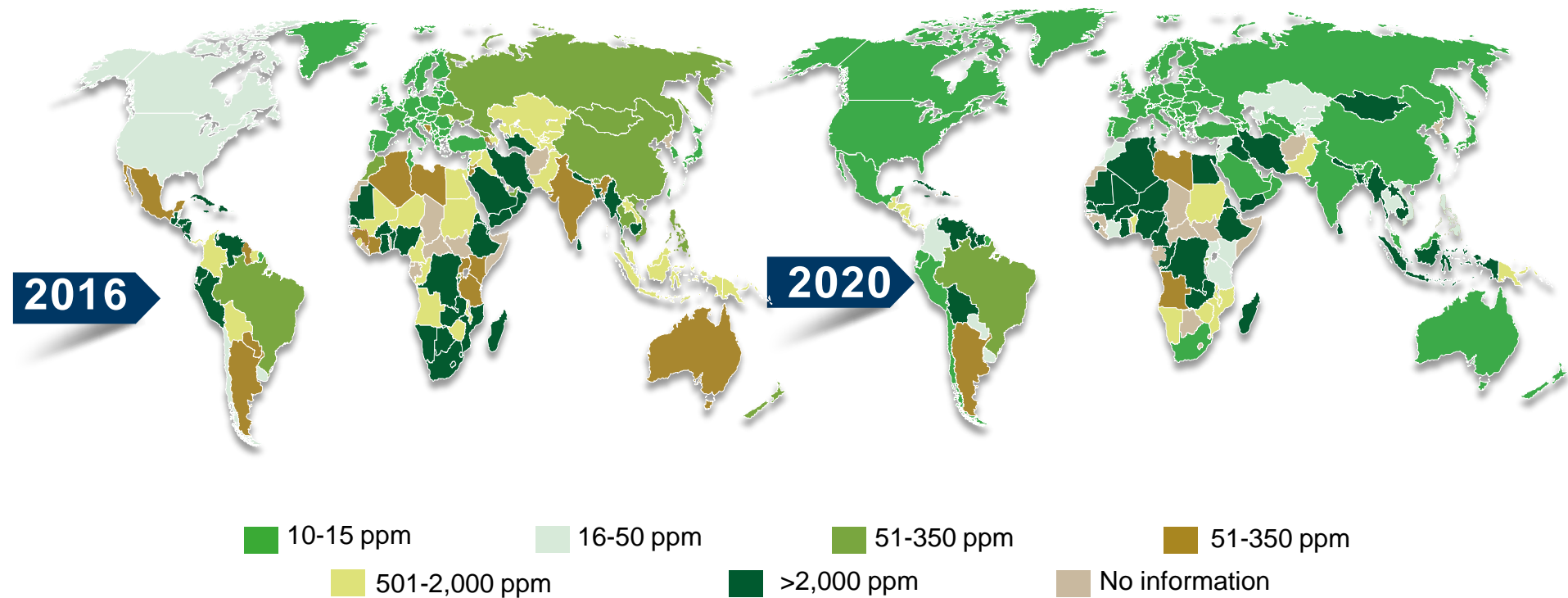
Strategic Investment Incentives 19.10.2012

- 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.**
- **471.5 mn TL of Investment incentive income deducted** from Strategic Investment Incentive total

Tüpraş currently complies with 2020 specs in all products

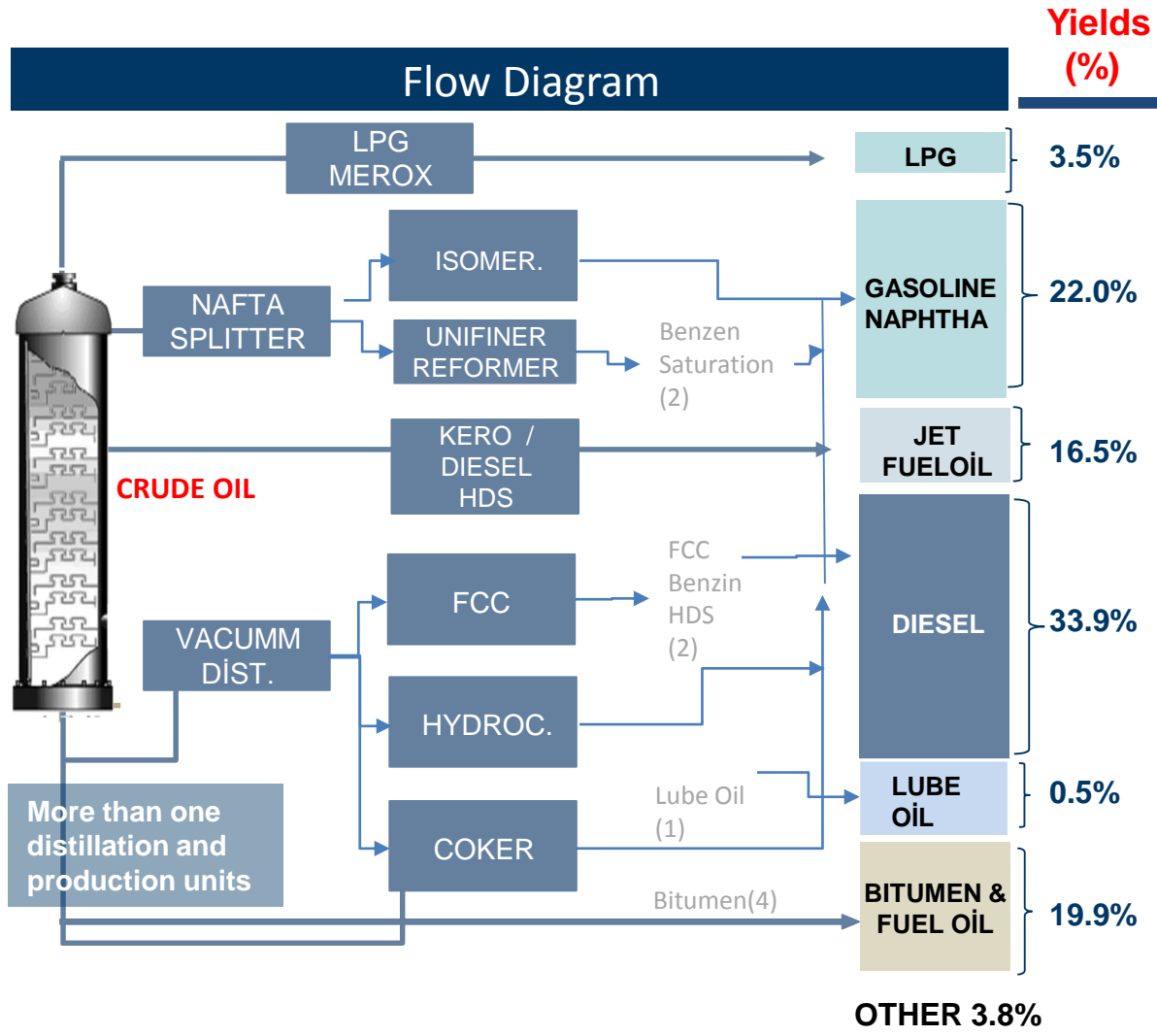


- As of today stringent rules regarding 10 ppm diesel sulfur content are applicable only in Western Europe, US, Japan and Turkey
- Significant CAPEX is going to be required for other countries to move progressively towards these advanced standards.

Source: 'Global Fuel Quality Developments', Stratas Advisors, 11th Global Partners Meeting of the Partnership for Clean Fuels and Vehicles (PCFV), 6-7 June 2016, London, UK.

Flexibility & Reliability ; Multiple routes to maksimum capacity

Key units	# units	Total cap. (m3/d)
CRUDE OIL	8	97000
VACUUM	8	42320
HYDROCRACKER	4	18200
ISOMERISATION	3	6400
UNIFINER REFORMER	7	16900
KERO/DIESEL EL (HDS)	10	37300
FCC	2	4700
COKER	1	8200
NAPHTHA SPLITTER	8	
LPG MEROX	6	

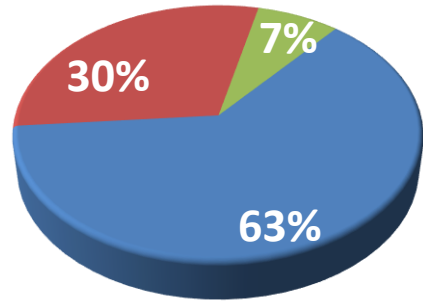


- Increased conversion capacity
- Strong integration among refineries

Locational Advantage & Heavier Crudes

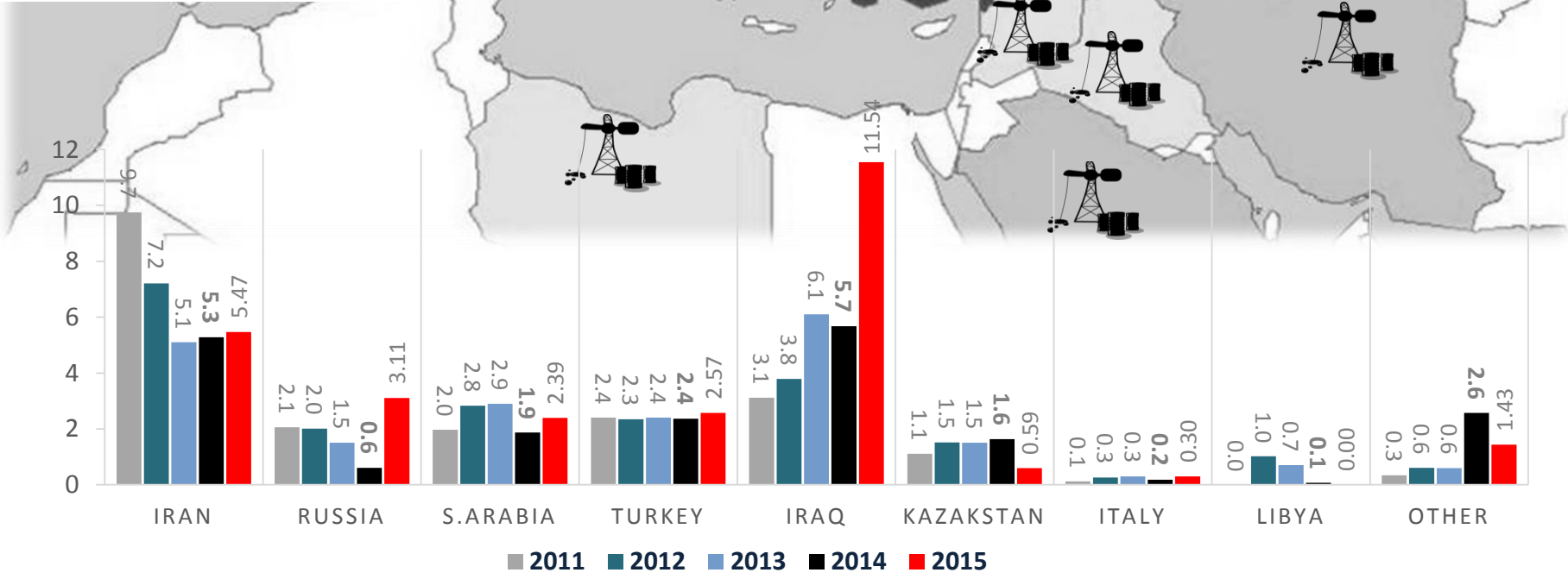
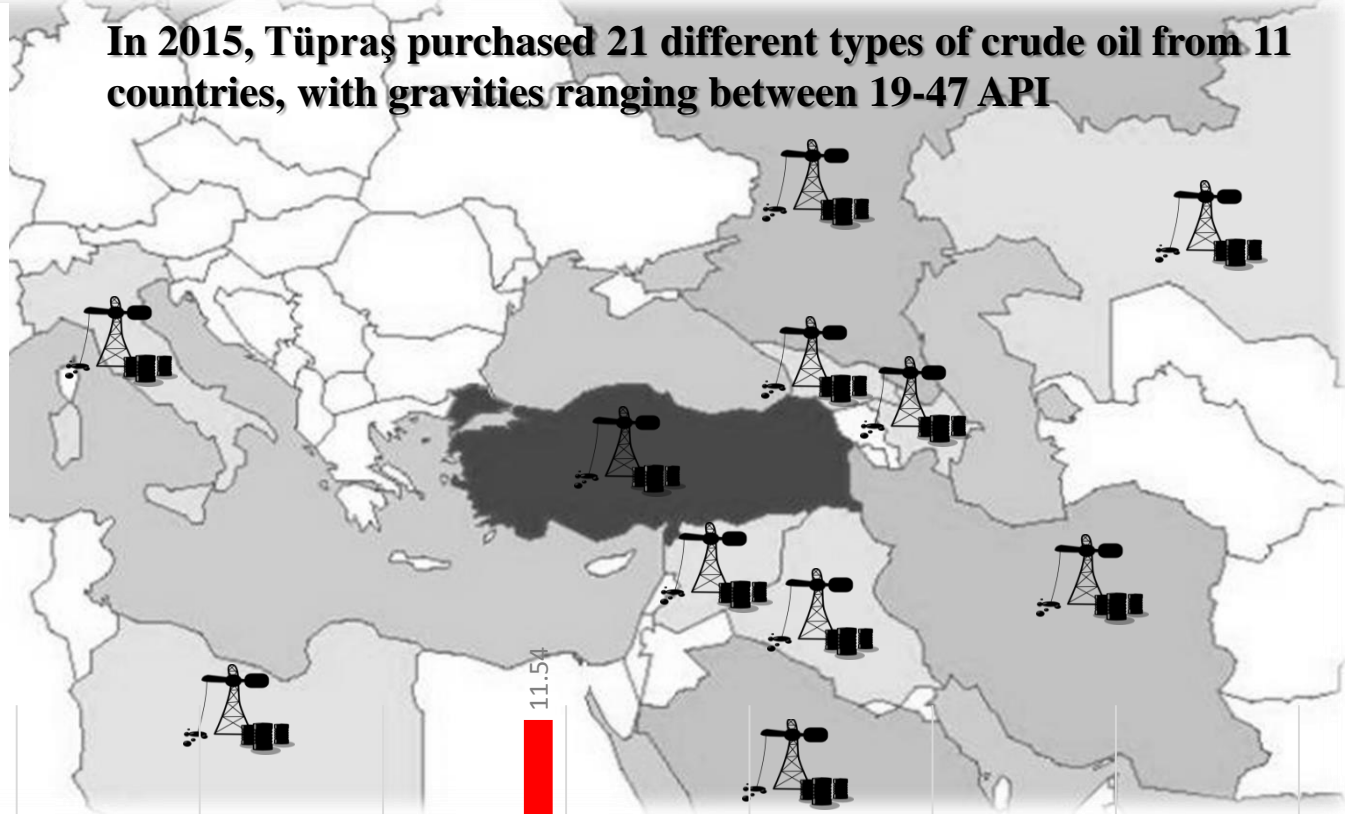
(Crude Suppliers of TÜPRAŞ (Million Tons))

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

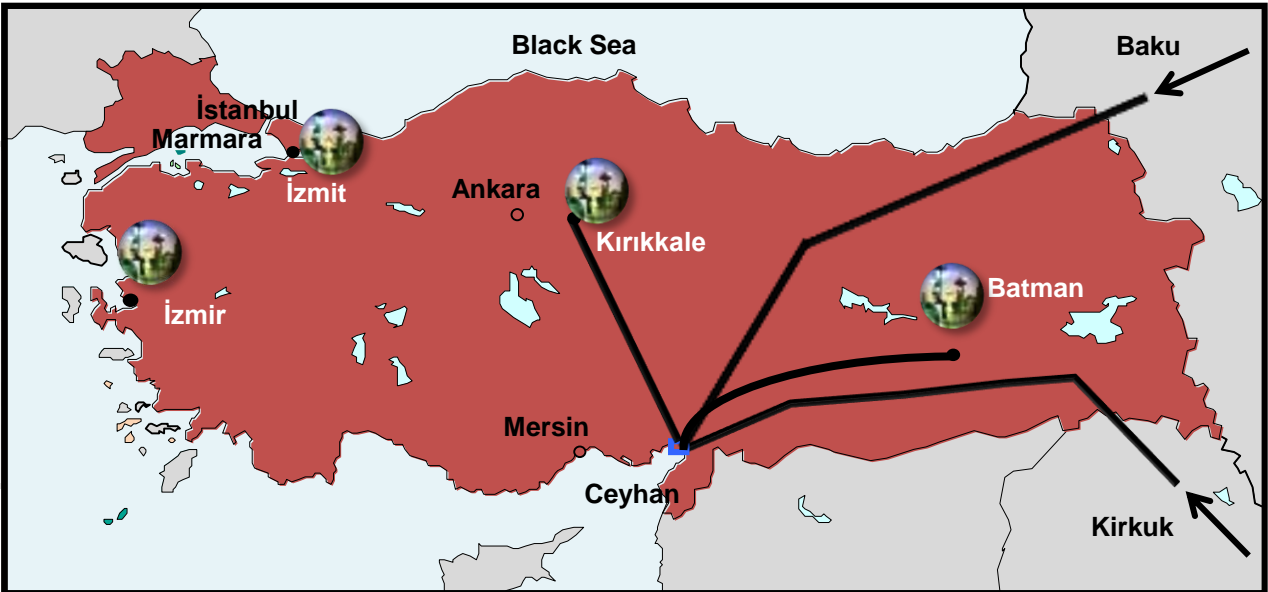


Covering Whole Country

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

İzmir

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

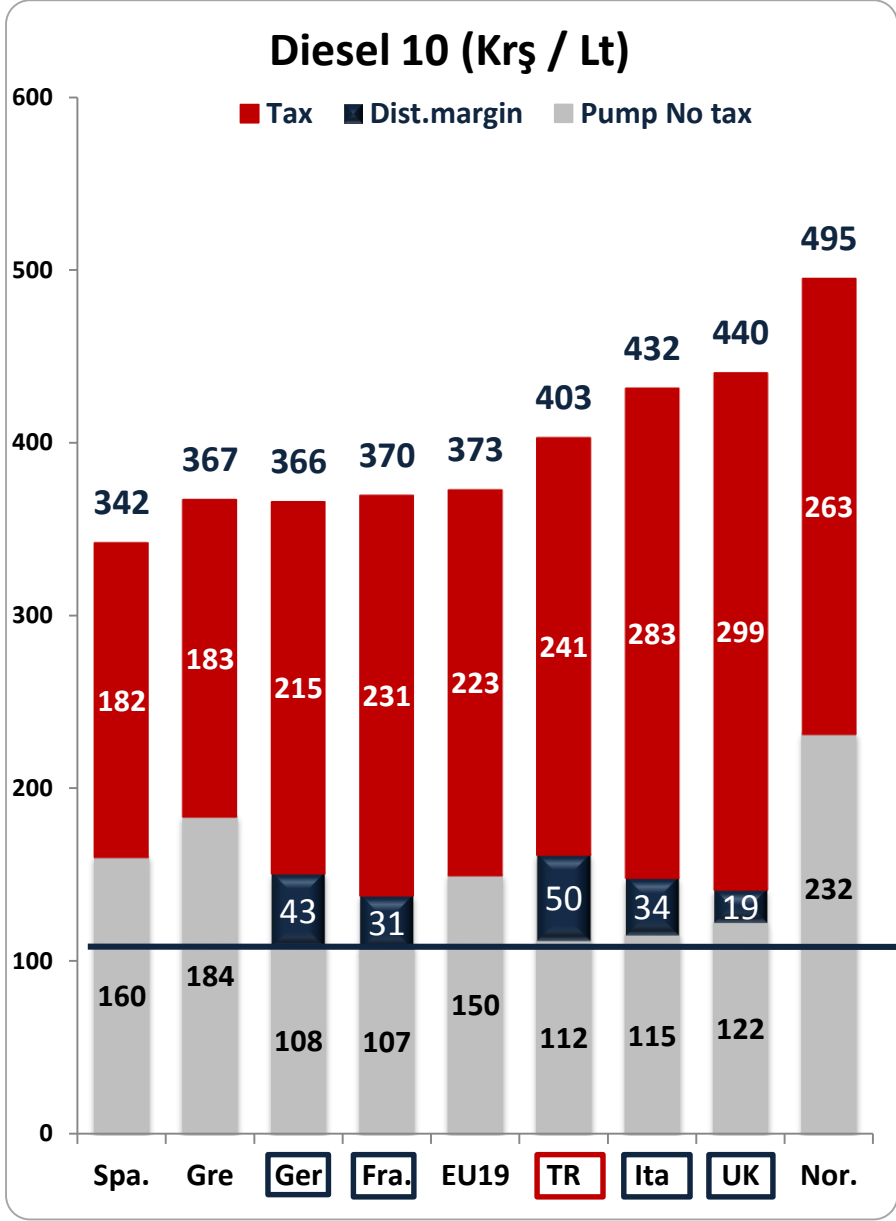
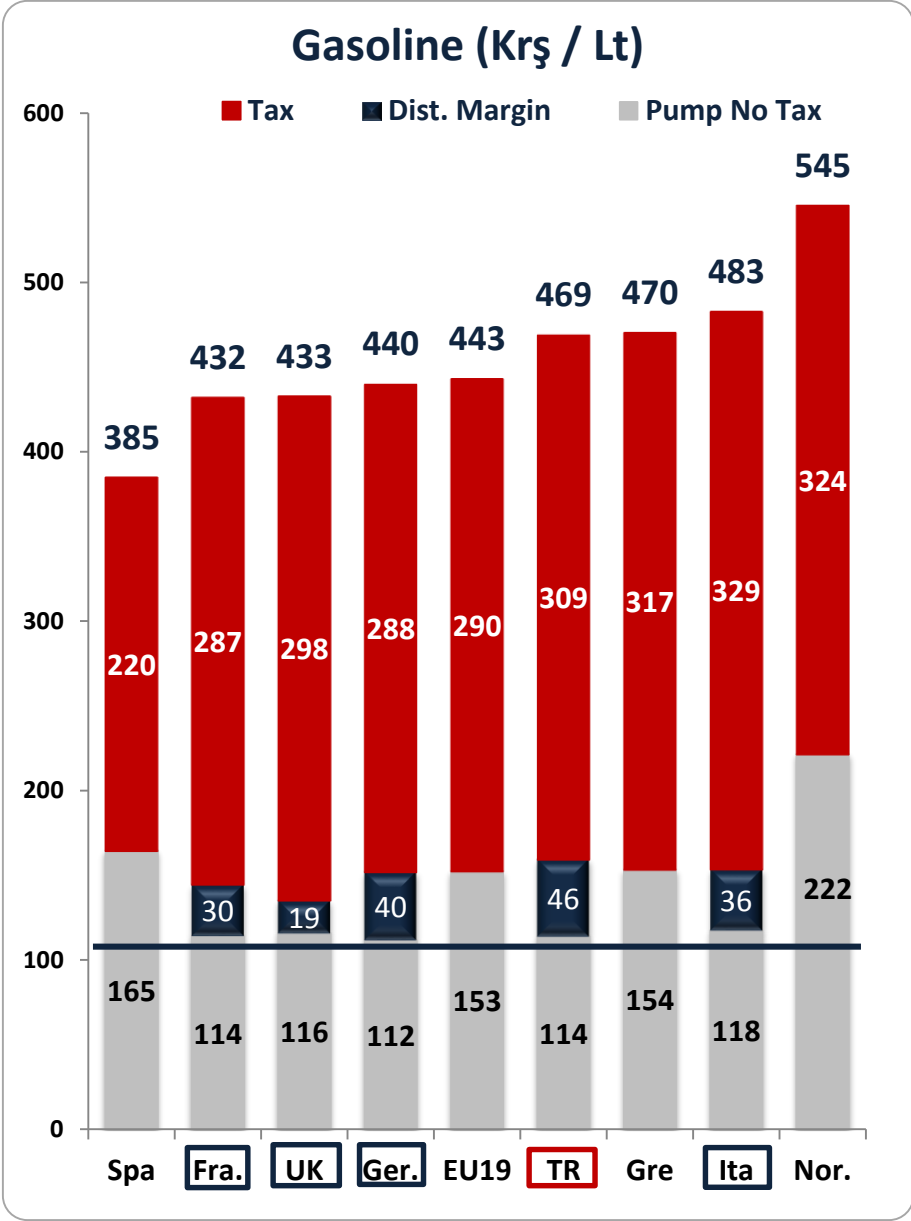
Kırıkkale

- 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

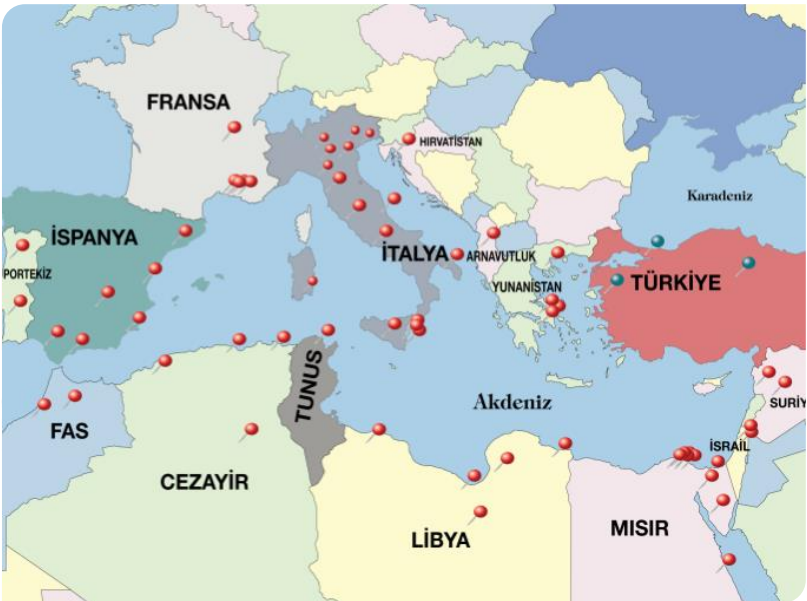
COMPETITION # 1 (European Pump Price Comparison)



Note: Prices valid on 19 Sept 016 Türkiye prices updated as of 17 September 2016 the latest.

Competition # 2 (Regional Competition)

Mediterranean



Black Sea



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 \$**

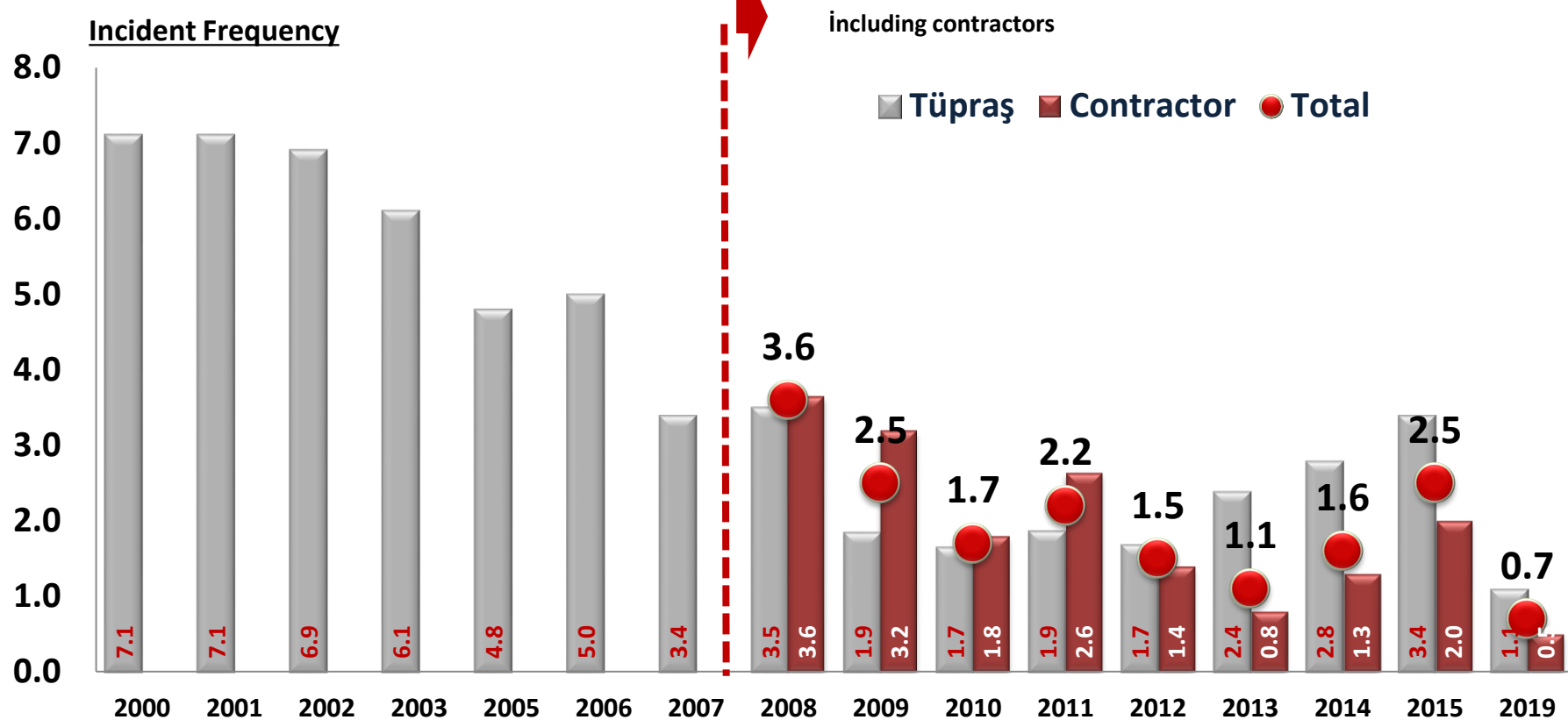
- **3,3 billion dollar** credit aggrement. First 4 year grace period total **15-18 year term**.
- Project finance is supplied to company (US\$ 1.5 billion)
- It is planned to be commissioned in 2018.

Competition # 4 (Turkey consumption balance & the effect of new refinery)

<i>Million ton</i>	2018		2018*	
	Turkey Demand	Tüpraş Production	Star SOCAR	Market Balance
Crude Oil		28,1	10,0	
Semi product+Other charge		0,8		
Total processed		28,9	10,0	
<i>Products</i>		Production		
		Tüpraş	Star	
LPG	4,3	1,1	0,3	-2,9
Petrochem Feeds	2,9	-	2,6	-0,3
Gasoline	2,4	6,4		4,0
Jet Fuel	5,1	5,3	1,6	1,8
Diesel	24,2	10,2	4,9	-9,1
FO & Bitumens	4,8	4,3		-0,4
Others	1,9	0,5	0,2	-1,2
Total	45,6	28,6	10,3	-7,0
Coke	3,0	0,8	0,7	-1,5

*Expected to be completed by the end of 2018

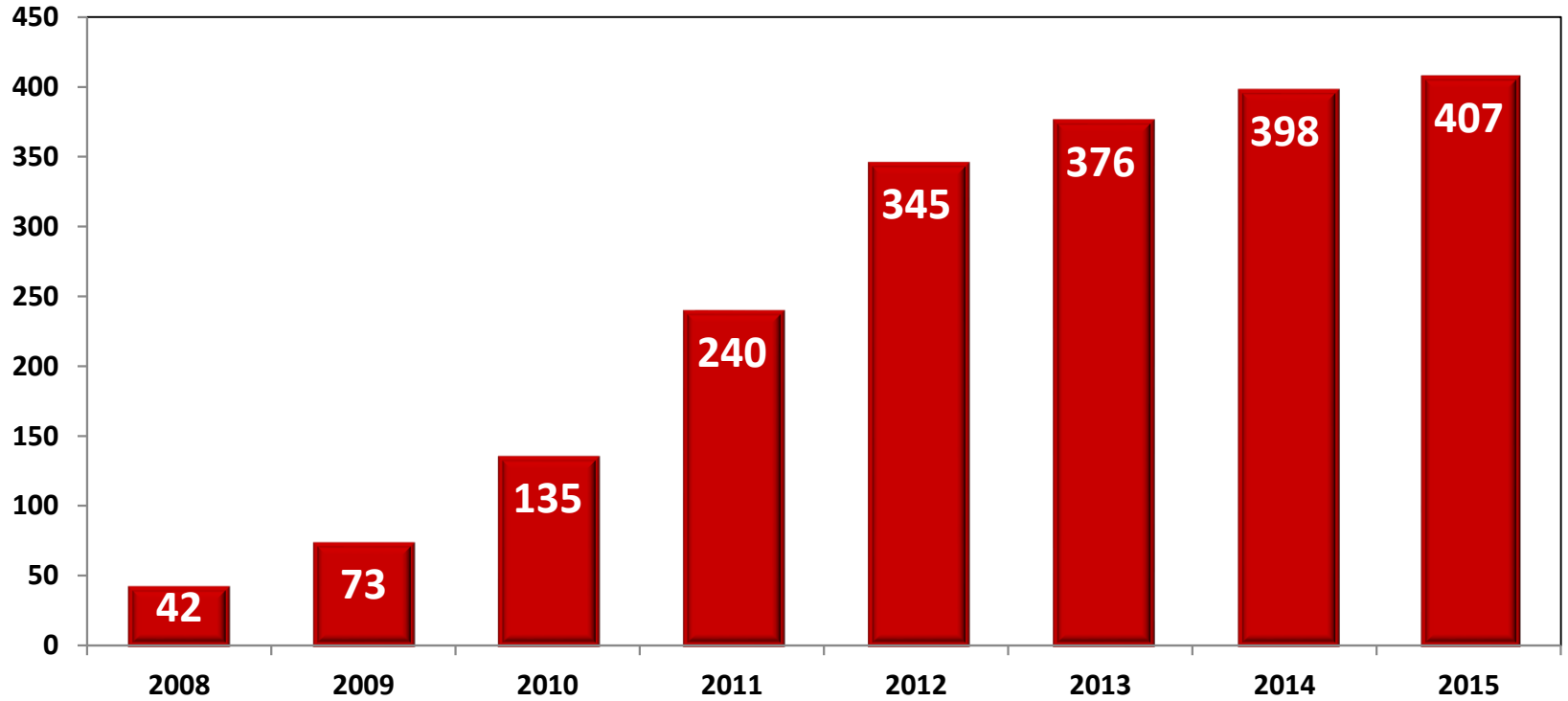
Tüpraş HSE KPI: Loss Time Incident Frequency and Severity Frequency Ratios



Loss Time Severity Frequency Rate (2015 Target →30)	2008	2009	2010	2011	2012	2013	2014	2015	2020
Tüpraş	92	44	40	53	65	61	59	719	20
Contractor	116	101	81	118	424	17	378	51	20
Total	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



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

www.tupras.com.tr



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