

Press Release

With The Help of Production Starting at The Residuum Upgrading Complex, Capacity Utilisation Reached Record High, 94%

Continuing increases in supply along with a variety of political and economic developments, kept the price of crude oil low but volatile. From 55 dollars per barrels at the beginning of the year, oil prices fell to 45 dollars a barrels before rebounding as high as 65 dollars due to higher than expected demand, falling rig counts in the USA and geopolitics. Positive developments in the Iran negotiations helped the price to ease to 61 dollars on expectations of supply growth.

Strong product demand from USA and Asian markets drove product price ratios up. 2nd quarter Mediterranean Complex margins which were just 0.06 Dollars / barrel in 2014, were 4.68 Dollars per barrel in 2015, whilst for the first 6 months of 2015 the margin was 6.23 Dollars / barrel compared to 1.05 Dollars per barrel last year.

Tupras' quarterly Net margins were 7.51 Dollars / barrel versus negative 0.28 Dollars / barrel last year whilst the first half margins rose from 1.1 to 6.23 Dollars / barrel.

Thanks to improved market margins and strong regional demand, combined with the start-up of production of the RUP complex, Tupras produced at full capacity in the 2nd quarter, boosting the 6 month capacity utilisation rate to 94%.

Despite rising regional competition, alongside high volume production, with a customer focused sales strategy, domestic sales rose 21% versus the first half of 2014, well above market growth. Supported by strong Mediterranean price ratios, product exports rose 78%, taking total sales up 33% to 12.9 million tons, an increase of 3.2 million tons.

Operational and Financial Data	1st Half 2014	1st Half 2015	Change
Total Volume Processed (ton*000)	9,625	13,218	3.592
Domestic Sales (ton*000)	7,682	9,291	1.609
Total Sales (ton*000)	9,734	12,942	3.208
Revenues (Million TL)	18,874	17,549	-%7
EBITDA (Million TL)	266	1,447	%444
Profit/Loss Before Tax (Million TL)	149	680	%358
Net Profit (Million TL)	874	992	%13

Despite sales volume increases and a weaker Turkish Lira, sales revenues fell 7% due to crude oil prices falling 47% versus the last year. With a strong global refinery margin environment and large increases in sales, operating profits grew 722 Million TL to reach 974 Million TL. Despite foreign exchange losses due to a weakening currency, pre-tax profits rose by 532 Million TL to reach 680 Million TL. Together with a contribution of 317 million TL for tax incentives, net income for the period was 992 million TL.

Including expenditure on the Residuum Upgrading Project, investments in the first 6 months of 2015 reached 200 Million Dollars. Whilst tests required for provisional acceptance for the investment are continuing, the new units are producing at full capacity.

Whilst striving to ensure guarantee of supply of the highest quality products to the Turkish market, by sustainably realizing operational and financial targets, we continue to generate greater value for our shareholders, other stakeholders and society in the future.

For the information of the public.

The Corporate Communications Department