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2017 GUIDANCE



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2016 Expectations vs Realizations

Deliveries mostly on track

	2016 GUIDANCE	2016 REALIZATIONS	RESULT
Balance Sheet Indicators (%)			
Net Debt / Total Assets	~ 20%	31%	☒
Equity / Total Assets	~ 60%	55%	☒
Investments Accounted by Equity Method / Total Assets	~ 60%	68%	✓
P&L Indicators (ths TL)			
Shell & Turcas - Management Fee	24,000	24,000	✓
RWE & Turcas - Interest Income Accrual from Shareholder Loan	30,000	28,000	✓
Cash Flow Indicators (ths TL)			
Dividend Income to be received from Shell & Turcas	15,000	0	☒
RWE & Turcas - Interest Income (in cash) from Shareholder Loan	9,000	9,000	✓
Investments (ths TL)			
Aydin Kuyucak Geothermal Project	47,000	27,000	~
Denizli Karakova Geothermal Project	6,000	-	~
Guidance regarding Subsidiaries (ths TL)			
EBITDA (Shell & Turcas)	580,000	987,140	✓✓✓
EBITDA (RWE & Turcas)	10,000	14,603	✓✓
Volume Data regarding Subsidiaries			
Sales Volume of Shell & Turcas (ths m3)	5,956	5,971	✓
Electricity Sales of RWE & Turcas (GWh)	2,800	3,227	✓✓
Gas Consumption of RWE & Turcas (mcm)	550	575	✓

2017 Financial Expectations

	2017
Balance Sheet Indicators	
Gross Debt (USD and EUR)	65 mln USD + 90 mln EUR
Cash & Cash Equivalents (th\$ USD)	25,000
P&L Indicators	
Shell & Turcas - Management Fee (th\$ USD)	7,600
RWE & Turcas - Interest Income Accrual from Shareholder Loan (th\$ TL)	13,000
Cash Flow Indicators (th\$ TL)	
Dividend Income to be received from Shell & Turcas	60,000
RWE & Turcas - Interest Income (in cash) from Shareholder Loan	12,000
Investments (th\$ USD)	
Aydın Kuyucak Geothermal Project (excluding financing costs)	38,000
Denizli Karakova Geothermal Project	1,600
Other Energy Projects (energy storage, renewable energy, oil exploration, etc.)	400
Guidance regarding Subsidiaries (th\$ TL)	
Shell & Turcas EBITDA	925,000
RWE & Turcas EBITDA	25,000
Shell & Turcas Net Debt	800,000
RWE & Turcas Net Debt (Shareholder Loan Owed to RWE&Turcas' shareholders (Turcas share: 30%) - Cash)	270,000
Volume Data regarding Subsidiaries	
Sales Volume of Shell & Turcas (th\$ m3)	5,900
Electricity Sales of RWE & Turcas (GWh)	3,100
Natural Gas Consumption of RWE & Turcas (mcm)	600



Important Note: Expectations are based on normal market conditions and subject to change according to any fluctuation in market conditions.
Sales volume of Shell & Turcas includes LPG, Lubricants as well as retail and commercial fuels.



OPERATIONAL EXPECTATIONS (I/II)

2016 Realizations

- Reinforced leadership position (#1 in gasoline and lubricants with 25% market share, #1 in on site + Vehicle Identification System sales with 21% market share) and strong profitability in fuel distribution & lubricants business with Shell & Turcas
- Commissioning of investments improving the load flexibility and reliability, operational thermal efficiency and availability of Denizli Combined Cycle Gas Power Plant
- 2 year maturity extension of the loans obtained for Denizli Combined Cycle Gas Power Plant, leading to a EUR 20 mln reduction in principal and interest repayments between 2016 and 2020
- Obtaining electricity generation license for 18 MW geothermal power plant project in Aydın, Kuyucak
- Obtaining Investment Incentive Certificate worth TL 144 mln regarding Aydın, Kuyucak geothermal power plant project
- Achievement of financial closing for Aydın, Kuyucak geothermal power plant project (Total Investment: USD 71 mln 250 ths – including financing costs-; Project Finance Loan: EUR 15 mln + USD 40.5 mln cash and/or non-cash & TL 10 mln non-cash; Maturity: 14 yrs; Debt/Equity: 80%/20%)
- Completion of six successful production wells and two successful re-injection wells in Aydın, Kuyucak geothermal field and securing 18 MW installed capacity
- Initiation of drilling activities in Denizli Hacıyüplü geothermal field

2017 Expectations

- Sustainable operational and financial performance at Shell & Turcas Petrol A.Ş.
- Execution of on-time project construction activities at Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. with an aim to start commercial operations of 18 MW geothermal power plant in 4Q17
- Diversification of power generation portfolio via renewable investments accompanied by geographical expansion
- Diversification of investment portfolio with innovative technologies focusing on international markets such as energy storage, etc.
- Participating in wind power plant tenders, subject to announcement of privatization calendar by EMRA
- Continuation of project development to supply natural gas from abroad with an aim to diversify gas sources

Investments

OPERATIONAL EXPECTATIONS (II/II)

2016 Realizations

- Acquisition of 46% stake in Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. ("TKJ") for TL 17 mln and becoming majority shareholder with 92% stake (TKJ fully consolidated under Turcas Petrol since 2Q16)
- Tradeable buy back shares of Turcas Petrol A.Ş., which account for 5.36% of Turcas Petrol A.Ş.'s paid-in capital (14,471,336 shares) were sold to Turcas Enerji Holding A.Ş. for TL 20 mln in Borsa İstanbul wholesale market via Finans Yatırım Menkul Değerler A.Ş. with an aim to effectively manage cash among Group companies
- Acquisition of 67% stake in Turcas Elektrik Toptan Satış A.Ş. (Turcas Petrol A.Ş.'s power trading subsidiary) for TL 1,6 mln and becoming the sole shareholder
- Acquisition of 27% shares of ATAŞ owned by The Shell Petroleum Company Ltd. ("SPC", one of Shell Group companies) and 27% shares of ATAŞ storage facilities owned by Raffinaderij Shell Mersin N.V. ("RSM") by Shell & Turcas for a total consideration of TL 30 mln. As a result of this transaction, on top of our 5% direct shareholding in ATAŞ and storage facilities, indirect shareholding of 8.1% (27%*30%), via our 30% shareholding in STAŞ, is added; leading to 13% direct and indirect shareholding in ATAŞ
- Increasing paid-in capital of RWE&Turcas Güney Elektrik A.Ş. («RTG»), our 30% subsidiary, from TL 1,072 mln to TL 1,527 mln (via conversion of a portion of shareholder loan receivables – TL 360 mln- into equity)

2017 Expectations

- Distribution of TL 18 mln gross dividend to our shareholders (implying 3.45% dividend yield)
- Merger of Turcas Elektrik Üretim A.Ş. under Turcas Petrol A.Ş. enabling managerial efficiency and active risk hedging mechanism:
 - Following finalization of the above mentioned merger, our subsidiaries in fuel distribution & lubricants, non-renewable power generation and power trading sectors (Shell & Turcas Petrol A.Ş., Anadolu Tasfiyehanesi A.Ş.; Turcas Elektrik Üretim A.Ş. and Turcas Elektrik Toptan Satış A.Ş., respectively) will be participated directly under Turcas Petrol A.Ş. Meanwhile, renewable energy investments will be participated under our wholly-owned subsidiary, Turcas Enerji Holding A.Ş. These renewable energy investments are i) Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which undertakes the geothermal power plant investment that is under construction in Aydın Kuyucak with an expected installed capacity of 18 MW and ii) Turcas Yenilenebilir Enerji Üretim A.Ş., focused on developing geothermal, wind and solar power plant projects
- No action planned for buy-back shares (5.36% of paid-in capital)

Corporate Initiatives