

**TURCAS PETROL A.Ş. ("Turcas") FACT SHEET**  
**NOVEMBER 2016**



**BIST 100 :** TRCAS (Bberg: TRCAS TI, Reuters: TRCAS IS)  
**Analyst Consensus:** BUY  
**Corporate Governance Rating:** 9.35/10.00

**Market Cap:** 389 mln TL (as of 15 Nov'16)  
**Share Price:** 1.44 TL (as of 15 Nov'16)  
**Free Float:** 25%

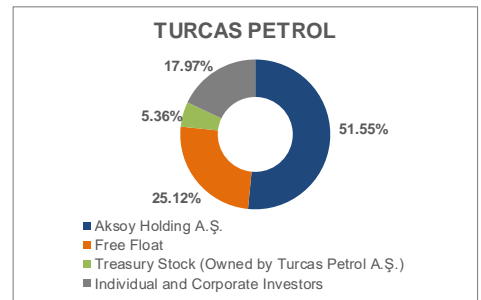
**BUSINESS DESCRIPTION**

- Turcas is an oil & energy focused investment company that has participations in companies who hold the leading positions in their respective business areas such as fuel distribution and power generation in the growing and liberalizing Turkish energy markets
- Turcas' strategy is to meet Turkey's growing energy demand by expanding its diversified portfolio via utilization of its industrial know-how, local knowledge, international partnerships and the opportunities in nearby markets, hence maximizing stakeholder value
- In line with its diversification strategy, Turcas is actively evaluating investment opportunities in geothermal, solar and wind projects which may be realized either through acquisitions or greenfield developments

**CORPORATE PROFILE**

- Turcas is the only exposure to the local operations of global names like Royal Dutch Shell (RDS) and RWE A.G. (RWE) among listed companies in Borsa Istanbul
- Shell&Turcas Petrol A.Ş. (STAS) is one of the leading companies in the Turkish fuel retail and lubricants market. The JV is owned 30% by Turcas and 70% by Shell
- RWE & Turcas (RTG) is also a JV formed to build a 775 MW natural gas fired power plant in Denizli (Southwest Turkey) which has become operational as of June 2013. The JV is owned 30% by Turcas and 70% by RWE

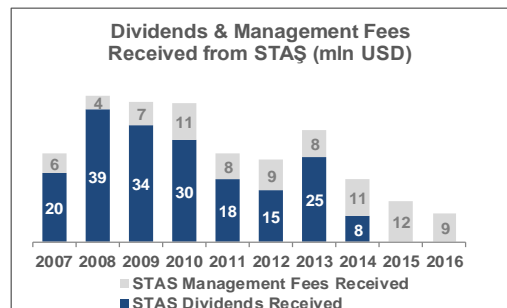
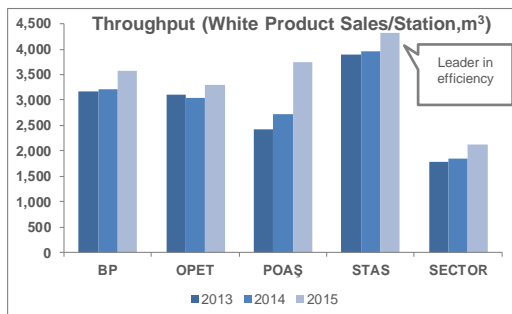
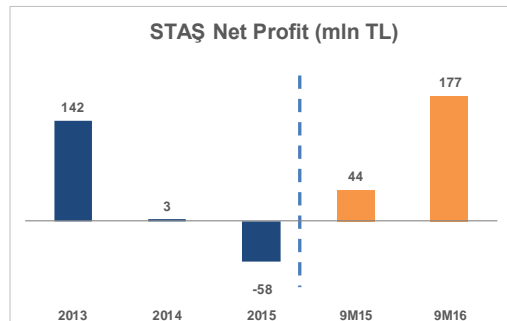
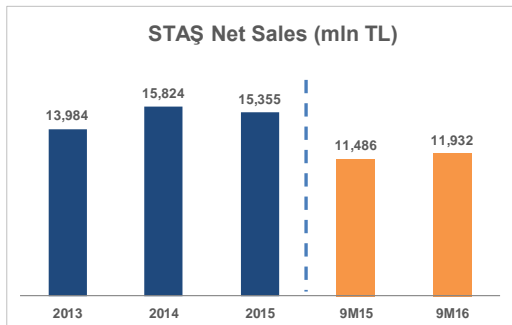
**SHAREHOLDING STRUCTURE**



**FUEL DISTRIBUTION - SHELL & TURCAS PETROL (STAS)**



- STAS was established in 2006 following a successful merger between Shell Turkey and Turcas
- STAS is the market leader in gasoline and lubricants with 25% market share and #3 in total white product sales (17%) as of 9M16 according to Petroleum Industry Association (PETDER) results
- STAS is also the market leader in terms of throughput per station ratio (a significant indicator of profitability in the market) with 1,014 nationwide Shell branded fuel stations as of 9M16
- STAS is the 8th largest private company in Turkey (according to Fortune 500 list) with a net turnover of 5.6 billion USD and EBITDA app. of 166 Mn USD in 2015 YE. Since 2010, STAS has increased its net sales by a CAGR (compounded annual growth rate) of 10%



- Turcas Power Generation (Turcas' 100% indirect subsidiary) and RWE have successfully completed and commissioned the 775MW gas fired combined cycle power plant in Denizli in June 2013
- The project cost is 600 million Euro. In order to finance its share of the investment (30%), Turcas injected 30 Million Euro as equity and raised 13 year ECA covered loan for 150 Million Euros
- The Plant has become operational as of the end of June 2013. Net sales of the JV was realized at 567 mln TL in 9M16 (+9% y/y)
- The Plant is able to meet 2% of Turkey's electricity demand thanks to 58% efficiency rate (one of the highest in Turkey). In 2015, the Plant operated with a high capacity utilization rate of around 50% (one of the highest among CCGTs) despite high precipitation rate

### RENEWABLE POWER GENERATION

- In geothermal energy, Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. ("TKJ") holds an electricity generation license awarded by EMRA in April 2016 for 18,16 MW GEPP in Aydın Province, Kuyucak-Pamukören region
- Till date, TKJ has drilled 4 successful production wells and 1 re-injection well. The Company has secured 13,57 MW of power generation from the 4 successful wells and plans to further drill 2 more production wells and 1+1 re-injection well within 2H16-2017 period to secure the targeted 18,16 MW installed capacity which shall generate (after being operational in Q4 2017) an EBITDA of 9.5 Million USD per annum thanks to the feed-in tariff mechanism (USc 10.5/kWh) for the first 10 years of operation and local manufacturing support mechanism for the first 5 years of operation
- TKJ has obtained an "Investment Incentive Certificate" to be valid until 08.04.2019. Investment amount, which is covered by the "Investment Incentive Certificate", is TL 144,463,075. Incentives granted include VAT (Value Added Tax) and customs tax exemption
- In March 2016, TKJ secured the financing of the project via project finance loan agreement signed with TSKB amounting to EUR 15 mln and USD 40.5 mln in cash and TL 10 mln in non-cash with a maximum grace period of 30 months and a total maturity of 14 years. Total project cost amounts to USD 71.2 million (including financing costs) implying Debt/Equity ratio of 80%. The mentioned geothermal power plant is planned to start commercial operations in the fourth quarter of 2017
- On 30 May 2016, Turcas has reached an agreement with BM Engineering ("BM"), which used to be equal stake partner in TKJ, regarding Turcas Enerji Holding A.Ş.'s ("TEHAŞ") acquisition of 46% stake in TKJ owned by BM for a total consideration of TL 17 mln. As a result of this transaction, TEHAŞ has become the majority shareholder of TKJ with 92% shareholding ratio. TJK is started being fully consolidated under IFRS consolidated financials of Turcas Petrol A.Ş. from 30 May 2016 onwards
- Turcas has extended its exploration license to operation license in Denizli Karakova concession in 2015, which will be further developed via conventional production well drilling to a new geothermal source based power generation unit. Turcas also acquired a geothermal exploration license in Manisa Province, Gölarmara region in March 2014 for a period of 3 years and to be valid from the date of 20 March 2014. First production well drilling in Karakova and Gölarmara is planned for 2Q17 and 2017 respectively
- In wind energy, Turcas Renewable Energy, a wholly-owned subsidiary of Turcas, has developed and submitted pre-license applications to EMRA on 27 April 2015 regarding 4 Wind Power Plant projects. Mentioned 4 projects are in Balıkesir (35 MW), Çanakkale (40 MW), İzmir (21 MW) and Tekirdağ (20 MW). Licensing tenders may be initiated in early 2017

### INCOME STATEMENT

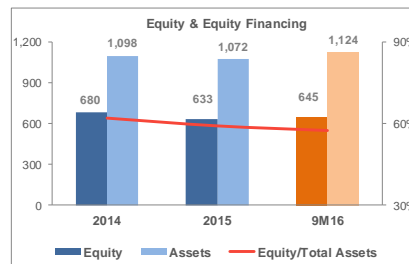
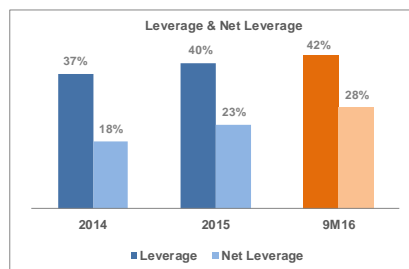
(Million TL)	9M15	9M16
Net Sales	1	0
OpEx	17	16
Other Op. Rev. (Net)	44	25
o/w STAS	36	24
Management Fee		
<b>Operating Profit/Loss</b>	<b>28</b>	<b>8</b>
Income/Losses from Subsidiaries	-28	19
o/w STAS	13	53
o/w RWE & Turcas	-41	-34
o/w TKJ	-0.1	-0.4
Financial Gain/Loss	-31	-3
<b>Net Profit/Loss</b>	<b>-29</b>	<b>23</b>

### BALANCE SHEET

(Million TL)	2015	9M16	YTD
Cash & Cash Equivalents	179	161	-10%
S - T Rec. From Rel. Parties <sup>(1)</sup>	47	36	-23%
L - T Rec. From Rel. Parties <sup>(1)</sup>	183	185	1%
Associates	618	628	2%
<b>Total Assets</b>	<b>1,072</b>	<b>1,124</b>	<b>5%</b>
S - T Financial Liabilities <sup>(2)</sup>	78	58	-26%
L - T Financial Liabilities <sup>(2)</sup>	347	414	20%
Equity	633	645	2%
<b>Total Liabilities</b>	<b>1,072</b>	<b>1,124</b>	<b>5%</b>

(1) S-T and L-T receivables from rel. parties are due from RWE & Turcas Güney

(2) L-T project finance loans utilized for Denizli Power Plant Project and Kuyucak Geothermal Power Plant project



### INVESTOR RELATIONS CONTACT

Ms. Pinar Saatcioğlu

T: +90 212 259 00 00 (1287 Ext)

E: [pinar.ceritoglu@turcas.com.tr](mailto:pinar.ceritoglu@turcas.com.tr)