



TURCAS PETROL A.Ş. 9M 2015 EARNINGS RELEASE

Istanbul, Turkey, 9 November 2015 – Turcas Petrol A.Ş. (BIST: TRCAS) (“Turcas”)

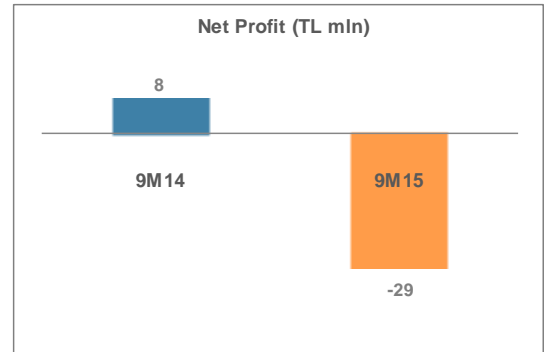
Turkey's oil & energy focused investment company which owns subsidiaries in the “Fuel Distribution & Lubricants” as well as “Power Generation” sectors, announced today its IFRS consolidated financial results for the first nine months of 2015.

Turcas posted TL 29 mln net loss in 9M15 (vs TL 8 mln net profit in 9M14). The summary IFRS Financial Statements of Turcas have been provided in Annex-Table 1.

Operating profit (EBIT) of Turcas more than doubled and reached TL 28 mln in 9M15 compared to TL 13 mln in 9M14 driven by USD denominated management fees received from Shell & Turcas Petrol A.Ş. (“STAŞ”).

Loss from subsidiaries was realized at TL – 28 mln in 9M15 (TL -5 mln in 3Q15 vs TL 4 mln in 2Q15) due to:

- i) Negative impact of the Price Cap implementation by the Energy Market Regulation Authority (“EMRA”) applied in the Fuel Retail sector between 20 February and 20 April 2015
- ii) Unfavorable operating environment in the Power sector mostly driven by lower spot prices as well as financial (Shareholder Loan interest) & non-cash depreciation expenses at RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG).



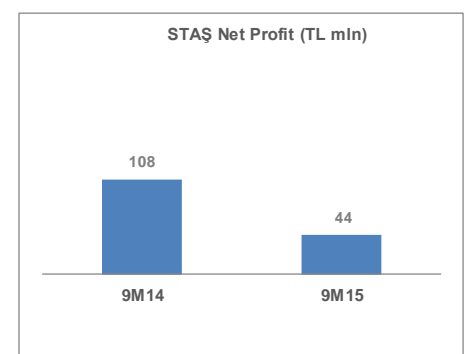
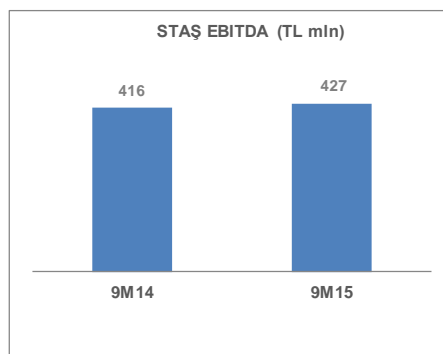
The breakdown of income/loss from subsidiaries is provided in Annex-Table 1.

Net sales of Turcas, which totally comprises of electricity sales through the consolidation of its wholly-owned subsidiary Turcas Power Trading (TPT), has decreased by 98% y/y in 9M15 to 756 ths TL due to the downsizing of the retail end-customer portfolio.

Net financial loss was realized at TL -31 mln in 9M15 (vs TL 34 mln net financial income in 9M14) mainly impacted by depreciation of TL (TL -55 mln FX losses due to short EUR position on the balance sheet) and interest expenses (TL 11 mln) despite TL 35 mln interest income accrual (TL 30,8 mln from RTG regarding shareholder loan receivables, rest is interest income on time deposits).

Fuel Distribution and Lubricants:

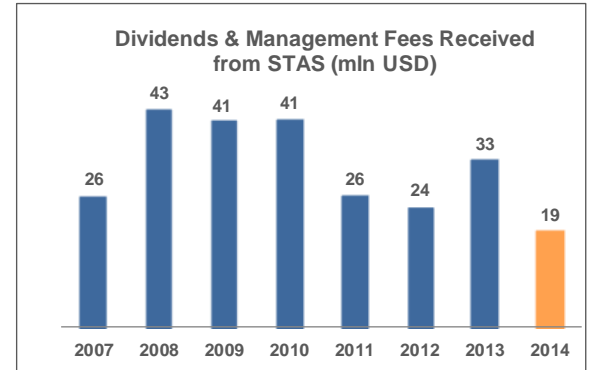
Turcas' flagship subsidiary in fuel retail and lubricants, STAŞ, has recorded net sales of c.a. TL 11 bln (USD 4.3 bln) in 9M15 indicating 4% y/y decline due to (i) fall in oil prices and (ii) price cap decision by EMRA. Recall that EMRA had introduced a temporary price cap for 2 months on fuel products and limited the distributor mark-ups (combined margin) at 0,34 TL/Liter for Gasoline and 0,37



TL/Liter for Diesel on February 20, 2015, with the condition of transferring at least 60% of the combined margin to the dealers. The price cap has been lifted as of April 20, 2015. Driven by the partial recovery in operating performance, net profit was realized at TL 44 mln in 9M15 (-59% y/y) and the EBITDA figure was recorded as TL 427 mln (USD 161 mln), up by 3% y/y. The summary financial statements of STAŞ have been provided in Annex-Table 2.



In terms of market share, STAŞ has maintained its leadership position in Gasoline (24%), ranked second in Lubricants sales (24%) and ranked 3rd in White Product sales (comprising of gasoline and diesel sales) (17%) as of 9M15, according to PETDER data. STAŞ has also preserved its market leader position in throughput per station ratio which is a significant indicator of profitability & efficiency in the market. STAŞ retail network consists of 1,049 nationwide Shell branded service stations as of 9M15. STAŞ achieved above sector growth in gasoline sales with 11% y/y growth in 9M15. Meanwhile, diesel sales increased by 4% y/y.



In 2014, Turcas had received TL 23 mln (USD 11 mln) of management fees from STAŞ and TL 18 mln of dividends while in 2015, management fees amounting to TL 36 mln (USD 12 mln, net off value added tax) has been received from STAŞ in October 2015. No decision has yet been taken on dividend distribution.

Power Generation:

A) Conventional (Natural Gas):

Financial results of the JV company RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG), which owns the 775 MW Denizli Combined Cycle Power Plant, are given in Annex-Table.3. RTG has recorded TL 519 mln of net sales and TL -137 mln of net loss in 9M15. Loss is mainly due to the amortization expenses (TL 41 mln) and interest charges (TL 103 mln) on the shareholder loans owed to both shareholders; Turcas (%30) and RWE (%70).

Historic Investment Information: Total investment cost of the Denizli CCPP was realized at ca. EUR 600 mln. In order to finance its share of the investment (30% share corresponding to EUR 180 mln), Turcas had injected EUR 30 mln of equity into RTG in 2011. For the financing of its remaining investment stake; EUR 150 mln have been raised from Bayern LB and Portigon AG (former West LB) under ECA (Euler Hermes) coverage with 3+10 years of tenor and USD 55 mln has been raised from TSKB (Industrial Development Bank of Turkey) with 3+7 years of tenor. Utilizations of these loans were completed in 2013 and already 4 principal repayments have been realized in December 2013, June 2014, December 2014 and June 2015 following the start of Denizli power plant's commercial operations in June 2013. These loans make up the whole financial liability figure in the consolidated balance sheet of Turcas.

B) Renewable:

In geothermal energy, our 46% jointly-controlled indirect subsidiary Turcas & BM Kuyucak Jeotermal Elektrik Üretim A.Ş ("TBK") owns an electricity generation preliminary license awarded by EMRA for a 13.2 MW GEPP in Aydın Province, Kuyucak-Pamukören region. In June 2015, a grant agreement was signed between TBK and U.S. Trade and Development Agency ("USTDA"). In accordance with the agreement, grant amount to be provided by USTDA is USD 463.840 and the mentioned grant will be utilized in financing of technical and financial feasibility studies by an independent consulting firm. Till date, TBK has drilled 3 successful production wells and the assessment of the 4th well is being made at the time of this Earnings Release. Final investment decision is planned to be taken on 1Q16.

As a separate project in geothermal energy, Turcas acquired a geothermal exploration license in Manisa Province, Gölarmara-Haciveliler region (site area: 4,959 ha) in March 2014 for a period of 3 years and to be valid from the date of 20 March 2014 with the condition of fulfilling obligations stated in the Tender Specifications Document. Geology and geophysics exploration works are planned in the mentioned region with the aim of detecting geothermal energy sources leading to a new electricity generation investment.

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). These projects will be tendered by EMRA and the timing for the tenders has not yet been set.

Furthermore, Turcas actively evaluates investment opportunities in wind and hydro projects which may get realised either through acquisitions or greenfield developments. In that respect, Turcas and Azalternativenerji Limited Company operating under Azerbaijan Republic Alternative and Renewable Energy Sources Government Agency (ABEMDA) has signed a MoU on 21.07.2015 with an aim to collaborate in new solar, wind and geothermal power plant projects in Turkey and Azerbaijan.

Financing and Balance Sheet:

Major components among total assets of the Company amounting to TL 1.1 bln are Cash & Cash Equivalents amounting to TL 189 mln, Associates accounted via equity pick up consolidation method amounting to TL 477 mln and shareholder loan receivables from related parties, namely RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG), amounting to TL 363 mln.

All of Company's financial liabilities are the long-term project finance loans utilized for the financing of Turcas share in the Denizli CCPP (Turcas: 30%, RWE: 70%).

As detailed in the Power Generation section, loans utilized from the Banks had been transferred to RTG as shareholder loans (SHL) and Equity. Repayment of the project finance loans is being made back-to-back by the repayments of the SHL from RTG. SHL balances can be traced from the Short & Long Term Receivables from Related Parties figure in our Balance Sheet.

Despite the mostly non-cash FX losses on the project finance loans utilized for financing our share in RTG, the Shareholder Equity/Total Assets ratio is at a healthy level of 56% as of 9M15. Taking into account the Cash and Cash Equivalents (TL 189 mln), ratio of Net Financial Debt (TL 295 mln) to Total Assets is at a sustainable level (26%).

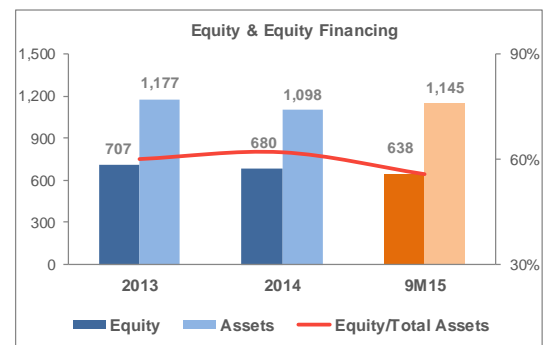
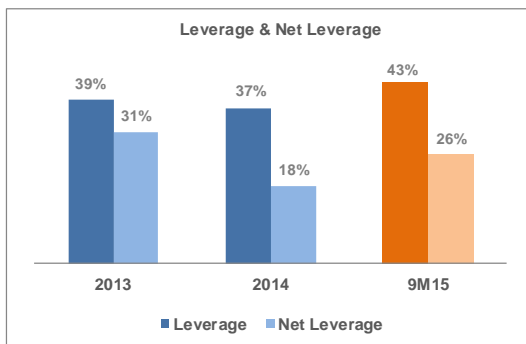
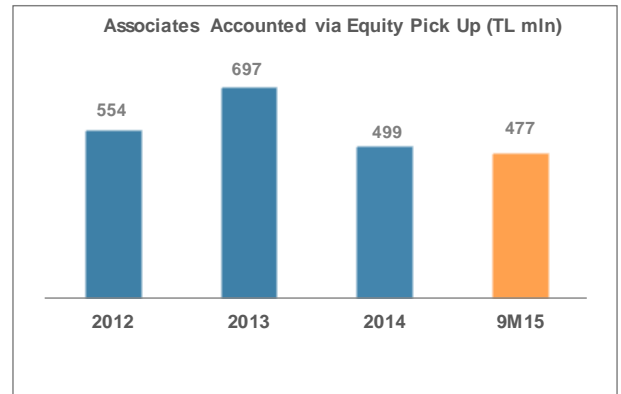


Table.1 - Turcas Petrol A.Ş. – IFRS Financials 30.09.2015

P&L (Thousand TL)	9M15	9M14	Y/Y (%)
Net Sales	756	47,089	-98%
Gross Profit	134	462	-71%
Operating Expenses	16,774	11,588	45%
Other Operational Income (Net)	44,273	24,032	84%
Operating Profit	27,633	12,906	114%
Income / Loss from Subsidiaries	-27,871	30,547	n.m.
<i>STAS</i>	13,175	32,250	-59%
<i>RWE & Turcas</i>	-40,974	-17,394	n.m.
<i>STYAS (STAR & Turcas)</i>	0	15,693	n.m.
<i>BM Kuyucak</i>	-72	-3	n.m.
Adjusted EBITDA	-238	43,453	n.m.
Sale Proceeds from Investments	434	-54,732	n.m.
Net Financial Income	-30,513	34,187	n.m.
Profit Before Tax	-30,317	22,908	n.m.
Tax	940	-14,426	n.m.
Net Income / Loss	-29,377	8,481	n.m.
Earnings Per Share (TL)	-0.11	0.04	n.m.

	9M15	9M14
ROA	-3.4%	1.0%
ROE	-6.1%	1.6%

BALANCE SHEET (Thousand TL)	9M15	2014 YE	YTD (%)
Cash & Cash Equivalents	197,205	201,495	-2%
Trade Receivables	590	5,562	-89%
Receivables from Related Parties (ST)	52,761	44,214	19%
Receivables from Related Parties (LT)	310,266	302,110	3%
Investments / Associates	476,645	498,514	-4%
Total Assets	1,145,492	1,097,632	4%
Short Term Financial Liabilities	86,407	52,912	63%
Long Term Financial Liabilities	405,641	350,567	16%
Total Financial Liabilities	492,048	403,479	22%
Total Equity	638,344	680,030	-6%
Total Equity and Liabilities	1,145,492	1,097,632	4%

	9M15	2014 YE
Equity / Assets	56%	62%
Net Debt / Assets	26%	18%
Net Debt / Equity	46%	30%
Net Debt /Adjusted EBITDA (x)	n.m.	85.4

Table.2 – Shell & Turcas Petrol A.Ş. (STAŞ) – IFRS Financials 30.09.2015

OPERATIONAL DATA	9M15	9M14	Y/Y (%)
Gasoline Sales (m3)	515,729	462,815	11%
Diesel Sales (m3)	2,794,879	2,685,779	4%
Lubricants Sales (ton)	55,488	58,787	-6%

Note: Operational data obtained from PETDER

P&L (Million TL)	9M15	9M14	Y/Y (%)
Net Sales	11,486	11,987	-4%
Gross Profit	735	659	12%
Gross Margin	6.40%	5.50%	
Operating Expenses	604	533	13%
Other Operational Income (Net)	36	78	-53%
EBIT	167	204	-18%
Financial Gain / Loss	-109	-65	n.m.
Net Income	44	108	-59%
EBITDA	427	416	3%
EBITDA Margin	3.72%	3.47%	

BALANCE SHEET (Million TL)	9M15	2014 YE	YTD (%)
Current Assets	2,448	2,196	11%
Financial Liabilities	1,223	861	42%
Total Equity	1,392	1,348	3%
Total Assets	3,881	3,339	16%

Table.3 – RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG) –Financial Summary 30.09.2015

OPERATIONAL DATA	9A15	9A14	Y/Y (%)
Sales (Gw hours)	2,312	2,820	-18%

P&L (Million TL)	9M15	9M14	Y/Y (%)
Sales	519	565	-8%
Net Income / (Loss)	-137	-58	n.m.
Turcas Share on Net Income / Loss	-41	-17	n.m.

BALANCE SHEET (Million TL)	9M15	2014 YE	YTD (%)
Total Assets	1,538	1,559	-1%
Total Liabilities ⁽¹⁾	1,335	1,219	10%
Net Assets	203	340	-40%
Turcas Share on Net Assets	61	102	-40%

(1) TL 1,224 mln of which is shareholder loans owed to RWE (70%) and Turcas Elektrik Üretim A.Ş. (30%).