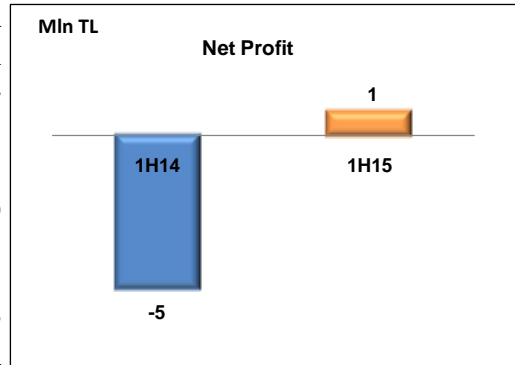


## TURCAS PETROL A.Ş. FIRST HALF 2015 EARNINGS RELEASE

**Istanbul, Turkey, 19 August 2015 – Turcas Petrol A.Ş. (BIST: TRCAS ) (“Turcas”)**

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

Turcas posted TL 1 mln net profit in 1H15 (vs TL 5 mln net loss in 1H14). The summary IFRS Financial Statements of Turcas have been provided in Annex-Table 1.



Operating profit (EBIT) of Turcas has increased by 37% to TL 21 mln in 1H15 compared to TL 15 mln in 1H14.

Income from subsidiaries turned positive in 2Q15 (TL 4 mln in 2Q15 vs TL -27 mln in 1Q15) thanks to solid improvement in fuel distribution business. However, on a cumulative basis, loss from subsidiaries was realized at TL 22 mln in 1H15 (TL 19 mln income in 1H14) due to:

- i) impact of price ceiling decision by Energy Market Regulation Authority (“EMRA”) between 20 February and 20 April 2015
- ii) unfavorable operating environment with lower spot prices as well as financial & non-cash depreciation expenses at RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG).

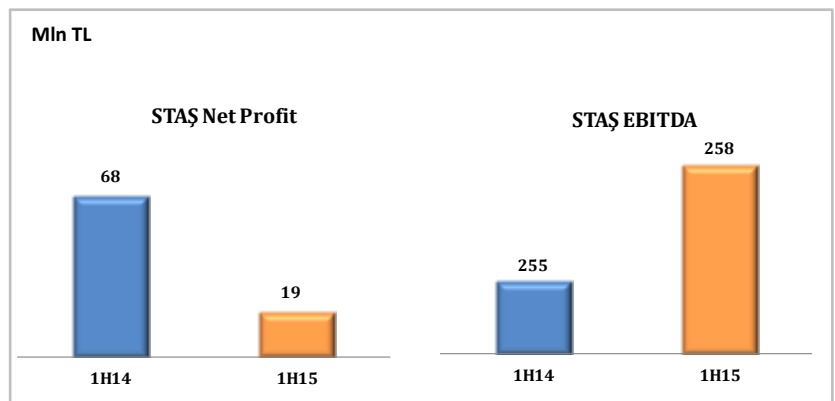
The breakdown of income/loss from subsidiaries is provided in Annex-Table 1.

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 1H15 to 690 ths TL due to the downsizing of the retail end-customer portfolio.

Net financial income was realized at TL 7 mln in 1H15 (-76% y/y) mainly impacted by depreciation of TL (TL 11 mln FX losses due to short EUR position on the balance sheet) and interest expenses (TL 7 mln) despite TL 25 mln interest income accrual (21,8 m TL from RTG regarding shareholder loan receivables, rest is interest income on time deposits).

### Fuel Distribution and Lubricants:

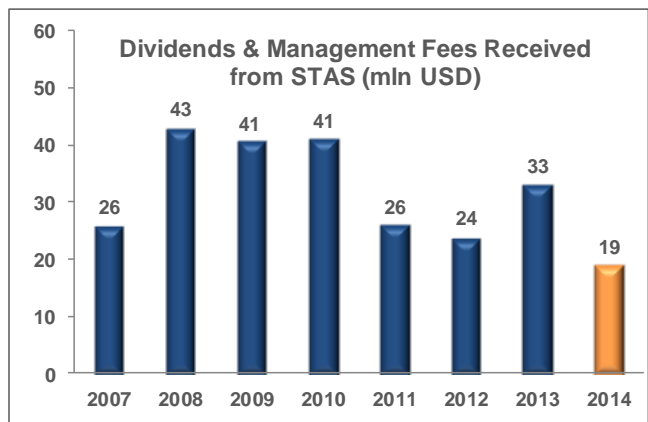
Turcas’ flagship subsidiary in fuel retail and lubricants, STAŞ, has recorded net sales of c.a. TL 7 bln (USD 2.7 bln) in 1H15 indicating 5% y/y decline due to (i) fall in oil prices and (ii) price ceiling decision by EMRA. Recall that EMRA had introduced a temporary price ceiling



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 in February 20, 2015, with the condition of transferring at least 60% of the combined margin to the dealer . The price ceiling has been lifted as of April 20, 2015. Driven by the partial recovery in operating performance on a quarterly basis, net profit was realized at TL 19 mln in 1H15 (-72% y/y) and the EBITDA figure was recorded as TL 258 mln (USD 101 mln) with 1% y/y increase. The summary financial statements of STAŞ have been provided in Annex-Table 2.

In terms of market share, STAŞ has further reinforced its leadership position in Gasoline (25%) and Lubricants sales (24%) and ranked as 3<sup>rd</sup> in White Product sales (comprising of gasoline and diesel sales) (17%) as of 1H15, according to EMRA 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 1,069 nationwide Shell branded service stations as of 1H15.

In 2014, Turcas received total dividends and management fees of ca. USD 19 mln from STAŞ. Thus, total dividends and management fees received since 2007 had reached ca. USD 253 mln. In 2014, Turcas received TL 23 mln (USD 11 mln) of management fees from STAŞ and TL 18 mln of dividends. In 2015, management fee amounting to TL 32 mln has been accrued in Turcas IFRS consolidated financials.



### Electricity Generation:

The 775 MW gas fired combined cycle power plant, which Turcas Electricity Generation (Turcas' 100% subsidiary) and RWE (one of the leading energy companies in Europe) jointly constructed in Denizli had entered into commercial operation in June 2013. The financial results of the JV company RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG) are given in Annex-Table.3. RTG has recorded TL 283 mln of net sales and TL 93 mln of net loss in 1H15. The loss is mainly due to the amortization expenses (TL 27 mln) and interest charges (TL 67 mln) on the shareholder loans owed to both shareholders; Turcas and RWE.

**Historic Investment Information:** Total project cost of the Denizli power plant 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.

## **Renewable Energy:**

In renewable energy segment, Turcas Renewable Energy (TR), which is a 99.99% subsidiary of Turcas, had initiated pilot studies for geothermal electricity generation with its exploration licenses in Aydın and Denizli provinces. In the first phases of this study, geology and geophysics measurements and studies were performed. Slim-hole drilling which was started in 1Q13 was completed in Aydın (Kuyucak-Pamukören region) site and TR converted its exploration license to operating license. In September 2013, Turcas Energy Holding established a joint venture company (Turcas & BM Kuyucak Jeotermal Elektrik Üretim A.Ş. or TBK) with BM Engineering with the purpose of increasing investment efficiency. Operating licenses of TR and BM Engineering have been transferred to TBK.

In that respect, our 46% jointly-controlled indirect subsidiary TBK applied to the Energy Market Regulatory Authority (EMRA) in order to obtain electricity generation preliminary license for Geothermal Electricity Power Plant with a planned installed capacity of 13.2 MW in Aydın Province, Kuyucak-Pamukören region. In December 2014, TBK has obtained the pre-production license from EMRA. 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. Final investment decision is planned to be taken on 4Q15.

As a separate project, TR acquired another 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 new electricity generation investments.

In terms of wind power projects, Turcas Renewable Energy (TR), which is a 99.99% subsidiary of Turcas, submitted pre-license applications to EMRA in 27 April 2015 regarding 4 Wind Power Plant investment projects. Mentioned 4 projects are expected to be realized in Balıkesir (35 MW), Çanakkale (40 MW), İzmir (21 MW) and Tekirdağ (20 MW) with a targeted installed capacity of 116 MW in total. Pre-license applications are still being evaluated by EMRA.

Turcas is also actively evaluating investment opportunities in wind and hydro projects which may get realised either through acquisitions or greenfield developments. In that respect, Turcas Enerji Holding A.Ş. and Azalternatıvenerji 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 solar, wind and geothermal power plant investments that are planned to take place in Turkey and Azerbaijan

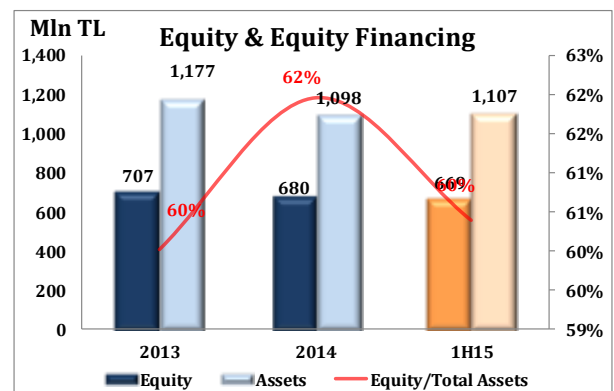
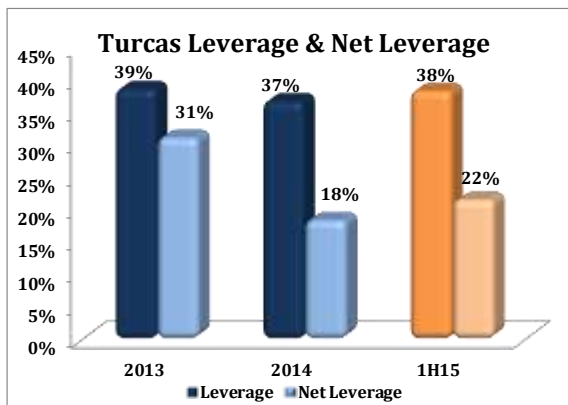
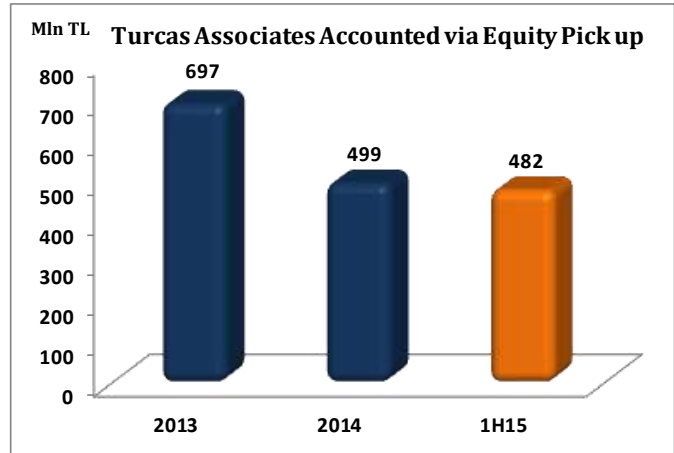
### Financing and Balance Sheet:

Major components among total assets of the Company amounting to TL 1.1 bln are Cash & Cash Equivalents amounting to 179 mln, Associates accounted via equity pick up consolidation method amounting to TL 482 mln and shareholder loan receivables from related parties, namely RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG), amounting to TL 362 mln.

All of the Company’s financial liabilities are the long-term project finance loans utilized for the partial financing of Turcas share in the construction of RTG’s 775 MW Denizli Power Plant (Turcas: 30%, RWE: 70%).

As explained in the Electricity Generation section, loans utilized from the Banks had been transferred to RTG as shareholder loans (SHL). 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 project finance loans utilized for financing our share in RTG, the Shareholder Equity/Total Assets ratio is still at 60% as of 1H15. Taking into account the Cash and Cash Equivalents figure (TL 179 mln), the ratio of Net Financial Debt (TL 238 mln) to Total Assets is at a low and sustainable level (22%).



**Table.1 - Turcas Petrol A.Ş. – IFRS Financials 30.06.2015**

<b>P&amp;L (Thousand TL)</b>	<b>1H15</b>	<b>1H14</b>	<b>Y/Y (%)</b>
<b>Net Sales</b>	<b>690</b>	<b>33,461</b>	<b>-98%</b>
<b>Gross Profit</b>	<b>128</b>	<b>618</b>	<b>-79%</b>
Operating Expenses	11,733	8,774	34%
Other Operational Income (Net)	32,435	23,394	39%
<b>Operating Profit</b>	<b>20,830</b>	<b>15,238</b>	<b>37%</b>
<b>Income / Loss from Subsidiaries</b>	<b>-22,421</b>	<b>18,539</b>	<b>n.m.</b>
STAS	5,637	20,423	-72%
RWE & Turcas	-28,044	-17,570	n.m.
STYAS (STAR & Turcas)	0	15,693	n.m.
BM Kuyucak	-15	-7	n.m.
<b>Adjusted EBITDA</b>	<b>-1,591</b>	<b>33,777</b>	<b>n.m.</b>
<b>Sale Proceeds from Investments</b>	<b>434</b>	<b>-62,583</b>	<b>n.m.</b>
Net Financial Income	7,334	31,068	-76%
Profit Before Tax	6,177	2,263	173%
Tax	-5,322	-7,331	n.m.
<b>Net Income / Loss</b>	<b>855</b>	<b>-5,068</b>	<b>n.m.</b>
<b>Earnings Per Share (TL)</b>	<b>0.00</b>	<b>-0.02</b>	<b>n.m.</b>

	<b>1H15</b>	<b>1H14</b>
ROA	0.2%	n.m.
ROE	0.3%	n.m.

<b>BALANCE SHEET (Thousand TL)</b>	<b>1H15</b>	<b>2014 YE</b>	<b>YTD (%)</b>
<b>Cash &amp; Cash Equivalents</b>	<b>186,161</b>	<b>201,495</b>	<b>-8%</b>
Trade Receivables	915	5,562	-84%
Receivables from Related Parties (ST)	48,532	44,214	10%
Receivables from Related Parties (LT)	313,439	302,110	4%
Investments / Associates	481,904	498,514	-3%
<b>Total Assets</b>	<b>1,107,086</b>	<b>1,097,632</b>	<b>1%</b>
Short Term Financial Liabilities	57,825	52,912	9%
Long Term Financial Liabilities	366,778	350,567	5%
<b>Total Financial Liabilities</b>	<b>424,603</b>	<b>403,479</b>	<b>5%</b>
<b>Total Equity</b>	<b>668,576</b>	<b>680,030</b>	<b>-2%</b>
<b>Total Equity and Liabilities</b>	<b>1,107,086</b>	<b>1,097,632</b>	<b>1%</b>

	<b>1H15</b>	<b>2014 YE</b>
Equity / Assets	60%	62%
Net Debt / Assets	22%	18%
Net Debt / Equity	36%	30%
Net Debt /Adjusted EBITDA (x)	n.m.	85.4

**Table.2 – Shell & Turcas Petrol A.Ş. (STAŞ) – IFRS Financials 30.06.2015**

<b>P&amp;L (Million TL)</b>	<b>1H15</b>	<b>1H14</b>	<b>Y/Y (%)</b>
Net Sales	6,940	7,333	-5%
Gross Profit	475	396	20%
<b>Gross Margin</b>	<b>6.85%</b>	<b>5.40%</b>	
Operating Expenses	389	351	11%
Other Operational Income (Net)	9	72	-87%
<b>EBIT</b>	<b>96</b>	<b>117</b>	<b>-18%</b>
Financial Gain / Loss	-68	-28	n.m.
<b>Net Income</b>	<b>19</b>	<b>68</b>	<b>-72%</b>
<b>EBITDA</b>	<b>258</b>	<b>255</b>	<b>1%</b>
<b>EBITDA Margin</b>	<b>3.72%</b>	<b>3.48%</b>	

<b>BALANCE SHEET (Million TL)</b>	<b>1H15</b>	<b>2014 YE</b>	<b>YTD (%)</b>
<b>Current Assets</b>	<b>2,324</b>	<b>2,196</b>	<b>6%</b>
Financial Liabilities	1,064	861	24%
<b>Total Equity</b>	<b>1,367</b>	<b>1,348</b>	<b>1%</b>
<b>Total Assets</b>	<b>3,705</b>	<b>3,339</b>	<b>11%</b>

**Table.3 – RWE & Turcas Güney Elektrik Üretim A.Ş. (RTG) –Financial Summary 30.06.2015**

<b>P&amp;L (Million TL)</b>	<b>1H15</b>	<b>1H14</b>	<b>Y/Y (%)</b>
Sales	283	326	-13%
Net Income / (Loss)	-93	-59	n.m.
Turcas Share on Net Income / Loss	-28	-18	n.m.

<b>BALANCE SHEET (Million TL)</b>	<b>1H15</b>	<b>2014 YE</b>	<b>YTD (%)</b>
Total Assets	1,517	1,559	-3%
Total Liabilities <sup>(1)</sup>	1,271	1,219	4%
Net Assets	246	340	-28%
Turcas Share on Net Assets	74	102	-28%

(1) TL 1,186 mln of which is shareholder loans owed to RWE (70%) and Turcas Elektrik Üretim A.Ş. (30%).